

STATE OF TENNESSEE

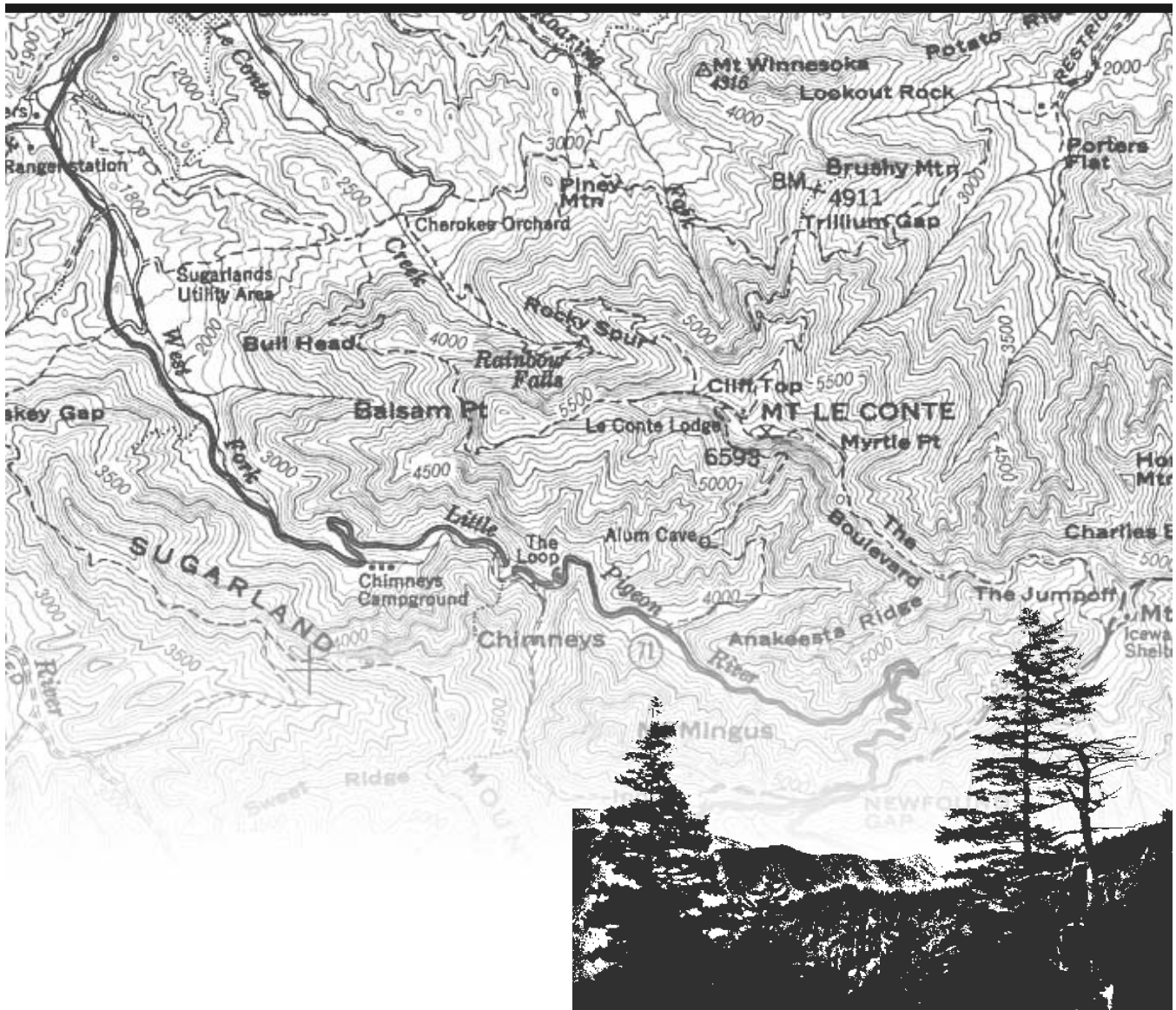


The Budget

FISCAL YEAR 2010-2011



Phil Bredesen, Governor



Cover: On Mount Le Conte, Great Smoky Mountains National Park, November 14, 1992. Sunset, near the mountaintop, on the Bull Head trail via Alum Cave Bluffs trail.

Mount Le Conte is the third highest peak in the Smokies and is located in Sevier County, north of U.S. 441 between Gatlinburg and Newfound Gap and west of the Appalachian Trail ridgeline. U.S. Geological Survey (USGS) topographic maps say the Mount Le Conte elevation is 6,593 feet above sea level. USGS geographic names information system says the elevation is 6,575 feet.

Trees in the foreground and on ridges in the photograph are the eastern hemlock, a conifer. In the United States, the eastern hemlock ranges from Maine to South Carolina, Georgia, and Alabama. The tree is dying throughout its range, because of an infestation of a non-native insect, the hemlock woolly adelgid. State and federal agencies are using treatment methods to kill the insect, but the outlook for the eastern hemlock is uncertain.

Budget section dividers: Illustration by Tennessee Department of General Services, Printing and Media Services Division, 2010, made from map of Mount Le Conte area, U.S. Geological Survey, 1949 National Park Service GSMNP topographic trail map, from the Library of Congress map collection. Mountain image is made from the cover photograph.



Phil Bredesen,
Governor





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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, 2009.

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

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

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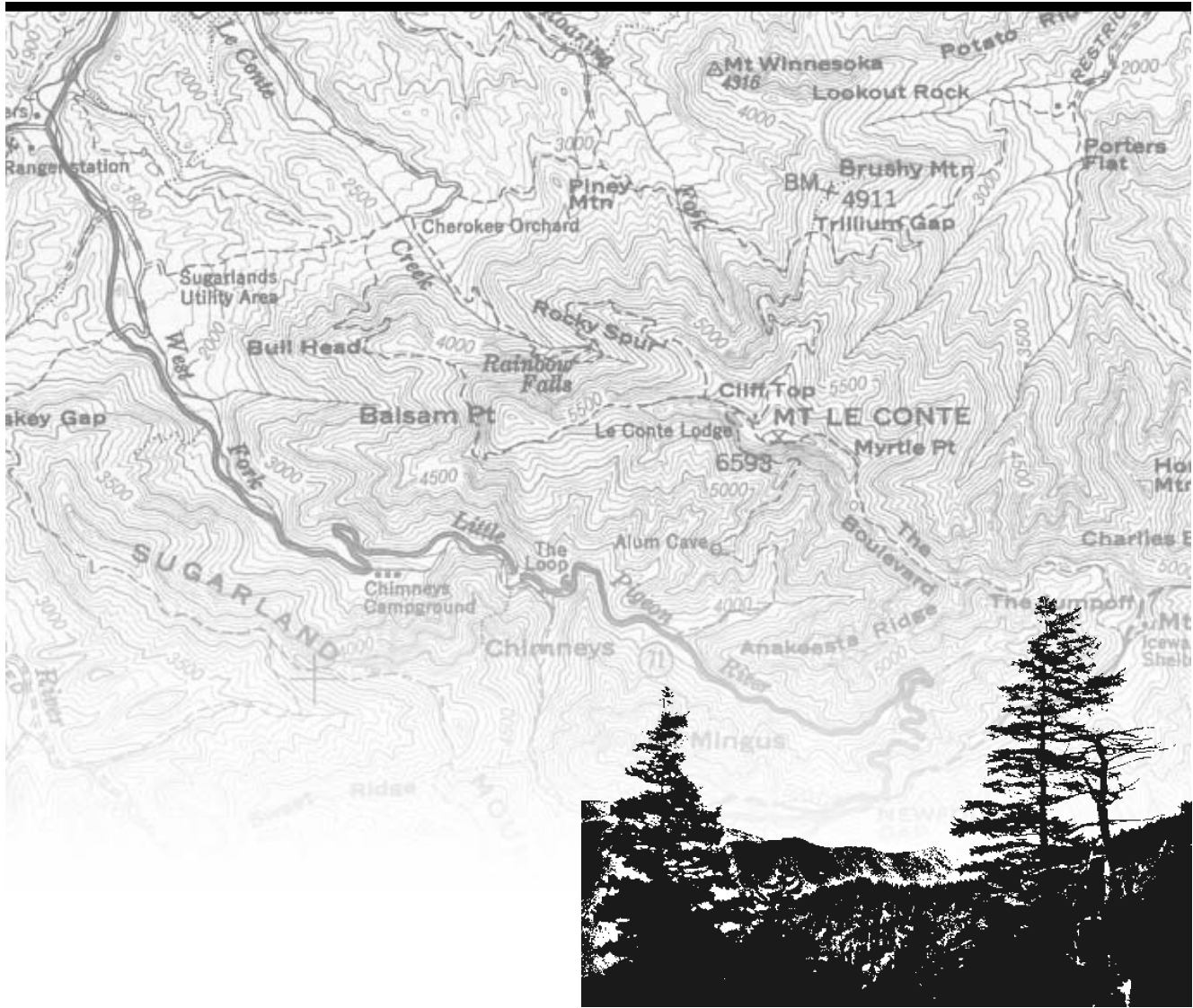
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Introduction



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STATE OF TENNESSEE

PHIL BREDESEN
GOVERNOR

February 1, 2010

To the Members of the 106th General Assembly:

I am honored to recommend to you the 2010-2011 Budget for the State of Tennessee, the eighth and final budget of my Administration. I have kept in mind the state financial condition that my successor will inherit.

When times were better, we invested revenues wisely in education, economic development, health care, public safety, and natural resource conservation, and in the reserve that helps us manage through hard times. During the extraordinary session in January, you enacted education and higher education reforms and appropriated state and federal funds for implementation. Now we must turn our attention to the continuing economic challenge.

In this budget, I recommend base reductions and revenue measures required to balance. I also recommend continued investments in the K-12 basic education program (BEP) funding formula, higher education initiatives and capital maintenance of our campuses, and economic development; a retirement contribution increase and continuation of the \$50 per month state match on 401(k) investments of state and higher education employees; a 3 percent salary bonus for state and higher education employees and funds for a bonus for K-12 teachers and other certificated staff; open enrollment in the Cover Kids and Cover Rx health-care plans; and full restoration of the real estate transfer tax to the land acquisition and soil conservation programs.

The revised multi-year budget plan will preserve core services to people of Tennessee, as we experience a slow recovery from the deepest recession since the Great Depression of more than 70 years ago. The recommended budget is in balance in both the current and next fiscal years through spending restraint and use of non-recurring funds. The recurring imbalance in both the current year (Year 0) and 2010-2011 (Year 1) has increased from the estimate made last spring, because of continued undercollection of budgeted revenue estimates in the current year. Just as I recommended in the budget last year, the multi-year budget plan is in recurring balance in Years 2, 3, and 4 (fiscal years 2011-2012 through 2013-2014).

The budget includes a plan for closing the current year using non-recurring sources, without transfers from the revenue fluctuation reserve (rainy day fund) or the TennCare reserve. For next year, the multi-year balancing plan requires further recurring budget reductions, averaging 6 percent of the discretionary base, and use of non-recurring sources, including the rainy day fund and the TennCare reserve, to offset a recurring imbalance of \$99 million. Non-recurring state and federal recovery act funds will continue the provision of core services that otherwise would be cut from the budget next year. I also recommend in the budget that a reserve for core services be established to continue funding some filled positions and program services through 2011-2012. This will give the next governor and general assembly an option, as they develop the

2011-2012 budget, to continue those core services through that fiscal year, if the economy continues to be slow or to fund those core services on a recurring basis, if revenues exceed our estimates. Most of these services are in the areas of K-12 education, health, and social services.

While a 9 percent reduction is recommended in more than half of the state agencies, the base of the K-12 basic education program funding formula is held harmless, resulting in a reduction in the Department of Education total state base of just 0.4 percent; and the higher education reduction is limited to 6 percent; and 6 percent or lower reductions also are made in several agencies affecting social services. Less than a 1 percent reduction is recommended in the prison system and the probation and parole program; and no reduction is recommended in district attorneys general and district public defenders budgets.

In order to preserve some of these agencies from any reduction or a greater reduction, I am recommending that we address some inconsistencies and inequities in tax law, raising \$49.8 million in state revenue. This will protect higher education, agriculture or forestry, and probation and parole programs from additional reductions and will prevent any reduction in the district attorneys and public defenders budgets. In addition, I am recommending an increase in the drivers license fee and conversion of the license to eight years, raising \$21.9 million annually, which will shield the highway patrol and drivers license stations from any reduction and also will fund an improvement in drivers license production and provide revenue for debt service on 10-year capital outlay bonds for a highway patrol communications system and a new drivers license issuance system.

As the General Assembly examines the recommended budget, I encourage you to maintain an adequate revenue fluctuation reserve and TennCare reserve. Our foresight in building an adequate rainy day fund has served us well through the recession. While it is necessary to use the reserve to maintain services in an economic slowdown, as I am recommending, bear in mind that in the last two-year period our revenue base has slipped \$1.5 billion below the budget assumptions made in July 2007, that December 2009 was the 19th consecutive month and the 22nd of the last 24 months of year-over-year monthly decline in sales tax collections.

Given a choice, this certainly is not a final budget any of us would like to develop. But we can be proud of the work we have done together to provide essential services, make investments for the future of the people of Tennessee, and manage within our means, as they expect us to do.

You may have ideas that will improve this budget, and we should discuss those. 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

February 1, 2010

The Honorable Phil Bredesen
State Capitol
Nashville, Tennessee 37243

Dear Governor Bredesen:

I present to you the fiscal year 2010-2011 Budget Document, the eighth of your Administration. As you directed, we have developed the budget to help you and your successor manage state finances through a difficult economy.

Though a slow recovery is underway, the severity of the recession has lowered the base of state revenues, which began a decline in 2007-2008 that continues today. The revised revenue estimate for the current year is \$1.5 billion below the budgeted estimate of July 1, 2007. The budget presents a revised multi-year plan, balanced in each year, but using non-recurring sources in the current and next year. Recurring reductions in 2010-2011 result in recurring balance in each of the next three years.

In the current year, we must reduce general fund revenue estimates by \$153.2 million, a decline of 0.85 percent from Department of Revenue collections last year. For fiscal year 2010-2011, we estimate \$189.8 million of growth in these taxes, which is a growth rate of 2.3 percent, the upper end of the revenue estimate range recommended by the Funding Board in December. In 2010-2011, the base of general fund revenue is estimated to be only \$36.6 million above the estimate budgeted at July 1, 2009.

The net recurring imbalance in the current fiscal year now is estimated at \$608.4 million in the general fund, when considering revenue undercollection, supplemental appropriations, and the recurring imbalance of \$430.1 million that was assumed in the enacted budget for the current year. The budget is balanced in the current year by use of non-recurring sources, without use of the revenue fluctuations reserve (rainy day fund) and the TennCare reserve, and a surplus of \$100.5 million will be carried forward at June 30, 2010, to help fund non-recurring requirements in the 2010-2011 budget. This is possible because of the spending restraints put in place in the original allotment of funds to state agencies in the current year, additional agency reversions, and the usual transfer to the general fund of debt service fund savings resulting from unissued bonds.

The total state budget for 2010-2011 is \$28.4 billion, with \$12.4 billion from state appropriations, \$11.2 billion from federal funds, and \$4.8 billion from other departmental revenues, higher education student tuition and fees, and bonds for capital outlay and highway projects.

Following 2009-2010 recurring base reductions of \$753.9 million (11.9 percent from the discretionary base) enacted last June, the budget for 2010-2011 includes further recurring base reductions of \$394.2

million (6.2 percent). But as was done in the enacted budget for the current year, the budget for next year includes use of non-recurring sources, including the rainy day fund and TennCare reserve, to preserve core services. Further, this budget recommends establishment of a \$135.6 million reserve for 2011-2012 appropriations for core services, in order to allow the next administration and general assembly to continue those services as the economy slowly recovers. The estimate of need for this reserve is mostly in the areas of K-12 education and health and social services.

While averaging 6 percent in base reductions, the reduction in more than half of state agencies is 9 percent. In K-12 education, the basic education and pre-kindergarten programs base is held harmless. Higher education is reduced 6 percent, and several health and social services agencies have reductions of less than 6 percent. A reduction of less than 1 percent is recommended in the prison system budget.

With \$49.8 million of state revenue raised by legislation addressing some inconsistencies and inequities in tax law, base reductions are entirely avoided in the district attorneys general and district public defenders budget; and the following agencies with reductions of less than 9 percent are protected from additional reductions noted here: higher education (3 percent relief), probation and parole (8.5 percent), and agriculture or forestry (5.4 percent). Further, the budget includes \$21.9 million in new revenue from a proposed drivers license fee increase, which will prevent any base reduction in the highway patrol and drivers license stations, and also will fund an improvement in drivers license production and provide for debt service for 10-year capital outlay bonds for new highway patrol communications and drivers license issuance systems.

U. S. economic recovery funds in 2010-2011, totaling \$1.3 billion, will assist in maintaining state services and will provide additional non-recurring support in federal grant programs. Of this amount, \$1.1 billion is from the U.S. state fiscal stabilization fund and enhanced federal match rates.

The budget includes full funding of the K-12 basic education program formula, but growth in the capital outlay factor is frozen for one year. Non-recurring funds are provided for the FastTrack economic development program, but program improvements in other areas are limited. A normal capital maintenance program is funded for higher education and state facilities. For state and higher education employees, funds are recommended for a non-recurring 3 percent salary bonus; for a recurring retirement system contribution increase; and for continuation of the 401(k) state match at \$50 per month, with \$10 of the match being non-recurring. For K-12 teachers, a non-recurring salary bonus, a retirement contribution increase, and a health insurance rate increase are funded.

The revenue fluctuation reserve is estimated at \$556.5 million at June 30, 2009, at \$501.8 million at June 30, 2010, and at \$444.7 million at June 30, 2011. I would encourage the General Assembly to be protective of this reserve, as revenue-estimating in this economy has been uncertain.

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 2010-2011

The total recommended state budget for 2010-2011 is \$28.4 billion, with \$12.4 billion from state appropriations, \$11.2 billion from federal funds, and \$4.8 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 fiscal year 2009-2010, the revenue estimate is decreased by \$153.2 million from the originally budgeted estimate. The revised current-year growth rate in the general fund is negative 0.85 percent (-0.85%) compared with the actual 2008-2009 Department of Revenue collections. For 2010-2011, before inter-fund reallocations, general fund taxes are expected to grow by \$189.8 million above the revised current-year estimate. This is a 2.30 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 2.25 percent in 2010-2011 in the Budget Document. (Inter-fund reallocations are from the debt service fund to the general fund, resulting from a lower debt service requirement that occurs because of retirement and cancelation of bonds and because of interest rates on bonds recently sold; from the general fund to the debt service fund, resulting from proposed new bond authorizations; and from Department of Revenue taxes to other state revenues, resulting from the restoration of the real estate transfer tax to the land acquisition and soil conservation programs.)

The revised revenue estimates for the current year and estimates for next year are based on a slow economic recovery through fiscal year 2010-2011 and beyond.

Plan for Balancing

The general fund closing requirement for fiscal year 2009-2010 is projected to be \$217.3 million (\$153.2 million undercollection in Department of Revenue taxes, \$25 million undercollection in other revenues, and \$39.1 million in supplemental appropriations). Revenues available to address this requirement include: the allotment reserve of \$43.9 million that was established at the beginning of the fiscal year; group health insurance savings of \$50.5 million; an additional reversion from the TennCare program of \$104.8 million; an \$8 million increase in the estimate of claims premium credit savings; a debt service fund transfer of \$107 million resulting from authorized and unissued bonds; savings from the reverification of state employees eligible for group health insurance of \$2.5 million; and a mileage rate reduction that occurred in October,

2009 that saved \$1.1 million. These items add to \$317.8 million in savings to address the \$217.3 million closing requirement, resulting in a surplus at June 30, 2010, of \$100.5 million.

In fiscal year 2010-2011, base budgets in general fund programs throughout state government have been reduced by \$394.2 million, and certain programs have been increased by \$30.2 million, for a net recurring base reduction of \$364 million in the general fund. (The reductions are detailed in **Volume 2: Base Budget Reductions**.) The impact of these reductions is mitigated by using \$87 million in non-recurring funds. The use of these non-recurring funds makes for a net base budget reduction plan of \$307.2 million in fiscal year 2010-2011. A reserve of \$135.6 million is established to preserve in fiscal year 2011-2012 certain core services and state positions that are part of the recurring reductions made in 2009-2010 and 2010-2011.

The 2010-2011 fiscal year has a recurring deficit of \$99 million, offset by the use of non-recurring revenues from the revenue fluctuation reserve and the TennCare reserve. The four-year budget projection in this document estimates recurring balance in each of the three fiscal years after 2010-2011. Based on general fund revenue growth projections in Department of Revenue taxes of 4.5 percent in 2011-2012, then 5 percent in 2012-2013, and 5 percent in 2013-2014, the positive recurring balance is \$9 million in 2011-2012, then \$2 million in 2012-2013, and \$1 million in 2013-2014.

K-12 Education

Tennessee has applied for \$501.8 million in federal American Recovery and Reinvestment Act (ARRA) funds under the Race to the Top program. These grants will be awarded to states that develop plans to implement coherent, compelling, and comprehensive education reform. Tennessee's application requests that the funds be spent over a four-year period and the recommended budget includes a \$120 million federal estimate for fiscal year 2010-2011, which will be the first year of the grant period. This amount will be used for implementation and administration (\$1.1 million), standards and assessments (\$403,500), data systems (\$16.5 million), teachers and leaders (\$15.6 million), school turnaround (\$17.4 million), competitive priorities (\$6.4 million), and sub grants to local education agencies (\$62.7 million). The United States Department of Education will announce the recipients of the Race to the Top awards in April, 2010.

For K-12 education, the improvement from the general fund is \$175 million, including \$43 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 \$3 million appropriation for pre-kindergarten is necessary to replace funding from the Lottery for Education Account. Lottery revenue is no longer available to the Pre-K program because of obligations for higher education lottery scholarships. An additional \$714,000 is for the inflationary costs of existing classrooms.

Other K-12 education improvements include \$67.8 million to fund the state share of a one-time salary bonus for all licensed personnel in local education agencies; \$48.9 million to provide

funding for the state share of a Tennessee Consolidated Retirement System (TCRS) rate increase for local education agencies; \$5.4 million to annualize the state share of the January 1, 2010 group health insurance increase for local education agencies; \$2.8 million to fund a January 1, 2011 group health insurance increase for six months; \$1,000,000 to provide a fifth-year non-recurring grant to Save the Children to target literacy improvement in grades one through three in under-served schools; and \$2 million to provide fourth-year non-recurring funding to Tennessee State University for professional development of K-4 math and science teachers.

The American Recovery and Reinvestment Act (ARRA) funds the following programs with the amounts indicated in non-recurring federal dollars: \$17.5 million 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; \$3 million in formula-based funding to integrate technology into curricula to improve teaching and learning; \$5.1 million and five positions from a competitive grant program to state educational agencies to design, develop, and implement statewide longitudinal data systems; \$6 million from a competitive grant for states and local education agencies to develop and implement performance-based teacher and principal compensation systems in high-need schools; and \$1.1 million in formula-based funding to children with disabilities, ages birth through two, according to individualized family services plans.

Higher Education

For higher education, the general fund improvement is \$79 million. This includes non-recurring funding of \$6.2 million for the development of a new graduate energy sciences and engineering program at the University of Tennessee at Knoxville (UTK) in partnership with Oak Ridge National Laboratory (ORNL). The program will create 200 UTK faculty positions and will double the number of doctoral degrees awarded by the university. The \$6.2 million appropriation will support the new program for three years, with program expenses beyond fiscal year 2012-2013 funded by UTK and ORNL. A fourth 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.

Other appropriations include: \$3.2 million in recurring funds to continue need-based financial aid at the current-year funding level to approximately 30,000 students; \$51.3 million to provide non-recurring funds for a three percent salary bonus; \$1.6 million in non-recurring funds to maintain the 401k state match at \$50; and \$11.4 million for the increase in the retirement contribution rate for higher education employees.

The American Recovery and Reinvestment Act (ARRA) mandates that a portion of the federal funds available under the act be used to restore the total funding level of institutions of higher education to the total state appropriation in fiscal year 2007-2008. To meet this mandate, \$58.8 and \$104.2 million in non-recurring federal funds are recommended for the University of Tennessee and the State University and Community College System respectively.

Jobs, Economic Development, Agriculture, and the Environment

Programs funded by the real estate transfer tax are fully funded on a recurring basis. The Agricultural Resources Conservation Fund in the Department of Agriculture receives \$3.2 million, the State Lands Acquisition and Local Parks Acquisition programs in the Department of Environment and Conservation receive \$3.7 million and \$3.1 million respectively, and the Wetlands Acquisition program in the Tennessee Wildlife Resources Agency receives \$906,300, for a total of \$10.9 million. These appropriations, along with the \$6.1 million base budget allocation, will provide a total allocation from the tax of \$17 million for the four land acquisition and soil conservation programs in fiscal year 2010-2011.

For economic and community development, the budget includes \$23.5 million in non-recurring funding to support jobs initiatives. From this amount, \$20 million is for the recruitment of new businesses, including support for workforce training, marketing, and education initiatives. A non-recurring appropriation of \$3.51 million is for the Eastman project and regional job training in the Kingsport area. A non-recurring appropriation of \$3.5 million to continue Tennessee's advertising campaign is recommended for the Department of Tourist Development.

Non-recurring federal American Recovery and Reinvestment Act (ARRA) funds in the amount of \$27.6 million are recommended for the following programs in the Department of Environment and Conservation: \$20 million for the Clean Water State Revolving Fund, which provides low-interest loans to cities, counties, and utility districts for the planning, design, and construction of wastewater facilities; \$7.5 million for the Drinking Water State Revolving Fund, which provides low-interest loans to cities, counties, and utility districts for the planning, design, and construction of drinking water facilities; and \$184,900 for the promotion of water-quality management and green infrastructure stormwater controls.

Labor and Workforce Development will receive a total of \$4.3 million in non-recurring ARRA funding. Of that amount, \$2.3 million will be used to provide employment and training services to assist dislocated workers in finding employment; \$2 million will help employ disadvantaged youths during the summer months; and \$4,100, which is the remainder of a three-year grant totaling \$484,100, will be used for training unemployed low-income seniors age 55 and older.

Federal ARRA funds in the amount of \$2.8 million are recommended for the Energy-Efficient Appliance Rebate Program, which helps residential consumers lower energy bills by offering rebates for purchasing energy-efficient Energy Star products that replace old appliances. State and local government energy assurance planning is provided with \$360,100 in ARRA funding. Community Development Block Grants (CDBG) to city and county governments for water, sewer, housing rehabilitation, community livability, and economic development are increased with an additional \$413,000 in ARRA funding. The Department of Agriculture will receive \$345,900 in non-recurring ARRA funds for the Emergency Food Assistance Program, which provides food to local agencies, usually food banks.

The Tennessee Housing Development Agency (THDA) will receive \$24.4 million in federal ARRA funds, \$19 million of which is for the HOME Investment Partnership, which provides tax

credit assistance for the construction of affordable rental housing, and \$5.4 million for Emergency Shelter Grants, which are used to provide short-term or medium-term rental assistance, housing relocation and stabilization services, credit repair, security or utility deposits, utility payments, and other appropriate activities for homelessness prevention and re-housing of persons who have become homeless.

The Arts Commission will receive \$93,000 in non-recurring ARRA funding to offer grants to eligible non-profit organizations.

Health, Child Welfare, Social Services, and Juvenile Justice

Funding for Cover Tennessee Health Care programs is increased by \$17.6 million from the general fund and \$41.5 million from federal funds for a total of \$59.2 million. Of these amounts, state funding of \$13.1 million and matching federal funds of \$41.5 million are recommended for the CoverKids program to provide health insurance to children with a household income below 250 percent of the federal poverty line. Open enrollment in the CoverRx program, which provides affordable pharmaceuticals for individuals below 250 percent of the federal poverty line who lack pharmacy coverage, is funded with an appropriation of \$4.5 million.

Perinatal grants provided to university hospitals for outreach and education by the Bureau of TennCare are fully funded on a recurring basis with a general fund appropriation of \$2.2 million and \$2.3 million in federal matching funds for a total of \$4.5 million. Also in the Bureau of TennCare, a program integrity unit consisting of eight positions and funded with \$459,600 in federal funds and \$153,300 in civil penalties for a total of \$612,900 is created to prevent and detect fraud, waste, and abuse.

The Department of Children's Services budget includes an improvement of \$3.6 million in non-recurring funds for counties that commit children to state custody at a rate over 300 percent of the statewide commitment average.

American Recovery and Reinvestment Act (ARRA) non-recurring federal funds are provided to the Department of Health for the following programs: \$765,900 to fund eight positions on a temporary basis to coordinate state prevention and detection efforts; \$49,200 and one temporary position to combat the spread of mumps; \$191,400 and three temporary positions to assist in the department's infection prevention and surveillance efforts; \$326,800 and two temporary positions to study the effectiveness of vaccines; \$45,900 to recruit primary health, oral health, and behavioral health care providers; \$185,200 to modify the Women, Infants, and Children (WIC) supplemental food tracking system; \$1.7 million in grants to local governments to construct, renovate, and purchase equipment for qualified health centers; and \$590,200 to purchase and distribute recommended vaccines and to provide scientific and technical support to strengthen statewide vaccination programs.

Non-recurring federal ARRA funds of \$209.7 million are provided to the Department of Human Services to address a 13.6 percent increase in benefits for Food Stamp recipients. In the Commission on Aging and Disability, a non-recurring general fund appropriation of \$85,700 will match federal non-recurring ARRA funds of \$435,700 for a total of \$521,400 to provide congregate and home-delivered meals to the elderly and adults with disabilities.

Safe Communities

In the prison budget, \$1.1 million is provided for the expansion of prison facilities at Turney Center, Southeastern Tennessee State Regional Correctional Facility, and the West Tennessee State Penitentiary. The state appropriation increase for the additional prison operating cost is offset by a recurring base reduction of \$1.1 million in the Sentencing Act of 1985 allotment, as authorized by law. The cost of the increased felon population in local jails is funded with a \$7.6 million appropriation. Operational costs of prison service agreements, health, mental health, and sex offender treatment are funded with a \$5 million appropriation. The Federal Communications Commission has mandated that 550 MHz radio systems be upgraded to 800MHz by the year 2013, and \$5.5 million is appropriated to meet this federal requirement.

Legislation will be introduced to increase the offender-paid fees for drug testing and blood alcohol testing from the current amount of \$100 to \$250, and the resulting increased revenue of \$1.9 million will be used to support the operations of the Forensic Services Division of the Tennessee Bureau of Investigation.

The Department of Safety receives a total of \$4.1 million in state appropriations. Of that amount, \$2.3 million is to replace a driver license card production contract and to issue a license with enhanced security features. The operation of the new Giles County Scales Complex is provided for with a \$1.8 million appropriation and thirteen new positions.

General Government

A non-recurring salary bonus of three percent for state employees is funded with \$45.6 million. An appropriation of \$15 million in non-recurring funds is recommended to advance the appropriate use of health information technology to improve quality of care. A non-recurring general fund subsidy of \$15 million is recommended to eliminate the current unfunded liability of the current tuition units in the Baccalaureate Education System Trust (BEST), a program that allows for the purchase of tuition units on behalf of a designated beneficiary and entitles the beneficiary to the payment of qualified higher education expenses. A severance package consisting of \$3,200 and college tuition assistance for state employees involuntarily separating from state service is funded with an appropriation of \$9 million. The contribution rate for retirement is increasing from 13.02 percent to 14.91 percent and \$21.4 million is recommended to fund the new rate. In other areas of state government, the 401k match rate is increased from \$40 to \$50 with \$2.5 million in non-recurring funds; operational expenses of the new data center are funded with an appropriation of \$2.1 million; a non-recurring appropriation of \$1.7 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 a state employee lodging rate increase resulting from a federal travel rate adjustment is funded with \$900,000.

The Tennessee Regulatory Authority has been awarded \$258,900 in federal funds from the American Recovery and Reinvestment Act (ARRA) to promote energy conservation by designing educational information, conducting workshops, and collaborating with utilities to develop and implement smart-meter technology for electric utilization. This federal grant funds two positions and will end in October, 2013.

Capital Outlay

Capital outlay in fiscal year 2010-2011 totals \$293.3 million, including \$165.4 million in non-recurring current funds and \$36.9 million from federal and other sources. A bond authorization of \$90.9 million is also requested. Thirty new group homes to be filled by patients from Clover Bottom Developmental Center are funded with an appropriation of \$50 million, and an appropriation of \$2.8 million is recommended for engineering and design at the West Tennessee Megasite.

Included in these capital appropriations are two projects for the Department of Safety. A new communications system for the highway patrol is funded with \$29.9 million in appropriations and \$60.1 million in bonds for a total of \$90 million. A new driver license issuance system is funded with \$12.4 million in appropriations and \$17.6 million in bonds for a total of \$30 million.

Additionally, \$110.6 million is recommended for capital maintenance of state facilities, comprised of \$30.1 million for general government, \$29.6 million for the Board of Regents, \$21.3 million for the University of Tennessee, and \$29.6 million for correctional facilities, the latter amount from sentencing act funds.

The facilities revolving fund (FRF) capital budget provides an additional \$25.5 million for projects and maintenance of state office buildings and similar facilities maintained through agency rent payments. This is funded by \$4 million from FRF current funds, \$5.1 million from other funding, and \$16.4 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 is estimated at \$556.5 million at June, 2009. The 2009 appropriations act included the use of \$54.7 million from the reserve in fiscal year 2009-2010, leaving a balance of \$501.8 million on June 30, 2010. Fiscal year 2010-2011 will require using \$57.1 million from the reserve, bringing the projected June 30, 2011, balance to \$444.7 million.

TennCare Reserve

The TennCare reserve consists of prior-year unspent funds appropriated to the TennCare program. The unobligated reserve as of June 30, 2009, is estimated at \$347.8 million. The budget for fiscal year 2009-2010 includes an expenditure of \$6 million from the reserves for grants to primary care clinics, leaving a projected balance in the reserve of \$341.8 million on June 30, 2010. The fiscal year 2010-2011 budget will require a transfer of \$170 million to the general fund, leaving a projected balance of \$171.8 million in the TennCare reserve on June 30, 2011.

On June 30, 2010, the projected balances of \$444.7 million in the revenue fluctuation reserve and \$171.8 million in the TennCare reserve will amount to \$616.5 million in savings that could be used in later years.

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 combination of significant program reductions and the use of reserves to manage through the economic downturn is a prudent balance between larger reductions in state services and spending most of the state's reserves.

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.

Because of the implementation of a new accounting system, expenditures for fiscal year 2008-2009 in this document are estimates based on the enacted budget and include revisions authorized by the appropriations act. For revenues, the document includes actual collections of Department of Revenue taxes and estimated collections of other state revenues. Departmental revenues also are estimates, based on the 2008-2009 enacted budget. When final revenues and expenditures are available, they will be presented in a subsequent document.

The "Introduction" section of the Budget Document begins with transmittal letters from the Governor to the General Assembly and from the Commissioner of Finance and Administration to the Governor. These letters and the following budget highlights summarize the policy and financial recommendations included in the document.

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

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

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

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

Also included are tables that list, by department, the 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, and certain programs affecting indigent or low-income persons.

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. 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.

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 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, 2007 and 2008.

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

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

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

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

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

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

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

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

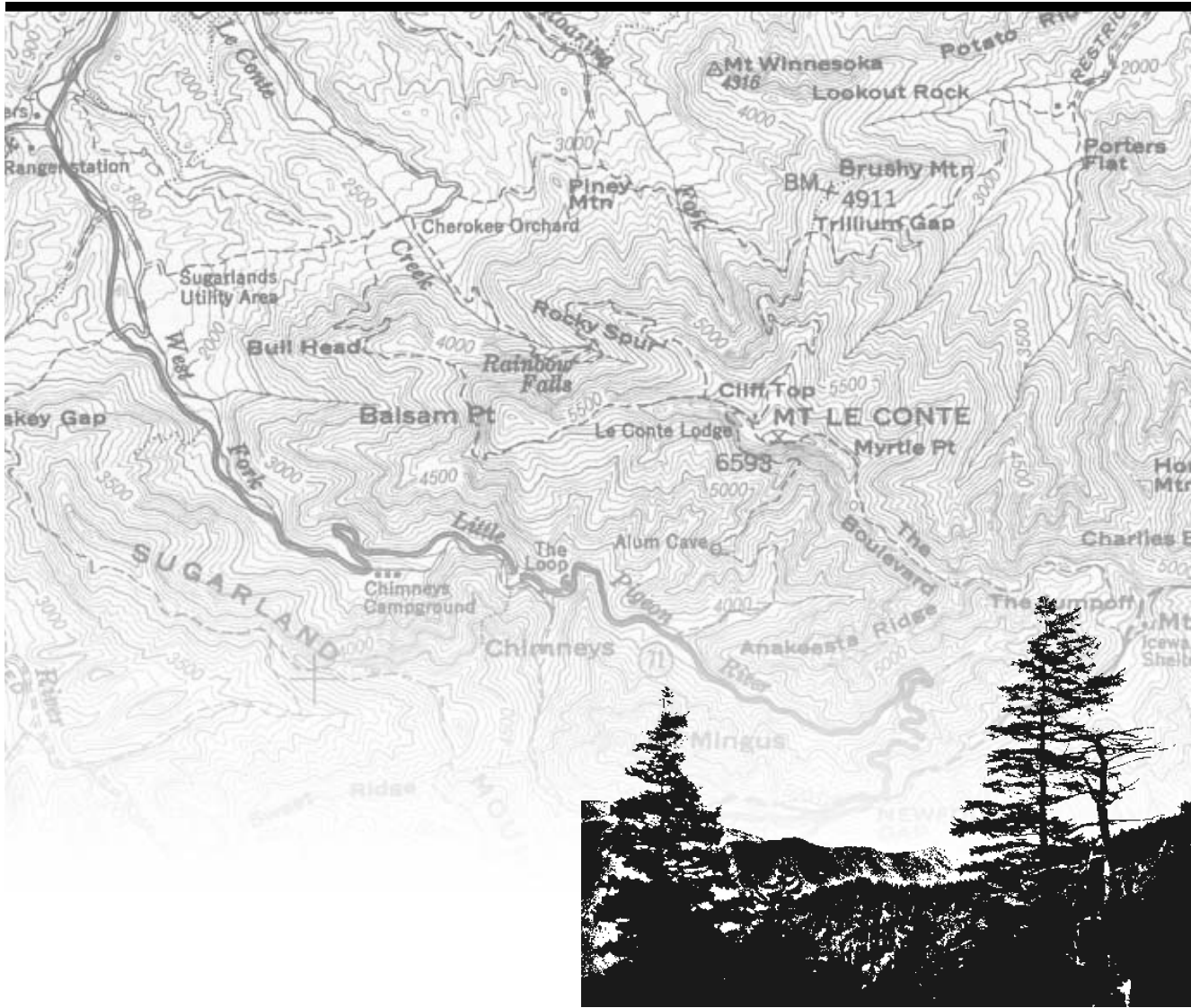
Following this narrative, fiscal and personnel data are provided for the last completed year, the current year, and the next year.

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

Budget Overview

Summary Statements and Charts



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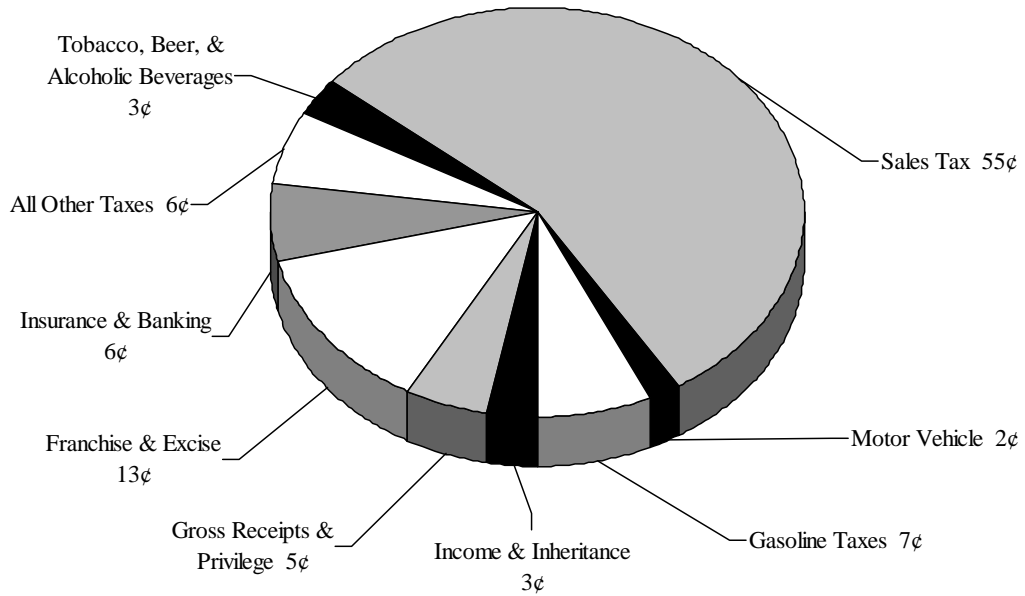
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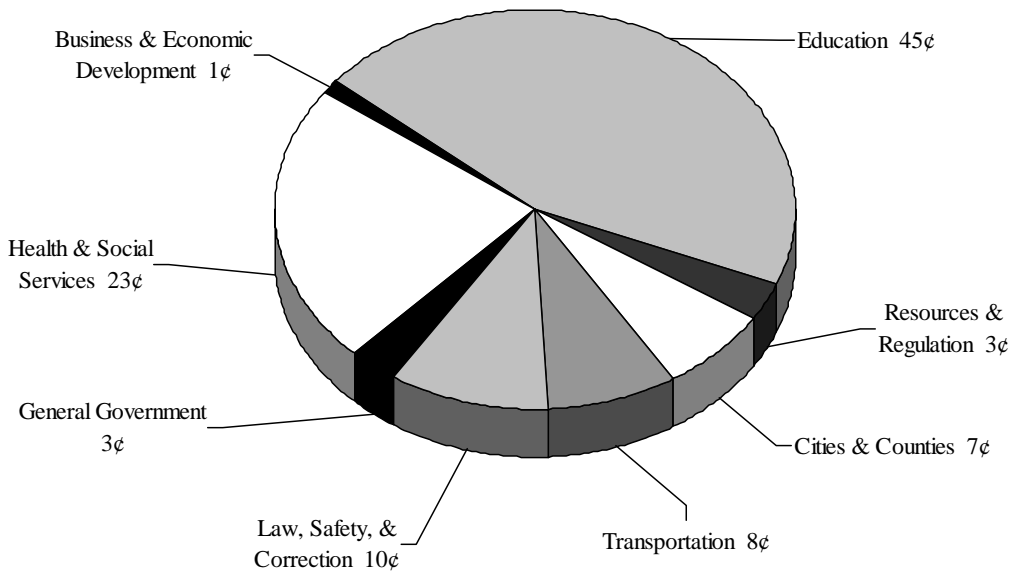
Budget Overview

Total State Budget

Where Your State Tax Dollar Comes From



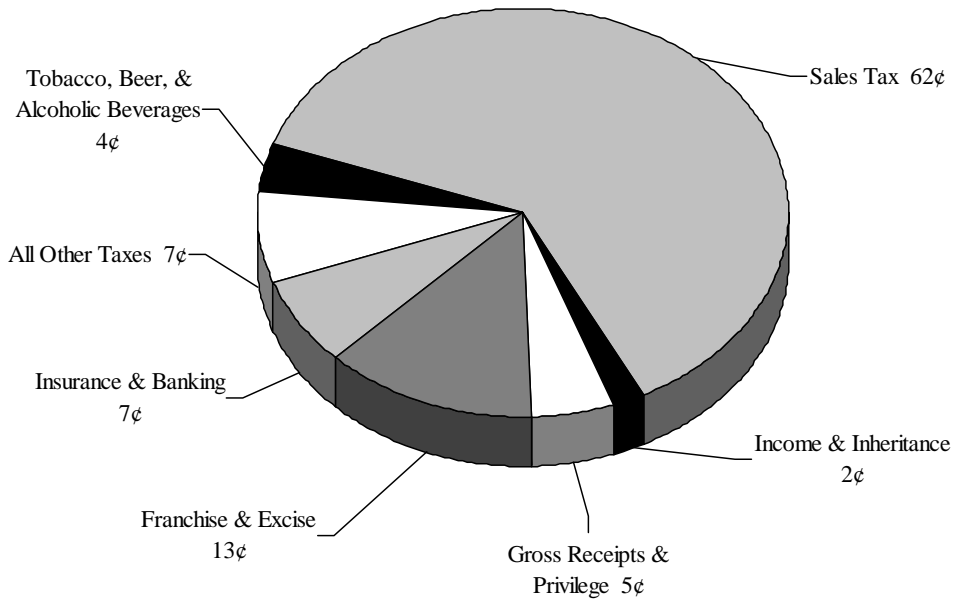
Where Your State Tax Dollar Goes



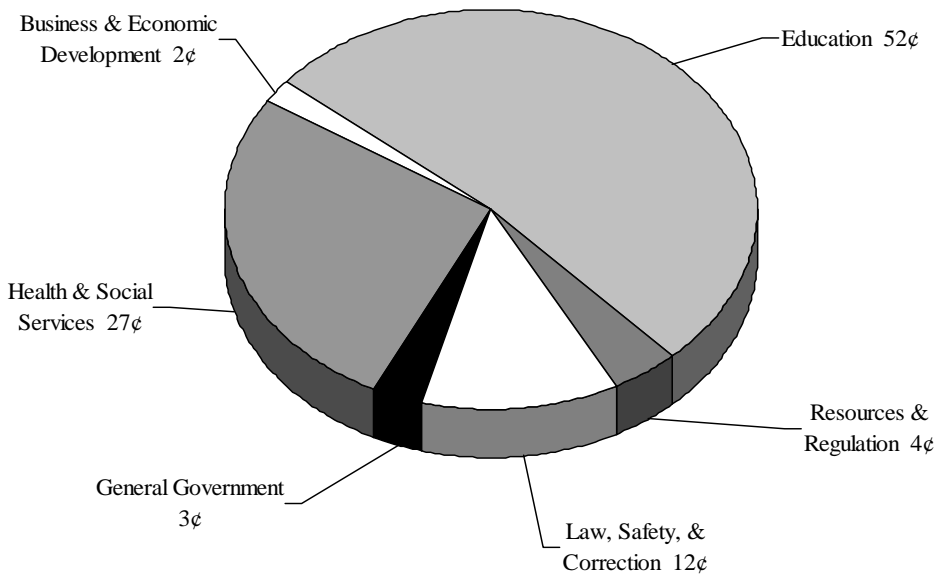
Fiscal Year 2010 - 2011

General Fund Budget

Where Your State Tax Dollar Comes From



Where Your State Tax Dollar Goes



Fiscal Year 2010 - 2011

**Total State Budget
Comparison of Programs and Revenue Sources
Fiscal Years 2008-2009, 2009-2010, and 2010-2011**

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Recommended 2010-2011</u>	<u>2009 to 2010 Difference</u>	<u>2010 to 2011 Difference</u>
I. PROGRAMS					
ALL PROGRAMS	\$ 29,928,518,700	\$ 29,952,785,000	\$ 28,412,722,900	\$ 24,266,300	\$ (1,540,062,100)
General Fund ¹	25,337,649,100	26,601,840,900	24,962,868,300	1,264,191,800	(1,638,972,600)
Department of Transportation	2,606,373,000	1,788,707,000	1,763,782,000	(817,666,000)	(24,925,000)
Debt Service Requirements	382,852,000	425,124,000	398,853,000	42,272,000	(26,271,000)
Capital Outlay Program	621,286,000	173,946,000	293,252,500	(447,340,000)	119,306,500
Facilities Revolving Fund	170,295,200	147,267,100	162,867,100	(23,028,100)	15,600,000
Cities & Counties - State Shared Taxes	810,063,400	815,900,000	831,100,000	5,836,600	15,200,000
II. REVENUE SOURCES					
APPROPRIATION	\$ 13,535,934,200	\$ 12,205,500,300	\$ 12,440,571,700	\$ (1,330,433,900)	\$ 235,071,400
General Fund ¹	11,454,454,000	10,193,186,500	10,315,053,900	(1,261,267,500)	121,867,400
Department of Transportation	804,500,000 ²	718,125,000	717,100,000	(86,375,000)	(1,025,000)
Debt Service Requirements	382,852,000	425,124,000	398,853,000	42,272,000	(26,271,000)
Capital Outlay Program	70,500,000 ²	40,100,000	165,400,000	(30,400,000)	125,300,000
Facilities Revolving Fund	13,564,800	13,064,800	13,064,800	(500,000)	0
Cities & Counties - State Shared Taxes	810,063,400	815,900,000	831,100,000	5,836,600	15,200,000
BONDS	\$ 715,420,000	\$ 270,300,000	\$ 271,800,000	\$ (445,120,000)	\$ 1,500,000
Department of Transportation	225,700,000	167,500,000	164,500,000	(58,200,000)	(3,000,000)
Capital Outlay Program	465,720,000	99,500,000	90,900,000	(366,220,000)	(8,600,000)
Facilities Revolving Fund	24,000,000	3,300,000	16,400,000	(20,700,000)	13,100,000
FEDERAL	\$ 11,032,799,200	\$ 12,903,939,500	\$ 11,208,560,500	\$ 1,871,140,300	\$ (1,695,379,000)
General Fund	9,499,424,200	12,041,466,500	10,359,280,000	2,542,042,300	(1,682,186,500)
Department of Transportation	1,533,375,000	860,318,000	844,418,000	(673,057,000)	(15,900,000)
Capital Outlay Program	0	2,155,000	4,862,500	2,155,000	2,707,500
CURRENT SERVICES & OTHER	\$ 4,644,365,300	\$ 4,573,045,200	\$ 4,491,790,700	\$ (71,320,100)	\$ (81,254,500)
General Fund ³	4,383,770,900	4,367,187,900	4,288,534,400	(16,583,000)	(78,653,500)
Department of Transportation	42,798,000	42,764,000	37,764,000	(34,000)	(5,000,000)
Capital Outlay Program	85,066,000	32,191,000	32,090,000	(52,875,000)	(101,000)
Facilities Revolving Fund	132,730,400 ⁴	130,902,300	133,402,300	(1,828,100)	2,500,000
TOTAL STATE BUDGET	\$ 29,928,518,700	\$ 29,952,785,000	\$ 28,412,722,900	\$ 24,266,300	\$ (1,540,062,100)

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 2008-2009, 2009-2010, and 2010-2011**

	Estimated 2008-2009	Estimated 2009-2010	Recommended 2010-2011	2009 to 2010 Difference	2010 to 2011 Difference
I. GENERAL FUND ¹	\$ 25,337,649,100	\$ 26,601,840,900	\$ 24,962,868,300	\$ 1,264,191,800	\$ (1,638,972,600)
Appropriation	11,454,454,000	10,193,186,500	10,315,053,900	(1,261,267,500)	121,867,400
Federal	9,499,424,200	12,041,466,500	10,359,280,000	2,542,042,300	(1,682,186,500)
Current Services & Other Revenue ²	4,383,770,900	4,367,187,900	4,288,534,400	(16,583,000)	(78,653,500)
II. DEPARTMENT OF TRANSPORTATION	\$ 2,606,373,000	\$ 1,788,707,000	\$ 1,763,782,000	\$ (817,666,000)	\$ (24,925,000)
Appropriation	804,500,000 ³	718,125,000	717,100,000	(86,375,000)	(1,025,000)
Federal	1,533,375,000	860,318,000	844,418,000	(673,057,000)	(15,900,000)
Current Services & Other Revenue	42,798,000	42,764,000	37,764,000	(34,000)	(5,000,000)
Bonds	225,700,000	167,500,000	164,500,000	(58,200,000)	(3,000,000)
III. DEBT SERVICE REQUIREMENTS	\$ 382,852,000	\$ 425,124,000	\$ 398,853,000	\$ 42,272,000	\$ (26,271,000)
Appropriation	382,852,000	425,124,000	398,853,000	42,272,000	(26,271,000)
IV. CAPITAL OUTLAY PROGRAM	\$ 621,286,000	\$ 173,946,000	\$ 293,252,500	\$ (447,340,000)	\$ 119,306,500
Appropriation	70,500,000 ³	40,100,000	165,400,000	(30,400,000)	125,300,000
Federal	0	2,155,000	4,862,500	2,155,000	2,707,500
Current Services & Other Revenue	85,066,000	32,191,000	32,090,000	(52,875,000)	(101,000)
Bonds	465,720,000	99,500,000	90,900,000	(366,220,000)	(8,600,000)
V. FACILITIES REVOLVING FUND	\$ 170,295,200	\$ 147,267,100	\$ 162,867,100	\$ (23,028,100)	\$ 15,600,000
Appropriations	13,564,800	13,064,800	13,064,800	(500,000)	0
Current Services & Other Revenue	132,730,400 ⁴	130,902,300	133,402,300	(1,828,100)	2,500,000
Bonds	24,000,000	3,300,000	16,400,000	(20,700,000)	13,100,000
VI. CITIES & COUNTIES - STATE SHARED TAXES	\$ 810,063,400	\$ 815,900,000	\$ 831,100,000	\$ 5,836,600	\$ 15,200,000
Appropriation	810,063,400	815,900,000	831,100,000	5,836,600	15,200,000
VII. TOTAL STATE BUDGET	\$ 29,928,518,700	\$ 29,952,785,000	\$ 28,412,722,900	\$ 24,266,300	\$ (1,540,062,100)
Appropriation	13,535,934,200	12,205,500,300	12,440,571,700	(1,330,433,900)	235,071,400
Federal	11,032,799,200	12,903,939,500	11,208,560,500	1,871,140,300	(1,695,379,000)
Current Services & Other Revenue ²	4,644,365,300	4,573,045,200	4,491,790,700	(71,320,100)	(81,254,500)
Bonds	715,420,000	270,300,000	271,800,000	(445,120,000)	1,500,000

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, 2008-2009, 2009-2010, and 2010-2011**

TABLE 1

**Tennessee Personal Income
Calendar Years 1977, 2008, 2009, and 2010
(Dollars in Millions)**

<u>Year</u>	<u>Personal Income</u>	<u>Percentage Growth</u>
1977	\$ 26,805	-
2008	217,373	-
2009	217,884	0.24
2010	222,451	2.10

TABLE 2

**Appropriations from State Tax Revenues
Fiscal Years 1977-1978, 2008-2009, 2009-2010, and 2010-2011
(Dollars in Millions)**

<u>Year</u>	<u>Appropriations</u>	<u>Percentage Growth</u>
1977-1978	\$ 1,747.3	-
2008-2009	11,019.6	-
2009-2010	11,271.2	2.28
2010-2011	11,464.8	1.72

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.

2009-2010 Through 2013-2014 Budget Projection
General Fund and Education Fund
Recurring Appropriations and State Revenues
Cumulative Increase / (Decrease) in Millions

	Year 0	Year 1	Year 2	Year 3	Year 4
	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>
I. General Fund Revenues:					
Department of Revenue Taxes - (Loss) / Gain from Budgeted 2009-2010 Estimate	\$ (153)	\$ 37	\$ 417	\$ 858	\$ 1,321
2010 Tax Legislation (Cable, Telecomm, Resale, REIT)	-	50	50	50	50
Other State Revenue:					
(Loss) / Growth from Budgeted 2009-2010 Estimate	\$ (30)	\$ (5)	\$ 20	\$ 45	\$ 70
HMO Premium Tax Growth - MCO - Long-Term Care	7	60	60	60	60
Drivers License Fee @ \$2/year increase - 8-year license	-	22	22	22	22
Treasurer's Interest Earnings	(3)	(3)	(3)	(3)	(3)
Other Revenue	1	3	3	3	3
Debt Service Fund Revenue - General Fund Gain	-	19	24	29	34
Dedicated Fees - Restore to Earmarked Funds	-	(11)	(16)	(22)	(22)
Sub-Total Other State Revenue	\$ (25)	\$ 85	\$ 110	\$ 134	\$ 164
Net Revenue Estimate Rounding	-	(1)	(1)	-	-
Total General Fund Revenue	\$ (178)	\$ 171	\$ 576	\$ 1,042	\$ 1,535
Recurring Imbalance @ 7-1-09	(430)	(430)	(430)	(430)	(430)
Total Available General Fund Revenue	\$ (608)	\$ (259)	\$ 146	\$ 612	\$ 1,105
II. Appropriation Requirements:					
Base Reductions and Adjustments:					
Preliminary Base Adjustments	\$ -	\$ 30	\$ 30	\$ 30	\$ 30
Preliminary Base Reductions	-	(48)	(58)	(68)	(78)
Base Reduction Plans and Reallocations	-	(346)	(346)	(346)	(346)
Sub-Total Base Reductions and Adjustments	\$ -	\$ (364)	\$ (374)	\$ (384)	\$ (394)
Program Growth:					
Education:					
Basic Education Program (BEP) Formula Growth	\$ -	\$ 43	\$ 113	\$ 183	\$ 253
Pre-K - Existing Classes - GF in Lieu of Lottery	-	3	4	5	6
Other K-12 Education	-	9	14	19	24
Sub-Total Education	\$ -	\$ 55	\$ 131	\$ 207	\$ 283
Other Programs:					
Higher Education	\$ -	\$ 3	\$ 3	\$ 53	\$ 103
TennCare	-	2	89	145	201
Cover Tennessee Health Care Programs	-	18	26	35	45
Correction Department	-	14	24	74	84
Employee Health Insurance	-	2	76	156	243
Retirement Contribution Rate Increase	-	82	82	157	157
Salary Increase - State, Higher Ed., Teachers, & Statutory	-	-	5	10	163
Other Programs	-	17	37	57	81
Sub-Total Other Programs	\$ -	\$ 138	\$ 342	\$ 687	\$ 1,077
Sub-Total Program Growth	\$ -	\$ 193	\$ 473	\$ 894	\$ 1,360
Capital Outlay - Debt Service on New Bonds	-	12	39	101	139
Net Appropriation Rounding	-	(1)	(1)	(1)	(1)
Total Appropriation Requirements	\$ -	\$ (160)	\$ 137	\$ 610	\$ 1,104
Recurring Budget Surplus / (Deficit)	\$ (608)	\$ (99)	\$ 9	\$ 2	\$ 1
Rainy Day Fund at June 30, 2009: \$557 M; then:	\$ 502	\$ 445	\$ 486	\$ 533	\$ 577
TennCare Reserve Fund at June 30, 2009: \$348 M; then:	\$ 342	\$ 172	\$ 172	\$ 172	\$ 172

**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:			
2009 Appropriations Act - Work Program	\$ 10,154,011,200	\$ 10,532,266,800	\$ (378,255,600)
2009 Appropriations Act - Dedicated Revenue	31,700	31,700	0
2010 Supplemental Appropriations:			
E&CD - Fast Track Grants	24,900,000	0	24,900,000
Intellectual Disabilities Services	6,100,000	0	6,100,000
Court System - Indigent Defendants' Counsel	3,000,000	0	3,000,000
Court System - Guardian ad Litem	1,000,000	0	1,000,000
Attorney General - Lawsuit - Memphis Aquifer	2,000,000	0	2,000,000
Other Appropriations	2,143,600	0	2,143,600
Total General Fund Requirements	\$ 10,193,186,500	\$ 10,532,298,500	\$ (339,112,000)
Less: Overappropriation	(120,300,000)	(120,300,000)	0
Less: Human Services - Reversion - Non-Recurring	(24,900,000)	0	(24,900,000)
Less: OIR Savings - Non-Recurring	(5,640,800)	0	(5,640,800)
Less: Claims Premium Rebate - Non-Recurring	(6,697,200)	0	(6,697,200)
Net General Fund Requirements	\$ 10,035,648,500	\$ 10,411,998,500	\$ (376,350,000)
Other Programs:			
Capital Outlay Program	\$ 19,800,000	\$ 0	\$ 19,800,000
Capital Outlay Grants - E&CD	20,300,000	0	20,300,000
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	13,064,800	13,064,800	0
Total Other Requirements	\$ 57,867,800	\$ 17,767,800	\$ 40,100,000
Total Appropriation Requirements	\$ 10,093,516,300	\$ 10,429,766,300	\$ (336,250,000)
II. GENERAL FUND REVENUES AND RESERVES			
State Tax Revenue - Department of Revenue	\$ 8,254,000,000	\$ 8,254,000,000	\$ 0
State Tax Revenue - Other State Revenue	1,038,100,000	1,038,300,000	(200,000)
Miscellaneous Revenue	61,800,000	61,800,000	0
Tobacco MSA Revenue	162,600,000	162,600,000	0
Lottery for Education Account	303,600,000	303,600,000	0
Highway Fund Transfer - Gas Inspection Act	1,100,000	1,100,000	0
Plan for Closing - Other Available Funds:			
Overappropriation Above \$120.3 M	\$ 43,900,000	\$ 0	\$ 43,900,000
Group Health Insurance Holiday	50,500,000	0	50,500,000
TennCare - Additional Reversion	106,500,000	0	106,500,000
TennCare - MCO Long-Term Care Payments	(1,700,000)	0	(1,700,000)
Claims Premium - Additional Rebate	8,000,000	0	8,000,000
Group Health Insurance - Dependent Reverification - State	2,500,000	0	2,500,000
Mileage Rate Reduction at October 1, 2009 - State	1,100,000	0	1,100,000
Debt Service Fund Transfer at June 30, 2010	107,000,000	0	107,000,000
Sub-Total Plan for Closing	\$ 317,800,000	\$ 0	\$ 317,800,000
Transfer from Rainy Day Fund	54,700,000	0	54,700,000
Undesignated Fund Balance at June 30, 2009	308,600	0	308,600
Total General Fund Revenues and Reserves	\$ 10,194,008,600	\$ 9,821,400,000	\$ 372,608,600
III. AVAILABLE FUNDS AT JUNE 30, 2010			
2009-2010 Closing Plan - Available Funds	\$ 100,492,300	\$ (608,366,300)	\$ 708,858,600
Undesignated Fund Balance	0	0	0
Total Available Funds	\$ 100,492,300	\$ (608,366,300)	\$ 708,858,600
Revenue Fluctuation Reserve at June 30, 2009	\$ 556,500,000		
Revenue Fluctuation Reserve at June 30, 2010	\$ 501,800,000		

**General Fund and Education Fund
Comparison of Appropriation Requirements and State Revenues
Fiscal Year 2010-2011**

	<u>TOTAL</u>	<u>RECURRING</u>	<u>NON-RECURRING</u>
I. APPROPRIATION REQUIREMENTS			
General Fund Programs:			
Base Budget Requirements	\$ 10,532,266,800	\$ 10,532,266,800	\$ 0
Reductions and Reallocations - General Fund	(754,269,300)	(379,382,200)	(374,887,100)
Base Adjustments - General Fund	37,654,300	32,762,800	4,891,500
Reductions - Dedicated Revenue	(9,047,800)	(9,047,800)	0
Base Adjustments - Dedicated Revenue	357,300	357,300	0
Continued Add-Back for 2009-2010 Reductions	39,949,800	0	39,949,800
Base Budget Recommended	\$ 9,846,911,100	\$ 10,176,956,900	\$ (330,045,800)
Improvement Budget Recommendations			
K-12 Education	\$ 58,384,000	\$ 55,384,000	\$ 3,000,000
Higher Education	14,700,000	3,200,000	11,500,000
Economic and Community Development	23,810,000	0	23,810,000
Correction	19,327,000	13,627,600	5,699,400
Cover Tennessee Health Care Programs	17,600,000	17,600,000	0
Treasurer - BEST Program	15,000,000	0	15,000,000
Agricultural Resources and Land Conservation Funds	10,925,000	10,925,000	0
3% Bonus - TCRS Rate Increase - 401k Match	250,513,000	81,700,000	168,813,000
Other Agencies and Programs	57,883,800	29,069,000	28,814,800
Total Improvements	\$ 468,142,800	\$ 211,505,600	\$ 256,637,200
Total General Fund Requirements	\$ 10,315,053,900	\$ 10,388,462,500	\$ (73,408,600)
Less: Overappropriation	(120,300,000)	(120,300,000)	0
Less: Base Budget Adjustments and Reductions	(17,318,200)	(17,418,200)	100,000
Net General Fund Requirements	\$ 10,177,435,700	\$ 10,250,744,300	\$ (73,308,600)
Other Programs:			
Capital Outlay Program	\$ 165,400,000	\$ 0	\$ 165,400,000
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	13,064,800	13,064,800	0
Financial Literacy Grant	125,000	125,000	0
Total Other Programs	\$ 183,292,800	\$ 17,892,800	\$ 165,400,000
Total Appropriation Requirements	\$ 10,360,728,500	\$ 10,268,637,100	\$ 92,091,400
II. GENERAL FUND REVENUES AND RESERVES			
State Tax Revenue - Department of Revenue	\$ 8,440,100,000	\$ 8,440,100,000	\$ 0
State Tax Revenue - Other State Revenue	1,132,600,000	1,132,581,400	18,600
Miscellaneous Revenue	62,800,000	62,800,000	0
Tobacco MSA Revenue	163,700,000	163,700,000	0
Lottery for Education Account	297,600,000	297,600,000	0
Highway Fund Transfer - Gas Inspection Act	1,100,000	1,100,000	0
Department of Revenue - Tax Legislation	49,800,000	49,800,000	0
Driver License Fee Increase - Legislation	21,100,000	21,900,000	(800,000)
2009-2010 Closing Plan - Available Funds	100,492,300	0	100,492,300
Transfer from TennCare Reserve	170,000,000	0	170,000,000
Transfer from Rainy Day Fund	57,100,000	0	57,100,000
Undesignated Fund Balance at June 30, 2010	0	0	0
Total General Fund Revenues and Reserves	\$ 10,496,392,300	\$ 10,169,581,400	\$ 326,810,900
III. AVAILABLE FUNDS AT JUNE 30, 2011			
Reserve for 2011-2012 Appropriations for Core Services	\$ 135,600,000	\$ 0	\$ 135,600,000
Undesignated Fund Balance	63,800	(99,055,700)	99,119,500
Total Available Funds	\$ 135,663,800	\$ (99,055,700)	\$ 234,719,500
Revenue Fluctuation Reserve at June 30, 2010	\$ 501,800,000		
Revenue Fluctuation Reserve at June 30, 2011	\$ 444,700,000		

Department of Transportation
Comparison of Appropriations and Funding Requirements
Fiscal Years 2009-2010 and 2010-2011

	<u>2009-2010</u>	<u>2010-2011</u>	<u>Difference</u>
I. APPROPRIATION REQUIREMENTS			
ADMINISTRATION			
D.O.T. Headquarters	\$ 14,769,000	\$ 14,658,000	\$ (111,000)
Bureau of Engineering	19,805,000	16,998,000	(2,807,000)
Bureau of Administration	43,148,000	42,223,000	(925,000)
Bureau of Environment and Planning	5,683,000	5,254,000	(429,000)
Field Engineering	46,048,000	43,219,000	(2,829,000)
Insurance Premiums	9,000,000	9,000,000	0
Sub-Total Administration	\$ 138,453,000	\$ 131,352,000	\$ (7,101,000)
EQUIPMENT PURCHASES & OPERATIONS	\$ 26,555,000	\$ 30,153,000	\$ 3,598,000
HIGHWAY MAINTENANCE	\$ 278,792,000	\$ 290,619,000	\$ 11,827,000
STATE CONSTRUCTION			
Highway Betterments	\$ 10,000,000	\$ 10,000,000	\$ 0
State Aid	30,622,000	30,622,000	0
State Industrial Access	24,000,000	22,000,000	(2,000,000)
Local Interstate Connectors	5,000,000	4,000,000	(1,000,000)
Capital Improvements	4,200,000	11,676,000	7,476,000
Sub-Total State Construction	\$ 73,822,000	\$ 78,298,000	\$ 4,476,000
FEDERAL CONSTRUCTION			
Mass Transit	\$ 43,649,000	\$ 44,624,000	\$ 975,000
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	146,954,000	138,154,000	(8,800,000)
Bridge Replacement	92,900,000	92,900,000	0
Air, Water, and Rail	64,000,000	55,000,000	(9,000,000)
Sub-Total Federal Construction	\$ 368,003,000	\$ 351,178,000	\$ (16,825,000)
TOTAL APPROPRIATION REQUIREMENTS	\$ 885,625,000	\$ 881,600,000	\$ (4,025,000)
II. FUNDING REQUIREMENTS			
Highway User Taxes	\$ 617,000,000	\$ 627,500,000	\$ 10,500,000
Miscellaneous Revenue	21,125,000	21,600,000	475,000
Bonds	80,000,000	77,000,000	(3,000,000)
Bridge Bonds	87,500,000	87,500,000	0
Highway Fund Balance/Reserves	16,000,000	16,000,000	0
Transportation Equity Fund	64,000,000	52,000,000	(12,000,000)
Sub-Total Revenues and Reserves	\$ 885,625,000	\$ 881,600,000	\$ (4,025,000)
TOTAL FUNDING REQUIREMENTS	\$ 885,625,000	\$ 881,600,000	\$ (4,025,000)

Department of Transportation
Comparison of Appropriations by Funding Sources
Fiscal Years 2009-2010 and 2010-2011

	<u>2009-2010</u>	<u>2010-2011</u>	<u>Difference</u>
I. STATE FUNDS			
Administration	\$ 138,453,000	\$ 131,352,000	\$ (7,101,000)
Equipment Purchases	26,555,000	30,153,000	3,598,000
Highway Maintenance	278,792,000	290,619,000	11,827,000
State Construction	73,822,000	78,298,000	4,476,000
Federal Aid Construction	200,503,000	186,678,000	(13,825,000)
Total State Funds	\$ 718,125,000	\$ 717,100,000	\$ (1,025,000)
II. BOND AUTHORIZATIONS			
State Construction	\$ 0	\$ 0	\$ 0
Federal Aid Construction	167,500,000	164,500,000	(3,000,000)
Total Bond Authorizations	\$ 167,500,000	\$ 164,500,000	\$ (3,000,000)
III. FEDERAL AID			
Federal Aid Construction	\$ 856,518,000	\$ 844,418,000	\$ (12,100,000)
U.S. Recovery - Admin.	800,000	0	(800,000)
U.S. Recovery - Hwy. Maint.	3,000,000	0	(3,000,000)
Total Federal Aid	\$ 860,318,000	\$ 844,418,000	\$ (15,900,000)
IV. LOCAL GOVERNMENTS			
Highway Maintenance	\$ 1,100,000	\$ 1,100,000	\$ 0
State Construction	14,714,000	13,714,000	(1,000,000)
Federal Aid Construction	26,950,000	22,950,000	(4,000,000)
Total Local Governments	\$ 42,764,000	\$ 37,764,000	\$ (5,000,000)
V. GRAND TOTAL			
Administration	\$ 139,253,000	\$ 131,352,000	\$ (7,901,000)
Equipment Purchases	26,555,000	30,153,000	3,598,000
Highway Maintenance	282,892,000	291,719,000	8,827,000
State Construction	88,536,000	92,012,000	3,476,000
Federal Aid Construction	1,251,471,000	1,218,546,000	(32,925,000)
Grand Total	\$ 1,788,707,000	\$ 1,763,782,000	\$ (24,925,000)

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

		Federal					
		2008	2009				
		Appropriations	U.S. Economic				
		Act	Recovery Act				
		State			Total	Other	Total
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
Revised Budget by Program and Funding Source
Fiscal Year 2009-2010

		Federal					
		2008	2009				
		Appropriations	U.S. Economic	Total	Other	Total	
		Act	Recovery Act				
State							
ADMINISTRATION							
401	D.O.T Headquarters	\$ 14,769,000	\$ -	\$ 800,000	\$ 800,000	\$ -	\$ 15,569,000
403	Bureau of Engineering	19,805,000	-	-	-	-	19,805,000
402	Bureau of Administration	43,148,000	-	-	-	-	43,148,000
405	Bureau of Environment and Planning	5,683,000	-	-	-	-	5,683,000
412	Field Engineering	46,048,000	-	-	-	-	46,048,000
414	Insurance Premiums	9,000,000	-	-	-	-	9,000,000
Sub-Total Administration		\$ 138,453,000	\$ -	\$ 800,000	\$ 800,000	\$ -	\$ 139,253,000
430	Equipment Purchases & Operations	26,555,000	-	-	-	-	26,555,000
451	Highway Maintenance	278,792,000	-	3,000,000	3,000,000	1,100,000	282,892,000
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	4,200,000	-	-	-	-	4,200,000
Sub-Total State Construction		\$ 73,822,000	\$ -	\$ -	\$ -	\$ 14,714,000	\$ 88,536,000
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	1,500,000	149,320,000
475	Forest Highways	200,000	700,000	-	700,000	-	900,000
480	State Highway Construction	146,954,000	544,368,000	2,000,000	546,368,000	14,950,000	708,272,000
488	Bridge Replacement	92,900,000	50,460,000	-	50,460,000	3,000,000	146,360,000
494	Air, Water, and Rail	64,000,000	13,500,000	-	13,500,000	7,500,000	85,000,000
Sub-Total Federal Construction		\$ 368,003,000	\$ 854,518,000	\$ 2,000,000	\$ 856,518,000	\$ 26,950,000	\$ 1,251,471,000
Total Appropriations		\$ 885,625,000	\$ 854,518,000	\$ 5,800,000	\$ 860,318,000	\$ 42,764,000	\$ 1,788,707,000
FUNDING SOURCES:							
	Highway User Taxes	\$ 617,000,000					
	Misc. Dept. Revenues	21,125,000					
	Bond Authorization	80,000,000					
	Bridge Bonds	87,500,000					
	Fund Balance & Reserves	16,000,000					
	Transportation Equity Fund	64,000,000					
Total State Appropriations		\$ 885,625,000					

Department of Transportation
Recommended Budget by Program and Funding Source
Fiscal Year 2010-2011

		Federal 2009					
		State	Regular Program	U.S. Economic Recovery Act	Total	Other	Total
ADMINISTRATION							
401	D.O.T Headquarters	\$ 14,658,000	\$ -	\$ -	\$ -	\$ -	\$ 14,658,000
403	Bureau of Engineering	16,998,000	-	-	-	-	16,998,000
402	Bureau of Administration	42,223,000	-	-	-	-	42,223,000
405	Bureau of Environment and Planning	5,254,000	-	-	-	-	5,254,000
412	Field Engineering	43,219,000	-	-	-	-	43,219,000
414	Insurance Premiums	9,000,000	-	-	-	-	9,000,000
Sub-Total Administration		\$ 131,352,000	\$ -	\$ -	\$ -	\$ -	\$ 131,352,000
430	Equipment Purchases & Operations	30,153,000	-	-	-	-	30,153,000
451	Highway Maintenance	290,619,000	-	-	-	1,100,000	291,719,000
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	22,000,000	-	-	-	200,000	22,200,000
478	Local Interstate Connectors	4,000,000	-	-	-	4,000,000	8,000,000
481	Capital Improvements	11,676,000	-	-	-	-	11,676,000
Sub-Total State Construction		\$ 78,298,000	\$ -	\$ -	\$ -	\$ 13,714,000	\$ 92,012,000
FEDERAL CONSTRUCTION							
416	Mass Transit	\$ 44,624,000	\$ 98,470,000	\$ -	\$ 98,470,000	\$ -	\$ 143,094,000
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	138,154,000	534,368,000	-	534,368,000	14,950,000	687,472,000
488	Bridge Replacement	92,900,000	50,460,000	-	50,460,000	3,000,000	146,360,000
494	Air, Water, and Rail	55,000,000	13,400,000	-	13,400,000	3,500,000	71,900,000
Sub-Total Federal Construction		\$ 351,178,000	\$ 844,418,000	\$ -	\$ 844,418,000	\$ 22,950,000	\$ 1,218,546,000
Total Appropriations		\$ 881,600,000	\$ 844,418,000	\$ -	\$ 844,418,000	\$ 37,764,000	\$ 1,763,782,000
FUNDING SOURCES:							
	Highway User Taxes	\$ 627,500,000					
	Misc. Dept. Revenues	21,600,000					
	Bond Authorization	77,000,000					
	Bridge Bonds	87,500,000					
	Fund Balance & Reserves	16,000,000					
	Transportation Equity Fund	52,000,000					
Total State Appropriations		\$ 881,600,000					

Comparison of Programs

Fiscal Years 2008-2009, 2009-2010, and 2010-2011

Allot. Code	Department	Estimated 2008-2009	Estimated 2009-2010	Recommended 2010-2011	2009 to 2010 Difference	2010 to 2011 Difference
301	Legislature	\$ 39,934,100	\$ 38,637,400	\$ 36,626,000	\$ (1,296,700)	\$ (2,011,400)
	Appropriation	39,796,600	38,499,900	36,488,500	(1,296,700)	(2,011,400)
	Current Services and Other Revenue	137,500	137,500	137,500	0	0
301.50	Fiscal Review Committee	\$ 1,345,500	\$ 1,342,200	\$ 1,221,900	\$ (3,300)	\$ (120,300)
	Appropriation	1,345,500	1,342,200	1,221,900	(3,300)	(120,300)
302	Court System	\$ 122,083,800	\$ 125,673,700	\$ 116,551,000	\$ 3,589,900	\$ (9,122,700)
	Appropriation	116,906,000	119,877,100	110,920,300	2,971,100	(8,956,800)
	Federal	200,000	400,000	400,000	200,000	0
	Current Services and Other Revenue	4,977,800	5,396,600	5,230,700	418,800	(165,900)
303	Attorney General and Reporter	\$ 39,227,800	\$ 38,112,900	\$ 32,660,500	\$ (1,114,900)	\$ (5,452,400)
	Appropriation	25,873,700	25,537,200	20,080,600	(336,500)	(5,456,600)
	Current Services and Other Revenue	13,354,100	12,575,700	12,579,900	(778,400)	4,200
304	District Attorneys General	\$ 96,121,200	\$ 96,645,800	\$ 95,066,800	\$ 524,600	\$ (1,579,000)
	Appropriation	68,763,100	68,957,000	68,433,300	193,900	(523,700)
	Current Services and Other Revenue	27,358,100	27,688,800	26,633,500	330,700	(1,055,300)
305	Secretary of State	\$ 64,843,200	\$ 63,798,200	\$ 61,452,000	\$ (1,045,000)	\$ (2,346,200)
	Appropriation	30,738,800	29,693,800	27,347,600	(1,045,000)	(2,346,200)
	Federal	23,406,700	23,406,700	23,406,700	0	0
	Current Services and Other Revenue	10,697,700	10,697,700	10,697,700	0	0
306	District Public Defenders	\$ 41,144,000	\$ 41,615,000	\$ 41,557,600	\$ 471,000	\$ (57,400)
	Appropriation	39,709,900	39,668,400	39,611,000	(41,500)	(57,400)
	Current Services and Other Revenue	1,434,100	1,946,600	1,946,600	512,500	0
307	Comptroller of the Treasury	\$ 98,122,400	\$ 97,064,600	\$ 90,289,300	\$ (1,057,800)	\$ (6,775,300)
	Appropriation	87,289,500	86,236,100	79,273,600	(1,053,400)	(6,962,500)
	Current Services and Other Revenue	10,832,900	10,828,500	11,015,700	(4,400)	187,200
308	Post-Conviction Defender	\$ 1,953,900	\$ 1,946,000	\$ 1,948,600	\$ (7,900)	\$ 2,600
	Appropriation	1,953,900	1,946,000	1,948,600	(7,900)	2,600
309	Treasury Department	\$ 27,598,000	\$ 24,516,000	\$ 39,134,600	\$ (3,082,000)	\$ 14,618,600
	Appropriation	626,700	602,500	15,484,900	(24,200)	14,882,400
	Current Services and Other Revenue	26,971,300	23,913,500	23,649,700	(3,057,800)	(263,800)
313	Claims and Compensation	\$ 100,302,800	\$ 102,880,900	\$ 104,686,800	\$ 2,578,100	\$ 1,805,900
	Appropriation	10,260,000	10,855,000	10,500,000	595,000	(355,000)
	Federal	7,067,800	5,025,000	3,700,000	(2,042,800)	(1,325,000)
	Current Services and Other Revenue	82,975,000	87,000,900	90,486,800	4,025,900	3,485,900

Comparison of Programs

Fiscal Years 2008-2009, 2009-2010, and 2010-2011

Allot. Code	Department	Estimated 2008-2009	Estimated 2009-2010	Recommended 2010-2011	2009 to 2010 Difference	2010 to 2011 Difference
315	Executive Department	\$ 4,472,500	\$ 3,802,400	\$ 3,462,200	\$ (670,100)	\$ (340,200)
	Appropriation	4,472,500	3,802,400	3,462,200	(670,100)	(340,200)
316	Commissions	\$ 406,362,000	\$ 589,387,800	\$ 363,054,800	\$ 183,025,800	\$ (226,333,000)
	Appropriation	40,546,400	39,838,900	37,889,300	(707,500)	(1,949,600)
	Federal	288,039,300	474,666,000	264,000,600	186,626,700	(210,665,400)
	Current Services and Other Revenue	77,776,300	74,882,900	61,164,900	(2,893,400)	(13,718,000)
317	Finance and Administration (F&A)	\$ 285,422,400	\$ 298,576,800	\$ 258,271,600	\$ 13,154,400	\$ (40,305,200)
	Appropriation	44,353,500	34,961,800	48,532,100	(9,391,700)	13,570,300
	Federal	27,695,000	71,782,000	24,914,600	44,087,000	(46,867,400)
	Current Services and Other Revenue	213,373,900	191,833,000	184,824,900	(21,540,900)	(7,008,100)
	Criminal Justice Programs	¹ \$ 30,987,300	\$ 63,624,400	\$ 28,987,700	\$ 32,637,100	\$ (34,636,700)
	Appropriation	8,034,700	8,330,100	8,138,200	295,400	(191,900)
	Federal	22,845,800	55,188,500	20,743,700	32,342,700	(34,444,800)
	Current Services and Other Revenue	106,800	105,800	105,800	(1,000)	0
	Other F&A Programs	¹ \$ 254,435,100	\$ 234,952,400	\$ 229,283,900	\$ (19,482,700)	\$ (5,668,500)
	Appropriation	36,318,800	26,631,700	40,393,900	(9,687,100)	13,762,200
	Federal	4,849,200	16,593,500	4,170,900	11,744,300	(12,422,600)
	Current Services and Other Revenue	213,267,100	191,727,200	184,719,100	(21,539,900)	(7,008,100)
318	F&A - TennCare	\$ 7,388,626,100	\$ 7,684,435,600	\$ 6,792,814,300	\$ 295,809,500	\$ (891,621,300)
	Appropriation	2,588,207,200	1,917,208,600	1,914,874,800	(670,998,600)	(2,333,800)
	Federal	4,513,790,800	5,535,757,100	4,634,413,700	1,021,966,300	(901,343,400)
	Current Services and Other Revenue	286,628,100	231,469,900	243,525,800	(55,158,200)	12,055,900
319	Human Resources	\$ 12,838,700	\$ 12,018,300	\$ 11,419,900	\$ (820,400)	\$ (598,400)
	Appropriation	5,532,300	4,909,500	4,435,400	(622,800)	(474,100)
	Current Services and Other Revenue	7,306,400	7,108,800	6,984,500	(197,600)	(124,300)
321	General Services	\$ 109,439,500	\$ 97,730,100	\$ 92,140,100	\$ (11,709,400)	\$ (5,590,000)
	Appropriation	2,493,600	2,934,300	2,342,700	440,700	(591,600)
	Current Services and Other Revenue	106,945,900	94,795,800	89,797,400	(12,150,100)	(4,998,400)
323	Veterans Affairs	\$ 5,055,900	\$ 5,050,100	\$ 5,022,000	\$ (5,800)	\$ (28,100)
	Appropriation	4,570,000	4,510,400	4,482,300	(59,600)	(28,100)
	Federal	360,300	392,700	392,700	32,400	0
	Current Services and Other Revenue	125,600	147,000	147,000	21,400	0
324	Board of Probation and Parole	\$ 82,432,100	\$ 87,302,400	\$ 87,263,600	\$ 4,870,300	\$ (38,800)
	Appropriation	81,145,700	85,450,200	86,361,900	4,304,500	911,700
	Current Services and Other Revenue	1,286,400	1,852,200	901,700	565,800	(950,500)

Comparison of Programs

Fiscal Years 2008-2009, 2009-2010, and 2010-2011

Allot. Code	Department	Estimated 2008-2009	Estimated 2009-2010	Recommended 2010-2011	2009 to 2010 Difference	2010 to 2011 Difference
325	Agriculture	\$ 98,527,500	\$ 90,407,100	\$ 87,674,100	\$ (8,120,400)	\$ (2,733,000)
	Appropriation	77,828,500	70,349,600	68,479,500	(7,478,900)	(1,870,100)
	Federal	9,860,000	11,123,000	10,415,700	1,263,000	(707,300)
	Current Services and Other Revenue	10,839,000	8,934,500	8,778,900	(1,904,500)	(155,600)
326	Tourist Development	\$ 19,897,700	\$ 19,964,800	\$ 19,824,500	\$ 67,100	\$ (140,300)
	Appropriation	12,673,700	12,545,300	12,392,500	(128,400)	(152,800)
	Current Services and Other Revenue	7,224,000	7,419,500	7,432,000	195,500	12,500
327	Environment and Conservation	\$ 394,728,600	\$ 410,119,800	\$ 370,679,600	\$ 15,391,200	\$ (39,440,200)
	Appropriation	176,053,800	160,951,900	166,520,200	(15,101,900)	5,568,300
	Federal	74,741,600	131,218,900	99,284,200	56,477,300	(31,934,700)
	Current Services and Other Revenue	143,933,200	117,949,000	104,875,200	(25,984,200)	(13,073,800)
328	Wildlife Resources Agency	\$ 94,267,400	\$ 85,613,400	\$ 75,596,200	\$ (8,654,000)	\$ (10,017,200)
	Appropriation	46,964,200	43,847,300	44,876,900	(3,116,900)	1,029,600
	Federal	23,374,600	25,276,800	20,768,300	1,902,200	(4,508,500)
	Current Services and Other Revenue	23,928,600	16,489,300	9,951,000	(7,439,300)	(6,538,300)
329	Correction	\$ 700,291,900	\$ 685,675,100	\$ 678,713,700	\$ (14,616,800)	\$ (6,961,400)
	Appropriation	682,262,800	620,089,900	660,191,500	(62,172,900)	40,101,600
	Federal	979,100	48,023,100	1,114,500	47,044,000	(46,908,600)
	Current Services and Other Revenue	17,050,000	17,562,100	17,407,700	512,100	(154,400)
330	Economic and Community Development	\$ 229,325,600	\$ 288,300,400	\$ 119,343,000	\$ 58,974,800	\$ (168,957,400)
	Appropriation	177,311,100	115,067,200	52,270,300	(62,243,900)	(62,796,900)
	Federal	38,214,600	159,210,100	53,049,600	120,995,500	(106,160,500)
	Current Services and Other Revenue	13,799,900	14,023,100	14,023,100	223,200	0
331	Education (K-12)	\$ 4,941,673,700	\$ 5,254,925,500	\$ 5,360,302,200	\$ 313,251,800	\$ 105,376,700
	Appropriation	3,967,391,900	3,707,630,600	3,861,929,000	(259,761,300)	154,298,400
	Federal	928,801,200	1,484,904,300	1,440,338,300	556,103,100	(44,566,000)
	Current Services and Other Revenue	45,480,600	62,390,600	58,034,900	16,910,000	(4,355,700)
	Lottery-Funded Programs	¹ \$ 37,901,400	\$ 17,500,000	\$ 14,500,000	\$ (20,401,400)	\$ (3,000,000)
	Appropriation	12,901,400	14,500,000	13,700,000	1,598,600	(800,000)
	Current Services and Other Revenue	25,000,000	3,000,000	800,000	(22,000,000)	(2,200,000)
	Other Education (K-12) Programs	¹ \$ 4,903,772,300	\$ 5,237,425,500	\$ 5,345,802,200	\$ 333,653,200	\$ 108,376,700
	Appropriation	3,954,490,500	3,693,130,600	3,848,229,000	(261,359,900)	155,098,400
	Federal	928,801,200	1,484,904,300	1,440,338,300	556,103,100	(44,566,000)
	Current Services and Other Revenue	20,480,600	59,390,600	57,234,900	38,910,000	(2,155,700)

Comparison of Programs

Fiscal Years 2008-2009, 2009-2010, and 2010-2011

Allot. Code	Department	Estimated 2008-2009	Estimated 2009-2010	Recommended 2010-2011	2009 to 2010 Difference	2010 to 2011 Difference
332	Higher Education	\$ 3,542,666,500	\$ 3,763,106,800	\$ 3,709,795,600	\$ 220,440,300	\$ (53,311,200)
	Appropriation	1,572,191,500	1,481,420,200	1,477,416,000	(90,771,300)	(4,004,200)
	Federal	276,365,200	493,721,800	413,282,800	217,356,600	(80,439,000)
	Current Services and Other Revenue	583,160,000	579,998,400	611,130,400	(3,161,600)	31,132,000
	Tuition and Student Fees	1,110,949,800	1,207,966,400	1,207,966,400	97,016,600	0
	Lottery for Education Account ¹	\$ 295,200,000	\$ 289,100,000	\$ 316,300,000	\$ (6,100,000)	\$ 27,200,000
	Appropriation	295,200,000	289,100,000	284,900,000	(6,100,000)	(4,200,000)
	Current Services and Other Revenue	0	0	31,400,000	0	31,400,000
	Other Higher Education Programs ¹	\$ 3,247,466,500	\$ 3,474,006,800	\$ 3,393,495,600	\$ 226,540,300	\$ (80,511,200)
	Appropriation	1,276,991,500	1,192,320,200	1,192,516,000	(84,671,300)	195,800
	Federal	276,365,200	493,721,800	413,282,800	217,356,600	(80,439,000)
	Current Services and Other Revenue	583,160,000	579,998,400	579,730,400	(3,161,600)	(268,000)
	Tuition and Student Fees	1,110,949,800	1,207,966,400	1,207,966,400	97,016,600	0
335	Commerce and Insurance	\$ 138,645,500	\$ 144,856,100	\$ 172,434,100	\$ 6,210,600	\$ 27,578,000
	Appropriation	88,302,200	89,801,500	95,734,100	1,499,300	5,932,600
	Federal	235,000	235,000	1,734,600	0	1,499,600
	Current Services and Other Revenue	50,108,300	54,819,600	74,965,400	4,711,300	20,145,800
336	Financial Institutions	\$ 16,247,100	\$ 16,679,100	\$ 16,680,100	\$ 432,000	\$ 1,000
	Appropriation	8,295,800	8,557,200	8,561,800	261,400	4,600
	Current Services and Other Revenue	7,951,300	8,121,900	8,118,300	170,600	(3,600)
337	Labor and Workforce Development	\$ 239,611,300	\$ 283,942,700	\$ 220,428,600	\$ 44,331,400	\$ (63,514,100)
	Appropriation	44,311,700	43,788,800	41,861,800	(522,900)	(1,927,000)
	Federal	159,455,000	208,119,800	146,772,500	48,664,800	(61,347,300)
	Current Services and Other Revenue	35,844,600	32,034,100	31,794,300	(3,810,500)	(239,800)
339	Mental Health and Developmental Disabilities	\$ 349,325,200	\$ 343,866,400	\$ 305,980,900	\$ (5,458,800)	\$ (37,885,500)
	Appropriation	181,021,000	188,508,900	161,618,500	7,487,900	(26,890,400)
	Federal	65,092,500	63,569,100	63,723,600	(1,523,400)	154,500
	Current Services and Other Revenue	103,211,700	91,788,400	80,638,800	(11,423,300)	(11,149,600)
341	Military	\$ 120,622,200	\$ 110,230,900	\$ 108,353,800	\$ (10,391,300)	\$ (1,877,100)
	Appropriation	15,380,800	11,596,000	10,419,800	(3,784,800)	(1,176,200)
	Federal	102,090,200	96,615,900	95,913,800	(5,474,300)	(702,100)
	Current Services and Other Revenue	3,151,200	2,019,000	2,020,200	(1,132,200)	1,200
343	Health	\$ 571,170,400	\$ 586,272,700	\$ 580,601,000	\$ 15,102,300	\$ (5,671,700)
	Appropriation	191,533,000	164,882,500	157,125,700	(26,650,500)	(7,756,800)
	Federal	249,281,300	274,112,500	278,216,500	24,831,200	4,104,000
	Current Services and Other Revenue	130,356,100	147,277,700	145,258,800	16,921,600	(2,018,900)
344	F&A - Intellectual Disabilities Services	\$ 837,997,800	\$ 835,619,700	\$ 728,076,100	\$ (2,378,100)	\$ (107,543,600)
	Appropriation	72,489,900	69,791,300	30,905,900	(2,698,600)	(38,885,400)
	Federal	2,176,300	2,058,600	1,861,100	(117,700)	(197,500)
	Current Services and Other Revenue	763,331,600	763,769,800	695,309,100	438,200	(68,460,700)

Comparison of Programs

Fiscal Years 2008-2009, 2009-2010, and 2010-2011

Allot. Code	Department	Estimated 2008-2009	Estimated 2009-2010	Recommended 2010-2011	2009 to 2010 Difference	2010 to 2011 Difference
345	Human Services	\$ 2,801,596,000	\$ 3,012,204,300	\$ 2,815,712,800	\$ 210,608,300	\$ (196,491,500)
	Appropriation	182,565,000	176,335,300	173,463,800	(6,229,700)	(2,871,500)
	Federal	2,473,237,000	2,695,955,200	2,506,403,800	222,718,200	(189,551,400)
	Current Services and Other Revenue	145,794,000	139,913,800	135,845,200	(5,880,200)	(4,068,600)
	Temporary Cash Assistance ¹	\$ 125,255,300	\$ 244,957,500	\$ 125,255,300	\$ 119,702,200	(\$119,702,200)
	Appropriation	19,459,100	19,832,000	21,197,100	372,900	1,365,100
	Federal	102,179,000	221,508,300	100,441,000	119,329,300	(121,067,300)
	Current Services and Other Revenue	3,617,200	3,617,200	3,617,200	0	0
	Food Stamp Benefits ¹	\$ 1,757,141,300	\$ 1,751,933,900	\$ 1,850,600,000	\$ (5,207,400)	\$98,666,100
	Federal	1,757,141,300	1,751,933,900	1,850,600,000	(5,207,400)	98,666,100
	Other Human Services Programs ¹	\$ 919,199,400	\$ 1,015,312,900	\$ 839,857,500	\$ 96,113,500	\$ (175,455,400)
	Appropriation	163,105,900	156,503,300	152,266,700	(6,602,600)	(4,236,600)
	Federal	613,916,700	722,513,000	555,362,800	108,596,300	(167,150,200)
	Current Services and Other Revenue	142,176,800	136,296,600	132,228,000	(5,880,200)	(4,068,600)
347	Revenue	\$ 113,623,200	\$ 105,334,200	\$ 103,474,100	\$ (8,289,000)	\$ (1,860,100)
	Appropriation	85,504,800	80,095,400	78,450,200	(5,409,400)	(1,645,200)
	Federal	22,000	22,000	22,000	0	0
	Current Services and Other Revenue	28,096,400	25,216,800	25,001,900	(2,879,600)	(214,900)
348	Tennessee Bureau of Investigation	\$ 68,580,700	\$ 63,223,900	\$ 62,066,400	\$ (5,356,800)	\$ (1,157,500)
	Appropriation	40,164,900	33,762,000	32,829,000	(6,402,900)	(933,000)
	Federal	14,667,600	14,481,200	14,246,700	(186,400)	(234,500)
	Current Services and Other Revenue	13,748,200	14,980,700	14,990,700	1,232,500	10,000
349	Safety	\$ 177,445,600	\$ 167,440,000	\$ 169,094,200	\$ (10,005,600)	\$ 1,654,200
	Appropriation	121,059,200	106,934,500	111,605,100	(14,124,700)	4,670,600
	Federal	9,535,800	9,535,800	9,535,800	0	0
	Current Services and Other Revenue	46,850,600	50,969,700	47,953,300	4,119,100	(3,016,400)
350	Cover Tennessee Health Care Programs	\$ 171,456,300	\$ 170,371,400	\$ 225,348,500	\$ (1,084,900)	\$ 54,977,100
	Appropriation	84,301,700	83,216,800	95,366,900	(1,084,900)	12,150,100
	Federal	86,754,600	86,754,600	129,581,600	0	42,827,000
	Current Services and Other Revenue	400,000	400,000	400,000	0	0
351	Miscellaneous Appropriations	\$ 90,203,900	\$ 71,558,600	\$ 144,026,800	\$ (18,645,300)	\$ 72,468,200
	Appropriation	90,203,900	71,558,600	144,026,800	(18,645,300)	72,468,200
353	Emergency and Contingency Fund	\$ 1,569,300	\$ 819,300	\$ 819,300	\$ (750,000)	\$ 0
	Appropriation	1,569,300	819,300	819,300	(750,000)	0
355	State Building Commission	\$ 400,000	\$ 400,000	\$ 400,000	\$ 0	\$ 0
	Appropriation	250,000	250,000	250,000	0	0
	Current Services and Other Revenue	150,000	150,000	150,000	0	0

Comparison of Programs

Fiscal Years 2008-2009, 2009-2010, and 2010-2011

Allot. Code	Department	Estimated 2008-2009	Estimated 2009-2010	Recommended 2010-2011	2009 to 2010 Difference	2010 to 2011 Difference
359	Children's Services	\$ 690,449,800	\$ 680,372,500	\$ 652,799,100	\$ (10,077,300)	\$ (27,573,400)
	Appropriation	340,238,400	334,555,100	314,248,300	(5,683,300)	(20,306,800)
	Federal	123,980,700	125,099,300	121,786,300	1,118,600	(3,313,000)
	Current Services and Other Revenue	226,230,700	220,718,100	216,764,500	(5,512,600)	(3,953,600)
	Grand Total - General Fund	\$ 25,337,649,100	\$ 26,601,840,900	\$ 24,962,868,300	\$ 1,264,191,800	\$ (1,638,972,600)
	Appropriation	11,454,454,000	10,193,186,500	10,315,053,900	(1,261,267,500)	121,867,400
	Federal	9,499,424,200	12,041,466,500	10,359,280,000	2,542,042,300	(1,682,186,500)
	Current Services and Other Revenue	3,272,821,100	3,159,221,500	3,080,568,000	(113,599,600)	(78,653,500)
	Tuition and Student Fees	1,110,949,800	1,207,966,400	1,207,966,400	97,016,600	0
400	Transportation	\$ 2,606,373,000	\$ 1,788,707,000	\$ 1,763,782,000	\$ (817,666,000)	\$ (24,925,000)
	Appropriation	804,500,000	718,125,000	717,100,000	(86,375,000)	(1,025,000)
	Federal	1,533,375,000	860,318,000	844,418,000	(673,057,000)	(15,900,000)
	Current Services and Other Revenue	42,798,000	42,764,000	37,764,000	(34,000)	(5,000,000)
	Bonds	225,700,000	167,500,000	164,500,000	(58,200,000)	(3,000,000)
	Debt Service Requirements	\$ 382,852,000	\$ 425,124,000	\$ 398,853,000	\$ 42,272,000	\$ (26,271,000)
	Appropriation	382,852,000	425,124,000	398,853,000	42,272,000	(26,271,000)
	Capital Outlay Program	\$ 621,286,000	\$ 173,946,000	\$ 293,252,500	\$ (447,340,000)	\$ 119,306,500
	Appropriation	70,500,000	40,100,000	165,400,000	(30,400,000)	125,300,000
	Federal	0	2,155,000	4,862,500	2,155,000	2,707,500
	Current Services and Other Revenue	85,066,000	32,191,000	32,090,000	(52,875,000)	(101,000)
	Bonds	465,720,000	99,500,000	90,900,000	(366,220,000)	(8,600,000)
	Facilities Revolving Fund	\$ 170,295,200	\$ 147,267,100	\$ 162,867,100	\$ (23,028,100)	\$ 15,600,000
	Appropriation	13,564,800	13,064,800	13,064,800	(500,000)	0
	Current Services and Other Revenue	132,730,400	130,902,300	133,402,300	(1,828,100)	2,500,000
	Bonds	24,000,000	3,300,000	16,400,000	(20,700,000)	13,100,000
	Cities & Counties - State Shared Taxes	\$ 810,063,400	\$ 815,900,000	\$ 831,100,000	\$ 5,836,600	\$ 15,200,000
	Appropriation	810,063,400	815,900,000	831,100,000	5,836,600	15,200,000
	Total State Budget - All Programs	\$ 29,928,518,700	\$ 29,952,785,000	\$ 28,412,722,900	\$ 24,266,300	\$ (1,540,062,100)
	Appropriation	13,535,934,200	12,205,500,300	12,440,571,700	(1,330,433,900)	235,071,400
	Federal	11,032,799,200	12,903,939,500	11,208,560,500	1,871,140,300	(1,695,379,000)
	Current Services and Other Revenue	3,533,415,500	3,365,078,800	3,283,824,300	(168,336,700)	(81,254,500)
	Tuition and Student Fees	1,110,949,800	1,207,966,400	1,207,966,400	97,016,600	0
	Bonds	715,420,000	270,300,000	271,800,000	(445,120,000)	1,500,000

¹ Included in departmental total.

**Supplemental Appropriations
General Fund
Fiscal Year 2009-2010**

Legislature		
301.07	House of Representatives - 2010 Extraordinary Session	\$ 148,000
301.08	State Senate - 2010 Extraordinary Session	52,000
	Sub-Total Legislature	<u>\$ 200,000</u>
Court System		
302.09	Guardian ad Litem	\$ 1,000,000
302.10	Indigent Defendants' Counsel	3,000,000
	Sub-Total Court System	<u>\$ 4,000,000</u>
Attorney General and Reporter		
303.08	Special Litigation - Mississippi Lawsuit - Memphis Aquifer	2,000,000
General Services		
321.04	Property Utilization	520,000
Economic and Community Development		
330.06	Fast Track Infrastructure and Job Training Assistance	
	Volkswagen Suppliers @ \$30.1 M	\$ 13,400,000
	Other Fast Track Projects @ \$11.5 M	11,500,000
	Sub-Total Economic and Community Development	<u>\$ 24,900,000</u>
Commerce and Insurance		
335.12	POST Commission - Police Pay Supplement	\$ 259,800
335.28	Fire Fighting Personnel Standards and Education - Fire Fighter Pay Supplement	59,800
	Sub-Total Commerce and Insurance	<u>\$ 319,600</u>
Intellectual Disabilities Services		
344.02	Community Mental Retardation Services - Community Services Network	6,100,000
351.00	Miscellaneous Appropriations:	
	Retirees Health Insurance	\$ 429,000
	State Agencies - Lodging Rates @ 10-1-09	675,000
	Sub-Total Miscellaneous Appropriations	<u>\$ 1,104,000</u>
Grand Total Supplemental Appropriations		<u><u>\$ 39,143,600</u></u>

Lottery for Education Account
Summary of Appropriation Requirements, Revenues, and Reserves
Fiscal Years 2008-2009 Through 2013-2014
(Millions)

	Revised 2008-2009	Revised * 2009-2010	Recomm. 2010-2011	2011-2012	Projected 2012-2013	2013-2014
1. Appropriation Requirements:						
Higher Education Scholarships Base	\$ 266.0	\$ 287.5	\$ 312.5	\$ 337.4	\$ 361.4	\$ 387.9
Pre-Kindergarten Program	23.8	3.0	-	-	-	-
Administration and Other	3.4	4.1	3.8	3.8	3.8	3.8
Total Appropriation Requirements	\$ 293.2	\$ 294.6	\$ 316.3	\$ 341.2	\$ 365.2	\$ 391.7
2. Current Revenue:						
Net Education Lottery Proceeds	\$ 265.5	\$ 267.0	\$ 269.7	\$ 272.4	\$ 275.1	\$ 277.9
Lottery for Education Account - Interest	19.8	16.2	15.2	13.3	10.2	5.8
Total Current Revenue	\$ 285.3	\$ 283.2	\$ 284.9	\$ 285.7	\$ 285.3	\$ 283.7
3. Net Available Current Revenue	\$ (7.9)	\$ (11.4)	\$ (31.4)	\$ (55.5)	\$ (79.9)	\$ (108.0)
4. Lottery for Education Reserve at June 30:						
General Shortfall Reserve	\$ 50.0	\$ 50.0	\$ 50.0	\$ 50.0	\$ 50.0	\$ 50.0
Lottery for Education Account	323.2	311.8	280.4	224.9	145.0	37.0
Total Reserve at June 30	\$ 373.2	\$ 361.8	\$ 330.4	\$ 274.9	\$ 195.0	\$ 87.0

(Dollars)

5. Scholarship Award Levels:						
HOPE 4-Year Colleges	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000
HOPE 2-Year Colleges	2,000	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	2,000

Scholarship Award Recipients - 2008-2009 estimated - 91,700; 2009-2010 revised estimate - 101,200; and 2010-2011 recommended estimate - 113,000.

* Revised 2009-2010 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 2008-2009 Through 2013-2014

	2008-2009		2009-2010 *		Recommended 2010-2011	Projected		
	Budgeted	Revised	Budgeted	Revised		2011-2012	2012-2013	2013-2014
I. Appropriation Requirements								
Higher Education Scholarships Base	\$ 266,102,100	\$ 265,957,062	\$ 276,500,000	\$ 287,500,000	\$ 312,500,000	\$ 337,400,000	\$ 361,400,000	\$ 387,900,000
Pre-Kindergarten Program **	25,000,000	23,851,050	3,000,000	3,000,000	-	-	-	-
Tenn. Higher Education Commission **	521,400	589,000	521,400	521,400	521,400	521,400	521,400	521,400
Tenn. Student Assistance Corp. **	2,438,800	2,804,189	2,438,800	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	808,100	808,100
Education - Lottery Scholarship Day **	23,000	-	23,000	23,000	23,000	23,000	23,000	23,000
Comptroller - Pre-K Longitudinal Study **	250,000	-	250,000	250,000	-	-	-	-
Rounding / Reconciling	56,600	-	5,558,700	58,700	8,700	8,700	8,700	8,700
Sub-Total Lottery for Education Acct.	\$ 295,200,000	\$ 293,201,301	\$ 289,100,000	\$ 294,600,000	\$ 316,300,000	\$ 341,200,000	\$ 365,200,000	\$ 391,700,000
After-School Programs	12,901,400	11,924,409	14,500,000	14,500,000	14,500,000	14,500,000	14,500,000	14,500,000
Total Appropriation Requirements	\$ 308,101,400	\$ 305,125,710	\$ 303,600,000	\$ 309,100,000	\$ 330,800,000	\$ 355,700,000	\$ 379,700,000	\$ 406,200,000
II. Available Revenues and Reserves								
Net Education Lottery Proceeds	\$ 278,500,000	\$ 265,486,000	\$ 267,000,000	\$ 267,000,000	\$ 269,700,000	\$ 272,400,000	\$ 275,100,000	\$ 277,900,000
Lottery for Education Account - Interest	17,300,000	19,797,357	16,800,000	16,200,000	15,200,000	13,300,000	10,200,000	5,800,000
Unclaimed Prizes (After-School Programs)	12,500,000	14,666,000	13,200,000	13,200,000	13,500,000	13,500,000	14,500,000	14,500,000
After-School Programs - Interest Earnings	400,000	245,900	200,000	200,000	200,000	200,000	200,000	200,000
General Shortfall Reserve @ prior 6-30	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000
Local Government 1% Reserve @ prior 6-30	-	12,701,251	-	-	-	-	-	-
Transfer to Energy Efficient Schools Fund	-	(90,000,000)	-	-	-	-	-	-
Lottery for Education Account @ prior 6-30	331,089,174	408,387,922	323,171,229	323,171,229	311,771,229	280,371,229	224,871,229	144,971,229
Unclaimed Prizes @ prior 6-30	14,984,462	14,984,462	17,971,952	17,971,952	16,871,952	16,071,952	15,271,952	15,471,952
Total Available Revenues and Reserves	\$ 704,773,636	\$ 696,268,892	\$ 688,343,181	\$ 687,743,181	\$ 677,243,181	\$ 645,843,181	\$ 590,143,181	\$ 508,843,181
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	\$ 50,000,000	\$ 50,000,000
Lottery for Education Account	331,689,174	323,171,229	317,871,229	311,771,229	280,371,229	224,871,229	144,971,229	36,971,229
After-School Programs Reserve	14,983,062	17,971,952	16,871,952	16,871,952	16,071,952	15,271,952	15,471,952	15,671,952
Total Available Funds @ June 30	\$ 396,672,236	\$ 391,143,181	\$ 384,743,181	\$ 378,643,181	\$ 346,443,181	\$ 290,143,181	\$ 210,443,181	\$ 102,643,181

* 2009-2010 - 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.

Departmental Summary of Continuation and Improvement Recommendations from State Revenue for Fiscal Year 2010-2011

Department	2009-2010 Appropriations *		2010-2011 Recommended Appropriations				
	Recurring	Non-Recurring	Base	% Change	Improvements	Total	% Change
Legislature	\$ 39,245,700	\$ (745,800)	\$ 36,488,500	-7.03%	\$ 0	\$ 36,488,500	-5.22%
Fiscal Review Committee	1,342,800	(600)	1,221,900	-9.00%	0	1,221,900	-8.96%
Court System	107,936,900	11,940,200	106,755,800	-1.09%	4,164,500	110,920,300	-7.47%
Attorney General and Reporter	21,172,800	4,364,400	20,080,600	-5.16%	0	20,080,600	-21.37%
District Attorneys General	68,433,300	523,700	68,433,300	0.00%	0	68,433,300	-0.76%
Secretary of State	28,008,900	1,684,900	27,347,600	-2.36%	0	27,347,600	-7.90%
District Public Defenders	39,611,000	57,400	39,611,000	0.00%	0	39,611,000	-0.14%
Comptroller of the Treasury	83,424,300	2,811,800	79,273,600	-4.98%	0	79,273,600	-8.07%
Post-Conviction Defender	1,948,600	(2,600)	1,948,600	0.00%	0	1,948,600	0.13%
Treasury Department	532,900	69,600	484,900	-9.01%	15,000,000	15,484,900	2470.11%
Claims and Compensation	10,855,000	0	10,500,000	-3.27%	0	10,500,000	-3.27%
Executive Department	3,804,600	(2,200)	3,462,200	-9.00%	0	3,462,200	-8.95%
Commissions	39,372,200	466,700	37,803,600	-3.98%	85,700	37,889,300	-4.89%
Finance and Administration (F&A)	<u>34,647,700</u>	<u>314,100</u>	<u>33,532,100</u>	<u>-3.22%</u>	<u>15,000,000</u>	<u>48,532,100</u>	<u>38.81%</u>
Criminal Justice Programs **	8,288,200	41,900	8,138,200	-1.81%	0	8,138,200	-2.30%
Other F&A Programs **	26,359,500	272,200	25,393,900	-3.66%	15,000,000	40,393,900	51.68%
F&A - TennCare	2,369,092,000	(451,883,400)	1,912,602,000	-19.27%	2,272,800	1,914,874,800	-0.12%
Human Resources	4,874,000	35,500	4,435,400	-9.00%	0	4,435,400	-9.66%
General Services	2,428,800	505,500	2,342,700	-3.54%	0	2,342,700	-20.16%
Veterans Affairs	4,525,300	(14,900)	4,482,300	-0.95%	0	4,482,300	-0.62%
Board of Probation and Parole	86,212,300	(762,100)	86,361,900	0.17%	0	86,361,900	1.07%
Agriculture	68,250,400	2,099,200	65,292,000	-4.33%	3,187,500	68,479,500	-2.66%
Tourist Development	7,579,600	4,965,700	8,892,500	17.32%	3,500,000	12,392,500	-1.22%
Environment and Conservation	161,336,300	(384,400)	159,289,000	-1.27%	7,231,200	166,520,200	3.46%
Wildlife Resources Agency	43,970,600	(123,300)	43,970,600	0.00%	906,300	44,876,900	2.35%
Correction	634,900,400	(14,810,500)	640,864,500	0.94%	19,327,000	660,191,500	6.47%
Economic and Community Development	29,511,300	85,555,900	28,460,300	-3.56%	23,810,000	52,270,300	-54.57%
Education (K-12)	<u>3,880,102,600</u>	<u>(172,472,000)</u>	<u>3,686,845,000</u>	<u>-4.98%</u>	<u>175,084,000</u>	<u>3,861,929,000</u>	<u>4.16%</u>
Lottery-Funded Programs **	14,500,000	0	13,700,000	-5.52%	0	13,700,000	-5.52%
Other K-12 Education Programs **	3,865,602,600	(172,472,000)	3,673,145,000	-4.98%	175,084,000	3,848,229,000	4.20%
Higher Education	<u>1,407,837,700</u>	<u>73,582,500</u>	<u>1,398,403,000</u>	<u>-0.67%</u>	<u>79,013,000</u>	<u>1,477,416,000</u>	<u>-0.27%</u>
Lottery for Education Account **	289,100,000	0	284,900,000	-1.45%	0	284,900,000	-1.45%
Other Higher Education Programs **	1,118,737,700	73,582,500	1,113,503,000	-0.47%	79,013,000	1,192,516,000	0.02%
Commerce and Insurance	89,192,500	609,000	88,899,900	-0.33%	6,834,200	95,734,100	6.61%
Financial Institutions	8,561,800	(4,600)	8,561,800	0.00%	0	8,561,800	0.05%
Labor and Workforce Development	43,154,700	634,100	41,665,300	-3.45%	196,500	41,861,800	-4.40%
Mental Health and Developmental Disabilities	164,604,600	23,904,300	161,618,500	-1.81%	0	161,618,500	-14.26%

Departmental Summary of Continuation and Improvement Recommendations from State Revenue for Fiscal Year 2010-2011

Department	2009-2010 Appropriations *		2010-2011 Recommended Appropriations				
	Recurring	Non-Recurring	Base	% Change	Improvements	Total	% Change
Military	11,123,800	472,200	10,419,800	-6.33%	0	10,419,800	-10.14%
Health	162,826,600	2,055,900	157,050,700	-3.55%	75,000	157,125,700	-4.70%
F&A - Division of Intellectual Disabilities	34,004,900	35,786,400	30,905,900	-9.11%	0	30,905,900	-55.72%
Human Services	168,090,400	8,244,900	173,463,800	3.20%	0	173,463,800	-1.63%
Temporary Cash Assistance **	19,832,000	0	21,197,100	6.88%	0	21,197,100	6.88%
Other Human Services Programs **	148,258,400	8,244,900	152,266,700	2.70%	0	152,266,700	-2.71%
Revenue	79,251,400	844,000	77,792,500	-1.84%	657,700	78,450,200	-2.05%
Tennessee Bureau of Investigation	33,786,600	(24,600)	30,879,000	-8.61%	1,950,000	32,829,000	-2.76%
Safety	107,457,700	(523,200)	107,457,700	0.00%	4,147,400	111,605,100	4.37%
F&A - Cover Tennessee Health Care Programs	80,816,800	2,400,000	77,766,900	-3.77%	17,600,000	95,366,900	14.60%
Miscellaneous Appropriations	56,681,300	14,877,300	59,526,800	5.02%	84,500,000	144,026,800	101.27%
Emergency and Contingency Fund	819,300	0	819,300	0.00%	0	819,300	0.00%
State Building Commission	250,000	0	250,000	0.00%	0	250,000	0.00%
Children's Services	310,718,100	23,837,000	310,648,300	-0.02%	3,600,000	314,248,300	-6.07%
Total General Fund	\$10,532,298,500	\$ (339,112,000)	\$ 9,846,911,100	-6.51%	\$ 468,142,800	\$10,315,053,900	1.20%

* Includes recommended supplemental appropriations in the amount of \$39,143,600. See supplemental appropriation chart.

** These items are included in the departmental totals.

**Departmental Summary of Improvements
Fiscal Year 2010-2011**

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	4,164,500	4,164,500	0	0
303	Attorney General and Reporter	0	0	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	15,000,000	15,000,000	0	0
313	Claims and Compensation	0	0	0	0
315	Executive Department	0	0	0	0
316	Commissions	25,663,100	85,700	25,207,100	370,300
317	Finance and Administration (F&A)	15,000,000	15,000,000	0	0
317.06	Criminal Justice Programs *	0	0	0	0
	Other F&A Programs *	15,000,000	15,000,000	0	0
318	F&A - TennCare	5,158,500	2,272,800	2,732,400	153,300
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	0	0	0	0
325	Agriculture	3,533,400	3,187,500	345,900	0
326	Tourist Development	3,500,000	3,500,000	0	0
327	Environment and Conservation	34,829,100	7,231,200	27,597,900	0
328	Wildlife Resources Agency	906,300	906,300	0	0
329	Correction	19,387,000	19,327,000	0	60,000
330	Economic and Community Development	27,446,100	23,810,000	3,636,100	0
331	Education (K-12)	328,075,600	175,084,000	152,985,100	6,500
	Lottery-Funded Programs *	0	0	0	0
	Other K-12 Education Programs *	328,075,600	175,084,000	152,985,100	6,500
332	Higher Education	242,146,700	79,013,000	163,133,700	0
	Lottery for Education Account *	0	0	0	0
	Other Higher Education Programs *	242,146,700	79,013,000	163,133,700	0
335	Commerce and Insurance	28,909,600	6,834,200	1,499,600	20,575,800
336	Financial Institutions	0	0	0	0
337	Labor and Workforce Development	4,500,600	196,500	4,304,100	0
339	Mental Health and Developmental Disabilities	0	0	0	0
341	Military	0	0	0	0
343	Health	3,990,100	75,000	3,915,100	0
344	F&A - Division of Intellectual Disabilities	0	0	0	0
345	Human Services	209,738,600	0	209,738,600	0
345.23	Temporary Cash Assistance *	0	0	0	0
	Other Human Services Programs *	209,738,600	0	209,738,600	0
347	Revenue	657,700	657,700	0	0
348	Tennessee Bureau of Investigation	1,950,000	1,950,000	0	0
349	Safety	4,147,400	4,147,400	0	0
350	F&A - Cover Tennessee Health Care Programs	59,188,200	17,600,000	41,588,200	0

**Departmental Summary of Improvements
Fiscal Year 2010-2011**

<u>Code</u>	<u>Department</u>	<u>Total</u>	<u>Funding</u>		
			<u>Appropriation</u>	<u>Federal</u>	<u>Other</u>
351	Miscellaneous Appropriations	84,500,000	84,500,000	0	0
359	Children's Services	3,600,000	3,600,000	0	0
	Sub-total General Fund	\$ 1,125,992,500	\$ 468,142,800	\$ 636,683,800	\$ 21,165,900
400	Transportation	0	0	0	0
	Total All Funds	\$ 1,125,992,500	\$ 468,142,800	\$ 636,683,800	\$ 21,165,900

* These items are included in the departmental totals.

Departmental Comparison of Recurring Appropriations from State Revenues, 2009-2010 and Base Budget 2010-2011

Program	2009-2010	Base Budget 2010-2011	Increase/ (Decrease)	% Chg
Legislature	\$ 39,245,700	\$ 36,488,500	\$ (2,757,200)	(7.0%)
Fiscal Review Committee	1,342,800	1,221,900	(120,900)	(9.0%)
Court System	107,936,900	106,170,700	(1,766,200)	(1.6%)
Attorney General and Reporter	21,172,800	20,080,600	(1,092,200)	(5.2%)
District Attorneys General	68,433,300	68,433,300	-	0.0%
Secretary of State	28,008,900	25,487,800	(2,521,100)	(9.0%)
District Public Defenders	39,611,000	39,611,000	-	0.0%
Comptroller of the Treasury	83,424,300	79,273,600	(4,150,700)	(5.0%)
Post-Conviction Defender	1,948,600	1,948,600	-	0.0%
Treasury Department	532,900	484,900	(48,000)	(9.0%)
Claims and Compensation	10,855,000	10,500,000	(355,000)	(3.3%)
Executive Department	3,804,600	3,462,200	(342,400)	(9.0%)
Commissions	39,372,200	35,996,500	(3,375,700)	(8.6%)
Finance and Administration (F&A)	\$ 34,647,700	\$ 33,097,600	\$ (1,550,100)	(4.5%)
Criminal Justice Programs	8,288,200	7,999,600	(288,600)	(3.5%)
Other F&A Programs	26,359,500	25,098,000	(1,261,500)	(4.8%)
F&A - TennCare	2,369,092,000	2,199,758,400	(169,333,600)	(7.2%)
Human Resources	4,874,000	4,435,400	(438,600)	(9.0%)
General Services	2,428,800	2,342,700	(86,100)	(3.5%)
Veterans Affairs	4,525,300	4,400,600	(124,700)	(2.8%)
Board of Probation and Parole	86,212,300	86,000,800	(211,500)	(0.3%)
Agriculture	68,250,400	64,274,600	(3,975,800)	(5.8%)
Tourist Development	7,579,600	6,897,400	(682,200)	(9.0%)
Environment and Conservation	161,336,300	156,402,000	(4,934,300)	(3.1%)
Wildlife Resources Agency	43,970,600	43,970,600	-	0.0%
Correction	634,900,400	628,633,900	(6,266,500)	(1.0%)
Economic and Community Development	29,511,300	26,855,300	(2,656,000)	(9.0%)
Education (K-12)	\$ 3,880,102,600	\$ 3,859,339,600	\$ (20,763,000)	(0.5%)
Lottery-Funded Programs	14,500,000	13,700,000	(800,000)	(5.5%)
Other K-12 Education Programs	3,865,602,600	3,845,639,600	(19,963,000)	(0.5%)
Higher Education	\$ 1,407,837,700	\$ 1,339,378,800	\$ (68,458,900)	(4.9%)
Lottery-Funded Programs	289,100,000	284,900,000	(4,200,000)	(1.5%)
Other Higher Education Programs	1,118,737,700	1,054,478,800	(64,258,900)	(5.7%)

Departmental Comparison of Recurring Appropriations from State Revenues, 2009-2010 and Base Budget 2010-2011

Program	2009-2010	Base Budget 2010-2011	Increase/ (Decrease)	% Chg
Commerce and Insurance	89,192,500	88,531,900	(660,600)	(0.7%)
Financial Institutions	8,561,800	8,561,800	-	0.0%
Labor and Workforce Development	43,154,700	41,291,800	(1,862,900)	(4.3%)
Mental Health and Developmental Disabilities	164,604,600	154,179,200	(10,425,400)	(6.3%)
Military	11,123,800	10,122,700	(1,001,100)	(9.0%)
Health	162,826,600	152,187,700	(10,638,900)	(6.5%)
Intellectual Disabilities Services	34,004,900	21,319,300	(12,685,600)	(37.3%)
Human Services	\$ 168,090,400	\$ 164,444,000	\$ (3,646,400)	(2.2%)
Temporary Cash Assistance	19,832,000	20,297,100	465,100	2.4%
Other Human Services Programs	148,258,400	144,146,900	(4,111,500)	(2.8%)
Revenue	79,251,400	77,746,900	(1,504,500)	(1.9%)
Tennessee Bureau of Investigation	33,786,600	30,879,000	(2,907,600)	(8.6%)
Safety	107,457,700	107,343,400	(114,300)	(0.1%)
F&A - Cover Tennessee Health Care Programs	80,816,800	77,766,900	(3,049,900)	(3.8%)
Miscellaneous Appropriations	56,681,300	61,729,500	5,048,200	8.9%
Emergency and Contingency Fund	819,300	819,300	-	0.0%
State Building Commission	250,000	250,000	-	0.0%
Children's Services	310,718,100	294,836,200	(15,881,900)	(5.1%)
Total General Fund	\$ 10,532,298,500	\$ 10,176,956,900	\$ (355,341,600)	(3.4%)

Departmental Comparison of Appropriations from State Revenues, Recurring and Non-Recurring, for Fiscal Years 2009-2010 and 2010-2011

Program	2009-2010 Appropriation		2010-2011 Base Recommended			2010-2011 Improvements		2010-2011 Total Recommended				
	Recurring	Non-Recurring	Recurring	Pct. Chg.	Non-Recurring	Recurring	Non-Recurring	Recurring	Pct. Chg.	Non-Recurring	Total	Pct. Chg.
Legislature	\$ 39,245,700	\$ (745,800)	\$ 36,488,500	(7.0%)	\$ -	\$ -	\$ -	\$ 36,488,500	(7.0%)	\$ -	\$ 36,488,500	(5.2%)
Fiscal Review Committee	1,342,800	(600)	1,221,900	(9.0%)	-	-	-	1,221,900	(9.0%)	-	1,221,900	(9.0%)
Court System	107,936,900	11,940,200	106,170,700	(1.6%)	585,100	4,164,500	-	110,335,200	2.2%	585,100	110,920,300	(7.5%)
Attorney General and Reporter	21,172,800	4,364,400	20,080,600	(5.2%)	-	-	-	20,080,600	(5.2%)	-	20,080,600	(21.4%)
District Attorneys General	68,433,300	523,700	68,433,300	0.0%	-	-	-	68,433,300	0.0%	-	68,433,300	(0.8%)
Secretary of State	28,008,900	1,684,900	25,487,800	(9.0%)	1,859,800	-	-	25,487,800	(9.0%)	1,859,800	27,347,600	(7.9%)
District Public Defenders	39,611,000	57,400	39,611,000	0.0%	-	-	-	39,611,000	0.0%	-	39,611,000	(0.1%)
Comptroller of the Treasury	83,424,300	2,811,800	79,273,600	(5.0%)	-	-	-	79,273,600	(5.0%)	-	79,273,600	(8.1%)
Post-Conviction Defender	1,948,600	(2,600)	1,948,600	0.0%	-	-	-	1,948,600	0.0%	-	1,948,600	0.1%
Treasury Department	532,900	69,600	484,900	(9.0%)	-	-	15,000,000	484,900	(9.0%)	15,000,000	15,484,900	2,470.1%
Claims and Compensation	10,855,000	-	10,500,000	(3.3%)	-	-	-	10,500,000	(3.3%)	-	10,500,000	(3.3%)
Executive Department	3,804,600	(2,200)	3,462,200	(9.0%)	-	-	-	3,462,200	(9.0%)	-	3,462,200	(9.0%)
Commissions	39,372,200	466,700	35,996,500	(8.6%)	1,807,100	-	85,700	35,996,500	(8.6%)	1,892,800	37,889,300	(4.9%)
Finance and Administration (F&A)	\$ 34,647,700	\$ 314,100	\$ 33,097,600	(4.5%)	\$ 434,500	\$ -	\$ 15,000,000	\$ 33,097,600	(4.5%)	\$ 15,434,500	\$ 48,532,100	38.8%
Criminal Justice Programs	8,288,200	41,900	7,999,600	(3.5%)	138,600	-	-	7,999,600	(3.5%)	138,600	8,138,200	(2.3%)
Other F&A Programs	26,359,500	272,200	25,098,000	(4.8%)	295,900	-	15,000,000	25,098,000	(4.8%)	15,295,900	40,393,900	51.7%
F&A - TennCare	2,369,092,000	(451,883,400)	2,199,758,400	(7.2%)	(287,156,400)	2,272,800	-	2,202,031,200	(7.1%)	(287,156,400)	1,914,874,800	(0.1%)
Human Resources	4,874,000	35,500	4,435,400	(9.0%)	-	-	-	4,435,400	(9.0%)	-	4,435,400	(9.7%)
General Services	2,428,800	505,500	2,342,700	(3.5%)	-	-	-	2,342,700	(3.5%)	-	2,342,700	(20.2%)
Veterans Affairs	4,525,300	(14,900)	4,400,600	(2.8%)	81,700	-	-	4,400,600	(2.8%)	81,700	4,482,300	(0.6%)
Board of Probation and Parole	86,212,300	(762,100)	86,000,800	(0.3%)	361,100	-	-	86,000,800	(0.3%)	361,100	86,361,900	1.1%
Agriculture	68,250,400	2,099,200	64,274,600	(5.8%)	1,017,400	3,187,500	-	67,462,100	(1.2%)	1,017,400	68,479,500	(2.7%)
Tourist Development	7,579,600	4,965,700	6,897,400	(9.0%)	1,995,100	-	3,500,000	6,897,400	(9.0%)	5,495,100	12,392,500	(1.2%)
Environment and Conservation	161,336,300	(384,400)	156,402,000	(3.1%)	2,887,000	7,231,200	-	163,633,200	1.4%	2,887,000	166,520,200	3.5%
Wildlife Resources Agency	43,970,600	(123,300)	43,970,600	0.0%	-	906,300	-	44,876,900	2.1%	-	44,876,900	2.4%
Correction	634,900,400	(14,810,500)	628,633,900	(1.0%)	12,230,600	13,627,600	5,699,400	642,261,500	1.2%	17,930,000	660,191,500	6.5%
Economic and Community Development	29,511,300	85,555,900	26,855,300	(9.0%)	1,605,000	-	23,810,000	26,855,300	(9.0%)	25,415,000	52,270,300	(54.6%)

**Departmental Comparison of Appropriations from State Revenues,
Recurring and Non-Recurring, for Fiscal Years 2009-2010 and 2010-2011**

Program	2009-2010 Appropriation		2010-2011 Base Recommended			2010-2011 Improvements		2010-2011 Total Recommended				
	Recurring	Non-Recurring	Recurring	Pct. Chg.	Non-Recurring	Recurring	Non-Recurring	Recurring	Pct. Chg.	Non-Recurring	Total	Pct. Chg.
Education (K-12)	\$ 3,880,102,600	\$(172,472,000)	\$ 3,859,339,600	(0.5%)	\$(172,494,600)	\$104,284,000	\$ 70,800,000	\$ 3,963,623,600	2.2%	\$(101,694,600)	\$ 3,861,929,000	4.2%
Lottery-Funded Programs	14,500,000	-	13,700,000	(5.5%)	-	-	-	13,700,000	(5.5%)	-	13,700,000	(5.5%)
Other K-12 Education Programs	3,865,602,600	(172,472,000)	3,845,639,600	(0.5%)	(172,494,600)	104,284,000	70,800,000	3,949,923,600	2.2%	(101,694,600)	3,848,229,000	4.2%
Higher Education	\$ 1,407,837,700	\$ 73,582,500	\$ 1,339,378,800	(4.9%)	\$ 59,024,200	\$ 14,600,000	\$ 64,413,000	\$ 1,353,978,800	(3.8%)	\$ 123,437,200	\$ 1,477,416,000	(0.3%)
Lottery-Funded Programs	289,100,000	-	284,900,000	(1.5%)	-	-	-	284,900,000	(1.5%)	-	284,900,000	(1.5%)
Other Higher Education Programs	1,118,737,700	73,582,500	1,054,478,800	(5.7%)	59,024,200	14,600,000	64,413,000	1,069,078,800	(4.4%)	123,437,200	1,192,516,000	0.0%
Commerce and Insurance	89,192,500	609,000	88,531,900	(0.7%)	368,000	6,815,600	18,600	95,347,500	6.9%	386,600	95,734,100	6.6%
Financial Institutions	8,561,800	(4,600)	8,561,800	0.0%	-	-	-	8,561,800	0.0%	-	8,561,800	0.1%
Labor and Workforce Development	43,154,700	634,100	41,291,800	(4.3%)	373,500	196,500	-	41,488,300	(3.9%)	373,500	41,861,800	(4.4%)
Mental Health and Developmental Disabilities	164,604,600	23,904,300	154,179,200	(6.3%)	7,439,300	-	-	154,179,200	(6.3%)	7,439,300	161,618,500	(14.3%)
Military	11,123,800	472,200	10,122,700	(9.0%)	297,100	-	-	10,122,700	(9.0%)	297,100	10,419,800	(10.1%)
Health	162,826,600	2,055,900	152,187,700	(6.5%)	4,863,000	-	75,000	152,187,700	(6.5%)	4,938,000	157,125,700	(4.7%)
Intellectual Disabilities Services	34,004,900	35,786,400	21,319,300	(37.3%)	9,586,600	-	-	21,319,300	(37.3%)	9,586,600	30,905,900	(55.7%)
Human Services	\$ 168,090,400	\$ 8,244,900	\$ 164,444,000	(2.2%)	\$ 9,019,800	\$ -	\$ -	\$ 164,444,000	(2.2%)	\$ 9,019,800	\$ 173,463,800	(1.6%)
Temporary Cash Assistance	19,832,000	-	20,297,100	2.4%	900,000	-	-	20,297,100	2.4%	900,000	21,197,100	6.9%
Other Human Services Programs	148,258,400	8,244,900	144,146,900	(2.8%)	8,119,800	-	-	144,146,900	(2.8%)	8,119,800	152,266,700	(2.7%)
Revenue	79,251,400	844,000	77,746,900	(1.9%)	45,600	275,100	382,600	78,022,000	(1.6%)	428,200	78,450,200	(2.1%)
Tennessee Bureau of Investigation	33,786,600	(24,600)	30,879,000	(8.6%)	-	1,950,000	-	32,829,000	(2.8%)	-	32,829,000	(2.8%)
Safety	107,457,700	(523,200)	107,343,400	(0.1%)	114,300	3,394,500	752,900	110,737,900	3.1%	867,200	111,605,100	4.4%
F&A - Cover Tennessee Health Care Programs	80,816,800	2,400,000	77,766,900	(3.8%)	-	17,600,000	-	95,366,900	18.0%	-	95,366,900	14.6%
Miscellaneous Appropriations	56,681,300	14,877,300	61,729,500	8.9%	(2,202,700)	27,400,000	57,100,000	89,129,500	57.3%	54,897,300	144,026,800	101.3%
Emergency and Contingency Fund	819,300	-	819,300	0.0%	-	-	-	819,300	0.0%	-	819,300	0.0%
State Building Commission	250,000	-	250,000	0.0%	-	-	-	250,000	0.0%	-	250,000	0.0%
Children's Services	310,718,100	23,837,000	294,836,200	(5.1%)	15,812,100	3,600,000	-	298,436,200	(4.0%)	15,812,100	314,248,300	(6.1%)
Total General Fund	\$10,532,298,500	\$(339,112,000)	\$10,176,956,900	(3.4%)	\$(330,045,800)	\$211,505,600	\$256,637,200	\$10,388,462,500	(1.4%)	\$(73,408,600)	\$10,315,053,900	1.2%

Funding Summary All Programs

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Recommended 2010-2011</u>
GENERAL FUND AND EDUCATION FUND			
Expenditures			
Payroll	\$ 2,710,519,000	\$ 2,627,893,400	\$ 2,529,094,700
Operational	22,627,130,100	23,973,947,500	22,433,773,600
TOTAL	<u>\$ 25,337,649,100</u>	<u>\$ 26,601,840,900</u>	<u>\$ 24,962,868,300</u>
Funding			
State *	\$ 11,454,454,000	\$ 10,193,186,500	\$ 10,315,053,900
Federal	9,499,424,200	12,041,466,500	10,359,280,000
Other	3,272,821,100	3,159,221,500	3,080,568,000
Tuition and Fees	1,110,949,800	1,207,966,400	1,207,966,400
DEPARTMENT OF TRANSPORTATION			
Expenditures			
Payroll	\$ 268,405,900	\$ 251,124,200	\$ 249,401,000
Operational	2,337,967,100	1,537,582,800	1,514,381,000
TOTAL	<u>\$ 2,606,373,000</u>	<u>\$ 1,788,707,000</u>	<u>\$ 1,763,782,000</u>
Funding			
State	\$ 1,030,200,000	\$ 885,625,000	\$ 881,600,000
Federal	1,533,375,000	860,318,000	844,418,000
Other	42,798,000	42,764,000	37,764,000
GRAND TOTAL - ALL PROGRAMS			
Expenditures			
Payroll	\$ 2,978,924,900	\$ 2,879,017,600	\$ 2,778,495,700
Operational	24,965,097,200	25,511,530,300	23,948,154,600
TOTAL	<u><u>\$ 27,944,022,100</u></u>	<u><u>\$ 28,390,547,900</u></u>	<u><u>\$ 26,726,650,300</u></u>
Funding			
State *	\$ 12,484,654,000	\$ 11,078,811,500	\$ 11,196,653,900
Federal	11,032,799,200	12,901,784,500	11,203,698,000
Other	3,315,619,100	3,201,985,500	3,118,332,000
Tuition and Fees	1,110,949,800	1,207,966,400	1,207,966,400

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

	\$ 308,101,400	\$ 303,600,000	\$ 298,600,000
Energy Fund:	\$ 90,000,000		

Comparison of Authorized Positions State Agencies and Higher Education

	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>Change From Current Year</u>
I. STATE AGENCIES *				
General Fund	48,097	47,545	45,937	(1,608)
Full-time	45,452	44,895	43,342	(1,553)
Part-time	2,027	2,042	2,004	(38)
Seasonal	618	608	591	(17)
Department of Transportation	4,866	4,867	4,667	(200)
Full-time	4,866	4,867	4,667	(200)
Part-time	0	0	0	0
Seasonal	0	0	0	0
Total State Agencies	52,963	52,412	50,604	(1,808)
Full-time	50,318	49,762	48,009	(1,753)
Part-time	2,027	2,042	2,004	(38)
Seasonal	618	608	591	(17)
II. HIGHER EDUCATION				
Total Positions	24,531	23,803	23,803	0
Full-time Equivalent (UT and TBR)				
Administrative	1,274	1,251	1,251	0
Professional	5,169	5,041	5,041	0
Faculty	9,267	9,050	9,050	0
Clerical and Support	8,807	8,447	8,447	0
Foreign Language Institute (FT)	14	14	14	0
III. TOTAL STATE AGENCIES AND HIGHER EDUCATION				
Total Positions	77,494	76,215	74,407	(1,808)
Full-time **	74,849	73,565	71,812	(1,753)
Part-time	2,027	2,042	2,004	(38)
Seasonal	618	608	591	(17)

* 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	16
302.00 Court System	10
304.00 District Attorneys General Conference	8
305.00 Secretary of State	4
309.00 Treasury	1
317.00 Finance and Administration	2
318.00 TennCare	1
324.00 Board of Probation and Parole	1
325.00 Agriculture	2
327.00 Environment and Conservation	12
329.00 Correction	17
331.00 Education	9
337.00 Labor and Workforce Development	9
339.00 Mental Health and Developmental Disabilities	5
343.00 Health	3
344.00 Intellectual Disabilities Services Division	27
345.00 Human Services	242
347.00 Revenue	1
349.00 Safety	6
359.00 Children's Services	29
400.00 Transportation	<u>51</u>
Total	<u><u>456</u></u>

Based on Edison extract of full-time employees overlapped more than ninety days as of 1/22/2010.

**General Fund and Education Fund
Combining Statement of Base Budget Reductions and Adjustments
State Appropriations for Fiscal Year 2010-2011**

	<u>Total</u>	<u>Recurring</u>	<u>Non-Recurring</u>
I. Budget File - Reductions and Reallocations			
Preliminary Base Budget Reductions	\$ (493,737,500)	\$ (37,698,600)	\$ (456,038,900)
Base Budget Reduction Plans	(254,342,500)	(341,301,700)	86,959,200
Base Budget Reallocations	<u>(6,189,300)</u>	<u>(381,900)</u>	<u>(5,807,400)</u>
Sub-Total Budget File - Reductions and Reallocations	<u>\$ (754,269,300)</u>	<u>\$ (379,382,200)</u>	<u>\$ (374,887,100)</u>
II. Budget Overview - Overappropriation			
Preliminary Base Budget Reductions	\$ (10,518,200)	\$ (10,518,200)	\$ -
Base Budget Reduction Plans	<u>(4,200,000)</u>	<u>(4,300,000)</u>	<u>100,000</u>
Sub-Total Budget Overview - Overappropriation	<u>\$ (14,718,200)</u>	<u>\$ (14,818,200)</u>	<u>\$ 100,000</u>
III. Total Base Reductions and Reallocations	<u>\$ (768,987,500)</u>	<u>\$ (394,200,400)</u>	<u>\$ (374,787,100)</u>
IV. Preliminary Base Budget Adjustments			
Budget File	\$ 37,654,300	\$ 32,762,800	\$ 4,891,500
Budget Overview - Overappropriation	<u>(2,600,000)</u>	<u>(2,600,000)</u>	<u>-</u>
Sub-Total Preliminary Base Budget Adjustments	<u>\$ 35,054,300</u>	<u>\$ 30,162,800</u>	<u>\$ 4,891,500</u>
V. Net Base Reductions	<u>\$ (733,933,200)</u>	<u>\$ (364,037,600)</u>	<u>\$ (369,895,600)</u>

Note: Excludes dedicated funds.

Department of Safety
Use of Proposed Driver License Fee Increase
Fiscal Year 2010-2011
(in Millions)

Highway Patrol and Driver License Base Preserved (141 FT Positions)	\$	9.5
Driver License Production Improvement		2.3
Debt Service on \$77.7 M Bonds:		
Highway Patrol Communications System (\$60.1 M Bonds)	\$	7.8
Driver License Issuance System (\$17.6 M Bonds)		2.3
Sub-Total Debt Service	<u>\$</u>	<u>10.1</u>
Total	<u>\$</u>	<u>21.9</u>

The Administration proposes legislation to increase driver license fees by \$2 per year for all license types and convert them from a five-year to an eight-year license. The revenue from the driver license fee will be deposited to the general fund.

The \$21.9 million raised by the driver license fee increase preserves the Highway Patrol and Driver License Issuance programs from a 9 percent base budget reduction (\$9.5 M); funds a program improvement for driver license production (\$2.3 M), allowing replacement of equipment and improvement in license security; and provides revenues for debt service on \$77.7 M in bonds for a new Highway Patrol communications system and a new driver license issuance system (\$10.1 M debt service).

**Base Appropriations Preserved
by Proposed Fee Legislation
Department of Safety and TBI
Fiscal Year 2010-2011**

	<u>Amount</u>	<u>Full-Time Positions</u>		
		<u>Filled</u>	<u>Vacant</u>	<u>Total</u>
I. Department of Safety - Driver License Fee				
The Administration proposes legislation to increase driver license fees by \$2 per year for all license types and convert them from a five-year to an eight-year license. The revenue from the driver license fee will be deposited to the general fund. The following base appropriations are preserved by this revenue proposal; the base budget reduction proposal for the Department of Safety does not include these amounts.				
349.02 Driver License Issuance	Driver License Services	\$ 2,321,400	56	56
349.03 Highway Patrol	Road Enforcement	6,467,300	85	85
349.07 Motor Vehicle Operations	Trooper Vehicle Lease Costs	707,200		
Sub-Total Department of Safety		<u>\$ 9,495,900</u>	<u>141</u>	<u>-</u>
II. Tennessee Bureau of Investigation - Lab Fees				
Legislation is proposed to authorize the Tennessee Bureau of Investigation (TBI) to charge forensic service fees to local governments. The estimated departmental revenue of \$2,173,500 (\$100 per DNA test and \$20 per exhibit for all other tests) will preserve 30 existing forensic scientists. The base budget reduction proposal for TBI recognizes an increase in other revenue and a corresponding decrease in state appropriations.				
348.00 TBI	Forensic Scientists	\$ 2,173,500	30	30
Sub-Total Tennessee Bureau of Investigation		<u>\$ 2,173,500</u>	<u>30</u>	<u>-</u>
III. Total		<u><u>\$ 11,669,400</u></u>	<u><u>171</u></u>	<u><u>-</u></u>
			<u><u>171</u></u>	

**Base Appropriations Preserved
by Proposed Tax Legislation**

**Cable Services, Cable Boxes, Business Telecommunications,
Sale for Resale, and REIT Dividend Paid Deductions**

Fiscal Year 2010-2011

The Administration proposes tax legislation relative to cable services, cable boxes, interstate and international telecommunications sold to businesses, sale for resale, and REIT dividend paid deductions. An estimated \$49.8 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.

	Amount	Full-Time Positions		
		Filled	Vacant	Total
Higher Education (3%)				
State-Administered Programs	\$ 436,100			-
University of Tennessee System	12,171,300			-
State University and Community College System	19,522,100			-
Sub-Total Higher Education	\$ 32,129,500	-	-	-
District Attorneys General (9%)				
304.01 District Attorneys General				
Reduce Assistant Victim Witness Coordinators	\$ 879,700	20		20
Reduce Assistant District Attorneys	1,889,200	17		17
Additional Reduction Required	2,871,000	26		26
Total District Attorneys General	\$ 5,639,900	63	-	63
District Public Defenders (9%)				
306.01 District Public Defenders - Reduce Attorney Positions	\$ 2,544,200	25		25
306.03 Executive Director - Reduce Support for Attorneys	140,300			-
306.10 Shelby Co. Public Def. - Reduce Appropriation	279,600			-
306.12 Davidson Co. Public Def. - Reduce Appropriation	143,000			-
Total District Public Defenders	\$ 3,107,100	25	-	25
Board of Probation and Parole (8.5%)				
324.02 Probation and Parole Services				
Abolish Apprehension Unit	\$ 486,400	10		10
Administrative, Docketing, and Hearing Staff	427,100	10		10
Probation and Parole Services - Field Staff	4,858,700	63		63
Sub-Total Probation and Parole Services	\$ 5,772,200	83	-	83
324.04 Community Corrections - Reduce Diversion Programs	1,074,200			-
Total Board of Probation and Parole	\$ 6,846,400	83	-	83
Agriculture (5.4%)				
325.10 Forestry Operations - Reduce Foresters and Specialists	2,128,200	28	1	29
Less: Rounding	(51,100)	-	-	-
Grand Total	\$ 49,800,000	199	1	200

Authorized Position Reduction by Agency, Base Budget Reductions and Reallocations for Fiscal Year 2010-2011

Program	Recurring Reductions			Non-Recurring Restoration			Net		
	Filled	Vacant	Total	Filled	Vacant	Total	Filled	Vacant	Total
Base Budget Reductions									
Legislature	-	-	-	-	-	-	-	-	-
Fiscal Review Committee	-	-	-	-	-	-	-	-	-
Court System	(17)	-	(17)	17	-	17	-	-	-
Attorney General and Reporter	-	(3)	(3)	-	-	-	-	(3)	(3)
District Attorneys General Conference	-	-	-	-	-	-	-	-	-
Secretary of State	(28)	(8)	(36)	28	-	28	-	(8)	(8)
District Public Defenders Conference	-	-	-	-	-	-	-	-	-
Comptroller of the Treasury	-	(28)	(28)	-	-	-	-	(28)	(28)
Office of the Post-Conviction Defender	-	-	-	-	-	-	-	-	-
Treasury Department	-	-	-	-	-	-	-	-	-
Claims and Compensation	-	-	-	-	-	-	-	-	-
Executive Department	-	(4)	(4)	-	-	-	-	(4)	(4)
Commissions	(2)	(13)	(15)	1	-	1	(1)	(13)	(14)
Finance and Administration	(5)	(51)	(56)	2	-	2	(3)	(51)	(54)
TennCare Programs	-	(2)	(2)	-	-	-	-	(2)	(2)
Human Resources	-	(4)	(4)	-	-	-	-	(4)	(4)
General Services	(18)	(29)	(47)	11	-	11	(7)	(29)	(36)
Veterans Affairs	(2)	(1)	(3)	2	-	2	-	(1)	(1)
Board of Probation and Parole	(2)	(3)	(5)	2	-	2	-	(3)	(3)
Agriculture	(20)	(3)	(23)	20	-	20	-	(3)	(3)
Tourist Development	-	-	-	-	-	-	-	-	-
Environment and Conservation	(95)	(26)	(121)	71	-	71	(24)	(26)	(50)
Tennessee Wildlife Resources Agency	-	-	-	-	-	-	-	-	-
Correction	(33)	(50)	(83)	33	-	33	-	(50)	(50)
Economic and Community Development	-	-	-	-	-	-	-	-	-
Education (K-12)	(84)	(36)	(120)	-	-	-	(84)	(36)	(120)
Higher Education	-	-	-	-	-	-	-	-	-
Commerce and Insurance	(1)	(3)	(4)	1	-	1	-	(3)	(3)
Financial Institutions	-	-	-	-	-	-	-	-	-
Labor and Workforce Development	-	(1)	(1)	-	-	-	-	(1)	(1)
Mental Health and Dev. Disabilities	(116)	(54)	(170)	10	-	10	(106)	(54)	(160)
Military	-	(1)	(1)	-	-	-	-	(1)	(1)
Health	(1)	-	(1)	1	-	1	-	-	-
Intellectual Disabilities Services	-	-	-	-	-	-	-	-	-
Human Services	-	(10)	(10)	-	-	-	-	(10)	(10)
Revenue	(4)	(26)	(30)	-	-	-	(4)	(26)	(30)
Tennessee Bureau of Investigation	-	-	-	-	-	-	-	-	-
Safety	(2)	-	(2)	2	-	2	-	-	-
Cover Tennessee Health Care Programs	-	-	-	-	-	-	-	-	-
Miscellaneous Appropriations	-	-	-	-	-	-	-	-	-
Emergency and Contingency Fund	-	-	-	-	-	-	-	-	-
State Building Commission	-	-	-	-	-	-	-	-	-
Children's Services	(276)	(54)	(330)	113	-	113	(163)	(54)	(217)
Transportation	-	-	-	-	-	-	-	-	-
Facilities Revolving Fund	-	-	-	-	-	-	-	-	-
Sub-total Base Budget Reductions	(706)	(410)	(1,116)	314	-	314	(392)	(410)	(802)
Base Budget Reallocations									
TennCare Programs	-	-	-	-	-	-	-	-	-
Education (K-12)	-	(3)	(3)	-	-	-	-	(3)	(3)
Intellectual Disabilities Services	(657)	(43)	(700)	282	-	282	(375)	(43)	(418)
Children's Services	-	-	-	-	-	-	-	-	-
Sub-total Base Budget Reallocations	(657)	(46)	(703)	282	-	282	(375)	(46)	(421)
Total Base Budget Reductions and Reallocations	(1,363)	(456)	(1,819)	596	-	596	(767)	(456)	(1,223)

**General Fund and Education Fund
Preliminary Base Budget Adjustments of State Appropriations
Fiscal Year 2010-2011**

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

	<u>General Fund</u>		<u>Dedicated</u>	<u>Total</u>
	<u>Recurring</u>	<u>Non-Recurring</u>	<u>Funds</u>	
Court System				
302.40 Board of Professional Responsibility (1 FT) - Fees	\$ -	\$ -	\$ 31,700	\$ 31,700
TennCare				
318.65 Eligibility Determination - See also 345.00, Human Services	\$ (1,668,600)	\$ -	\$ -	\$ (1,668,600)
318.66 Long-Term Care - MCO Long-Term Care Payments	20,672,200	(2,955,800)	-	17,716,400
Total TennCare	\$ 19,003,600	\$ (2,955,800)	\$ -	\$ 16,047,800
Correction				
329.22 Whiteville Prison - Hardeman Co. Agreement - Through Dec. 2010	-	10,550,000	-	10,550,000
Commerce and Insurance				
335.21 TN Athletic Commission - Additional events	-	-	8,800	8,800
Health				
343.09 Commercial Breeders Licensure and Regulation	-	-	316,800	316,800
Intellectual Disabilities Services				
344.11 Clover Bottom - Harold Jordan Center - Restore 2009-10 Base Reduction (94 FT)	7,042,400	-	-	7,042,400
Human Services - Eligibility Determination - See also 318.65, TennCare:				
345.01 Administration	\$ 300,300	\$ -	\$ -	\$ 300,300
345.16 Field Operations	150,200	-	-	150,200
345.17 County Rentals	100,100	-	-	100,100
345.30 Family Assistance Services	1,034,600	-	-	1,034,600
345.31 Appeals and Hearings	83,400	-	-	83,400
Total Human Services	\$ 1,668,600	\$ -	\$ -	\$ 1,668,600
Miscellaneous Appropriations				
Base Budget Reductions:				
351.00 Various Items	\$ (1,232,000)	\$ -	\$ -	\$ (1,232,000)
Sub-Total Base Reductions Miscellaneous Appropriations	\$ (1,232,000)	\$ -	\$ -	\$ (1,232,000)
Base Budget Adjustments:				
351.00 Governor's Salary @ \$170,340 - January 2011	\$ 192,000	\$ (96,000)	\$ -	\$ 96,000
351.00 Gubernatorial Transition Office (8 FT) - November 2010	-	400,000	-	400,000
351.00 Former Governors Pensions @ \$85,170 (½ of salary) - January 2011	84,000	(42,000)	-	42,000
351.00 Governor's Staffing @ 38 FT (8 FT) - January 2011	800,000	(400,000)	-	400,000
351.00 Intergovernmental Conference Dues	39,500	-	-	39,500
351.00 Base Reduction Reconciliation	5,164,700	(2,564,700)	-	2,600,000
Sub-Total Base Adjustments Miscellaneous Appropriations	\$ 6,280,200	\$ (2,702,700)	\$ -	\$ 3,577,500
Total Miscellaneous Appropriations	\$ 5,048,200	\$ (2,702,700)	\$ -	\$ 2,345,500
Grand Total Budget Adjustments - Budget File	\$ 32,762,800	\$ 4,891,500	\$ 357,300	\$ 38,011,600
Budget Overview - Overappropriation				
State Agencies - Base Reduction Reconciliation	(2,600,000)	-	-	(2,600,000)
Grand Total Budget Adjustments	\$ 30,162,800	\$ 4,891,500	\$ 357,300	\$ 35,411,600

Note: Funded from Reserves:

	<u>Reserve</u>
343.00 Health	
1. Community and faith-based health clinics - Primary care services - Grants - Use TNCare Reserve	\$ 6,000,000
2. Federally Qualified Health Centers (FQHC) - Grants (\$1.4 M) - Use Safety Net Reserve	1,400,000

**General Fund and Education Fund
Preliminary Base Budget Reductions of State Appropriations
Fiscal Year 2010-2011**

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>Federal</u>	
		<u>Recurring</u>	<u>Non-Recurring</u>	<u>Funds</u>	<u>Recovery</u>	<u>Total</u>
Claims and Compensation						
313.03	Criminal Injuries Compensation - Federal (-\$1,345,000) and reserves (\$355,000)	\$ -	\$ -	\$ 355,000	\$ -	\$ 355,000
Alcoholic Beverage Commission						
316.03	Available departmental revenue	550,000	-	-	-	550,000
TennCare - Recurring Match Gain & Non-Recurring Enhanced Match						
318.66	TennCare Services	\$ 19,872,700	\$ 182,777,700	\$ -	\$ (182,777,700)	\$ 19,872,700
318.67	Waiver and Crossover Services	5,016,900	46,141,700	-	(46,141,700)	5,016,900
318.68	Long Term Care Services	5,474,000	50,345,900	-	(50,345,900)	5,474,000
	Sub-Total TennCare	<u>\$ 30,363,600</u>	<u>\$ 279,265,300</u>	<u>\$ -</u>	<u>\$ (279,265,300)</u>	<u>\$ 30,363,600</u>
Agriculture						
325.00	Certified Cotton Growers Org. Fund - Agency Request	-	-	2,540,000	-	2,540,000
Correction						
329.99	1985 Sentencing Act - Turney Center Expansion	\$ 311,100	\$ -	\$ -	\$ -	\$ 311,100
329.99	1985 Sentencing Act - Bledsoe Prison Expansion	539,600	-	-	-	539,600
329.99	1985 Sentencing Act - West TN Prison Expansion	311,100	-	-	-	311,100
	Sub-Total Correction	<u>\$ 1,161,800</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,161,800</u>
Education						
331.19	After-School Prog. Special Acct. (Lottery Unclaimed Prizes) + \$800,000 UCP Reserve	\$ -	\$ -	\$ 800,000	\$ -	\$ 800,000
331.25	Basic Education Program - Group Health Insurance - Dependent verification savings (727 emp.)	4,000,000	-	-	-	4,000,000
331.25	Basic Ed. Program - State Fiscal Stabilization Funds	-	174,173,600	-	(174,173,600)	-
	Sub-Total Education	<u>\$ 4,000,000</u>	<u>\$ 174,173,600</u>	<u>\$ 800,000</u>	<u>\$ (174,173,600)</u>	<u>\$ 4,800,000</u>
Higher Education						
332.19	Lottery for Education Account @ \$284.9 M approp. and \$31.4 from lottery reserve	-	-	4,200,000	-	4,200,000
Mental Health and Developmental Disabilities						
339.00	Alcohol and Drug - Agency Request	-	-	1,000,000	-	1,000,000
Cover Tennessee Health Care Programs						
350.50	CoverKids - Recurring Match Gain	1,238,800	-	-	-	1,238,800
Children's Services - Recurring Match Gain & Non-Recurring Enhanced Match						
359.30	Custody Services	\$ 118,700	\$ 800,000	\$ -	\$ (800,000)	\$ 118,700
359.40	Adoption Services	265,700	1,800,000	-	(1,800,000)	265,700
	Sub-Total Children's Services	<u>\$ 384,400</u>	<u>\$ 2,600,000</u>	<u>\$ -</u>	<u>\$ (2,600,000)</u>	<u>\$ 384,400</u>
	Total Preliminary Base Budget Reductions - Budget File	<u><u>\$ 37,698,600</u></u>	<u><u>\$ 456,038,900</u></u>	<u><u>\$ 8,895,000</u></u>	<u><u>\$ (456,038,900)</u></u>	<u><u>\$ 46,593,600</u></u>
Budget Overview - Overappropriation						
	State Agencies - Group Health Insurance - Dependent verification savings (1,203 emp.)	\$ 6,000,000	\$ -	\$ -	\$ -	\$ 6,000,000
	Higher Education - Group Health Insurance - Dependent verification savings (348 emp.)	2,292,500	-	-	-	2,292,500
	State Agencies - Mileage Rate @ 1-1-10 from 51¢ to 46¢	2,225,700	-	-	-	2,225,700
	Sub-Total Budget Overview - Overappropriation	<u>\$ 10,518,200</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,518,200</u>
	Grand Total Base Budget Reductions	<u><u>\$ 48,216,800</u></u>	<u><u>\$ 456,038,900</u></u>	<u><u>\$ 8,895,000</u></u>	<u><u>\$ (456,038,900)</u></u>	<u><u>\$ 57,111,800</u></u>

2010-2011
Base Budget Reduction Plans
General Fund State Appropriations

Program		Discretionary Base	Recurring Reduction	Pct.	Non-Recurring Add-Back	Net Reduction	Pct.	Dedicated Funds
301.00	Legislature	\$ 30,635,400	\$ (2,757,200)	-9.0%	\$ -	\$ (2,757,200)	-9.0%	\$ -
301.50	Fiscal Review Committee	1,342,800	(120,900)	-9.0%	-	(120,900)	-9.0%	-
302.00	Court System	29,269,300	(1,766,200)	-6.0%	585,100	(1,181,100)	-4.0%	-
303.00	Attorney General and Reporter	18,202,300	(1,092,200)	-6.0%	-	(1,092,200)	-6.0%	-
304.00	District Attorneys General	62,701,600	-	0.0%	-	-	0.0%	-
305.00	Secretary of State	28,008,900	(2,521,100)	-9.0%	1,859,800	(661,300)	-2.4%	-
306.00	District Public Defenders	34,526,500	-	0.0%	-	-	0.0%	-
307.00	Comptroller of the Treasury	46,188,500	(4,150,700)	-9.0%	-	(4,150,700)	-9.0%	-
309.00	Treasury Department	532,900	(48,000)	-9.0%	-	(48,000)	-9.0%	-
Sub-Total Non-Executive		\$ 251,408,200	\$ (12,456,300)	-5.0%	\$ 2,444,900	\$ (10,011,400)	-4.0%	\$ -
315.00	Executive Department	\$ 3,804,600	\$ (342,400)	-9.0%	\$ -	\$ (342,400)	-9.0%	\$ -
316.01	Children and Youth	2,149,000	(193,400)	-9.0%	57,800	(135,600)	-6.3%	-
316.02	Aging and Disability	13,743,400	(1,264,500)	-9.2%	1,209,500	(55,000)	-0.4%	-
316.03	Alcoholic Beverage Commission	1,007,300	(90,600)	-9.0%	-	(90,600)	-9.0%	-
316.04	Human Rights Commission	1,730,700	(155,700)	-9.0%	-	(155,700)	-9.0%	-
316.07	Health Services and Development Agency	1,246,200	(112,200)	-9.0%	-	(112,200)	-9.0%	-
316.09	Corrections Institute	972,500	(87,600)	-9.0%	-	(87,600)	-9.0%	-
316.11	Tennessee Regulatory Authority	-	-	0.0%	-	-	0.0%	(357,900)
316.12	TACIR	266,000	(24,000)	-9.0%	-	(24,000)	-9.0%	-
316.25	Arts Commission	2,277,400	(204,900)	-9.0%	204,900	-	0.0%	-
316.27	State Museum	3,721,300	(334,900)	-9.0%	334,900	-	0.0%	-
317.00	Finance and Administration	17,222,700	(1,550,100)	-9.0%	274,000	(1,276,100)	-7.4%	-
318.00	TennCare Programs	\$ 1,963,473,900	\$ (159,085,000)	-8.1%	\$ -	\$ (159,085,000)	-8.1%	\$ -
	TennCare for Children's Services	68,710,700	(1,230,200)	-1.8%	1,074,100	(156,100)	-0.2%	-
	TennCare for Intellectual Disabilities	258,251,500	(14,419,300)	-5.6%	-	(14,419,300)	-5.6%	-
	TennCare for Human Services	38,704,800	(182,200)	-0.5%	-	(182,200)	-0.5%	-
	TennCare for Children's Care Coordination	5,006,800	(450,600)	-9.0%	-	(450,600)	-9.0%	-
	Sub-total TennCare Programs	\$ 2,334,147,700	\$ (175,367,300)	-7.5%	\$ 1,074,100	\$ (174,293,200)	-7.5%	\$ -
319.00	Human Resources	4,874,000	(438,600)	-9.0%	-	(438,600)	-9.0%	-
321.00	General Services	2,122,800	(86,100)	-4.1%	-	(86,100)	-4.1%	-
323.00	Veterans Affairs	4,525,300	(124,700)	-2.8%	81,700	(43,000)	-1.0%	-
324.00	Board of Probation and Parole	80,702,000	(416,600)	-0.5%	76,300	(340,300)	-0.4%	205,100
325.00	Agriculture	39,600,000	(1,435,800)	-3.6%	1,017,400	(418,400)	-1.1%	-
326.00	Tourist Development	7,579,600	(682,200)	-9.0%	682,200	-	0.0%	-
327.00	Environment and Conservation	81,515,100	(4,934,300)	-6.1%	2,887,000	(2,047,300)	-2.5%	-
329.00	Correction	589,957,500	(5,104,700)	-0.9%	1,680,600	(3,424,100)	-0.6%	-
330.00	Economic and Community Development	29,511,300	(2,656,000)	-9.0%	654,100	(2,001,900)	-6.8%	-
331.00	Education (K-12)	129,772,900	(15,963,000)	-12.3%	1,589,000	(14,374,000)	-11.1%	-
332.00	Higher Ed. State-Administered Programs	\$ 27,484,700	\$ (872,200)	-3.2%	\$ 559,900	\$ (312,300)	-1.1%	\$ -
332.10	University of Tennessee System	430,332,800	(24,342,600)	-5.7%	22,318,900	(2,023,700)	-0.5%	-
332.60	State Univ. and Comm. College System	613,164,900	(39,044,100)	-6.4%	36,145,400	(2,898,700)	-0.5%	-
	Sub-Total Higher Education	\$ 1,070,982,400	\$ (64,258,900)	-6.0%	\$ 59,024,200	\$ (5,234,700)	-0.5%	\$ -
335.00	Commerce and Insurance	7,437,600	(669,400)	-9.0%	16,300	(653,100)	-8.8%	-
337.00	Labor and Workforce Development	20,626,300	(1,862,900)	-9.0%	-	(1,862,900)	-9.0%	-
339.00	Mental Health and Dev. Disabilities	157,089,600	(9,425,400)	-6.0%	1,796,100	(7,629,300)	-4.9%	-
341.00	Military	11,123,800	(1,001,100)	-9.0%	297,100	(704,000)	-6.3%	-
343.00	Health	124,522,300	(10,955,700)	-8.8%	4,720,000	(6,235,700)	-5.0%	-
344.00	Intellectual Disabilities Services	34,004,900	(1,952,400)	-5.7%	1,952,400	-	0.0%	-
345.00	Human Services	68,413,600	(5,315,000)	-7.8%	900,000	(4,415,000)	-6.5%	-
347.00	Revenue	66,289,600	(1,504,500)	-2.3%	-	(1,504,500)	-2.3%	-
348.00	Tennessee Bureau of Investigation	32,307,200	(2,907,600)	-9.0%	-	(2,907,600)	-9.0%	-
349.00	Safety	106,779,600	(114,300)	-0.1%	114,300	-	0.0%	-
350.00	Cover Tennessee Health Care Programs	20,123,000	(1,811,100)	-9.0%	-	(1,811,100)	-9.0%	-
359.00	Children's Services	298,234,000	(15,497,500)	-5.2%	3,870,400	(11,627,100)	-3.9%	-
Sub-Total Executive		\$ 5,370,383,200	\$ (328,845,400)	-6.1%	\$ 84,514,300	\$ (244,331,100)	-4.6%	\$ (152,800)
Total Reductions - Budget File		\$ 5,621,791,400	\$ (341,301,700)	-6.1%	\$ 86,959,200	\$ (254,342,500)	-4.5%	\$ (152,800)
Overappropriation - Internal and Indepartmental Services								
300.00	TriCor Reduction - Cook-Chill	\$ -	\$ (400,000)	-	\$ -	\$ (400,000)	-	\$ -
300.00	Finance and Administration Reductions	-	(2,100,000)	-	-	(2,100,000)	-	-
300.00	Human Resources Reductions	-	(200,000)	-	-	(200,000)	-	-
300.00	General Services Reductions	-	(1,600,000)	-	100,000	(1,500,000)	-	-
Sub-total Overappropriation		\$ -	\$ (4,300,000)		\$ 100,000	\$ (4,200,000)		\$ -
Total Reductions		\$ 5,621,791,400	\$ (345,601,700)	-6.2%	\$ 87,059,200	\$ (258,542,500)	-4.6%	\$ (152,800)

**2010-2011 and 2011-2012
Base Budget Reduction Plans
and 2011-2012 Reserve for Appropriations for Core Services**

Program	2010-2011			2011-2012 Reserve for Core Services		
	Recurring Reduction	Non-Recurring Restoration	Net Reduction	SFSF Items Continued *	2010-2011 Restoration Continued	2009-2010 Restoration Continued
301.00 Legislature	\$ (2,757,200)	\$ -	\$ (2,757,200)	\$ -	\$ -	\$ -
301.50 Fiscal Review Committee	(120,900)	-	(120,900)	-	-	-
302.00 Court System	(1,766,200)	585,100	(1,181,100)	-	585,100	-
303.00 Attorney General and Reporter	(1,092,200)	-	(1,092,200)	-	-	-
305.00 Secretary of State	(2,521,100)	1,859,800	(661,300)	-	1,859,800	-
307.00 Comptroller of the Treasury	(4,150,700)	-	(4,150,700)	-	-	-
309.00 Treasury Department	(48,000)	-	(48,000)	-	-	-
Sub-Total Non-Executive	\$ (12,456,300)	\$ 2,444,900	\$ (10,011,400)	\$ -	\$ 2,444,900	\$ -
315.00 Executive Department	\$ (342,400)	\$ -	\$ (342,400)	\$ -	\$ -	\$ -
316.01 Children and Youth	(193,400)	57,800	(135,600)	-	57,800	-
316.02 Aging and Disability	(1,264,500)	1,209,500	(55,000)	-	1,209,500	-
316.03 Alcoholic Beverage Commission	(90,600)	-	(90,600)	-	-	-
316.04 Human Rights Commission	(155,700)	-	(155,700)	-	-	-
316.07 Health Services and Development Agency	(112,200)	-	(112,200)	-	-	-
316.09 Corrections Institute	(87,600)	-	(87,600)	-	-	-
316.12 TACIR	(24,000)	-	(24,000)	-	-	-
316.25 Arts Commission	(204,900)	204,900	-	-	204,900	-
316.27 State Museum	(334,900)	334,900	-	-	334,900	-
317.00 Finance and Administration	(1,550,100)	274,000	(1,276,100)	-	274,000	160,500
318.00 TennCare Programs	\$ (159,085,000)	\$ -	\$ (159,085,000)	\$ -	\$ -	\$ -
TennCare for Children's Services	(1,230,200)	1,074,100	(156,100)	-	1,211,400	292,600
TennCare for Intellectual Disabilities	(14,419,300)	-	(14,419,300)	-	-	-
TennCare for Human Services	(182,200)	-	(182,200)	-	-	-
TennCare for Children's Care Coordination	(450,600)	-	(450,600)	-	-	-
Sub-total TennCare Programs	\$ (175,367,300)	\$ 1,074,100	\$ (174,293,200)	\$ -	\$ 1,211,400	\$ 292,600
319.00 Human Resources	(438,600)	-	(438,600)	-	-	-
321.00 General Services	(86,100)	-	(86,100)	-	-	-
323.00 Veterans Affairs	(124,700)	81,700	(43,000)	-	81,700	-
324.00 Board of Probation and Parole	(416,600)	76,300	(340,300)	-	76,300	284,800
325.00 Agriculture	(1,435,800)	1,017,400	(418,400)	-	1,017,400	-
326.00 Tourist Development	(682,200)	682,200	-	-	682,200	1,312,900
327.00 Environment and Conservation	(4,934,300)	2,887,000	(2,047,300)	-	2,887,000	-
329.00 Correction	(5,104,700)	1,680,600	(3,424,100)	-	1,680,600	-
330.00 Economic and Community Development	(2,656,000)	654,100	(2,001,900)	-	654,100	950,900
331.00 Education (K-12)	(15,963,000)	1,589,000	(14,374,000)	57,367,300	-	90,000
332.00 Higher Ed. State-Administered Programs	\$ (872,200)	\$ 559,900	\$ (312,300)	\$ -	\$ -	\$ -
332.10 University of Tennessee System	(24,342,600)	22,318,900	(2,023,700)	-	-	-
332.60 State Univ. and Comm. College System	(39,044,100)	36,145,400	(2,898,700)	-	-	-
Sub-Total Higher Education	\$ (64,258,900)	\$ 59,024,200	\$ (5,234,700)	\$ -	\$ -	\$ -
335.00 Commerce and Insurance	(669,400)	16,300	(653,100)	-	16,300	351,700
337.00 Labor and Workforce Development	(1,862,900)	-	(1,862,900)	-	-	373,500
339.00 Mental Health and Dev. Disabilities	(9,425,400)	1,796,100	(7,629,300)	-	1,796,100	5,643,200
341.00 Military	(1,001,100)	297,100	(704,000)	-	297,100	-
343.00 Health	(10,955,700)	4,720,000	(6,235,700)	11,962,200	4,720,000	143,000
344.00 Intellectual Disabilities Services	(1,952,400)	1,952,400	-	-	1,952,400	7,181,500
345.00 Human Services	(5,315,000)	900,000	(4,415,000)	-	900,000	8,119,800
347.00 Revenue	(1,504,500)	-	(1,504,500)	-	-	45,600
348.00 Tennessee Bureau of Investigation	(2,907,600)	-	(2,907,600)	-	-	-
349.00 Safety	(114,300)	114,300	-	-	114,300	-
350.00 Cover Tennessee Health Care Programs	(1,811,100)	-	(1,811,100)	-	-	-
351.00 Miscellaneous Appropriations	-	-	-	-	-	500,000
359.00 Children's Services	(15,497,500)	3,870,400	(11,627,100)	-	3,870,400	14,541,700
Sub-Total Executive	\$ (328,845,400)	\$ 84,514,300	\$ (244,331,100)	\$ 69,329,500	\$ 24,038,400	\$ 39,991,700
Less: Reconciling Adjustment for 2011-2012 Reserve	-	-	-	-	-	(204,500)
Total Reductions - Budget File	\$ (341,301,700)	\$ 86,959,200	\$ (254,342,500)	\$ 69,329,500	\$ 26,483,300	\$ 39,787,200
Overappropriation - Internal and Interdept. Svcs.	(4,300,000)	100,000	(4,200,000)	-	-	-
Total Reductions	\$ (345,601,700)	\$ 87,059,200	\$ (258,542,500)	\$ 69,329,500	\$ 26,483,300	\$ 39,787,200
Position Add-Back 2010-2011 Reductions (314 FT)	-	-	-	\$ -	\$ 12,775,500	\$ -
Program Services Add-Back 2010-2011 Reductions	-	-	-	-	13,707,800	-
Position Add-Back 2009-2010 Reductions (80 FT)	-	-	-	-	-	4,305,800
Program Services Add-Back 2009-2010 Reductions	-	-	-	-	-	35,685,900
Restoration of State Fiscal Stabilization Fund Items	-	-	-	69,329,500	-	-
Less: Reconciling Adjustment for 2011-2012 Reserve	-	-	-	-	-	(204,500)
Total Reductions Restored	-	-	-	\$ 69,329,500	\$ 26,483,300	\$ 39,787,200
Total 2011-2012 Reserve for Appropriations for Core Services	-	-	-	\$ 69,329,500	\$ 26,483,300	\$ 135,600,000

* SFSF Items Continued - Use of state reserves in 2011-2012 would continue Education and Health services funded in 2009-2010 and/or 2010-2011 with federal funds from U. S. recovery act, state fiscal stabilization funds.

Departmental Comparison of 2009-2010 Recurring Appropriations, 2010-2011 Discretionary Base, and 2010-2011 Base Budget Reduction Plans (State Appropriation)

Program	2009-2010	2010-2011	Recurring Base Reduction			Non-Recurring Add-Back	Net Reduction			Dedicated Funds
	Recurring	Discretionary	Appropriation	Pct. of	Pct. of		Total	Pct. of	Pct. of	
	Appropriation	Base		2009-2010	2010-2011			2009-2010	2010-2011	
301.00 Legislature	\$ 39,245,700	\$ 30,635,400	\$ (2,757,200)	(7.0%)	(9.0%)	\$ -	\$ (2,757,200)	(7.0%)	(9.0%)	\$ -
301.50 Fiscal Review Committee	1,342,800	1,342,800	(120,900)	(9.0%)	(9.0%)	-	(120,900)	(9.0%)	(9.0%)	-
302.00 Court System	107,936,900	29,269,300	(1,766,200)	(1.6%)	(6.0%)	585,100	(1,181,100)	(1.1%)	(4.0%)	-
303.00 Attorney General and Reporter	21,172,800	18,202,300	(1,092,200)	(5.2%)	(6.0%)	-	(1,092,200)	(5.2%)	(6.0%)	-
304.00 District Attorneys General	68,433,300	62,701,600	-	0.0%	0.0%	-	-	0.0%	0.0%	-
305.00 Secretary of State	28,008,900	28,008,900	(2,521,100)	(9.0%)	(9.0%)	1,859,800	(661,300)	(2.4%)	(2.4%)	-
306.00 District Public Defenders	39,611,000	34,526,500	-	0.0%	0.0%	-	-	0.0%	0.0%	-
307.00 Comptroller of the Treasury	83,424,300	46,188,500	(4,150,700)	(5.0%)	(9.0%)	-	(4,150,700)	(5.0%)	(9.0%)	-
308.00 Post-Conviction Defender	1,948,600	-	-	0.0%	0.0%	-	-	0.0%	0.0%	-
309.00 Treasury Department	532,900	532,900	(48,000)	(9.0%)	(9.0%)	-	(48,000)	(9.0%)	(9.0%)	-
313.00 Claims and Compensation	10,855,000	-	-	0.0%	0.0%	-	-	0.0%	0.0%	-
Sub-Total Non-Executive	\$ 402,512,200	\$ 251,408,200	\$ (12,456,300)	(3.1%)	(5.0%)	\$ 2,444,900	\$ (10,011,400)	(2.5%)	(4.0%)	\$ -
315.00 Executive Department	\$ 3,804,600	\$ 3,804,600	\$ (342,400)	(9.0%)	(9.0%)	\$ -	\$ (342,400)	(9.0%)	(9.0%)	\$ -
316.01 Children and Youth	2,149,000	2,149,000	(193,400)	(9.0%)	(9.0%)	57,800	(135,600)	(6.3%)	(6.3%)	-
316.02 Aging and Disability	13,743,400	13,743,400	(1,264,500)	(9.2%)	(9.2%)	1,209,500	(55,000)	(0.4%)	(0.4%)	-
316.03 Alcoholic Beverage Commission	1,007,300	1,007,300	(90,600)	(9.0%)	(9.0%)	-	(90,600)	(9.0%)	(9.0%)	-
316.04 Human Rights Commission	1,730,700	1,730,700	(155,700)	(9.0%)	(9.0%)	-	(155,700)	(9.0%)	(9.0%)	-
316.07 Health Services and Dev. Agency	1,246,200	1,246,200	(112,200)	(9.0%)	(9.0%)	-	(112,200)	(9.0%)	(9.0%)	-
316.08 TRICOR	-	-	-	0.0%	0.0%	-	-	0.0%	0.0%	-
316.09 Corrections Institute	972,500	972,500	(87,600)	(9.0%)	(9.0%)	-	(87,600)	(9.0%)	(9.0%)	-
316.11 Tennessee Regulatory Authority	8,341,200	-	-	0.0%	0.0%	-	-	0.0%	0.0%	(357,900)
316.12 TACIR	266,000	266,000	(24,000)	(9.0%)	(9.0%)	-	(24,000)	(9.0%)	(9.0%)	-
316.20 THDA	-	-	-	0.0%	0.0%	-	-	0.0%	0.0%	-
316.25 Arts Commission	6,174,600	2,277,400	(204,900)	(3.3%)	(9.0%)	204,900	-	0.0%	0.0%	-
316.27 State Museum	3,741,300	3,721,300	(334,900)	(9.0%)	(9.0%)	334,900	-	0.0%	0.0%	-
317.00 Finance and Administration	34,647,700	17,222,700	(1,550,100)	(4.5%)	(9.0%)	274,000	(1,276,100)	(3.7%)	(7.4%)	-
318.00 TennCare Programs	\$ 1,996,749,600	\$ 1,963,473,900	\$ (159,085,000)	(8.0%)	(8.1%)	\$ -	\$ (159,085,000)	(8.0%)	(8.1%)	\$ -
TennCare for Children's Services	68,710,700	68,710,700	(1,230,200)	(1.8%)	(1.8%)	1,074,100	(156,100)	(0.2%)	(0.2%)	-
TennCare for Intellectual Disabilities	258,251,500	258,251,500	(14,419,300)	(5.6%)	(5.6%)	-	(14,419,300)	(5.6%)	(5.6%)	-
TennCare for Human Services	40,373,400	38,704,800	(182,200)	(0.5%)	(0.5%)	-	(182,200)	(0.5%)	(0.5%)	-
TennCare for Children's Care Coord.	5,006,800	5,006,800	(450,600)	(9.0%)	(9.0%)	-	(450,600)	(9.0%)	(9.0%)	-
Sub-Total TennCare Programs	\$ 2,369,092,000	\$ 2,334,147,700	\$ (175,367,300)	(7.4%)	(7.5%)	\$ 1,074,100	\$ (174,293,200)	(7.4%)	(7.5%)	\$ -
319.00 Human Resources	4,874,000	4,874,000	(438,600)	(9.0%)	(9.0%)	-	(438,600)	(9.0%)	(9.0%)	-
321.00 General Services	2,428,800	2,122,800	(86,100)	(3.5%)	(4.1%)	-	(86,100)	(3.5%)	(4.1%)	-
323.00 Veterans Affairs	4,525,300	4,525,300	(124,700)	(2.8%)	(2.8%)	81,700	(43,000)	(1.0%)	(1.0%)	-
324.00 Board of Probation and Parole	86,212,300	80,702,000	(416,600)	(0.5%)	(0.5%)	76,300	(340,300)	(0.4%)	(0.4%)	205,100
325.00 Agriculture	68,250,400	39,600,000	(1,435,800)	(2.1%)	(3.6%)	1,017,400	(418,400)	(0.6%)	(1.1%)	-
326.00 Tourist Development	7,579,600	7,579,600	(682,200)	(9.0%)	(9.0%)	682,200	-	0.0%	0.0%	-
327.00 Environment and Conservation	161,336,300	81,515,100	(4,934,300)	(3.1%)	(6.1%)	2,887,000	(2,047,300)	(1.3%)	(2.5%)	-

Departmental Comparison of 2009-2010 Recurring Appropriations, 2010-2011 Discretionary Base, and 2010-2011 Base Budget Reduction Plans (State Appropriation)

Program	2009-2010	2010-2011	Recurring Base Reduction			Non-Recurring Add-Back	Net Reduction			Dedicated Funds
	Recurring Appropriation	Discretionary Base	Appropriation	Pct. of 2009-2010	Pct. of 2010-2011		Total	Pct. of 2009-2010	Pct. of 2010-2011	
328.00 Wildlife Resources Agency	43,970,600	-	-	0.0%	0.0%	-	-	0.0%	0.0%	-
329.00 Correction	634,900,400	589,957,500	(5,104,700)	(0.8%)	(0.9%)	1,680,600	(3,424,100)	(0.5%)	(0.6%)	-
330.00 Economic and Community Dev.	29,511,300	29,511,300	(2,656,000)	(9.0%)	(9.0%)	654,100	(2,001,900)	(6.8%)	(6.8%)	-
331.00 Education (K-12)	3,880,102,600	129,772,900	(15,963,000)	(0.4%)	(12.3%)	1,589,000	(14,374,000)	(0.4%)	(11.1%)	-
332.00 Higher Education - State Adm. Pgms	\$ 364,340,000	\$ 27,484,700	\$ (872,200)	(0.2%)	(3.2%)	\$ 559,900	\$ (312,300)	(0.1%)	(1.1%)	\$ -
332.10 University of Tennessee System	430,332,800	430,332,800	(24,342,600)	(5.7%)	(5.7%)	22,318,900	(2,023,700)	(0.5%)	(0.5%)	-
332.60 State Univ. and Comm. College Sys.	613,164,900	613,164,900	(39,044,100)	(6.4%)	(6.4%)	36,145,400	(2,898,700)	(0.5%)	(0.5%)	-
Sub-Total Higher Education	<u>\$ 1,407,837,700</u>	<u>\$ 1,070,982,400</u>	<u>\$ (64,258,900)</u>	<u>(4.6%)</u>	<u>(6.0%)</u>	<u>\$ 59,024,200</u>	<u>\$ (5,234,700)</u>	<u>(0.4%)</u>	<u>(0.5%)</u>	<u>\$ -</u>
335.00 Commerce and Insurance	89,192,500	7,437,600	(669,400)	(0.8%)	(9.0%)	16,300	(653,100)	(0.7%)	(8.8%)	-
336.00 Financial Institutions	8,561,800	-	-	0.0%	0.0%	-	-	0.0%	0.0%	-
337.00 Labor and Workforce Development	43,154,700	20,626,300	(1,862,900)	(4.3%)	(9.0%)	-	(1,862,900)	(4.3%)	(9.0%)	-
339.00 Mental Health and Dev. Disabilities	164,604,600	157,089,600	(9,425,400)	(5.7%)	(6.0%)	1,796,100	(7,629,300)	(4.6%)	(4.9%)	-
341.00 Military	11,123,800	11,123,800	(1,001,100)	(9.0%)	(9.0%)	297,100	(704,000)	(6.3%)	(6.3%)	-
343.00 Health	162,826,600	124,522,300	(10,955,700)	(6.7%)	(8.8%)	4,720,000	(6,235,700)	(3.8%)	(5.0%)	-
344.00 Intellectual Disabilities Services	34,004,900	34,004,900	(1,952,400)	(5.7%)	(5.7%)	1,952,400	-	0.0%	0.0%	-
345.00 Human Services	168,090,400	68,413,600	(5,315,000)	(3.2%)	(7.8%)	900,000	(4,415,000)	(2.6%)	(6.5%)	-
347.00 Revenue	79,251,400	66,289,600	(1,504,500)	(1.9%)	(2.3%)	-	(1,504,500)	(1.9%)	(2.3%)	-
348.00 Tennessee Bureau of Investigation	33,786,600	32,307,200	(2,907,600)	(8.6%)	(9.0%)	-	(2,907,600)	(8.6%)	(9.0%)	-
349.00 Safety	107,457,700	106,779,600	(114,300)	(0.1%)	(0.1%)	114,300	-	0.0%	0.0%	-
350.00 Cover Tennessee Health Care Pgms	80,816,800	20,123,000	(1,811,100)	(2.2%)	(9.0%)	-	(1,811,100)	(2.2%)	(9.0%)	-
351.00 Miscellaneous Appropriations	56,681,300	-	-	0.0%	0.0%	-	-	0.0%	0.0%	-
353.00 Emergency and Contingency Fund	819,300	-	-	0.0%	0.0%	-	-	0.0%	0.0%	-
355.00 State Building Commission	250,000	-	-	0.0%	0.0%	-	-	0.0%	0.0%	-
359.00 Children's Services	310,718,100	298,234,000	(15,497,500)	(5.0%)	(5.2%)	3,870,400	(11,627,100)	(3.7%)	(3.9%)	-
Sub-Total Executive	\$ 10,129,786,300	\$ 5,370,383,200	\$ (328,845,400)	(3.2%)	(6.1%)	\$ 84,514,300	\$ (244,331,100)	(2.4%)	(4.6%)	\$ (152,800)
Sub-Total Program Reductions	\$ 10,532,298,500	\$ 5,621,791,400	\$ (341,301,700)	(3.2%)	(6.1%)	\$ 86,959,200	\$ (254,342,500)	(2.4%)	(4.5%)	\$ (152,800)
Base Budget Reallocations										
318.00 TennCare Programs	\$ -	\$ -	\$ 4,995,900			\$ (6,260,100)	\$ (1,264,200)			\$ -
339.00 Mental Health and Dev. Disabilities	-	-	-			-	-			-
344.00 Intellectual Disabilities Services	-	-	(5,377,800)			452,700	(4,925,100)			-
Sub-Total Base Budget Reallocations	\$ -	\$ -	\$ (381,900)			\$ (5,807,400)	\$ (6,189,300)			\$ -
Total Reductions and Reallocations	\$ 10,532,298,500	\$ 5,621,791,400	\$ (341,683,600)	(3.2%)	(6.1%)	\$ 81,151,800	\$ (260,531,800)	(2.5%)	(4.6%)	\$ (152,800)

Note: 2009-2010 recurring appropriation includes all state sources. 2010-2011 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 2010-2011

	General Fund		Total
	Recurring	Non-Recurring	
I. TennCare for Intellectual Disabilities Services:			
A. Base Budget Reductions:			
1. 318.68 Close Arlington Developmental Center (10 FT)	\$ (1,488,200)	\$ -	\$ (1,488,200)
4. 318.67 Reduce Central Administrative Staffing (3 FT)	(99,400)	-	(99,400)
5. 318.68 Reduce Staffing at West Tenn Community Homes (77 FT)	(1,695,400)	-	(1,695,400)
6. 318.68 Transfer 12 Residents from GVDC to Private ICF-MRs (52 FT)	(395,200)	-	(395,200)
7. 318.68 Greene Valley - Reduce from \$852 to \$750 Per Person Per Day (312 FT)	(4,809,100)	-	(4,809,100)
8. 318.68 Downsize Clover Bottom from 175 to 32 Beds (305 FT)	(7,718,600)	3,859,300	(3,859,300)
9. 318.67 Adult Dental Services - Limit to \$2,500 Per Year (Currently no cap)	(394,400)	-	(394,400)
10. 318.67 Limit Nutrition Services to 6 Visits Per Year (Currently no cap)	(124,700)	-	(124,700)
11. 318.67 Limit Nursing Services Hours - 12 Hours / Day (Currently no cap)	(4,910,300)	-	(4,910,300)
Sub-Total Base Reductions TennCare for Intellectual Disabilities Services	\$ (21,635,300)	\$ 3,859,300	\$ (17,776,000)
B. Base Budget Adjustments:			
1. 318.67 Fully Fund Current Occupied Waivers - Main Waiver @ \$227 rate (budgeted \$211)	\$ 21,461,200	\$ -	\$ 21,461,200
2. 318.67 Waiver Growth @ 108 (222 waiting list, 18 NH, 24 DCS, 18 Development Centers, less 174 attrition)	4,518,400	-	4,518,400
3. 318.68 East TN Group Homes - 4 homes, 16 clients - 1st 6 months (59 FT)	735,000	-	735,000
Sub-Total Base Adjustments TennCare for Intellectual Disabilities Services	\$ 26,714,600	\$ -	\$ 26,714,600
Total Base I Reallocations TennCare for Intellectual Disabilities Services	\$ 5,079,300	\$ 3,859,300	\$ 8,938,600
II. TennCare:			
A. Base Budget Reductions:			
1. Reverification savings	\$ (170,047,600)	\$ 13,904,500	\$ (156,143,100)
2. Drugs - National average wholesale lawsuit	(6,051,700)	865,300	(5,186,400)
3. Sleep apnea monitors - Prior authorization	(131,600)	18,800	(112,800)
Sub-Total Base Reductions TennCare	\$ (176,230,900)	\$ 14,788,600	\$ (161,442,300)
B. Base Budget Adjustments:			
1. Enrollment Growth @ 5.2% (\$53.3 M + \$122.8 M)	\$ 176,147,500	\$ (24,908,000)	\$ 151,239,500
Sub-Total Base Adjustments TennCare	\$ 176,147,500	\$ (24,908,000)	\$ 151,239,500
Total II TennCare	\$ (83,400)	\$ (10,119,400)	\$ (10,202,800)
III. Grand Total TennCare (I + II)	\$ 4,995,900	\$ (6,260,100)	\$ (1,264,200)
IV. Intellectual Disabilities Services:			
A. Base Budget Reductions:			
2. 344.02 Elimination of Consumer Directed Supports - (e.g., Respite and Sitter Services)	\$ (5,000,000)	\$ -	\$ (5,000,000)
3. 344.50 Reduce Major Maintenance to \$100,000	(170,000)	-	(170,000)
4. 344.01 Reduce Central Administrative Staffing (3 FT)	(22,100)	-	(22,100)
6. 344.12 Transfer 12 Residents from GVDC to Private ICF-MRs (52 FT)	(36,000)	-	(36,000)
7. 344.12 Greene Valley - Reduce from \$852 to \$750 Per Person Per Day (312 FT)	418,200	-	418,200
8. 344.11 Downsize Clover Bottom from 175 to 32 Beds (305 FT)	(308,400)	154,200	(154,200)
12. 344.02 Reduce State Wrap Around Services (Hsp. attendant, transp., estab. grant)	(283,500)	-	(283,500)
Sub-Total Base Reductions Intellectual Disabilities Services	\$ (5,401,800)	\$ 154,200	\$ (5,247,600)
B. Base Budget Adjustments:			
3. 344.42 East TN Group Homes - 4 homes, 16 clients - 1st 6 months (59 FT)	\$ 24,000	\$ 298,500	\$ 322,500
Sub-Total Base Adjustments Intellectual Disabilities Services	\$ 24,000	\$ 298,500	\$ 322,500
Total Intellectual Disabilities Services	\$ (5,377,800)	\$ 452,700	\$ (4,925,100)
V. Education:			
A. Base Budget Reductions:			
1. State Special Schools (-3 FT vacancies)	\$ (161,600)	\$ -	\$ (161,600)
Sub-Total Base Reductions Education	\$ (161,600)	\$ -	\$ (161,600)
B. Base Budget Adjustments:			
1. Teacher Training and Experience - State Special Schools	\$ 161,600	\$ -	\$ 161,600
Sub-Total Base Adjustments Education	\$ 161,600	\$ -	\$ 161,600
Total Education	\$ -	\$ -	\$ -
VI. Children's Services:			
A. Base Budget Reductions:			
1. Youth Development Centers - Payroll Availability	\$ (47,600)	\$ -	\$ (47,600)
Sub-Total Base Reductions Children's Services	\$ (47,600)	\$ -	\$ (47,600)
B. Base Budget Adjustments:			
1. Youth Development Centers - Teacher Training and Experience	\$ 47,600	\$ -	\$ 47,600
Sub-Total Base Adjustments Children's Services	\$ 47,600	\$ -	\$ 47,600
Total Children's Services	\$ -	\$ -	\$ -
VII. Grand Total Reallocations	\$ (381,900)	\$ (5,807,400)	\$ (6,189,300)

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

	<u>Total</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>
I. State Fiscal Stabilization:				
1. Education	\$775,135,000	\$ 21,854,700	\$415,973,000	\$ 337,307,300
(a) Higher Education - Restore to 2007-08 Level	410,561,400	3,854,700	243,573,000 *	163,133,700
(b) K-12 Education - Basic Education Program	364,573,600	18,000,000	172,400,000	174,173,600
2. General Purpose - Restore Base Reductions	\$172,463,000	\$ -	\$103,133,500	\$ 69,329,500
(a) K-12 Education	109,053,600	-	51,686,300	57,367,300
(b) Health Department	16,500,800	-	4,538,600	11,962,200
(c) Correction Department	46,908,600	-	46,908,600	-
3. Total State Fiscal Stabilization	<u>\$947,598,000</u>	<u>\$ 21,854,700</u>	<u>\$519,106,500</u>	<u>\$ 406,636,800</u>

II. Higher Education Summary from All Sources:

Total Higher Education restoration	\$ 3,854,700	\$306,863,300	\$ 289,728,500
General Fund - State MOE @ 2005-2006 level **	-	63,290,300	126,594,800
U. S. Recovery Act Funds @ 2007-2008 level	3,854,700	243,573,000 *	163,133,700

* FY 2009-2010 includes an unexpended balance of \$78,480,100 carried over from fiscal year 2008-2009 into 2009-2010.

** State maintenance of effort (MOE). In 2010-2011, the state MOE is satisfied by appropriation increases for 3% salary bonus, TCRS (retirement) contribution rate increase, 401k state match, UTK-ORNL joint appointments initiative, and partial base budget reduction non-recurring add-back.

**2010-2011
Higher Education Public Institutions
State Maintenance of Effort**

**State Fiscal Stabilization Fund Grant Rules
U. S. Economic Recovery Act**

I. Maintenance of Effort Requirement	\$ 126,594,800
II. Line-Item Appropriations:	
1. Salary Bonus (3%) - Non-Recurring	\$ 50,862,600
2. TCRS (Retirement) Contribution Rate Increase	11,222,300
3. 401(k) \$10 State Match @ \$50 - Non-Recurring	1,548,900
4. UTK-ORNL Joint Appointments - Non-Recurring	6,200,000
5. 2010-2011 Base Reductions Restored - Non-Recurring	59,024,200
Sub-Total Line-Item Appropriations	<u>\$ 128,858,000</u>
III. 6. Overappropriation - Group Health Insurance - Dependent Verification	<u>(2,263,200)</u>
Total Maintenance of Effort	<u><u>\$ 126,594,800</u></u>

FY 2010-2011
U. S. Economic Recovery Act
State Fiscal Stabilization Fund - General Purpose
Department of Education and Department of Health

Program	Purpose	Federal
I. Department of Education		
1. FY 2009-10 Non-Recurring Add-Backs Continued		
331.10 Career Ladder	Extended Contracts	\$ 15,000,000
331.09 Improving Schools Program	Coordinated School Health (less \$142,400 for 2 filled positions)	15,280,100
331.11 Accountability and Assessment	Internet Connectivity	2,063,000
331.01 Administration	Little Tennessee Valley Educ. Coop.	47,700
331.02 Grants-In-Aid	Public Television	2,786,800
331.02 Grants-In-Aid	Science Alliance Museums	750,000
331.02 Grants-In-Aid	Holocaust Commission	128,300
331.06 Curriculum and Instruction	Arts Academy (\$150,000)	150,000
331.05 Training and Professional Development	Professional Development	582,000
331.05 Training and Professional Development	Exemplary Educators	2,250,000
331.11 Accountability and Assessment	Statewide Student Management System	2,700,000
331.32 Early Childhood Education	Family Resources Centers	3,463,200
331.09 Improving Schools Program	Safe Schools	3,092,800
Sub-Total FY 2009-10 Non-Recurring Add-Backs Continued		<u>\$ 48,293,900</u>
2. FY 2010-2011 Proposed Reductions:		
331.09 Improving Schools Programs	Safe Schools	\$ 1,748,400
331.11 Accountability and Assessment	Statewide Student Management System	1,000,000
331.11 Accountability and Assessment	Internet Connectivity	300,400
331.11 Accountability and Assessment	K-2 Assessment	2,284,400
331.32 Early Childhood Education	Operational Savings	150,000
331.92 Tennessee School for the Deaf	Transportation	800,000
331.06 Curriculum and Instruction	Governor's Schools - 9.5%	240,000
331.22 Governor's Books from Birth Fund	10% reduction	340,000
331.95 Tennessee Early Intervention Services	Early Intervention Services	2,210,200
Sub-Total FY 2010-2011 Add-Backs		<u>\$ 9,073,400</u>
Total Department of Education		<u>\$ 57,367,300</u>
II. Department of Health		
FY 2009-10 Non-Recurring Add-Backs:		
343.52 Community and Medical Services	Shaken Baby Syndrome	\$ 30,600
343.52 Community and Medical Services	Epilepsy Program	206,300
343.60 Local Health Services	Metro Contracts	1,460,600
343.01 Executive Administration	Minority Health Initiative	860,100
343.51 Diabetes Prevention and Health Improvement	Diabetes Program	7,652,100
343.52 Community and Medical Services	Poison Control Center	375,000
343.49 Communicable and Environmental Disease Services	HIV Rapid Testing	423,400
343.52 Community and Medical Services	Breast and Cervical Cancer	541,100
343.52 Community and Medical Services	Chronic and Renal Disease Program (less \$99,400 for 2 filled positions)	413,000
Total Department of Health		<u>\$ 11,962,200</u>
III. Grand Total 2010-2011 Non-Recurring SFSF General Purpose		<u>\$ 69,329,500</u>

2008-2009 Through 2013-2014
U. S. Economic Recovery Act
Tennessee Allocations for Selected Grant Programs

	<u>Total</u>	<u>2008-2009</u>	<u>2009-2010 *</u>	<u>2010-2011</u>	<u>2011-2012 through 2013-2014</u>
State Fiscal Stabilization:					
Education	\$ 775,135,000	\$ 21,854,700	\$ 415,973,000	\$ 337,307,300	\$ -
General Purpose	172,463,000	-	103,133,500	69,329,500	-
Sub-Total State Fiscal Stabilization	\$ 947,598,000	\$ 21,854,700	\$ 519,106,500	\$ 406,636,800	\$ -
 318.00 TennCare					
Medicaid - Enhanced Federal Match	1,216,564,900	316,000,000	621,299,600	279,265,300	-
 359.00 Children's Services					
Foster Care and Adoption Assistance - Enhanced Federal Match	10,500,000	3,500,000	4,400,000	2,600,000	-
Total Fiscal Stabilization, TennCare, and Children's Services	\$ 2,174,662,900	\$ 341,354,700	\$ 1,144,806,100	\$ 688,502,100	\$ -
 331.00 Education (K-12)					
Elementary and Secondary Education Act (ESEA) Title I					
Grants to LEAs	\$ 194,108,000	\$ 27,100	\$ 142,054,000	\$ 52,026,900	\$ -
School Improvement	57,510,300	-	40,000,000	17,510,300	-
Sub-Total - ESEA Title I	\$ 251,618,300	\$ 27,100	\$ 182,054,000	\$ 69,537,200	\$ -
Individuals with Disabilities Education Act (IDEA):					
IDEA - Part B - Special Education	\$ 229,613,400	\$ 3,423,700	\$ 134,806,700	\$ 91,383,000	\$ -
IDEA - Part B - Special Education - Preschool	7,345,900	17,600	5,672,900	1,655,400	-
IDEA - Part C - Early Intervention	9,205,000	5,200	5,050,100	4,149,700	-
Sub-Total IDEA	\$ 246,164,300	\$ 3,446,500	\$ 145,529,700	\$ 97,188,100	\$ -
Education Technology	12,292,400	-	9,219,300	3,073,100	-
Education for the Homeless	1,011,200	-	505,600	505,600	-
School Lunch Equipment	2,275,800	-	2,275,800	-	-
State Incentive Grant - Race to the Top	501,793,000	-	-	120,117,300	381,675,700
Longitudinal Data Study	19,612,800	-	-	5,179,700	14,433,100
Teacher Incentive Fund	20,000,000	-	14,000,000	6,000,000	-
Total Education	\$ 1,054,767,800	\$ 3,473,600	\$ 353,584,400	\$ 301,601,000	\$ 396,108,800

* FY 2009-2010 includes unexpended federal funds from fiscal year 2008-2009 that have been carried over in addition to 2009-2010 revenue estimates.

**2008-2009 Through 2013-2014
U. S. Economic Recovery Act
Tennessee Allocations for Selected Grant Programs**

		<u>Total</u>	<u>2008-2009</u>	<u>2009-2010 *</u>	<u>2010-2011</u>	<u>2011-2012 through 2013-2014</u>
309.00	Treasury Department					
	Crime Victims Compensation	1,472,800	1,472,800	-	-	-
316.02	Commission on Aging and Disability					
	Elderly Nutrition	2,178,500	-	1,742,800	435,700	-
316.11	Tennessee Regulatory Authority					
	Energy Conservation	908,400	-	126,600	258,900	522,900
316.20	Tennessee Housing Development Agency					
	HOME Investment Partnership Program (HUD estimate)	\$ 39,032,500	\$ -	\$ 20,000,000	\$ 19,032,500	\$ -
	Grants to States In Lieu of Low Income Tax Credit	156,135,200	-	156,135,200	-	-
	Homelessness Prevention (HUD estimate) - State	13,467,400	-	8,080,400	5,387,000	-
	Sub-Total THDA	\$ 208,635,100	\$ -	\$ 184,215,600	\$ 24,419,500	\$ -
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	-	-
	Americorps	422,800	-	422,800	-	-
	Volunteer Tennessee	600,000	-	600,000	-	-
	Sub-Total Finance and Administration	\$ 45,526,800	\$ -	\$ 45,526,800	\$ -	\$ -
325.00	Agriculture					
	Temporary Emergency Food Assistance Program (TEFAP)	\$ 1,145,900	\$ -	\$ 800,000	\$ 345,900	\$ -
	Partners for Fish and Wildlife	250,000	-	250,000	-	-
	Sub-Total Agriculture	\$ 1,395,900	\$ -	\$ 1,050,000	\$ 345,900	\$ -

* FY 2009-2010 includes unexpended federal funds from fiscal year 2008-2009 that have been carried over in addition to 2009-2010 revenue estimates.

**2008-2009 Through 2013-2014
U. S. Economic Recovery Act
Tennessee Allocations for Selected Grant Programs**

	Total	2008-2009	2009-2010 *	2010-2011	2011-2012 through 2013-2014
327.00 Environment and Conservation					
Clean Water State Revolving Fund	\$ 56,930,300	\$ -	\$ 36,972,700	\$ 19,957,600	\$ -
Drinking Water State Revolving Fund	20,238,000	-	12,782,600	7,455,400	-
Underground Storage Tank Fund	5,042,000	-	5,042,000	-	-
Diesel Emission Reduction	1,700,000	-	1,700,000	-	-
Water Quality Management	575,100	-	390,200	184,900	-
Sub-Total Environment and Conservation	\$ 84,485,400	\$ -	\$ 56,887,500	\$ 27,597,900	\$ -
330.00 Economic and Community Development					
Community Development Block Grant (CDBG) - Non-Entitlement	\$ 7,095,600	\$ -	\$ 6,682,600	\$ 413,000	\$ -
State Energy Program	62,482,000	-	62,482,000	-	-
Energy Efficiency and Conservation Block Grant	13,818,200	-	13,818,200	-	-
Energy Star Rebate Program	5,963,000	-	3,100,000	2,863,000	-
Rural Business Enterprise Grant	100,000	-	100,000	-	-
Energy Assurance Capabilities and Planning	770,200	-	410,100	360,100	-
Sub-Total Economic and Community Development	\$ 90,229,000	\$ -	\$ 86,592,900	\$ 3,636,100	\$ -
337.00 Labor and Workforce Development					
Workforce Investment Act - Adult	\$ 10,835,900	\$ 1,260,600	\$ 8,875,300	\$ 700,000	\$ -
Workforce Investment Act - Youth	25,099,100	9,260,000	13,839,000	2,000,100	-
Dislocated Workers	28,372,200	1,744,400	25,027,900	1,599,900	-
Unemployment Insurance - State Administration Grants	10,129,100	-	10,129,100	-	-
Employment Service	7,426,000	50,800	7,375,200	-	-
Community Service for Older Americans	484,100	23,100	456,900	4,100	-
Sub-Total Labor and Workforce Development	\$ 82,346,400	\$ 12,338,900	\$ 65,703,400	\$ 4,304,100	\$ -
341.00 Military					
Armories Maintenance	720,000	-	720,000	-	-

* FY 2009-2010 includes unexpended federal funds from fiscal year 2008-2009 that have been carried over in addition to 2009-2010 revenue estimates.

**2008-2009 Through 2013-2014
U. S. Economic Recovery Act
Tennessee Allocations for Selected Grant Programs**

	<u>Total</u>	<u>2008-2009</u>	<u>2009-2010 *</u>	<u>2010-2011</u>	<u>2011-2012 through 2013-2014</u>
343.00 Health					
** Healthy Communities - FQHC Modernization - State Centers in Putnam and Stewart Counties	\$ 787,000	\$ -	\$ 787,000	\$ -	\$ -
Federally Qualified Health Centers	3,521,000	-	1,760,500	1,760,500	-
Immunization	3,541,000	-	2,950,800	590,200	-
Healthcare Associated Infections (Infrastructure)	1,531,800	-	765,900	765,900	-
Healthcare Associated Infections (Surveillance and Prevention)	388,600	-	197,200	191,400	-
High Priority Vaccine - Preventable Disease	98,400	-	49,200	49,200	-
Vaccine Studies	660,200	-	333,400	326,800	-
Women, Infants, and Children - Technology Projects	481,700	-	296,500	185,200	-
Sub-Total Health	\$ 11,009,700	\$ -	\$ 7,140,500	\$ 3,869,200	\$ -
** FQHC - Federally-qualified health center.					
345.00 Human Services					
Food Stamp Benefits	\$ 468,479,100	\$ 49,001,900	\$ 209,738,600	\$ 209,738,600	\$ -
Food Stamp Administration	9,064,500	2,101,100	6,963,400	-	-
Temporary Assistance for Needy Families	119,702,200	-	119,702,200	-	-
Weatherization	102,460,000	-	102,460,000	-	-
Child Care and Development Block Grant	41,932,000	5,000,000	36,932,000	-	-
Community Services Block Grant (CSBG)	19,699,000	-	19,699,000	-	-
Vocational Rehabilitation	12,178,000	-	12,178,000	-	-
Vocational Rehabilitation - Independent Living	273,000	-	273,000	-	-
Vocational Rehabilitation - Older Blind Individuals (HHS estimate)	738,600	-	738,600	-	-
Sub-Total Human Services	\$ 774,526,400	\$ 56,103,000	\$ 508,684,800	\$ 209,738,600	\$ -
Total General Fund	\$ 4,533,186,900	\$ 414,743,000	\$ 2,457,010,200	\$ 1,264,802,000	\$ 396,631,700

* FY 2009-2010 includes unexpended federal funds from fiscal year 2008-2009 that have been carried over in addition to 2009-2010 revenue estimates.

**2008-2009 Through 2013-2014
U. S. Economic Recovery Act
Tennessee Allocations for Selected Grant Programs**

	Total	2008-2009	2009-2010 *	2010-2011	2011-2012 through 2013-2014
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	-	-	-
Diesel Emission Reduction	2,000,000	-	2,000,000	-	-
Civil Rights on the Job Training	800,000	-	800,000	-	-
Cumberland City Ferry	3,000,000	-	3,000,000	-	-
Sub-Total Transportation	\$ 671,748,000	\$ 665,948,000	\$ 5,800,000	\$ -	\$ -
Total Operating Budget	\$ 5,204,934,900	\$ 1,080,691,000	\$ 2,462,810,200	\$ 1,264,802,000	\$ 396,631,700
Unemployment - \$25 per Week Benefit Increase	293,065,500	68,065,500	215,000,000	10,000,000	-
Unemployment Trust Fund	141,000,000	-	141,000,000	-	-
Grand Total State Programs	\$ 5,639,000,400	\$ 1,148,756,500	\$ 2,818,810,200	\$ 1,274,802,000	\$ 396,631,700
Federal Grants Directly to Local Governments, Non-Profits, and Higher Education:					
Byrne Justice Assistance	\$ 19,342,400				
Internet Crimes Against Children	749,000				
Public Housing Capital Fund	80,304,000				
Community Development Block Grant (CDBG) - Entitlement	6,167,500				
Homelessness Prevention (HUD estimate) - 4 Urban Cities	6,827,400				
Head Start	12,181,000				
Work Study - Higher Education	3,490,400				
FEMA - Emergency Food and Shelter	2,126,000				
Total Federal Grants Directly	\$ 131,187,700				
Grand Total	\$ 5,770,188,100				

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

* FY 2009-2010 includes unexpended federal funds from fiscal year 2008-2009 that have been carried over in addition to 2009-2010 revenue estimates.

Tennessee Economic Overview

Recommended Budget, Fiscal Year 2010 – 2011

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 began in December 2007 has now come to an end. The overall economy has finally bottomed out and at last there are emerging signs of economic expansion. Perhaps the best indicator for the national economy has been gross domestic product (GDP) which showed growth in the final two quarters of 2009. Unfortunately, an array of other indicators—notably nonfarm payrolls—continue to contract, albeit at lower rates than the first and second quarters of 2009. The recession has been the longest and deepest economic downturn since the Great Depression and it will take the economy several years to recover and restore economic activity to pre-recession levels. 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 the upcoming fiscal year. For more information on the economic outlook for the U.S. and Tennessee, see *An Economic Report to the Governor of the State of Tennessee*.

Recent Economic Conditions

In the first quarter of 2009 it looked as if the bottom was falling out of the national economy. A look back suggests this was in fact the case. First quarter GDP plummeted 6.4 percent on a seasonally-adjusted basis, driven down by a 39.2 percent drop in nonresidential fixed investment, a 38.2 percent decline in residential investment and a 29.9 percent fall in exports. Payroll employment contracted at a steep 5.9 percent rate in the first quarter while personal income dipped 8.9 percent. Even consumer prices fell as the year began. The second quarter produced slower rates of contraction, but virtually every component of the

economy continued to lose ground. Pressures in the labor market mounted and the U.S. unemployment rate jumped to 9.3 percent in the second quarter from 8.1 percent in the previous quarter.

By the middle of the year, the economy had begun to stabilize, benefiting in part from increased liquidity in the financial markets. The third quarter of 2009 produced the first gain in inflation-adjusted GDP since the second quarter of 2008. While growth was revised downward to 2.2 percent for the quarter, the gain was welcomed news given the depth and breadth of the recession. Fourth quarter growth is expected to come in at 5.1 percent. As the year came to a close, losses in payroll employment narrowed to 2.6 percent, but the unemployment rate continued to rise, moving to 9.6 percent. Seasonally-adjusted light vehicle sales and housing starts each turned the corner, offering hope that the worst of the recession was finally history.

Tennessee also saw economic conditions deteriorate markedly at the beginning of 2009. After falling 3.8 percent in the fourth quarter of 2008, nonfarm employment spiraled down 6.7 percent in the first quarter of 2009. Manufacturing employment suffered a staggering setback of 18.6 percent for the quarter; jobs in natural resources, mining and construction withered at a 33.2 percent rate. In a single quarter the state unemployment rate jumped nearly two percentage points, from 7.2 percent to 9.1 percent, reflecting a 143.8 percent surge in the number of unemployed people. Personal income was able to remain in the black only because transfer payments jumped 21.9 percent. Statewide residential building permits in January, 2009, stood at only 868 compared to 3,039 just two years earlier. Taxable sales continued their slide as the year began.

Like the nation, Tennessee saw economic conditions improve marginally as 2009 unfolded. Seasonally-adjusted quarterly losses in nonfarm employment grew smaller in each quarter of the year. Manufacturing saw significant improvement as well, but the loss for the year as a whole was in excess of 10 percent. Unfortunately, December

brought more bad news as the state unemployment rate spiked to 10.9 percent. Unemployment rates would likely be higher still if the labor force weren't contracting—many discouraged workers have simply given up their job search. Residential building permits in November, 2009, inched their way above permitting activity in November of the previous year.

Short-Term Economic Outlook

The national economy is expected to show modest growth in 2010 with growth picking up slightly in 2011. Inflation-adjusted GDP should advance 2.6 percent in 2010 and 2.7 percent in 2011. Not surprisingly, consumer spending will lag overall economic growth as households continue to grapple with a weak labor market and modest growth in incomes. Employment will likely continue to fall in 2010 though the unemployment should stabilize in the neighborhood of 10 percent. On an annual basis, employment will not return to its pre-recession peak until 2013. Nonresidential fixed investment will continue to fall in 2010, with setbacks in construction more than offsetting gains in equipment and software investment. Residential investment, housing starts and home sales should improve markedly as the year

unfolds, as will light vehicle sales. Exports and imports will grow robustly as global economic conditions improve.

Tennessee will begin to see broad-based signs of expansion over the course of 2010 and 2011. The state unemployment rate will remain stuck above 10 percent through 2011, unless there is a more rapid decline in the labor force due to the withdrawal of discouraged workers. Nonfarm employment is expected to slip 0.5 percent in 2010, similar to the situation for the nation. Manufacturing employment will be down 3.3 percent, reflecting significant improvement over the 10.9 percent setback in 2009. Nominal personal income will be up 2.1 percent in 2010 and 3.5 percent in 2011. On a fiscal year basis, expect personal income to grow only 1.2 percent in 2009-10, improving to a 2.8 percent rate of growth in 2010-11. Taxable sales will finally turnaround, benefiting from renewed residential building activity and vehicle sales. On a fiscal year basis, taxable sales are expected to fall 2.5 percent in the current fiscal year before recording a 3.3 percent gain in the 2010-11 fiscal year. Calendar year taxable sales will not return to their pre-recession peak, which was registered in 2007, until 2013.

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

Tennessee Characteristics

Demographic Characteristics¹

	2000	2004	2008
Total Population (April 1, July 1, July 1)	5,689,283	5,906,936	6,214,888
Percent of Population by Age Group			
Under Age 5	6.6%	6.7%	6.7%
Age 5 to 17	18.0%	17.3%	17.2%
Age 18 to 24	9.6%	9.0%	9.0%
Age 25 to 64	53.4%	54.8%	54.0%
Age 65 and Older	12.4%	12.1%	13.1%
Percent of Population by Race			
White	80.2%	80.0%	79.5%
Black or African American	16.4%	16.3%	16.3%
American Indian and Alaska Native	0.3%	0.3%	0.2%
Asian and Pacific Islander	1.0%	1.4%	1.4%
Other	2.1%	2.1%	2.6%
Hispanic Population (Percent of Total Population)	2.2%	2.9%	3.7%
Place of Birth of Tennessee Residents			
Born in Tennessee	64.7%	63.8%	62.2%
Born in Another State	31.9%	31.7%	33.1%
Born Outside the United States	0.6%	0.7%	0.7%
Born in a Foreign County	2.8%	3.8%	4.0%
Naturalized Citizen	0.9%	1.2%	1.3%
Not a Citizen	1.9%	2.6%	2.7%

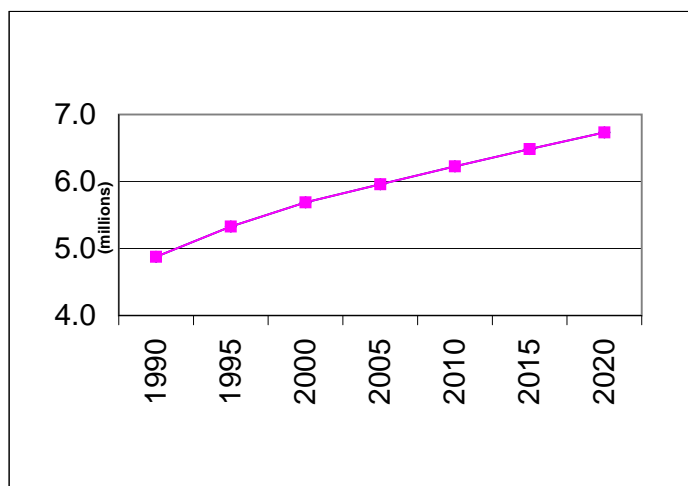
Tennessee Population by Grand Division

	2000	2004	2008
East Tennessee	2,108,135	2,185,175	2,294,747
Middle Tennessee	2,081,346	2,211,470	2,390,235
West Tennessee	1,499,802	1,510,291	1,529,906

Metropolitan Statistical Area Population

	2000	2004	2008
Chattanooga, TN-GA	476,531	496,817	518,441
Tennessee Portion	347,042	359,565	374,675
Georgia Portion	129,489	137,252	143,766
Clarksville, TN-KY	232,000	244,656	261,220
Tennessee Portion	147,138	153,921	167,982
Kentucky Portion	84,862	90,735	93,238
Cleveland, TN	104,015	106,889	112,143
Jackson, TN	107,377	109,915	112,685
Johnson City, TN	181,607	187,109	195,849
Kingsport-Bristol, TN - Bristol, VA	298,484	298,771	304,689
Tennessee Portion	206,611	206,971	211,377
Virginia Portion	91,873	91,800	93,312
Knoxville, TN	616,079	647,872	691,152
Memphis, TN-MS-AR	1,205,204	1,242,362	1,285,732
Tennessee Portion	977,549	989,451	1,003,704
Arkansas Portion	50,866	51,239	52,554
Mississippi Portion	176,789	201,672	229,474
Morristown, TN	123,081	128,044	135,914
Nashville-Davidson - Murfreesboro - Franklin, TN	1,311,789	1,415,924	1,550,733
Total Tennessee Metropolitan Statistical Area Population	4,122,288	4,305,661	4,556,214
Total Tennessee Non-Metropolitan Population	1,566,995	1,601,275	1,658,674

Tennessee Population 1990 to 2020 ²



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

Public School Enrollment and Expenditures ³

	1999-2000	2003-2004	2007-2008
Total Number of Public Schools	1,611	1,677	1,712
Total K-12 Public School Average Daily Attendance (ADA)	842,733	857,047	889,774
Total Operating Expenditures (in thousands)	\$ 4,885,072	\$ 5,898,908	\$ 7,424,696
Public School Per Pupil Expenditures (based on ADA)	\$ 5,794	\$ 6,997	\$ 8,344

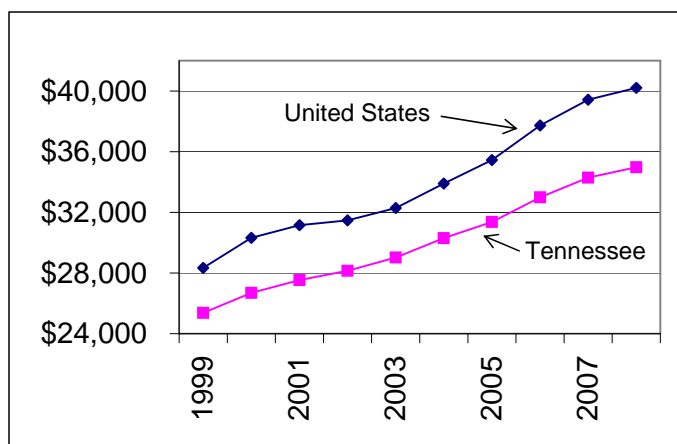
Educational Attainment ⁴

	2000	2004	2008
Less than 9th grade	9.6%	7.4%	6.6%
9th to 12th grade, no diploma	14.5%	11.8%	10.4%
High school graduate (includes equivalency)	31.6%	32.9%	32.5%
Some college, no degree	20.0%	20.2%	21.6%
Associate degree	4.7%	5.4%	6.0%
Bachelor's degree	12.8%	14.4%	14.9%
Graduate or professional degree	6.8%	7.9%	8.0%
Percent high school graduate or higher			
United States	80.4%	83.9%	85.0%
Tennessee	75.9%	80.7%	83.0%
Percent bachelor's degree or higher			
United States	24.4%	27.0%	27.7%
Tennessee	19.6%	22.2%	22.9%

Income and Poverty ⁵

	2000	2004	2008
Tennessee's Per Capita Income as a Percent of the U. S.	88.0%	89.4%	87.0%
Tennessee's Rank in U. S. by Per Capita Income	35	37	36

Tennessee and United States Per Capita Income ⁵



Year	United States	Tennessee
1999	\$ 28,333	\$ 25,370
2000	30,318	26,692
2001	31,149	27,535
2002	31,470	28,143
2003	32,284	29,026
2004	33,899	30,297
2005	35,447	31,360
2006	37,728	32,986
2007	39,430	34,287
2008	40,208	34,976
Percent Change 1999-2008	41.9%	37.9%

Percent of Population Below Poverty ⁴

	1999	2004	2008
United States	12.4%	13.1%	13.2%
Tennessee	13.5%	14.5%	15.5%

Gross Domestic Product ⁵

Tennessee Gross Domestic Product - Percent by Industry

	2000	2004	2008
Private industries	88.8%	89.1%	88.7%
Agriculture, forestry, fishing, and hunting	0.7%	0.7%	0.5%
Mining	0.3%	0.2%	0.3%
Utilities	0.4%	0.4%	0.5%
Construction	4.4%	4.0%	3.8%
Manufacturing	19.0%	18.2%	16.1%
Durable goods	11.0%	11.0%	9.7%
Nondurable goods	8.0%	7.2%	6.4%
Wholesale trade	6.9%	6.8%	6.7%
Retail trade	8.5%	8.2%	8.2%
Transportation and warehousing, excluding Postal Service	5.1%	5.1%	5.1%
Information	3.0%	3.1%	3.3%
Finance and insurance	5.7%	5.9%	5.7%
Real estate and rental and leasing	10.3%	10.1%	9.6%
Professional and technical services	4.8%	5.0%	5.9%
Management of companies and enterprises	1.1%	1.1%	1.5%
Administrative and waste services	3.6%	4.0%	4.2%
Educational services	0.8%	1.0%	1.1%
Health care and social assistance	7.4%	8.5%	9.1%
Arts, entertainment, and recreation	0.9%	1.0%	1.0%
Accommodation and food services	3.2%	3.1%	3.4%
Other services, except government	2.7%	2.7%	2.7%
Government (state, local, federal)	11.2%	10.9%	11.3%

Gross Domestic Product (millions)

United States	\$ 9,749,103	\$ 11,607,041	\$ 14,165,565
Tennessee	\$ 174,851	\$ 214,849	\$ 252,127
Tennessee as a Percent of U. S.	1.79%	1.85%	1.78%
Tennessee's Rank in U. S.	20	18	18

Civilian Labor Force ⁶

	2000	2004	2008
Civilian Labor Force	2,871,500	2,891,500	3,041,300
Employment	2,756,500	2,733,800	2,846,100
Unemployment	115,000	157,700	195,200
Unemployment Rate	4.0%	5.5%	6.4%

Employment by Industry ⁶

	2000	2004	2008
Non-Farm Employment - Percent by Industry			
Goods Producing	22.7%	19.7%	17.8%
Natural Resources, Mining, & Construction	4.8%	4.5%	4.8%
Manufacturing	17.9%	15.2%	13.0%
Durable Goods	11.0%	9.3%	8.0%
Non-Durable Goods	6.9%	5.9%	5.0%
Service Providing	77.3%	80.3%	82.2%
Trade, Transportation, & Utilities	21.5%	21.7%	21.7%
Wholesale Trade	4.8%	4.7%	4.8%
Retail Trade	11.6%	11.8%	11.8%
Transportation, Warehousing, & Utilities	5.1%	5.2%	5.1%
Information	2.0%	1.8%	1.8%
Financial Activities	5.1%	5.3%	5.2%
Professional & Business Services	11.0%	11.1%	11.6%
Educational & Health Services	10.2%	11.8%	12.9%
Leisure & Hospitality	8.6%	9.4%	9.9%
Other Services	4.3%	3.8%	3.7%
Government	14.6%	15.4%	15.4%
Federal	2.0%	1.9%	1.8%
State & Local	12.6%	13.5%	13.6%

Physical Characteristics ⁷

Land Area	41,217 Square Miles
Highest Elevation (Clingmans Dome)	6,643 Feet
Lowest Elevation (Mississippi River)	178 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.

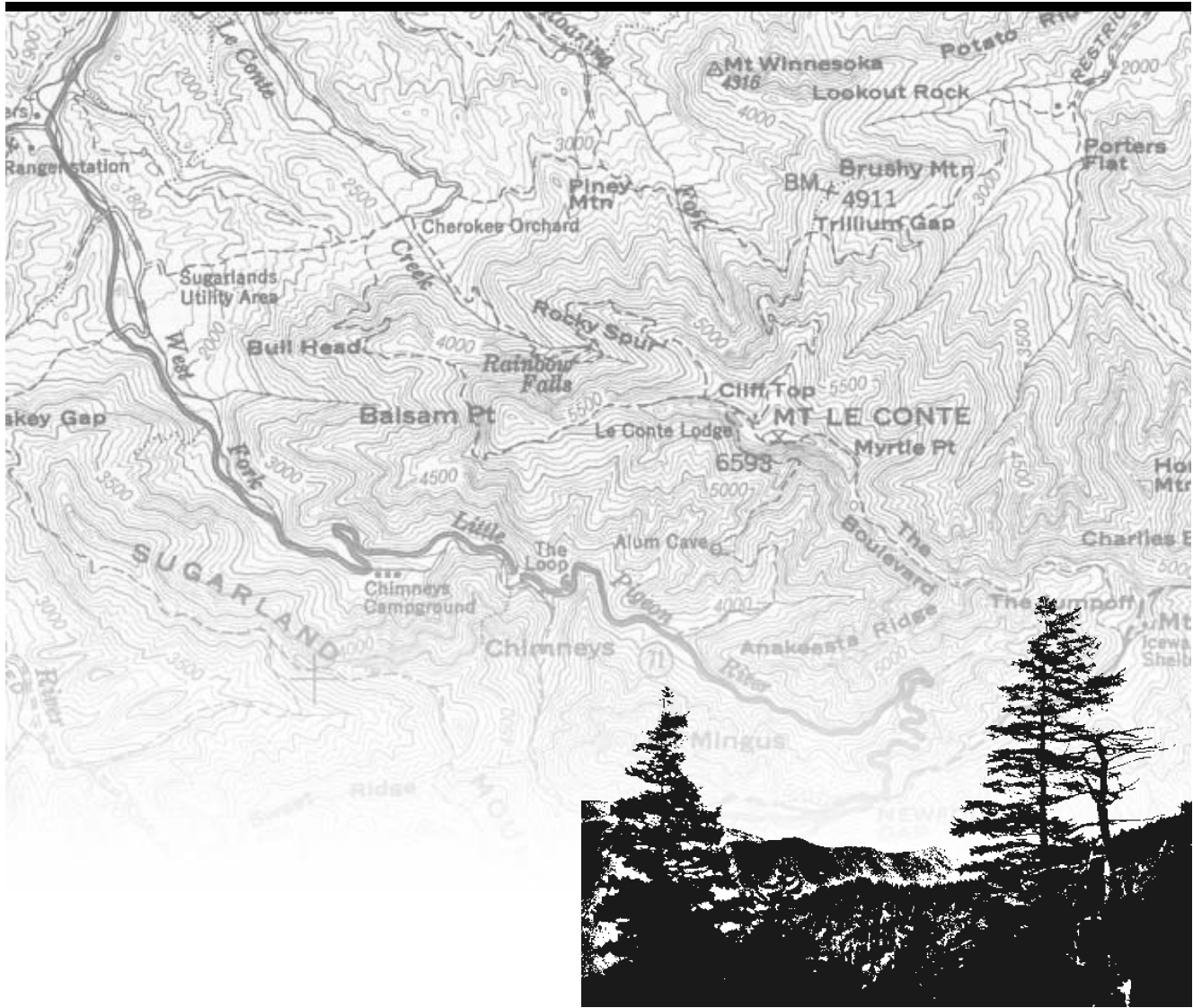
³ Source: Tennessee Department of Education, Annual Statistical Report.

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

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

⁶ Source: Tennessee Department of Labor and Work Force Development.

⁷ Source: Tennessee Statistical Abstract.



State Revenues

State Revenues



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State Tax Revenues

Introduction

Recommended Budget, Fiscal Year 2010-2011

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 2008-2009 estimated revenue and as it exists currently for 2009-2010 and 2010-2011 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

**Estimated
July 1, 2008 – June 30, 2011**

Comparison Statement of State Revenues
Estimated July 1, 2008 - June 30, 2011

SOURCE OF REVENUE

Department of Revenue	Estimated 2008-2009	Estimated 2009-2010	Estimated 2010-2011	Percent Required
Sales and Use Tax	\$ 6,320,798,300	\$ 6,207,000,000	\$ 6,300,100,000	1.50%
Gasoline Tax	601,799,400	616,000,000	625,200,000	1.49%
Motor Fuel Tax	154,496,200	153,000,000	156,800,000	2.48%
Gasoline Inspection Tax	61,577,100	63,400,000	64,700,000	2.05%
Motor Vehicle Registration Tax	238,817,700	245,000,000	252,400,000	3.02%
Income Tax	220,449,800	190,000,000	199,500,000	5.00%
Privilege Tax	232,657,000	230,000,000	226,000,000	-1.74%
Gross Receipts Tax - TVA	285,101,700	317,900,000	321,100,000	1.01%
Gross Receipts Tax - Other	32,392,600	22,500,000	23,600,000	4.89%
Beer Tax	17,796,900	17,700,000	18,100,000	2.26%
Alcoholic Beverage Tax	44,081,100	44,800,000	45,900,000	2.46%
Franchise Tax	530,080,100	567,200,000	596,000,000	5.08%
Excise Tax	831,706,700	848,100,000	891,400,000	5.11%
Inheritance and Estate Tax	80,140,000	80,000,000	82,400,000	3.00%
Tobacco Tax	299,987,400	300,000,000	301,500,000	0.50%
Motor Vehicle Title Fees	9,804,800	10,000,000	10,300,000	3.00%
Mixed Drink Tax	54,110,300	53,400,000	54,500,000	2.06%
Business Tax	135,036,800	153,300,000	157,900,000	3.00%
Severance Tax	2,129,700	2,200,000	2,300,000	4.55%
Coin-operated Amusement Tax	353,400	300,000	300,000	0.00%
Unauthorized Substance Tax	213,000	(1,800,000)	0	-100.00%
Sub-Total Department of Revenue	\$ 10,153,530,000	\$ 10,120,000,000	\$ 10,330,000,000	2.08%
Other State Revenue				
Dept. of Commerce and Insurance	\$ 436,300,000	\$ 581,400,000	\$ 653,000,000	12.32%
E-911 Emergency Communications	49,200,000	51,300,000	57,200,000	11.50%
Dept. of Financial Institutions	8,300,000	8,500,000	8,500,000	0.00%
Wildlife Resources Agency	45,400,000	42,400,000	43,300,000	2.12%
Dept. of Agriculture	10,700,000	10,700,000	11,300,000	5.61%
Regulatory Board Fees	36,400,000	36,500,000	36,500,000	0.00%
Tennessee Regulatory Authority	8,900,000	8,300,000	8,000,000	-3.61%
Secretary of State	28,900,000	28,900,000	29,500,000	2.08%
Dept. of Safety	35,300,000	36,100,000	36,100,000	0.00%
Dept. of Revenue	5,800,000	6,200,000	6,200,000	0.00%
State Treasurer	36,000,000	7,500,000	7,000,000	-6.67%
Dept. of Education	1,700,000	1,700,000	1,700,000	0.00%
Dept. of Health	12,000,000	12,300,000	12,700,000	3.25%
Dept. of Environment and Conservation	64,200,000	63,700,000	70,900,000	11.30%
Miscellaneous Revenue	35,000,000	45,400,000	53,500,000	17.84%
Nursing Home Tax	97,200,000	97,200,000	97,200,000	0.00%
Sub-Total Other State Revenue	\$ 911,300,000	\$ 1,038,100,000	\$ 1,132,600,000	9.10%
Total State Revenue	\$ 11,064,830,000	\$ 11,158,100,000	\$ 11,462,600,000	2.73%

**Distribution of 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 *	\$ 6,320,798,300	\$2,320,623,300	\$3,645,771,500	\$ 51,328,700	\$ 44,976,700	\$ 258,098,100
Gasoline Tax	601,799,400	9,910,700	0	273,501,600	88,700,000	229,687,100
Motor Fuel Tax	154,496,200	2,929,300	0	111,064,600	0	40,502,300
Gasoline Inspection Tax	61,577,100	17,877,100	0	31,683,000	0	12,017,000
Motor Vehicle Registration Tax	238,817,700	41,545,900	111,200	197,160,600	0	0
Income Tax	220,449,800	142,318,500	0	0	0	78,131,300
Privilege Tax	232,657,000	232,530,400	126,600	0	0	0
Gross Receipts Tax - TVA	285,101,700	163,068,800	0	0	0	122,032,900
Gross Receipts Tax - Other	32,392,600	28,291,200	0	4,101,400	0	0
Beer Tax	17,796,900	11,908,600	0	2,236,800	0	3,651,500
Alcoholic Beverage Tax	44,081,100	36,409,500	0	0	0	7,671,600
Franchise Tax	530,080,100	512,080,100	0	0	18,000,000	0
Excise Tax	831,706,700	608,897,400	0	0	193,223,300	29,586,000
Inheritance and Estate Tax	80,140,000	80,140,000	0	0	0	0
Tobacco Tax	299,987,400	30,962,100	269,025,300	0	0	0
Motor Vehicle Title Fees	9,804,800	7,104,800	0	0	2,700,000	0
Mixed Drink Tax	54,110,300	0	27,063,500	0	0	27,046,800
Business Tax	135,036,800	135,036,800	0	0	0	0
Severance Tax	2,129,700	1,068,900	0	0	0	1,060,800
Coin-operated Amusement Tax	353,400	353,400	0	0	0	0
Unauthorized Substance Tax	213,000	(365,000)	0	0	0	578,000
Sub-Total Department of Revenue	\$ 10,153,530,000	\$4,382,691,800	\$3,942,098,100	\$ 671,076,700	\$ 347,600,000	\$ 810,063,400
Other State Revenue						
Dept. of Commerce and Insurance	\$ 436,300,000	\$ 436,300,000	\$ 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	28,900,000	28,900,000	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	36,000,000	36,000,000	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	35,000,000	35,000,000	0	0	0	0
Nursing Home Tax	97,200,000	97,200,000	0	0	0	0
Sub-Total Other State Revenue	\$ 911,300,000	\$ 909,600,000	\$ 1,700,000	\$ 0	\$ 0	\$ 0
Total State Revenue	\$ 11,064,830,000	\$5,292,291,800	\$3,943,798,100	\$ 671,076,700	\$ 347,600,000	\$ 810,063,400

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

County Revenue Partnership Fund	\$	0	\$	0	\$	0
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**Distribution of Revised 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 *	\$ 6,207,000,000	\$2,277,400,000	\$3,580,100,000	\$ 52,000,000	\$ 44,100,000	\$ 253,400,000
Gasoline Tax	616,000,000	10,200,000	0	260,300,000	110,400,000	235,100,000
Motor Fuel Tax	153,000,000	2,900,000	0	110,000,000	0	40,100,000
Gasoline Inspection Tax	63,400,000	18,200,000	0	33,200,000	0	12,000,000
Motor Vehicle Registration Tax	245,000,000	43,700,000	100,000	201,200,000	0	0
Income Tax	190,000,000	122,700,000	0	0	0	67,300,000
Privilege Tax	230,000,000	228,900,000	100,000	0	0	1,000,000
Gross Receipts Tax - TVA	317,900,000	178,400,000	0	0	0	139,500,000
Gross Receipts Tax - Other	22,500,000	19,700,000	0	2,800,000	0	0
Beer Tax	17,700,000	11,900,000	0	2,200,000	0	3,600,000
Alcoholic Beverage Tax	44,800,000	37,000,000	0	0	0	7,800,000
Franchise Tax	567,200,000	549,200,000	0	0	18,000,000	0
Excise Tax	848,100,000	605,300,000	0	0	213,200,000	29,600,000
Inheritance and Estate Tax	80,000,000	80,000,000	0	0	0	0
Tobacco Tax	300,000,000	31,100,000	268,900,000	0	0	0
Motor Vehicle Title Fees	10,000,000	7,300,000	0	0	2,700,000	0
Mixed Drink Tax	53,400,000	100,000	26,600,000	0	0	26,700,000
Business Tax	153,300,000	153,300,000	0	0	0	0
Severance Tax	2,200,000	1,100,000	0	0	0	1,100,000
Coin-operated Amusement Tax	300,000	300,000	0	0	0	0
Unauthorized Substance Tax	(1,800,000)	(500,000)	0	0	0	(1,300,000)
Sub-Total Department of Revenue	\$ 10,120,000,000	\$4,378,200,000	\$3,875,800,000	\$ 661,700,000	\$ 388,400,000	\$ 815,900,000
Other State Revenue						
Dept. of Commerce and Insurance	\$ 581,400,000	\$ 581,400,000	\$ 0	\$ 0	\$ 0	\$ 0
E-911 Emergency Communications	51,300,000	51,300,000	0	0	0	0
Dept. of Financial Institutions	8,500,000	8,500,000	0	0	0	0
Wildlife Resources Agency	42,400,000	42,400,000	0	0	0	0
Dept. of Agriculture	10,700,000	10,700,000	0	0	0	0
Regulatory Board Fees	36,500,000	36,500,000	0	0	0	0
Tennessee Regulatory Authority	8,300,000	8,300,000	0	0	0	0
Secretary of State	28,900,000	28,900,000	0	0	0	0
Dept. of Safety	36,100,000	36,100,000	0	0	0	0
Dept. of Revenue	6,200,000	6,200,000	0	0	0	0
State Treasurer	7,500,000	7,500,000	0	0	0	0
Dept. of Education	1,700,000	0	1,700,000	0	0	0
Dept. of Health	12,300,000	12,300,000	0	0	0	0
Dept. of Environment and Conservation	63,700,000	63,700,000	0	0	0	0
Miscellaneous Revenue	45,400,000	45,400,000	0	0	0	0
Nursing Home Tax	97,200,000	97,200,000	0	0	0	0
Sub-Total Other State Revenue	\$ 1,038,100,000	\$1,036,400,000	\$ 1,700,000	\$ 0	\$ 0	\$ 0
Total State Revenue	\$ 11,158,100,000	\$5,414,600,000	\$3,877,500,000	\$ 661,700,000	\$ 388,400,000	\$ 815,900,000

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

County Revenue Partnership Fund	\$	0	\$ (700,000)	\$	700,000
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**Distribution of Estimated Revenue by Fund
Fiscal Year 2010-2011**

SOURCE OF REVENUE

Department of Revenue	Total Revenue	General Fund	Education Fund	Highway Fund	Debt Service Fund	Cities & Counties *
Sales and Use Tax *	\$ 6,300,100,000	2,312,700,000	\$3,633,800,000	\$ 52,000,000	\$ 44,700,000	\$ 256,900,000
Gasoline Tax	625,200,000	10,300,000	0	268,100,000	108,200,000	238,600,000
Motor Fuel Tax	156,800,000	3,000,000	0	112,700,000	0	41,100,000
Gasoline Inspection Tax	64,700,000	18,700,000	0	34,000,000	0	12,000,000
Motor Vehicle Registration Tax	252,400,000	44,900,000	100,000	207,400,000	0	0
Income Tax	199,500,000	128,800,000	0	0	0	70,700,000
Privilege Tax	226,000,000	224,900,000	100,000	0	0	1,000,000
Gross Receipts Tax - TVA	321,100,000	180,000,000	0	0	0	141,100,000
Gross Receipts Tax - Other	23,600,000	20,600,000	0	3,000,000	0	0
Beer Tax	18,100,000	12,100,000	0	2,300,000	0	3,700,000
Alcoholic Beverage Tax	45,900,000	37,900,000	0	0	0	8,000,000
Franchise Tax	596,000,000	578,000,000	0	0	18,000,000	0
Excise Tax	891,400,000	656,100,000	0	0	205,700,000	29,600,000
Inheritance and Estate Tax	82,400,000	82,400,000	0	0	0	0
Tobacco Tax	301,500,000	31,200,000	270,300,000	0	0	0
Motor Vehicle Title Fees	10,300,000	7,600,000	0	0	2,700,000	0
Mixed Drink Tax	54,500,000	(100,000)	27,300,000	0	0	27,300,000
Business Tax	157,900,000	157,900,000	0	0	0	0
Severance Tax	2,300,000	1,200,000	0	0	0	1,100,000
Coin-operated Amusement Tax	300,000	300,000	0	0	0	0
Unauthorized Substance Tax	0	0	0	0	0	0
Sub-Total Department of Revenue	\$ 10,330,000,000	\$ 4,508,500,000	\$ 3,931,600,000	\$ 679,500,000	\$ 379,300,000	\$ 831,100,000
Other State Revenue						
Dept. of Commerce and Insurance	\$ 653,000,000	\$ 653,000,000	\$ 0	\$ 0	\$ 0	\$ 0
E-911 Emergency Communications	57,200,000	57,200,000	0	0	0	0
Dept. of Financial Institutions	8,500,000	8,500,000	0	0	0	0
Wildlife Resources Agency	43,300,000	43,300,000	0	0	0	0
Dept. of Agriculture	11,300,000	11,300,000	0	0	0	0
Regulatory Board Fees	36,500,000	36,500,000	0	0	0	0
Tennessee Regulatory Authority	8,000,000	8,000,000	0	0	0	0
Secretary of State	29,500,000	29,500,000	0	0	0	0
Dept. of Safety	36,100,000	36,100,000	0	0	0	0
Dept. of Revenue	6,200,000	6,200,000	0	0	0	0
State Treasurer	7,000,000	7,000,000	0	0	0	0
Dept. of Education	1,700,000	0	1,700,000	0	0	0
Dept. of Health	12,700,000	12,700,000	0	0	0	0
Dept. of Environment and Conservation	70,900,000	70,900,000	0	0	0	0
Miscellaneous Revenue	53,500,000	53,500,000	0	0	0	0
Nursing Home Tax	97,200,000	97,200,000	0	0	0	0
Sub-Total Other State Revenue	\$ 1,132,600,000	\$ 1,130,900,000	\$ 1,700,000	\$ 0	\$ 0	\$ 0
Total State Revenue	\$ 11,462,600,000	\$ 5,639,400,000	\$ 3,933,300,000	\$ 679,500,000	\$ 379,300,000	\$ 831,100,000

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

County Revenue Partnership Fund - Above	\$ 0	\$ (700,000)	\$ 700,000
Less: Budget Overview Adjustment - 2009 PC 531, Sec. 30	0	300,000	(300,000)
Total County Revenue Partnership Fund	\$ 0	\$ (400,000)	\$ 400,000

Comparative Statement of Revenues of Regulatory Boards
Estimated July 1, 2008 - June 30, 2011
To Support Statement of State Revenues

SOURCE OF REVENUE	Estimated 2008-2009	Estimated 2009-2010	Estimated 2010-2011
State Board of Accountancy	\$ 858,500	\$ 845,500	\$ 845,500
State Board of Examiners for Architects and Engineers	1,391,400	1,370,300	1,370,300
Tennessee Auctioneer Commission	210,500	207,300	207,300
Board of Barber Examiners	327,800	322,800	322,800
Tennessee Collection Service Board	139,200	137,100	137,100
Licensing Contractors, Home Improvement and Interior Designers	2,068,500	2,045,800	2,045,800
State Board of Cosmetology	1,129,000	1,111,900	1,111,900
Board of Funeral Directors and Embalmers	559,800	551,400	551,400
Pre-Need Funeral Services	0	400	400
Board of Examiners for Land Surveyors	113,100	111,400	111,400
Board of Alarm Contractors	437,400	430,800	430,800
Private Investigators Licensing and Regulation	164,700	165,600	165,600
Private Protective Services Licensing and Regulation	685,800	675,400	675,400
Board of Polygraph Examiners	8,000	8,000	8,000
Real Estate Appraiser Commission	343,300	338,100	338,100
Registration of Geologists	54,800	53,900	53,900
Tennessee Real Estate Commission	2,362,300	2,336,600	2,336,600
Tennessee Motor Vehicle Commission	701,400	690,800	690,800
Employee Leasing	20,900	20,600	20,600
Locksmith Licensing Board	12,100	11,900	11,900
Private Probation Registration	7,700	7,600	7,600
Home Inspectors License	49,100	48,400	48,400
Scrap Metal Dealers Registration	27,000	7,000	7,000
Administrative Allocation	6,758,600	6,656,500	6,656,500
Sub-Total: Commerce and Insurance	\$ 18,430,900	\$ 18,155,100	\$ 18,155,100
Board of Chiropractic Examiners	\$ 196,100	\$ 214,500	\$ 214,500
Board of Dentistry	1,285,100	1,301,200	1,301,200
Board of Dietitian / Nutritionist Examiners	61,400	58,900	58,900
Board of Dispensing Opticians	92,700	89,700	89,700
State Board of Electrolysis Examiners	21,300	16,700	16,700
Council for Licensing Hearing Instrument Specialists	41,700	44,000	44,000
Board of Social Worker Certification and Licensure	222,900	237,400	237,400
Board of Medical Examiners	2,642,400	2,527,500	2,527,500
Tennessee Medical Laboratory Board	622,400	597,600	597,600
Board of Nursing	4,088,800	3,947,400	3,947,400
Board of Examiners for Nursing Home Administrators	74,500	77,400	77,400
Board of Occupational and Physical Therapy Examiners	421,500	294,700	294,700
State Board of Athletic Trainers	44,600	47,200	47,200
Board of Respiratory Care	146,600	266,400	266,400
State Board of Optometry	183,000	175,800	175,800
Board of Osteopathic Examination	157,800	149,500	149,500
Board of Pharmacy	1,581,200	1,649,800	1,649,800
Board of Registration for Podiatry	54,400	121,300	121,300
Board of Cert. for Prof. Counselors, and Marital and Family Therapists	176,900	162,700	162,700
Board of Examiners in Psychology	281,800	268,200	268,200
Board for Communication Disorders and Sciences	89,700	92,300	92,300
Committee on Physician Assistants	153,300	131,900	131,900
Massage Licensure Board	286,800	250,600	250,600
Board of Veterinary Medical Examiners	485,400	466,000	466,000
Alcohol and Drug Abuse Counselors	79,000	75,000	75,000
Board of Midwifery	10,200	14,100	14,100
Board of Acupuncture	27,300	33,000	33,000
Board of Clinical Perfusionists	16,800	24,200	24,200
Reflexologist License	11,100	10,600	10,600
Polysomnographic Professional Standards Board	45,000	42,800	42,800
Certified Medication Aide Licensure	0	563,500	563,500
Sub-Total: Health	\$ 13,601,700	\$ 13,951,900	\$ 13,951,900
State Regulatory Fee	\$ 2,400,000	\$ 2,400,000	\$ 2,400,000
State Board of Law Examiners	709,600	707,200	707,200
Health Services Development Agency	1,250,300	1,245,900	1,245,900
Adjustment	7,500	39,900	39,900
Total Regulatory Boards	\$ 36,400,000	\$ 36,500,000	\$ 36,500,000

Tax Expenditures

Recommended Budget, Fiscal Year 2010-2011

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 2010-2011. 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 2010-2011 Estimated Loss	
	State	Local *
Administrative & Support Services	\$ 363,000,000	\$ 124,500,000
Collection Agencies & Credit Bureaus	22,600,000	7,800,000
Employment Services	205,200,000	70,400,000
Investigation & Security Services	44,100,000	15,100,000
Mail, Document Reproduction, & Call Centers	16,200,000	5,500,000
Services to Buildings & Dwellings	74,900,000	25,700,000
Construction Services	\$ 735,700,000	\$ 252,200,000
Construction of Buildings	243,000,000	83,300,000
Heavy and Civil Engineering Construction	102,500,000	35,100,000
Specialty Trade Contractors	390,200,000	133,800,000
Educational Services	\$ 44,500,000	\$ 15,200,000
Educational Services (for-profit)	40,000,000	13,700,000
Educational Services (non-profit)	4,500,000	1,500,000
Finance, Insurance, & Real Estate	\$ 270,700,000	\$ 92,900,000
Investment Banking, Securities Brokerage, & Related	90,000,000	30,900,000
Insurance Agents & Related	69,900,000	24,000,000
Real Estate Agents & Brokers	110,800,000	38,000,000
Health Care & Social Services (For-profit)	\$ 760,500,000	\$ 260,700,000
Physicians & Dentists	440,200,000	150,900,000
Other Health Practitioners	52,200,000	17,900,000
Hospitals	87,500,000	30,000,000
Nursing & Residential Care Facilities	83,400,000	28,600,000
Outpatient Care Centers	31,800,000	10,900,000
Medical and Diagnostic Laboratories	25,000,000	8,600,000
Other Selected Health Services	10,600,000	3,600,000
Social & Community Services	29,800,000	10,200,000
Health Care & Social Services (Non-profit)	\$ 472,100,000	\$ 161,900,000
Hospitals	392,000,000	134,400,000
Nursing & Residential Care Facilities	27,100,000	9,300,000
Outpatient Care Centers	26,300,000	9,000,000
Other Selected Health Services	6,600,000	2,300,000
Social & Community Services	20,100,000	6,900,000
Information Services	\$ 58,900,000	\$ 24,400,000
Data Processing Services	23,900,000	8,200,000
Movie Production & Sound Recording Studios	6,800,000	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	\$ 133,600,000	\$ 45,800,000
Newspaper Advertising	39,600,000	13,600,000
Radio Advertising	20,500,000	7,000,000
Television Advertising (Broadcast & Cable)	73,500,000	25,200,000
Personal Services	\$ 86,200,000	\$ 29,700,000
Coin-operated Laundry	2,800,000	1,000,000
Death Care Services	15,600,000	5,400,000
Diet & Weight Loss	1,700,000	600,000
Hair, Nail, & Skin Care Services	38,600,000	13,200,000
Non-Profit Amusement & Membership Organizations	27,500,000	9,500,000
Professional & Technical Services	\$ 710,500,000	\$ 243,700,000
Accounting, Tax Return Preparation, & Payroll	92,700,000	31,800,000
Advertising & Public Relations	32,100,000	11,000,000
Architectural Services	24,600,000	8,400,000
Engineering Services	149,400,000	51,200,000
All other Architectural, Engineering, & Related	14,300,000	4,900,000
Specialized Design Services	17,100,000	5,900,000
Computer Systems Design & Related Services	46,600,000	16,000,000
Legal Services (profit & non-profit)	163,900,000	56,200,000
Management, Scientific, & Technology Consulting	149,500,000	51,300,000
Scientific Research & Development (profit & non-profit)	20,300,000	7,000,000
Transportation Services (Local Trucking only)	\$ 59,500,000	\$ 20,400,000
Truck Transportation (Local)	59,500,000	20,400,000
Total Revenue Loss	\$ 3,695,200,000	\$ 1,271,400,000

* 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 2010-2011 Estimated Loss	
		State	Local
	Sales and Use Tax	\$ 2,723,085,000	\$ 881,771,000
67-6-329(a)(1)	Gasoline	586,913,000	201,227,000
67-6-329(a)(2)	Motor vehicle fuel (diesel fuel)	212,452,000	72,841,000
67-6-217	Aviation fuel (reduced rate)	35,931,000	34,494,000
67-6-207(a)(9)	Gasoline/diesel fuel for agriculture	14,918,000	5,115,000
67-6-314, 320	Prescription drugs, insulin, and related	393,726,000	134,992,000
67-6-319	Prescription drug samples	48,765,000	16,719,000
67-6-334	Energy fuels sold for residential use	329,147,000	112,850,000
67-6-206(b)(1-2), 702(b)	Energy and water sales to manufacturers (reduced rate)	196,196,000	85,613,000
67-6-206(b)(2-8)	Energy and water sales to manuf. for direct processing (exempt)	57,036,000	24,888,000
67-6-102(42), 206(a), 207, 702(b)	Industrial and farm machinery and equipment	177,708,000	35,566,000
67-6-228(a)	Food sales (reduced rate)	131,810,000	-
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	21,905,000	7,510,000
67-6-330(a)(4-5)	Membership dues of civic organizations & business assocs.	20,829,000	7,142,000
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	6,190,000	468,000
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	4,380,000	1,502,000
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	2,889,000	991,000
	All other remaining exemptions	300,000,000	77,143,000
	Corporate Franchise and Excise Tax	\$ 99,318,000	\$ -
67-4-2109	Jobs credit (Franchise and Excise)	24,782,000	NA
67-4-2108	Cap on value of inventories (Franchise)	22,338,000	NA
67-4-2009	Industrial machinery credit (Excise)	32,655,000	NA
67-4-2012, 2111	Double-weighted sales factor (Franchise and Excise)	10,543,000	NA
67-4-2009, 2112	Hospital company tax credit (Franchise and Excise)	9,000,000	NA
	Motor Vehicle Registration Fees	\$ 4,684,000	\$ -
55-4-223	Government vehicles	1,465,000	NA
55-4-228(d)(1)(a)	Enlisted members of the Tennessee National Guard	152,000	NA
55-4-235,236,237	Former POWs, Medal of Honor recipients, and disabled Veterans	398,000	NA
55-4-113(6)	Special zone tags - Class 1	650,000	NA
55-4-113(6), 124	Special zone tags - Class 2	1,877,000	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	\$ 237,450,000	\$ -
67-4-405(b)	Gas, Water, and Electric Companies - Govt. operations exempt	229,869,000	NA
67-4-405(d)	Gas, Water, and Electric Companies - Franchise and excise tax credit	4,118,000	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	3,363,000	NA
	Miscellaneous Taxes	\$ 250,178,000	\$ -
67-8-316(b)	Standard Exemption on the inheritance and gift tax	172,773,000	NA
67-8-315(a)(6)	Marital Deduction on the inheritance and gift tax	58,954,000	NA
67-2-104(a)	Standard Exemption on the income tax	17,920,000	NA
67-4-409(b)(4)	Mortgage Tax - \$2,000 exemption	531,000	NA
	Total Revenue Loss	\$ 3,314,715,000	\$ 881,771,000

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 but less than \$27.50 (TCA 67-6-103(f))

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Rate and Source

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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 Fund	65.0970% of the remaining 5.5% after the allocation to the Transportation Equity Trust Fund, and 100% of one-half of one percent of the gross tax (TCA 67-6-103 and 49-3-357). Also, amounts from interstate telecommunication services sold to businesses (TCA 67-6-221(b)).
Highway Fund.....	An amount equivalent to tax collections from air, rail, and barge fuel sales is earmarked for the Transportation Equity Trust Fund (TCA 67-6-103(b)).
Debt Service Fund.....	0.9185% of the remaining 5.5% after the allocation to the Transportation Equity Trust Fund, or whatever amount is necessary to meet debt service requirements (TCA 67-6-103 and 9-9-106, and Section 1 of the general appropriations bill).
Municipalities.....	4.5925% of the remaining 5.5% after the allocation to the Transportation Equity Trust Fund, less the MTAS grant (0.95% of the amount from the preceding calculation during FY 1998-99 and 1.0% thereafter) to the University of Tennessee. Premier resorts receive a portion of the tax collected by dealers within their boundaries. The collective amount distributed to premier resorts is limited to the amount distributed in the 1999-2000 fiscal year (TCA 67-6-103). A share of the tax on interstate telecommunication services sold to businesses is allocated to cities and counties and distributed based on population (TCA 67-6-221 (b)).

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Counties.....A share of the tax on interstate telecommunication services sold to businesses is allocated to cities and counties and distributed based on population (TCA 67-6-221(b)). 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 FundApproximately 1.6% (TCA 67-3-901).

Highway FundApproximately 60.2%, less an amount to the Debt Service Fund (TCA 67-3-901).

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

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

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

MOTOR FUEL TAX\$.17 on each gallon of diesel fuel and all fuel other than gasoline, except dyed fuel under IRS rules (TCA 67-3-202); a prepaid annual agricultural diesel tax ranging from \$56 to \$159, based on registered gross weight (TCA 67-3-1309); \$.13 on each gallon of compressed natural gas used for motor vehicles on public highways (TCA 67-3-1113); \$.14 on each gallon of liquefied gas used for motor vehicles on public highways (TCA 67-3-1102); and an annual vehicle tax on liquefied gas users ranging from \$70 to \$114, based on registered gross vehicle weight (TCA 67-3-1106).

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Rate and Source

Basis of Apportionment

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 $\frac{1}{4}$ on population, $\frac{1}{4}$ on area, and $\frac{1}{2}$ divided equally (TCA 54-4-103, 67-3-905, and 67-3-908).

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

.....\$.01 for each gallon of gasoline and most other volatile fuels sold, used, or stored (TCA 67-3-203); an additional \$.004 per gallon for the environmental assurance fee (TCA 67-3-204 and 68-215-110); and an export fee of 1/20 of one cent on fuels subject to the special petroleum products tax (TCA 67-3-205).

General Fund	2% of the balance remaining after the local government apportionment of the \$.01 per gallon tax and the export fee (TCA 67-3-906). The environmental assurance fee is earmarked for the Petroleum Underground Storage Tank Fund (TCA 68-215-110).
Highway Fund	98% of the balance remaining after the local government apportionment of the \$.01 per gallon tax and the export fee (TCA 67-3-906).
Debt Service Fund.....	Amount required from General Fund and Highway Fund apportionments (TCA 9-9-103).

**Collecting Agency
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Rate and Source

Basis of Apportionment

Cities and Counties.....\$12,017,000 allocated to a local government fund. From the fund, \$381,583 is distributed monthly to counties based on population earmarked for county roads; and \$619,833 is distributed monthly to cities based on population earmarked for city roads. From the city share, \$10,000 per month is allocated to the University of Tennessee Center for Government Training (TCA 67-3-906).

MOTOR VEHICLE

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

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

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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 FundAmount required from General Fund and Highway Fund apportionment (TCA 55-6-107 and 9-9-103).

INCOME TAX.....6% on incomes from dividends on stocks or interest on certain bonds (TCA 67-2-102).

General Fund.....5/8 of revenue and an administrative expense of 10% of the first \$200,000 and 5% of the remainder of the tax (TCA 67-2-117 through 67-2-119).

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

PRIVILEGE TAX.....Various taxes on litigation in the courts, domestic protection civil penalties (\$50), sex offender tax (maximum \$3,000), drug treatment offenders (\$75), realty transfer tax (37 cents per \$100 of consideration or property value), mortgage recordation tax (11.5 cents per \$100 of principal indebtedness), tire tax (\$1.35 per tire sold), occupational tax (\$400 on certain occupations), \$2,500 tax per

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and Classification**

Rate and Source

Basis of Apportionment

player per regular season game in the state (\$7,500 per year cap on certain professional sports team players) on all National Basketball Association (NBA) and National Hockey League (NHL) players on a team roster for more than 10 days, \$15 marriage license fee, plus a \$62.50 marriage license fee for couples not completing 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, a maximum fine of \$200 for persons convicted of either assault, aggravated assault, or domestic assault, a maximum fine of \$5,000 for assault, \$15,000 for aggravated assault, on a law enforcement officer. 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, electronic fingerprint imaging systems for local law enforcement agencies, and the Statewide Automated Victim Information and Notification System Fund. The State's 95% share of the sex offender tax is earmarked for treatment programs. Civil penalties

**Collecting Agency
and Classification****Rate and Source****Basis of Apportionment**

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 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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

unit, drug testing fund (TCA 39-17-420).

Cities 100% of the privilege tax on NBA and NHL players allocated to the city where the indoor sports facility in which the game was played is located (TCA 67-4-1703).

GROSS RECEIPTS

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

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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

construction, plus an amount equal to that received by local governments in FY 1977-78 (\$4.1 million). Portions of this share are earmarked for TACIR and, under some circumstances, for CTAS and additional funds for TACIR. With no local areas impacted by TVA construction, the 5.8% impact fund is allocated as follows: 30% to CTAS, 40% to TACIR, and 30% is returned to be included in the amount distributed to cities and counties. Any funds remaining after other allocations provided for in TCA 67-9-102 are allocated to any regional development authorities created by TCA 64-5-201 that have acquired a former nuclear site from TVA (TCA 67-9-101 through 67-9-103).

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 Fund67.1% 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 Fund12.8% 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).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

**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
gallage taxes, calculated on the total
collections less 4 cents per liter of
spirit tax (TCA 57-3-306); and the
following shares of proceeds from
sales of seized items, all earmarked for
criminal injuries compensation and
reported under the privilege tax
collections (TCA 40-24-107): 100%
from liquor seized by state agents
(TCA 57-9-115); 50% from vehicles,
aircraft, and boats seized by local law
enforcement officers (TCA 57-9-201);
and 50% from other contraband goods
seized, less 15% retained for
administration as departmental current
services revenue by the Department of
General Services (TCA 57-9-205, 12-
2-207, and 12-2-209). In addition,
10% of proceeds of sale of liquor
seized by local officers 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 gallage 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).

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and Classification**

Rate and Source

Basis of Apportionment

FRANCHISE TAX	\$.25 on each \$100 of stock surplus or undivided profits of entities for the privilege of doing business within the state. The tax applies to business entities that enjoy some form of limited liability protection. The minimum tax is \$100 (TCA 67-4-2105 through 67-4-2109).	
General Fund.....		100% less an amount to the Debt Service Fund (TCA 67-4-2120).
Debt Service Fund		Amount required from General Fund apportionment (TCA 9-9-103).
EXCISE TAX	6.5% of net earnings of all business conducted for a profit in this state. The tax applies to business entities that enjoy some form of limited liability protection. Current year losses may be carried forward as many as 15 years in computing net earnings subject to tax (TCA 67-4-2006 and 67-4-2007).	
General Fund.....		Remaining balance after cities, counties, and Debt Service Fund distribution (TCA 67-4-2017).
Debt Service Fund		Amount required from General Fund apportionment (TCA 9-9-103).
Cities and Counties.....		An amount based on bank earnings is distributed based on situs in lieu of intangible personal property taxes on banks and banking associations (TCA 67-4-2017).
INHERITANCE, ESTATE, AND GIFT TAX	The inheritance tax ranges from a rate of 5.5% on the value of net taxable estates of at least \$40,000 to a rate of \$30,200 plus 9.5% of the value in excess of \$850,000 for decedents dying in 2004. The exemption levels for beneficiaries increase 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	

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and Classification**

Rate and Source

Basis of Apportionment

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).

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 10.3%. From the pre-2007 tax about, .06% of the \$.01 tax per cigarette (\$.20 per package of 20) (4% of taxes from tobacco other than cigarettes and proceeds from sale of confiscated tobacco products and 100% of the \$.0005 per pack enforcement fee, all earmarked for administration.). From the 2007 cigarette tax increase of \$.021 per cigarette (\$.42 package of 20), \$.001 per cigarette (\$.02 per package) is earmarked for the Trauma System Fund and \$21 million annually is earmarked for the Department of Agriculture (except that, in 2009-2010 and 2010-2011, \$16.3 million is earmarked for Agriculture and \$4.7 million is in the Education Fund) (TCA 67-4-1025).

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and Classification**

Rate and Source

Basis of Apportionment

Education Fund Approximately 89.7%. From the pre-2007 tax, about 99.4% of the \$.01 tax per cigarette (\$.20 per package of 20) (includes 100% of cigarette taxes earmarked for grades 1-12). From the 2007 cigarette tax increase of \$.02 per cigarette (\$.40 per package of 20), 100% of the tax less \$21 million to the Department of Agriculture (except that, in 2009-2010 and 2010-2011, \$4.7 million of the \$21 million is earmarked for education); 100% of license fees and penalties; and 96% of the 6% tax rate on other tobacco products and of proceeds from the sale of confiscated tobacco products (TCA 67-4-1025 and 49-3-357).

MOTOR VEHICLE

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

General Fund Approximately 73.8% (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 26.2% (including \$1.50 of the \$5.50 fee, earmarked for debt service on a State Parks bond issue) (TCA 55-6-101).

MIXED DRINK

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

Education 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).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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

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

**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\$0.50 per ton of severed coal in the state during FY 2010 and FY 2011, \$0.75 per ton during FY 2012 and FY 2013, and \$1.00 per ton during FY 2014 and thereafter (TCA 67-7-103 and 67-7-104).

General Fund 1.125% of the tax plus an amount during FY 2010 and FY 2011 sufficient to recover necessary administrative expenses associated with computer programming or software changes and decreased

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

revenue resulting from changes in distribution of coal severance tax revenue (TCA 67-7-110).

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

**COIN-OPERATED
AMUSEMENT**

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

General Fund.....100%.

UNAUTHORIZED

SUBSTANCE TAX.....NOTE: The Tennessee Supreme Court ruled in July 2009 that the Unauthorized Substance Tax is unconstitutional. Negative collections are shown for this tax in fiscal years 2008-2009 and 2009-2010 to reflect taxpayer refunds. Tax was imposed on various substances of any dealer who possesses unauthorized substances upon which the tax has not been paid as evidenced by a stamp available from the Tennessee Department of Revenue. Unauthorized substances include marijuana, cocaine, crack, methamphetamine, etc., as well as untaxed liquors and spirits and "low-value-street drugs." The tax rate varies by the type and quantity of unauthorized substance (TCA 67-4-2803 and TCA 67-4-2805 through 67-4-2807).

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).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Cities and Counties.....That portion of the 75% of tax proceeds returned to city and county law enforcement agencies conducting investigations leading to a tax assessment (TCA 67-4-2809).

Department of Commerce and Insurance

INSURANCE

COMPANY

PREMIUM TAX.....Life, accident, and health companies are taxed at a rate of 1.75% on gross premiums received; health maintenance organizations and prepaid limited health service organizations are taxed 5.5% of the gross amount of all dollars collected from an enrollee or on an enrollee's behalf. Companies writing fire insurance and lines of business having fire coverage as a part of the risk rate pay a 0.75% tax on that portion of the premium applicable to fire risk. All other companies pay a tax rate of 2.5% on gross premiums paid by or for policyholders residing in this state or on property located in the state, except captive insurance companies, which are taxed 1% on gross premiums collected or contracted for on policies or contracts of insurance covering property or risks in this state. Companies writing workers' compensation insurance are taxed 4.0% on gross premiums collected for workers' compensation insurance, plus a surcharge of 0.4% on gross premiums. Other revenues collected include regulatory fees for Limited Capital Credit Reinsurers, renewal fees for Fraternal Benefit Societies, insurance agent fees, examination fees, certificates of qualifications, broker fees, certificates of authority fees, utilization review fees, and other 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%.

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

WORKERS'

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

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

HEALTH CLUBS'

CERTIFICATES OF

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

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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Department of Financial Institutions

FINANCIAL

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

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

Wildlife Resources Agency

WILDLIFE

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

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

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

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

Department of Agriculture

**AGRICULTURAL
REGULATORY**

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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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

FERTILIZER

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

General Fund 100%.

FEED

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

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

RETAIL FOOD

STORE

INSPECTION ACT

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

General Fund 100%.

TENNESSEE

STATE PUBLIC

LIVESTOCK

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

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

DOG AND CAT

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

General Fund 100%.

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Regulatory Board Fees

REGULATORY

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

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

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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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

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

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

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

**TDAP
DISTRIBUTION
PROGRAM**.....Fees paid by telecommunication service providers with annual Tennessee intrastate gross receipts in excess of \$5,000,000. Fees assessed are not to exceed \$750,000 per year in total for the establishment of a fund for support of the telecommunications assistive device distribution program (TDAP). The reserve fund for the program shall not exceed \$1 million. (65-21-115).

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

**GAS SAFETY
INSPECTION**.....Annual fee for the inspection and supervision of safety standards to all gas distribution systems (not applicable to gas companies subject to TCA 65-4-301). Fees based on number of meters on a declining scale (\$.65 down to \$.35 per meter). Minimum fee, \$100 (TCA 65-28-110(c)). Also, any person who violates state laws or regulations issued by the Tennessee Regulatory Authority concerning gas safety

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

inspections is subject to a civil penalty not to exceed \$10,000 for each violation for each day that such violation persists, up to a maximum civil penalty of \$500,000 (TCA 65-28-108).

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

**COMPETITIVE
CABLE AND**

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

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

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

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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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).

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-

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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 67-4-606).

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

Department of Health

HOTEL, B & B,

RESTAURANT,

SWIMMING

POOL, AND CAMP

INSPECTIONFees 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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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**

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

General Fund..... 100%.

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

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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

NURSING HOME

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

General Fund100% (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 Fund100% (earmarked for the Traumatic Brain Injury Fund) (TCA 68-55-301 through 68-55-306).

**COMMERCIAL
BREEDER**

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

General Fund100% (earmarked for the Commercial Breeder Act enforcement and recovery account) (TCA 44-17-715).

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 Fund100% (earmarked for the programs generating the fees) (TCA 68-203-101 and citations above).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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

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

OIL AND GAS

REGULATION.....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).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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

Nursing Home Tax

NURSING HOME

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

Department of Transportation

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

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

State Funding Board

Range of Tax Revenue Estimates



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
State Capitol
Nashville, Tennessee 37243-9034
(615) 741-2501

Justin P. Wilson
Comptroller



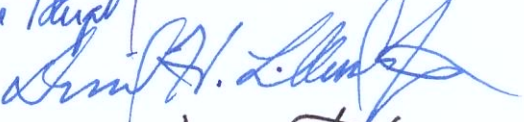
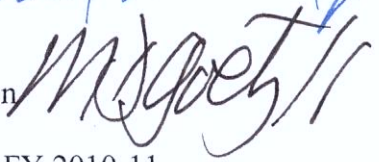
December 23, 2009

Memorandum

TO: Governor Phil Bredesen

Chairman Randy McNally
Senate Finance, Ways, & Means Committee

Chairman Craig Fitzhugh
House Finance, Ways, & Means Committee

FROM: Justin P. Wilson, Comptroller of the Treasury 
Tre Hargett, Secretary of State 
David H. Lillard Jr., State Treasurer 
M.D. Goetz, Jr., Commissioner
Department of Finance & Administration 

SUBJECT: Revenue Estimates for FY 2009-10 and FY 2010-11

The State Funding Board met on December 14, 2009, to hear updated presentations on the State's near-term economic outlook for the fiscal years 2009-10 and 2010-11. The Board reconvened on December 17, 2009, to discuss the revenue projections.

Total State Taxes and General Fund Revenue Estimates

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.

The Board heard testimony regarding the economy from Dr. William Fox of The University of Tennessee; Dr. Jeff Wallace of the University of Memphis; Mr. Jim White, Mr. Dan Cooper, and Mr. Robert Currey of the Fiscal Review Committee; and Mr. Jack Qi of the State Department of Revenue. Dr. Albert DePrince of Middle Tennessee State University was unable to attend the meeting, but submitted a written presentation. 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 and there will continue to be contraction in the economy at least through the first quarter of 2010. With respect to their forecasts, the presenters cautioned that there was a higher risk of undercollecting the estimate versus overcollecting the estimate for the current fiscal year. Several of the presenters acknowledged that an economic turnaround will likely occur in the last half of fiscal year 2009-2010 or in fiscal year 2010-11. Franchise and excise tax receipts have shown surprising strength in recent months. Continued losses in sales taxes, however, have driven revenues below projections made by this Board just nine months ago.

The presenters noted that factors such as the extreme volatility in the market, constraints on consumer credit, unemployment, a real decline in personal income and the lack of consumer confidence continue to impact Tennessee's current economic condition. Even though consumer confidence has shown signs of strengthening, it remains unclear whether it will translate into increased discretionary spending. It is anticipated that the personal savings rate will level off in fiscal year 2010-11 but is currently at one of its highest points in over a decade.

The unemployment rate in Tennessee is at its highest level in decades and currently exceeds the national rate. It was suggested that the current unemployment numbers are underrepresented due to those persons who have become discouraged and stopped looking for work. This has negative implications for Tennessee's Unemployment Trust Fund. The sectors of durable goods and professional and business services continue to experience job loss. As a result of federal stimulus funds, there has been some positive growth in local government employment, health care and the public construction sector.

Tennessee has recently experienced accelerated growth in sales for light vehicles and homes. While some of the growth in car sales can be attributed to the federally subsidized "Cash for Clunkers" program, there have also been signs that car sales are improving from their lowest point in recent months.. The growth in home sales can be attributed in

part to the implementation of the federal homebuyer tax credit programs that are set to expire at the end of June 2010.

Despite the accelerated growth in these areas, sales tax and privilege tax collections continue to experience negative growth. Year-to-date there has been a significant increase in the performance of the franchise and excise tax. The over performance of this tax has offset the negative sales tax collection. However, sales tax collection appears to be poised for upward growth in fiscal year 2010-11.

Since May 2009 when the last growth estimates were made, the Tennessee economy has continued to decline. The Board developed the following summarized consensus estimates expressed in ranges of growth rates in State tax revenue collections. These estimates will be reevaluated by the Board before the fiscal year 2010-11 budget is finalized by the General Assembly.

	FY 2009-10		FY 2010-11	
	Low	High	Low	High
Total State Taxes	-1.50%	-0.25%	1.70%	2.20%
General Fund Only	-2.35%	-0.85%	1.80%	2.30%

The effects of the federal stimulus package on State revenue collections are still unknown. However, various aspects of stimulus projects have been and will continue to be subject to Tennessee taxes.

While it is difficult to precisely predict revenue ranges due to uncertainty regarding anticipated economic recovery, the Board believes that these ranges are reasonable and appropriate for use in State budgeting. These ranges are based on statutory tax provisions enacted through the 2009 session of the General Assembly. The higher estimates assume positive growth in the economy in the last half of fiscal year 2009-10 and the lower estimates assume a slower economic recovery.

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

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

Mr. Robert Currey, Chief Economist with the Fiscal Review Committee (FRC) presented to the Board the FRC’s lottery projections. Mr. Currey reviewed the fiscal year 2008-09 actual performance of the TELC and reported \$265,486,128 in Net Lottery Proceeds. In looking at fiscal year 2009-10, Mr. Currey’s estimate forecasted slight growth in Net

Lottery Proceeds. His assumptions included instant game growth and net sales growth for mega-jackpot games of approximately 18.4%. Mr. Currey estimated lottery expenses for fiscal year 2009-10 and 2010-11 to be approximately 74.2% and 74.4%, respectively, of total net revenues. The estimated Net Lottery Proceeds available for deposit into the Lottery Education Account for fiscal years 2009-10 and 2010-11 were estimated to be 25.8% and 25.6%, respectively. Due to the high level of uncertainty, Mr. Currey projected Net Lottery Proceeds and after-school funding for fiscal year 2011-12 through fiscal year 2013-14 to be fixed at the estimates for fiscal year 2010-11.

Ms. Rebecca Hargrove, Chief Executive Officer, and Mr. Andy Davis, Chief Financial and Technology Officer, both of the TELC, also presented their estimate of total and Net Lottery Proceeds for the current fiscal year and four succeeding fiscal years. TELC also projected slight growth in Net Lottery Proceeds for fiscal year 2009-10 and modest growth in Net Lottery Proceeds for fiscal year 2010-11 through 2013-14. Ms. Hargrove reviewed significant factors impacting TELC estimates. For fiscal year 2009-10, TELC anticipates instant ticket growth and larger Powerball jackpots. Additionally, the TELC plans to introduce the MEGA MILLIONS game in early calendar year 2010. This game is expected to produce between \$25 and \$30 million in incremental online games' gross revenues on an annualized basis.

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

They presented an increased projection for fiscal year 2009-10, which estimates there will be 101,300 awards, with a projected cost of \$287.5 million. Furthermore, Mr. Wright presented estimates for fiscal year 2010-11 of 113,000 awards, with a projected cost of \$312.5 million. Additionally, it is estimated that there will be 125,350 awards in fiscal year 2011-12, with a projected cost of \$337.4 million, 138,650 awards in fiscal year 2012-13, with projected cost of \$361.4 million, and 154,000 awards in 2013-14, with a projected cost of \$387.9 million. These awards include all lottery-funded scholarship programs as authorized through the 2009 session of the General Assembly, including Hope Scholarship, General Assembly Merit Scholarship, ASPIRE Award, HOPE Access Grant, Wilder-Naifeh Technical Skills Grant, Nontraditional Student Grant, Foster Child Tuition Grant, Dual Enrollment Grant, Math & Science Teacher Loan Forgiveness Program, Helping Heroes Grant, the Rural Health Loan Forgiveness Program and Tennessee Student Assistance Award.

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

Net Lottery Proceeds	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14
Low	\$257,000,000	\$257,000,000	\$257,000,000	\$257,000,000	\$257,000,000
High	\$267,000,000	\$269,700,000	\$272,400,000	\$275,100,000	\$277,900,000

The State Funding Board considered the joint projections for lottery scholarship and grant program funding needs provided by TSAC and THEC and accepted their recommended projections. Consensus was reached on the following projections of the mid-point for estimated Net Lottery Proceeds to be deposited in the Lottery for Education Account compared with scholarship and grant funding needs:

	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14
Net Lottery Proceeds (Mid-point of Range)	\$262,000,000	\$263,300,000	\$264,700,000	\$266,000,000	\$267,400,000
Scholarship and Grant Funding Needs	\$287,500,000	\$312,500,000	\$337,400,000	\$361,400,000	\$387,900,000
Deficit	(\$25,500,000)	(\$49,200,000)	(\$72,700,000)	(\$95,400,000)	(\$120,500,000)

These estimates and projections assume no new legislative changes regarding the TELC and its authority or to the scholarship and grant programs. The Board agreed with the presenters that Net Lottery Proceeds are difficult to project. The Board noted that for fiscal year 2009-10 the revised projected current revenues¹ of the Lottery for Education Account are less than the revised appropriation requirements²; however funds are available in the unobligated reserve.³

Attached are copies of the letters from the Department of Education requesting \$3.023 million received pursuant to Tennessee Code Annotated Section 4-51-11(c)(2)(B) which states:

¹ Revenues are Net Lottery Proceeds (a mid-point of \$262 million) and interest earnings (\$16.2 million).

² Appropriation requirements are higher education scholarship programs (\$287.5 million), Pre-Kindergarten (\$3 million) and administration (\$4.1 million).

³ Based on the appropriation requirements, this will require utilization of \$16.4 million from the unobligated reserve. Utilizing the unobligated reserve reduces future interest earnings; based on the projections it appears that in fiscal year 2013-14 the unobligated reserve amount and interest earnings will not be sufficient to fund the deficit.

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, Section 5 of the Tennessee Constitution based on the difference between the funding board's projections and recommendations for the lottery scholarship program based on the report submitted pursuant to subdivision (c)(2)(A). In no event shall such recommendations exceed the projections of the funding board for a specific fiscal year.

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

Attachments

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

cc. The Honorable Ron Ramsey
The Honorable Kent Williams

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

Schedule 1

(Accrual - Basis Estimates)

DEPARTMENT OF REVENUE	2009-2010												
	2008-2009	% CHANGE		% CHANGE		% CHANGE		% CHANGE		% CHANGE			
	ACTUAL	BUDGETED	OVER 08-09	DR. FOX	OVER 08-09	FISCAL REVIEW	OVER 08-09	REVENUE DEPT.	OVER 08-09	DR. DePRINCE	OVER 08-09	DR. WALLACE	OVER 08-09
SOURCE OF REVENUE	ACCURAL	ESTIMATE	ACTUAL	ESTIMATE	ACTUAL	ESTIMATE	ACTUAL	ESTIMATE	ACTUAL	ESTIMATE	ACTUAL	ESTIMATE ***	ACTUAL
Sales and use Tax	\$ 6,320,798,300	\$ 6,414,300,000	1.48%	\$ 6,200,000,000	-1.91%	\$ 6,207,000,000	-1.80%	\$ 6,090,300,000	-3.65%	\$ 6,133,200,000	-2.97%	\$ 6,000,000,000	-5.08%
Gasoline Tax	601,799,400	605,900,000	0.68%	615,000,000	2.19%	616,000,000	2.36%	614,500,000	2.11%	607,900,000	1.01%	630,000,000	4.69%
Motor Fuel Tax	154,496,200	164,200,000	6.28%	148,000,000	-4.20%	153,000,000	-0.97%	160,000,000	3.56%	142,000,000	-8.09%	150,100,000	-2.85%
Gasoline Inspection Tax	61,577,100	62,600,000 *	1.66%	61,500,000	-0.13%	63,424,000	3.00%	63,990,000	3.92%	60,900,000 *	-1.10%	63,700,000	3.45%
Motor Vehicle Registration Tax	238,817,700	251,200,000	5.18%	248,400,000	4.01%	245,000,000	2.59%	243,119,000	1.80%	241,100,000	0.96%	240,000,000	0.50%
Income Tax	220,449,800	188,000,000	-14.72%	178,000,000	-19.26%	190,000,000	-13.81%	170,920,000	-22.47%	181,300,000	-17.76%	196,000,000	-11.09%
Privilege Tax - Less Earmarked Portion	232,657,000	261,700,000	12.48%	214,000,000	-8.02%	230,000,000	-1.14%	228,750,000	-1.68%	232,000,000 (1)	-0.28%	227,800,000 (1)	-2.09%
Gross Receipts Tax - TVA	285,101,700	293,000,000	2.77%	317,900,000	11.50%	317,909,000	11.51%	317,900,000	11.50%	296,900,000	4.14%	317,700,000	11.43%
Gross Receipts Tax - Other	32,392,600	22,900,000	-29.30%	20,000,000	-38.26%	22,500,000	-30.54%	21,110,000	-34.83%	22,900,000 **	-29.30%	22,900,000 **	-29.30%
Beer Tax	17,796,900	16,300,000 *	-8.41%	18,200,000	2.27%	17,700,000	-0.54%	17,900,000	0.58%	15,900,000 *	-10.66%	17,300,000	-2.79%
Alcoholic Beverage Tax	44,081,100	46,900,000 *	6.39%	45,600,000	3.45%	44,800,000	1.63%	44,600,000	1.18%	45,600,000 *	3.45%	45,500,000	3.22%
Franchise & Excise Taxes	1,361,786,800	1,340,300,000	-1.58%	1,415,000,000	3.91%	1,443,495,000	6.00%	1,425,000,000	4.64%	1,341,900,000	-1.46%	1,405,000,000	3.17%
Inheritance and Estate Tax	80,140,000	97,700,000 *	21.91%	80,100,000	-0.05%	80,000,000	-0.17%	85,600,000	6.81%	95,100,000 *	18.67%	75,000,000	-6.41%
Tobacco Tax	299,987,400	292,200,000 *	-2.60%	305,000,000	1.67%	300,000,000	0.00%	319,000,000	6.34%	284,300,000 *	-5.23%	303,300,000	1.10%
Motor Vehicle Title Fees	9,804,800	11,000,000 *	12.19%	10,200,000	4.03%	10,000,000	1.99%	10,340,000	5.46%	10,700,000 *	9.13%	10,300,000	5.05%
Mixed Drink Tax	54,110,300	56,000,000 *	3.49%	55,000,000	1.64%	53,400,000	-1.31%	53,750,000	-0.67%	54,500,000 *	0.72%	53,100,000	-1.87%
Business Tax	135,036,800	153,600,000 *	13.75%	155,000,000	14.78%	153,300,000	13.52%	153,180,000	13.44%	149,500,000 *	-10.71%	135,000,000	-0.03%
Severance Tax	2,129,700	2,000,000 *	-6.09%	2,000,000	-6.09%	2,200,000	3.30%	2,100,000	-1.39%	1,900,000 *	-10.79%	NA	NA
Coin Operated Amusement Tax	353,400	300,000 *	-15.11%	300,000	-15.11%	300,000	-15.11%	300,000	-15.11%	300,000 *	-15.11%	NA	NA
Unauthorized Substance Tax	213,000	1,200,000 *	NA	-	NA	(1,800,000)	NA	-	NA	1,200,000 *	NA	NA	NA
TOTAL DEPARTMENT OF REVENUE	\$ 10,153,530,000	\$ 10,281,300,000	1.26%	\$ 10,089,200,000	-0.63%	\$ 10,148,228,000	-0.05%	\$ 10,022,359,000	-1.29%	\$ 9,919,100,000	-2.31%	\$ 10,200,000,000	0.46%
GENERAL FUND ONLY (2)	\$ 8,324,789,900	\$ 8,407,200,000	0.99%	\$ 8,231,300,000	-1.12%	\$ 8,283,428,000	-0.50%	\$ 8,163,559,000	-1.94%	\$ 8,092,500,000	-2.79%	\$ 8,340,700,000	0.19%
Budgeted Est. Compared to New Est. - Total						\$ (192,100,000)		\$ (133,072,000)		\$ (258,941,000)		\$ (362,200,000)	
Budgeted Est. Compared to New Est. - Gen. Fund						\$ (175,900,000)		\$ (123,772,000)		\$ (243,641,000)		\$ (314,700,000)	
SELECTED TAXES	ACTUAL	BUDGETED	%	DR. FOX	%	FISCAL REVIEW	%	REVENUE DEPT.	%	DR. DePRINCE	%	DR. WALLACE	%
SALES AND USE TAX	\$ 6,320,798,300	\$ 6,414,300,000	1.48%	\$ 6,200,000,000	-1.91%	\$ 6,207,000,000	-1.80%	\$ 6,090,300,000	-3.65%	\$ 6,133,200,000	-2.97%	\$ 6,000,000,000	-5.08%
FRANCHISE AND EXCISE TAXES	1,361,786,800	1,340,300,000	-1.58%	1,415,000,000	3.91%	1,443,495,000	6.00%	1,425,000,000	4.64%	1,341,900,000	-1.46%	1,405,000,000	3.17%
INCOME TAX	220,449,800	188,000,000	-14.72%	178,000,000	-19.26%	190,000,000	-13.81%	170,920,000	-22.47%	181,300,000	-17.76%	196,000,000	-11.09%
ROAD USER TAXES	1,056,690,400	1,083,900,000	2.57%	1,072,900,000	1.53%	1,077,424,000	1.96%	1,081,609,000	2.36%	1,051,900,000	-0.45%	1,083,800,000	2.57%
ALL OTHER TAXES	1,193,804,700	1,254,800,000	5.11%	1,223,300,000	2.47%	1,230,309,000	3.06%	1,254,530,000	5.09%	1,210,800,000	1.42%	1,515,200,000	26.92%

(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 2009-2010 budgeted collections.

** F&A distributed the Gross Receipts Taxes for Dr. DePrince and Dr. Wallace based on 2009-2010 budgeted Gross Receipts Tax - Other collections.

*** Dr. Wallace's estimate is a forecast of total taxes and NOT the sum of the individual tax forecasts. Individual taxes not forecast are included in the total. The General Fund estimate is based on the General Fund ratio for the 2009-2010 budgeted estimate.

**COMPARISON OF ESTIMATED STATE TAX REVENUE FOR
FISCAL YEAR 2010-2011**

Schedule 2

(Accrual - Basis Estimates)

DEPARTMENT OF REVENUE	2010-2011									
	DR. FOX ESTIMATE	% CHANGE OVER 09-10 ESTIMATE	FISCAL REVIEW ESTIMATE	% CHANGE OVER 09-10 ESTIMATE	REVENUE DEPT. ESTIMATE	% CHANGE OVER 09-10 ESTIMATE	DR. DePRINCE ESTIMATE	% CHANGE OVER 09-10 ESTIMATE	DR. WALLACE ESTIMATE ***	% CHANGE OVER 09-10 ESTIMATE
Sales and use Tax	\$ 6,417,000,000	3.50%	\$ 6,300,105,000	1.50%	\$ 6,218,000,000	2.10%	\$ 6,251,700,000	1.93%	\$ 6,200,000,000	3.33%
Gasoline Tax	621,200,000	1.01%	625,240,000	1.50%	618,000,000	0.57%	613,800,000	0.97%	632,000,000	0.32%
Motor Fuel Tax	152,400,000	2.97%	156,825,000	2.50%	167,300,000	4.56%	144,000,000	1.41%	153,200,000	2.07%
Gasoline Inspection Tax	62,700,000	1.95%	64,692,000	2.00%	65,270,000	2.00%	62,500,000 *	2.63%	64,700,000	1.57%
Motor Vehicle Registration Tax	255,900,000	3.02%	252,350,000	3.00%	248,700,000	2.30%	245,300,000	1.74%	243,000,000	1.25%
Income Tax	188,700,000	6.01%	199,500,000	5.00%	175,400,000	2.62%	179,400,000	-1.05%	200,000,000	2.04%
Privilege Tax - Less Earmarked Portion	222,600,000	4.02%	236,900,000	3.00%	229,900,000	0.50%	238,600,000 (1)	2.84%	239,300,000 (1)	5.05%
Gross Receipts Tax - TVA	324,300,000	2.01%	321,088,000	1.00%	310,900,000	-2.20%	301,700,000	1.62%	327,100,000	2.96%
Gross Receipts Tax - Other	20,400,000	2.00%	23,625,000	5.00%	21,610,000	2.37%	22,900,000 **	0.00%	22,900,000 **	0.00%
Beer Tax	18,700,000	2.75%	18,054,000	2.00%	18,400,000	2.79%	16,300,000 *	2.52%	18,700,000	8.09%
Alcoholic Beverage Tax	47,500,000	4.17%	45,920,000	2.50%	45,450,000	1.91%	46,900,000 *	2.85%	46,400,000	1.98%
Franchise & Excise Taxes	1,457,500,000	3.00%	1,501,234,000	4.00%	1,454,000,000	2.04%	1,363,400,000	1.60%	1,463,250,000	4.15%
Inheritance and Estate Tax	80,100,000	0.00%	82,400,000	3.00%	93,700,000	9.48%	97,600,000 *	2.63%	76,650,000	2.20%
Tobacco Tax	311,100,000	2.00%	301,500,000	0.50%	326,600,000	2.38%	291,900,000 *	2.67%	306,333,000	1.00%
Motor Vehicle Title Fees	10,300,000	0.98%	10,250,000	2.50%	10,790,000	4.35%	11,000,000 *	2.80%	10,600,000	2.91%
Mixed Drink Tax	57,800,000	5.09%	54,468,000	2.00%	54,810,000	1.97%	55,900,000 *	2.57%	54,500,000	2.64%
Business Tax	162,800,000	5.03%	157,899,000	3.00%	154,600,000	0.93%	153,500,000 *	2.68%	137,000,000	1.48%
Severance Tax	2,000,000	0.00%	2,266,000	3.00%	1,800,000	-14.29%	2,000,000 *	5.26%	NA	NA
Coin Operated Amusement Tax	300,000	0.00%	300,000	0.00%	370,000	23.33%	300,000 *	0.00%	NA	NA
Unauthorized Substance Tax	-	NA	-	NA	-	NA	1,200,000 *	0.00%	NA	NA
TOTAL DEPARTMENT OF REVENUE	\$10,413,300,000	3.21%	\$10,354,616,000	2.03%	\$10,215,600,000	1.93%	\$10,099,900,000	1.82%	\$10,500,000,000	2.94%
GENERAL FUND ONLY (2)	\$ 8,519,600,000	3.50%	\$ 8,458,916,000	2.12%	\$ 8,336,500,000	2.12%	\$ 8,253,200,000	1.99%	\$ 8,586,000,000	2.94%
Growth over FY 09 Budgeted Est. - Total	\$ 132,000,000		\$ 73,316,000		\$ (65,700,000)		\$ (181,400,000)		\$ 218,700,000	
Growth over FY 09 Budgeted Est. - Gen. Fund	\$ 112,400,000		\$ 51,716,000		\$ (70,700,000)		\$ (154,000,000)		\$ 178,800,000	
Revised Est. Compared to New Est. - Total	\$ 324,100,000		\$ 206,388,000		\$ 193,241,000		\$ 180,800,000		\$ 300,000,000	
Revised Est. Compared to New Est. - Gen. Fund	\$ 288,300,000		\$ 175,488,000		\$ 172,941,000		\$ 160,700,000		\$ 245,300,000	
SELECTED TAXES	DR. FOX	%	FISCAL REVIEW	%	REVENUE DEPT.	%	DR. DePRINCE	%	DR. WALLACE	%
SALES AND USE TAX	\$ 6,417,000,000	3.50%	\$ 6,300,105,000	1.50%	\$ 6,218,000,000	2.10%	\$ 6,251,700,000	1.93%	\$ 6,200,000,000	3.33%
FRANCHISE AND EXCISE TAXES	1,457,500,000	3.00%	1,501,234,000	4.00%	1,454,000,000	2.04%	1,363,400,000	1.60%	1,463,250,000	4.15%
INCOME TAX	188,700,000	6.01%	199,500,000	5.00%	175,400,000	2.62%	179,400,000	-1.05%	200,000,000	2.04%
ROAD USER TAXES	1,092,200,000	1.80%	1,099,107,000	2.01%	1,099,270,000	1.63%	1,065,600,000	1.30%	1,092,900,000	0.84%
ALL OTHER TAXES	1,257,900,000	2.83%	1,254,670,000	1.98%	1,268,930,000	1.15%	1,239,800,000	2.40%	1,543,850,000	1.89%

(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 2009-2010 budgeted collections.

** F&A distributed the Gross Receipts Taxes for Dr. DePrince based on 2009-2010 budgeted Gross Receipts Tax - TVA collections.

*** Dr. Wallace's estimate is a forecast of total taxes and NOT the sum of the individual tax forecasts. Individual taxes not forecast are included in the total. The General Fund estimate is based on the General Fund ratio for the 2009-2010 budgeted estimate.

Net Lottery Proceeds Estimates
State Funding Board Staff Recommendation
Actual 2008-2009 and Estimated 2009-2010 Through 2013-2014
December 17, 2009

	2008-2009	2009-2010		2010-2011		2011-2012		2012-2013		2013-2014	
	Actual	Revised	%	Estimated	%	Estimated	%	Estimated	%	Estimated	%
Lottery Corporation											
Low	265,486,000	262,102,000	-1.27%	264,000,000	0.72%	266,000,000	0.76%	269,000,000	1.13%	272,000,000	1.12%
High	265,486,000	272,420,000	2.61%	274,000,000	0.58%	276,000,000	0.73%	279,000,000	1.09%	282,000,000	1.08%
Mid-Range Estimate	265,486,000	267,300,000	0.68%	269,000,000	0.64%	271,000,000	0.74%	274,000,000	1.11%	277,000,000	1.09%
Fiscal Review Staff											
Low	265,486,000	262,386,000	-1.17%	265,870,000	1.33%						
Mean	265,486,000	268,114,000	0.99%	269,350,000	0.46%						
High	265,486,000	273,841,000	3.15%	272,840,000	-0.37%						
Recommended Range											
Low	265,486,000	257,000,000	-3.20%	257,000,000	0.00%	257,000,000	0.00%	257,000,000	0.00%	257,000,000	0.00%
High	265,486,000	267,000,000	0.57%	269,700,000	1.01%	272,400,000	1.00%	275,100,000	0.99%	277,900,000	1.02%



RICHARD G. RHODA
Executive Director

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PHIL BREDESEN
Governor

December 14, 2009

MEMORANDUM

To: State Funding Board

From: David L. Wright, Tennessee Higher Education Commission
Tim Phelps, Tennessee Student Assistance Corporation

Subject: Tennessee Education Lottery Scholarship Program Projections

Pursuant to T.C.A. 4-51-111(c)(2)(A)(ii), the Tennessee Higher Education Commission (THEC) and Tennessee Student Assistance Corporation (TSAC) have collaborated to project expenditures in lottery scholarship and grant programs for the 2009-10 fiscal year and the next four fiscal years.

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

Fiscal Year	Total TELS Expenditures
2008-09 actual	\$266.6 M
2009-10 estimated	\$287.5 M
2010-11 projected	\$312.5 M
2011-12 projected	\$337.4 M
2012-13 projected	\$361.4 M
2013-14 projected	\$387.9 M

Program expenditure projections are primarily based on increases to the HOPE scholarship, which accounts for 90 percent of overall program costs. Changes in HOPE scholarship expenditures are largely driven by three factors, two of which increase projected outlays. Recent economic conditions generated significant enrollment increases throughout higher education that are projected to be sustained through 2013-14. Additionally, implementation of the Tennessee Diploma Project is expected to increase the overall academic preparation of high school graduates, making more students HOPE-eligible. The third factor, which decreases the HOPE scholarship projection, is the slight decline in expected high school graduates over the next several years. Finally, projected expenditures for the TELS program are affected by a continuation of the relatively rapid growth in both the Wilder-Naifeh and Dual Enrollment Grant programs. Program details for these projections are attached.

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

Attachment

Tennessee Education Lottery Scholarship Program History and Projections

<u>2004-2005</u>	<u>Fall</u>	<u>Annual Increase</u>	<u>Spring</u>	<u>Annual Increase</u>	<u>Total</u>	<u>Annual Increase</u>
HOPE	\$45,071,569		\$41,578,620		\$86,650,189	
HOPE Access	\$82,640		\$69,920		\$152,560	
Wilder-Naifeh	\$2,353,757		\$4,259,516		\$6,613,273	
Total					\$93,416,022	
 <u>2005-2006</u>	 <u>Fall</u>		 <u>Spring</u>		 <u>Total</u>	
HOPE	\$65,147,811	44.5%	\$60,998,049	46.7%	\$126,145,860	45.6%
HOPE Access	\$262,201	217.3%	\$228,093	226.2%	\$490,296	221.4%
Wilder-Naifeh	\$4,350,277	84.8%	\$3,444,675	-19.1%	\$7,794,953	17.9%
Dual Enrollment	\$1,060,000		\$1,000,000		\$2,060,000	
Total					\$136,491,109	
 <u>2006-2007</u>	 <u>Fall</u>		 <u>Spring</u>		 <u>Total</u>	
HOPE	\$92,918,932	42.6%	\$86,423,144	41.7%	\$179,342,076	42.2%
HOPE Access	\$343,926	31.2%	\$295,790	29.7%	\$639,716	30.5%
Wilder-Naifeh	\$4,047,498	-7.0%	\$4,032,415	17.1%	\$8,079,913	3.7%
Dual Enrollment	\$1,850,000	74.5%	\$1,750,000	75.0%	\$3,600,000	74.8%
Total					\$191,661,706	
 <u>2007-2008</u>	 <u>Fall</u>		 <u>Spring</u>		 <u>Total</u>	
HOPE	\$108,738,096	17.0%	\$99,401,245	15.0%	\$208,139,341	16.1%
HOPE Access	\$395,098	14.9%	\$343,402	16.1%	\$738,500	15.4%
Wilder-Naifeh	\$5,754,982	42.2%	\$6,055,040	50.2%	\$11,810,022	46.2%
Dual Enrollment	\$2,450,000	32.4%	\$2,350,000	34.3%	\$4,800,000	33.3%
Total					\$225,487,863	
 <u>2008-2009</u>	 <u>Fall</u>		 <u>Spring</u>		 <u>Total</u>	
HOPE	\$123,326,852	13.4%	\$115,838,020	16.5%	\$239,164,872	14.9%
HOPE Access	\$465,108	17.7%	\$411,906	19.9%	\$877,014	18.8%
Wilder-Naifeh	\$6,169,781	7.2%	\$7,146,324	18.0%	\$13,316,105	12.8%
Dual Enrollment	\$2,908,995	18.7%	\$2,898,333	23.3%	\$5,807,328	21.0%
TSAA					\$6,800,000	
Rural Health					\$274,000	
Helping Heroes					\$365,000	
Total					\$266,604,319	
 <u>2009-10</u>	 <u>Fall</u>		 <u>Spring</u>		 <u>Total</u>	
HOPE	\$132,800,000	7.7%	\$122,600,000	5.8%	\$255,400,000	6.8%
HOPE Access	\$500,000	7.5%	\$425,000	3.2%	\$925,000	5.5%
Wilder-Naifeh	\$8,000,000	29.7%	\$8,000,000	11.9%	\$16,000,000	20.2%
Dual Enrollment	\$3,600,000	23.8%	\$3,400,000	17.3%	\$7,000,000	20.5%
TSAA					\$6,800,000	
Rural Health					\$600,000	
Helping Heroes					\$750,000	
Total					\$287,475,000	

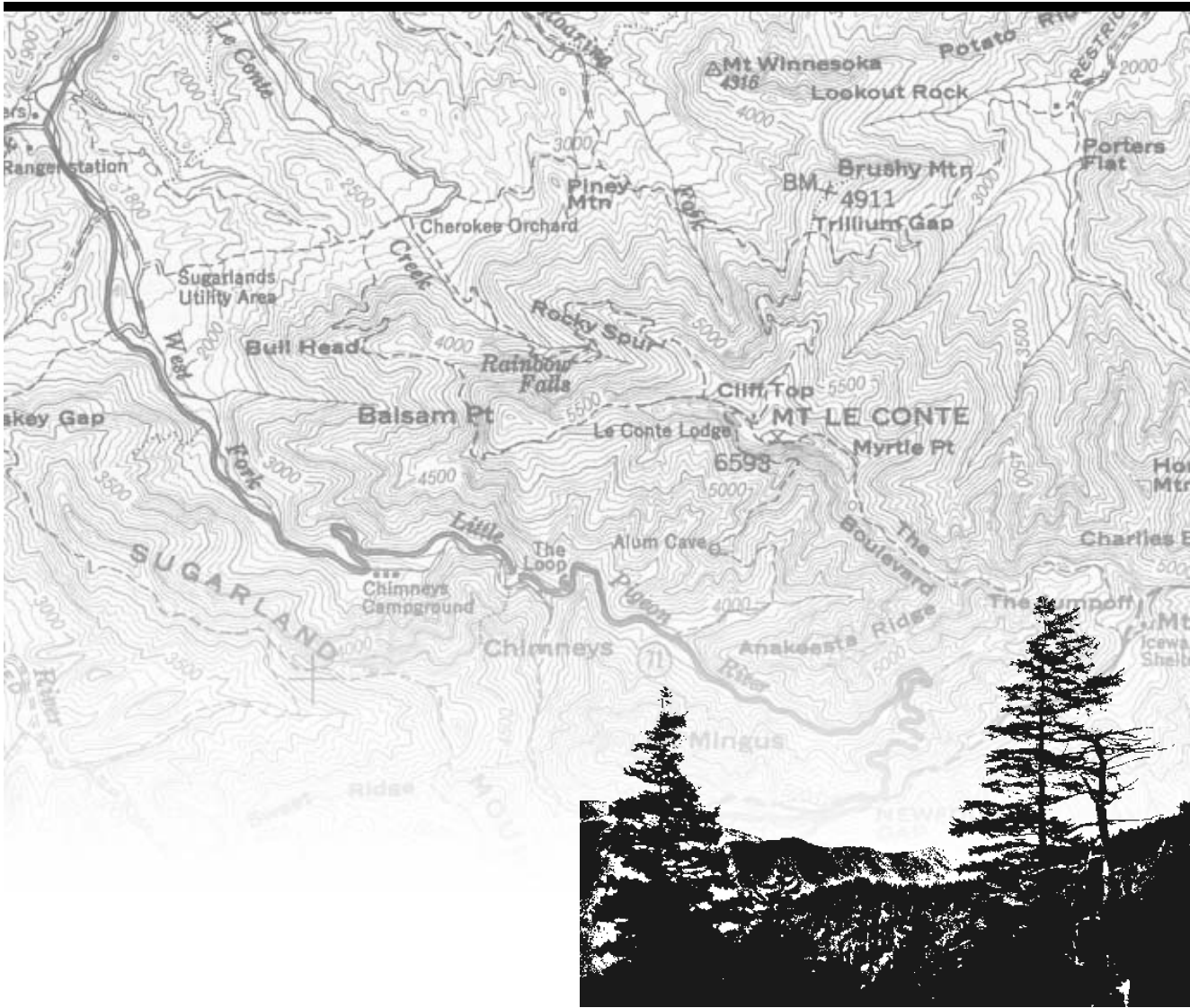
Tennessee Education Lottery Scholarship Program History and Projections

<u>2010-11</u>	<u>Fall</u>	<u>Annual Increase</u>	<u>Spring</u>	<u>Annual Increase</u>	<u>Total</u>	<u>Annual Increase</u>
HOPE	\$143,424,000	8.0%	\$132,391,385	8.0%	\$275,815,385	8.0%
HOPE Access	\$512,000	2.4%	\$436,148	2.6%	\$948,148	2.5%
Wilder-Naifeh	\$9,600,000	20.0%	\$9,600,000	20.0%	\$19,200,000	20.0%
Dual Enrollment	\$4,300,000	19.4%	\$4,100,000	20.6%	\$8,400,000	20.0%
TSAA					\$6,800,000	
Rural Health					\$600,000	
Helping Heroes					\$750,000	
Total					\$312,513,533	

<u>2011-12</u>	<u>Fall</u>		<u>Spring</u>		<u>Total</u>	
HOPE	\$153,463,680	7.0%	\$141,658,782	7.0%	\$295,122,462	7.0%
HOPE Access	\$524,288	2.4%	\$446,616	2.4%	\$970,904	2.4%
Wilder-Naifeh	\$11,520,000	20.0%	\$11,520,000	20.0%	\$23,040,000	20.0%
Dual Enrollment	\$5,140,000	19.5%	\$4,940,000	20.5%	\$10,080,000	20.0%
TSAA					\$6,800,000	
Rural Health					\$600,000	
Helping Heroes					\$750,000	
Total					\$337,363,365	

<u>2012-13</u>	<u>Fall</u>		<u>Spring</u>		<u>Total</u>	
HOPE	\$162,671,501	6.0%	\$150,158,308	6.0%	\$312,829,809	6.0%
HOPE Access	\$536,871	2.4%	\$457,334	2.4%	\$994,205	2.4%
Wilder-Naifeh	\$13,824,000	20.0%	\$13,824,000	20.0%	\$27,648,000	20.0%
Dual Enrollment	\$6,200,000	20.6%	\$5,896,000	19.4%	\$12,096,000	20.0%
TSAA					\$6,800,000	
Rural Health					\$300,000	
Helping Heroes					\$750,000	
Total					\$361,418,015	

<u>2013-14</u>	<u>Fall</u>		<u>Spring</u>		<u>Total</u>	
HOPE	\$172,431,791	6.0%	\$159,167,807	6.0%	\$331,599,598	6.0%
HOPE Access	\$549,756	2.4%	\$468,311	2.4%	\$1,018,066	2.4%
Wilder-Naifeh	\$16,588,800	20.0%	\$16,588,800	20.0%	\$33,177,600	20.0%
Dual Enrollment	\$7,400,000	19.4%	\$7,115,200	20.7%	\$14,515,200	20.0%
TSAA					\$6,800,000	
Rural Health					\$0	
Helping Heroes					\$750,000	
Total					\$387,860,464	



Financial Statements

Financial Statements



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General Fund and Education Fund
Comparison of Appropriation Requirements and State Revenues
Closing Estimate and Difference
Fiscal Year 2008-2009

	<u>BUDGETED</u>	<u>CLOSING ESTIMATE</u>	<u>DIFFERENCE</u>
I. APPROPRIATION REQUIREMENTS			
General Fund Programs	\$ 11,454,454,000	\$ 11,454,454,000	\$ 0
Less: Overappropriation	(126,512,000)	(126,512,000)	0
Less: Plan for Closing:			
E&CD - Contingency Appropriation - Fund with Bonds	(88,000,000)	(88,000,000)	0
Work Program - Allotment Reversion - Reversion	(64,000,000)	(64,000,000)	0
U. S. Economic Recovery Act:			
Higher Education - Reversion	(322,100)	(322,100)	0
TennCare - Additional Reversion	(300,000,000)	(300,000,000)	0
Children's Services - Title IV E - Reversion	(3,500,000)	(3,500,000)	0
Other Additional Reversion	(89,721,100)	(89,721,100)	0
Less: Budget Amendment:			
TennCare - Additional Reversion	(16,000,000)	(16,000,000)	0
Misc. Approp. - ACCENT System Dev. - Reversion Adj.	10,322,200	10,322,200	0
State Agencies - Reversion Adjustment	26,800,000	26,800,000	0
Total Overappropriation and Reversions	(650,933,000)	(650,933,000)	0
Net General Fund Requirements	\$ 10,803,521,000	\$ 10,803,521,000	\$ 0
Other Programs:			
Capital Outlay Program	\$ 52,200,000	\$ 52,200,000	\$ 0
E&CD - Capital Outlay Grants	18,300,000	18,300,000	0
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	2,900	0
Total Other Requirements	\$ 88,771,700	\$ 88,771,700	\$ 0
Total Appropriation Requirements	\$ 10,892,292,700	\$ 10,892,292,700	\$ 0
II. GENERAL FUND REVENUES AND RESERVES			
State Tax Revenue - Department of Revenue	\$ 8,327,400,000	\$ 8,324,900,000	\$ (2,500,000)
State-Shared Taxes - 2008 Mandated Local Cost - 2009 App. Act 42/c	(100,000)	(100,000)	0
State Tax Revenue - Other State Revenue	938,300,000	911,300,000	(27,000,000)
Dedicated Revenue - TWRA	34,000	34,000	0
Miscellaneous Revenue	61,200,000	61,200,000	0
Tobacco MSA Revenue	172,600,000	172,600,000	0
Lottery for Education Account	308,100,000	308,100,000	0
Lottery Revenue - Energy Efficiency Fund	90,000,000	90,000,000	0
Highway Fund Transfer - Gas Inspection Act	1,100,000	1,100,000	0
Reserve for Appropriations 2008-2009	347,583,300	347,583,300	0
Plan for Closing - Other Available Funds:			
Capital Projects Fund - Delay, Cancel, and Bonds	\$ 190,200,000	\$ 190,200,000	\$ 0
Debt Service Fund Transfer at June 30, 2009	124,800,000	124,300,000	(500,000)
TennCare Reserve - Transfer to General Fund	126,500,000	126,500,000	0
Other Agency Reserves - Reversion	41,200,000	41,200,000	0
Sub-Total Plan for Closing	\$ 482,700,000	\$ 482,200,000	\$ (500,000)
Sub-Total General Fund Revenues and Reserves	\$ 10,728,917,300	\$ 10,698,917,300	\$ (30,000,000)
Transfer from Rainy Day Fund	163,500,000	193,500,000	30,000,000
Undesignated Fund Balance at June 30, 2008	184,000	184,000	0
Total General Fund Revenues and Reserves	\$ 10,892,601,300	\$ 10,892,601,300	\$ 0
III. AVAILABLE FUNDS AT JUNE 30, 2009			
Undesignated Fund Balance	\$ 308,600	\$ 308,600	\$ 0
Total Available Funds	\$ 308,600	\$ 308,600	\$ 0
Revenue Fluctuation Reserve at June 30, 2008	\$ 750,000,000		
Revenue Fluctuation Reserve at June 30, 2009	\$ 586,500,000	\$ 556,500,000	\$ (30,000,000)

**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**

	<u>June 30, 2007</u>	<u>June 30, 2008</u>
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
	<hr/>	<hr/>
Total Assets	\$ 758,503,000	\$ 810,495,000
	<hr/>	<hr/>
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
	<hr/>	<hr/>
Total Liabilities	\$ 270,049,000	\$ 293,413,000
	<hr/>	<hr/>
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
	<hr/>	<hr/>
Total Fund Balance	\$ 488,454,000	\$ 517,082,000
	<hr/>	<hr/>
Total Liabilities and Fund Balance	\$ 758,503,000	\$ 810,495,000
	<hr/> <hr/>	<hr/> <hr/>

**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 2010-2011

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, 2009 the debt limit calculation produced a maximum annual debt service debt limit of \$506,804,200. The annual debt service requirement on the state's outstanding debt, authorized but unissued debt, and proposed bond authorizations in the fiscal year 2010-2011 budget total \$294,253,000, 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 \$245,730,000 in general obligation bonds. Included with this sale was \$15.3 million in Facility Revolving Fund bonds. As of June 30, 2009, Tennessee's total general obligation bonded indebtedness was \$1,310,233,000, excluding the Facilities Revolving Fund. This debt was issued entirely for institutional and building construction.

The first session of the 106th General Assembly approved new G.O. bond authorizations in the amount of \$547,759,000. Of this amount, institutional and building bonds accounted for \$257,800,000, economic and community development grants \$119,159,000, highway and bridge bonds \$167,500,000, and \$3,300,000 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 \$108.6 million in highway bond authorizations and \$1.3 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 \$1,855,288,600, which includes \$819,375,400 in capital construction bonds, and \$833,900,000 in highway fund authorizations.

The recommended 2010-2011 Capital Budget is funded from proposed bond authorizations of \$90.9 million, \$165.4 million from surplus cash, and \$36.9 million from federal funds and other sources.

Debt Service Fund
Statement of Revenues, Expenditures, and Requirements
July 1, 2008 - June 30, 2011

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Estimated 2010-2011</u>
Unreserved Fund Balance, July 1	\$ 7,131,000.00	\$ 3,960,000.00	\$ 4,962,000.00
Tax Revenues:			
Sales Tax	\$ 44,976,700.00	\$ 44,100,000.00	\$ 44,700,000.00
Gasoline Tax	88,700,000.00	110,400,000.00	108,200,000.00
Franchise Tax	18,000,000.00	18,000,000.00	18,000,000.00
Excise Tax	193,223,300.00	213,200,000.00	205,700,000.00
Motor Vehicle Title Fees	2,700,000.00	2,700,000.00	2,700,000.00
Total Tax Revenues	<u>\$347,600,000.00</u>	<u>\$388,400,000.00</u>	<u>\$379,300,000.00</u>
Other Revenues:			
Sports Authority	\$ 3,704,000.00	\$ 3,703,000.00	\$ 3,703,000.00
Motlow State - Smyrna Center	137,000.00	133,000.00	129,000.00
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	335,000.00	332,000.00	333,000.00
Premium on Bond Sales	27,905,000.00	26,358,000.00	0.00
Federal Highway Bridge Funds (80% Match)	0.00	7,200,000.00	14,400,000.00
Total Other Revenues	<u>\$ 32,081,000.00</u>	<u>\$ 37,726,000.00</u>	<u>\$ 19,742,000.00</u>
Total Available Funds	<u>\$386,812,000.00</u>	<u>\$430,086,000.00</u>	<u>\$404,004,000.00</u>
Appropriations, Transfers, and Fund Balance			
Debt Service Appropriations for:			
Outstanding Bonds @ July 1	\$131,265,000.00	\$ 162,252,000.00	\$ 157,753,000.00
Bond Sale - September 2008	2,591,000.00	0.00	0.00
Bond Sale - December 2009	0.00	4,200,000.00	19,900,000.00
Cancel Unissued Capital Outlay Bonds (\$26,500,000)	0.00	0.00	(2,900,000.00)
Capital Outlay - Unissued Bonds (\$808,194,000)	0.00	0.00	88,900,000.00
Proposed Capital Outlay Bonds (\$13,200,000)	0.00	0.00	1,500,000.00
Proposed Bonds - Safety Radio System and Driver License Issuance System (\$77,700,000)	0.00	0.00	10,100,000.00
Highway Bridges - Unissued Bonds (\$87,500,000)	0.00	9,000,000.00	9,000,000.00
Proposed Highway Bridge Bonds (\$87,500,000)	0.00	0.00	9,000,000.00
Short Term Interest	2,200,000.00	4,000,000.00	0.00
Debt Issuance Expense	3,909,000.00	2,272,000.00	1,000,000.00
Total Debt Service Appropriations	<u>\$139,965,000.00</u>	<u>\$181,724,000.00</u>	<u>\$294,253,000.00</u>
Transfers to Other Funds:			
Highway Fund	\$ 88,700,000.00	\$108,600,000.00	\$ 104,600,000.00
General Fund	124,300,000.00	107,000,000.00	0.00
Capital Projects Fund - Geier Desegregation Settlement	1,300,000.00	1,300,000.00	0.00
Capital Projects - West TN Mega-site	0.00	1,400,000.00	0.00
Capital Projects Fund - Other	990,800.00	0.00	0.00
Capital Projects Fund - Premium on Bond Sales	27,596,200.00	25,100,000.00	0.00
Total Transfers to Other Funds	<u>\$242,887,000.00</u>	<u>\$243,400,000.00</u>	<u>\$104,600,000.00</u>
Total Appropriations and Transfers	<u>\$382,852,000.00</u>	<u>\$425,124,000.00</u>	<u>\$398,853,000.00</u>
Unreserved Fund Balance, June 30			
Net Receivables	\$ 3,800,000.00	\$ 3,900,000.00	\$ 4,100,000.00
Cash and Cash Equivalents	160,000.00	1,062,000.00	1,051,000.00
Preliminary Available Balance	0.00	0.00	0.00
Total Unreserved Fund Balance, June 30	<u>\$ 3,960,000.00</u>	<u>\$ 4,962,000.00</u>	<u>\$ 5,151,000.00</u>

**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
Revised Statement of Bonds Authorized and Unissued
June 30, 2008 - June 30, 2010

Year	Authority	Description	June 30, 2008	June 30, 2009	June 30, 2010 *
1994	Chapter 850	Data Processing Equipment	\$ 13,800,000.00	\$ 0.00	\$ 0.00
1994	Chapter 1010	Facilities Revolving Fund	516,085.86	510,000.00	510,000.00
1995	Chapter 461	Capital Outlay	75,000.00	0.00	0.00
1996	Chapter 945	State Parks	77,365.99	77,365.99	77,365.99
1996	Chapter 952	Capital Outlay	1,035,416.63	941,216.63	608,922.36
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	0.00	0.00
1997	Chapter 535	Capital Outlay	1,434,717.23	1,325,055.22	1,289,088.70
1998	Chapter 831	Refund TLDA Community Provider Pooled Loans	11,150,000.00	0.00	0.00
1998	Chapter 1103	Capital Outlay	622,520.62	622,320.62	500,813.64
1998	Chapter 1103	Facilities Revolving Fund	74,840.70	74,840.70	74,840.70
1999	Chapter 401	Capital Outlay	1,560,681.09	1,392,940.02	758,214.73
1999	Chapter 401	Facilities Revolving Fund	1,272,983.65	740,085.41	740,085.41
2000	Chapter 984	Capital Outlay	3,243,535.21	2,276,397.20	1,899,674.81
2000	Chapter 984	Highway Construction	87,700,000.00	0.00	0.00
2001	Chapter 462	Capital Outlay	3,753,835.64	2,825,687.21	1,279,591.08
2001	Chapter 462	Facilities Revolving Fund	39,997,991.05	28,172,794.85	28,172,794.85
2001	Chapter 462	Highway Construction	80,000,000.00	80,000,000.00	0.00
2002	Chapter 852	Higher Education - Geier Settlement	3,900,000.00	2,600,000.00	1,300,000.00
2002	Chapter 852	Capital Outlay	2,277,270.19	2,140,970.38	1,301,109.30
2002	Chapter 852	Facilities Revolving Fund	3,100,000.00	3,100,000.00	2,421,701.98
2002	Chapter 852	Highway Construction	77,000,000.00	77,000,000.00	77,000,000.00
2003	Chapter 296	Capital Outlay	5,479,521.88	2,067,159.43	745,917.88
2003	Chapter 296	Highway Construction	74,000,000.00	74,000,000.00	74,000,000.00
2003	Chapter 313	State Veterans' Homes - Refinancing	12,742,786.20	11,190,905.00	11,181,000.00
2003	Chapter 338	Capital Outlay	15,637,563.09	3,000,000.00	3,000,000.00
2003	Chapter 338	Facilities Revolving Fund	600,000.00	600,000.00	600,000.00
2004	Chapter 941	Higher Education	13,651,474.93	1,352,050.01	0.00
2004	Chapter 958	Capital Outlay	147,674,424.77	79,363,814.99	51,994,193.84
2004	Chapter 958	Facilities Revolving Fund	9,736,166.30	8,521,376.31	3,305,208.61
2004	Chapter 958	Equipment Revolving Fund	7,367,015.32	3,966,015.32	1,358,860.34
2004	Chapter 958	Highway Construction	76,000,000.00	75,000,000.00	74,000,000.00
2005	Chapter 501	Capital Outlay	144,856,638.07	105,765,911.77	78,673,003.12
2005	Chapter 501	Facilities Revolving Fund	10,731,190.05	3,249,087.01	3,240,451.44
2005	Chapter 501	Highway Construction	76,000,000.00	76,000,000.00	76,000,000.00
2005	Chapter 501	Highway Construction - Pre-financing	50,000,000.00	0.00	0.00
2005	Chapter 502	Capital Outlay	1,600,000.00	115,306.10	115,306.10
2005	Chapter 502	Higher Education	63,374,901.24	39,356,397.82	34,750,576.68
2006	Chapter 962	Capital Outlay	349,610,911.20	227,682,563.87	182,849,838.47
2006	Chapter 962	Facilities Revolving Fund	30,100,000.00	20,347,561.75	14,791,719.57
2006	Chapter 962	ERP Software	56,800,000.00	43,800,000.00	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	133,909,168.28	89,262,368.23
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	60,309,743.84	60,309,743.84	56,447,489.75
2007	Chapter 591	Highway Construction	83,800,000.00	83,800,000.00	83,800,000.00
2008	Chapter 1119	Higher Education	5,720,000.00	5,720,000.00	5,720,000.00
2008	Chapter 1193	Highway Construction - State Route 840	138,000,000.00	138,000,000.00	110,400,000.00
2008	Chapter 1202	Capital Outlay	29,700,000.00	29,700,000.00	29,700,000.00
2008	Chapter 1202	Facilities Revolving Fund	24,000,000.00	23,250,000.00	23,250,000.00
2008	Chapter 1202	Highway Construction	87,700,000.00	87,700,000.00	87,700,000.00
2009	Chapter 3	Capital Outlay - ECD Grants	0.00	119,159,000.00	119,159,000.00
2009	Chapter 552	Capital Outlay	0.00	267,800,000.00	257,800,000.00
2009	Chapter 552	Facilities Revolving Fund	0.00	3,300,000.00	3,300,000.00
2009	Chapter 552	Highway Construction	0.00	80,000,000.00	80,000,000.00
2009	Chapter 552	Highway Construction - Bridges	0.00	87,500,000.00	87,500,000.00
		Additional Authorizations	0.00	0.00	(65,290,556.83)
Total Bonds Authorized and Unissued			\$ 2,172,919,580.75	\$ 2,213,525,735.73	\$ 1,855,288,580.75
Summary by Purpose:					
		Capital Outlay	\$ 969,663,563.98	\$ 1,051,084,230.54	\$ 819,375,428.10
		Facilities Revolving Fund	180,439,001.45	152,175,489.87	136,854,292.31
		Highway Construction	725,700,000.00	717,000,000.00	636,000,000.00
		Highway Construction - Pre-financing	50,000,000.00	0.00	0.00
		Highway Construction - State Route 840	138,000,000.00	138,000,000.00	110,400,000.00
		Highway Construction - Bridges	0.00	87,500,000.00	87,500,000.00
		Data Processing Equipment	33,800,000.00	20,000,000.00	20,000,000.00
		ERP Software	56,800,000.00	43,800,000.00	43,800,000.00
		Equipment Revolving Fund	7,367,015.32	3,966,015.32	1,358,860.34
		Refund TLDA Loans	11,150,000.00	0.00	0.00
Total Bonds Authorized and Unissued			\$ 2,172,919,580.75	\$ 2,213,525,735.73	\$ 1,855,288,580.75

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

Bond Fund
Statement of Bonds Sold
July 1, 2007 - June 30, 2010

<u>Year</u>	<u>Authority</u>	<u>Description</u>	<u>July 1, 2007 - June 30, 2008</u>	<u>July 1, 2008 - June 30, 2009</u>	<u>July 1, 2009 - June 30, 2010 *</u>
1994	Chapter 1010	Facilities Revolving Fund	\$ 0.00	\$ 6,085.86	\$ 0.00
1995	Chapter 461	Capital Outlay	384,327.18	75,000.00	0.00
1996	Chapter 952	Capital Outlay	471,208.65	94,200.00	332,294.27
1997	Chapter 535	Capital Outlay	262,074.64	109,662.01	35,966.52
1998	Chapter 1103	Capital Outlay	118,466.80	200.00	121,506.98
1998	Chapter 1103	Facilities Revolving Fund	57,750.46	0.00	0.00
1999	Chapter 401	Capital Outlay	190,468.77	167,741.07	634,725.29
1999	Chapter 401	Facilities Revolving Fund	2,231,366.10	532,898.24	0.00
2000	Chapter 984	Capital Outlay	619,817.59	967,138.01	376,722.39
2000	Chapter 984	Facilities Revolving Fund	1,244,645.09	0.00	0.00
2001	Chapter 462	Capital Outlay	1,809,697.52	928,148.43	1,546,096.13
2001	Chapter 462	Facilities Revolving Fund	1,652,008.95	11,825,196.20	0.00
2002	Chapter 852	Capital Outlay	2,200,941.77	136,299.81	839,861.08
2002	Chapter 852	Facilities Revolving Fund	0.00	0.00	678,298.02
2003	Chapter 296	Capital Outlay	1,422,034.56	3,412,362.45	1,321,241.55
2003	Chapter 313	State Veterans' Homes - Refinancing	1,187,213.80	1,551,881.20	9,905.00
2003	Chapter 338	Capital Outlay	882,509.51	12,637,563.09	0.00
2004	Chapter 941	Higher Education	5,587,493.10	12,299,424.92	1,352,050.01
2004	Chapter 958	Capital Outlay	69,602,402.07	51,570,264.56	27,369,621.15
2004	Chapter 958	Facilities Revolving Fund	2,953,246.36	602,789.99	5,216,167.70
2005	Chapter 501	Capital Outlay	28,434,691.30	39,027,726.30	27,092,908.65
2005	Chapter 501	Facilities Revolving Fund	3,424,675.82	7,482,103.04	8,635.57
2005	Chapter 502	Capital Outlay	0.00	1,484,693.90	0.00
2005	Chapter 502	Higher Education	0.00	24,018,503.42	4,605,821.14
2006	Chapter 962	Capital Outlay	11,372,703.80	120,078,347.33	44,832,725.40
2006	Chapter 962	Facilities Revolving Fund	13,700,000.00	9,303,638.25	5,555,842.18
2007	Chapter 591	Capital Outlay	0.00	2,598,131.92	44,646,800.05
2007	Chapter 591	Facilities Revolving Fund	190,256.16	0.00	3,862,254.09
2008	Chapter 1202	Facilities Revolving Fund	0.00	750,000.00	0.00
2009	Chapter 3	Capital Outlay - E&CD Grants	0.00	131,000,000.00	0.00
2009	Chapter 552	Capital Outlay	0.00	0.00	10,000,000.00
		Additional Authorizations	0.00	0.00	65,290,556.83
Total Bonds Sold			<u>\$ 150,000,000.00</u>	<u>\$ 432,660,000.00</u>	<u>\$ 245,730,000.00</u>
Summary by Purpose:					
		Capital Outlay	\$ 124,546,051.06	\$ 402,157,288.42	\$ 230,408,802.44
		Facilities Revolving Fund	<u>25,453,948.94</u>	<u>30,502,711.58</u>	<u>15,321,197.56</u>
		Total Bonds Sold	<u>\$ 150,000,000.00</u>	<u>\$ 432,660,000.00</u>	<u>\$ 245,730,000.00</u>

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

Bond Fund
Statement of Appropriations in Lieu of Issuing Bonds
July 1, 2007 - June 30, 2010

Year	Authority	Description	July 1, 2007 - June 30, 2008	July 1, 2008 - June 30, 2009	July 1, 2009 - June 30, 2010 *
1998	Chapter 831	Refund TLDA Loans	\$ 650,000.00	\$ 0.00	\$ 0.00
1999	Chapter 401	Highway Construction	83,800,000.00	0.00	0.00
2000	Chapter 984	Highway Construction	0.00	87,700,000.00	0.00
2001	Chapter 462	Highway Construction	0.00	0.00	80,000,000.00
2002	Chapter 852	Higher Education - Geier Settlement	2,239,000.00	1,300,000.00	1,300,000.00
2003	Chapter 338	Capital Outlay	2,579,927.40	0.00	0.00
2004	Chapter 958	Capital Outlay	0.00	16,540,345.22	0.00
2004	Chapter 958	Facilities Revolving Fund	0.00	612,000.00	0.00
2004	Chapter 958	Equipment Revolving Fund	3,201,000.00	3,401,000.00	2,607,154.98
2004	Chapter 958	Highway Construction	1,000,000.00	1,000,000.00	1,000,000.00
2005	Chapter 501	Capital Outlay	0.00	63,000.00	0.00
2005	Chapter 501	Facilities Revolving Fund	528,072.60	0.00	0.00
2006	Chapter 962	Facilities Revolving Fund	0.00	448,800.00	0.00
2006	Chapter 962	ERP Software	11,500,000.00	13,000,000.00	0.00
2007	Chapter 591	Capital Outlay	0.00	142,699.80	0.00
2008	Chapter 1193	Highway Construction - State Route 840	0.00	0.00	27,600,000.00
2009	Chapter 3	Capital Outlay - E&CD Grants	0.00	11,841,000.00	0.00
Total Appropriations in Lieu of Issuing Bonds			\$ 105,498,000.00	\$ 136,048,845.02	\$ 112,507,154.98
Summary by Purpose:					
		Capital Outlay	\$ 4,818,927.40	\$ 29,887,045.02	\$ 1,300,000.00
		Facilities Revolving Fund	528,072.60	1,060,800.00	0.00
		Highway Construction	84,800,000.00	88,700,000.00	81,000,000.00
		Highway Construction - State Route 840	0.00	0.00	27,600,000.00
		ERP Software	11,500,000.00	13,000,000.00	0.00
		Equipment Revolving Fund	3,201,000.00	3,401,000.00	2,607,154.98
		Refund TLDA Loans	650,000.00	0.00	0.00
Total Appropriations in Lieu of Issuing Bonds			\$ 105,498,000.00	\$ 136,048,845.02	\$ 112,507,154.98

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

Note: 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

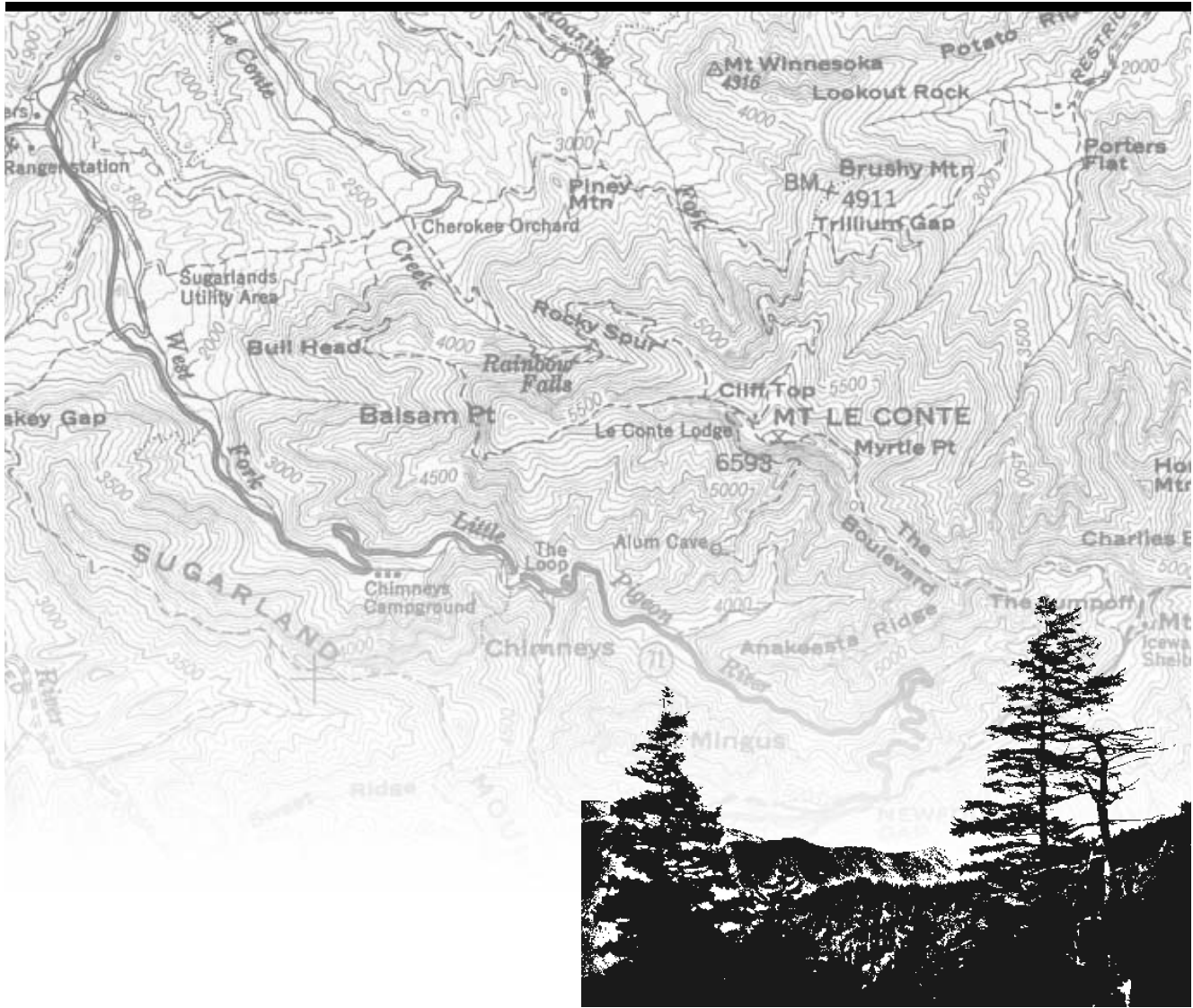
Chapter 552, Public Acts of 2009 (Section 10) repealed the following bond authorizations:

1994 Chapter 850 Data Processing Equipment	\$ 13,800,000.00
1996 Chapter 990 Ross Creek Landing State Park	\$ 10,935,000.00
1998 Chapter 831 Refund TLDA Community Provider Pooled Loans	\$ 11,150,000.00
2004 Chapter 958 Capital Outlay	\$ 200,000.00
2006 Chapter 962 Capital Outlay	\$ 1,850,000.00
2007 Chapter 591 Capital Outlay	\$ 3,350,000.00

Bond Fund
Statement of Bonded Indebtedness
Principal and Interest on Bonded Debt
June 30, 2009

	Outstanding Bonds		
Fiscal Year	Principal	Interest	Total
2009 - 2010	\$ 101,804,000	\$ 60,448,000	\$ 162,252,000
2010 - 2011	101,940,000	55,813,000	157,753,000
2011 - 2012	97,816,000	51,250,000	149,066,000
2012 - 2013	97,632,000	46,352,000	143,984,000
2013 - 2014	91,979,000	41,740,000	133,719,000
2014 - 2015	87,488,000	37,124,000	124,612,000
2015 - 2016	83,297,000	32,932,000	116,229,000
2016 - 2017	78,895,000	29,010,000	107,905,000
2017 - 2018	71,936,000	25,226,000	97,162,000
2018 - 2019	64,272,000	22,073,000	86,345,000
2019 - 2020	61,226,000	19,121,000	80,347,000
2020 - 2021	54,710,000	16,369,000	71,079,000
2021 - 2022	54,780,000	13,860,000	68,640,000
2022 - 2023	47,658,000	11,451,000	59,109,000
2023 - 2024	47,683,000	9,235,000	56,918,000
2024 - 2025	39,655,000	7,202,000	46,857,000
2025 - 2026	39,809,000	5,359,000	45,168,000
2026 - 2027	34,340,000	3,625,000	37,965,000
2027 - 2028	29,687,000	2,107,000	31,794,000
2028 - 2029	23,626,000	930,000	24,556,000
Total	\$ 1,310,233,000	\$ 491,227,000	\$ 1,801,460,000

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, 2009, outstanding principal was \$178,253,000 and interest was \$58,403,000.



Capital Outlay & Facilities Program

Capital Outlay and Facilities Program

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Capital Budget

Recommended Budget, Fiscal Year 2010-2011

The Capital Budget process begins with the receipt of departmental and agency capital maintenance and improvement 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 operational funding, the operating costs are identified during the capital budget review and further re-

viewed 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 improvement projects are defined as those providing new facilities or materially extending the useful life and improving or changing the function of an existing facility. These projects include facility renovation, new construction, new utility or service systems, land

with or without buildings, appurtenances, site improvements or permanent betterments, and initial equipment to furnish and operate a new or improved facility which require the assistance of a design professional or cost \$100,000 or more.

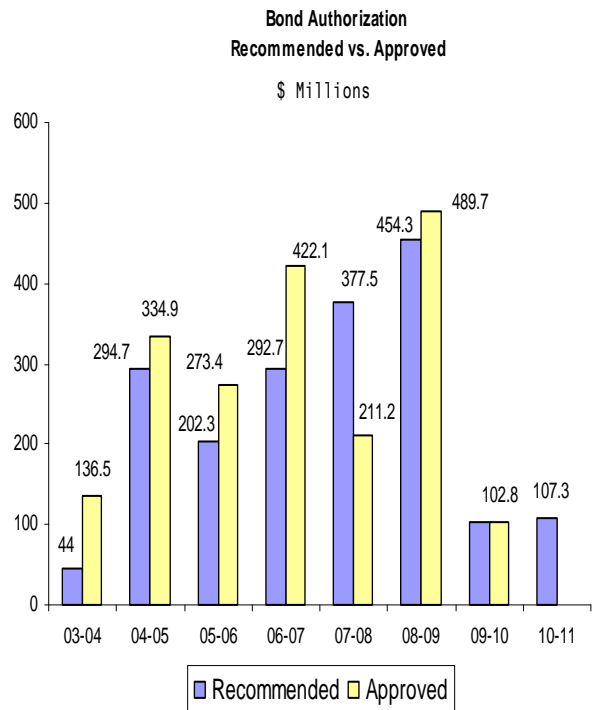
The 2010-2011 capital outlay budget recommends \$293,252,500 divided between capital improvement projects and capital maintenance requests. This includes \$50 million to construct 30 new group homes, \$120,000,000 for highway patrol communications equipment and a new driver license issuance system, and \$2.8 million for engineering and design work at the West Tennessee Megasite.

Capital Improvement Projects — Capital improvement projects recommended for fiscal year 2010-2011 total \$182,670,000, including \$62,670,000 for construction, with \$58,132,500 from state appropriations; and \$120,000,000 for the highway patrol and driver license systems, with \$42,300,000 from state appropriations. 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.

Capital Maintenance — Capital maintenance projects are recommended at a level of \$110,582,500. A state appropriation of \$64,967,500 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 a proposed bond authorization of \$90,900,000 for capital outlay in fiscal year 2010-2011. This includes \$77,700,000 for highway patrol communications equipment (\$60.1 million) and a new driver license issuance system (17.6 million). Total capital maintenance,

capital improvements, and Facilities Revolving Fund requests will require bond authorizations totaling \$107.3 million. The chart below compares the bond authorizations recommended with those approved by the General Assembly during the past several years.



Facilities Revolving Fund — Capital funding in the amount of \$25,550,000 is requested for capital maintenance and capital improvement projects. Bonds in the amount of \$16.4 million and \$9,150,000 in departmental funds combine to equal the total requested amount. These projects are listed in the Facilities Revolving Fund section, which follows the Capital Budget section of this document.

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

**Proposed Capital Appropriations
from Bonds, Current Funds, and Other Revenues
Fiscal Year 2010-2011**

	<u>COUNTY</u>	<u>TOTAL</u>	<u>STATE</u>	<u>BONDS</u>	<u>FEDERAL</u>	<u>OTHER</u>
I. Capital Outlay Projects - Construction:						
Correction						
Maintenance	Statewide	\$ 29,600,000	\$ 0	\$ 0	\$ 0	\$ 29,600,000
Prototype Female Housing Unit Planning	Statewide	350,000	0	0	0	350,000
Clinical Services Master Plan	Statewide	750,000	0	0	0	750,000
TPW Master Plan	Davidson	500,000	0	0	0	500,000
Brushy Mountain Decommissioning	Morgan	500,000	0	0	0	500,000
Command & Technology Center Pre-Planning	Davidson	250,000	0	0	0	250,000
Sub-Total Correction		\$ 31,950,000	\$ 0	\$ 0	\$ 0	\$ 31,950,000
Economic and Community Development						
West TN Megasite - Engineering and Design	Haywood	\$ 2,800,000	\$ 2,800,000	\$ 0	\$ 0	\$ 0
Environment and Conservation						
Big Ridge SP Group Camp ADA Upgrades	Union	\$ 540,000	\$ 540,000	\$ 0	\$ 0	\$ 0
Reelfoot Lake SP New Cabins Phase 2	Lake	2,500,000	2,500,000	0	0	0
Cumberland Mountain SP Restore Bathhouse	Cumberland	1,550,000	1,550,000	0	0	0
Sub-Total Environment and Conservation		\$ 4,590,000	\$ 4,590,000	\$ 0	\$ 0	\$ 0
Education						
WTN Deaf School Security & Access Updates	Madison	\$ 540,000	\$ 90,000	\$ 450,000	\$ 0	\$ 0
Intellectual Disabilities Services						
Group Homes (30) - Clover Bottom	Davidson	\$ 50,000,000	\$ 50,000,000	\$ 0	\$ 0	\$ 0
Military						
Jackson AFRC Handicap Access Update	Madison	\$ 550,000	\$ 137,500	\$ 0	\$ 412,500	\$ 0
Clarksville RC Kitchen Addition	Montgomery	750,000	375,000	0	375,000	0
Sub-Total Military		\$ 1,300,000	\$ 512,500	\$ 0	\$ 787,500	\$ 0
Safety						
Fall Branch Radio Tower Replacement	Washington	\$ 520,000	\$ 70,000	\$ 450,000	\$ 0	\$ 0
English Mountain Radio Tower Replacement	Cocke	570,000	70,000	500,000	0	0
Sub-Total Safety		\$ 1,090,000	\$ 140,000	\$ 950,000	\$ 0	\$ 0
Tennessee Board of Regents						
Maintenance	Statewide	\$ 29,590,000	\$ 24,180,000	\$ 5,410,000	\$ 0	\$ 0
University of Tennessee						
Maintenance	Statewide	\$ 21,280,000	\$ 16,840,000	\$ 4,300,000	\$ 0	\$ 140,000
Statewide Capital Maintenance						
Maintenance	Statewide	\$ 30,112,500	\$ 23,947,500	\$ 2,090,000	\$ 4,075,000	\$ 0
Total Capital Outlay Projects - Construction		\$173,252,500	\$123,100,000	\$13,200,000	\$4,862,500	\$32,090,000
Sub-Total Higher Education		\$ 50,870,000	\$ 41,020,000	\$ 9,710,000	\$ 0	\$ 140,000
Sub-Total Other		\$ 122,382,500	\$ 82,080,000	\$ 3,490,000	\$ 4,862,500	\$ 31,950,000
II. Systems Development Projects:						
Safety						
Highway Patrol Communications	Statewide	\$ 90,000,000	\$ 29,900,000	\$ 60,100,000	\$ 0	\$ 0
Driver License Issuance System	Statewide	30,000,000	12,400,000	17,600,000	0	0
Total Safety - Systems Development		\$ 120,000,000	\$ 42,300,000	\$ 77,700,000	\$ 0	\$ 0
III. Grand Total						
		\$ 293,252,500	\$ 165,400,000	\$ 90,900,000	\$ 4,862,500	\$ 32,090,000

**Proposed Capital Maintenance Appropriations
from Bonds, Current Funds, and Other Revenues
Fiscal Year 2010 - 2011**

	COUNTY	TOTAL	STATE	BONDS	FEDERAL	OTHER
Correction						
DeBerry Special Needs Various Reroofs Phase 1	Davidson	\$ 2,300,000	\$ 0	\$ 0	\$ 0	\$ 2,300,000
Northeast Corr. Complex Various Reroofs Phase 1	Johnson	6,200,000	0	0	0	6,200,000
Emergency Project Fund	Statewide	4,000,000	0	0	0	4,000,000
Southeast Reg. Corr. Complex Various Reroofs	Bledsoe	2,200,000	0	0	0	2,200,000
Northwest Corr. Complex Geothermal Conversion	Lake	4,400,000	0	0	0	4,400,000
South Central Corr. Heating Sys. Replacement - Planning	Wayne	300,000	0	0	0	300,000
Tennessee Correction Academy Reroof Five Buildings	Coffee	1,300,000	0	0	0	1,300,000
Northwest Corr. Complex Replace Heating Loop Lines	Lake	7,500,000	0	0	0	7,500,000
Morgan County Correctional Complex Annex Upgrade	Morgan	1,400,000	0	0	0	1,400,000
Sub-Total Correction		\$ 29,600,000	\$ 0	\$ 0	\$ 0	\$ 29,600,000
Tennessee Board of Regents						
TTC Hartsville Admin. & Shop Building Reroofs	Trousdale	\$ 210,000	\$ 210,000	\$ 0	\$ 0	\$ 0
TTC Chattanooga Sequatchie Valley Tech Ctr. Reroofs	Bledsoe	340,000	50,000	290,000	0	0
VSCC Wood Campus Center Roof Replacement	Sumner	340,000	340,000	0	0	0
STCC Several Buildings Roof Repairs - Phase 2	Shelby	700,000	100,000	600,000	0	0
UoM Engineer Complex HVAC/Fire Update	Shelby	1,370,000	70,000	1,300,000	0	0
MTSU Jones Hall Steam Line Replacement	Rutherford	850,000	150,000	700,000	0	0
WSCC Heating and Cooling Corrections	Hamblen	230,000	230,000	0	0	0
TTC Crossville Lighting and Security Updates	Cumberland	190,000	190,000	0	0	0
TTC Shelbyville Chiller Replacement	Bedford	220,000	220,000	0	0	0
Chattanooga State CC Underground Piping Corrections	Hamilton	790,000	470,000	320,000	0	0
TSU Boswell Fume Hood Updates	Davidson	2,500,000	1,250,000	1,250,000	0	0
Nashville State CC Parking Lot and Roadway Repairs	Davidson	190,000	190,000	0	0	0
TTU Craft Center Guardrail Replacement	DeKalb	400,000	50,000	350,000	0	0
APSU Dunn Center Fire Suppression System Update	Montgomery	850,000	250,000	600,000	0	0
Northeast State CC Roof Replacements	Sullivan	220,000	220,000	0	0	0
ETSU Reece Museum Building System Updates	Washington	1,500,000	1,500,000	0	0	0
Roane State CC Security System Update	Roane	440,000	440,000	0	0	0
PSCC Magnolia Campus Systems Updates	Knox	470,000	470,000	0	0	0
ETSU CoM Health Sciences Electrical Sys. Repairs	Washington	750,000	750,000	0	0	0
Motlow St. CC Building Sys. Equipment Replacement	Moore	370,000	370,000	0	0	0
JSCC Student Center Repairs and HVAC Updates	Madison	260,000	260,000	0	0	0
Cleveland St. CC HVAC Equipment & Controls Update	Bradley	490,000	490,000	0	0	0
Dyersburg State CC Campus Site Updates	Dyer	150,000	150,000	0	0	0
Columbia State CC Classroom Space Updates	Maury	250,000	250,000	0	0	0
TTU Several Buildings Roof Replacements	Putnam	660,000	660,000	0	0	0
UoM Access and Security Updates	Shelby	2,210,000	2,210,000	0	0	0
TTC at McMinnville - Restroom & Lab Modernization	Warren	290,000	290,000	0	0	0
MTSU Underground Electrical Update	Rutherford	3,110,000	3,110,000	0	0	0
TTU Campus Waterproof & Exterior Repairs - Phase 2	Putnam	500,000	500,000	0	0	0
WSCC Exterior Building Repairs	Hamblen	560,000	560,000	0	0	0
ETSU Several Buildings Roof Replacements	Washington	1,500,000	1,500,000	0	0	0
MTSU Several Buildings Roof Replacements	Rutherford	750,000	750,000	0	0	0
Columbia State CC Natatorium Reroof	Maury	200,000	200,000	0	0	0
TTC Memphis Admin. & Ed. Bldgs. HVAC Repairs	Shelby	330,000	330,000	0	0	0
UoM Elevator Modernization	Shelby	2,210,000	2,210,000	0	0	0
TTC Oneida Mechanical and Building Repairs	Scott	360,000	360,000	0	0	0
TTU Central Cooling Deficiency Corrections	Putnam	1,500,000	1,500,000	0	0	0
TTC Morristown Chiller Replacement	Hamblen	380,000	380,000	0	0	0
APSU Browning Building Electrical Upgrade	Montgomery	950,000	950,000	0	0	0
Sub-Total Tennessee Board of Regents		\$ 29,590,000	\$ 24,180,000	\$ 5,410,000	\$ 0	\$ 0

**Proposed Capital Maintenance Appropriations
from Bonds, Current Funds, and Other Revenues
Fiscal Year 2010 - 2011**

	COUNTY	TOTAL	STATE	BONDS	FEDERAL	OTHER
University of Tennessee						
UT Phase 3 Facilities Assessment	Statewide	\$ 450,000	310,000	\$ 0	\$ 0	\$ 140,000
UTC Metropolitan Building Repairs & HVAC Phase 2	Hamilton	4,600,000	300,000	4,300,000	0	0
UTK Electrical Distribution Upgrade - Phase 3	Knox	3,500,000	3,500,000	0	0	0
UTHSC Molecular Science Bldg. Window/HVAC Upgrade	Shelby	3,020,000	3,020,000	0	0	0
UT Martin Various Roof Replacements	Weakley	4,200,000	4,200,000	0	0	0
UTIA East TN Research & Ed Center Drainage Update	Blount	1,000,000	1,000,000	0	0	0
Tulahoma Facility Various Building Updates	Franklin	1,010,000	1,010,000	0	0	0
UTK McClung Tower HVAC Improvements Phase 2	Knox	3,500,000	3,500,000	0	0	0
Sub-Total University of Tennessee		\$ 21,280,000	\$ 16,840,000	\$ 4,300,000	\$ 0	\$ 140,000
STATEWIDE CAPITAL MAINTENANCE:						
Children's Services						
Wilder YDC Campus Maintenance & Repairs	Fayette	\$ 640,000	300,000	\$ 340,000	\$ 0	\$ 0
Mountain View YDC Campus Maintenance & Repairs	Jefferson	900,000	200,000	700,000	0	0
Taft YDC Fence Replacement	Bledsoe	340,000	340,000	0	0	0
Sub-Total Children's Services		\$ 1,880,000	\$ 840,000	\$ 1,040,000	\$ 0	\$ 0
Education						
TN School for the Blind Emergency Notification System	Davidson	\$ 200,000	200,000	\$ 0	\$ 0	\$ 0
TN School for the Blind Resurface Parking Areas	Davidson	300,000	300,000	0	0	0
York Institute CTE Building Upgrades	Fentress	210,000	210,000	0	0	0
TN School for the Deaf Fire Code Rehab Phase 4	Knox	1,950,000	1,950,000	0	0	0
Sub-Total Education		\$ 2,660,000	\$ 2,660,000	\$ 0	\$ 0	\$ 0
Environment and Conservation						
Fall Creek Falls SP Fisherman Cabins Updates	Van Buren	\$ 1,200,000	\$ 1,200,000	\$ 0	\$ 0	\$ 0
Reelfoot Lake SP Demolish Airpark Inn	Lake	540,000	540,000	0	0	0
Pickwick Landing SP Marina Upgrades	Hardin	3,430,000	3,430,000	0	0	0
Exhibit Upgrades	Statewide	800,000	800,000	0	0	0
Sub-Total Environment and Conservation		\$ 5,970,000	\$ 5,970,000	\$ 0	\$ 0	\$ 0
Finance and Administration						
Emergency Maintenance and Contingency Funds	Statewide	\$ 3,131,900	\$ 3,131,900	\$ 0	\$ 0	\$ 0
ADA Compliance	Statewide	3,300,000	3,300,000	0	0	0
Management Support Services	Statewide	1,000,000	1,000,000	0	0	0
Environmental Consultants	Statewide	1,200,000	1,200,000	0	0	0
State Owned Buildings OSHA Compliance	Statewide	500,000	500,000	0	0	0
TPAC Annual Maintenance Grant	Davidson	300,000	300,000	0	0	0
Ladies Hermitage Assoc. Hermitage Restoration Grant	Davidson	85,600	85,600	0	0	0
Watkins College of Art & Design Maintenance Grant	Davidson	300,000	300,000	0	0	0
National Civil Rights Museum Maintenance Grant	Shelby	300,000	300,000	0	0	0
Sub-Total Finance and Administration		\$ 10,117,500	\$ 10,117,500	\$ 0	\$ 0	\$ 0
Human Services						
TRC Campus Systems Upgrade Phase 2	Rutherford	\$ 2,160,000	\$ 465,000	\$ 0	\$ 1,695,000	\$ 0
88 Hermitage Building Exterior Building Upgrades	Davidson	465,000	100,000	0	365,000	0
Sub-Total Human Services		\$ 2,625,000	\$ 565,000	\$ 0	\$ 2,060,000	\$ 0

**Proposed Capital Maintenance Appropriations
from Bonds, Current Funds, and Other Revenues
Fiscal Year 2010 - 2011**

	<u>COUNTY</u>	<u>TOTAL</u>	<u>STATE</u>	<u>BONDS</u>	<u>FEDERAL</u>	<u>OTHER</u>
Intellectual Disabilities Services						
Clover Bottom Demo Roberts Hall and Old WAC Building	Davidson	\$ 250,000	\$ 250,000	\$ 0	\$ 0	\$ 0
Arlington Facility Services Complex Reroof	Shelby	250,000	50,000	200,000	0	0
Greene Valley Window Replacement Nine Cottages	Greene	500,000	50,000	450,000	0	0
Greene Valley Administration Building Chiller Replacement	Greene	500,000	100,000	400,000	0	0
Clover Bottom Maintenance	Davidson	1,000,000	1,000,000	0	0	0
Sub-Total Intellectual Disabilities Services		\$ 2,500,000	\$ 1,450,000	\$ 1,050,000	\$ 0	\$ 0
Mental Health and Developmental Disabilities						
Lakeshore MHI Reroof Chota Building	Knox	\$ 150,000	\$ 150,000	\$ 0	\$ 0	\$ 0
Moccasin Bend MHI Replace 3 Air Handlers	Hamilton	180,000	180,000	0	0	0
Sub-Total MHDD		\$ 330,000	\$ 330,000	\$ 0	\$ 0	\$ 0
Military Department						
Maryville RC Reroof and Facility Update	Blount	\$ 610,000	\$ 305,000	\$ 0	\$ 305,000	\$ 0
Jackson RC Facility Update	Madison	1,520,000	760,000	0	760,000	0
Cookeville RC Reroof and Facility Update	Putnam	580,000	290,000	0	290,000	0
Bolivar RC Reroof and Facility Update	Hardeman	530,000	265,000	0	265,000	0
Lawrenceburg RC Reroof and Facility Update	Lawrence	790,000	395,000	0	395,000	0
Sub-Total Military Department		\$ 4,030,000	\$ 2,015,000	\$ 0	\$ 2,015,000	\$ 0
Total Statewide Capital Maintenance		\$ 30,112,500	\$ 23,947,500	\$ 2,090,000	\$ 4,075,000	\$ 0
Grand Total		\$ 110,582,500	\$ 64,967,500	\$ 11,800,000	\$ 4,075,000	\$ 29,740,000

**Projects Funded from Dedicated Revenues
Fiscal Year 2010-2011**

		<u>COUNTY</u>	<u>TOTAL</u>	<u>STATE</u>	<u>BONDS</u>	<u>FEDERAL</u>	<u>OTHER</u>
Department of Transportation							
Region 1	New County Maintenance Building	Scott	\$ 300,000	\$ 0	\$ 0	\$ 0	\$ 300,000
Region 1	Heavy Equipment Sheds	Areawide	790,000	0	0	0	790,000
Region 1	New County Maintenance Building	Monroe	300,000	0	0	0	300,000
Region 1	New Equipment Sheds	Areawide	100,000	0	0	0	100,000
Region 1	New Saltbin - Mountain City	Johnson	230,000	0	0	0	230,000
Region 1	New Saltbin - Shady Valley	Johnson	160,000	0	0	0	160,000
Region 1	New Maintenance Building	Cocke	300,000	0	0	0	300,000
Region 2	New Equipment Sheds (White & Van Buren)	Areawide	160,000	0	0	0	160,000
Region 2	New Equipment Sheds (Cannon & Rhea)	Areawide	160,000	0	0	0	160,000
Region 2	New Region 2 Complex - Additional Sitework	Hamilton	1,000,000	0	0	0	1,000,000
Region 3	New Maintenance & Equipment Buildings	Areawide	500,000	0	0	0	500,000
Region 3	Replace Security Fencing at Six Garages	Areawide	300,000	0	0	0	300,000
Region 3	New Equipment Sheds	Areawide	480,000	0	0	0	480,000
Region 4	New Equipment Sheds	Areawide	800,000	0	0	0	800,000
Total Department of Transportation			\$ 5,580,000	\$ 0	\$ 0	\$ 0	\$ 5,580,000

Requested Capital Projects from School Bonds and Other Sources Fiscal Year 2010-2011

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				
Undergraduate Housing	\$ 39,000,000	\$ 39,000,000	\$ 0	\$ 0
Sunshine and Brit Demolition and Paving	320,000	0	320,000	0
Campuswide Paving	1,500,000	0	1,500,000	0
Total APSU	\$ 40,820,000	\$ 39,000,000	\$ 1,820,000	\$ 0
East Tennessee State University				
Tennis Complex Construction	\$ 3,990,000	\$ 0	\$ 0	\$ 3,990,000
Center for Experimental Learning	22,500,000	0	0	22,500,000
Outdoor Track & Field Facility	4,200,000	0	0	4,200,000
Downtown Clinic Acquisition and Construction	2,500,000	0	2,500,000	0
University High School Baseball Field Construction	310,000	0	310,000	0
Housing Renovations	1,400,000	1,400,000	0	0
Married Student Housing Renovations	3,240,000	3,240,000	0	0
CoM Pharmacy Research Addition	6,000,000	0	0	6,000,000
CoM Building 119 Research Labs Renovation	10,000,000	0	0	10,000,000
Total ETSU	\$ 54,140,000	\$ 4,640,000	\$ 2,810,000	\$ 46,690,000
Middle Tennessee State University				
Academic Buildings Update	\$ 2,000,000	\$ 0	\$ 2,000,000	\$ 0
Keathly University Center Renovations	3,000,000	0	3,000,000	0
Food Service Facility Improvements	2,070,000	0	0	2,070,000
General Housing Updates	1,890,000	1,890,000	0	0
WMOT Relocation	1,000,000	0	1,000,000	0
Davis and Wisner-Patton Renovations	5,000,000	0	5,000,000	0
College Heights Renovation	750,000	0	750,000	0
Total MTSU	\$ 15,710,000	\$ 1,890,000	\$ 11,750,000	\$ 2,070,000
Tennessee State University				
Community Housing Improvements	\$ 2,000,000	\$ 0	\$ 0	\$ 2,000,000
Historic District Building Restoration Projects	3,000,000	0	0	3,000,000
Housing Upgrades	2,000,000	0	2,000,000	0
Total TSU	\$ 7,000,000	\$ 0	\$ 2,000,000	\$ 5,000,000
Tennessee Technological University				
Power Plant and Parking Garage Construction	\$ 18,000,000	\$ 18,000,000	\$ 0	\$ 0
M.S. Cooper and Pinkerton Mechanical Repairs	1,510,000	1,510,000	0	0
Total TTU	\$ 19,510,000	\$ 19,510,000	\$ 0	\$ 0
University of Memphis				
Traffic and Circulation Improvements	\$ 4,800,000	\$ 0	\$ 800,000	\$ 4,000,000
Mynders Hall Renovation	4,000,000	4,000,000	0	0
Annex Facility Improvements	400,000	0	400,000	0
Jones Hall Cafeteria Improvements	2,000,000	0	0	2,000,000
Daycare Expansion	200,000	0	200,000	0
Richardson Tower Boiler Replacement	400,000	0	400,000	0
Central Avenue Parking Lot Reconfiguration	2,000,000	0	2,000,000	0
Fire Alarm Replacements	1,150,000	0	0	1,150,000
Total UoM	\$ 14,950,000	\$ 4,000,000	\$ 3,800,000	\$ 7,150,000

Requested Capital Projects from School Bonds and Other Sources Fiscal Year 2010-2011

	TOTAL	TSSBA	INSTITUTIONAL/ AUXILIARY	OTHER
Chattanooga State Community College				
IMC Building First Floor Upgrades	\$ 310,000	\$ 0	\$ 310,000	\$ 0
IMC Building Second Floor Upgrades	210,000	0	0	210,000
Center for Business, Industry, & Health Parking Lot	700,000	0	700,000	0
Total CHSCC	\$ 1,220,000	\$ 0	\$ 1,010,000	\$ 210,000
Nashville State Community College				
Portable Classroom Installations	\$ 460,000	\$ 0	\$ 460,000	\$ 0
Southeast Center Renovations	390,000	0	390,000	0
Total NASCC	\$ 850,000	\$ 0	\$ 850,000	\$ 0
Northeast State Community College				
Video Surveillance System	\$ 130,000	\$ 0	130,000	\$ 0
Total NESCC	\$ 130,000	\$ 0	\$ 130,000	\$ 0
Pellissippi State Community College				
Performance Stage Replacement	\$ 500,000	\$ 0	\$ 500,000	\$ 0
Blount County Outdoor Recreation Facilities (ARRA)	720,000	0	0	720,000
Division Street Student Parking Addition (ARRA)	820,000	0	0	820,000
Magnolia Campus Student Parking (ARRA)	600,000	0	0	600,000
Hardin Valley HVAC Upgrades	130,000	0	130,000	0
Hardin Valley Campus Various Building Exterior Repairs	1,130,000	0	1,130,000	0
Alexander and ERC Buildings Reroof	290,000	0	290,000	0
Campus Window Replacement	660,000	0	660,000	0
Campus Lighting Upgrades	350,000	0	350,000	0
Computer Server Room Updates	550,000	0	550,000	0
Magnolia Science Lab Renovation	330,000	0	330,000	0
McWherter Lab Renovations	1,000,000	0	1,000,000	0
Visitor Information Center Solar Panels	190,000	0	190,000	0
Performing Arts Center Renovation	350,000	0	350,000	0
Community Room Repairs	300,000	0	300,000	0
Hardin Valley Entrance Updates (ARRA)	400,000	0	0	400,000
Structural Sediment Repair	500,000	0	500,000	0
Alexander Biology Lab Renovation	250,000	0	250,000	0
McWherter Technologies Building Entrance Upgrades	130,000	0	130,000	0
Green Energy House Renovations	500,000	0	500,000	0
Security System Improvements	500,000	0	500,000	0
Total PSCC	\$ 10,200,000	\$ 0	\$ 7,660,000	\$ 2,540,000
Roane State Community College				
Indoor Athletic Practice Facilities	\$ 200,000	\$ 0	\$ 0	\$ 200,000
Total RSCC	\$ 200,000	\$ 0	\$ 0	\$ 200,000
Southwest Tennessee Community College				
Butler Building Renovation	\$ 250,000	\$ 0	\$ 250,000	\$ 0
Total STCC	\$ 250,000	\$ 0	\$ 250,000	\$ 0
Volunteer State Community College				
Wood Campus Center Roof Replacement	\$ 340,000	\$ 0	\$ 340,000	\$ 0
Lighting Improvements	850,000	0	850,000	0
Energy Management System Upgrade	950,000	0	950,000	0
Fine Arts and Science Roof Replacements	250,000	0	250,000	0
Warf Parking Expansion	440,000	0	440,000	0
HVAC Upgrades	280,000	0	280,000	0
Sidewalk Improvements	230,000	0	230,000	0
Rear Entrance Roadway and Pavement Repairs	1,010,000	0	1,010,000	0
Fire Alarm and Security Upgrades	220,000	0	220,000	0
Total VSCC	\$ 4,570,000	\$ 0	\$ 4,570,000	\$ 0

Requested Capital Projects from School Bonds and Other Sources Fiscal Year 2010-2011

	TOTAL	TSSBA	INSTITUTIONAL/ AUXILIARY	OTHER
Walters State Community College				
Agribusiness Pavillion Sprinkler Alteration	\$ 110,000	\$ 0	\$ 60,000	\$ 50,000
Total WSCC	\$ 110,000	\$ 0	\$ 60,000	\$ 50,000
Total Tennessee Board of Regents	\$ 169,660,000	\$ 69,040,000	\$ 36,710,000	\$ 63,910,000
University of Tennessee System				
University of Tennessee Knoxville				
Campus Beautification Projects	\$ 2,750,000	\$ 0	\$ 2,650,000	\$ 100,000
Campus Street Paving	500,000	0	500,000	0
Classroom Upgrades	2,500,000	0	2,500,000	0
Claxton Renovations	1,000,000	0	1,000,000	0
Dining Services Improvements	2,000,000	0	250,000	1,750,000
Early Learning Center	1,000,000	0	1,000,000	0
Energy Performance Contract(s)	25,000,000	25,000,000	0	0
Environmental Initiative Projects	2,000,000	0	2,000,000	0
Estabrook Hall Renovations	9,000,000	0	0	9,000,000
Ferris Hall Renovations	500,000	0	500,000	0
Fleming Warehouse Renovations	1,000,000	0	1,000,000	0
Greve Hall Renovations	2,000,000	0	0	2,000,000
Intramural Fields	14,600,000	13,300,000	1,300,000	0
Morgan Hall Programmatic Upgrades	1,000,000	0	1,000,000	0
Neyland Thompson Sports Center Renovations	7,000,000	7,000,000	0	0
Parking Garage Repairs	500,000	0	500,000	0
Plant Sciences Biotech Program Upgrades	500,000	0	500,000	0
Governor's Chair Program Space Renovations	850,000	0	850,000	0
Science Engineering Program Renovations	850,000	0	0	850,000
White Avenue Biology Annex Improvements	1,300,000	0	1,300,000	0
Dougherty Engineering (ARRA)	2,000,000	0	0	2,000,000
Lab Animal Facilities Renovations (ARRA)	5,000,000	0	0	5,000,000
Walters Life Science Improvements (ARRA)	15,000,000	0	5,000,000	10,000,000
Total UT Knoxville	\$ 97,850,000	\$ 45,300,000	\$ 21,850,000	\$ 30,700,000
University of Tennessee Chattanooga				
Doctor's Building Renovations	\$ 200,000	\$ 0	\$ 200,000	\$ 0
Energy Performance Contract(s)	5,500,000	5,500,000	0	0
Stagmaier Hall Renovations	2,500,000	0	2,500,000	0
Total UT Chattanooga	\$ 8,200,000	\$ 5,500,000	\$ 2,700,000	\$ 0
UT Health Science Center				
930 Madison Avenue Building Improvements	\$ 500,000	\$ 0	\$ 0	\$ 500,000
Dunn Building Renovations	2,000,000	0	0	2,000,000
Pauline Parking Garage Repairs	1,000,000	1,000,000	0	0
Student Alumni Center Addition	15,000,000	15,000,000	0	0
Total UTHSC	\$ 18,500,000	\$ 16,000,000	\$ 0	\$ 2,500,000
UT Institute of Agriculture				
Arboretum Auditorium	\$ 700,000	\$ 0	\$ 0	700,000
Clyde Austin 4-H Camp Greeneville	500,000	0	0	500,000
Clyde Austin 4-H Camp Crossville	500,000	0	0	500,000
Downtown West Building Renovation	950,000	0	0	950,000
Ridley 4-H Camp Spring Hill	500,000	0	0	500,000
Total UT Institute of Agriculture	\$ 3,150,000	\$ 0	\$ 0	\$ 3,150,000
Total University of Tennessee	\$ 127,700,000	\$ 66,800,000	\$ 24,550,000	\$ 36,350,000
Grand Total	\$ 297,360,000	\$ 135,840,000	\$ 61,260,000	\$ 100,260,000

Capital Outlay Project Descriptions

Fiscal Year 2010-2011

	Total Project Cost
I. Capital Outlay Projects - Construction	
Correction	
Objective: Provide safe and secure facilities to house inmates.	
Maintenance	\$ 29,600,000
Funds to repair, maintain, and update facilities.	
Prototype Minimum Security Female Housing Unit Planning	350,000
Funds to develop a minimum security housing unit that will meet the unique needs of the female inmate population.	
Clinical Services Master Plan	750,000
Funds to study the facility requirements and ancillary department needs in addressing the clinical services, health, and mental health care delivery needs for the future statewide inmate population.	
Tennessee Prison for Women Master Plan	500,000
Funds to examine the current facility capabilities and future requirements for security hardware, clinical services delivery area, and program spaces; custody classification needs; existing programs; and the management and operational functions of the facility.	
Brushy Mountain State Penitentiary Decommissioning	500,000
Funds to facilitate and complete the closing of the facility and transition to the new Morgan County Prison.	
Command and Technology Center Pre-Planning	250,000
Funds to develop a plan for a new facility to house the department's technology resources, an emergency operations center, and a video visitation area for inmates.	
Total Correction	\$ 31,950,000
Economic and Community Development	
Objective: Provide infrastructure and assistance for economic development.	
West TN Megasite - Engineering and Design	\$ 2,800,000
Funds will be used to study the location and capacity needs for water and waste-water treatment facilities at the West TN Megasite property in Haywood County.	
Environment and Conservation	
Objective: Increase visitation to the state's parks and historic areas.	
Big Ridge State Park Group Camp ADA Upgrades - Phase 2	\$ 540,000
Funds to replace a current bathhouse with ADA compliant facilities and upgrade the dining hall and bunk house.	
Reelfoot Lake State Park New Cabins - Phase 2	2,500,000
Funds to construct up to eight additional cabins for recreational use due to the closure of the Airpark Inn at Reelfoot State Park.	

Capital Outlay Project Descriptions Fiscal Year 2010-2011

	Total Project Cost
<p>Cumberland Mountain State Park Restore Bathhouse Funds to restore the current CCC bathhouse to its original character and provide interpretive space and a visitation area for park guests.</p>	1,550,000
Total Environment and Conservation	\$ 4,590,000
Education	
Objective: Provide a safe and secure environment for learning.	
<p>West TN School for the Deaf Security and Access Updates Funds will provide for better access into the facility, as well as provide security upgrades to the campus.</p>	\$ 540,000
Intellectual Disabilities Services	
Objective: Provide alternative residential settings for clients and plan for the future.	
<p>Group Homes (30) - Clover Bottom Funds will provide for 30 new group homes for clients with developmental disabilities at Clover Bottom Developmental Center, which the Budget proposes to downsize.</p>	\$ 50,000,000
Military	
Objective: Expand and renovate military facilities.	
<p>Jackson Armed Forces Reserve Center Handicap Access Update Funds will provide for the construction of handicap access to the Jackson emergency operations center.</p>	\$ 550,000
<p>Clarksville Readiness Center Kitchen Addition Funds will provide for an addition to the current kitchen, update building systems, and bring the facility in-line with current code requirements.</p>	750,000
Total Military	\$ 1,300,000
Safety	
Objective: Maintain statewide emergency communications capabilities.	
<p>Fall Branch Radio Tower Replacement This project provides for the replacement of the current radio tower to prevent communications failure in the event of a structural collapse.</p>	\$ 520,000
<p>English Mountain Radio Tower Replacement This project provides for the replacement of the current radio tower to prevent communications failure in the event of a structural collapse.</p>	570,000
Total Safety	\$ 1,090,000

Capital Outlay Project Descriptions

Fiscal Year 2010-2011

Total
Project Cost

Tennessee Board of Regents

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

Maintenance \$ 29,590,000

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 \$ 21,280,000

Funds to repair, maintain, and update higher education institution facilities. See Capital Maintenance Project Descriptions for additional details.

Statewide Capital Maintenance

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

Maintenance \$ 30,112,500

Funds to repair, maintain, and update general government facilities. See Capital Maintenance Project Descriptions for additional details.

Total Capital Outlay Projects - Construction \$ 173,252,500

II. Systems Development Projects

Objective: Update statewide emergency communications capabilities and driver license processing capabilities.

Safety

Highway Patrol Communications \$ 90,000,000

Project to upgrade the Tennessee Highway Patrol communications system, including radio towers, microwave dishes, communications relay equipment, software, and other communication technologies to meet federal bandwidth requirements.

Driver License Issuance System 30,000,000

Funds will be used for the development and implementation of a new driver license issuance system to replace the current system.

Total Safety - Systems Development \$ 120,000,000

III. Grand Total Capital Outlay \$ 293,252,500

Capital Maintenance Project Descriptions Fiscal Year 2010-2011

	Total Project Cost
I. Correction	
Objective: Provide safe and secure facilities to house inmates.	
DeBerry Special Needs Various Reroofs Phase 1	\$ 2,300,000
Replace roofs for several buildings including the Administration, Program Services, and Facilities Management buildings.	
Northeast Correctional Complex Various Reroofs Phase 1	6,200,000
Replace roofs for several buildings including the Administration, Maintenance, Medical Services, and Security and Visitation buildings.	
Emergency Project 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.	
Southeast Regional Correctional Complex Various Reroofs	2,200,000
Replace roofs for several buildings including the Administration, Program, Education, and Warehouse and Maintenance buildings.	
Northwest Correctional Complex Geothermal Conversion	4,400,000
Convert the existing closed loop heating and cooling system to a geothermal system.	
South Central Correctional Center Heating System Replacement - Planning	300,000
Funds for a plan to replace the underground heating loop system.	
Tennessee Correction Academy Reroof Five Buildings	1,300,000
Replace the roofs for the Horton, Farmer, McAllister, and Rye Dormitories, and the central warehouse building.	
Northwest Correctional Complex Replace Heating Loop Lines	7,500,000
Funds will provide for replacement of the current underground heating loop system.	
Morgan County Correctional Complex Annex Upgrade	1,400,000
Funds will provide for infrastructure upgrades to the heating and cooling systems, hot water heaters, controls and components; repair the Administration Building roof; and provide security upgrades.	
Total Correction Maintenance	\$ 29,600,000
II. Tennessee Board of Regents	
Objective: Expand and enhance facilities to student and faculty needs.	
TTC Hartsville Admin. & Shop Building Reroofs	\$ 210,000
Replace the roof on the Administration Building and the left and right wings of the Shop Building.	

Capital Maintenance Project Descriptions Fiscal Year 2010-2011

	Total Project Cost
<p>TTC Chattanooga Sequatchie Valley Tech Center Reroofs Replace the existing roof on the Sequatchie Valley Technology Center.</p>	340,000
<p>Volunteer State CC Wood Campus Center Reroof Replace the roof on the Wood Campus Center building.</p>	340,000
<p>Southwest Tennessee CC Several Buildings Roof Repairs - Phase 2 Phase 2 funds to repair or replace roofs of several campus buildings.</p>	700,000
<p>UoM Engineer Complex HVAC/Fire Update Phase 3 funds to replace existing HVAC systems, components, and related work; and to install a sprinkler system for the complex.</p>	1,370,000
<p>MTSU Jones Hall Steam Line Replacement Replacement of steam and condensation lines between Corlew Hall and the Cason-Kennedy Nursing Building.</p>	850,000
<p>Walters State CC Heating and Cooling Corrections Update current heating and cooling systems and corrections for two cooling towers.</p>	230,000
<p>TTC Crossville Lighting and Security Updates Upgrade current campus exterior lighting and emergency notification system for the campus.</p>	190,000
<p>TTC Shelbyville Chiller Replacement Replace the current chiller for the technology center.</p>	220,000
<p>Chattanooga State CC Underground Piping Corrections Repair sections of the hot and chilled water piping system for the campus.</p>	790,000
<p>TSU Boswell Fume Hood Updates Update systems and HVAC components to meet safety and code standards.</p>	2,500,000
<p>Nashville State CC Parking Lot and Roadway Repairs To repair electrical systems under current parking lot; provide other paving repairs to parking lots and roadways; and to pave a new parking area.</p>	190,000
<p>TTU Craft Center Guardrail Replacement Replace 6,200 linear feet of guardrail on Highway 56 leading to the Craft Center.</p>	400,000
<p>APSU Dunn Center Fire Suppression System Update Funds to repair and expand the fire suppression system for the Dunn Center.</p>	850,000
<p>Northeast State CC Roof Replacements Replace roofs on the Faculty Office Building and General Studies Building.</p>	220,000
<p>ETSU Reece Museum Building System Updates To repair and update various building systems, windows, and doors; renovate restrooms for ADA compliance; and install a new building elevator.</p>	1,500,000

Capital Maintenance Project Descriptions Fiscal Year 2010-2011

	Total Project Cost
<p>Roane State CC Security System Update Update security and surveillance systems for various buildings at the Roane, Loudon, Knox, Cumberland, and Scott County campuses.</p>	440,000
<p>Pellissippi State CC Magnolia Campus Systems Updates Upgrade the electrical distribution system and install a fire sprinkler system for the Magnolia Avenue campus building.</p>	470,000
<p>ETSU College of Medicine Health Sciences Electrical Systems Repairs Replace the primary electrical infrastructure for the Health Sciences campus.</p>	750,000
<p>Motlow State CC Building Systems Equipment Replacement Replace HVAC systems equipment and controls for Eoff Hall.</p>	370,000
<p>Jackson State CC Student Center Repairs and HVAC Updates Repair and update the HVAC system and building upgrades for the Student Union Building.</p>	260,000
<p>Cleveland State CC HVAC Equipment and Controls Update Project includes upgrade of existing HVAC system and controls; upgrade of current chiller capacity; and replacement of boilers and pumps.</p>	490,000
<p>Dyersburg State CC Campus Site Updates Provide lights and signage for campus; repair and replace sidewalks; resurface parking areas and roadways, as needed; provide other campus updates, as needed.</p>	150,000
<p>Columbia State CC Classroom Space Updates Project to convert current classroom/laboratory space into general classroom space in the Warf Building.</p>	250,000
<p>TTU Several Buildings Roof Replacements Replace roofs and related work for Bartoo Hall, the Foundry, Henderson Hall, Kittrell Hall, and the old Maintenance Building.</p>	660,000
<p>UoM Access and Security Updates Complete the electronic security measures installation on campus buildings for both the interior and exterior entrances.</p>	2,210,000
<p>TTC at McMinnville - Restroom and Lab Modernization Upgrade campus restrooms to meet ADA compliance and to replace plumbing fixtures and finishes.</p>	290,000
<p>MTSU Underground Electrical Update Installation of a new underground electrical infrastructure including a new duct bank, distribution circuits, and related work.</p>	3,110,000
<p>TTU Campus Waterproof & Exterior Repairs - Phase 2 Continue the campus-wide waterproofing and exterior repairs to various campus buildings. This allocation will focus on the Roaden University Center.</p>	500,000

Capital Maintenance Project Descriptions Fiscal Year 2010-2011

	Total Project Cost
Walters State CC Exterior Building Repairs Repair and update exterior walls for the College Center, Technical Education, Plant Operations, Greeneville/Greene County Center, and the Library buildings.	560,000
ETSU Several Buildings Roof Replacements Replace the roofs on several campus buildings, including Gilbreath Hall, Wilber Bond Building, Panhellenic Hall, and other campus buildings.	1,500,000
MTSU Several Buildings Roof Replacements Replace the roofs of several campus buildings.	750,000
Columbia State CC Natatorium Reroof Replace the roof on the natatorium/wellness center building.	200,000
TTC Memphis Administration and Education Buildings HVAC Repairs Repair or replace rooftop HVAC units on the Administration and Education buildings.	330,000
UoM Elevator Modernization Update various campus elevators to meet ADA requirements and code compliance.	2,210,000
TTC Oneida Mechanical and Building Repairs Building updates will include ADA upgrades to the entrances; replacement of the current fire alarm system to include an emergency notification system; and will address other life/safety issues.	360,000
TTU Central Cooling Deficiency Corrections Corrections to the chilled water distribution system, including hydraulics, distribution pumps, controls, and related work.	1,500,000
TTC Morristown Chiller Replacement Replace the chiller unit at the Hawkins County Branch.	380,000
APSU Browning Building Electrical Upgrade Upgrade the electrical system for the Browning Building.	950,000
Total Tennessee Board of Regents Maintenance	\$ 29,590,000

III. University of Tennessee

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

UT Phase 3 Facilities Assessment Funds for the third phase of a multi-phase project for UT facilities to be assessed on a comprehensive, consistent basis. \$140,000 of this project is campus funds.	\$ 450,000
UTC Metropolitan Building Repairs & HVAC Phase 2 Repairs to the building will include replacement of exterior doors and windows, exterior building upgrades, elevator improvements, and mechanical systems.	4,600,000

Capital Maintenance Project Descriptions Fiscal Year 2010-2011

	Total Project Cost
<p>UTK Electrical Distribution Upgrade - Phase 3 Funds for the third 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.</p>	3,500,000
<p>UTHSC Molecular Science Building Window Replacement and HVAC Upgrade Replacement of exterior windows and HVAC system upgrades to replace air handling units and controls.</p>	3,020,000
<p>UT Martin Various Roof Replacements Replace the roofs on the Brehm, Business Administration, Elam Center, and Gooch buildings.</p>	4,200,000
<p>UTIA East TN Research & Education Center Drainage Update Replacement of the current sub-surface clay tile drainage system for the research dairy farm and facilities.</p>	1,000,000
<p>Tulahoma Facility Various Building Updates Funds will provide building updates to the Clement Administration Building and Holt Student Center to include the fire alarm and suppression systems, emergency power upgrades, and other building updates.</p>	1,010,000
<p>UTK McClung Tower HVAC Improvements Phase 2 Replace HVAC system components and controls, ceilings, and lighting updates for McClung Tower.</p>	3,500,000
<p>Total University of Tennessee Maintenance</p>	\$ 21,280,000
IV. Statewide Maintenance	
Objective: Funds to repair, maintain, and update general government facilities.	
Children's Services	
<p>Wilder YDC Campus Maintenance & Repairs Project provides for various repairs to campus buildings, including ceilings, roofs, flooring, and finishes.</p>	\$ 640,000
<p>Mountain View YDC Campus Maintenance & Repairs Project provides for various repairs to campus buildings, including ceilings, roofs, flooring, and finishes.</p>	900,000
<p>Taft YDC Fence Replacement Replace the current fence encompassing the recreation field with a new 12-foot security fence.</p>	340,000
<p>Sub-Total Children's Services</p>	\$ 1,880,000
Education	
<p>TN School for the Blind Emergency Notification System Project provides for a unified emergency notification and public address system for all buildings at the Tennessee School for the Blind campus.</p>	\$ 200,000

Capital Maintenance Project Descriptions Fiscal Year 2010-2011

	Total Project Cost
<p>TN School for the Blind Resurface Parking Areas Funds to repair, pave, and replace damaged and deteriorating parking areas on the campus.</p>	300,000
<p>York Institute CTE Building Upgrades Project includes the upgrade of current building walls, hallways, and other related work to meet ADA compliance.</p>	210,000
<p>TN School for the Deaf Fire Code Rehab Phase 4 Phase 4 will include replacement of windows and doors, restroom renovations, building systems updates, and other ADA-required work.</p>	1,950,000
<p>Sub-Total Education</p>	\$ 2,660,000
<p>Environment and Conservation</p>	
<p>Fall Creek Falls State Park Fisherman Cabins Updates Funds provide for exterior repairs including roofing, siding, and flashing; and interior updates, such as carpet and furnishings for 10 cabins.</p>	\$ 1,200,000
<p>Reelfoot Lake State Park Demolish Airpark Inn Project will include demolition and removal of all remaining structures at the old Airpark Inn site.</p>	540,000
<p>Pickwick Landing State Park Marina Upgrades Funds to upgrade docks B and C, including replacing current docking, flotation measures, utilities, walkways, and replacement of the sailboat dock at the marina.</p>	3,430,000
<p>Exhibit Upgrades Exhibit and interpretive space will be enhanced to reflect the history of Dunbar Cave and Radnor Lake State Parks.</p>	800,000
<p>Sub-Total Environment and Conservation</p>	\$ 5,970,000
<p>Finance and Administration</p>	
<p>Emergency Maintenance and Contingency Funds Funds to handle unforeseen and emergency situations that arise during the fiscal year.</p>	\$ 3,131,900
<p>ADA Compliance Capital Maintenance activities associated with compliance with the Americans with Disabilities Act and other disabilities-related issues. These funds are divided into (a) \$1,100,000 General Government; (b) \$1,100,000 Tennessee Board of Regents system; and (c) \$1,100,000 University of Tennessee.</p>	3,300,000
<p>Management Support Services This project provides funding for consultant services regarding support for state construction-related activities. An amount of \$500,000 is for the Tennessee Board of Regents program.</p>	1,000,000

Capital Maintenance Project Descriptions Fiscal Year 2010-2011

	Total Project Cost
<p>Environmental Consultants This is a continuation of an ongoing project that provides environmental services expertise in mold identification and removal, asbestos identification and abatement, and other assistance to the F&A Real Property Administration Division.</p>	1,200,000
<p>State Owned Buildings OSHA Compliance Provide inspection and training services to building employees to insure compliance with OSHA directives.</p>	500,000
<p>TPAC Annual Maintenance Grant Grant to provide state maintenance assistance for the Tennessee Performing Arts Center.</p>	300,000
<p>Ladies Hermitage Association Hermitage Restoration Grant Grant to provide support for restoration work at The Hermitage, home of President Andrew Jackson.</p>	85,600
<p>Watkins College of Art & Design Maintenance Grant Grant to provide maintenance support to the Watkins College of Art & Design, in Nashville. These funds are for roof replacement.</p>	300,000
<p>National Civil Rights Museum Maintenance Grant Grant to provide maintenance support to National Civil Rights Museum, in Memphis.</p>	300,000
<p>Sub-Total Finance and Administration</p>	\$ 10,117,500
<p>Human Services</p>	
<p>TRC Campus Systems Upgrade Phase 2 Phase 2 funds will provide for high voltage electrical service upgrades, water saving fixtures, and other energy saving upgrades at Tennessee Rehabilitation Center, in Smyrna.</p>	\$ 2,160,000
<p>88 Hermitage Building Exterior Building Upgrades Funds will provide for various updates, including replacement of the roof, upgrading guttering systems, parking and walkway repairs, and other exterior work at the Vocational Rehabilitation Services building at 88 Hermitage Avenue, in Nashville.</p>	465,000
<p>Sub-Total Human Services</p>	\$ 2,625,000
<p>Intellectual Disabilities Services</p>	
<p>Clover Bottom Demolition of Roberts Hall and Old WAC Building Project includes the demolition of two vacant buildings at the Clover Bottom campus.</p>	\$ 250,000
<p>Arlington Facility Services Complex Reroof Replace the roofs on the maintenance building, the laundry/carpentry shop, and the salvage/storage building.</p>	250,000
<p>Greene Valley Window Replacement Nine Cottages Funds to replace windows in nine cottages at the Greene Valley complex.</p>	500,000

Capital Maintenance Project Descriptions Fiscal Year 2010-2011

	Total Project Cost
Greene Valley Administration Building Chiller Replacement Funds to replace the current 400-ton chiller.	500,000
Clover Bottom Maintenance Project includes repair of systems and infrastructure for buildings at Clover Bottom Developmental Center.	1,000,000
Sub-Total Intellectual Disabilities Services	\$ 2,500,000
Mental Health and Developmental Disabilities	
Lakeshore MHI Reroof Chota Building Replace the existing roof on the Chota Building.	\$ 150,000
Moccasin Bend MHI Replace Three Air Handlers Funds for updating current air handlers to include replacement of heating and cooling coils, piping, valves, controls, and related work.	180,000
Sub-Total Mental Health and Developmental Disabilities	\$ 330,000
Military	
Maryville Readiness Center Reroof and Facility Update Funds for the reroof of the readiness center, providing exterior and interior repairs, and updating building finishes.	\$ 610,000
Jackson Readiness Center Facility Update Project includes replacement of the current fire alarm and suppression system, HVAC system and controls, ADA updates, and other building repairs and modifications.	1,520,000
Cookeville Readiness Center Reroof and Facility Update Project to reroof the readiness center and provide waterproofing measures to the building exterior.	580,000
Bolivar Readiness Center Reroof and Facility Update Project to reroof the readiness center and provide waterproofing measures to the building exterior.	530,000
Lawrenceburg Readiness Center Reroof and Facility Update Project to reroof the readiness center and provide waterproofing measures to the building exterior.	790,000
Sub-Total Military	\$ 4,030,000
Total Statewide Maintenance	\$ 30,112,500
Grand Total Capital Maintenance	\$ 110,582,500

**Projected First-Year Operating Costs for New Facilities
Recommended as Projects for Fiscal Year 2010 - 2011**

	<u>COUNTY</u>	<u>TOTAL</u>	<u>UTILITIES</u>	<u>MAINTENANCE</u>	<u>PROGRAM*</u>	<u>ADDITIONAL PERSONNEL</u>
Environment and Conservation						
Reelfoot Lake SP New Cabins Phase 2	Lake	\$ 1,000	\$ 1,000	\$ 0	\$ 0	\$ 0
Cumberland Mountain SP Restore Bathhouse	Cumberland	18,000	6,000	0	12,000	0
Sub-Total Environment and Conservation		\$ 19,000	\$ 7,000	\$ 0	\$ 12,000	\$ 0
Intellectual Disabilities Services						
Group Homes (30) - Clover Bottom *	Davidson	\$ 32,850,000	\$ 280,000	\$ 45,000	\$ 32,525,000	\$ 0
Military						
Clarksville RC Kitchen Addition	Montgomery	\$ 28,000	\$ 28,000	\$ 0	\$ 0	\$ 0
Grand Total		\$ 32,897,000	\$ 315,000	\$ 45,000	\$ 32,537,000	\$ 0

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

* Group Homes - Estimated state cost is \$11.3 million, with federal Medicaid funding, \$21.6 million.

Capital Budget

Commonly Used Abbreviations

AASF	Army Aviation Support Facility	REROOF	Replacement Roof
ADA	Americans with Disabilities Act	RNOV	Renovation
AFRC	Armed Forces Reserve Center	RSCC	Roane State Community College
APSU	Austin Peay State University	SP	State Park
ARRA	American Recovery and Reinvestment Act	SRCF	Southeast Regional Correctional Facility
BLDG	Building	STCC	Southwest Tennessee Community College
CC	Community College	SYS	System
CCC	Civilian Conservation Corps	TBR	Tennessee Board of Regents
CHSCC	Chattanooga State Community College	TDOT	Tennessee Department of Transportation
CLSCC	Cleveland State Community College	TEMA	Tennessee Emergency Management Agency
COSCC	Columbia State Community College	THP	Tennessee Highway Patrol
CoM	College of Medicine	TLETA	Tennessee Law Enforcement Training Academy
Cpx	Complex	TPAC	Tennessee Performing Arts Center
DCS	Department of Children's Services	TPW	Tennessee Prison for Women
DEMO	Demolition	TRC	Tennessee Rehabilitation Center
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
HVAC	Heating, Ventilation, & Air Conditioning	Univ	University
INFO	Information	UoM	University of Memphis
IT	Information Technology	UTHSC	University of Tennessee Health Science Center
JSCC	Jackson State Community College	UTC	University of Tennessee Chattanooga
MHI	Mental Health Institute	UTIA	University of Tennessee Institute of Agriculture
MSCC	Motlow State Community College	UTK	University of Tennessee Knoxville
MTSU	Middle Tennessee State University	UTM	University of Tennessee Martin
NESCC	Northeast State Community College	UT	University of Tennessee
NGB	National Guard Bureau	VSCC	Volunteer State Community College
NASCC	Nashville State Community College	WSCC	Walters State Community College
OSHA	Occupational Safety & Health Administration	WTSP	West Tennessee State Penitentiary
PSCC	Pellissippi State Community College	YDC	Youth Development Center
RC	Readiness Center		

Facilities Revolving Fund

Recommended Budget, Fiscal Year 2010-2011

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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>
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501.01 General Services Operating 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	54,751,400	59,348,300	59,048,300
Total	\$54,751,400	\$59,348,300	\$59,048,300
State	7,517,200	7,517,200	7,517,200
Federal	0	0	0
Other	47,234,200	51,831,100	51,531,100

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

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</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	56,218,800	56,058,800	55,718,800
Total	\$56,218,800	\$56,058,800	\$55,718,800
State	6,047,600	5,547,600	5,547,600
Federal	0	0	0
Other	50,171,200	50,511,200	50,171,200

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	10,425,000	4,860,000	6,500,000
Total	\$10,425,000	\$4,860,000	\$6,500,000
State	0	0	0
Federal	0	0	0
Other	10,425,000	4,860,000	6,500,000

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	23,200,000	22,000,000	23,500,000
Total	\$23,200,000	\$22,000,000	\$23,500,000
State	0	0	0
Federal	0	0	0
Other	23,200,000	22,000,000	23,500,000

501.00 Total Facilities Revolving Fund

Payroll	0	0	0
Operational	146,295,200	143,967,100	146,467,100
Total	\$146,295,200	\$143,967,100	\$146,467,100
State	13,564,800	13,064,800	13,064,800
Federal	0	0	0
Other	132,730,400	130,902,300	133,402,300

**Facilities Revolving Fund
Proposed Capital Appropriations from Bonds and Current Funds
Fiscal Year 2010-2011**

	COUNTY	TOTAL	FRF CURRENT	BONDS	OTHER
Capital Improvements:					
State Capitol Renovations	Davidson	\$ 11,500,000	\$ 0	\$ 11,500,000	\$ 0
Davy Crocket Tower Renovation - Phase 3	Davidson	3,500,000	0	3,500,000	0
Total Capital Improvements		\$ 15,000,000	\$ 0	\$ 15,000,000	\$ 0
Capital Maintenance:					
Capital Maintenance Contingency	Statewide	\$ 2,900,000	\$ 2,900,000	\$ 0	\$ 0
R.S. Gass Chiller Replacement Phase 2	Davidson	2,650,000	0	0	2,650,000
Clover Bottom Complex Sewer Line Replacement	Davidson	1,000,000	0	0	1,000,000
Nashville Gas Building Repairs Phase 2	Davidson	1,500,000	0	0	1,500,000
Donnelly J. Hill State Office Bldg. Exterior Repairs	Shelby	600,000	100,000	500,000	0
Polk Building Emergency Warning System	Davidson	1,300,000	400,000	900,000	0
West TN Regional Health Office Re-roof	Madison	350,000	350,000	0	0
TLETA Building Roof Replacement	Davidson	250,000	250,000	0	0
Total Capital Maintenance		\$ 10,550,000	\$ 4,000,000	\$ 1,400,000	\$ 5,150,000
Grand Total		\$ 25,550,000	\$ 4,000,000	\$ 16,400,000	\$ 5,150,000

Objective: Provide efficient management of state facilities.

Capital Improvements:

State Capitol Renovations

Funds to renovate the State Capitol Building, including replacement and upgrades of building, mechanical, and plumbing systems.

Total
Project Cost

\$ 11,500,000

Davy Crockett Tower Renovation - Phase 3

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

3,500,000

Sub-Total Capital Improvements

\$ 15,000,000

Capital Maintenance:

Capital Maintenance Contingency

Funds to handle unforeseen and emergency situations that arise during the fiscal year.

\$ 2,900,000

R.S. Gass Chiller Replacement Phase 2

To replace the second chiller in the R.S. Gass Building for the Health laboratory to maintain federal accreditation of the lab.

2,650,000

Clover Bottom Complex Sewer Line Replacement

Replace the existing deteriorated and leaking sewer line for the Clover Bottom campus.

1,000,000

Facilities Revolving Fund
Proposed Capital Appropriations from Bonds and Current Funds
Fiscal Year 2010-2011

Nashville Gas Building Repairs Phase 2

To continue renovation and repairs of Nashville Gas building acquired in FY 2009. Funds will provide for roof replacement and atrium repair. 1,500,000

Donnelly J. Hill State Office Building Exterior Repairs

To repair the exterior to prevent pieces of stonework building facade from falling and endangering the public. 600,000

Polk Building Emergency Warning System

To upgrade the current fire alarm system to include control panels, new pull stations, emergency notification, and other related work. 1,300,000

West TN Regional Health Office Re-roof

To replace the roof to fix recurring leaks and prevent continued roof repairs. 350,000

TLETA Building Roof Replacement

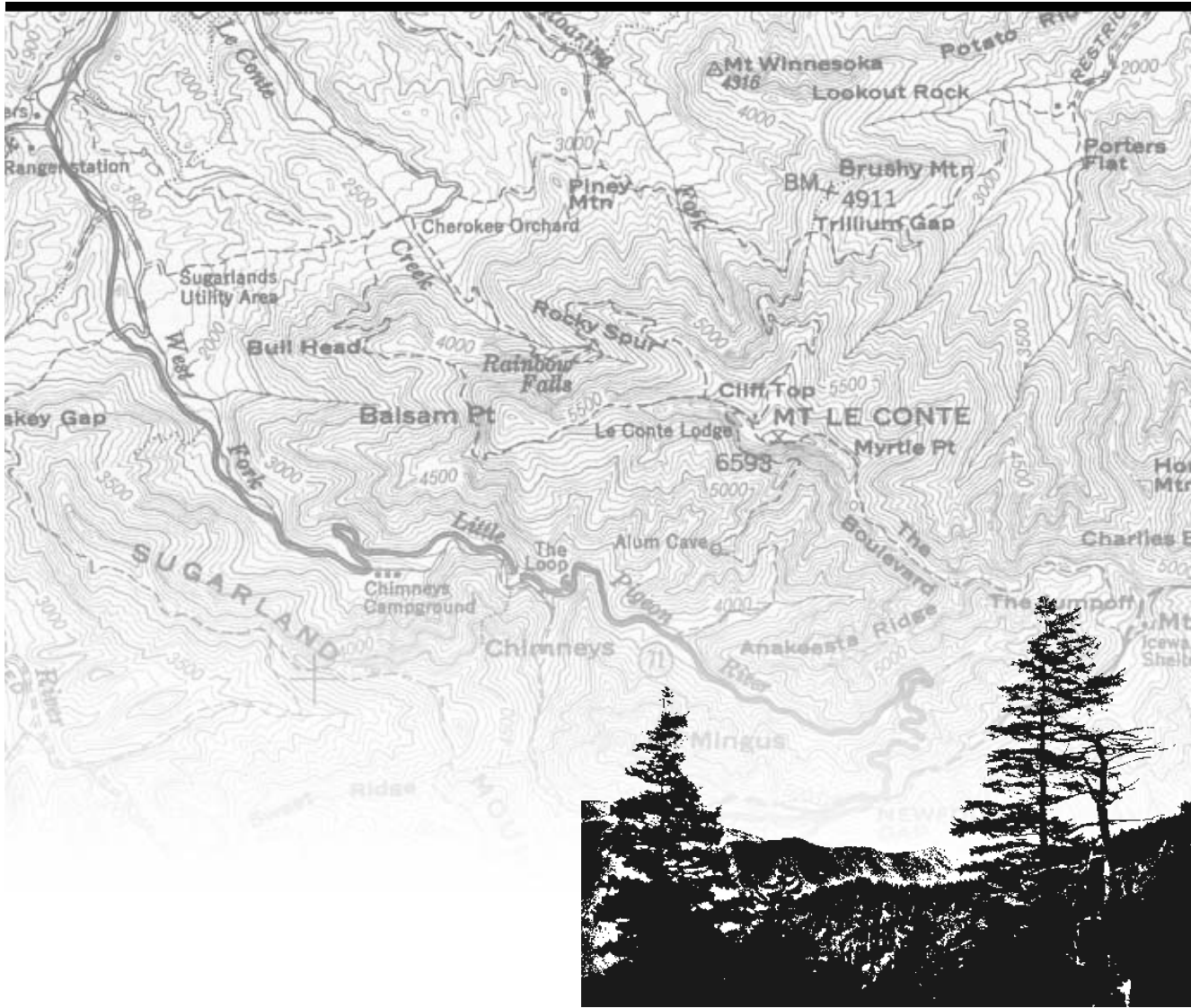
To replace the roof to fix recurring leaks and prevent continued roof repairs at Tennessee Law Enforcement Training Academy, in Donelson. 250,000

Sub-Total Capital Maintenance

\$ 10,550,000

Total FRF Capital Outlay

\$ 25,550,000



State Taxpayers Budget

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 2008-2009, 2009-2010, and 2010-2011

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Recommended 2010-2011</u>
General Fund and Education Fund			
301.00 Legislature	\$ 39,796,600	\$ 38,499,900	\$ 36,488,500
301.50 Fiscal Review Committee	1,345,500	1,342,200	1,221,900
302.00 Court System	107,734,000	110,721,300	101,598,400
303.00 Attorney General and Reporter	23,411,300	23,074,800	17,618,200
304.00 District Attorneys General Conference	68,763,100	68,957,000	68,433,300
305.00 Secretary of State	30,738,800	29,693,800	27,347,600
306.00 District Public Defenders Conference	39,709,900	39,668,400	39,611,000
307.00 Comptroller of the Treasury	71,751,600	70,700,800	63,767,800
308.00 Office of the Post-Conviction Defender	1,953,900	1,946,000	1,948,600
309.00 Treasury Department	626,700	602,500	15,484,900
315.00 Executive Department	4,472,500	3,802,400	3,462,200
316.00 Commissions	27,631,400	27,589,200	25,988,800
317.00 Finance and Administration	42,052,500	32,010,800	45,581,100
318.00 Fin. and Admin., Bureau of TennCare	2,588,207,200	1,917,208,600	1,914,874,800
319.00 Human Resources	5,532,300	4,909,500	4,435,400
321.00 General Services	2,493,600	2,934,300	2,342,700
323.00 Veterans Affairs	4,570,000	4,510,400	4,482,300
324.00 Board of Probation and Parole	75,806,300	79,939,900	80,646,500
325.00 Agriculture	44,478,100	41,784,000	42,449,100
326.00 Tourist Development	12,673,700	12,545,300	12,392,500
327.00 Environment and Conservation	93,810,200	82,267,200	87,299,000
329.00 Correction	682,178,800	620,003,600	660,105,200
330.00 Economic and Community Development	177,311,100	115,067,200	52,270,300
331.00 Education (K-12)	3,862,561,700	3,691,201,800	3,846,300,200
332.00 Higher Education	1,276,991,500	1,192,320,200	1,192,516,000
335.00 Commerce and Insurance	19,591,100	19,214,600	18,977,000
337.00 Labor and Workforce Development	24,166,700	25,502,000	25,434,500
339.00 Mental Health and Developmental Disabilities	173,506,000	180,993,900	155,103,500
341.00 Military	15,380,800	11,596,000	10,419,800
343.00 Health	152,972,700	126,542,200	118,921,200
344.00 Division of Intellectual Disabilities Services	72,489,900	69,791,300	30,905,900
345.00 Human Services	182,565,000	176,335,300	173,463,800
347.00 Revenue	75,311,400	69,534,600	67,888,400
348.00 Tennessee Bureau of Investigation	38,430,000	32,282,600	29,399,600
349.00 Safety	120,382,900	106,257,400	110,927,000
350.00 Cover Tennessee Health Care Programs	84,301,700	83,216,800	95,366,900
351.00 Miscellaneous Appropriations	90,203,900	71,558,600	144,026,800
353.00 Emergency and Contingency Fund	1,569,300	819,300	819,300
355.00 State Building Commission	250,000	250,000	250,000
359.00 Children's Services	338,638,700	332,955,400	312,648,600
Sub-Total General Fund and Education Fund	\$ 10,676,362,400	\$ 9,520,151,100	\$ 9,643,218,600
Transportation *	804,500,000	718,125,000	717,100,000
Debt Service Requirements	382,852,000	425,124,000	398,853,000
Capital Outlay Program *	70,500,000	40,100,000	165,400,000
Facilities Revolving Fund	13,564,800	13,064,800	13,064,800
Cities and Counties - State Shared Taxes	810,063,400	815,900,000	831,100,000
Grand Total State Taxpayers Budget	\$ 12,757,842,600	\$ 11,532,464,900	\$ 11,768,736,400
Dedicated Tax Sources - Appropriation	778,091,600	673,035,400	671,835,300
Grand Total State Appropriation - Budget Document	\$ 13,535,934,200	\$ 12,205,500,300	\$ 12,440,571,700

* FY 2008-2009 - 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 2008-2009, 2009-2010, and 2010-2011**

	Estimated 2008-2009	Estimated 2009-2010	Recommended 2010-2011
302.00 Court System	\$ 9,172,000	\$ 9,155,800	\$ 9,321,900
303.00 Attorney General and Reporter	2,462,400	2,462,400	2,462,400
307.00 Comptroller of the Treasury	15,537,900	15,535,300	15,505,800
313.00 Claims and Compensation	10,260,000	10,855,000	10,500,000
316.11 Tennessee Regulatory Authority	8,897,800	8,332,500	7,983,300
316.25 Arts Commission	4,017,200	3,897,200	3,897,200
316.27 State Museum	-	20,000	20,000
317.00 Finance and Administration	2,301,000	2,951,000	2,951,000
324.00 Board of Probation and Parole	5,339,400	5,510,300	5,715,400
325.00 Agriculture	33,350,400	28,565,600	26,030,400
327.00 Environment and Conservation	82,243,600	78,684,700	79,221,200
328.00 Tennessee Wildlife Resources Agency	46,964,200	43,847,300	44,876,900
329.00 Correction	84,000	86,300	86,300
331.00 Education (K-12)	104,830,200	16,428,800	15,628,800
332.00 Higher Education	295,200,000	289,100,000	284,900,000
335.00 Commerce and Insurance	68,711,100	70,586,900	76,757,100
336.00 Financial Institutions	8,295,800	8,557,200	8,561,800
337.00 Labor and Workforce Development	20,145,000	18,286,800	16,427,300
339.00 Mental Health and Developmental Disabilities	7,515,000	7,515,000	6,515,000
343.00 Health	38,560,300	38,340,300	38,204,500
347.00 Revenue	10,193,400	10,560,800	10,561,800
348.00 Tennessee Bureau of Investigation	1,734,900	1,479,400	3,429,400
349.00 Safety	676,300	677,100	678,100
359.00 Children's Services	1,599,700	1,599,700	1,599,700
Total Appropriations from Dedicated Sources	\$ 778,091,600	\$ 673,035,400	\$ 671,835,300

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2008-2009, 2009-2010, and 2010-2011

Program	Estimated 2008-2009	Estimated 2009-2010	Recommended 2010-2011
Legislature			
301.01 Legislative Administration Services	\$ 5,231,900	\$ 3,334,200	\$ 3,944,700
301.07 House of Representatives	16,964,300	17,260,300	16,123,200
301.08 State Senate	9,222,600	9,362,300	8,668,700
301.13 General Assembly Committees	830,100	864,200	761,200
301.16 General Assembly Support Services	7,478,100	7,609,300	6,927,400
301.17 Tennessee Code Commission	69,600	69,600	63,300
Sub-Total - Legislature	\$ 39,796,600	\$ 38,499,900	\$ 36,488,500
301.50 Fiscal Review Committee	\$ 1,345,500	\$ 1,342,200	\$ 1,221,900
Court System			
302.01 Appellate and Trial Courts	\$ 55,820,400	\$ 56,733,100	\$ 56,343,200
302.05 Supreme Court Buildings	2,621,900	2,618,500	2,619,400
302.08 Child Support Referees	655,300	739,400	739,800
302.09 Guardian Ad Litem	5,047,500	5,047,500	5,047,500
302.10 Indigent Defendants' Counsel	25,459,600	29,460,300	24,460,300
302.12 Verbatim Transcripts	4,279,200	4,070,400	3,972,000
302.15 Tennessee State Law Libraries	577,600	74,900	75,000
302.16 Council of Juvenile and Family Court Judges	104,600	707,500	57,500
302.18 Judicial Conference	307,800	224,600	224,600
302.20 Judicial Programs and Commissions	665,400	494,200	431,200
302.22 State Court Clerks' Conference	-	-	-
302.27 Administrative Office of the Courts	11,492,300	9,939,300	7,135,300
302.30 Appellate Court Clerks	702,400	611,600	492,600
Sub-Total - Court System	\$ 107,734,000	\$ 110,721,300	\$ 101,598,400
Attorney General and Reporter			
303.01 Attorney General and Reporter	\$ 21,461,500	\$ 20,625,000	\$ 17,168,300
303.05 Publication of Tennessee Reports	160,600	160,200	160,300
303.08 Special Litigation	1,789,200	2,289,600	289,600
Sub-Total - Attorney General and Reporter	\$ 23,411,300	\$ 23,074,800	\$ 17,618,200
District Attorneys General Conference			
304.01 District Attorneys General	\$ 66,739,200	\$ 66,993,600	\$ 66,450,400
304.05 District Attorneys General Conference	492,000	430,400	430,400
304.10 Executive Director	1,531,900	1,533,000	1,552,500
Sub-Total - District Attorneys General Conference	\$ 68,763,100	\$ 68,957,000	\$ 68,433,300
Secretary of State			
305.01 Secretary of State	\$ 10,480,600	\$ 9,965,500	\$ 8,582,400
305.02 State Election Commission	1,697,900	1,700,800	1,585,600
305.03 Public Documents	397,400	397,400	397,400
305.04 State Library and Archives	8,774,100	8,732,600	8,582,300
305.05 Regional Library System	7,754,400	7,732,600	7,452,700
305.07 Bureau of Ethics and Campaign Finance	1,023,300	665,500	581,900
305.08 Economic Council on Women	198,600	197,500	165,300
305.09 Charitable Solicitations and Charitable Gaming	412,500	301,900	-
Sub-Total - Secretary of State	\$ 30,738,800	\$ 29,693,800	\$ 27,347,600

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2008-2009, 2009-2010, and 2010-2011

Program	Estimated 2008-2009	Estimated 2009-2010	Recommended 2010-2011
District Public Defenders Conference			
306.01 District Public Defenders	\$ 33,442,100	\$ 33,401,900	\$ 33,360,200
306.03 Executive Director	1,573,200	1,571,900	1,556,200
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
Sub-Total - District Public Defenders Conference	\$ 39,709,900	\$ 39,668,400	\$ 39,611,000
Comptroller of the Treasury			
307.01 Division of Administration	\$ 969,200	\$ 1,096,700	\$ 1,034,100
307.02 Office of Management Services	11,246,400	11,101,700	9,665,600
307.04 Division of State Audit	11,756,700	11,743,500	10,991,100
307.05 Division of County Audit	7,701,100	7,726,500	7,238,400
307.06 Division of Municipal Audit	2,022,400	2,020,000	1,871,300
307.07 Division of Bond Finance	523,200	521,800	494,600
307.08 Office of Local Government	1,227,500	1,133,900	955,200
307.09 Division of Property Assessments	9,308,600	8,908,000	7,136,100
307.10 Tax Relief	21,800,000	21,800,000	21,800,000
307.11 State Board of Equalization	3,009,800	2,440,700	735,600
307.12 Division of Local Finance	497,200	520,300	450,300
307.14 Offices of Research and Education Accountability	1,689,500	1,687,700	1,395,500
Sub-Total - Comptroller of the Treasury	\$ 71,751,600	\$ 70,700,800	\$ 63,767,800
308.00 Office of the Post-Conviction Defender	\$ 1,953,900	\$ 1,946,000	\$ 1,948,600
Treasury Department			
309.01 Treasury Department	\$ 92,500	\$ 87,700	\$ 77,600
309.02 Certified Public Administrators	534,200	514,800	407,300
309.03 Baccalaureate Education System Trust	-	-	15,000,000
Sub-Total - Treasury Department	\$ 626,700	\$ 602,500	\$ 15,484,900
315.01 Governor's Office	\$ 4,472,500	\$ 3,802,400	\$ 3,462,200
Commissions			
316.01 Commission on Children and Youth	\$ 2,189,400	\$ 2,146,200	\$ 2,013,400
316.02 Commission on Aging and Disability	13,807,500	14,032,600	13,774,100
316.03 Alcoholic Beverage Commission	1,005,900	1,005,800	366,700
316.04 Human Rights Commission	1,605,500	1,729,100	1,575,000
316.07 Health Services and Development Agency	1,250,300	1,245,000	1,134,000
316.09 Corrections Institute	973,400	971,000	884,900
316.12 Advisory Commission on Intergovernmental Relations	266,000	466,000	242,000
316.20 Tennessee Housing Development Agency	350,000	-	-
316.25 Arts Commission	2,358,300	2,275,700	2,277,400
316.27 State Museum	3,825,100	3,717,800	3,721,300
Sub-Total - Commissions	\$ 27,631,400	\$ 27,589,200	\$ 25,988,800
Finance and Administration			
317.01 Division of Administration	\$ 1,542,100	\$ 1,379,100	\$ 1,255,400
317.02 Division of Budget	3,504,100	3,448,600	3,426,500

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2008-2009, 2009-2010, and 2010-2011

Program	Estimated 2008-2009	Estimated 2009-2010	Recommended 2010-2011
317.03 Office for Information Resources	10,075,000	1,474,000	675,800
317.06 Criminal Justice Programs	5,878,900	5,524,300	5,332,400
317.07 Resource Development and Support	1,651,800	1,594,400	1,583,800
317.10 Real Property Administration	3,594,600	3,019,400	2,993,500
317.11 Volunteer Tennessee	239,500	239,200	239,200
317.15 State Health Planning Division	780,600	768,400	614,500
317.17 Enterprise Resource Planning	13,000,000	13,000,000	13,000,000
317.19 Electronic Health Initiative	532,600	452,700	15,452,700
317.23 Governor's Office of State Planning and Policy	1,253,300	1,110,700	1,007,300
Sub-Total - Finance and Administration	\$ 42,052,500	\$ 32,010,800	\$ 45,581,100
Finance and Administration, Bureau of TennCare			
318.65 TennCare Administration	\$ 114,208,600	\$ 108,934,400	\$ 104,831,000
318.66 TennCare Services	1,649,707,700	1,217,646,600	1,206,491,000
318.67 Waiver and Crossover Services	400,892,700	296,581,200	310,620,900
318.68 Long Term Care Services	417,525,600	288,173,300	288,375,700
318.80 Governor's Office of Children's Care Coordination	5,872,600	5,873,100	4,556,200
Sub-Total - Finance and Administration, Bureau of TennCare	\$ 2,588,207,200	\$ 1,917,208,600	\$ 1,914,874,800
Human Resources			
319.01 Executive Administration	\$ 2,196,500	\$ 1,788,200	\$ 1,768,400
319.02 Human Resource Development	1,248,600	1,099,500	830,700
319.03 Technical Services	2,087,200	2,021,800	1,836,300
Sub-Total - Human Resources	\$ 5,532,300	\$ 4,909,500	\$ 4,435,400
General Services			
321.01 Administration	\$ 565,300	\$ 548,600	\$ 464,600
321.04 Property Utilization	-	520,000	-
321.07 Property Management	1,619,500	1,560,500	1,572,100
321.09 Printing and Media Services	308,800	305,200	306,000
Sub-Total - General Services	\$ 2,493,600	\$ 2,934,300	\$ 2,342,700
323.00 Veterans Affairs	\$ 4,570,000	\$ 4,510,400	\$ 4,482,300
Board of Probation and Parole			
324.02 Probation and Parole Services	\$ 63,813,200	\$ 67,282,100	\$ 67,314,700
324.04 Community Corrections	11,993,100	12,657,800	13,331,800
Sub-Total - Board of Probation and Parole	\$ 75,806,300	\$ 79,939,900	\$ 80,646,500
Agriculture			
325.01 Administration and Grants	\$ 5,730,100	\$ 5,366,400	\$ 5,136,800
325.05 Regulatory Services	8,959,900	8,448,500	8,349,300
325.06 Market Development	2,747,200	2,098,900	2,075,300
325.08 Agricultural Resources Conservation Fund	2,250,000	2,250,000	3,187,500
325.10 Forestry Operations	24,632,400	23,461,700	23,541,700
325.11 Forestry Maintenance	158,500	158,500	158,500
Sub-Total - Agriculture	\$ 44,478,100	\$ 41,784,000	\$ 42,449,100

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2008-2009, 2009-2010, and 2010-2011

Program	Estimated 2008-2009	Estimated 2009-2010	Recommended 2010-2011
Tourist Development			
326.01 Administration and Marketing	\$ 11,173,700	\$ 11,045,300	\$ 10,892,500
326.03 Welcome Centers	1,500,000	1,500,000	1,500,000
Sub-Total - Tourist Development	\$ 12,673,700	\$ 12,545,300	\$ 12,392,500
Environment and Conservation			
327.01 Administrative Services	\$ 6,282,000	\$ 6,028,600	\$ 6,058,100
327.03 Recreation Educational Services	842,300	762,100	765,100
327.04 Historical Commission	2,285,400	2,235,400	2,183,400
327.08 Archaeology	779,600	776,200	778,400
327.11 Geology	1,078,000	994,900	452,900
327.12 Tennessee State Parks	42,373,300	41,186,400	40,700,900
327.14 Natural Areas	909,300	490,000	492,700
327.15 State Parks Maintenance	2,214,100	2,214,100	2,214,100
327.18 Maintenance of Historic Sites	285,000	285,000	285,000
327.19 Local Parks Acquisition Fund	-	-	3,718,700
327.20 State Lands Acquisition Fund	-	-	3,112,500
327.24 West Tennessee River Basin Authority Maintenance	1,215,300	1,215,300	1,215,300
327.26 West Tennessee River Basin Authority	1,139,900	1,114,500	1,117,700
327.30 Environment Administration	1,790,300	1,581,200	1,435,200
327.31 Air Pollution Control	1,498,000	1,275,700	1,159,000
327.32 Radiological Health	793,000	667,800	600,400
327.33 Clean Water and Drinking Water State Revolving Fund	5,219,600	5,202,800	5,206,100
327.34 Water Pollution Control	10,892,000	9,127,000	9,082,400
327.35 Solid Waste Management	2,001,600	1,852,400	1,859,400
327.38 Hazardous Waste Remedial Action Fund	1,000,000	1,000,000	1,000,000
327.39 Water Supply	1,091,500	949,900	955,900
327.40 Groundwater Protection	4,538,700	2,549,900	2,351,800
327.44 Fleming Training Center	583,300	-	-
327.45 Office of Environmental Assistance	856,000	716,000	512,000
327.50 Tennessee Heritage Conservation Trust Fund	4,100,000	-	-
327.51 Conservation Compensation Fund	42,000	42,000	42,000
Sub-Total - Environment and Conservation	\$ 93,810,200	\$ 82,267,200	\$ 87,299,000
Correction			
329.01 Administration	\$ 16,053,900	\$ 15,263,500	\$ 15,865,000
329.04 State Prosecutions	138,675,800	109,491,500	117,125,300
329.06 Correction Academy	5,438,800	5,206,500	5,154,700
329.11 Brushy Mountain Correctional Complex	8,606,600	-	-
329.13 Tennessee Prison for Women	21,270,000	21,000,600	21,922,500
329.14 Turney Center Industrial Complex	37,014,300	35,838,800	37,035,300
329.16 Mark Luttrell Correctional Facility	13,655,900	13,237,200	13,638,000
329.17 Charles B. Bass Correctional Complex	28,601,600	27,866,900	29,206,000
329.18 Southeastern Tennessee State Regional Correctional Facility	22,352,600	21,714,300	23,018,900
329.21 Hardeman County Incarceration Agreement	35,564,100	37,029,300	38,030,300
329.22 Hardeman County Agreement - Whiteville	28,177,000	986,200	10,725,200
329.28 Correction Release Centers	-	678,700	1,368,800

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2008-2009, 2009-2010, and 2010-2011

Program	Estimated 2008-2009	Estimated 2009-2010	Recommended 2010-2011
329.32 Major Maintenance	4,033,900	4,101,000	9,635,400
329.41 West Tennessee State Penitentiary	54,784,300	53,888,800	55,894,600
329.42 Riverbend Maximum Security Institution	24,836,800	24,324,100	25,529,900
329.43 Northeast Correctional Complex	38,739,000	38,117,700	39,377,100
329.44 South Central Correctional Center	25,628,700	26,520,200	27,069,500
329.45 Northwest Correctional Complex	48,363,900	47,476,600	49,055,700
329.46 Lois M. DeBerry Special Needs Facility	36,980,300	35,935,200	38,214,000
329.47 Morgan County Correctional Complex	48,176,700	56,469,900	58,486,800
329.50 Sex Offender Treatment Program	-	-	57,400
329.99 Sentencing Act of 1985	45,224,600	44,856,600	43,694,800
Sub-Total - Correction	\$ 682,178,800	\$ 620,003,600	\$ 660,105,200
Economic and Community Development			
330.01 Administrative Services	\$ 6,190,500	\$ 5,414,700	\$ 5,626,900
330.02 Business Development	108,351,700	4,366,300	4,126,400
330.04 Regional Grants Management	1,165,800	1,127,400	974,900
330.05 Business Services	302,500	257,900	257,900
330.06 FastTrack Infrastructure and Job Training Assistance	53,495,000	93,350,100	34,478,000
330.07 Community Development	6,270,700	9,015,900	5,271,300
330.08 Energy Division	34,800	34,800	34,800
330.15 Economic Development District Grants	1,500,100	1,500,100	1,500,100
330.17 Film and Television Incentive Fund	-	-	-
Sub-Total - Economic and Community Development	\$ 177,311,100	\$ 115,067,200	\$ 52,270,300
Education (K-12)			
331.01 Administration	\$ 8,891,500	\$ 8,231,500	\$ 7,605,700
331.02 Grants-In-Aid	5,380,100	250,000	3,250,000
331.03 ESEA No Child Left Behind	-	-	470,000
331.04 Technology, Infrastructure, and Support Systems	2,705,700	2,568,500	2,571,100
331.05 Training and Professional Development	8,941,700	1,725,100	1,706,200
331.06 Curriculum and Instruction	6,787,800	4,397,200	3,854,300
331.07 State Board of Education	933,100	930,400	828,400
331.09 Improving Schools Program	16,108,500	2,202,700	544,900
331.10 Career Ladder	69,900,000	40,943,800	40,943,800
331.11 Accountability and Assessment	27,839,900	32,436,000	28,274,700
331.19 After-School Programs Special Account	-	-	-
331.22 Governor's Books from Birth Fund	3,444,500	3,444,100	3,104,100
331.25 Basic Education Program	3,574,923,900	3,450,567,100	3,614,593,500
331.32 Early Childhood Education	62,663,400	81,571,100	86,337,000
331.34 Energy Efficient Schools Initiative	-	-	-
331.35 School Nutrition Program	4,806,300	4,806,400	4,806,500
331.36 Special Education Services	644,400	636,300	636,300
331.43 Driver Education	-	-	-
331.45 Career and Technical Education Programs	3,961,200	3,902,600	3,905,100
331.50 Race to the Top	-	-	-
331.90 Alvin C. York Institute	5,523,600	5,562,700	-
331.91 Tennessee School for the Blind	10,887,200	10,657,700	10,551,400
331.92 Tennessee School for the Deaf	14,904,600	15,408,700	14,155,300

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2008-2009, 2009-2010, and 2010-2011

Program	Estimated 2008-2009	Estimated 2009-2010	Recommended 2010-2011
331.93 West Tennessee School for the Deaf	2,568,200	2,518,300	2,496,600
331.95 Tennessee Early Intervention Services	28,657,000	16,352,500	13,837,200
331.96 Governor's Institute for Science and Math	1,850,000	1,850,000	1,589,000
331.97 Major Maintenance	239,100	239,100	239,100
Sub-Total - Education (K-12)	\$ 3,862,561,700	\$ 3,691,201,800	\$ 3,846,300,200
Higher Education - State Administered Programs			
332.01 Tennessee Higher Education Commission	\$ 2,228,800	\$ 2,185,900	\$ 2,117,200
332.02 Contract Education	2,490,700	2,289,700	2,217,000
332.03 Tennessee Student Assistance Awards	49,362,500	49,362,500	49,362,500
332.05 Tennessee Student Assistance Corporation	2,774,000	1,235,400	1,196,800
332.06 Academic Scholars Program	401,800	401,800	401,800
332.07 Loan/Scholarship Programs	1,191,000	1,191,000	1,191,000
332.08 Centers of Excellence	18,774,500	18,667,800	18,206,700
332.09 THEC Grants	3,081,800	2,436,500	2,359,200
332.11 Campus Centers of Emphasis	1,344,900	1,360,300	1,308,400
332.13 Geier Desegregation Settlement	-	-	-
332.14 Foreign Language Institute	372,400	349,100	338,100
332.19 Lottery for Education Account	-	-	-
Sub-Total - Higher Education - State Administered Programs	\$ 82,022,400	\$ 79,480,000	\$ 78,698,700
University of Tennessee System			
332.10 UT University-Wide Administration	\$ 4,839,700	\$ 4,407,700	\$ 4,431,300
332.12 UT Research Initiatives	11,831,000	11,180,300	10,993,700
332.15 UT Institute for Public Service	4,819,400	4,785,700	4,594,600
332.16 UT Municipal Technical Advisory Service	2,623,700	2,642,800	2,721,800
332.17 UT County Technical Assistance Service	1,536,300	1,548,200	1,624,900
332.21 UT Access and Diversity Initiative	6,181,900	6,167,200	5,820,800
332.23 UT Space Institute	7,858,400	7,757,600	7,711,700
332.25 UT Agricultural Experiment Station	23,969,700	24,159,400	24,255,800
332.26 UT Agricultural Extension Service	28,891,600	29,002,000	29,225,900
332.28 UT Veterinary Medicine	15,923,100	15,227,900	15,583,200
332.30 UT Health Science Center	69,320,100	66,737,000	67,804,200
332.32 UT Family Medicine	9,702,000	9,764,100	9,923,200
332.34 UT College of Medicine	46,578,100	45,736,000	46,159,200
332.40 UT Chattanooga	42,490,200	38,726,900	38,018,200
332.42 UT Knoxville	180,059,700	164,919,000	168,779,200
332.44 UT Martin	30,692,700	27,816,700	27,263,300
Sub-Total - University of Tennessee System	\$ 487,317,600	\$ 460,578,500	\$ 464,911,000
State University and Community College System			
332.53 Southwest Tennessee Community College	\$ 38,150,100	\$ 35,826,700	\$ 36,122,200
332.54 Nashville State Community College	15,507,900	14,020,800	14,267,800
332.55 Pellissippi State Community College	20,935,600	19,061,900	19,349,400
332.56 Northeast State Community College	12,595,600	11,523,200	11,683,500
332.59 Regents Access and Diversity Initiative	10,543,000	10,893,600	10,281,300
332.60 Tennessee Board of Regents	5,226,700	4,438,100	4,761,200
332.62 TSU McMinnville Center	507,000	534,400	526,300

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2008-2009, 2009-2010, and 2010-2011

Program	Estimated 2008-2009	Estimated 2009-2010	Recommended 2010-2011
332.63 TSU Institute of Agricultural and Environmental Research	2,055,700	2,179,200	2,141,700
332.64 TSU Cooperative Education	1,823,000	2,433,200	2,415,300
332.65 ETSU College of Medicine	27,634,400	27,174,900	27,498,700
332.67 ETSU Family Practice	5,447,700	5,503,900	5,659,100
332.68 TSU McIntire-Stennis Forestry Research	-	67,500	67,500
332.70 Austin Peay State University	33,253,900	29,789,900	29,063,000
332.72 East Tennessee State University	58,444,900	52,454,700	51,500,300
332.74 University of Memphis	114,164,800	105,228,600	103,619,000
332.75 Middle Tennessee State University	92,858,200	82,989,600	81,336,500
332.77 Tennessee State University	38,869,400	33,629,500	32,631,500
332.78 Tennessee Technological University	45,653,600	41,373,200	40,593,200
332.80 Chattanooga State Community College	23,891,000	22,124,700	22,578,200
332.81 Cleveland State Community College	10,350,100	9,734,100	9,852,000
332.82 Columbia State Community College	13,359,300	12,495,800	12,602,700
332.84 Dyersburg State Community College	7,256,200	6,748,300	6,849,800
332.86 Jackson State Community College	12,514,000	11,568,700	11,685,600
332.88 Motlow State Community College	10,393,900	9,559,400	9,758,900
332.90 Roane State Community College	18,208,100	17,100,700	17,276,700
332.94 Volunteer State Community College	18,304,000	16,947,200	17,181,300
332.96 Walters State Community College	18,517,600	17,240,500	17,528,600
332.98 Tennessee Technology Centers	51,185,800	49,619,400	50,075,000
Sub-Total - State University and Community College System	\$ 707,651,500	\$ 652,261,700	\$ 648,906,300
Sub-Total Higher Education	\$ 1,276,991,500	\$ 1,192,320,200	\$ 1,192,516,000
Commerce and Insurance			
335.01 Administration	\$ 3,600	\$ -	\$ -
335.03 Fire Prevention	85,900	-	-
335.06 Consumer Affairs	867,200	1,085,900	988,700
335.07 Fire Service and Codes Enforcement Academy	3,582,900	3,165,700	2,977,500
335.11 Tennessee Law Enforcement Training Academy	2,901,200	2,668,000	2,372,400
335.12 POST Commission	8,185,500	8,244,900	8,476,300
335.21 Tennessee Athletic Commission	-	-	-
335.28 Fire Fighting Personnel Standards and Education	3,964,800	4,050,100	4,162,100
Sub-Total - Commerce and Insurance	\$ 19,591,100	\$ 19,214,600	\$ 18,977,000
Labor and Workforce Development			
337.01 Administration	\$ 3,200,800	\$ 2,759,400	\$ 2,680,200
337.02 Tennessee Occupational Safety and Health Administration (TOSHA)	-	-	-
337.03 Workers' Compensation	14,057,100	13,180,600	13,190,500
337.04 Mines	391,300	367,600	368,400
337.05 Boilers and Elevators	42,100	4,261,800	4,261,800
337.06 Labor Standards	1,236,100	1,194,800	1,195,600
337.08 Second Injury Fund	-	-	-
337.09 Adult Basic Education	5,239,300	3,737,800	3,738,000
Sub-Total - Labor and Workforce Development	\$ 24,166,700	\$ 25,502,000	\$ 25,434,500

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2008-2009, 2009-2010, and 2010-2011

Program	Estimated 2008-2009	Estimated 2009-2010	Recommended 2010-2011
Mental Health and Developmental Disabilities			
339.01 Administrative Services Division	\$ 13,786,500	\$ 13,815,100	\$ 12,588,000
339.03 Community Alcohol and Drug Abuse Services	7,277,600	8,666,100	5,674,700
339.08 Community Mental Health Services	63,008,300	76,958,500	70,383,600
339.10 Lakeshore Mental Health Institute	17,421,100	15,879,300	12,126,500
339.11 Middle Tennessee Mental Health Institute	23,352,200	20,687,900	16,309,200
339.12 Western Mental Health Institute	19,372,400	18,147,700	15,364,100
339.16 Moccasin Bend Mental Health Institute	13,715,700	12,665,700	11,201,100
339.17 Memphis Mental Health Institute	15,122,200	13,723,600	11,006,300
339.40 Major Maintenance	450,000	450,000	450,000
Sub-Total - Mental Health and Developmental Disabilities	\$ 173,506,000	\$ 180,993,900	\$ 155,103,500
Military			
341.01 Administration	\$ 2,828,700	\$ 2,691,000	\$ 2,197,800
341.02 Army National Guard	1,039,700	893,700	812,400
341.03 Air National Guard	2,889,500	2,304,800	2,333,400
341.04 Tennessee Emergency Management Agency	3,472,800	3,021,500	2,587,600
341.07 Armories Maintenance	733,900	625,500	625,500
341.09 TEMA Disaster Relief Grants	2,000,000	-	-
341.10 Armories Utilities	2,416,200	2,059,500	1,863,100
Sub-Total - Military	\$ 15,380,800	\$ 11,596,000	\$ 10,419,800
Health			
343.01 Executive Administration	\$ 5,475,400	\$ 4,356,700	\$ 4,706,800
343.03 Administrative Services	3,184,100	2,883,300	2,887,900
343.04 Office for Information Technology Services	5,513,900	5,171,300	5,230,300
343.05 Bureau of Health Licensure and Regulation	5,762,600	5,665,100	5,754,200
343.06 Trauma System Fund	-	-	-
343.07 Emergency Medical Services	745,300	587,700	590,300
343.08 Laboratory Services	8,533,500	6,858,300	6,811,300
343.09 Commercial Breeder Licensure and Regulation	-	107,200	-
343.20 Policy Planning and Assessment	4,855,900	3,923,500	3,924,700
343.39 General Environmental Health	4,600,700	4,324,900	3,341,600
343.45 Health Services Administration	13,612,800	13,015,300	7,867,800
343.47 Maternal and Child Health	2,960,900	2,398,800	2,457,400
343.49 Communicable and Environmental Disease Services	13,361,400	12,002,100	11,862,900
343.51 Diabetes Prevention and Health Improvement	6,953,500	-	143,000
343.52 Community and Medical Services	15,251,200	7,633,600	5,425,100
343.60 Local Health Services	62,161,500	57,614,400	57,917,900
Sub-Total - Health	\$ 152,972,700	\$ 126,542,200	\$ 118,921,200
Division of Intellectual Disabilities Services			
344.01 Intellectual Disabilities Services Administration	\$ 3,287,200	\$ 1,270,300	\$ 1,297,300
344.02 Community Intellectual Disabilities Services	49,591,300	51,708,200	16,155,200
344.04 Quality Assurance Program	834,100	825,100	832,300
344.10 Arlington Developmental Center	1,734,100	1,606,700	-
344.11 Clover Bottom Developmental Center	8,796,700	8,580,800	7,451,400

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2008-2009, 2009-2010, and 2010-2011

Program	Estimated 2008-2009	Estimated 2009-2010	Recommended 2010-2011
344.12 Greene Valley Developmental Center	1,353,400	1,325,000	649,000
344.20 West Tennessee Regional Office	2,503,400	1,370,000	1,725,800
344.21 Middle Tennessee Regional Office	1,745,100	990,100	1,007,600
344.22 East Tennessee Regional Office	2,127,100	1,109,000	1,114,900
344.42 East Tennessee Community Homes	-	519,000	354,500
344.50 Major Maintenance	300,000	270,000	100,000
344.81 Developmental Disabilities Council	217,500	217,100	217,900
Sub-Total - Division of Intellectual Disabilities Services	\$ 72,489,900	\$ 69,791,300	\$ 30,905,900
Human Services			
345.01 Administration	\$ 20,883,500	\$ 20,806,100	\$ 19,058,700
345.13 Child Support	19,874,500	18,267,100	17,655,700
345.16 Field Operations	7,038,800	6,111,700	5,508,700
345.17 County Rentals	6,068,400	6,052,600	6,244,700
345.20 Child Care Benefits	17,427,700	17,486,500	15,056,900
345.23 Temporary Cash Assistance	19,459,100	19,832,000	21,197,100
345.30 Family Assistance Services	75,900,700	72,305,300	73,008,700
345.31 Appeals and Hearings	2,966,000	3,465,600	3,863,000
345.49 Community Services	1,866,000	1,750,400	1,605,000
345.70 Vocational Rehabilitation	11,080,300	10,258,000	10,265,300
Sub-Total - Human Services	\$ 182,565,000	\$ 176,335,300	\$ 173,463,800
Revenue			
347.01 Administration Division	\$ 7,584,000	\$ 6,581,000	\$ 6,385,400
347.02 Tax Enforcement Division	6,802,600	6,035,400	5,291,500
347.11 Information Technology Resources Division	12,092,400	10,372,200	9,994,300
347.13 Taxpayer and Vehicle Services Division	21,144,100	21,101,000	21,116,400
347.14 Audit Division	20,112,800	18,459,400	18,576,500
347.16 Processing Division	7,575,500	6,985,600	6,524,300
Sub-Total - Revenue	\$ 75,311,400	\$ 69,534,600	\$ 67,888,400
348.00 Tennessee Bureau of Investigation	\$ 38,430,000	\$ 32,282,600	\$ 29,399,600
Safety			
349.01 Administration	\$ 7,872,900	\$ 7,756,600	\$ 7,813,700
349.02 Driver License Issuance	12,702,200	2,245,900	4,649,900
349.03 Highway Patrol	86,087,900	83,741,500	85,670,100
349.07 Motor Vehicle Operations	9,881,600	9,941,300	10,192,100
349.12 Major Maintenance	199,600	10,300	10,300
349.13 Technical Services	1,886,000	815,500	834,300
349.15 Office of Homeland Security	1,752,700	1,746,300	1,756,600
Sub-Total - Safety	\$ 120,382,900	\$ 106,257,400	\$ 110,927,000
Cover Tennessee Health Care Programs			
350.30 CoverTN	\$ 23,607,900	\$ 20,123,000	\$ 18,311,900
350.40 AccessTN	23,049,200	23,049,200	23,049,200
350.50 CoverKids	28,956,100	28,956,100	40,817,300
350.60 CoverRX	8,688,500	11,088,500	13,188,500
Sub-Total - Cover Tennessee Health Care Programs	\$ 84,301,700	\$ 83,216,800	\$ 95,366,900

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2008-2009, 2009-2010, and 2010-2011

Program	Estimated 2008-2009	Estimated 2009-2010	Recommended 2010-2011
351.00 Miscellaneous Appropriations	\$ 90,203,900	\$ 71,558,600	\$ 144,026,800
353.00 Emergency and Contingency Fund	\$ 1,569,300	\$ 819,300	\$ 819,300
State Building Commission			
355.02 Major Maintenance and Equipment	\$ 250,000	\$ 250,000	\$ 250,000
Children's Services			
359.10 Administration	\$ 31,575,400	\$ 28,507,000	\$ 28,315,400
359.20 Family Support Services	17,014,500	27,419,500	29,555,400
359.30 Custody Services	92,045,800	84,449,400	79,625,700
359.35 Needs Assessment	6,913,200	6,913,200	6,370,100
359.40 Adoption Services	34,722,500	35,309,300	35,310,200
359.50 Child and Family Management	92,545,300	87,770,600	82,441,900
359.60 John S. Wilder Youth Development Center	12,928,100	12,624,700	11,129,600
359.61 Taft Youth Development Center	13,731,900	13,487,500	11,826,500
359.62 Woodland Hills Youth Development Center	12,508,000	12,370,200	13,527,700
359.63 Mountain View Youth Development Center	12,517,700	12,249,500	11,267,800
359.64 New Visions Youth Development Center	4,699,000	4,668,100	-
359.65 Community Treatment Facilities	7,017,200	6,766,300	2,858,200
359.80 Major Maintenance	420,100	420,100	420,100
Sub-Total - Children's Services	\$ 338,638,700	\$ 332,955,400	\$ 312,648,600
Subtotal General Fund and Education Fund	\$ 10,676,362,400	\$ 9,520,151,100	\$ 9,643,218,600
Transportation *	804,500,000	718,125,000	717,100,000
Debt Service Requirements	382,852,000	425,124,000	398,853,000
Capital Outlay Program *	70,500,000	40,100,000	165,400,000
Facilities Revolving Fund	13,564,800	13,064,800	13,064,800
Cities and Counties - State Shared Taxes	810,063,400	815,900,000	831,100,000
Grand Total State Taxpayers Budget	\$ 12,757,842,600	\$ 11,532,464,900	\$ 11,768,736,400
Dedicated Tax Sources - Appropriation	778,091,600	673,035,400	671,835,300
Grand Total State Appropriation - Budget Document	\$ 13,535,934,200	\$ 12,205,500,300	\$ 12,440,571,700

* FY 2008-2009 - Transportation and Capital Outlay include appropriations from tax revenues and bonds.

State Taxpayers Budget
Comparison Statement of State Revenues
Estimated July 1, 2008 - June 30, 2011

SOURCE OF REVENUE

Department of Revenue	Estimated 2008-2009	Estimated 2009-2010	Estimated 2010-2011	Percent Required
Sales and Use Tax	\$ 6,302,798,300	\$ 6,189,000,000	\$ 6,282,100,000	1.50%
Gasoline Tax	601,799,400	616,000,000	625,200,000	1.49%
Motor Fuel Tax	154,496,200	153,000,000	156,800,000	2.48%
Gasoline Inspection Tax	43,477,100	45,300,000	46,600,000	2.87%
Motor Vehicle Registration Tax	220,417,700	226,600,000	234,000,000	3.27%
Income Tax	220,449,800	190,000,000	199,500,000	5.00%
Privilege Tax	217,957,000	215,300,000	211,300,000	-1.86%
Gross Receipts Tax - TVA	285,101,700	317,900,000	321,100,000	1.01%
Gross Receipts Tax - Other	32,392,600	22,500,000	23,600,000	4.89%
Beer Tax	17,796,900	17,700,000	18,100,000	2.26%
Alcoholic Beverage Tax	44,081,100	44,800,000	45,900,000	2.46%
Franchise Tax	530,080,100	567,200,000	596,000,000	5.08%
Excise Tax	831,706,700	848,100,000	891,400,000	5.11%
Inheritance and Estate Tax	80,140,000	80,000,000	82,400,000	3.00%
Tobacco Tax	269,712,400	274,400,000	275,900,000	0.55%
Motor Vehicle Title Fees	9,804,800	10,000,000	10,300,000	3.00%
Mixed Drink Tax	54,110,300	53,400,000	54,500,000	2.06%
Business Tax	135,036,800	153,300,000	157,900,000	3.00%
Severance Tax	2,129,700	2,200,000	2,300,000	4.55%
Coin-operated Amusement Tax	353,400	300,000	300,000	0.00%
Unauthorized Substance Tax	213,000	(1,800,000)	0	-100.00%
Sub-Total Department of Revenue	\$ 10,054,055,000	\$ 10,025,200,000	\$ 10,235,200,000	2.09%
Other State Revenue				
Dept. of Commerce and Insurance	\$ 432,100,000	\$ 576,400,000	\$ 648,000,000	12.42%
Dept. of Agriculture	406,000	410,000	360,000	-12.20%
Secretary of State	28,900,000	28,900,000	29,500,000	2.08%
Dept. of Safety	34,543,700	35,340,000	35,340,000	0.00%
Dept. of Revenue	4,706,600	4,740,000	4,740,000	0.00%
State Treasurer	36,000,000	7,500,000	7,000,000	-6.67%
Miscellaneous Revenue	32,155,100	42,510,000	50,260,000	18.23%
Nursing Home Tax	97,200,000	97,200,000	97,200,000	0.00%
Sub-Total Other State Revenue	\$ 666,011,400	\$ 793,000,000	\$ 872,400,000	10.01%
Total State Revenue	\$ 10,720,066,400	\$ 10,818,200,000	\$ 11,107,600,000	2.68%

**State Taxpayers Budget
Distribution of 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 *	\$ 6,302,798,300	\$2,302,623,300	\$3,645,771,500	\$ 51,328,700	\$ 44,976,700	\$ 258,098,100
Gasoline Tax	601,799,400	9,910,700	0	273,501,600	88,700,000	229,687,100
Motor Fuel Tax	154,496,200	2,929,300	0	111,064,600	0	40,502,300
Gasoline Inspection Tax	43,477,100	(222,900)	0	31,683,000	0	12,017,000
Motor Vehicle Registration Tax	220,417,700	23,145,900	111,200	197,160,600	0	0
Income Tax	220,449,800	142,318,500	0	0	0	78,131,300
Privilege Tax	217,957,000	217,830,400	126,600	0	0	0
Gross Receipts Tax - TVA	285,101,700	163,068,800	0	0	0	122,032,900
Gross Receipts Tax - Other	32,392,600	28,291,200	0	4,101,400	0	0
Beer Tax	17,796,900	11,908,600	0	2,236,800	0	3,651,500
Alcoholic Beverage Tax	44,081,100	36,409,500	0	0	0	7,671,600
Franchise Tax	530,080,100	512,080,100	0	0	18,000,000	0
Excise Tax	831,706,700	608,897,400	0	0	193,223,300	29,586,000
Inheritance and Estate Tax	80,140,000	80,140,000	0	0	0	0
Tobacco Tax	269,712,400	687,100	269,025,300	0	0	0
Motor Vehicle Title Fees	9,804,800	7,104,800	0	0	2,700,000	0
Mixed Drink Tax	54,110,300	0	27,063,500	0	0	27,046,800
Business Tax	135,036,800	135,036,800	0	0	0	0
Severance Tax	2,129,700	1,068,900	0	0	0	1,060,800
Coin-operated Amusement Tax	353,400	353,400	0	0	0	0
Unauthorized Substance Tax	213,000	(365,000)	0	0	0	578,000
Sub-Total Department of Revenue	\$ 10,054,055,000	\$4,283,216,800	\$3,942,098,100	\$ 671,076,700	\$ 347,600,000	\$ 810,063,400
Other State Revenue						
Dept. of Commerce and Insurance	\$ 432,100,000	\$ 432,100,000	\$ 0	\$ 0	\$ 0	\$ 0
Dept. of Agriculture	406,000	406,000	0	0	0	0
Secretary of State	28,900,000	28,900,000	0	0	0	0
Dept. of Safety	34,543,700	34,543,700	0	0	0	0
Dept. of Revenue	4,706,600	4,706,600	0	0	0	0
State Treasurer	36,000,000	36,000,000	0	0	0	0
Miscellaneous Revenue	32,155,100	32,155,100	0	0	0	0
Nursing Home Tax	97,200,000	97,200,000	0	0	0	0
Sub-Total Other State Revenue	\$ 666,011,400	\$ 666,011,400	\$ 0	\$ 0	\$ 0	\$ 0
Total State Revenue	\$ 10,720,066,400	\$4,949,228,200	\$3,942,098,100	\$ 671,076,700	\$ 347,600,000	\$ 810,063,400

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

County Revenue Partnership Fund	\$	0	\$	0	\$	0
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State Taxpayers Budget
Distribution of Revised 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 *	\$ 6,189,000,000	\$2,259,400,000	\$3,580,100,000	\$ 52,000,000	\$ 44,100,000	\$ 253,400,000
Gasoline Tax	616,000,000	10,200,000	0	260,300,000	110,400,000	235,100,000
Motor Fuel Tax	153,000,000	2,900,000	0	110,000,000	0	40,100,000
Gasoline Inspection Tax	45,300,000	100,000	0	33,200,000	0	12,000,000
Motor Vehicle Registration Tax	226,600,000	25,300,000	100,000	201,200,000	0	0
Income Tax	190,000,000	122,700,000	0	0	0	67,300,000
Privilege Tax	215,300,000	214,200,000	100,000	0	0	1,000,000
Gross Receipts Tax - TVA	317,900,000	178,400,000	0	0	0	139,500,000
Gross Receipts Tax - Other	22,500,000	19,700,000	0	2,800,000	0	0
Beer Tax	17,700,000	11,900,000	0	2,200,000	0	3,600,000
Alcoholic Beverage Tax	44,800,000	37,000,000	0	0	0	7,800,000
Franchise Tax	567,200,000	549,200,000	0	0	18,000,000	0
Excise Tax	848,100,000	605,300,000	0	0	213,200,000	29,600,000
Inheritance and Estate Tax	80,000,000	80,000,000	0	0	0	0
Tobacco Tax	274,400,000	5,500,000	268,900,000	0	0	0
Motor Vehicle Title Fees	10,000,000	7,300,000	0	0	2,700,000	0
Mixed Drink Tax	53,400,000	100,000	26,600,000	0	0	26,700,000
Business Tax	153,300,000	153,300,000	0	0	0	0
Severance Tax	2,200,000	1,100,000	0	0	0	1,100,000
Coin-operated Amusement Tax	300,000	300,000	0	0	0	0
Unauthorized Substance Tax	(1,800,000)	(500,000)	0	0	0	(1,300,000)
Sub-Total Department of Revenue	\$ 10,025,200,000	\$ 4,283,400,000	\$ 3,875,800,000	\$ 661,700,000	\$ 388,400,000	\$ 815,900,000
Other State Revenue						
Dept. of Commerce and Insurance	\$ 576,400,000	\$ 576,400,000	\$ 0	\$ 0	\$ 0	\$ 0
Dept. of Agriculture	410,000	410,000	0	0	0	0
Secretary of State	28,900,000	28,900,000	0	0	0	0
Dept. of Safety	35,340,000	35,340,000	0	0	0	0
Dept. of Revenue	4,740,000	4,740,000	0	0	0	0
State Treasurer	7,500,000	7,500,000	0	0	0	0
Miscellaneous Revenue	42,510,000	42,510,000	0	0	0	0
Nursing Home Tax	97,200,000	97,200,000	0	0	0	0
Sub-Total Other State Revenue	\$ 793,000,000	\$ 793,000,000	\$ 0	\$ 0	\$ 0	\$ 0
Total State Revenue	\$ 10,818,200,000	\$ 5,076,400,000	\$ 3,875,800,000	\$ 661,700,000	\$ 388,400,000	\$ 815,900,000

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

County Revenue Partnership Fund	\$ 0	\$ (700,000)	\$ 700,000
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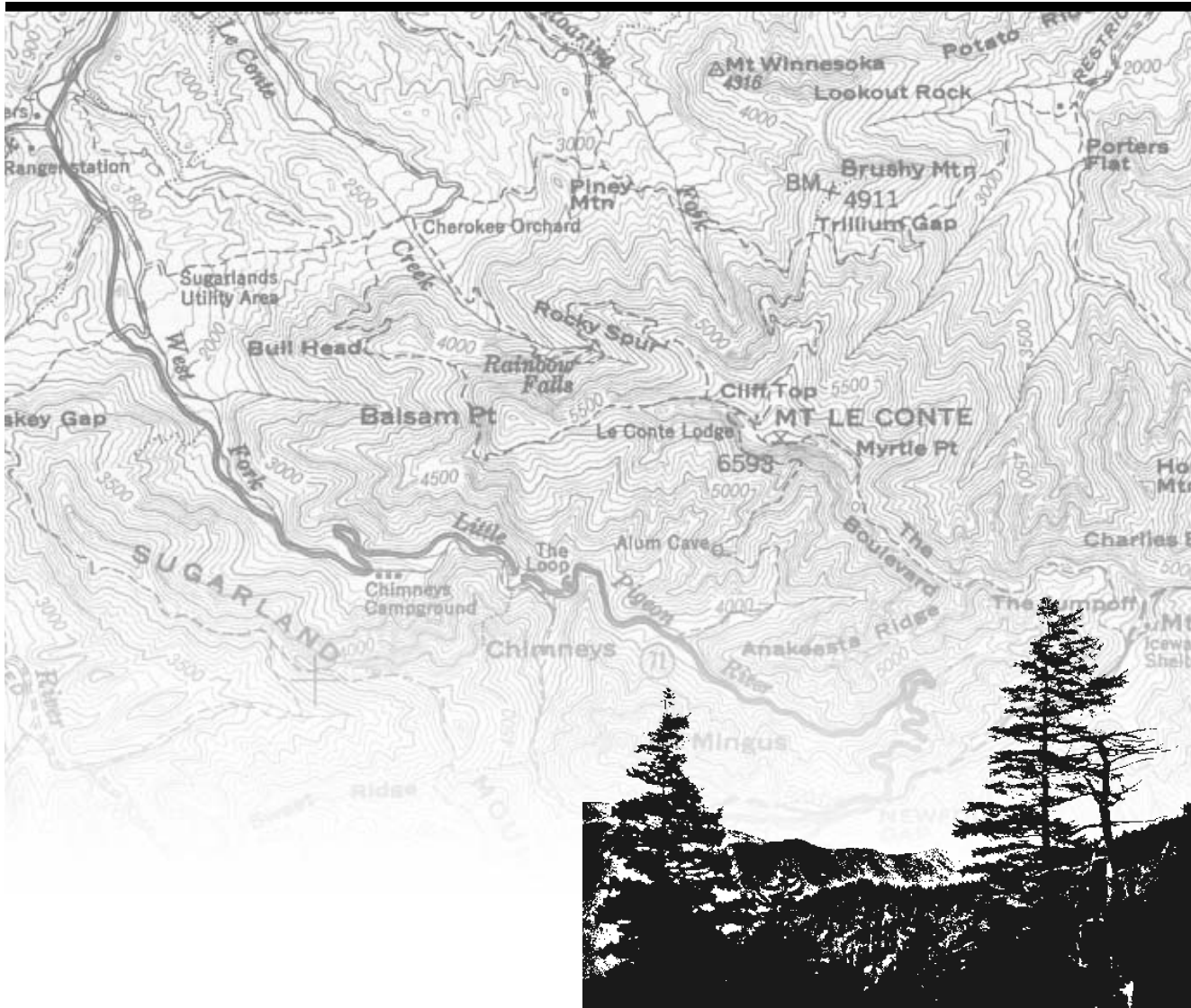
**State Taxpayers Budget
Distribution of Estimated Revenue by Fund
Fiscal Year 2010-2011**

SOURCE OF REVENUE

Department of Revenue	Total Revenue	General Fund	Education Fund	Highway Fund	Debt Service Fund	Cities & Counties *
Sales and Use Tax *	\$ 6,282,100,000	2,294,700,000	\$3,633,800,000	\$ 52,000,000	\$ 44,700,000	\$ 256,900,000
Gasoline Tax	625,200,000	10,300,000	0	268,100,000	108,200,000	238,600,000
Motor Fuel Tax	156,800,000	3,000,000	0	112,700,000	0	41,100,000
Gasoline Inspection Tax	46,600,000	600,000	0	34,000,000	0	12,000,000
Motor Vehicle Registration Tax	234,000,000	26,500,000	100,000	207,400,000	0	0
Income Tax	199,500,000	128,800,000	0	0	0	70,700,000
Privilege Tax	211,300,000	210,200,000	100,000	0	0	1,000,000
Gross Receipts Tax - TVA	321,100,000	180,000,000	0	0	0	141,100,000
Gross Receipts Tax - Other	23,600,000	20,600,000	0	3,000,000	0	0
Beer Tax	18,100,000	12,100,000	0	2,300,000	0	3,700,000
Alcoholic Beverage Tax	45,900,000	37,900,000	0	0	0	8,000,000
Franchise Tax	596,000,000	578,000,000	0	0	18,000,000	0
Excise Tax	891,400,000	656,100,000	0	0	205,700,000	29,600,000
Inheritance and Estate Tax	82,400,000	82,400,000	0	0	0	0
Tobacco Tax	275,900,000	5,600,000	270,300,000	0	0	0
Motor Vehicle Title Fees	10,300,000	7,600,000	0	0	2,700,000	0
Mixed Drink Tax	54,500,000	(100,000)	27,300,000	0	0	27,300,000
Business Tax	157,900,000	157,900,000	0	0	0	0
Severance Tax	2,300,000	1,200,000	0	0	0	1,100,000
Coin-operated Amusement Tax	300,000	300,000	0	0	0	0
Unauthorized Substance Tax	0	0	0	0	0	0
Sub-Total Department of Revenue	\$ 10,235,200,000	\$ 4,413,700,000	\$ 3,931,600,000	\$ 679,500,000	\$ 379,300,000	\$ 831,100,000
Other State Revenue						
Dept. of Commerce and Insurance	\$ 648,000,000	\$ 648,000,000	\$ 0	\$ 0	\$ 0	\$ 0
Dept. of Agriculture	360,000	360,000	0	0	0	0
Secretary of State	29,500,000	29,500,000	0	0	0	0
Dept. of Safety	35,340,000	35,340,000	0	0	0	0
Dept. of Revenue	4,740,000	4,740,000	0	0	0	0
State Treasurer	7,000,000	7,000,000	0	0	0	0
Miscellaneous Revenue	50,260,000	50,260,000	0	0	0	0
Nursing Home Tax	97,200,000	97,200,000	0	0	0	0
Sub-Total Other State Revenue	\$ 872,400,000	\$ 872,400,000	\$ 0	\$ 0	\$ 0	\$ 0
Total State Revenue	\$ 11,107,600,000	\$ 5,286,100,000	\$ 3,931,600,000	\$ 679,500,000	\$ 379,300,000	\$ 831,100,000

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

County Revenue Partnership Fund - Above	\$ 0	\$ (700,000)	\$ 700,000
Less: Budget Overview Adjustment - 2009 PC 531, Sec. 30	0	300,000	(300,000)
Total County Revenue Partnership Fund	\$ 0	\$ (400,000)	\$ 400,000



Program Statements By Functional Area

Program Statements by Functional Area

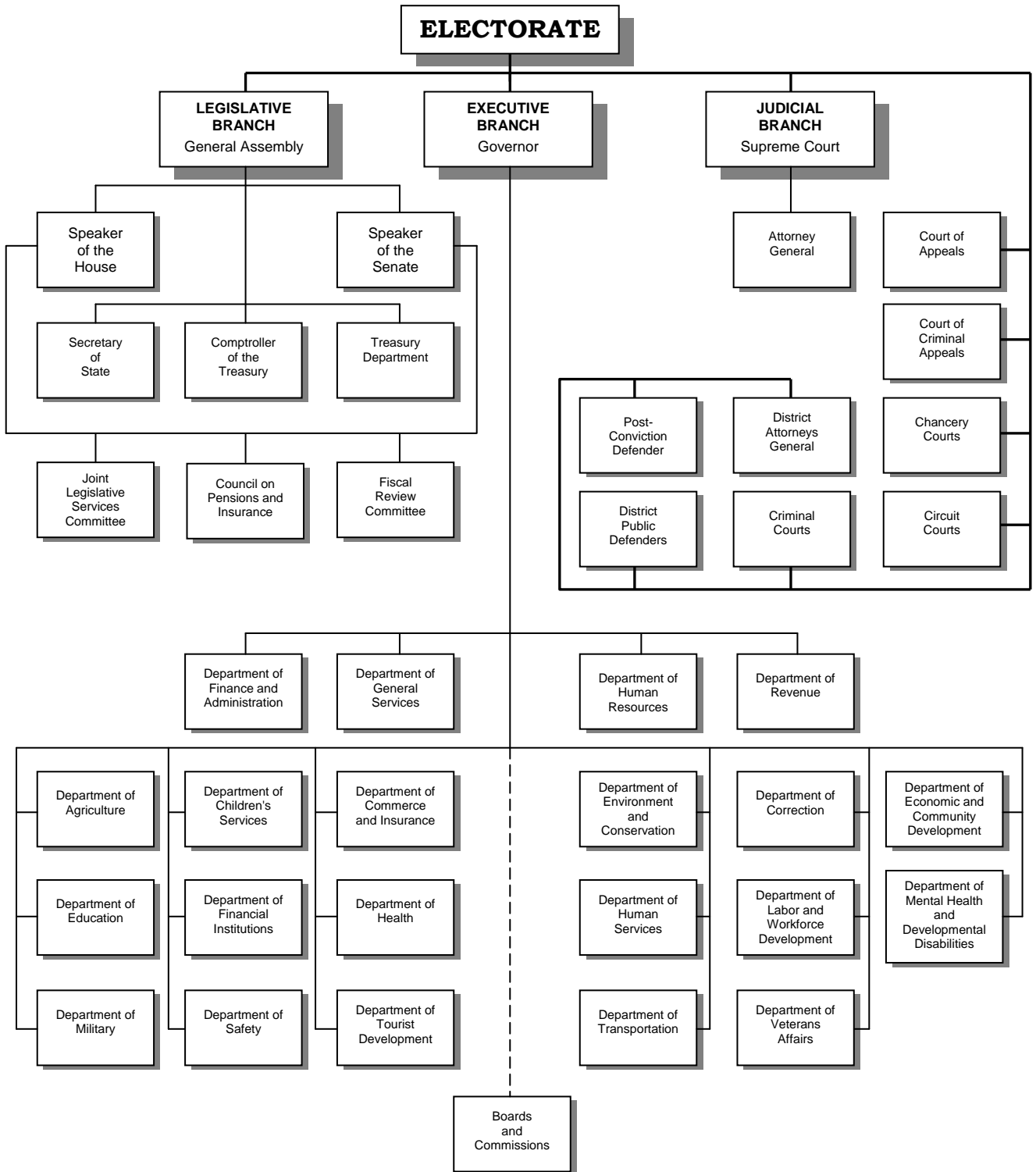
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TENNESSEE STATE GOVERNMENT ORGANIZATIONAL CHART

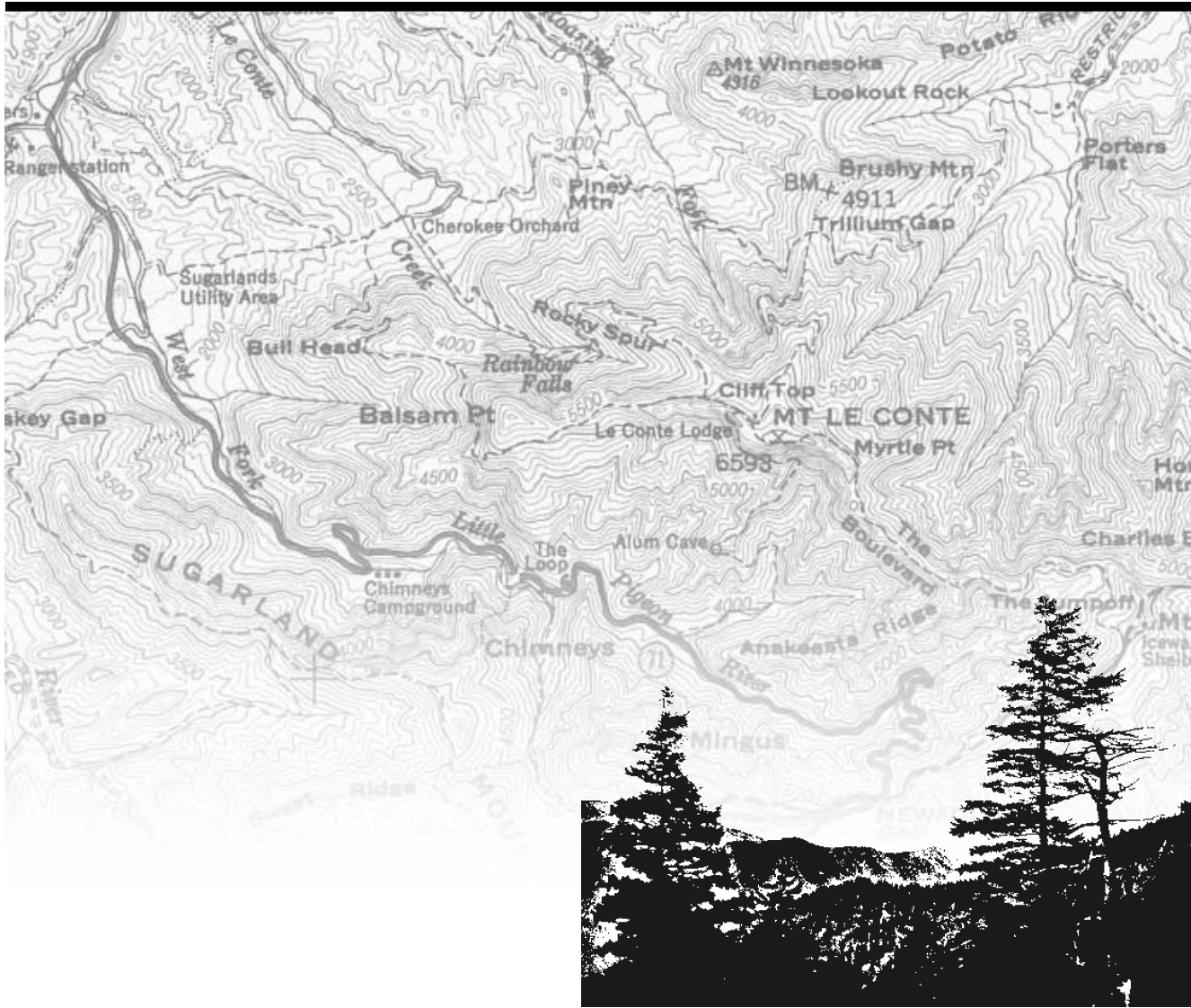
FISCAL YEAR 2010 - 2011



**Recommended Budget for Fiscal Year 2010-2011
By Functional Area**

Functional Area	State	Federal	Other	Total
General Government	466,917,800	53,676,000	445,507,700	966,101,500
Education	5,339,345,000	1,853,621,100	1,877,131,700 *	9,070,097,800
Health and Social Services	2,864,525,400	7,767,522,100	1,520,827,100	12,152,874,600
Law, Safety and Correction	1,143,652,700	121,210,800	166,180,000	1,431,043,500
Resources and Regulation	367,470,700	269,796,200	230,247,000	867,513,900
Transportation, Business and Economic Development	1,014,742,300	1,137,871,800	86,404,900	2,239,019,000
Total	\$11,196,653,900	\$11,203,698,000	\$4,326,298,400	\$26,726,650,300

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



General Government

General Government



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General Government

Recommended Budget, Fiscal Year 2010 – 2011

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 estimated 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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Recommended 2010-2011</u>
Personnel			
Full Time	4,883	4,789	4,577
Part Time	172	170	172
Seasonal	49	49	49
TOTAL	<u>5,104</u>	<u>5,008</u>	<u>4,798</u>
Expenditures			
Payroll	\$ 332,461,700	\$ 320,991,900	\$ 308,823,800
Operational	637,286,800	616,783,800	657,277,700
TOTAL	<u>\$ 969,748,500</u>	<u>\$ 937,775,700</u>	<u>\$ 966,101,500</u>
Funding			
State	\$ 419,776,300	\$ 381,598,800	\$ 466,917,800
Federal	59,721,100	101,735,000	53,676,000
Other	490,251,100	454,441,900	445,507,700

General Government
Recommended Budget for Fiscal Year 2010-2011
By Funding Source

Department	State	Federal	Other	Total
301.00 Legislature	36,488,500	0	137,500	36,626,000
301.50 Fiscal Review Committee	1,221,900	0	0	1,221,900
305.00 Secretary of State	27,347,600	23,406,700	10,697,700	61,452,000
307.00 Comptroller of the Treasury	79,273,600	0	11,015,700	90,289,300
309.00 Treasury Department	15,484,900	0	23,649,700	39,134,600
313.00 Claims and Compensation	10,500,000	3,700,000	90,486,800	104,686,800
315.00 Executive Department	3,462,200	0	0	3,462,200
316.04 Human Rights Commission	1,575,000	741,100	0	2,316,100
316.11 Tennessee Regulatory Authority	7,983,300	498,900	2,000	8,484,200
316.12 Advisory Commission on Intergovernmental Relations	242,000	0	2,612,600	2,854,600
317.00 Finance and Administration	48,532,100	24,914,600	184,824,900	258,271,600
319.00 Human Resources	4,435,400	0	6,984,500	11,419,900
321.00 General Services	2,342,700	0	89,797,400	92,140,100
323.00 Veterans Affairs	4,482,300	392,700	147,000	5,022,000
347.00 Revenue	78,450,200	22,000	25,001,900	103,474,100
351.00 Miscellaneous Appropriations	144,026,800	0	0	144,026,800
353.00 Emergency and Contingency Fund	819,300	0	0	819,300
355.00 State Building Commission	250,000	0	150,000	400,000
Total	\$466,917,800	\$53,676,000	\$445,507,700	\$966,101,500

General Government Improvements for Fiscal Year 2010-2011

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Treasury Department					
• Baccalaureate Education System Trust					
To provide a non-recurring general fund subsidy to eliminate the current unfunded liability of the current tuition units in the Baccalaureate Education System Trust (BEST) prepaid plan. The BEST prepaid plan allows for the purchase of tuition units on behalf of a designated beneficiary and entitles the beneficiary to the payment of qualified higher education expenses. The current unfunded liability is estimated to be \$15 million and will continue to increase if the plan remains open to the purchase of new tuition units. The program is established in TCA, Title 49, Chapter 7, Part 8.					
309.03 Baccalaureate Education System Trust	\$15,000,000	\$0	\$0	\$15,000,000	0
Sub-total	\$15,000,000	\$0	\$0	\$15,000,000	0
Total Treasury Department	\$15,000,000	\$0	\$0	\$15,000,000	0
Tennessee Regulatory Authority					
• U.S. Economic Recovery - Energy Conservation					
Federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. The energy conservation grant funds two positions over four years, ending in October 2013. These positions will design educational information for distribution, conduct workshops regarding cost-saving and energy-saving measures, and collaborate with utilities for developing plans and schedules to launch the implementation of smart-meter technology for electric utilization.					
316.11 Tennessee Regulatory Authority	\$0	\$258,900	\$0	\$258,900	2
Sub-total	\$0	\$258,900	\$0	\$258,900	2
Total Tennessee Regulatory Authority	\$0	\$258,900	\$0	\$258,900	2
Finance and Administration					
• Health Information Technology					
To provide non-recurring funds to advance the appropriate use of health information technology to improve quality of care.					
317.19 Electronic Health Initiative	\$15,000,000	\$0	\$0	\$15,000,000	0
Sub-total	\$15,000,000	\$0	\$0	\$15,000,000	0
Total Finance and Administration	\$15,000,000	\$0	\$0	\$15,000,000	0

General Government Improvements for Fiscal Year 2010-2011

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Revenue					
• Equipment Replacement					
To provide non-recurring funds for the purchase of a scanner to be used to image and capture data on all tax forms and payments that are received by the department.					
347.11 Information Technology Resources Division	\$367,500	\$0	\$0	\$367,500	0
Sub-total	\$367,500	\$0	\$0	\$367,500	0
• Auditors					
To provide funds for four auditor positions to implement tax legislation proposed by the Administration. From the appropriation, \$15,100 is non-recurring.					
347.14 Audit Division	\$290,200	\$0	\$0	\$290,200	4
Sub-total	\$290,200	\$0	\$0	\$290,200	4
Total Revenue	\$657,700	\$0	\$0	\$657,700	4

Miscellaneous Appropriations

- **Salary Bonus - State Employees**

To fund a non-recurring salary bonus equivalent to 3 percent of salary for state employees. Additional funds are recommended in both the Department of Education budget for a salary bonus for teachers and other licensed K-12 education employees (\$67.8 million) and in the budget for higher education (\$51.3 million). The total general fund cost for state, higher education, and K-12 employees is \$164.7 million.

351.00 Miscellaneous Appropriations	\$45,600,000	\$0	\$0	\$45,600,000	0
Sub-total	\$45,600,000	\$0	\$0	\$45,600,000	0

- **TCRS (Retirement) Contribution Increase - July 1, 2010**

To provide funds for the increase in the retirement contribution rate for state employees. A total contribution rate increase of \$81.7 million also includes funding for pre-K-12 education (\$48.9 million) and higher education (\$11.4 million) employees and is recommended in their budgets.

351.00 Miscellaneous Appropriations	\$21,400,000	\$0	\$0	\$21,400,000	0
Sub-total	\$21,400,000	\$0	\$0	\$21,400,000	0

- **401k Match**

To provide non-recurring funds to maintain the 401k state match at \$50, of which a \$10 match is non-recurring. The \$2.5 million appropriation is for employees of state agencies, and an additional \$1,613,000 is recommended in the higher education budget for its employees of the two university systems. The total general fund cost for state and higher education employees is \$4,113,000.

351.00 Miscellaneous Appropriations	\$2,500,000	\$0	\$0	\$2,500,000	0
Sub-total	\$2,500,000	\$0	\$0	\$2,500,000	0

General Government Improvements for Fiscal Year 2010-2011

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Retirees and Retired Teachers Health Insurance					
To provide additional funding for health insurance of retired state employees (\$500,000) and retired teachers (\$1,200,000).					
351.00 Miscellaneous Appropriations	\$1,700,000	\$0	\$0	\$1,700,000	0
Sub-total	\$1,700,000	\$0	\$0	\$1,700,000	0
• Severance					
To provide non-recurring funds for a severance package. The severance benefit plan will consist of a base payment of \$3,200 and college tuition assistance for two years to be capped at the average of the highest four-year public Tennessee college undergraduate level.					
351.00 Miscellaneous Appropriations	\$9,000,000	\$0	\$0	\$9,000,000	0
Sub-total	\$9,000,000	\$0	\$0	\$9,000,000	0
• OIR Rate Adjustment - Data Center					
To provide funds for a rate increase by the Office for Information Resources (OIR) for operation of the new data center.					
351.00 Miscellaneous Appropriations	\$2,100,000	\$0	\$0	\$2,100,000	0
Sub-total	\$2,100,000	\$0	\$0	\$2,100,000	0
• Rent Adjustment					
To provide funds for rent increases for state agencies resulting from federal A-87 rate adjustments.					
351.00 Miscellaneous Appropriations	\$1,000,000	\$0	\$0	\$1,000,000	0
Sub-total	\$1,000,000	\$0	\$0	\$1,000,000	0
• State Agencies - Lodging					
To provide funds for a state employee lodging rate increase that was effective October 1, 2009.					
351.00 Miscellaneous Appropriations	\$900,000	\$0	\$0	\$900,000	0
Sub-total	\$900,000	\$0	\$0	\$900,000	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	\$84,500,000	\$0	\$0	\$84,500,000	0
Total General Government	\$115,157,700	\$258,900	\$0	\$115,416,600	6

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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	28	28	28	0	28
Total	49	49	49	0	49
Payroll	2,134,300	1,733,800	1,733,800	0	1,733,800
Operational	3,114,600	1,617,400	2,227,900	0	2,227,900
Total	\$5,248,900	\$3,351,200	\$3,961,700	\$0	\$3,961,700
State	5,231,900	3,334,200	3,944,700	0	3,944,700
Federal	0	0	0	0	0
Other	17,000	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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
Payroll	6,392,500	6,520,700	6,520,700	0	6,520,700
Operational	1,155,600	1,158,600	476,700	0	476,700
Total	\$7,548,100	\$7,679,300	\$6,997,400	\$0	\$6,997,400
State	7,478,100	7,609,300	6,927,400	0	6,927,400
Federal	0	0	0	0	0
Other	70,000	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	69,600	69,600	63,300	0	63,300
Total	\$69,600	\$69,600	\$63,300	\$0	\$63,300
State	69,600	69,600	63,300	0	63,300
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	12,991,700	13,105,300	13,105,300	0	13,105,300
Operational	4,001,100	4,183,500	3,046,400	0	3,046,400
Total	\$16,992,800	\$17,288,800	\$16,151,700	\$0	\$16,151,700
State	16,964,300	17,260,300	16,123,200	0	16,123,200
Federal	0	0	0	0	0
Other	28,500	28,500	28,500	0	28,500

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	7,380,400	7,467,200	7,467,200	0	7,467,200
Operational	1,864,200	1,917,100	1,223,500	0	1,223,500
Total	\$9,244,600	\$9,384,300	\$8,690,700	\$0	\$8,690,700
State	9,222,600	9,362,300	8,668,700	0	8,668,700
Federal	0	0	0	0	0
Other	22,000	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	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	546,000	551,700	551,700	0	551,700
Operational	284,100	312,500	209,500	0	209,500
Total	\$830,100	\$864,200	\$761,200	\$0	\$761,200
State	830,100	864,200	761,200	0	761,200
Federal	0	0	0	0	0
Other	0	0	0	0	0

301.00 Total Legislature

Full-Time	399	399	399	0	399
Part-Time	126	126	126	0	126
Seasonal	28	28	28	0	28
Total	553	553	553	0	553
Payroll	29,444,900	29,378,700	29,378,700	0	29,378,700
Operational	10,489,200	9,258,700	7,247,300	0	7,247,300
Total	\$39,934,100	\$38,637,400	\$36,626,000	\$0	\$36,626,000
State	39,796,600	38,499,900	36,488,500	0	36,488,500
Federal	0	0	0	0	0
Other	137,500	137,500	137,500	0	137,500

Fiscal Review Committee

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

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

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	1,310,700	1,306,900	1,306,900	0	1,306,900
Operational	34,800	35,300	-85,000	0	-85,000
Total	\$1,345,500	\$1,342,200	\$1,221,900	\$0	\$1,221,900
State	1,345,500	1,342,200	1,221,900	0	1,221,900
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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	195	184	0	184
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	201	195	184	0	184
Payroll	14,167,400	13,709,400	12,719,600	0	12,719,600
Operational	3,178,700	3,421,600	3,028,300	0	3,028,300
Total	\$17,346,100	\$17,131,000	\$15,747,900	\$0	\$15,747,900
State	10,480,600	9,965,500	8,582,400	0	8,582,400
Federal	300,000	300,000	300,000	0	300,000
Other	6,565,500	6,865,500	6,865,500	0	6,865,500

305.02 State Election Commission

The State Election Commission, in conformity with Title 2 of the Tennessee Code Annotated, ensures the uniformity of election laws. The commission is comprised of five members, three from the political party holding a majority of seats in the General Assembly and two members from the minority party. Individuals are elected to four-year terms by the General Assembly. The commission works 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	7	0	7
Seasonal	0	0	0	0	0
Total	5	5	7	0	7
Payroll	111,900	112,400	112,400	0	112,400
Operational	1,586,000	1,588,400	1,473,200	0	1,473,200
Total	\$1,697,900	\$1,700,800	\$1,585,600	\$0	\$1,585,600
State	1,697,900	1,700,800	1,585,600	0	1,585,600
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	397,400	397,400	397,400	0	397,400
Total	\$397,400	\$397,400	\$397,400	\$0	\$397,400
State	397,400	397,400	397,400	0	397,400
Federal	0	0	0	0	0
Other	0	0	0	0	0

305.07 Bureau of Ethics and Campaign Finance

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

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
Full-Time	16	13	13	0	13
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	16	13	13	0	13
Payroll	1,235,600	938,400	938,400	0	938,400
Operational	302,800	242,200	158,600	0	158,600
Total	\$1,538,400	\$1,180,600	\$1,097,000	\$0	\$1,097,000
State	1,023,300	665,500	581,900	0	581,900
Federal	0	0	0	0	0
Other	515,100	515,100	515,100	0	515,100

305.09 Charitable Solicitations and Charitable Gaming

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

Full-Time	21	19	17	0	17
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	21	19	17	0	17
Payroll	1,532,000	1,249,900	1,155,400	0	1,155,400
Operational	579,500	451,000	243,600	0	243,600
Total	\$2,111,500	\$1,700,900	\$1,399,000	\$0	\$1,399,000
State	412,500	301,900	0	0	0
Federal	0	0	0	0	0
Other	1,699,000	1,399,000	1,399,000	0	1,399,000

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	20,500,000	20,500,000	20,500,000	0	20,500,000
Total	\$20,500,000	\$20,500,000	\$20,500,000	\$0	\$20,500,000
State	0	0	0	0	0
Federal	19,500,000	19,500,000	19,500,000	0	19,500,000
Other	1,000,000	1,000,000	1,000,000	0	1,000,000

Estimated
2008-2009

Estimated
2009-2010

Base
2010-2011

Improvement
2010-2011

Recommended
2010-2011

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	101	0	101
Part-Time	3	3	3	0	3
Seasonal	0	0	0	0	0
Total	106	106	104	0	104
Payroll	6,335,000	6,301,500	6,147,600	0	6,147,600
Operational	6,073,400	6,065,400	6,069,000	0	6,069,000
Total	\$12,408,400	\$12,366,900	\$12,216,600	\$0	\$12,216,600
State	8,774,100	8,732,600	8,582,300	0	8,582,300
Federal	2,969,200	2,969,200	2,969,200	0	2,969,200
Other	665,100	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	87	0	87
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	92	92	87	0	87
Payroll	5,066,900	5,039,800	4,783,400	0	4,783,400
Operational	3,510,000	3,515,300	3,491,800	0	3,491,800
Total	\$8,576,900	\$8,555,100	\$8,275,200	\$0	\$8,275,200
State	7,754,400	7,732,600	7,452,700	0	7,452,700
Federal	627,500	627,500	627,500	0	627,500
Other	195,000	195,000	195,000	0	195,000

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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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	194,600	193,900	193,900	0	193,900
Operational	72,000	71,600	39,400	0	39,400
Total	\$266,600	\$265,500	\$233,300	\$0	\$233,300
State	198,600	197,500	165,300	0	165,300
Federal	10,000	10,000	10,000	0	10,000
Other	58,000	58,000	58,000	0	58,000

305.00 Total Secretary of State

Full-Time	436	425	405	0	405
Part-Time	8	8	10	0	10
Seasonal	0	0	0	0	0
Total	444	433	415	0	415
Payroll	28,643,400	27,545,300	26,050,700	0	26,050,700
Operational	36,199,800	36,252,900	35,401,300	0	35,401,300
Total	\$64,843,200	\$63,798,200	\$61,452,000	\$0	\$61,452,000
State	30,738,800	29,693,800	27,347,600	0	27,347,600
Federal	23,406,700	23,406,700	23,406,700	0	23,406,700
Other	10,697,700	10,697,700	10,697,700	0	10,697,700

Secretary of State

Comptroller of the Treasury

The Comptroller of the Treasury is a constitutional officer elected by the General Assembly. Statutory duties of the Comptroller include the audit of state and local governments, management of the state debt, support of the General Assembly and its committees, participation in the general financial and administrative management of state government, administration of property assessment for tax purposes, and support of local governments. The Comptroller administers the following functional areas: administrative and support services; 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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	10	9	0	9
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	9	10	9	0	9
Payroll	928,900	1,056,800	1,023,100	0	1,023,100
Operational	149,700	149,300	120,400	0	120,400
Total	\$1,078,600	\$1,206,100	\$1,143,500	\$0	\$1,143,500
State	969,200	1,096,700	1,034,100	0	1,034,100
Federal	0	0	0	0	0
Other	109,400	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	54	54	54	0	54
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	54	54	54	0	54
Payroll	4,008,100	3,992,100	3,992,100	0	3,992,100
Operational	7,510,800	7,382,100	5,946,000	0	5,946,000
Total	\$11,518,900	\$11,374,200	\$9,938,100	\$0	\$9,938,100

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
State	11,246,400	11,101,700	9,665,600	0	9,665,600
Federal	0	0	0	0	0
Other	272,500	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	601,500	598,000	598,000	0	598,000
Operational	740,400	740,600	740,800	0	740,800
Total	\$1,341,900	\$1,338,600	\$1,338,800	\$0	\$1,338,800
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,341,900	1,338,600	1,338,800	0	1,338,800

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	818,700	816,300	886,300	0	886,300
Operational	151,800	151,700	139,500	0	139,500
Total	\$970,500	\$968,000	\$1,025,800	\$0	\$1,025,800
State	523,200	521,800	494,600	0	494,600
Federal	0	0	0	0	0
Other	447,300	446,200	531,200	0	531,200

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.

Comptroller of the Treasury

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	16	0	16
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	22	22	16	0	16
Payroll	1,426,800	1,424,200	1,131,300	0	1,131,300
Operational	1,065,300	1,066,100	816,800	0	816,800
Total	\$2,492,100	\$2,490,300	\$1,948,100	\$0	\$1,948,100
State	1,689,500	1,687,700	1,395,500	0	1,395,500
Federal	0	0	0	0	0
Other	802,600	802,600	552,600	0	552,600

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	194	0	194
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	207	207	194	0	194
Payroll	14,568,400	14,518,800	13,889,600	0	13,889,600
Operational	1,614,700	1,651,100	1,527,900	0	1,527,900
Total	\$16,183,100	\$16,169,900	\$15,417,500	\$0	\$15,417,500

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
State	11,756,700	11,743,500	10,991,100	0	10,991,100
Federal	0	0	0	0	0
Other	4,426,400	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	99	99	95	0	95
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	99	99	95	0	95
Payroll	7,696,600	7,670,500	7,444,900	0	7,444,900
Operational	1,057,700	1,109,200	1,046,700	0	1,046,700
Total	\$8,754,300	\$8,779,700	\$8,491,600	\$0	\$8,491,600
State	7,701,100	7,726,500	7,238,400	0	7,238,400
Federal	0	0	0	0	0
Other	1,053,200	1,053,200	1,253,200	0	1,253,200

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	22	0	22
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	24	24	22	0	22
Payroll	1,932,000	1,924,700	1,817,100	0	1,817,100
Operational	305,400	310,300	269,200	0	269,200
Total	\$2,237,400	\$2,235,000	\$2,086,300	\$0	\$2,086,300
State	2,022,400	2,020,000	1,871,300	0	1,871,300
Federal	0	0	0	0	0
Other	215,000	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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	18	20	16	0	16
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	18	20	16	0	16
Payroll	1,093,700	1,139,800	990,300	0	990,300
Operational	233,800	194,100	164,900	0	164,900
Total	\$1,327,500	\$1,333,900	\$1,155,200	\$0	\$1,155,200
State	1,227,500	1,133,900	955,200	0	955,200
Federal	0	0	0	0	0
Other	100,000	200,000	200,000	0	200,000

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	371,800	370,200	360,000	0	360,000
Operational	125,400	150,100	90,300	0	90,300
Total	\$497,200	\$520,300	\$450,300	\$0	\$450,300
State	497,200	520,300	450,300	0	450,300
Federal	0	0	0	0	0
Other	0	0	0	0	0

Property Assessment and Appraisal

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

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	157	146	118	0	118
Part-Time	0	0	0	0	0
Seasonal	21	21	21	0	21
Total	178	167	139	0	139
Payroll	8,672,700	8,127,500	6,803,200	0	6,803,200
Operational	2,320,900	2,365,500	2,052,400	0	2,052,400
Total	\$10,993,600	\$10,493,000	\$8,855,600	\$0	\$8,855,600
State	9,308,600	8,908,000	7,136,100	0	7,136,100
Federal	0	0	0	0	0
Other	1,685,000	1,585,000	1,719,500	0	1,719,500

307.11 State Board of Equalization

The State Board of Equalization is responsible for assuring constitutional and statutory compliance in assessments of property for ad valorem taxes. The board establishes policies and rules 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	8	8	7	0	7
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	16	16	15	0	15
Payroll	575,400	572,400	547,500	0	547,500
Operational	2,516,900	1,950,800	288,100	0	288,100
Total	\$3,092,300	\$2,523,200	\$835,600	\$0	\$835,600
State	3,009,800	2,440,700	735,600	0	735,600
Federal	0	0	0	0	0
Other	82,500	82,500	100,000	0	100,000

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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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.

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	1,139,700	1,135,200	1,135,200	0	1,135,200
Operational	195,300	197,200	167,700	0	167,700
Total	\$1,335,000	\$1,332,400	\$1,302,900	\$0	\$1,302,900
State	1,210,000	1,207,400	1,177,900	0	1,177,900
Federal	0	0	0	0	0
Other	125,000	125,000	125,000	0	125,000

307.10 Tax Relief

The Tax Relief program processes payments to reimburse homeowners who meet legal requirements for all or 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	21,800,000	21,800,000	21,800,000	0	21,800,000
Total	\$21,800,000	\$21,800,000	\$21,800,000	\$0	\$21,800,000
State	21,800,000	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

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
Payroll	0	0	0	0	0
Operational	14,500,000	14,500,000	14,500,000	0	14,500,000
Total	\$14,500,000	\$14,500,000	\$14,500,000	\$0	\$14,500,000
State	14,327,900	14,327,900	14,327,900	0	14,327,900
Federal	0	0	0	0	0
Other	172,100	172,100	172,100	0	172,100

307.00 Total Comptroller of the Treasury

Full-Time	640	632	573	0	573
Part-Time	8	8	8	0	8
Seasonal	21	21	21	0	21
Total	669	661	602	0	602
Payroll	43,834,300	43,346,500	40,618,600	0	40,618,600
Operational	54,288,100	53,718,100	49,670,700	0	49,670,700
Total	\$98,122,400	\$97,064,600	\$90,289,300	\$0	\$90,289,300
State	87,289,500	86,236,100	79,273,600	0	79,273,600
Federal	0	0	0	0	0
Other	10,832,900	10,828,500	11,015,700	0	11,015,700

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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	230	231	231	0	231
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	230	231	231	0	231
Payroll	16,553,200	16,641,800	16,641,800	0	16,641,800
Operational	8,338,300	6,688,700	6,690,500	0	6,690,500
Total	\$24,891,500	\$23,330,500	\$23,332,300	\$0	\$23,332,300
State	92,500	87,700	77,600	0	77,600
Federal	0	0	0	0	0
Other	24,799,000	23,242,800	23,254,700	0	23,254,700

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	534,200	514,800	407,300	0	407,300
Total	\$534,200	\$514,800	\$407,300	\$0	\$407,300

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
State	534,200	514,800	407,300	0	407,300
Federal	0	0	0	0	0
Other	0	0	0	0	0

309.03 Baccalaureate Education System Trust

The Baccalaureate Education System Trust (BEST) was created by the General Assembly for the purpose of providing Tennessee families with a means to save for their children's future college education costs. The BEST prepaid plan allows for the purchase of tuition units on behalf of a designated beneficiary and entitles the beneficiary to the payment of qualified higher education expenses. The appropriations in this program are for the purpose of funding a 15 year amortization of the unfunded liability of the current tuition units in the BEST plan. The program is established in TCA, Title 49, Chapter 7, Part 8.

Full-Time	0	0	0	0	0
Part-Time	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	15,000,000	15,000,000
Total	\$0	\$0	\$0	\$15,000,000	\$15,000,000
State	0	0	0	15,000,000	15,000,000
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	2,172,300	670,700	395,000	0	395,000
Total	\$2,172,300	\$670,700	\$395,000	\$0	\$395,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	2,172,300	670,700	395,000	0	395,000

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
309.00 Total Treasury Department					
Full-Time	230	231	231	0	231
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	230	231	231	0	231
Payroll	16,553,200	16,641,800	16,641,800	0	16,641,800
Operational	11,044,800	7,874,200	7,492,800	15,000,000	22,492,800
Total	\$27,598,000	\$24,516,000	\$24,134,600	\$15,000,000	\$39,134,600
State	626,700	602,500	484,900	15,000,000	15,484,900
Federal	0	0	0	0	0
Other	26,971,300	23,913,500	23,649,700	0	23,649,700

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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	17,327,800	15,880,000	15,900,000	0	15,900,000
Total	\$17,327,800	\$15,880,000	\$15,900,000	\$0	\$15,900,000
State	10,260,000	10,855,000	10,500,000	0	10,500,000
Federal	7,067,800	5,025,000	3,700,000	0	3,700,000
Other	0	0	1,700,000	0	1,700,000

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	56,575,000	55,764,000	57,286,800	0	57,286,800
Total	\$56,575,000	\$55,764,000	\$57,286,800	\$0	\$57,286,800

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	56,575,000	55,764,000	57,286,800	0	57,286,800

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	26,400,000	31,236,900	31,500,000	0	31,500,000
Total	\$26,400,000	\$31,236,900	\$31,500,000	\$0	\$31,500,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	26,400,000	31,236,900	31,500,000	0	31,500,000

313.00 Total Claims and Compensation

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	100,302,800	102,880,900	104,686,800	0	104,686,800
Total	\$100,302,800	\$102,880,900	\$104,686,800	\$0	\$104,686,800
State	10,260,000	10,855,000	10,500,000	0	10,500,000
Federal	7,067,800	5,025,000	3,700,000	0	3,700,000
Other	82,975,000	87,000,900	90,486,800	0	90,486,800

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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
315.01 Governor's Office					
Full-Time	39	34	30	0	30
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	39	34	30	0	30
Payroll	3,537,200	2,930,500	2,638,100	0	2,638,100
Operational	935,300	871,900	824,100	0	824,100
Total	\$4,472,500	\$3,802,400	\$3,462,200	\$0	\$3,462,200
State	4,472,500	3,802,400	3,462,200	0	3,462,200
Federal	0	0	0	0	0
Other	0	0	0	0	0

Tennessee Human Rights Commission

Performance-Based Budget

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

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

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
316.04 Human Rights Commission					
Full-Time	29	30	28	0	28
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	29	30	28	0	28
Payroll	1,804,900	1,905,700	1,790,000	0	1,790,000
Operational	544,900	563,400	526,100	0	526,100
Total	\$2,349,800	\$2,469,100	\$2,316,100	\$0	\$2,316,100
State	1,605,500	1,729,100	1,575,000	0	1,575,000
Federal	744,300	740,000	741,100	0	741,100
Other	0	0	0	0	0

Standard: Increase annual employment case closures per THRC's work sharing agreement with the U.S. Equal Employment Opportunity Commission (EEOC).

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

363	600	450	0	450
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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.

118	105	95	0	95
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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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
316.11 Tennessee Regulatory Authority					
Full-Time	75	76	70	2	72
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	75	76	70	2	72
Payroll	6,720,300	6,292,800	6,069,900	118,400	6,188,300
Operational	2,603,500	2,408,300	2,155,400	140,500	2,295,900
Total	\$9,323,800	\$8,701,100	\$8,225,300	\$258,900	\$8,484,200
State	8,897,800	8,332,500	7,983,300	0	7,983,300
Federal	425,000	366,600	240,000	258,900	498,900
Other	1,000	2,000	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 within 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 agency guidelines.

	50%	60%	70%	0	70%
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Advisory Commission on Intergovernmental Relations

Performance-Based Budget

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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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	1,809,000	1,804,500	1,804,500	0	1,804,500
Operational	1,094,500	1,271,900	1,050,100	0	1,050,100
Total	\$2,903,500	\$3,076,400	\$2,854,600	\$0	\$2,854,600
State	266,000	466,000	242,000	0	242,000
Federal	0	0	0	0	0
Other	2,637,500	2,610,400	2,612,600	0	2,612,600

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

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

92%	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 Intellectual Disabilities 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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	134	118	100	0	100
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	134	118	100	0	100
Payroll	9,625,300	8,372,200	7,077,900	0	7,077,900
Operational	3,482,400	3,214,300	3,017,300	0	3,017,300
Total	\$13,107,700	\$11,586,500	\$10,095,200	\$0	\$10,095,200
State	1,542,100	1,379,100	1,255,400	0	1,255,400
Federal	0	0	0	0	0
Other	11,565,600	10,207,400	8,839,800	0	8,839,800

Standard: Resolve help desk tickets for the areas of desktop support, security, and infrastructure services within five days of receipt.

Measure: Office of Shared Technology Services' percent of tickets resolved within five days.

87%	90%	85%	0	85%
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	404	397	362	0	362
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	404	397	362	0	362
Payroll	34,606,100	33,472,000	31,428,900	0	31,428,900
Operational	117,002,900	96,618,000	94,273,900	0	94,273,900
Total	\$151,609,000	\$130,090,000	\$125,702,800	\$0	\$125,702,800
State	10,075,000	1,474,000	675,800	0	675,800
Federal	0	0	0	0	0
Other	141,534,000	128,616,000	125,027,000	0	125,027,000

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%).

99.9%	99.0%	97.0%	0	97.0%
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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%.

97%	99%	95%	0	95%
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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	114	116	107	0	107
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	114	116	107	0	107
Payroll	7,367,400	7,473,300	6,967,100	0	6,967,100
Operational	7,036,800	5,868,400	5,159,600	0	5,159,600
Total	\$14,404,200	\$13,341,700	\$12,126,700	\$0	\$12,126,700

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	14,404,200	13,341,700	12,126,700	0	12,126,700

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.

0.52%	0.50%	0.50%	0	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	20	20	20	0	20
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	20	20	20	0	20
Payroll	1,478,900	1,426,900	1,426,900	0	1,426,900
Operational	29,508,400	62,197,500	27,560,800	0	27,560,800
Total	\$30,987,300	\$63,624,400	\$28,987,700	\$0	\$28,987,700
State	8,034,700	8,330,100	8,138,200	0	8,138,200
Federal	22,845,800	55,188,500	20,743,700	0	20,743,700
Other	106,800	105,800	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.

11,210	13,000	13,500	0	13,500
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Standard: Train drug court managers in how to effectively initiate and implement drug courts across the state.

Measure: Number of drug court managers trained in how to initiate and manage drug courts across the state.

310	325	300	0	300
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	18	18	18	0	18
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	18	18	18	0	18
Payroll	1,503,100	1,471,300	1,471,300	0	1,471,300
Operational	319,100	288,500	278,000	0	278,000
Total	\$1,822,200	\$1,759,800	\$1,749,300	\$0	\$1,749,300
State	1,651,800	1,594,400	1,583,800	0	1,583,800
Federal	0	0	0	0	0
Other	170,400	165,400	165,500	0	165,500

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

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

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

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

	6	8	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	541,600	539,200	539,200	0	539,200
Operational	4,068,200	5,089,200	4,066,600	0	4,066,600
Total	\$4,609,800	\$5,628,400	\$4,605,800	\$0	\$4,605,800

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
State	239,500	239,200	239,200	0	239,200
Federal	4,174,200	5,193,500	4,170,900	0	4,170,900
Other	196,100	195,700	195,700	0	195,700

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.

	381,805	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.

	381	1,000	500	0	500
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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	3	0	3
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	4	4	3	0	3
Payroll	418,400	418,100	365,100	0	365,100
Operational	507,400	495,500	394,600	0	394,600
Total	\$925,800	\$913,600	\$759,700	\$0	\$759,700
State	925,800	913,600	759,700	0	759,700
Federal	0	0	0	0	0
Other	0	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 achieved each fiscal year.

	1.8	5.0	3.0	0	3.0
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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	99	95	95	0	95
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	99	95	95	0	95

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
Payroll	8,743,800	7,816,500	7,816,500	0	7,816,500
Operational	21,846,900	20,852,300	20,855,200	0	20,855,200
Total	\$30,590,700	\$28,668,800	\$28,671,700	\$0	\$28,671,700
State	13,000,000	13,000,000	13,000,000	0	13,000,000
Federal	0	0	0	0	0
Other	17,590,700	15,668,800	15,671,700	0	15,671,700

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

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

15% 100% 100% 0 100%

317.18 Shared Services Solutions

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

Full-Time	10	10	10	0	10
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	10	10	10	0	10
Payroll	703,400	700,500	700,500	0	700,500
Operational	184,300	183,200	183,400	0	183,400
Total	\$887,700	\$883,700	\$883,900	\$0	\$883,900
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	887,700	883,700	883,900	0	883,900

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% 95.0% 95.0% 0 95.0%

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.

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	350,100	342,500	342,500	0	342,500
Operational	857,500	11,510,200	110,200	15,000,000	15,110,200
Total	\$1,207,600	\$11,852,700	\$452,700	\$15,000,000	\$15,452,700

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
State	532,600	452,700	452,700	15,000,000	15,452,700
Federal	675,000	11,400,000	0	0	0
Other	0	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 of achievement of eHealth roadmap.

15%	40%	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	31	31	31	0	31
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	31	31	31	0	31
Payroll	2,923,200	2,878,100	2,878,100	0	2,878,100
Operational	580,900	570,500	548,400	0	548,400
Total	\$3,504,100	\$3,448,600	\$3,426,500	\$0	\$3,426,500
State	3,504,100	3,448,600	3,426,500	0	3,426,500
Federal	0	0	0	0	0
Other	0	0	0	0	0

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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<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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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).

67.5%	70.0%	70.0%	0	70.0%
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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	120	113	113	0	113
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	120	113	113	0	113
Payroll	8,214,400	7,798,500	7,516,800	0	7,516,800
Operational	7,586,100	4,698,200	4,588,200	0	4,588,200
Total	\$15,800,500	\$12,496,700	\$12,105,000	\$0	\$12,105,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	15,800,500	12,496,700	12,105,000	0	12,105,000

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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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	9	8	7	0	7
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	9	8	7	0	7

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
Payroll	834,000	747,000	668,900	0	668,900
Operational	419,300	363,700	338,400	0	338,400
Total	\$1,253,300	\$1,110,700	\$1,007,300	\$0	\$1,007,300
State	1,253,300	1,110,700	1,007,300	0	1,007,300
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	70	62	62	0	62
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	70	62	62	0	62
Payroll	5,060,400	4,514,000	4,514,000	0	4,514,000
Operational	3,897,600	3,635,900	3,610,700	0	3,610,700
Total	\$8,958,000	\$8,149,900	\$8,124,700	\$0	\$8,124,700
State	3,594,600	3,019,400	2,993,500	0	2,993,500
Federal	0	0	0	0	0
Other	5,363,400	5,130,500	5,131,200	0	5,131,200

Standard: Design State Building Commission projects in a timely manner.

Measure: Percent of projects designed within original design schedule.

76%	75%	80%	0	80%
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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	67	56	50	0	50
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	67	56	50	0	50
Payroll	4,209,600	3,653,500	3,428,700	0	3,428,700
Operational	1,544,900	1,367,800	1,143,900	0	1,143,900
Total	\$5,754,500	\$5,021,300	\$4,572,600	\$0	\$4,572,600
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	5,754,500	5,021,300	4,572,600	0	4,572,600

Standard: Pursue criminal arrests for TennCare fraud.

Measure: The number of criminal arrests for TennCare fraud in a fiscal year by the OIG.

258	250	240	0	240
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317.00 Total Finance and Administration

Full-Time	1,112	1,060	990	0	990
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,112	1,060	990	0	990
Payroll	86,579,700	81,623,600	77,142,400	0	77,142,400
Operational	198,842,700	216,953,200	166,129,200	15,000,000	181,129,200
Total	\$285,422,400	\$298,576,800	\$243,271,600	\$15,000,000	\$258,271,600
State	44,353,500	34,961,800	33,532,100	15,000,000	48,532,100
Federal	27,695,000	71,782,000	24,914,600	0	24,914,600
Other	213,373,900	191,833,000	184,824,900	0	184,824,900

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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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319.01 Executive Administration

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

Full-Time	17	17	16	0	16
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	17	17	16	0	16
Payroll	1,410,400	1,365,300	1,336,200	0	1,336,200
Operational	2,011,300	1,625,000	1,292,100	0	1,292,100
Total	\$3,421,700	\$2,990,300	\$2,628,300	\$0	\$2,628,300
State	2,196,500	1,788,200	1,768,400	0	1,768,400
Federal	0	0	0	0	0
Other	1,225,200	1,202,100	859,900	0	859,900

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

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

98%	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 and conducting training courses for state employees.

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
Full-Time	26	26	26	0	26
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
Total	35	35	35	0	35
Payroll	1,792,000	1,683,200	1,735,900	0	1,735,900
Operational	1,807,200	1,766,300	1,767,500	0	1,767,500
Total	\$3,599,200	\$3,449,500	\$3,503,400	\$0	\$3,503,400
State	1,248,600	1,099,500	830,700	0	830,700
Federal	0	0	0	0	0
Other	2,350,600	2,350,000	2,672,700	0	2,672,700

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	85	84	81	0	81
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	85	84	81	0	81
Payroll	5,362,900	5,200,900	4,959,100	0	4,959,100
Operational	454,900	377,600	329,100	0	329,100
Total	\$5,817,800	\$5,578,500	\$5,288,200	\$0	\$5,288,200
State	2,087,200	2,021,800	1,836,300	0	1,836,300
Federal	0	0	0	0	0
Other	3,730,600	3,556,700	3,451,900	0	3,451,900

Standard: Complete 100% of assessment methods developed within 90 days of new career service job classification establishment.

Measure: Percent of assessment methods developed within 90 days of new career service job classification establishment.

85%	100%	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 within 28 days of receipt.

70%	100%	100%	0	100%
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
319.00 Total Human Resources					
Full-Time	128	127	123	0	123
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
Total	137	136	132	0	132
Payroll	8,565,300	8,249,400	8,031,200	0	8,031,200
Operational	4,273,400	3,768,900	3,388,700	0	3,388,700
Total	\$12,838,700	\$12,018,300	\$11,419,900	\$0	\$11,419,900
State	5,532,300	4,909,500	4,435,400	0	4,435,400
Federal	0	0	0	0	0
Other	7,306,400	7,108,800	6,984,500	0	6,984,500

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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	68	68	67	0	67
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	68	68	67	0	67
Payroll	4,477,300	4,322,500	4,265,800	0	4,265,800
Operational	4,062,100	1,858,800	1,727,300	0	1,727,300
Total	\$8,539,400	\$6,181,300	\$5,993,100	\$0	\$5,993,100
State	565,300	548,600	464,600	0	464,600
Federal	0	0	0	0	0
Other	7,974,100	5,632,700	5,528,500	0	5,528,500

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.

83.08%	80.00%	81.00%	0	81.00%
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Standard: Increase each year the number of certified minority-owned, woman-owned, and small businesses that are qualified to provide goods and services to state departments and agencies over fiscal year 2008 certified total.

Measure: Percent of increase in the number of certified minority-owned, woman-owned, and small businesses that are qualified to provide goods and services to state departments and agencies as compared to the fiscal year 2008 certified total.

19.21%	34.00%	49.00%	0	49.00%
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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321.15 Office of Information Technology Services (OITS)

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

Full-Time	21	21	16	0	16
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	21	21	16	0	16
Payroll	1,468,600	1,473,800	1,232,800	0	1,232,800
Operational	593,700	773,900	696,500	0	696,500
Total	\$2,062,300	\$2,247,700	\$1,929,300	\$0	\$1,929,300
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	2,062,300	2,247,700	1,929,300	0	1,929,300

Standard: OITS shall resolve Priority 3 Helpdesk tickets within five business days of receipt a minimum of 72% of the time.

Measure: Percent of time OITS resolved Priority 3 Helpdesk tickets within five business days of receipt.

77.2%	78.0%	80.0%	0	80.0%
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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	24	24	15	0	15
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	24	24	15	0	15
Payroll	1,138,200	1,116,900	699,300	0	699,300
Operational	1,754,500	2,252,900	852,000	0	852,000
Total	\$2,892,700	\$3,369,800	\$1,551,300	\$0	\$1,551,300
State	0	520,000	0	0	0
Federal	0	0	0	0	0
Other	2,892,700	2,849,800	1,551,300	0	1,551,300

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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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.

	83%	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.

	97%	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	36	36	33	0	33
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	36	36	33	0	33
Payroll	1,715,100	1,671,600	1,571,000	0	1,571,000
Operational	38,080,200	32,694,600	30,725,300	0	30,725,300
Total	\$39,795,300	\$34,366,200	\$32,296,300	\$0	\$32,296,300
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	39,795,300	34,366,200	32,296,300	0	32,296,300

Standard: Maintain a dispatch fleet of mid-sized vehicles adequate to meet the demands of state business at a savings of 50 percent or better than the average cost of the three lowest, locally-represented, national rental companies, of annual June rates.

Measure: Daily average MVM lease rate charge for state use as a percentage of the daily industry lease rate charge.

	44.09%	45.00%	46.00%	0	46.00%
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321.07 Property Management

The Property Management 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	203	205	196	0	196
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	204	206	197	0	197
Payroll	10,397,300	10,167,600	9,776,300	0	9,776,300
Operational	4,908,800	4,829,100	4,862,300	0	4,862,300
Total	\$15,306,100	\$14,996,700	\$14,638,600	\$0	\$14,638,600

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
State	1,619,500	1,560,500	1,572,100	0	1,572,100
Federal	0	0	0	0	0
Other	13,686,600	13,436,200	13,066,500	0	13,066,500

Standard: Property Management (PM) will operate at a cost of less than 70% of Building Owners and Managers Association (BOMA) latest published industry standard cost per square foot rate.

Measure: Percent of PM total cost verses the BOMA standard rate per square foot.

58.63%	60.00%	61.00%	0	61.00%
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Standard: Total cost of maintenance per square foot for buildings will be 35% below the latest published comparable BOMA industry standards per square foot rate.

Measure: Percent of PM total cost verses the BOMA maintenance rate per square foot.

59.06%	60.50%	60.75%	0	60.75%
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Interdepartmental Support Services

Interdepartmental Support Services functions are postal, printing, purchasing, records management, and storage and distribution of supplies 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	55	56	56	0	56
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	55	56	56	0	56
Payroll	2,243,200	2,122,700	2,132,400	0	2,132,400
Operational	19,412,300	19,412,900	19,418,600	0	19,418,600
Total	\$21,655,500	\$21,535,600	\$21,551,000	\$0	\$21,551,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	21,655,500	21,535,600	21,551,000	0	21,551,000

Standard: Retain a cost per piece of mail that is less than 80% of standard United States Postal Service (USPS) first class rates.

Measure: Percent of cost versus USPS average annual cost per piece of First Class mail.

76.14%	79.10%	79.08%	0	79.08%
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Standard: Raise the pre-sort percentage of outgoing USPS 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.

98% / \$3,633,665	96% / \$3,246,266	96% / \$3,687,972	0	96% / \$3,687,972
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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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	51	52	0	52
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	52	51	52	0	52
Payroll	2,473,300	2,378,300	2,403,500	0	2,403,500
Operational	2,612,700	2,600,500	2,377,500	0	2,377,500
Total	\$5,086,000	\$4,978,800	\$4,781,000	\$0	\$4,781,000
State	308,800	305,200	306,000	0	306,000
Federal	0	0	0	0	0
Other	4,777,200	4,673,600	4,475,000	0	4,475,000

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.

98%	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.

8.6 days	8.5 days	8.5 days	0	8.5 days
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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	56	57	56	0	56
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	56	57	56	0	56
Payroll	2,768,600	2,738,700	2,716,000	0	2,716,000
Operational	2,135,900	2,127,400	1,791,600	0	1,791,600
Total	\$4,904,500	\$4,866,100	\$4,507,600	\$0	\$4,507,600
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	4,904,500	4,866,100	4,507,600	0	4,507,600

<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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Standard: Process at least 75% of term contracts for all expenditures for goods and non-professional services over \$25,000 for the State of Tennessee within 60 days of request.

Measure: Percent of term contracts processed within 60 days of request for all expenditures for goods and non-professional services over \$25,000 for the State of Tennessee.

78.46%	78.00%	80.00%	0	80.00%
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Standard: Process a minimum of 50% of one-time procurement requisitions, over agency local purchase threshold of \$25,000, within 30 days.

Measure: Percent of one-time requisitions over \$25,000 processed within 30 days of request receipt.

60.45%	50.00%	50.00%	0	50.00%
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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	16	16	12	0	12
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	16	16	12	0	12
Payroll	867,200	798,900	658,200	0	658,200
Operational	418,100	418,200	420,400	0	420,400
Total	\$1,285,300	\$1,217,100	\$1,078,600	\$0	\$1,078,600
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,285,300	1,217,100	1,078,600	0	1,078,600

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.

154,322	180,000	170,000	0	170,000
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Standard: Increase, annually, the number of documents requiring long-term preservation.

Measure: Annual number of images scanned.

5,561,369	6,000,000	5,500,000	0	5,500,000
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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	23	20	15	0	15
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	23	20	15	0	15

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
Payroll	1,014,100	861,300	700,700	0	700,700
Operational	6,898,300	3,109,500	3,112,600	0	3,112,600
Total	\$7,912,400	\$3,970,800	\$3,813,300	\$0	\$3,813,300
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	7,912,400	3,970,800	3,813,300	0	3,813,300

Standard: Minimize order line fulfillment cycle time by decreasing the processing time required by order fulfillment staff to process and ship customer orders upon deployment to the warehouse.

Measure: Cycle time required (in days) to fully process and ship an order, once received in the warehouse.

5.00	4.50	4.25	0	4.25
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Standard: Minimize inventory investment costs by maintaining a turn rate on owned product 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 owned product inventory turn rate (in days).

7.0	5.0	6.0	0	6.0
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321.00 Total General Services

Full-Time	554	554	518	0	518
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	555	555	519	0	519
Payroll	28,562,900	27,652,300	26,156,000	0	26,156,000
Operational	80,876,600	70,077,800	65,984,100	0	65,984,100
Total	\$109,439,500	\$97,730,100	\$92,140,100	\$0	\$92,140,100
State	2,493,600	2,934,300	2,342,700	0	2,342,700
Federal	0	0	0	0	0
Other	106,945,900	94,795,800	89,797,400	0	89,797,400

Department of Veterans Affairs

Performance-Based Budget

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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
323.00 Veterans Affairs					
Full-Time	92	92	91	0	91
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	92	92	91	0	91
Payroll	4,089,200	4,033,100	3,990,100	0	3,990,100
Operational	966,700	1,017,000	1,031,900	0	1,031,900
Total	\$5,055,900	\$5,050,100	\$5,022,000	\$0	\$5,022,000
State	4,570,000	4,510,400	4,482,300	0	4,482,300
Federal	360,300	392,700	392,700	0	392,700
Other	125,600	147,000	147,000	0	147,000

Standard: Increase the number of claims processed that are ready to rate from 37,600 to 38,100.

Measure: Number of claims processed for rating by United States Department of Veterans Affairs.

37,600	38,000	38,100	0	38,100
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Standard: Increase the number of outreach events from 155 to 165.

Measure: Number of outreach events conducted.

155	160	165	0	165
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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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	124	109	106	0	106
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	124	109	106	0	106
Payroll	8,724,900	8,003,400	7,811,600	0	7,811,600
Operational	1,900,700	1,834,100	1,615,400	0	1,615,400
Total	\$10,625,600	\$9,837,500	\$9,427,000	\$0	\$9,427,000
State	7,584,000	6,581,000	6,385,400	0	6,385,400
Federal	0	0	0	0	0
Other	3,041,600	3,256,500	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.

97.96%	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.

76.3%	81.0%	81.0%	0	81.0%
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	100	99	0	99
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	102	100	99	0	99
Payroll	7,759,300	7,654,300	7,582,300	0	7,582,300
Operational	16,567,000	11,857,300	11,183,900	367,500	11,551,400
Total	\$24,326,300	\$19,511,600	\$18,766,200	\$367,500	\$19,133,700
State	17,092,400	15,372,200	14,626,800	367,500	14,994,300
Federal	0	0	0	0	0
Other	7,233,900	4,139,400	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.

99.53%	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	252	242	236	0	236
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	252	242	236	0	236
Payroll	12,033,000	11,539,200	11,555,200	0	11,555,200
Operational	16,136,300	16,587,000	16,586,400	0	16,586,400
Total	\$28,169,300	\$28,126,200	\$28,141,600	\$0	\$28,141,600
State	25,244,100	25,201,000	25,216,400	0	25,216,400
Federal	0	0	0	0	0
Other	2,925,200	2,925,200	2,925,200	0	2,925,200

<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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.

99.92%	97.00%	97.00%	0	97.00%
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Standard: Timely serve callers through the general information call center and tax practitioner hot lines.

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

98.34%	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	158	157	153	0	153
Part-Time	18	16	16	0	16
Seasonal	0	0	0	0	0
Total	176	173	169	0	169
Payroll	7,818,200	7,478,800	7,104,100	0	7,104,100
Operational	2,339,400	2,088,900	2,002,300	0	2,002,300
Total	\$10,157,600	\$9,567,700	\$9,106,400	\$0	\$9,106,400
State	7,575,500	6,985,600	6,524,300	0	6,524,300
Federal	0	0	0	0	0
Other	2,582,100	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.

95.53%	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.

1.21 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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	130	129	115	0	115
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	130	129	115	0	115
Payroll	8,027,600	7,738,200	7,111,300	0	7,111,300
Operational	1,520,600	1,042,800	925,800	0	925,800
Total	\$9,548,200	\$8,781,000	\$8,037,100	\$0	\$8,037,100
State	6,802,600	6,035,400	5,291,500	0	5,291,500
Federal	0	0	0	0	0
Other	2,745,600	2,745,600	2,745,600	0	2,745,600

Standard: Collect delinquent taxes due.

Measure: Percent of delinquent taxes collected.

16.07%	15.00%	14.00%	0	14.00%
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Standard: Collect or resolve case inventory.

Measure: Percent of case inventory over 90 days old should be no greater than 12%.

8.43%	12.00%	13.00%	0	13.00%
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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	342	343	339	4	343
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	342	343	339	4	343
Payroll	25,757,000	24,649,000	24,479,900	224,200	24,704,100
Operational	3,945,800	3,400,400	3,396,400	66,000	3,462,400
Total	\$29,702,800	\$28,049,400	\$27,876,300	\$290,200	\$28,166,500

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
State	20,112,800	18,459,400	18,286,300	290,200	18,576,500
Federal	22,000	22,000	22,000	0	22,000
Other	9,568,000	9,568,000	9,568,000	0	9,568,000

Standard: Audit taxpayers subject to Tennessee tax law.

Measure: Percent of taxpayer population audited.

3.10%	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.

89.2%	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	18	18	0	18
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	10	18	18	0	18
Payroll	886,700	1,217,900	1,217,900	0	1,217,900
Operational	206,700	242,900	243,900	0	243,900
Total	\$1,093,400	\$1,460,800	\$1,461,800	\$0	\$1,461,800
State	1,093,400	1,460,800	1,461,800	0	1,461,800
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.

94.59%	93.0%	93.0%	0	93.0%
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
347.00 Total Revenue					
Full-Time	1,118	1,098	1,066	4	1,070
Part-Time	18	16	16	0	16
Seasonal	0	0	0	0	0
Total	1,136	1,114	1,082	4	1,086
Payroll	71,006,700	68,280,800	66,862,300	224,200	67,086,500
Operational	42,616,500	37,053,400	35,954,100	433,500	36,387,600
Total	\$113,623,200	\$105,334,200	\$102,816,400	\$657,700	\$103,474,100
State	85,504,800	80,095,400	77,792,500	657,700	78,450,200
Federal	22,000	22,000	22,000	0	22,000
Other	28,096,400	25,216,800	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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
351.00 Miscellaneous Appropriations					
Full-Time	0	0	16	0	16
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	16	0	16
Payroll	0	0	0	0	0
Operational	90,203,900	71,558,600	59,526,800	84,500,000	144,026,800
Total	\$90,203,900	\$71,558,600	\$59,526,800	\$84,500,000	\$144,026,800
State	90,203,900	71,558,600	59,526,800	84,500,000	144,026,800
Federal	0	0	0	0	0
Other	0	0	0	0	0

Emergency and Contingency Fund

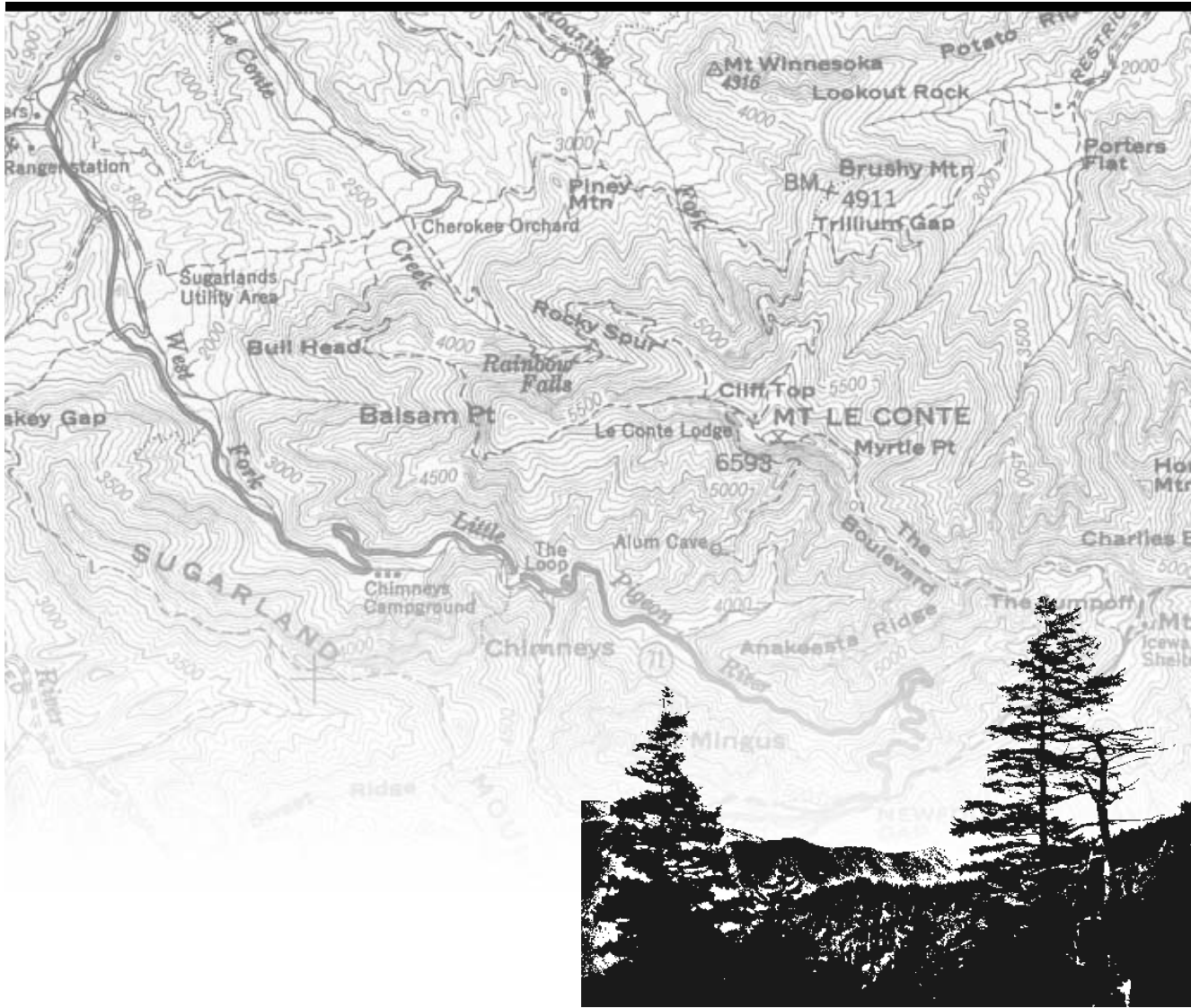
The Emergency and Contingency Fund is a special fund for any purpose authorized or implied by law for which no appropriation is made or for which insufficient appropriation is inadvertently made. This fund may not be used to fund any law requiring the expenditure of state funds unless an appropriation 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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	1,569,300	819,300	819,300	0	819,300
Total	\$1,569,300	\$819,300	\$819,300	\$0	\$819,300
State	1,569,300	819,300	819,300	0	819,300
Federal	0	0	0	0	0
Other	0	0	0	0	0

State Building Commission

The State Building Commission's Major Maintenance and Equipment program is utilized for major, non-routine maintenance and equipment replacement for state-owned physical facilities. Projects are funded only by approval of the State Building Commission, which consists of the Governor, Commissioner of Finance and Administration, speakers of the Senate and House of Representatives, Secretary of State, Comptroller of the Treasury, and State Treasurer.

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	400,000	400,000	400,000	0	400,000
Total	\$400,000	\$400,000	\$400,000	\$0	\$400,000
State	250,000	250,000	250,000	0	250,000
Federal	0	0	0	0	0
Other	150,000	150,000	150,000	0	150,000



Education

Education



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Education

Recommended Budget, Fiscal Year 2010 – 2011

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 estimated amounts for the last year and the amounts budgeted for the current year; and (5) program performance measures.

Education Total Personnel and Funding

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Recommended 2010-2011</u>
Personnel			
Full Time *	25,930	25,193	25,086
Part Time	565	565	554
Seasonal	0	0	0
TOTAL	26,495	25,758	25,640
Expenditures			
Payroll	\$ 95,971,700	\$ 93,181,600	\$ 86,526,800
Operational	8,388,368,500	8,924,850,700	8,983,571,000
TOTAL	\$ 8,484,340,200	\$ 9,018,032,300	\$ 9,070,097,800
Funding			
State **	\$ 5,539,583,400	\$ 5,189,050,800	\$ 5,339,345,000
Federal	1,205,166,400	1,978,626,100	1,853,621,100
Other	628,640,600	642,389,000	669,165,300
Tuition/Fees	1,110,949,800	1,207,966,400	1,207,966,400

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

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

	\$ 308,101,400	\$ 303,600,000	\$ 298,600,000
Energy Fund:	\$ 90,000,000		

Education
Recommended Budget for Fiscal Year 2010-2011
By Funding Source

Department	State	Federal	Other	Total
331.00 Education (K-12)	3,861,929,000	1,440,338,300	58,034,900	5,360,302,200
332.00 Higher Education	1,477,416,000	413,282,800	1,819,096,800 *	3,709,795,600
Total	\$5,339,345,000	\$1,853,621,100	\$1,877,131,700	\$9,070,097,800

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

**Department of Education
Multi-Year Program Improvement
U.S. Economic Recovery
Race to the Top**

	<u>TOTAL</u>	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>
1. Implementation Costs	\$ 2,900,600	\$ 1,098,800	\$ 903,400	\$ 546,800	\$ 351,600
2. Standards and Assessments	2,964,000	403,500	1,753,500	403,500	403,500
3. Data Systems	54,478,200	16,515,100	15,986,000	15,951,300	6,025,800
4. Teachers and Leaders	59,221,600	15,554,100	16,658,400	13,488,300	13,520,800
5. School Turnaround	108,804,200	17,439,700	21,197,800	26,365,200	43,801,500
6. Competitive Priorities	22,528,000	6,382,000	6,382,000	4,882,000	4,882,000
7. Subgrants to LEAs*	250,896,400	62,724,100	62,724,100	62,724,100	62,724,100
Total	\$ 501,793,000	\$ 120,117,300	\$ 125,605,200	\$ 124,361,200	\$ 131,709,300

* Subgrants to local education agencies (LEAs) will be distributed based on their relative shares of funding under ESEA Title I for fiscal year 2009. LEAs must spend these funds in accordance with Tennessee's Race to the Top plan and the scope of work described in the agreement between the state and the LEA.

Education Improvements for Fiscal Year 2010-2011

	State	Federal	Other	Total	Positions
Education (K-12)					
• U.S. Economic Recovery – Race to the Top					
<p>Non-recurring federal grant funds from the competitive Race to the Top program are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. Awards in Race to the Top will go to states that are leading the way with ambitious yet achievable plans for implementing coherent, compelling, and comprehensive education reform. Applications for phase I of awards were due on January 19, 2010, and winners will be announced in April. Tennessee has applied for \$501.8 million to be used over a four-year period. The multi-year funding plan is on the chart preceding the education improvements in this section. First-year funding of \$120.1 million is provided for the following components: implementation and administration (\$1.1 million), standards and assessments (\$403,500), data systems (\$16.5 million), teachers and leaders (\$15.6 million), school turnaround (\$17.4 million), competitive priorities (\$6.4 million), and subgrants to local education agencies (\$62.7 million). Funding for teachers and leaders provides professional development of teachers on science, technology, engineering, and mathematics (STEM) disciplines and on the usage of data for instruction; expansion of preparation and credentialing programs for teachers and principals; and funds for differentiated compensation plans. Competitive priorities include the creation and expansion of STEM platform schools.</p>					
331.50 Race to the Top	\$0	\$120,117,300	\$0	\$120,117,300	1
Sub-total	\$0	\$120,117,300	\$0	\$120,117,300	1
• Basic Education Program (BEP)					
<p>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). The capital outlay component has been frozen at the fiscal year 2009-2010 level, thereby reducing the increase by \$27,700,000.</p>					
331.25 Basic Education Program	\$43,000,000	\$0	\$0	\$43,000,000	0
Sub-total	\$43,000,000	\$0	\$0	\$43,000,000	0
• Pre-K Program - Existing Classrooms					
<p>To provide additional funding from the general fund for existing pre-kindergarten and early childhood education classrooms. A \$3 million appropriation is necessary to replace funding from the Lottery for Education Account. Lottery revenue is no longer available to the Pre-K program because of obligations for higher education lottery scholarships, which are given funding priority in the Constitution. An additional \$714,000 is for the inflationary costs of the existing classrooms. The inflationary costs recognize the suspension of the capital outlay component in the BEP formula in the amount of \$153,500.</p>					
331.32 Early Childhood Education	\$3,714,000	\$0	\$0	\$3,714,000	0
Sub-total	\$3,714,000	\$0	\$0	\$3,714,000	0

Education Improvements for Fiscal Year 2010-2011

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Salary Bonus					
To fund the state share of a one-time salary bonus for all licensed personnel in local education agencies. The non-recurring appropriation is equal to the state share of a 3 percent salary increase, but will be distributed in equal dollar amounts to each recipient.					
331.25 Basic Education Program	\$67,800,000	\$0	\$0	\$67,800,000	0
Sub-total	\$67,800,000	\$0	\$0	\$67,800,000	0
• TCRS (Retirement) Contribution Increase - July 1, 2010					
To provide funding for the state share of a Tennessee Consolidated Retirement System (TCRS) rate increase for local education agencies, effective July 1, 2010.					
331.25 Basic Education Program	\$47,600,000	\$0	\$0	\$47,600,000	0
331.32 Early Childhood Education	\$1,300,000	\$0	\$0	\$1,300,000	0
Sub-total	\$48,900,000	\$0	\$0	\$48,900,000	0
• Group Health Insurance - January 1, 2010					
To provide funding to annualize the state share of the January 1, 2010, group health insurance increase for local education agencies, which was funded for six months in the current-year budget.					
331.25 Basic Education Program	\$5,400,000	\$0	\$0	\$5,400,000	0
Sub-total	\$5,400,000	\$0	\$0	\$5,400,000	0
• Group Health Insurance - January 1, 2011					
To fund the state share of a January 1, 2011, group health insurance increase for local education agencies. This is funded for six months in the recommended budget.					
331.25 Basic Education Program	\$2,800,000	\$0	\$0	\$2,800,000	0
Sub-total	\$2,800,000	\$0	\$0	\$2,800,000	0
• Literacy – Year 5					
To provide a fifth-year non-recurring grant to Save the Children to target literacy improvement, focused on grades one through three in under-served schools. Save the Children will work in partnership with local schools and community-based organizations to provide a combination of in-school, after-school, and summer literacy programs to help children improve their reading skills.					
331.02 Grants-In-Aid	\$1,000,000	\$0	\$0	\$1,000,000	0
Sub-total	\$1,000,000	\$0	\$0	\$1,000,000	0
• K-4 Math and Science Teachers Professional Development – Year 4 of 5					
To provide fourth-year non-recurring funding to Tennessee State University for professional development of K-4 math and science teachers.					
331.02 Grants-In-Aid	\$2,000,000	\$0	\$0	\$2,000,000	0
Sub-total	\$2,000,000	\$0	\$0	\$2,000,000	0

Education Improvements for Fiscal Year 2010-2011

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Charter Schools – State Share of Local Expenditures					
To provide funding for the state share of mandated local costs of implementing 2009 Public Chapter 555, relative to charter schools. This law increased the number of charter schools that can exist within the state from 50 to 90 through June 30, 2015, and increased the number of students that are eligible to attend charter schools to all at-risk students enrolled in a school system with a student population of at least 14,000 and that has three or more high priority schools. The local board of education of any other school system may vote to allow its at-risk students to be eligible to attend charter schools.					
331.03 ESEA No Child Left Behind	\$470,000	\$0	\$0	\$470,000	0
Sub-total	\$470,000	\$0	\$0	\$470,000	0
• 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	\$17,510,300	\$0	\$17,510,300	0
Sub-total	\$0	\$17,510,300	\$0	\$17,510,300	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	\$3,073,100	\$0	\$3,073,100	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	\$3,073,100	\$6,500	\$3,079,600	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. The Department of Education has applied for \$19.6 million to be used over a three-year period, with \$5,179,700 for the first year. The addition of five full-time positions is recommended, including two information technology positions, two research analysts, and one administrative support position. These positions will be abolished at the end of the three-year period unless funded by other non-state or existing resources.					
331.11 Accountability and Assessment	\$0	\$5,179,700	\$0	\$5,179,700	5
Sub-total	\$0	\$5,179,700	\$0	\$5,179,700	5

Education Improvements for Fiscal Year 2010-2011

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• U.S. Economic Recovery - Teacher Incentive Fund					
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. The U.S. Department of Education has not released guidance or an application deadline for this program at this time.					
331.03 ESEA No Child Left Behind	\$0	\$6,000,000	\$0	\$6,000,000	0
Sub-total	\$0	\$6,000,000	\$0	\$6,000,000	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 plans.					
331.95 Tennessee Early Intervention Services	\$0	\$1,104,700	\$0	\$1,104,700	0
Sub-total	\$0	\$1,104,700	\$0	\$1,104,700	0
Total Education (K-12)	\$175,084,000	\$152,985,100	\$6,500	\$328,075,600	6

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 30,000 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
• Salary Bonus					
To provide non-recurring funds for a 3 percent salary bonus for higher education employees in the Centers of Excellence and Campus Centers of Emphasis.					
332.08 Centers of Excellence	\$445,500	\$0	\$0	\$445,500	0
332.11 Campus Centers of Emphasis	\$30,300	\$0	\$0	\$30,300	0
Sub-total	\$475,800	\$0	\$0	\$475,800	0
• TCRS (Retirement) Contribution Increase – July 1, 2010					
To provide funds for the increase in the retirement contribution rate for higher education employees in the Centers of Excellence and Campus Centers of Emphasis.					
332.08 Centers of Excellence	\$83,400	\$0	\$0	\$83,400	0
332.11 Campus Centers of Emphasis	\$11,800	\$0	\$0	\$11,800	0
Sub-total	\$95,200	\$0	\$0	\$95,200	0

Education Improvements for Fiscal Year 2010-2011

	State	Federal	Other	Total	Positions
Total Higher Education - State Administered Programs	\$3,771,000	\$0	\$0	\$3,771,000	0

University of Tennessee System

- **UTK-ORNL Graduate Science Program**

To provide non-recurring funding for the development over a three-year period of a new graduate energy sciences and engineering program at the University of Tennessee at Knoxville (UTK) in partnership with Oak Ridge National Laboratory (ORNL). The program will create 200 UTK faculty positions staffed by ORNL researchers and will double the number of doctoral degrees awarded by the university. The lab will be open for use by 400 new graduate students, who will be recruited from Tennessee and around the world. Paid graduate fellowships will be available in materials science, computational science, nuclear science, and neutron science. Program expenses beyond fiscal year 2012-2013 will be funded by UTK and ORNL.

332.42 UT Knoxville	\$6,200,000	\$0	\$0	\$6,200,000	0
Sub-total	\$6,200,000	\$0	\$0	\$6,200,000	0

- **Salary Bonus**

To provide non-recurring funds for a 3 percent salary bonus for higher education employees.

332.10 UT University-Wide Administration	\$114,900	\$0	\$0	\$114,900	0
332.15 UT Institute for Public Service	\$116,700	\$0	\$0	\$116,700	0
332.16 UT Municipal Technical Advisory Service	\$136,200	\$0	\$0	\$136,200	0
332.17 UT County Technical Assistance Service	\$92,400	\$0	\$0	\$92,400	0
332.23 UT Space Institute	\$204,300	\$0	\$0	\$204,300	0
332.25 UT Agricultural Experiment Station	\$711,000	\$0	\$0	\$711,000	0
332.26 UT Agricultural Extension Service	\$954,000	\$0	\$0	\$954,000	0
332.28 UT Veterinary Medicine	\$746,100	\$0	\$0	\$746,100	0
332.30 UT Health Science Center	\$2,557,200	\$0	\$0	\$2,557,200	0
332.32 UT Family Medicine	\$379,200	\$0	\$0	\$379,200	0
332.34 UT College of Medicine	\$1,759,500	\$0	\$0	\$1,759,500	0
332.40 UT Chattanooga	\$2,031,300	\$0	\$0	\$2,031,300	0
332.42 UT Knoxville	\$8,765,700	\$0	\$0	\$8,765,700	0
332.44 UT Martin	\$1,455,300	\$0	\$0	\$1,455,300	0
Sub-total	\$20,023,800	\$0	\$0	\$20,023,800	0

Education Improvements for Fiscal Year 2010-2011

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• 401k Match					
To provide non-recurring funds for higher education employees to maintain the 401k state match at \$50, including the \$10 non-recurring match.					
332.10 UT University-Wide Administration	\$56,000	\$0	\$0	\$56,000	0
332.15 UT Institute for Public Service	\$3,600	\$0	\$0	\$3,600	0
332.16 UT Municipal Technical Advisory Service	\$4,000	\$0	\$0	\$4,000	0
332.17 UT County Technical Assistance Service	\$3,000	\$0	\$0	\$3,000	0
332.23 UT Space Institute	\$7,700	\$0	\$0	\$7,700	0
332.25 UT Agricultural Experiment Station	\$29,500	\$0	\$0	\$29,500	0
332.26 UT Agricultural Extension Service	\$42,200	\$0	\$0	\$42,200	0
332.28 UT Veterinary Medicine	\$24,400	\$0	\$0	\$24,400	0
332.30 UT Health Science Center	\$71,500	\$0	\$0	\$71,500	0
332.32 UT Family Medicine	\$12,000	\$0	\$0	\$12,000	0
332.34 UT College of Medicine	\$51,100	\$0	\$0	\$51,100	0
332.40 UT Chattanooga	\$84,500	\$0	\$0	\$84,500	0
332.42 UT Knoxville	\$291,400	\$0	\$0	\$291,400	0
332.44 UT Martin	\$64,100	\$0	\$0	\$64,100	0
Sub-total	\$745,000	\$0	\$0	\$745,000	0
• TCRS (Retirement) Contribution Increase – July 1, 2010					
To provide funds for the increase in the retirement contribution rate for higher education employees.					
332.10 UT University-Wide Administration	\$40,500	\$0	\$0	\$40,500	0
332.15 UT Institute for Public Service	\$28,300	\$0	\$0	\$28,300	0
332.16 UT Municipal Technical Advisory Service	\$34,500	\$0	\$0	\$34,500	0
332.17 UT County Technical Assistance Service	\$41,400	\$0	\$0	\$41,400	0
332.23 UT Space Institute	\$49,900	\$0	\$0	\$49,900	0
332.25 UT Agricultural Experiment Station	\$168,100	\$0	\$0	\$168,100	0
332.26 UT Agricultural Extension Service	\$154,400	\$0	\$0	\$154,400	0
332.28 UT Veterinary Medicine	\$158,300	\$0	\$0	\$158,300	0
332.30 UT Health Science Center	\$727,400	\$0	\$0	\$727,400	0
332.32 UT Family Medicine	\$89,400	\$0	\$0	\$89,400	0
332.34 UT College of Medicine	\$216,700	\$0	\$0	\$216,700	0
332.40 UT Chattanooga	\$399,600	\$0	\$0	\$399,600	0
332.42 UT Knoxville	\$1,944,400	\$0	\$0	\$1,944,400	0
332.44 UT Martin	\$280,200	\$0	\$0	\$280,200	0
Sub-total	\$4,333,100	\$0	\$0	\$4,333,100	0

Education

Improvements for Fiscal Year 2010-2011

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• UT Biofuels Initiative – Year 4 of 5					
To provide fourth-year non-recurring operational funds for a comprehensive and integrated biomass to bioenergy demonstration program designed to advance and facilitate the development of a commercial biomass energy industry in Tennessee. This demonstration program includes the construction and operation of a pilot scale cellulosic ethanol biorefinery in Vonore, Morgan County; establishment of a large scale dedicated biomass energy crop supply chain with Tennessee farmers to supply a cellulosic ethanol biorefinery and other switchgrass utilization research and demonstrations; development of biomass industry infrastructure and collaborations to support the commercialization of viable, sustainable cellulosic biofuels and energy crops in Tennessee without direct subsidies. These operational funds are leveraged by previously-committed capital funds in a comprehensive initiative that will help establish a new industry sector across the state.					
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
• U.S. Economic Recovery - State Fiscal Stabilization Fund - Federal Restoration					
Non-recurring federal funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act, in order to restore support to public institutions of higher education to the total fiscal year 2007-2008 state appropriation levels. This appropriation, along with \$104,266,600 to the State University and Community College System, is the amount necessary to reach that level.					
332.15 UT Institute for Public Service	\$0	\$249,800	\$0	\$249,800	0
332.16 UT Municipal Technical Advisory Service	\$0	\$135,100	\$0	\$135,100	0
332.17 UT County Technical Assistance Service	\$0	\$78,900	\$0	\$78,900	0
332.21 UT Access and Diversity Initiative	\$0	\$310,900	\$0	\$310,900	0
332.23 UT Space Institute	\$0	\$614,100	\$0	\$614,100	0
332.25 UT Agricultural Experiment Station	\$0	\$1,239,100	\$0	\$1,239,100	0
332.26 UT Agricultural Extension Service	\$0	\$1,489,500	\$0	\$1,489,500	0
332.28 UT Veterinary Medicine	\$0	\$1,547,300	\$0	\$1,547,300	0
332.30 UT Health Science Center	\$0	\$6,313,000	\$0	\$6,313,000	0
332.32 UT Family Medicine	\$0	\$501,800	\$0	\$501,800	0
332.34 UT College of Medicine	\$0	\$3,675,800	\$0	\$3,675,800	0
332.40 UT Chattanooga	\$0	\$7,225,200	\$0	\$7,225,200	0
332.42 UT Knoxville	\$0	\$30,154,600	\$0	\$30,154,600	0
332.44 UT Martin	\$0	\$5,332,000	\$0	\$5,332,000	0
Sub-total	\$0	\$58,867,100	\$0	\$58,867,100	0
Total University of Tennessee System	\$36,601,900	\$58,867,100	\$0	\$95,469,000	0

Education Improvements for Fiscal Year 2010-2011

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
State University and Community College System					
• Salary Bonus					
To provide non-recurring funds for a 3 percent salary bonus for higher education employees.					
332.53 Southwest Tennessee Community College	\$1,432,200	\$0	\$0	\$1,432,200	0
332.54 Nashville State Community College	\$705,000	\$0	\$0	\$705,000	0
332.55 Pellissippi State Community College	\$963,000	\$0	\$0	\$963,000	0
332.56 Northeast State Community College	\$519,600	\$0	\$0	\$519,600	0
332.60 Tennessee Board of Regents	\$322,500	\$0	\$0	\$322,500	0
332.62 TSU McMinnville Center	\$8,400	\$0	\$0	\$8,400	0
332.63 TSU Institute of Agricultural and Environmental Research	\$32,100	\$0	\$0	\$32,100	0
332.64 TSU Cooperative Education	\$37,200	\$0	\$0	\$37,200	0
332.65 ETSU College of Medicine	\$1,030,500	\$0	\$0	\$1,030,500	0
332.67 ETSU Family Practice	\$282,900	\$0	\$0	\$282,900	0
332.70 Austin Peay State University	\$1,614,900	\$0	\$0	\$1,614,900	0
332.72 East Tennessee State University	\$2,755,500	\$0	\$0	\$2,755,500	0
332.74 University of Memphis	\$5,529,300	\$0	\$0	\$5,529,300	0
332.75 Middle Tennessee State University	\$4,536,600	\$0	\$0	\$4,536,600	0
332.77 Tennessee State University	\$2,093,100	\$0	\$0	\$2,093,100	0
332.78 Tennessee Technological University	\$1,987,200	\$0	\$0	\$1,987,200	0
332.80 Chattanooga State Community College	\$1,031,700	\$0	\$0	\$1,031,700	0
332.81 Cleveland State Community College	\$388,800	\$0	\$0	\$388,800	0
332.82 Columbia State Community College	\$506,700	\$0	\$0	\$506,700	0
332.84 Dyersburg State Community College	\$296,700	\$0	\$0	\$296,700	0
332.86 Jackson State Community College	\$476,100	\$0	\$0	\$476,100	0
332.88 Motlow State Community College	\$499,500	\$0	\$0	\$499,500	0
332.90 Roane State Community College	\$691,200	\$0	\$0	\$691,200	0
332.94 Volunteer State Community College	\$774,900	\$0	\$0	\$774,900	0
332.96 Walters State Community College	\$736,500	\$0	\$0	\$736,500	0
332.98 Tennessee Technology Centers	\$1,548,300	\$0	\$0	\$1,548,300	0
Sub-total	\$30,800,400	\$0	\$0	\$30,800,400	0

Education Improvements for Fiscal Year 2010-2011

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• 401k Match					
To provide non-recurring funds for higher education employees to maintain the 401k state match at \$50, including the \$10 non-recurring match.					
332.53 Southwest Tennessee Community College	\$43,100	\$0	\$0	\$43,100	0
332.54 Nashville State Community College	\$21,700	\$0	\$0	\$21,700	0
332.55 Pellissippi State Community College	\$32,700	\$0	\$0	\$32,700	0
332.56 Northeast State Community College	\$24,100	\$0	\$0	\$24,100	0
332.60 Tennessee Board of Regents	\$8,100	\$0	\$0	\$8,100	0
332.62 TSU McMinnville Center	\$300	\$0	\$0	\$300	0
332.65 ETSU College of Medicine	\$22,600	\$0	\$0	\$22,600	0
332.67 ETSU Family Practice	\$5,900	\$0	\$0	\$5,900	0
332.70 Austin Peay State University	\$42,000	\$0	\$0	\$42,000	0
332.72 East Tennessee State University	\$91,400	\$0	\$0	\$91,400	0
332.74 University of Memphis	\$83,200	\$0	\$0	\$83,200	0
332.75 Middle Tennessee State University	\$125,600	\$0	\$0	\$125,600	0
332.77 Tennessee State University	\$45,400	\$0	\$0	\$45,400	0
332.78 Tennessee Technological University	\$70,300	\$0	\$0	\$70,300	0
332.80 Chattanooga State Community College	\$39,700	\$0	\$0	\$39,700	0
332.81 Cleveland State Community College	\$12,500	\$0	\$0	\$12,500	0
332.82 Columbia State Community College	\$15,200	\$0	\$0	\$15,200	0
332.84 Dyersburg State Community College	\$12,500	\$0	\$0	\$12,500	0
332.86 Jackson State Community College	\$17,600	\$0	\$0	\$17,600	0
332.88 Motlow State Community College	\$14,100	\$0	\$0	\$14,100	0
332.90 Roane State Community College	\$22,300	\$0	\$0	\$22,300	0
332.94 Volunteer State Community College	\$27,700	\$0	\$0	\$27,700	0
332.96 Walters State Community College	\$29,000	\$0	\$0	\$29,000	0
332.98 Tennessee Technology Centers	\$61,000	\$0	\$0	\$61,000	0
Sub-total	\$868,000	\$0	\$0	\$868,000	0

Education Improvements for Fiscal Year 2010-2011

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• TCRS (Retirement) Contribution Increase – July 1, 2010					
To provide funds for the increase in the retirement contribution rate for higher education employees.					
332.53 Southwest Tennessee Community College	\$378,600	\$0	\$0	\$378,600	0
332.54 Nashville State Community College	\$194,500	\$0	\$0	\$194,500	0
332.55 Pellissippi State Community College	\$190,700	\$0	\$0	\$190,700	0
332.56 Northeast State Community College	\$145,500	\$0	\$0	\$145,500	0
332.60 Tennessee Board of Regents	\$137,200	\$0	\$0	\$137,200	0
332.62 TSU McMinnville Center	\$900	\$0	\$0	\$900	0
332.63 TSU Institute of Agricultural and Environmental Research	\$4,300	\$0	\$0	\$4,300	0
332.64 TSU Cooperative Education	\$10,400	\$0	\$0	\$10,400	0
332.65 ETSU College of Medicine	\$103,100	\$0	\$0	\$103,100	0
332.67 ETSU Family Practice	\$31,500	\$0	\$0	\$31,500	0
332.70 Austin Peay State University	\$307,600	\$0	\$0	\$307,600	0
332.72 East Tennessee State University	\$529,400	\$0	\$0	\$529,400	0
332.74 University of Memphis	\$993,700	\$0	\$0	\$993,700	0
332.75 Middle Tennessee State University	\$947,600	\$0	\$0	\$947,600	0
332.77 Tennessee State University	\$308,200	\$0	\$0	\$308,200	0
332.78 Tennessee Technological University	\$422,200	\$0	\$0	\$422,200	0
332.80 Chattanooga State Community College	\$344,100	\$0	\$0	\$344,100	0
332.81 Cleveland State Community College	\$107,800	\$0	\$0	\$107,800	0
332.82 Columbia State Community College	\$131,200	\$0	\$0	\$131,200	0
332.84 Dyersburg State Community College	\$76,400	\$0	\$0	\$76,400	0
332.86 Jackson State Community College	\$137,300	\$0	\$0	\$137,300	0
332.88 Motlow State Community College	\$126,900	\$0	\$0	\$126,900	0
332.90 Roane State Community College	\$182,400	\$0	\$0	\$182,400	0
332.94 Volunteer State Community College	\$175,000	\$0	\$0	\$175,000	0
332.96 Walters State Community College	\$246,200	\$0	\$0	\$246,200	0
332.98 Tennessee Technology Centers	\$739,000	\$0	\$0	\$739,000	0
Sub-total	\$6,971,700	\$0	\$0	\$6,971,700	0

Education

Improvements for Fiscal Year 2010-2011

	State	Federal	Other	Total	Positions	
• U.S. Economic Recovery - State Fiscal Stabilization Fund - Federal Restoration						
Non-recurring federal funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act, in order to restore support to public institutions of higher education to the total fiscal year 2007-2008 state appropriation level. This appropriation, along with \$58,867,100 to the University of Tennessee System, is the amount necessary to reach that level.						
332.53	Southwest Tennessee Community College	\$0	\$4,426,900	\$0	\$4,426,900	0
332.54	Nashville State Community College	\$0	\$2,326,300	\$0	\$2,326,300	0
332.55	Pellissippi State Community College	\$0	\$2,986,800	\$0	\$2,986,800	0
332.56	Northeast State Community College	\$0	\$1,695,700	\$0	\$1,695,700	0
332.59	Regents Access and Diversity Initiative	\$0	\$560,200	\$0	\$560,200	0
332.62	TSU McMinnville Center	\$0	\$26,700	\$0	\$26,700	0
332.63	TSU Institute of Agricultural and Environmental Research	\$0	\$109,200	\$0	\$109,200	0
332.64	TSU Cooperative Education	\$0	\$96,800	\$0	\$96,800	0
332.65	ETSU College of Medicine	\$0	\$2,048,300	\$0	\$2,048,300	0
332.67	ETSU Family Practice	\$0	\$286,400	\$0	\$286,400	0
332.70	Austin Peay State University	\$0	\$6,352,400	\$0	\$6,352,400	0
332.72	East Tennessee State University	\$0	\$10,624,300	\$0	\$10,624,300	0
332.74	University of Memphis	\$0	\$18,277,000	\$0	\$18,277,000	0
332.75	Middle Tennessee State University	\$0	\$17,620,000	\$0	\$17,620,000	0
332.77	Tennessee State University	\$0	\$8,048,100	\$0	\$8,048,100	0
332.78	Tennessee Technological University	\$0	\$8,040,900	\$0	\$8,040,900	0
332.80	Chattanooga State Community College	\$0	\$3,030,300	\$0	\$3,030,300	0
332.81	Cleveland State Community College	\$0	\$1,172,700	\$0	\$1,172,700	0
332.82	Columbia State Community College	\$0	\$1,593,900	\$0	\$1,593,900	0
332.84	Dyersburg State Community College	\$0	\$883,300	\$0	\$883,300	0
332.86	Jackson State Community College	\$0	\$1,605,100	\$0	\$1,605,100	0
332.88	Motlow State Community College	\$0	\$1,398,500	\$0	\$1,398,500	0
332.90	Roane State Community College	\$0	\$2,074,200	\$0	\$2,074,200	0
332.94	Volunteer State Community College	\$0	\$2,320,300	\$0	\$2,320,300	0
332.96	Walters State Community College	\$0	\$2,242,600	\$0	\$2,242,600	0
332.98	Tennessee Technology Centers	\$0	\$4,419,700	\$0	\$4,419,700	0
Sub-total		\$0	\$104,266,600	\$0	\$104,266,600	0

**Education
Improvements for Fiscal Year 2010-2011**

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Total State University and Community College System	\$38,640,100	\$104,266,600	\$0	\$142,906,700	0
Total Higher Education	\$79,013,000	\$163,133,700	\$0	\$242,146,700	0
Total Education	\$254,097,000	\$316,118,800	\$6,500	\$570,222,300	6

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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	109	108	95	0	95
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	109	108	95	0	95
Payroll	7,935,600	7,337,700	6,747,700	0	6,747,700
Operational	2,548,400	2,534,000	2,498,200	0	2,498,200
Total	\$10,484,000	\$9,871,700	\$9,245,900	\$0	\$9,245,900
State	8,891,500	8,231,500	7,605,700	0	7,605,700
Federal	1,516,100	1,563,800	1,563,800	0	1,563,800
Other	76,400	76,400	76,400	0	76,400

Standard: Reduce transaction time for teacher licenses by moving to electronic transfer of documents and online applications.

Measure: Teacher license transaction time in weeks.

3	2	1	0	1
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Standard: Implement document scanning and electronic storage capabilities, including capability to receive electronic transcripts from colleges and universities. Also, introduce candidate ability to apply for teacher license transactions on-line.

Measure: Percent of document scanning and electronic storage capabilities implemented.

Not Applicable	25%	50%	0	50%
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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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 age-appropriate book each month to children from birth to age five at no cost to the family.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	3,444,500	3,444,100	3,444,100	0	3,444,100
Total	\$3,444,500	\$3,444,100	\$3,444,100	\$0	\$3,444,100
State	3,444,500	3,444,100	3,104,100	0	3,104,100
Federal	0	0	340,000	0	340,000
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.

	56%	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	6	0	6
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	8	8	6	0	6
Payroll	729,700	726,900	626,900	0	626,900
Operational	203,400	203,500	201,500	0	201,500
Total	\$933,100	\$930,400	\$828,400	\$0	\$828,400
State	933,100	930,400	828,400	0	828,400
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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Standard: Reduce the percentage of students needing developmental studies at two- and four-year post-secondary institutions.

Measure: The percent of students needing developmental studies at two- and four-year post-secondary institutions.

59%	53%	58%	0	58%
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Standard: Increase the percentage of students meeting readiness benchmarks established by the American College Testing (ACT) program.

Measure: The percent of students meeting readiness benchmarks established by the American College Testing (ACT) program.

18%	22%	19%	0	19%
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State Support of LEA Programs

The department provides support for a number of initiatives designed to address specific needs and special programs at the local level. Much of this support is provided directly to the local education agencies (LEAs). The programs are: Basic Education Program; K-12 School Construction; Early Childhood Education; After-School Programs; Energy Efficient Schools Initiative; Career Ladder; Grants-In-Aid; Driver Education; Technology, Infrastructure, and Support Systems; Accountability and Assessment; Curriculum and Instruction; and Training and Professional Development.

331.25 Basic Education Program

The Basic Education Program (BEP) formula determines the funding level each school system needs in order to provide a basic level of service for all students. This formula is based on student enrollment in the different grade levels and programs, as well as specific costs for materials, supplies, equipment, and other operating costs. A county's relative ability to pay for education is taken into consideration in determining each system's required local share of the education funds generated by the BEP formula.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	3,592,923,900	3,622,967,100	3,622,167,100	166,600,000	3,788,767,100
Total	\$3,592,923,900	\$3,622,967,100	\$3,622,167,100	\$166,600,000	\$3,788,767,100
State	3,574,923,900	3,450,567,100	3,447,993,500	166,600,000	3,614,593,500
Federal	18,000,000	172,400,000	174,173,600	0	174,173,600
Other	0	0	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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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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Standard: Increase student graduation rate.

Measure: Percent of students graduating from high school (as defined by No Child Left Behind).

	82.20%	82.98%	84.74%	0	84.74%
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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 from excess lottery proceeds, when available, after meeting higher education lottery scholarship requirements. The lottery funds are reflected here as other departmental revenue.

Full-Time	35	36	36	0	36
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	35	36	36	0	36
Payroll	2,833,900	2,823,000	2,823,000	0	2,823,000
Operational	87,676,700	88,193,000	85,118,000	5,014,000	90,132,000
Total	\$90,510,600	\$91,016,000	\$87,941,000	\$5,014,000	\$92,955,000
State	62,663,400	81,571,100	81,323,000	5,014,000	86,337,000
Federal	2,847,200	6,311,300	6,461,700	0	6,461,700
Other	25,000,000	3,133,600	156,300	0	156,300

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%	52%	54%	0	54%
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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 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	179,800	179,100	179,100	0	179,100
Operational	12,721,600	14,320,900	14,320,900	0	14,320,900
Total	\$12,901,400	\$14,500,000	\$14,500,000	\$0	\$14,500,000
State	12,901,400	14,500,000	13,700,000	0	13,700,000
Federal	0	0	0	0	0
Other	0	0	800,000	0	800,000

<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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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.

21,615	19,000	19,500	0	19,500
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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.

86%	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. The energy efficient schools council fund was established July 1, 2008, by a transfer of \$90 million from the Lottery for Education Account reserve and the Lottery for Education special reserve account for K-12 capital outlay. Recurring funding is from interest earnings of the energy efficient schools council fund for operational expenditures and an estimated amount from the fund which will be granted or loaned to the school systems. The Energy Efficient Schools Council has the authority to raise corporate and federal funding to support ongoing programs. The council is administratively attached to the Department of Education.

Full-Time	2	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2	2	2	0	2
Payroll	168,300	192,600	202,600	0	202,600
Operational	89,831,700	35,221,100	35,211,100	0	35,211,100
Total	\$90,000,000	\$35,413,700	\$35,413,700	\$0	\$35,413,700
State	90,000,000	0	0	0	0
Federal	0	0	0	0	0
Other	0	35,413,700	35,413,700	0	35,413,700

Standard: Make available grants and loans to all 136 school districts and four state special schools based on prior year student population, including GED Plus Two classes.

Measure: Percent of school districts receiving financial assistance.

Not Applicable	40%	80%	0	80%
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Standard: Increase the use of energy management services in schools to monitor the effectiveness and efficiency of energy use; recommend energy efficient capital outlay projects that have a reasonable payback period; and verify the energy efficiencies achieved.

Measure: Percent of school districts using energy management services.

56%	66%	66%	0	66%
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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331.10 Career Ladder

The Comprehensive Education Reform Act of 1984 established the Career Ladder program designed to promote staff development among teachers, principals, and supervisors, and to reward with substantial pay supplements those evaluated as outstanding and who accept additional responsibilities as applicable.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	69,900,000	55,943,800	55,943,800	0	55,943,800
Total	\$69,900,000	\$55,943,800	\$55,943,800	\$0	\$55,943,800
State	69,900,000	40,943,800	40,943,800	0	40,943,800
Federal	0	15,000,000	15,000,000	0	15,000,000
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 recurring and non-recurring 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	5,608,900	5,393,900	4,143,900	3,000,000	7,143,900
Total	\$5,608,900	\$5,393,900	\$4,143,900	\$3,000,000	\$7,143,900
State	5,608,900	478,800	478,800	3,000,000	3,478,800
Federal	0	4,915,100	3,665,100	0	3,665,100
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.

377,814	400,000	415,000	0	415,000
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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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	1,700,000	1,700,000	1,700,000	0	1,700,000
Total	\$1,700,000	\$1,700,000	\$1,700,000	\$0	\$1,700,000
State	1,700,000	1,700,000	1,700,000	0	1,700,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Provide local education agencies with supplemental funding for driver education programs based on the number of students served each semester (fall and spring).

Measure: Number of students served in driver education programs.

24,227	26,000	25,000	0	25,000
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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	24	20	20	0	20
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	24	20	20	0	20
Payroll	2,183,900	2,053,000	1,792,500	0	1,792,500
Operational	2,103,300	2,097,000	2,360,100	0	2,360,100
Total	\$4,287,200	\$4,150,000	\$4,152,600	\$0	\$4,152,600
State	2,705,700	2,568,500	2,571,100	0	2,571,100
Federal	200,000	200,000	200,000	0	200,000
Other	1,381,500	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.

85%	80%	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.

95%	95%	95%	0	95%
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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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	50	50	39	5	44
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	50	50	39	5	44
Payroll	3,608,300	3,336,000	2,826,000	545,400	3,371,400
Operational	37,666,300	39,293,500	39,227,000	4,634,300	43,861,300
Total	\$41,274,600	\$42,629,500	\$42,053,000	\$5,179,700	\$47,232,700
State	27,839,900	32,436,000	28,274,700	0	28,274,700
Federal	1,851,000	6,609,800	10,194,600	5,179,700	15,374,300
Other	11,583,700	3,583,700	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.

51%	75%	38%	0	38%
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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.

9%	4%	2%	0	2%
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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	27	27	22	0	22
Part-Time	10	10	10	0	10
Seasonal	0	0	0	0	0
Total	37	37	32	0	32
Payroll	2,301,400	2,063,400	1,781,400	0	1,781,400
Operational	34,678,500	34,662,700	32,645,100	0	32,645,100
Total	\$36,979,900	\$36,726,100	\$34,426,500	\$0	\$34,426,500

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
State	6,787,800	4,397,200	3,854,300	0	3,854,300
Federal	30,059,000	32,195,800	30,439,100	0	30,439,100
Other	133,100	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 school students performing at or above the proficient level in reading/language arts.

91%	94%	47%	0	47%
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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.

94%	96%	48%	0	48%
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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	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	938,200	894,000	894,000	0	894,000
Operational	8,828,300	4,487,900	4,469,000	0	4,469,000
Total	\$9,766,500	\$5,381,900	\$5,363,000	\$0	\$5,363,000
State	8,941,700	1,725,100	1,706,200	0	1,706,200
Federal	0	2,832,000	2,832,000	0	2,832,000
Other	824,800	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.

94.5%	92.0%	92.0%	0	92.0%
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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.

98.6%	95.0%	57.0%	0	57.0%
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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

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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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 students with disabilities, and vocational education programs are federally- and state-funded.

331.03 ESEA No Child Left Behind

The ESEA No Child Left Behind Act is primarily designed to target resources for school improvements and support initiatives to enhance the learning environment. This act 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	53	53	0	53
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	52	53	53	0	53
Payroll	4,335,400	4,326,900	4,293,900	0	4,293,900
Operational	306,180,800	511,941,600	358,698,600	27,053,400	385,752,000
Total	\$310,516,200	\$516,268,500	\$362,992,500	\$27,053,400	\$390,045,900
State	0	0	0	470,000	470,000
Federal	310,516,200	516,268,500	362,992,500	26,583,400	389,575,900
Other	0	0	0	0	0

Standard: All elementary and middle 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.

91%	92%	45%	0	45%
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Standard: All high school students in the public schools will attain proficiency level in mathematics.

Measure: Percent of high school students at or above the proficient level in mathematics.

89%	83%	39%	0	39%
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331.50 Race to the Top

Race to the Top, a competitive grant available to states, is part of the American Recovery and Reinvestment Act of 2009, which was signed into law on February 17, 2009. Through Race to the Top, the U.S. Department of Education is asking states to advance reforms around four specific areas: adopting standards and assessments that prepare students to succeed in college and the workplace and to compete in the global economy; building data systems that measure student growth and success and inform teachers and principals about how they can improve instruction; recruiting, developing, rewarding, and retaining effective teachers and principals, especially where they are needed most; and turning around our lowest-achieving schools.

Awards in Race to the Top will go to states that are leading the way with ambitious yet achievable plans for implementing coherent, compelling, and comprehensive education reform. Applications for phase I of awards were due on January 19, 2010, and winners will be announced in April. Tennessee has applied in phase I for \$501.8 million to be used over the next four years to create an achievement school district, create a new teacher evaluation system, provide teacher training and professional development, and train post-secondary educators on Tennessee data and new evaluation system. Half of the \$501.8 million will be distributed to

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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local education agencies (LEAs) over the next four years based on the Title I allocation formula. Funds to the LEAs must be used in accordance with the scope of work described in the agreement between the state and the LEA. The amount recommended below is an estimate of the Race to the Top funds which will be spent in the first year.

Full-Time	0	0	0	1	1
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	1	1
Payroll	0	0	0	315,000	315,000
Operational	0	0	0	119,802,300	119,802,300
Total	\$0	\$0	\$0	\$120,117,300	\$120,117,300
State	0	0	0	0	0
Federal	0	0	0	120,117,300	120,117,300
Other	0	0	0	0	0

331.09 Improving Schools Program

The Improving Schools Program funds a variety of initiatives designed to provide support for local efforts. The Safe and Drug-Free Schools and Communities program provides financial and technical support to schools and communities to reduce adolescent drug use and violence. The Tobacco Prevention program addresses smoking among young children. The 21st Century Learning Centers administer grants to serve students who attend high-poverty, low-achieving schools. School Health programs provide technical and financial assistance in implementing and developing comprehensive school health programs in the local schools. Financial support is provided through a variety of grant programs, including formula grants to local education agencies, as well as discretionary grants to both school- and community-based programs. Other federally-funded programs in the Improving Schools Program include: Learn and Serve grants, Byrd scholarships, Troops to Teachers, and AIDS education.

Full-Time	23	19	18	0	18
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	24	20	19	0	19
Payroll	2,122,000	1,898,300	1,802,100	0	1,802,100
Operational	43,458,600	45,938,400	45,933,700	0	45,933,700
Total	\$45,580,600	\$47,836,700	\$47,735,800	\$0	\$47,735,800
State	16,108,500	2,202,700	544,900	0	544,900
Federal	26,706,500	45,184,000	46,790,900	0	46,790,900
Other	2,765,600	450,000	400,000	0	400,000

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 75% or above on the unsafe school choice criteria.

1	7	6	0	6
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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Standard: Reduce the barriers to student learning and academic accomplishments by increasing the percentage of students who receive health screenings.

Measure: Percent of students who receive health screenings to include body mass index, vision, hearing, dental, and blood pressure check.

	27%	80%	23%	0	23%
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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	72	71	71	0	71
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	72	71	71	0	71
Payroll	5,111,100	5,056,700	5,056,700	0	5,056,700
Operational	234,896,400	371,902,900	324,466,700	0	324,466,700
Total	\$240,007,500	\$376,959,600	\$329,523,400	\$0	\$329,523,400
State	644,400	636,300	636,300	0	636,300
Federal	239,363,100	376,323,300	328,887,100	0	328,887,100
Other	0	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.

	73.0%	79.6%	76.0%	0	76.0%
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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.

	68.0%	66.3%	71.0%	0	71.0%
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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	256	256	256	0	256
Part-Time	491	491	491	0	491
Seasonal	0	0	0	0	0
Total	747	747	747	0	747

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
Payroll	19,127,400	18,729,600	18,729,600	0	18,729,600
Operational	20,249,000	25,962,300	23,661,200	1,104,700	24,765,900
Total	\$39,376,400	\$44,691,900	\$42,390,800	\$1,104,700	\$43,495,500
State	28,657,000	16,352,500	13,837,200	0	13,837,200
Federal	10,636,400	15,756,400	15,970,600	1,104,700	17,075,300
Other	83,000	12,583,000	12,583,000	0	12,583,000

Standard: Provide services coordination and services for eligible children.

Measure: Number of eligible children receiving service coordination and/or services from TEIS.

8,225	8,225	8,225	0	8,225
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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%	94%	94%	0	94%
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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	25	25	0	25
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	24	25	25	0	25
Payroll	1,972,300	1,964,600	1,964,600	0	1,964,600
Operational	254,070,800	256,349,300	254,075,300	0	254,075,300
Total	\$256,043,100	\$258,313,900	\$256,039,900	\$0	\$256,039,900
State	4,806,300	4,806,400	4,806,500	0	4,806,500
Federal	251,231,800	253,502,500	251,228,400	0	251,228,400
Other	5,000	5,000	5,000	0	5,000

Standard: Schools will successfully meet national nutritional standards.

Measure: Percent of schools meeting national nutritional standards.

95%	100%	100%	0	100%
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Standard: Tennessee public schools will be on the National Breakfast Program.

Measure: Percent of schools participating in the National School Breakfast Program.

96%	96%	97%	0	97%
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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331.45 Career and Technical Education Programs

Career and Technical Education Programs is responsible for providing specialized vocational education services to the state's high school students that will prepare them for employment or post-secondary education. The program also provides direction to the local education agencies in establishing and maintaining programs in areas such as agriculture, family and consumer sciences, trade and industry, information technology, marketing, health science, and technology education.

Full-Time	50	51	51	0	51
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	50	51	51	0	51
Payroll	3,664,400	3,562,700	3,592,700	0	3,592,700
Operational	37,107,700	37,488,700	37,123,200	0	37,123,200
Total	\$40,772,100	\$41,051,400	\$40,715,900	\$0	\$40,715,900
State	3,961,200	3,902,600	3,905,100	0	3,905,100
Federal	35,813,900	35,781,800	35,813,800	0	35,813,800
Other	997,000	1,367,000	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 that scored proficient and advanced in reading/language arts as defined by NCLB.

93.08%	92.50%	89.37%	0	89.37%
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Standard: Meet or exceed baseline levels of performance in mathematics as required by the CTE Act of 2006.

Measure: Percent of CTE concentrators that scored proficient or advanced in mathematics as defined by NCLB.

97.08%	84.50%	85.00%	0	85.00%
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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 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.

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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331.91 Tennessee School for the Blind

The Tennessee School for the Blind (TSB), located in Nashville, provides residential and educational programs for students, grades pre-K through 12, with multiple disabilities (primarily visually impaired).

Full-Time	183	183	183	0	183
Part-Time	20	20	20	0	20
Seasonal	0	0	0	0	0
Total	203	203	203	0	203
Payroll	10,017,400	9,779,100	9,779,100	0	9,779,100
Operational	1,738,500	1,926,400	1,641,000	2,700	1,643,700
Total	\$11,755,900	\$11,705,500	\$11,420,100	\$2,700	\$11,422,800
State	10,887,200	10,657,700	10,551,400	0	10,551,400
Federal	0	0	0	0	0
Other	868,700	1,047,800	868,700	2,700	871,400

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	242	242	242	0	242
Part-Time	21	21	21	0	21
Seasonal	0	0	0	0	0
Total	263	263	263	0	263
Payroll	12,034,800	11,952,800	11,952,800	0	11,952,800
Operational	3,413,200	4,275,800	3,545,900	2,800	3,548,700
Total	\$15,448,000	\$16,228,600	\$15,498,700	\$2,800	\$15,501,500
State	14,904,600	15,408,700	14,155,300	0	14,155,300
Federal	0	0	800,000	0	800,000
Other	543,400	819,900	543,400	2,800	546,200

<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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.

64%	65%	70%	0	70%
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Standard: Increase the percentage of graduates successfully placed.

Measure: Percent of TSD graduates successfully placed.

100%	100%	100%	0	100%
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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	40	40	40	0	40
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
Total	49	49	49	0	49
Payroll	2,401,400	2,355,500	2,355,500	0	2,355,500
Operational	389,500	437,500	402,900	1,000	403,900
Total	\$2,790,900	\$2,793,000	\$2,758,400	\$1,000	\$2,759,400
State	2,568,200	2,518,300	2,496,600	0	2,496,600
Federal	0	0	0	0	0
Other	222,700	274,700	261,800	1,000	262,800

Standard: Increase the percentage of WTSD students, grades three and above, scoring at least proficient in reading/language arts on the TCAP.

Measure: Percent of WTSD students, grades three and above, scoring at least proficient in reading/language arts on the annual TCAP test.

56%	66%	63%	0	63%
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Standard: Increase the percentage of WTSD students, grades three and above, scoring at least proficient in math on the TCAP.

Measure: Percent of WTSD students, grades three and above, scoring at least proficient in math on the annual TCAP test.

40%	45%	48%	0	48%
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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.

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
Full-Time	78	78	0	0	0
Part-Time	11	11	0	0	0
Seasonal	0	0	0	0	0
Total	89	89	0	0	0
Payroll	5,425,400	5,463,100	0	0	0
Operational	1,153,900	1,456,000	0	0	0
Total	\$6,579,300	\$6,919,100	\$0	\$0	\$0
State	5,523,600	5,562,700	0	0	0
Federal	60,000	60,000	0	0	0
Other	995,700	1,296,400	0	0	0

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	1,850,000	1,850,000	1,589,000	0	1,589,000
Total	\$1,850,000	\$1,850,000	\$1,589,000	\$0	\$1,589,000
State	1,850,000	1,850,000	1,589,000	0	1,589,000
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.

46	48	24	0	24
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Standard: Increase student graduation rate.

Measure: Percent of seniors graduating from the Governor's Institute for Math and Science.

81%	88%	90%	0	90%
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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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
Payroll	0	0	0	0	0
Operational	239,100	239,100	239,100	0	239,100
Total	\$239,100	\$239,100	\$239,100	\$0	\$239,100
State	239,100	239,100	239,100	0	239,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Utilize allocated funds on planned, regularly scheduled maintenance projects.

Measure: Percent of allocated funds expended for maintenance projects.

100%	100%	100%	0	100%
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331.00 Total Education (K-12)

Full-Time	1,288	1,282	1,172	6	1,178
Part-Time	563	563	552	0	552
Seasonal	0	0	0	0	0
Total	1,851	1,845	1,724	6	1,730
Payroll	87,090,700	84,695,000	77,400,200	860,400	78,260,600
Operational	4,854,583,000	5,170,230,500	4,954,826,400	327,215,200	5,282,041,600
Total	\$4,941,673,700	\$5,254,925,500	\$5,032,226,600	\$328,075,600	\$5,360,302,200
State	3,967,391,900	3,707,630,600	3,686,845,000	175,084,000	3,861,929,000
Federal	928,801,200	1,484,904,300	1,287,353,200	152,985,100	1,440,338,300
Other	45,480,600	62,390,600	58,028,400	6,500	58,034,900

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

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	11	37	60
2009-2010	770	13	50	58
2010-2011	0	14	78	58

Annual Releases

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	8	24	10
2009-2010	180	6	25	5
2010-2011	0	6	17	6

Average Daily Census

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	689	206	163	49
2009-2010	690	210	188	45
2010-2011	0	210	225	45

Cost Per Occupancy Day

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	\$53.05	\$317.04	\$526.52	\$316.43
2009-2010	\$55.71	\$309.67	\$479.57	\$344.81
2010-2011	\$0.00	\$302.19	\$382.75	\$340.67

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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	54	54	51	0	51
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
Total	56	56	53	0	53
Payroll	4,870,900	4,838,600	4,618,200	0	4,618,200
Operational	6,374,600	5,194,900	5,078,500	0	5,078,500
Total	\$11,245,500	\$10,033,500	\$9,696,700	\$0	\$9,696,700
State	2,228,800	2,185,900	2,117,200	0	2,117,200
Federal	5,244,900	5,242,000	5,242,100	0	5,242,100
Other	3,771,800	2,605,600	2,337,400	0	2,337,400

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	2,490,700	2,289,700	2,217,000	0	2,217,000
Total	\$2,490,700	\$2,289,700	\$2,217,000	\$0	\$2,217,000
State	2,490,700	2,289,700	2,217,000	0	2,217,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Increase or maintain the number of Teacher Diversity Program graduates that intend to become teachers in Tennessee.

Measure: Number of students trained through the Teacher Diversity Program that intend to become teachers.

	58	35	35	0	35
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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, the federally-funded improving teacher quality grants, and a tuition freeze program for students who are in the military reserves or National Guard and are mobilized to active duty.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	4,368,700	3,723,400	3,646,100	0	3,646,100
Total	\$4,368,700	\$3,723,400	\$3,646,100	\$0	\$3,646,100
State	3,081,800	2,436,500	2,359,200	0	2,359,200
Federal	1,286,900	1,286,900	1,286,900	0	1,286,900
Other	0	0	0	0	0

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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Standard: Execute the Improving Teacher Quality Grant contracts with colleges, universities, and local education agencies to conduct workshops for teachers.

Measure: Number of teachers and principals trained through the Improving Teacher Quality Grants.

	620	500	450	0	450
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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	18,774,500	18,667,800	17,677,800	528,900	18,206,700
Total	\$18,774,500	\$18,667,800	\$17,677,800	\$528,900	\$18,206,700
State	18,774,500	18,667,800	17,677,800	528,900	18,206,700
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 are distributed.

	30	30	30	0	30
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332.11 Campus Centers of Emphasis

Like the Centers of Excellence assists four-year universities, the Campus Centers of Emphasis program provides supplemental funding to demonstrably excellent programs at each of the state's public two-year institutions. Administered by THEC, each center is designed to work closely with local business and industry to strengthen specified academic disciplines with positive impact on job placement.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	1,357,500	1,360,300	1,266,300	42,100	1,308,400
Total	\$1,357,500	\$1,360,300	\$1,266,300	\$42,100	\$1,308,400
State	1,344,900	1,360,300	1,266,300	42,100	1,308,400
Federal	12,600	0	0	0	0
Other	0	0	0	0	0

<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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Standard: Distribute funds provided for the Centers of Emphasis.

Measure: Days after the beginning of the quarter Centers of Emphasis funds are 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 ten 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 was expended from the remaining Geier reserves carried forward from previous appropriations to the program and was required to comply with the lawsuit dismissal order. This amount was 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
Payroll	0	0	0	0	0
Operational	1,129,400	0	0	0	0
Total	\$1,129,400	\$0	\$0	\$0	\$0

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,129,400	0	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	Not Applicable	Not Applicable	0	Not Applicable
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Tennessee Student Assistance Corporation

The Tennessee Student Assistance Corporation (TSAC) is a non-profit agency that administers state and federal student financial assistance programs. The agency is governed by a 17-member board of directors, including the governor, the state Treasurer, the Comptroller of the Treasury, the Commissioner of Finance and Administration, the Commissioner of Education, and representatives of higher education serving ex-officio. Other members, each appointed by the governor, include a representative of a commercial lender, a student of a Tennessee institution of higher education, and three private citizens. The executive director of the Tennessee Higher Education Commission serves as the executive director of TSAC.

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	57,724,900	57,724,900	54,524,900	3,200,000	57,724,900
Total	\$57,724,900	\$57,724,900	\$54,524,900	\$3,200,000	\$57,724,900
State	49,362,500	49,362,500	46,162,500	3,200,000	49,362,500
Federal	1,562,400	1,562,400	1,562,400	0	1,562,400
Other	6,800,000	6,800,000	6,800,000	0	6,800,000

Standard: To fund the maximum number of student awards.

Measure: The number of student awards.

26,350	27,000	29,000	1,800	30,800
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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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	190,002,500	190,002,500	190,002,500	0	190,002,500
Total	\$190,002,500	\$190,002,500	\$190,002,500	\$0	\$190,002,500
State	0	0	0	0	0
Federal	181,102,500	181,102,500	181,102,500	0	181,102,500
Other	8,900,000	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).

	\$770 million	\$875 million	\$780 million	0	\$780 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	57	54	54	0	54
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	57	54	54	0	54
Payroll	4,010,100	3,648,000	3,648,000	0	3,648,000
Operational	19,135,600	21,735,600	21,697,400	0	21,697,400
Total	\$23,145,700	\$25,383,600	\$25,345,400	\$0	\$25,345,400
State	2,774,000	1,235,400	1,196,800	0	1,196,800
Federal	5,515,300	9,407,400	9,407,600	0	9,407,600
Other	14,856,400	14,740,800	14,741,000	0	14,741,000

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.

	2,818	3,100	3,400	0	3,400
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	780,500	780,500	780,500	0	780,500
Total	\$780,500	\$780,500	\$780,500	\$0	\$780,500
State	401,800	401,800	401,800	0	401,800
Federal	0	0	0	0	0
Other	378,700	378,700	378,700	0	378,700

Standard: Increase the total number of students awarded the Ned McWherter Scholarship to 180 (50 students awarded per cohort per year).

Measure: The number of students awarded.

	175	195	180	0	180
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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, medical, and nursing education fields. Participants in the teaching and medical programs incur an obligation to work in an area of need in Tennessee for each year an award is received. Participants in the nursing education program agree to enter a faculty or administrative position at a college or university in Tennessee in a nursing education program and serve for four years.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	3,606,900	4,386,900	4,386,900	0	4,386,900
Total	\$3,606,900	\$4,386,900	\$4,386,900	\$0	\$4,386,900
State	1,191,000	1,191,000	1,191,000	0	1,191,000
Federal	0	0	0	0	0
Other	2,415,900	3,195,900	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.

	176	180	180	0	180
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<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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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.

42%	65%	50%	0	50%
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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. 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	295,200,000	289,100,000	316,300,000	0	316,300,000
Total	\$295,200,000	\$289,100,000	\$316,300,000	\$0	\$316,300,000
State	295,200,000	289,100,000	284,900,000	0	284,900,000
Federal	0	0	0	0	0
Other	0	0	31,400,000	0	31,400,000

Standard: Increase the number of participants in the Tennessee Education Lottery Scholarship program.

Measure: The number of students paid a lottery-related award.

88,600	97,000	100,000	0	100,000
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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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Estimated
2008-2009

Estimated
2009-2010

Base
2010-2011

Improvement
2010-2011

Recommended
2010-2011

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	1,535,600	1,840,000	1,829,000	0	1,829,000
Total	\$1,535,600	\$1,840,000	\$1,829,000	\$0	\$1,829,000
State	372,400	349,100	338,100	0	338,100
Federal	0	0	0	0	0
Other	1,163,200	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.

	393	420	450	0	450
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332.00 Total Higher Education - State Administered Programs

Full-Time	125	122	119	0	119
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
Total	127	124	121	0	121
Payroll	8,881,000	8,486,600	8,266,200	0	8,266,200
Operational	602,481,400	596,806,500	619,406,900	3,771,000	623,177,900
Total	\$611,362,400	\$605,293,100	\$627,673,100	\$3,771,000	\$631,444,100
State	377,222,400	368,580,000	359,827,700	3,771,000	363,598,700
Federal	194,724,600	198,601,200	198,601,500	0	198,601,500
Other	39,415,400	38,111,900	69,243,900	0	69,243,900

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 2008 and 2009. Federal revenues, tuition and fees, and other revenues are unrestricted current funds derived from education and general sources and auxiliary enterprise sources.

<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	88	80	80	0	80
Professional	247	216	216	0	216
Faculty	0	0	0	0	0
Clerical/Support	312	212	212	0	212
Total	647	508	508	0	508
FTE Enrollment	0	0	0	0	0
State	4,839,700	4,407,700	4,219,900	211,400	4,431,300
Federal	0	0	0	0	0
Other	24,391,700	17,033,600	17,033,600	0	17,033,600
Tuition/Fees	0	0	0	0	0
Total	\$29,231,400	\$21,441,300	\$21,253,500	\$211,400	\$21,464,900

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.

60%	85%	100%	0	100%
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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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	6,181,900	6,167,200	5,820,800	0	5,820,800
Federal	0	545,700	0	310,900	310,900
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$6,181,900	\$6,712,900	\$5,820,800	\$310,900	\$6,131,700

Standard: Increase fall term enrollment of underrepresented groups.

Measure: Percent of underrepresented groups.

23.1%	24.0%	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	7	6	6	0	6
Professional	23	20	20	0	20
Faculty	0	0	0	0	0
Clerical/Support	15	12	12	0	12
Total	45	38	38	0	38
FTE Enrollment	0	0	0	0	0
State	4,819,400	4,785,700	4,446,000	148,600	4,594,600
Federal	867,700	824,900	362,000	249,800	611,800
Other	290,000	350,900	350,900	0	350,900
Tuition/Fees	0	0	0	0	0
Total	\$5,977,100	\$5,961,500	\$5,158,900	\$398,400	\$5,557,300

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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Standard: Increase the economic impact on business services' sales, expenses, and investments.

Measure: Amount of economic impact.

	\$928 million	\$810 million	\$815 million	0	\$815 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	2	2	0	2
Professional	40	39	39	0	39
Faculty	0	0	0	0	0
Clerical/Support	12	13	13	0	13
Total	53	54	54	0	54
FTE Enrollment	0	0	0	0	0
State	2,623,700	2,642,800	2,547,100	174,700	2,721,800
Federal	0	283,500	0	135,100	135,100
Other	2,991,400	2,902,800	2,902,800	0	2,902,800
Tuition/Fees	0	0	0	0	0
Total	\$5,615,100	\$5,829,100	\$5,449,900	\$309,800	\$5,759,700

Standard: Increase the economic impact to cities' services on revenues and expenses.

Measure: Amount of economic impact.

	\$15.5 million	\$25.0 million	\$25.0 million	0	\$25.0 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	27	27	0	27
Faculty	0	0	0	0	0
Clerical/Support	7	7	7	0	7
Total	36	35	35	0	35
FTE Enrollment	0	0	0	0	0
State	1,536,300	1,548,200	1,488,100	136,800	1,624,900
Federal	0	167,800	0	78,900	78,900
Other	2,624,300	2,742,900	2,742,900	0	2,742,900
Tuition/Fees	0	0	0	0	0
Total	\$4,160,600	\$4,458,900	\$4,231,000	\$215,700	\$4,446,700

Standard: Increase the economic impact to counties' services on revenues and expenses.

Measure: Amount of economic impact.

	\$21.2 million	\$35.0 million	\$35.0 million	0	\$35.0 million
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Higher Education

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	15	15	15	0	15
Professional	91	85	85	0	85
Faculty	90	91	91	0	91
Clerical/Support	161	141	141	0	141
Total	357	332	332	0	332
FTE Enrollment	0	0	0	0	0
State	23,969,700	24,159,400	23,347,200	908,600	24,255,800
Federal	7,400,600	9,341,300	6,771,600	1,239,100	8,010,700
Other	3,861,500	3,371,000	3,371,000	0	3,371,000
Tuition/Fees	0	0	0	0	0
Total	\$35,231,800	\$36,871,700	\$33,489,800	\$2,147,700	\$35,637,500

Standard: Increase the level of research funding to meet mission-directed outcomes to \$17.9 million by fiscal year 2010-2011.

Measure: Expenditure of funds derived from sponsored projects.

\$14.8 million	\$16.3 million	\$17.9 million	0	\$17.9 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	12	11	11	0	11
Professional	280	268	268	0	268
Faculty	58	56	56	0	56
Clerical/Support	151	151	151	0	151
Total	501	486	486	0	486
FTE Enrollment	0	0	0	0	0

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
State	28,891,600	29,002,000	28,075,300	1,150,600	29,225,900
Federal	7,661,400	12,396,100	9,379,600	1,489,500	10,869,100
Other	4,493,000	3,924,300	3,924,300	0	3,924,300
Tuition/Fees	0	0	0	0	0
Total	\$41,046,000	\$45,322,400	\$41,379,200	\$2,640,100	\$44,019,300

Standard: UT Extension will increase the economic value of its programs by \$10 million annually.

Measure: Economic value of program delivery.

\$343 million	\$353 million	\$363 million	0	\$363 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	8	8	8	0	8
Professional	35	37	37	0	37
Faculty	106	100	100	0	100
Clerical/Support	174	167	167	0	167
Total	323	312	312	0	312
FTE Enrollment	429	484	484	0	484
State	15,923,100	15,227,900	14,654,400	928,800	15,583,200
Federal	719,500	3,228,500	755,100	1,547,300	2,302,400
Other	10,916,400	10,981,700	10,981,700	0	10,981,700
Tuition/Fees	7,281,700	8,292,700	8,292,700	0	8,292,700
Total	\$34,840,700	\$37,730,800	\$34,683,900	\$2,476,100	\$37,160,000

Standard: Increase the first-attempt National North American Veterinary Licensing Examination (NAVLE) pass rate, which is required to practice veterinary medicine.

Measure: First-attempt pass rate on NAVLE.

90.9% (Estimate)	92.0%	92.0%	0	92.0%
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Standard: Increase the second-attempt NAVLE pass rate at the time of graduation.

Measure: Second-attempt pass rate on NAVLE at the time of graduation.

98.5% (Estimate)	100%	100%	0	100%
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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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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332.30 UT Health Science Center

The UT Health Science Center (UTHSC) in Memphis focuses on meeting the state's health care needs. The campus is divided into eight colleges including Allied Health, Dentistry, Graduate Health Sciences, Health Science Engineering, Medicine, Nursing, Pharmacy, and Social Work.

Full-Time					
Administrative	82	75	75	0	75
Professional	196	217	217	0	217
Faculty	229	231	231	0	231
Clerical/Support	591	565	565	0	565
Total	1,098	1,088	1,088	0	1,088
FTE Enrollment	3,867	4,004	4,004	0	4,004
State	69,320,100	66,737,000	64,448,100	3,356,100	67,804,200
Federal	9,872,900	19,544,700	10,225,000	6,313,000	16,538,000
Other	15,995,600	16,366,000	16,366,000	0	16,366,000
Tuition/Fees	31,330,000	36,871,000	36,871,000	0	36,871,000
Total	\$126,518,600	\$139,518,700	\$127,910,100	\$9,669,100	\$137,579,200

Standard: UTHSC will increase the amount of expenditure dollars each year to reach the 2010-2011 target of \$70 million.

Measure: Sponsored research program expenditures.

\$60 million (Estimate)	\$65 million	\$70 million	0	\$70 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	15	12	12	0	12
Faculty	44	34	34	0	34
Clerical/Support	127	111	111	0	111
Total	187	158	158	0	158
FTE Enrollment	0	0	0	0	0
State	9,702,000	9,764,100	9,442,600	480,600	9,923,200
Federal	2,834,000	1,040,800	0	501,800	501,800
Other	10,152,500	10,260,100	10,260,100	0	10,260,100
Tuition/Fees	0	0	0	0	0
Total	\$22,688,500	\$21,065,000	\$19,702,700	\$982,400	\$20,685,100

Standard: UT Family Medicine will increase the number of patients served.

Measure: Number of patients served.

20,717 (Estimate)	30,000	30,000	0	30,000
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	33	25	25	0	25
Professional	101	61	61	0	61
Faculty	502	366	366	0	366
Clerical/Support	189	159	159	0	159
Total	825	611	611	0	611
FTE Enrollment	0	0	0	0	0
State	46,578,100	45,736,000	44,131,900	2,027,300	46,159,200
Federal	20,410,800	6,530,400	0	3,675,800	3,675,800
Other	13,331,300	10,924,600	10,924,600	0	10,924,600
Tuition/Fees	12,947,600	14,588,600	14,588,600	0	14,588,600
Total	\$93,267,800	\$77,779,600	\$69,645,100	\$5,703,100	\$75,348,200

Standard: Increase the number of graduates from the College of Medicine to 165 in 2010-2011.

Measure: Number of graduates from the College of Medicine.

150 (Estimate)	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	11,831,000	11,180,300	5,693,700	5,300,000	10,993,700
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$11,831,000	\$11,180,300	\$5,693,700	\$5,300,000	\$10,993,700

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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Standard: Increase research and sponsored program expenditures to \$375 million by 2010-2011.

Measure: Annual research and sponsored program expenditures.

\$341 million (Estimate)	\$358 million	\$375 million	0	\$375 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	11	10	10	0	10
Professional	15	10	10	0	10
Faculty	38	25	25	0	25
Clerical/Support	43	40	40	0	40
Total	107	85	85	0	85
FTE Enrollment	104	88	88	0	88
State	7,858,400	7,757,600	7,449,800	261,900	7,711,700
Federal	492,000	1,631,400	500,000	614,100	1,114,100
Other	558,000	614,900	614,900	0	614,900
Tuition/Fees	1,827,100	1,757,500	1,757,500	0	1,757,500
Total	\$10,735,500	\$11,761,400	\$10,322,200	\$876,000	\$11,198,200

Standard: Increase externally funded research to \$3.6 million by 2010-2011.

Measure: Annual research expenditures.

\$3.5 million (Estimate)	\$5.0 million	\$3.6 million	0	\$3.6 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	85	85	85	0	85
Professional	148	157	157	0	157
Faculty	395	407	407	0	407
Clerical/Support	319	308	308	0	308
Total	947	957	957	0	957
FTE Enrollment	8,446	9,116	9,116	0	9,116
State	42,490,200	38,726,900	35,502,800	2,515,400	38,018,200
Federal	805,700	11,240,500	301,700	7,225,200	7,526,900
Other	15,321,500	13,035,600	13,035,600	0	13,035,600
Tuition/Fees	54,873,200	55,503,800	55,503,800	0	55,503,800
Total	\$113,490,600	\$118,506,800	\$104,343,900	\$9,740,600	\$114,084,500

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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).

	41.5%	42.5%	43.5%	0	43.5%
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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	238	242	242	0	242
Professional	490	476	476	0	476
Faculty	1,316	1,274	1,274	0	1,274
Clerical/Support	1,414	1,480	1,480	0	1,480
Total	3,458	3,472	3,472	0	3,472
FTE Enrollment	24,697	24,214	24,214	0	24,214
State	180,059,700	164,919,000	151,577,700	17,201,500	168,779,200
Federal	12,734,000	57,247,300	11,220,000	30,154,600	41,374,600
Other	176,136,700	186,050,100	186,050,100	0	186,050,100
Tuition/Fees	223,616,900	233,673,300	233,673,300	0	233,673,300
Total	\$592,547,300	\$641,889,700	\$582,521,100	\$47,356,100	\$629,877,200

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).

	59.8 %	60.0%	60.0%	0	60.0%
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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	60	60	0	60
Professional	89	94	94	0	94
Faculty	292	293	293	0	293
Clerical/Support	272	280	280	0	280
Total	715	727	727	0	727
FTE Enrollment	6,305	6,714	6,714	0	6,714
State	30,692,700	27,816,700	25,463,700	1,799,600	27,263,300
Federal	83,900	8,096,100	88,000	5,332,000	5,420,000
Other	14,938,500	15,462,500	15,462,500	0	15,462,500
Tuition/Fees	39,948,500	43,970,600	43,970,600	0	43,970,600
Total	\$85,663,600	\$95,345,900	\$84,984,800	\$7,131,600	\$92,116,400

<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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).

45.9%	46.0%	46.1%	0	46.1%
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Total University of Tennessee System

Full-Time					
Administrative	644	621	621	0	621
Professional	1,798	1,719	1,719	0	1,719
Faculty	3,070	2,877	2,877	0	2,877
Clerical/Support	3,787	3,646	3,646	0	3,646
Total	9,299	8,863	8,863	0	8,863
FTE Enrollment	43,848	44,620	44,620	0	44,620
State	487,317,600	460,578,500	428,309,100	36,601,900	464,911,000
Federal	63,882,500	132,119,000	39,603,000	58,867,100	98,470,100
Other	296,002,400	294,021,000	294,021,000	0	294,021,000
Tuition/Fees	371,825,000	394,657,500	394,657,500	0	394,657,500
Total	\$1,219,027,500	\$1,281,376,000	\$1,156,590,600	\$95,469,000	\$1,252,059,600

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 2008 and 2009. Federal revenues, tuition and fees, and other revenues are unrestricted current funds derived from education and general sources and from auxiliary enterprise sources.

<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	20	20	0	20
Professional	81	80	80	0	80
Faculty	0	0	0	0	0
Clerical/Support	6	6	6	0	6
Total	108	106	106	0	106
FTE Enrollment	0	0	0	0	0
State	5,226,700	4,438,100	4,293,400	467,800	4,761,200
Federal	0	0	0	0	0
Other	12,400,500	14,336,000	14,336,000	0	14,336,000
Tuition/Fees	0	0	0	0	0
Total	\$17,627,200	\$18,774,100	\$18,629,400	\$467,800	\$19,097,200

Standard: All Board of Regents policies will be reviewed for streamlining and efficiency of operation.

Measure: Percent of TBR policies reviewed.

70%	100%	100%	0	100%
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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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.

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	10,543,000	10,893,600	10,281,300	0	10,281,300
Federal	0	1,340,100	0	560,200	560,200
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$10,543,000	\$12,233,700	\$10,281,300	\$560,200	\$10,841,500

Standard: Increase access to aid and scholarships for diverse students.

Measure: Implementation of mechanisms for awarding and tracking aid.

Complete inventory of total student aid available.	Use inventory to track aid to diverse students.	Evaluate use of aid awarded to diverse students.	0	Evaluate use of aid awarded 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.

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
Full-Time					
Administrative	1	2	2	0	2
Professional	3	2	2	0	2
Faculty	0	0	0	0	0
Clerical/Support	1	1	1	0	1
Total	5	5	5	0	5
FTE Enrollment	0	0	0	0	0
State	2,055,700	2,179,200	2,105,300	36,400	2,141,700
Federal	0	227,700	0	109,200	109,200
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$2,055,700	\$2,406,900	\$2,105,300	\$145,600	\$2,250,900

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.

44	50	57	0	57
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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 training sessions (domestic and international) by research scientists.

111	125	132	0	132
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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	3	2	2	0	2
Faculty	1	1	1	0	1
Clerical/Support	2	2	2	0	2
Total	6	5	5	0	5
FTE Enrollment	0	0	0	0	0
State	507,000	534,400	516,700	9,600	526,300
Federal	0	55,200	0	26,700	26,700
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$507,000	\$589,600	\$516,700	\$36,300	\$553,000

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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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.

	8	31	31	0	31
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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.

	16	24	24	0	24
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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	1,823,000	2,433,200	2,367,700	47,600	2,415,300
Federal	0	201,900	0	96,800	96,800
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$1,823,000	\$2,635,100	\$2,367,700	\$144,400	\$2,512,100

Standard: Increase the number of state and county level clientele contacts.

Measure: Number of state and county level clientele contacts.

	1,137,714	1,308,731	1,504,627	0	1,504,627
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332.68 TSU McIntire-Stennis Forestry Research

The McIntire-Stennis Act of 1962 makes funding available to state programs at land grant institutions for forestry research. States must provide matching funds equal to or greater than the federal allocation. Eligible institutions are required to conduct research in areas such as reforestation and land management; watershed and rangeland management; management of forest lands for outdoor recreation; protection of forests and resources against fire, insects, and disease; utilization of wood and other forest related products; and studies promoting the most effective use of forest resources.

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	0	67,500	67,500	0	67,500
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$0	\$67,500	\$67,500	\$0	\$67,500

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	90	83	83	0	83
Faculty	157	154	154	0	154
Clerical/Support	112	110	110	0	110
Total	366	354	354	0	354
FTE Enrollment	245	253	253	0	253
State	27,634,400	27,174,900	26,342,500	1,156,200	27,498,700
Federal	1,529,700	4,427,200	1,000,000	2,048,300	3,048,300
Other	12,736,600	14,505,100	14,505,100	0	14,505,100
Tuition/Fees	6,246,500	6,974,100	6,974,100	0	6,974,100
Total	\$48,147,200	\$53,081,300	\$48,821,700	\$3,204,500	\$52,026,200

Standard: Raise average score on United States Medical Licensing Exam, Step 1, by providing access to databanks of review questions for students to study and notifying students who do not score well on National Board of Medical Examiners subject exams.

Measure: Average score of test takers.

209	221	221	0	221
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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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 includes a significant emphasis on pharmaceutical care to reduce the unnecessary use of medications. Much of the training is within interdisciplinary teams of medical, nursing, public health, and pharmacy students, who will be located within rural communities. This method of training prepares future pharmacists for improved consultation with physicians and prescribing nurses, resulting in the most efficient, effective, low-cost drug treatments for their mutual patients.

Full-Time					
Administrative	3	2	2	0	2
Professional	11	12	12	0	12
Faculty	30	30	30	0	30
Clerical/Support	15	15	15	0	15
Total	59	59	59	0	59
FTE Enrollment	334	465	465	0	465
State	0	0	0	0	0
Federal	3,900	2,000	2,000	0	2,000
Other	57,100	1,979,300	1,979,300	0	1,979,300
Tuition/Fees	5,107,000	7,645,200	7,645,200	0	7,645,200
Total	\$5,168,000	\$9,626,500	\$9,626,500	\$0	\$9,626,500

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 that complete applications for admission.

75%	90%	90%	0	90%
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332.67 ETSU Family Practice

The ETSU Family Practice program was established to train physicians that will practice comprehensive primary health care to families and communities primarily in the rural areas of East Tennessee and Southern Appalachia.

Full-Time					
Administrative	0	0	0	0	0
Professional	21	16	16	0	16
Faculty	32	24	24	0	24
Clerical/Support	58	53	53	0	53
Total	111	93	93	0	93
FTE Enrollment	0	0	0	0	0
State	5,447,700	5,503,900	5,338,800	320,300	5,659,100
Federal	33,400	537,200	0	286,400	286,400
Other	7,854,300	7,054,600	7,054,600	0	7,054,600
Tuition/Fees	0	0	0	0	0
Total	\$13,335,400	\$13,095,700	\$12,393,400	\$606,700	\$13,000,100

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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Standard: Raise average score on the American Board of Family Medicine In-Training Exam (ITE).

Measure: Family Medicine ITE average exam scores.

	489	403	410	0	410
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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	30	33	33	0	33
Professional	170	172	172	0	172
Faculty	336	334	334	0	334
Clerical/Support	268	269	269	0	269
Total	804	808	808	0	808
FTE Enrollment	7,499	7,386	7,386	0	7,386
State	33,253,900	29,789,900	27,098,500	1,964,500	29,063,000
Federal	263,000	9,437,800	165,000	6,352,400	6,517,400
Other	11,239,700	11,688,000	11,688,000	0	11,688,000
Tuition/Fees	50,854,800	54,362,100	54,362,100	0	54,362,100
Total	\$95,611,400	\$105,277,800	\$93,313,600	\$8,316,900	\$101,630,500

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).

	37.0%	37.6%	38.7%	0	38.7%
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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	56	50	50	0	50
Professional	330	331	331	0	331
Faculty	575	587	587	0	587
Clerical/Support	556	504	504	0	504
Total	1,517	1,472	1,472	0	1,472

Higher Education

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
FTE Enrollment	11,117	11,727	11,727	0	11,727
State	58,444,900	52,454,700	48,124,000	3,376,300	51,500,300
Federal	2,285,500	15,219,400	600,000	10,624,300	11,224,300
Other	26,785,100	26,710,900	26,710,900	0	26,710,900
Tuition/Fees	75,445,500	83,536,500	83,536,500	0	83,536,500
Total	\$162,961,000	\$177,921,500	\$158,971,400	\$14,000,600	\$172,972,000

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).

47.5%	48.2%	49.7%	0	49.7%
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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	76	76	76	0	76
Professional	592	597	597	0	597
Faculty	944	942	942	0	942
Clerical/Support	906	873	873	0	873
Total	2,518	2,488	2,488	0	2,488
FTE Enrollment	15,910	16,792	16,792	0	16,792
State	114,164,800	105,228,600	97,012,800	6,606,200	103,619,000
Federal	4,098,900	31,877,000	4,317,100	18,277,000	22,594,100
Other	63,500,800	63,445,500	63,445,500	0	63,445,500
Tuition/Fees	127,765,100	138,900,600	138,900,600	0	138,900,600
Total	\$309,529,600	\$339,451,700	\$303,676,000	\$24,883,200	\$328,559,200

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).

41.9%	42.5%	43.8%	0	43.8%
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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 eight university colleges, including basic and applied sciences, graduate studies, business, education and behavioral science, university honors, liberal arts, mass communication, and continuing education and distance learning. MTSU's two centers of excellence are popular music and historic preservation.

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
Full-Time					
Administrative	84	83	83	0	83
Professional	487	467	467	0	467
Faculty	987	979	979	0	979
Clerical/Support	564	532	532	0	532
Total	2,122	2,061	2,061	0	2,061
FTE Enrollment	20,062	21,049	21,049	0	21,049
State	92,858,200	82,989,600	75,726,700	5,609,800	81,336,500
Federal	2,136,300	27,488,200	2,000,000	17,620,000	19,620,000
Other	48,094,500	48,226,600	48,226,600	0	48,226,600
Tuition/Fees	132,344,900	144,476,000	144,476,000	0	144,476,000
Total	\$275,433,900	\$303,180,400	\$270,429,300	\$23,229,800	\$293,659,100

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).

50.5% 51.2% 52.0% 0 52.0%

332.77 Tennessee State University

Tennessee State University (TSU) is a comprehensive, land-grant university located in Nashville. TSU offers numerous bachelor and master degrees and offers doctoral programs in biological sciences, psychology, public administration, physical therapy, computer information systems, educational administration and supervision, and curriculum and instruction. TSU's two centers of excellence are learning sciences and information systems.

Full-Time					
Administrative	63	57	57	0	57
Professional	287	272	272	0	272
Faculty	394	409	409	0	409
Clerical/Support	334	298	298	0	298
Total	1,078	1,036	1,036	0	1,036
FTE Enrollment	6,694	7,025	7,025	0	7,025
State	38,869,400	33,629,500	30,184,800	2,446,700	32,631,500
Federal	2,240,700	13,363,500	1,700,000	8,048,100	9,748,100
Other	19,593,700	19,997,100	19,997,100	0	19,997,100
Tuition/Fees	58,181,300	59,419,300	59,419,300	0	59,419,300
Total	\$118,885,100	\$126,409,400	\$111,301,200	\$10,494,800	\$121,796,000

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).

38.6% 43.1% 40.3% 0 40.3%

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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332.78 Tennessee Technological University

Tennessee Technological University is a comprehensive university located in Cookeville. While the university's strength is in technology and engineering, other academic divisions include agriculture and human sciences, arts and sciences, business, education, engineering, interdisciplinary studies, and graduate studies. The university's three centers of excellence are energy systems research, manufacturing, and water resources.

Full-Time					
Administrative	42	41	41	0	41
Professional	213	212	212	0	212
Faculty	409	405	405	0	405
Clerical/Support	368	364	364	0	364
Total	1,032	1,022	1,022	0	1,022
FTE Enrollment	8,568	9,057	9,057	0	9,057
State	45,653,600	41,373,200	38,113,500	2,479,700	40,593,200
Federal	1,575,200	12,292,200	890,400	8,040,900	8,931,300
Other	19,638,700	18,422,300	18,422,300	0	18,422,300
Tuition/Fees	55,270,600	61,428,400	61,428,400	0	61,428,400
Total	\$122,138,100	\$133,516,100	\$118,854,600	\$10,520,600	\$129,375,200

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).

49.2%	50.0%	51.5%	0	51.5%
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Community Colleges and Technical Institutes

The state's community colleges provide two-year academic instruction in a wide variety of programs that prepare students for transfer to four-year institutions as well as for direct entry into the workforce. The community colleges combine both technical training and academic instruction on the same campus.

332.53 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	40	40	0	40
Professional	163	159	159	0	159
Faculty	273	274	274	0	274
Clerical/Support	272	283	283	0	283
Total	743	756	756	0	756
FTE Enrollment	7,219	8,465	8,465	0	8,465

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
State	38,150,100	35,826,700	34,268,300	1,853,900	36,122,200
Federal	295,000	6,362,800	0	4,426,900	4,426,900
Other	4,545,800	2,461,000	2,461,000	0	2,461,000
Tuition/Fees	32,145,500	34,673,000	34,673,000	0	34,673,000
Total	\$75,136,400	\$79,323,500	\$71,402,300	\$6,280,800	\$77,683,100

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).

18.3% 18.6% 19.2% 0 19.2%

332.54 Nashville State Community College

Nashville State Community College (NASCC), formerly Nashville State Technical Institute, was granted community college status in 2002, and now serves seven middle Tennessee counties. NASCC 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	51	51	0	51
Faculty	161	163	163	0	163
Clerical/Support	129	129	129	0	129
Total	364	368	368	0	368
FTE Enrollment	4,315	5,154	5,154	0	5,154
State	15,507,900	14,020,800	13,346,600	921,200	14,267,800
Federal	231,200	3,400,300	191,200	2,326,300	2,517,500
Other	1,460,700	1,587,000	1,587,000	0	1,587,000
Tuition/Fees	18,248,000	19,501,900	19,501,900	0	19,501,900
Total	\$35,447,800	\$38,510,000	\$34,626,700	\$3,247,500	\$37,874,200

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).

23.5% 23.9% 24.6% 0 24.6%

332.55 Pellissippi State Community College

Pellissippi State Community College (PSCC), located in Knoxville, is a comprehensive community college with a distinctive emphasis on technology. PSCC maintains programs designed for career advancement, job placement, transfer to four-year institutions, and continuing education.

Full-Time					
Administrative	12	12	12	0	12
Professional	96	99	99	0	99
Faculty	203	211	211	0	211
Clerical/Support	164	167	167	0	167
Total	475	489	489	0	489
FTE Enrollment	5,686	6,695	6,695	0	6,695

Higher Education

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
State	20,935,600	19,061,900	18,163,000	1,186,400	19,349,400
Federal	430,000	3,937,600	85,000	2,986,800	3,071,800
Other	1,686,000	1,650,000	1,650,000	0	1,650,000
Tuition/Fees	23,783,100	26,693,000	26,693,000	0	26,693,000
Total	\$46,834,700	\$51,342,500	\$46,591,000	\$4,173,200	\$50,764,200

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).

33.3% 35.5% 34.8% 0 34.8%

332.56 Northeast State Community College

Northeast State 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	9	9	9	0	9
Professional	61	61	61	0	61
Faculty	118	113	113	0	113
Clerical/Support	126	123	123	0	123
Total	314	306	306	0	306
FTE Enrollment	3,606	4,231	4,231	0	4,231
State	12,595,600	11,523,200	10,994,300	689,200	11,683,500
Federal	63,900	2,485,600	59,000	1,695,700	1,754,700
Other	499,600	644,100	644,100	0	644,100
Tuition/Fees	12,970,800	13,904,000	13,904,000	0	13,904,000
Total	\$26,129,900	\$28,556,900	\$25,601,400	\$2,384,900	\$27,986,300

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).

34.7% 35.6% 36.3% 0 36.3%

332.80 Chattanooga State Community College

Chattanooga State Community College (CHSCC) is a comprehensive community college with emphasis in two-year technical programs. CHSCC's programs include degree and certificate study for career preparation and advancement; university transfer studies; and partnerships with secondary schools, state and community agencies, and the private sector.

Full-Time					
Administrative	23	23	23	0	23
Professional	136	132	132	0	132
Faculty	184	181	181	0	181
Clerical/Support	159	157	157	0	157
Total	502	493	493	0	493
FTE Enrollment	5,334	5,987	5,987	0	5,987

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
State	23,891,000	22,124,700	21,162,700	1,415,500	22,578,200
Federal	47,800	4,436,300	45,000	3,030,300	3,075,300
Other	3,238,700	1,430,500	1,430,500	0	1,430,500
Tuition/Fees	23,179,300	27,408,700	27,408,700	0	27,408,700
Total	\$50,356,800	\$55,400,200	\$50,046,900	\$4,445,800	\$54,492,700

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).

23.6% 28.1% 24.7% 0 24.7%

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	46	46	46	0	46
Faculty	69	70	70	0	70
Clerical/Support	73	68	68	0	68
Total	196	192	192	0	192
FTE Enrollment	2,195	2,504	2,504	0	2,504
State	10,350,100	9,734,100	9,342,900	509,100	9,852,000
Federal	29,500	1,776,200	20,600	1,172,700	1,193,300
Other	336,200	317,800	317,800	0	317,800
Tuition/Fees	7,970,700	8,960,900	8,960,900	0	8,960,900
Total	\$18,686,500	\$20,789,000	\$18,642,200	\$1,681,800	\$20,324,000

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).

32.7% 33.2% 34.2% 0 34.2%

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	8	8	0	8
Professional	64	62	62	0	62
Faculty	105	104	104	0	104
Clerical/Support	80	75	75	0	75
Total	255	249	249	0	249
FTE Enrollment	3,081	3,569	3,569	0	3,569

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
State	13,359,300	12,495,800	11,949,600	653,100	12,602,700
Federal	131,500	2,277,600	15,000	1,593,900	1,608,900
Other	584,700	461,400	461,400	0	461,400
Tuition/Fees	11,153,200	13,026,600	13,026,600	0	13,026,600
Total	\$25,228,700	\$28,261,400	\$25,452,600	\$2,247,000	\$27,699,600

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).

38.8% 41.7% 40.5% 0 40.5%

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	13	12	12	0	12
Professional	35	34	34	0	34
Faculty	57	52	52	0	52
Clerical/Support	60	57	57	0	57
Total	165	155	155	0	155
FTE Enrollment	1,741	2,213	2,213	0	2,213
State	7,256,200	6,748,300	6,464,200	385,600	6,849,800
Federal	155,200	1,453,300	160,000	883,300	1,043,300
Other	333,500	198,200	198,200	0	198,200
Tuition/Fees	6,456,300	7,824,600	7,824,600	0	7,824,600
Total	\$14,201,200	\$16,224,400	\$14,647,000	\$1,268,900	\$15,915,900

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).

27.9% 30.3% 29.2% 0 29.2%

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	21	21	0	21
Professional	54	52	52	0	52
Faculty	106	95	95	0	95
Clerical/Support	90	85	85	0	85
Total	264	253	253	0	253
FTE Enrollment	2,803	3,313	3,313	0	3,313

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
State	12,514,000	11,568,700	11,054,600	631,000	11,685,600
Federal	770,400	1,668,400	49,400	1,605,100	1,654,500
Other	979,100	859,200	859,200	0	859,200
Tuition/Fees	11,341,700	13,448,900	13,448,900	0	13,448,900
Total	\$25,605,200	\$27,545,200	\$25,412,100	\$2,236,100	\$27,648,200

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).

32.3% 32.8% 33.8% 0 33.8%

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	22	22	22	0	22
Professional	30	27	27	0	27
Faculty	85	81	81	0	81
Clerical/Support	75	65	65	0	65
Total	212	195	195	0	195
FTE Enrollment	2,892	3,353	3,353	0	3,353
State	10,393,900	9,559,400	9,118,400	640,500	9,758,900
Federal	130,800	1,911,700	13,000	1,398,500	1,411,500
Other	501,100	420,600	420,600	0	420,600
Tuition/Fees	10,634,000	12,031,200	12,031,200	0	12,031,200
Total	\$21,659,800	\$23,922,900	\$21,583,200	\$2,039,000	\$23,622,200

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).

38.9% 42.3% 40.6% 0 40.6%

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	12	12	0	12
Professional	65	63	63	0	63
Faculty	143	136	136	0	136
Clerical/Support	152	118	118	0	118
Total	374	329	329	0	329

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
FTE Enrollment	3,766	4,227	4,227	0	4,227
State	18,208,100	17,100,700	16,380,800	895,900	17,276,700
Federal	47,600	3,167,000	49,300	2,074,200	2,123,500
Other	991,100	914,600	914,600	0	914,600
Tuition/Fees	14,327,300	16,894,500	16,894,500	0	16,894,500
Total	\$33,574,100	\$38,076,800	\$34,239,200	\$2,970,100	\$37,209,300

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%	42.7%	44.0%	0	44.0%
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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	91	91	0	91
Faculty	154	158	158	0	158
Clerical/Support	133	132	132	0	132
Total	382	387	387	0	387
FTE Enrollment	4,582	5,501	5,501	0	5,501
State	18,304,000	16,947,200	16,203,700	977,600	17,181,300
Federal	74,600	3,410,300	50,000	2,320,300	2,370,300
Other	768,400	644,000	644,000	0	644,000
Tuition/Fees	16,963,900	20,165,000	20,165,000	0	20,165,000
Total	\$36,110,900	\$41,166,500	\$37,062,700	\$3,297,900	\$40,360,600

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).

27.8%	28.2%	29.1%	0	29.1%
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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	9	9	0	9
Professional	77	79	79	0	79
Faculty	148	148	148	0	148
Clerical/Support	149	148	148	0	148
Total	384	384	384	0	384

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
FTE Enrollment	4,082	4,780	4,780	0	4,780
State	18,517,600	17,240,500	16,516,900	1,011,700	17,528,600
Federal	1,110,000	2,730,100	292,500	2,242,600	2,535,100
Other	1,432,000	2,046,000	2,046,000	0	2,046,000
Tuition/Fees	16,158,300	19,103,600	19,103,600	0	19,103,600
Total	\$37,217,900	\$41,120,200	\$37,959,000	\$3,254,300	\$41,213,300

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).

34.9%	38.8%	36.5%	0	36.5%
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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	50	52	52	0	52
Professional	118	120	120	0	120
Faculty	526	522	522	0	522
Clerical/Support	168	167	167	0	167
Total	862	861	861	0	861
FTE Enrollment	10,743	13,925	13,925	0	13,925
State	51,185,800	49,619,400	47,726,700	2,348,300	50,075,000
Federal	74,000	7,515,000	240,100	4,419,700	4,659,800
Other	8,484,300	7,865,700	7,865,700	0	7,865,700
Tuition/Fees	22,577,000	22,930,800	22,930,800	0	22,930,800
Total	\$82,321,100	\$87,930,900	\$78,763,300	\$6,768,000	\$85,531,300

Standard: Increase the percent of completers at the technology centers.

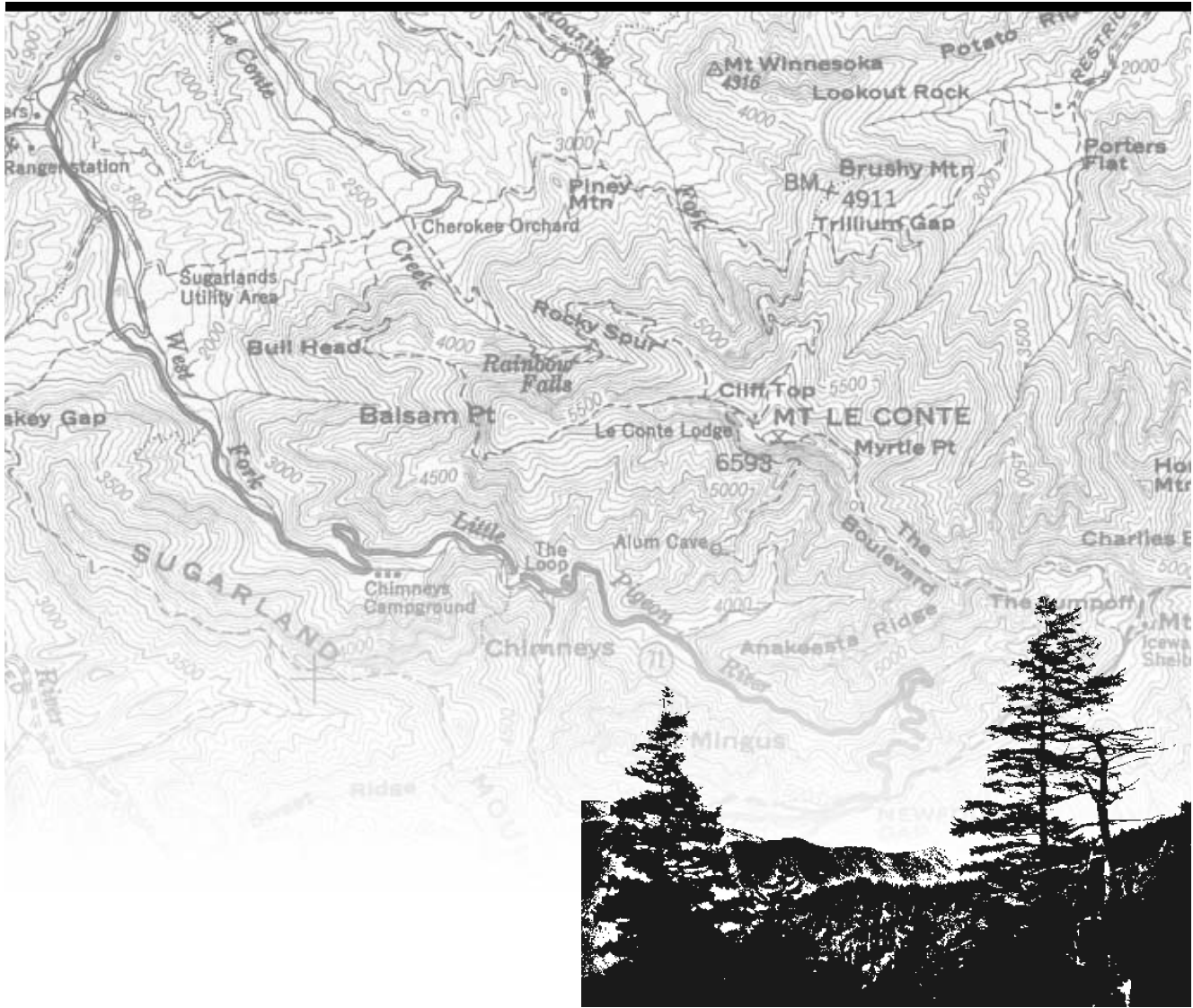
Measure: Percent of completers based on Council of Occupational Education standards.

68.9%	71.8%	72.0%	0	72.0%
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
Total State University and Community College System					
Full-Time					
Administrative	630	630	630	0	630
Professional	3,371	3,322	3,322	0	3,322
Faculty	6,197	6,173	6,173	0	6,173
Clerical/Support	5,020	4,801	4,801	0	4,801
Total	15,218	14,926	14,926	0	14,926
FTE Enrollment	132,474	147,671	147,671	0	147,671
State	707,651,500	652,261,700	610,266,200	38,640,100	648,906,300
Federal	17,758,100	163,001,600	11,944,600	104,266,600	116,211,200
Other	247,742,200	247,865,500	247,865,500	0	247,865,500
Tuition/Fees	739,124,800	813,308,900	813,308,900	0	813,308,900
Total	\$1,712,276,600	\$1,876,437,700	\$1,683,385,200	\$142,906,700	\$1,826,291,900

Grand Total Higher Education

Full-Time					
Administrative	1,399	1,373	1,370	0	1,370
Professional	5,169	5,041	5,041	0	5,041
Faculty	9,267	9,050	9,050	0	9,050
Clerical/Support	8,807	8,447	8,447	0	8,447
Part-Time	2	2	2	0	2
Total	24,644	23,913	23,910	0	23,910
FTE Enrollment	176,322	192,291	192,291	0	192,291
State	1,572,191,500	1,481,420,200	1,398,403,000	79,013,000	1,477,416,000
Federal	276,365,200	493,721,800	250,149,100	163,133,700	413,282,800
Other	583,160,000	579,998,400	611,130,400	0	611,130,400
Tuition/Fees	1,110,949,800	1,207,966,400	1,207,966,400	0	1,207,966,400
Total	\$3,542,666,500	\$3,763,106,800	\$3,467,648,900	\$242,146,700	\$3,709,795,600



Health and Social Services

Health and Social Services



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Health and Social Services

Recommended Budget, Fiscal Year 2010 – 2011

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 Intellectual Disabilities 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 estimated 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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Recommended 2010-2011</u>
Personnel			
Full Time	20,282	19,851	18,653
Part Time	254	250	229
Seasonal	0	0	0
TOTAL	<u>20,536</u>	<u>20,101</u>	<u>18,882</u>
Expenditures			
Payroll	\$ 1,127,239,700	\$ 1,090,702,000	\$ 1,003,658,500
Operational	11,744,538,100	12,285,671,600	11,149,216,100
TOTAL	<u>\$ 12,871,777,800</u>	<u>\$ 13,376,373,600</u>	<u>\$ 12,152,874,600</u>
Funding			
State	\$ 3,657,603,400	\$ 2,951,922,300	\$ 2,864,525,400
Federal	7,545,328,900	8,816,146,100	7,767,522,100
Other	1,668,845,500	1,608,305,200	1,520,827,100

Health and Social Services
Recommended Budget for Fiscal Year 2010-2011
By Funding Source

Department	State	Federal	Other	Total
316.01 Commission on Children and Youth	2,013,400	2,780,900	3,063,500	7,857,800
316.02 Commission on Aging and Disability	13,774,100	28,754,600	5,000	42,533,700
316.07 Health Services and Development Agency	1,134,000	0	16,400	1,150,400
318.00 Finance and Administration, Bureau of TennCare	1,914,874,800	4,634,413,700	243,525,800	6,792,814,300
339.00 Mental Health and Developmental Disabilities	161,618,500	63,723,600	80,638,800	305,980,900
343.00 Health	157,125,700	278,216,500	145,258,800	580,601,000
344.00 Division of Intellectual Disabilities Services	30,905,900	1,861,100	695,309,100	728,076,100
345.00 Human Services	173,463,800	2,506,403,800	135,845,200	2,815,712,800
350.00 Cover Tennessee Health Care Programs	95,366,900	129,581,600	400,000	225,348,500
359.00 Children's Services	314,248,300	121,786,300	216,764,500	652,799,100
Total	\$2,864,525,400	\$7,767,522,100	\$1,520,827,100	\$12,152,874,600

**Health and Social Services
Improvements for Fiscal Year 2010-2011**

	<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 \$85,700 are non-recurring.					
316.02 Commission on Aging and Disability	\$85,700	\$435,700	\$0	\$521,400	0
Sub-total	\$85,700	\$435,700	\$0	\$521,400	0
Total Commission on Aging and Disability	\$85,700	\$435,700	\$0	\$521,400	0

Finance and Administration, Bureau of TennCare

• Program Integrity					
To provide funding to create a program integrity unit in the TennCare Bureau. The eight full-time positions will focus on program integrity and fraud, waste, and abuse detection and prevention. Other funding comes from civil penalties and recoveries.					
318.65 TennCare Administration	\$0	\$459,600	\$153,300	\$612,900	8
Sub-total	\$0	\$459,600	\$153,300	\$612,900	8
• Perinatal Grants					
To continue with recurring funds the perinatal grants to university hospitals for outreach and education. In the current-year budget, the recurring appropriation was replaced with non-recurring funds. This improvement fully restores the on-going program with recurring funds.					
318.65 TennCare Administration	\$2,272,800	\$2,272,800	\$0	\$4,545,600	0
Sub-total	\$2,272,800	\$2,272,800	\$0	\$4,545,600	0
Total Finance and Administration, Bureau of TennCare	\$2,272,800	\$2,732,400	\$153,300	\$5,158,500	8

Health and Social Services Improvements for Fiscal Year 2010-2011

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Health					
<ul style="list-style-type: none"> U.S. Economic Recovery - Health-Care Associated Infections (Infrastructure) Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. Funds will assist the department's epidemiology and laboratory capacity program in coordinating state prevention and detection efforts through the establishment of a state-wide prevention collaborative. This grant will fund two epidemiologist positions, three public health nurse consultants, two administrative services assistant positions, and one part-time microbiologist. Positions will be abolished at the end of the grant period unless funded then with other non-state sources. 					
343.08 Laboratory Services	\$0	\$25,400	\$0	\$25,400	1
343.49 Communicable and Environmental Disease Services	\$0	\$740,500	\$0	\$740,500	7
Sub-total	\$0	\$765,900	\$0	\$765,900	8
<ul style="list-style-type: none"> U.S. Economic Recovery - High Priority Vaccine-Preventable Diseases Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. Funds will assist the department's epidemiology and laboratory capacity program in conducting targeted studies to evaluate the effectiveness of the quadrivalent meningococcal conjugate vaccine. These funds will also allow the department to participate in efforts with the U.S. Centers for Disease Control and Prevention (CDC) to combat mumps through enhanced disease surveillance, improved diagnostic and investigative efforts, and clinical support. Included in this improvement is funding for one public health nurse consultant position. The position will be abolished at the end of the grant period unless funded then with other non-state sources. 					
343.49 Communicable and Environmental Disease Services	\$0	\$49,200	\$0	\$49,200	1
Sub-total	\$0	\$49,200	\$0	\$49,200	1
<ul style="list-style-type: none"> U.S. Economic Recovery - Health-Care Associated Infections (Surveillance and Prevention) Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. Funds will assist the department's Emerging Infections program in healthcare associated infection prevention and surveillance efforts. The department will continue to implement healthcare associated infection assessments through common evaluation protocols and strengthen relationships with existing prevention programs of healthcare facilities state-wide. This grant will fund one epidemiologist position, one public health nurse consultant position, and one part-time administrative assistant position. Positions will be abolished at the end of the grant period unless funded then with other non-state sources. 					
343.49 Communicable and Environmental Disease Services	\$0	\$191,400	\$0	\$191,400	3
Sub-total	\$0	\$191,400	\$0	\$191,400	3

Health and Social Services Improvements for Fiscal Year 2010-2011

	<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 - Vaccine Studies Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. Funds will assist the department's Emerging Infections program in conducting studies to examine the effectiveness of a new 13-valent pneumococcal conjugate vaccine and the quadrivalent meningococcal conjugate vaccine. In addition to these activities, funds will be used to expand and enhance the department's existing program projects related to the human papillomavirus. One administrative services assistant position and one public health nurse consultant position will be funded with this grant. Positions will be abolished at the end of the grant period unless funded then with other non-state sources. 					
343.49 Communicable and Environmental Disease Services	\$0	\$326,800	\$0	\$326,800	2
Sub-total	\$0	\$326,800	\$0	\$326,800	2
<ul style="list-style-type: none"> U.S. Economic Recovery - Primary-Care Recruitment and Retention Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. Funds will assist the department in the recruitment and retention of primary health, oral health, and behavioral health care providers. Funds will also support program staff training at various health conferences and medical training programs throughout Tennessee. 					
343.52 Community and Medical Services	\$0	\$45,900	\$0	\$45,900	0
Sub-total	\$0	\$45,900	\$0	\$45,900	0
<ul style="list-style-type: none"> U.S. Economic Recovery - WIC Supplemental Food Technology Projects Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. Funds will be used to modify the Women, Infants, and Children (WIC) supplemental food participant tracking system by enhancing technology interfaces with the federal WIC electronic benefit transfer readiness project, the state immunization interoperability project, and the electronic medical record interoperability project. 					
343.53 Women, Infants, and Children (WIC)	\$0	\$185,200	\$0	\$185,200	0
Sub-total	\$0	\$185,200	\$0	\$185,200	0
<ul style="list-style-type: none"> U.S. Economic Recovery - Federally Qualified Health Centers Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. Funds will continue grants to local governments to construct, renovate, and purchase equipment for qualified health centers in Tennessee. The department will use the funds to continue to support local governments in constructing two new health department clinic sites in Clay and Jackson counties and to renovate or expand facilities in Cannon, Macon, Warren, Van Buren, Putnam, and Stewart counties. 					
343.60 Local Health Services	\$0	\$1,760,500	\$0	\$1,760,500	0
Sub-total	\$0	\$1,760,500	\$0	\$1,760,500	0

Health and Social Services Improvements for Fiscal Year 2010-2011

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• U.S. Economic Recovery - Immunizations					
Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. Funds will assist in acquiring and making recommended vaccines available, providing program operational grants, and providing scientific and technical support to strengthen state-wide vaccination programs.					
343.49 Communicable and Environmental Disease Services	\$0	\$590,200	\$0	\$590,200	0
Sub-total	\$0	\$590,200	\$0	\$590,200	0
• Sickle Cell Foundation of Tennessee					
To provide non-recurring grant funds to the Sickle Cell Foundation of Tennessee, formerly the Diggs-Kraus Sickle Cell Center. The Sickle Cell Foundation of Tennessee promotes health awareness through educational campaigns, self-sufficiency through life skills training, and improves the quality of life for Tennesseans living with sickle cell.					
343.47 Maternal and Child Health	\$75,000	\$0	\$0	\$75,000	0
Sub-total	\$75,000	\$0	\$0	\$75,000	0
Total Health	\$75,000	\$3,915,100	\$0	\$3,990,100	14

Human Services

• 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.					
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
Total Human Services	\$0	\$209,738,600	\$0	\$209,738,600	0

Cover Tennessee Health Care Programs

• CoverKids Program Growth					
To provide recurring funding for open enrollment in the CoverKids program. This comprehensive insurance program is available to uninsured children with a household income below 250 percent of the federal poverty line.					
350.50 CoverKids	\$13,100,000	\$41,588,200	\$0	\$54,688,200	0
Sub-total	\$13,100,000	\$41,588,200	\$0	\$54,688,200	0

Health and Social Services Improvements for Fiscal Year 2010-2011

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<ul style="list-style-type: none"> CoverRx Program Growth To provide recurring funding for open enrollment in the CoverRx program. This program provides affordable pharmaceuticals for individuals below 250 percent of the federal poverty line who lack pharmacy coverage, many of whom are seriously and persistently mentally ill and require treatment with anti-psychotic pharmaceuticals. 					
350.60 CoverRX	\$4,500,000	\$0	\$0	\$4,500,000	0
Sub-total	\$4,500,000	\$0	\$0	\$4,500,000	0
Total Cover Tennessee Health Care Programs	\$17,600,000	\$41,588,200	\$0	\$59,188,200	0
Children's Services					
<ul style="list-style-type: none"> County Over-Commitment to State Custody To provide funds for the cost of dependent, neglected, or delinquent children committed to state custody from counties between 200 and 300 percent of the statewide county commitment average. Approximately 20 counties are in the 200 to 300 percent range. No county currently exceeds 300 percent of the statewide commitment average. Public Acts of 2009, Chapter 531, required that counties pay for commitment costs when commitments exceed 300 percent of the statewide average. The 2009 provision of law expires on June 30, 2011; thus, the appropriation in 2010-2011 is recurring in order to continue in the base budget in the 2011-2012 fiscal year. The allocation of \$300,000 from the general fund to the county revenue partnership fund is re-directed to the general fund in 2010-2011 to recognize that no county currently has a mandated cost relative to this provision of law. 					
359.30 Custody Services	\$3,600,000	\$0	\$0	\$3,600,000	0
Sub-total	\$3,600,000	\$0	\$0	\$3,600,000	0
Total Children's Services	\$3,600,000	\$0	\$0	\$3,600,000	0
Total Health and Social Services	\$23,633,500	\$258,410,000	\$153,300	\$282,196,800	22

Commission on Children and Youth

Performance-Based Budget

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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
316.01 Commission on Children and Youth					
Full-Time	49	49	49	0	49
Part-Time	2	2	0	0	0
Seasonal	0	0	0	0	0
Total	51	51	49	0	49
Payroll	3,192,200	3,138,100	3,113,200	0	3,113,200
Operational	4,748,900	4,850,900	4,744,600	0	4,744,600
Total	\$7,941,100	\$7,989,000	\$7,857,800	\$0	\$7,857,800
State	2,189,400	2,146,200	2,013,400	0	2,013,400
Federal	2,785,200	2,780,500	2,780,900	0	2,780,900
Other	2,966,500	3,062,300	3,063,500	0	3,063,500

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.

115	109	108	0	108
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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 whom a quality service review is conducted.

328	330	330	0	330
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Commission on Aging and Disability

Performance-Based Budget

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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
316.02 Commission on Aging and Disability					
Full-Time	57	53	28	0	28
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	57	53	28	0	28
Payroll	3,495,000	3,456,000	1,833,100	0	1,833,100
Operational	48,453,400	50,524,600	40,179,200	521,400	40,700,600
Total	\$51,948,400	\$53,980,600	\$42,012,300	\$521,400	\$42,533,700
State	13,807,500	14,032,600	13,688,400	85,700	13,774,100
Federal	28,230,500	30,059,200	28,318,900	435,700	28,754,600
Other	9,910,400	9,888,800	5,000	0	5,000

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 as reported to the Administration on Aging.

	175,470	176,172	175,820	0	175,820
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Standard: Develop a marketing plan, marketing materials, and outreach tools activities for the Long Term Care Community Choices Act single point of entry system.

Measure: Percent of marketing plan, marketing materials, and outreach tools developed.

	Not Applicable	Not Applicable	100%	0	100%
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Health Services and Development Agency

Performance-Based Budget

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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
316.07 Health Services and Development Agency					
Full-Time	12	12	11	0	11
Part-Time	7	7	7	0	7
Seasonal	0	0	0	0	0
Total	19	19	18	0	18
Payroll	879,300	875,300	850,600	0	850,600
Operational	387,400	386,100	299,800	0	299,800
Total	\$1,266,700	\$1,261,400	\$1,150,400	\$0	\$1,150,400
State	1,250,300	1,245,000	1,134,000	0	1,134,000
Federal	0	0	0	0	0
Other	16,400	16,400	16,400	0	16,400

Standard: Medical equipment registrations will be current.

Measure: The percent of registrations that are current.

	97.4%	97.5%	97.6%	0	97.6%
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Standard: Medical equipment utilizations will be reported.

Measure: The percent of medical equipment utilizations reported.

	97.0%	97.2%	97.4%	0	97.4%
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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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	462	469	465	8	473
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	462	469	465	8	473
Payroll	31,849,100	31,002,400	31,002,400	482,900	31,485,300
Operational	218,062,000	208,359,300	193,741,700	4,675,600	198,417,300
Total	\$249,911,100	\$239,361,700	\$224,744,100	\$5,158,500	\$229,902,600
State	114,208,600	108,934,400	102,558,200	2,272,800	104,831,000
Federal	135,368,200	130,093,000	120,951,600	2,732,400	123,684,000
Other	334,300	334,300	1,234,300	153,300	1,387,600

Standard: Avoid repeat audit findings.

Measure: Number of repeat audit findings.

0	0	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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
Payroll	0	0	0	0	0
Operational	4,806,888,600	5,148,188,900	4,563,404,200	0	4,563,404,200
Total	\$4,806,888,600	\$5,148,188,900	\$4,563,404,200	\$0	\$4,563,404,200
State	1,649,707,700	1,217,646,600	1,206,491,000	0	1,206,491,000
Federal	2,870,887,100	3,699,606,700	3,114,975,000	0	3,114,975,000
Other	286,293,800	230,935,600	241,938,200	0	241,938,200

Standard: Maintain the number of Managed Care Organizations (MCOs) 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: Maintain 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	4	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 Intellectual Disabilities 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	1,090,484,900	1,130,233,600	1,000,564,600	0	1,000,564,600
Total	\$1,090,484,900	\$1,130,233,600	\$1,000,564,600	\$0	\$1,000,564,600
State	400,892,700	296,581,200	310,620,900	0	310,620,900
Federal	689,592,200	833,652,400	689,943,700	0	689,943,700
Other	0	0	0	0	0

Standard: Work with the Commission on Aging and other community providers to improve enrollment in the Home and Community Based Services (HCBS) waiver for the elderly.

Measure: The number of unduplicated participants in HCBS programs for the elderly and/or physically disabled.

5,100	6,500	6,500	0	6,500
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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.

	40%	45%	46%	0	46%
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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 Intellectual Disabilities 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	1,231,171,900	1,156,280,700	989,888,800	0	989,888,800
Total	\$1,231,171,900	\$1,156,280,700	\$989,888,800	\$0	\$989,888,800
State	417,525,600	288,173,300	288,375,700	0	288,375,700
Federal	813,646,300	868,107,400	701,513,100	0	701,513,100
Other	0	0	0	0	0

Standard: Complete all reviews of Pre-Admission Evaluations (PAEs) within eight days.

Measure: The percent of 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	11	0	11
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	13	13	11	0	11
Payroll	1,226,800	1,225,500	1,120,600	0	1,120,600
Operational	8,942,800	9,145,200	7,933,500	0	7,933,500
Total	\$10,169,600	\$10,370,700	\$9,054,100	\$0	\$9,054,100

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
State	5,872,600	5,873,100	4,556,200	0	4,556,200
Federal	4,297,000	4,297,600	4,297,900	0	4,297,900
Other	0	200,000	200,000	0	200,000

Standard: Provide educational forums for children's health initiatives.

Measure: The number of educational and informative opportunities provided to the community.

	12	5	5	0	5
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Standard: Provide grants to statewide initiatives benefitting children.

Measure: The percent of grant funds distributed.

	95%	100%	100%	0	100%
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318.00 Total Finance and Administration, Bureau of TennCare

Full-Time	475	482	476	8	484
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	475	482	476	8	484
Payroll	33,075,900	32,227,900	32,123,000	482,900	32,605,900
Operational	7,355,550,200	7,652,207,700	6,755,532,800	4,675,600	6,760,208,400
Total	\$7,388,626,100	\$7,684,435,600	\$6,787,655,800	\$5,158,500	\$6,792,814,300
State	2,588,207,200	1,917,208,600	1,912,602,000	2,272,800	1,914,874,800
Federal	4,513,790,800	5,535,757,100	4,631,681,300	2,732,400	4,634,413,700
Other	286,628,100	231,469,900	243,372,500	153,300	243,525,800

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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	204	216	197	0	197
Part-Time	0	7	7	0	7
Seasonal	0	0	0	0	0
Total	204	223	204	0	204
Payroll	15,192,100	15,361,800	14,134,500	0	14,134,500
Operational	3,793,300	3,762,300	3,727,800	0	3,727,800
Total	\$18,985,400	\$19,124,100	\$17,862,300	\$0	\$17,862,300
State	13,786,500	13,815,100	12,588,000	0	12,588,000
Federal	2,554,900	2,525,800	2,501,300	0	2,501,300
Other	2,644,000	2,783,200	2,773,000	0	2,773,000

Standard: The costs of administrative services as a percentage of total department costs will not exceed 5.75%.

Measure: The costs of administrative services as a percentage of total department costs.

5.60%	5.70%	5.75%	0	5.75%
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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; 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	54,350,500	61,799,700	51,506,900	0	51,506,900
Total	\$54,350,500	\$61,799,700	\$51,506,900	\$0	\$51,506,900
State	14,792,600	16,181,100	12,189,700	0	12,189,700
Federal	38,957,900	36,860,000	36,786,400	0	36,786,400
Other	600,000	8,758,600	2,530,800	0	2,530,800

Standard: Increase the percentage of Driving Under the Influence (DUI) offenders employed six months after treatment.

Measure: Percent of persons who were DUI offenders employed six months after admission to treatment.

59.9%	70.0%	65.0%	0	65.0%
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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.

90.5%	91.0%	91.0%	0	91.0%
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	93,567,200	92,263,500	85,756,400	0	85,756,400
Total	\$93,567,200	\$92,263,500	\$85,756,400	\$0	\$85,756,400
State	63,008,300	76,958,500	70,383,600	0	70,383,600
Federal	12,758,900	14,305,000	13,872,800	0	13,872,800
Other	17,800,000	1,000,000	1,500,000	0	1,500,000

Standard: Increase the percentage of grantees meeting all program criteria on first review.

Measure: Percent of grantees achieving contract compliance on initial review.

91%	92%	92%	0	92%
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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 operates 115 beds.

Full-Time	471	452	375	0	375
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	471	452	375	0	375
Payroll	25,683,900	24,327,000	20,446,300	0	20,446,300
Operational	7,732,900	7,067,800	6,126,300	0	6,126,300
Total	\$33,416,800	\$31,394,800	\$26,572,600	\$0	\$26,572,600
State	17,421,100	15,879,300	12,126,500	0	12,126,500
Federal	1,888,200	1,071,200	958,100	0	958,100
Other	14,107,500	14,444,300	13,488,000	0	13,488,000

Standard: Manage patient census at a rate of no more than 95% capacity through effective clinical practices relative to admission and discharge decisions.

Measure: Percent of beds occupied.

96%	95%	95%	0	95%
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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 operates 209 beds. The hospital provides forensic evaluation and treatment services in a secure setting.

Full-Time	723	693	596	0	596
Part-Time	13	1	1	0	1
Seasonal	0	0	0	0	0
Total	736	694	597	0	597
Payroll	40,977,900	38,633,200	34,021,600	0	34,021,600
Operational	9,740,900	8,727,700	7,420,800	0	7,420,800
Total	\$50,718,800	\$47,360,900	\$41,442,400	\$0	\$41,442,400
State	23,352,200	20,687,900	16,309,200	0	16,309,200
Federal	2,452,900	2,389,900	2,121,800	0	2,121,800
Other	24,913,700	24,283,100	23,011,400	0	23,011,400

Standard: Manage patient census at a rate of no more than 95% capacity through effective clinical practices relative to admission and discharge decisions.

Measure: Percent of beds occupied.

87%	95%	95%	0	95%
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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 operates 162 beds.

Full-Time	617	562	485	0	485
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	617	562	485	0	485
Payroll	35,090,200	31,738,200	28,261,100	0	28,261,100
Operational	7,036,100	6,877,900	6,567,700	0	6,567,700
Total	\$42,126,300	\$38,616,100	\$34,828,800	\$0	\$34,828,800
State	19,372,400	18,147,700	15,364,100	0	15,364,100
Federal	2,109,700	2,108,500	2,108,500	0	2,108,500
Other	20,644,200	18,359,900	17,356,200	0	17,356,200

Standard: Manage patient census at a rate of no more than 95% capacity through effective clinical practices relative to admission and discharge decisions.

Measure: Percent of beds occupied.

86%	95%	95%	0	95%
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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339.16 Moccasin Bend Mental Health Institute

Moccasin Bend Mental Health Institute was established in Chattanooga in 1961, is accredited as a psychiatric hospital, and operates 125 beds.

Full-Time	421	408	367	0	367
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	421	408	367	0	367
Payroll	23,659,800	22,350,900	19,893,300	0	19,893,300
Operational	5,486,800	5,348,200	5,227,300	0	5,227,300
Total	\$29,146,600	\$27,699,100	\$25,120,600	\$0	\$25,120,600
State	13,715,700	12,665,700	11,201,100	0	11,201,100
Federal	2,214,000	2,154,000	3,220,000	0	3,220,000
Other	13,216,900	12,879,400	10,699,500	0	10,699,500

Standard: Manage patient census at a rate of no more than 95% capacity through effective clinical practices relative to admission and discharge decisions.

Measure: Percent of beds occupied.

85%	95%	95%	0	95%
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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 operates 75 beds.

Full-Time	326	302	249	0	249
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	327	303	250	0	250
Payroll	19,966,900	18,534,200	15,709,900	0	15,709,900
Operational	6,596,700	6,624,000	6,731,000	0	6,731,000
Total	\$26,563,600	\$25,158,200	\$22,440,900	\$0	\$22,440,900
State	15,122,200	13,723,600	11,006,300	0	11,006,300
Federal	2,156,000	2,154,700	2,154,700	0	2,154,700
Other	9,285,400	9,279,900	9,279,900	0	9,279,900

Standard: Manage patient census at a rate of no more than 95% capacity through effective clinical practices relative to admission and discharge decisions.

Measure: Percent of beds occupied.

89%	95%	95%	0	95%
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	450,000	450,000	450,000	0	450,000
Total	\$450,000	\$450,000	\$450,000	\$0	\$450,000
State	450,000	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 \$0.33 per square foot.

Measure: Major maintenance cost per square foot.

\$0.22	\$0.22	\$0.33	0	\$0.33
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339.00 Total Mental Health and Developmental Disabilities

Full-Time	2,762	2,633	2,269	0	2,269
Part-Time	14	9	9	0	9
Seasonal	0	0	0	0	0
Total	2,776	2,642	2,278	0	2,278
Payroll	160,570,800	150,945,300	132,466,700	0	132,466,700
Operational	188,754,400	192,921,100	173,514,200	0	173,514,200
Total	\$349,325,200	\$343,866,400	\$305,980,900	\$0	\$305,980,900
State	181,021,000	188,508,900	161,618,500	0	161,618,500
Federal	65,092,500	63,569,100	63,723,600	0	63,723,600
Other	103,211,700	91,788,400	80,638,800	0	80,638,800

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						
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	2,539	3,275	1,232	1,964	1,983	10,993
2009-2010	2,400	3,275	1,250	2,000	2,000	10,925
2010-2011	2,400	3,200	1,240	2,000	2,000	10,840
Annual Releases						
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	2,586	3,338	1,300	1,990	1,993	11,207
2009-2010	2,400	3,330	1,260	2,000	2,000	10,990
2010-2011	2,400	3,275	1,250	2,000	2,000	10,925
Average Daily Census						
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	141	204	156	123	65	689
2009-2010	115	200	145	130	70	660
2010-2011	115	195	140	122	70	642
Cost Per Occupancy Day*						
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	\$646.26	\$681.19	\$741.50	\$649.81	\$1,120.73	\$723.46
2009-2010	\$747.94	\$657.79	\$729.64	\$583.75	\$1,048.26	\$714.20
2010-2011	\$633.06	\$592.03	\$681.58	\$564.13	\$935.04	\$649.40

* 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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	87	83	90	0	90
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	87	83	90	0	90
Payroll	6,035,600	5,792,000	6,238,700	0	6,238,700
Operational	2,270,400	2,254,500	2,213,100	0	2,213,100
Total	\$8,306,000	\$8,046,500	\$8,451,800	\$0	\$8,451,800
State	7,075,400	5,956,700	6,306,800	0	6,306,800
Federal	1,043,600	1,902,800	1,785,000	0	1,785,000
Other	187,000	187,000	360,000	0	360,000

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	68	64	64	0	64
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	68	64	64	0	64
Payroll	3,749,300	3,551,700	3,551,700	0	3,551,700
Operational	643,300	537,100	541,700	0	541,700
Total	\$4,392,600	\$4,088,800	\$4,093,400	\$0	\$4,093,400

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
State	3,184,100	2,883,300	2,887,900	0	2,887,900
Federal	1,168,900	1,165,900	1,165,900	0	1,165,900
Other	39,600	39,600	39,600	0	39,600

Standard: Maintain the percentage of Administrative Services' actual expenditures to total department expenditures at less than one percent.

Measure: Administrative Services' expenditures as a percent of total department expenditures.

0.68%	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	70	66	67	0	67
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	70	66	67	0	67
Payroll	5,070,100	4,733,100	4,784,100	0	4,784,100
Operational	569,800	564,200	572,200	0	572,200
Total	\$5,639,900	\$5,297,300	\$5,356,300	\$0	\$5,356,300
State	5,513,900	5,171,300	5,230,300	0	5,230,300
Federal	126,000	126,000	126,000	0	126,000
Other	0	0	0	0	0

Standard: Through training and management, 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	168	167	167	0	167
Part-Time	0	1	0	1	1
Seasonal	0	0	0	0	0
Total	168	168	167	1	168
Payroll	10,035,200	9,940,400	9,915,000	25,400	9,940,400
Operational	10,171,300	9,546,000	9,561,700	0	9,561,700
Total	\$20,206,500	\$19,486,400	\$19,476,700	\$25,400	\$19,502,100

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
State	8,533,500	6,858,300	6,811,300	0	6,811,300
Federal	2,058,400	1,619,000	1,593,600	25,400	1,619,000
Other	9,614,600	11,009,100	11,071,800	0	11,071,800

Standard: Through training and protocols, demonstrate accurate testing procedures by exceeding the federal quality assurance goal of 80% accuracy on all proficiency 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	131	126	126	0	126
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	131	126	126	0	126
Payroll	7,663,000	7,221,000	7,221,000	0	7,221,000
Operational	2,800,400	2,528,900	2,530,100	0	2,530,100
Total	\$10,463,400	\$9,749,900	\$9,751,100	\$0	\$9,751,100
State	5,002,400	4,070,000	4,071,200	0	4,071,200
Federal	1,754,800	1,785,300	1,785,300	0	1,785,300
Other	3,706,200	3,894,600	3,894,600	0	3,894,600

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 health-care facilities corrected and finalized within six months of the due date set for the facilities.

86%	100%	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 licenses the commercial breeding of companion animals and coordinates and administers the Trauma System Fund.

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	179	181	184	0	184
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	179	181	184	0	184
Payroll	11,472,200	11,437,400	11,507,800	0	11,507,800
Operational	4,975,000	5,028,000	5,038,100	0	5,038,100
Total	\$16,447,200	\$16,465,400	\$16,545,900	\$0	\$16,545,900
State	8,307,600	8,230,100	8,319,200	0	8,319,200
Federal	6,462,100	6,698,400	6,698,400	0	6,698,400
Other	1,677,500	1,536,900	1,528,300	0	1,528,300

Standard: Through maintenance of inspection protocols, 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 the Centers for Medicaid and Medicare Services according to facility type.

94%	100%	100%	0	100%
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Standard: Through maintenance of inspection protocols, 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%	100%	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	51,700	51,700	51,700	0	51,700
Operational	9,855,400	8,948,400	8,948,400	0	8,948,400
Total	\$9,907,100	\$9,000,100	\$9,000,100	\$0	\$9,000,100

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
State	9,907,100	9,000,100	9,000,100	0	9,000,100
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 care 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	1,346,600	1,340,900	1,342,900	0	1,342,900
Operational	530,500	505,900	506,500	0	506,500
Total	\$1,877,100	\$1,846,800	\$1,849,400	\$0	\$1,849,400
State	745,300	587,700	590,300	0	590,300
Federal	230,900	162,400	162,400	0	162,400
Other	900,900	1,096,700	1,096,700	0	1,096,700

Standard: Through maintenance of licensure and inspection protocols, protect the public health and safety by ensuring the processing of applications and renewals for 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: Through maintenance of licensure and inspection protocols, 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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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343.09 Commercial Breeder Licensure and Regulation

Commercial Breeder Licensure and Regulation regulates commercial breeders of companion animals within Tennessee. The program is funded through licensure fees, civil penalties, and sales taxes deposited within the Commercial Breeder Act Enforcement and Recovery Account.

Full-Time	0	7	7	0	7
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	7	7	0	7
Payroll	0	277,500	372,800	0	372,800
Operational	0	275,600	260,800	0	260,800
Total	\$0	\$553,100	\$633,600	\$0	\$633,600
State	0	424,000	633,600	0	633,600
Federal	0	129,100	0	0	0
Other	0	0	0	0	0

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	137	145	138	0	138
Part-Time	190	190	190	0	190
Seasonal	0	0	0	0	0
Total	327	335	328	0	328
Payroll	8,059,200	8,322,600	7,906,000	0	7,906,000
Operational	5,671,500	5,758,300	5,722,300	0	5,722,300
Total	\$13,730,700	\$14,080,900	\$13,628,300	\$0	\$13,628,300
State	13,601,700	13,951,900	13,499,300	0	13,499,300
Federal	0	50,000	0	0	0
Other	129,000	79,000	129,000	0	129,000

Standard: Through maintenance of licensure standards, 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: Through maintenance of inspection protocols, 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%	85%	85%	0	85%
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Estimated
2008-2009

Estimated
2009-2010

Base
2010-2011

Improvement
2010-2011

Recommended
2010-2011

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 (HSA) 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 fiscal year 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.

Full-Time	83	83	79	0	79
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	83	83	79	0	79
Payroll	4,698,600	4,637,400	4,483,700	0	4,483,700
Operational	16,812,500	12,148,500	14,554,700	0	14,554,700
Total	\$21,511,100	\$16,785,900	\$19,038,400	\$0	\$19,038,400
State	13,612,800	13,015,300	7,867,800	0	7,867,800
Federal	1,384,900	1,377,600	1,377,600	0	1,377,600
Other	6,513,400	2,393,000	9,793,000	0	9,793,000

Standard: The administrative cost for HSA activities for the Bureau of Health Services will not exceed one and one-half percent of the total bureau's costs.

Measure: Administrative expenditures as a percent of total Bureau of Health Services Administration expenditures.

1.34%	1.30%	1.30%	0	1.30%
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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

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
Payroll	7,153,500	7,033,600	7,038,600	0	7,038,600
Operational	4,775,800	4,619,900	4,631,600	0	4,631,600
Total	\$11,929,300	\$11,653,500	\$11,670,200	\$0	\$11,670,200
State	11,900,700	11,624,900	10,641,600	0	10,641,600
Federal	0	0	0	0	0
Other	28,600	28,600	1,028,600	0	1,028,600

Standard: Through training and inspecting, reduce infections caused by key food borne pathogens.

Measure: Number of infections caused by Salmonella species per 100,000 population.

15.2/100,000	13.1/100,000	13.0/100,000	0	13.0/100,000
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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	40	40	39	0	39
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	40	40	39	0	39
Payroll	2,693,600	2,609,500	2,529,300	0	2,529,300
Operational	13,651,800	13,169,300	10,038,300	75,000	10,113,300
Total	\$16,345,400	\$15,778,800	\$12,567,600	\$75,000	\$12,642,600
State	2,960,900	2,398,800	2,382,400	75,000	2,457,400
Federal	8,422,200	7,930,900	7,796,200	0	7,796,200
Other	4,962,300	5,449,100	2,389,000	0	2,389,000

Standard: Through education and awareness, reduce the pregnancy rates for females ages 15-17.

Measure: Adolescent pregnancy rates for females ages 15-17 per 1,000 females.

34.3/1,000	34.0/1,000	33.9/1,000	0	33.9/1,000
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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.

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
Full-Time	148	162	153	12	165
Part-Time	1	2	1	1	2
Seasonal	0	0	0	0	0
Total	149	164	154	13	167
Payroll	9,453,400	10,773,500	10,340,700	811,000	11,151,700
Operational	43,038,900	50,797,700	57,790,100	1,087,100	58,877,200
Total	\$52,492,300	\$61,571,200	\$68,130,800	\$1,898,100	\$70,028,900
State	13,361,400	12,002,100	11,862,900	0	11,862,900
Federal	39,130,900	46,330,600	53,029,400	1,898,100	54,927,500
Other	0	3,238,500	3,238,500	0	3,238,500

Standard: Through education and awareness, the incidence rate of new reported HIV/AIDS infections will not exceed ten cases per 100,000 population by 2020.

Measure: Incidence rate of new reported HIV/AIDS infections

17.6/100,000	16.6/100,000	16.5/100,000	0	16.5/100,000
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Standard: Prevent or lessen the impact of communicable childhood diseases by ensuring that a minimum of 90% of 24-month-old children in Tennessee are immunized on time with each of the routinely recommended vaccines.

Measure: Percent of 24 month-old children receiving the recommended vaccinations against ten serious childhood diseases on time.

82.3%	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	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	143,000	143,000	143,000	0	143,000
Operational	6,810,500	6,857,000	7,652,100	0	7,652,100
Total	\$6,953,500	\$7,000,000	\$7,795,100	\$0	\$7,795,100
State	6,953,500	0	143,000	0	143,000
Federal	0	0	7,652,100	0	7,652,100
Other	0	7,000,000	0	0	0

Standard: Through education and awareness, reduce the percentage of adults who have been told by a doctor that they have diabetes, according to the annual Behavioral Risk Factor Surveillance System (BRFSS).

Measure: Percent of adults surveyed who have ever been told by a doctor that they have diabetes.

10.3%	10.0%	9.8%	0	9.8%
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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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.

Full-Time	77	77	72	0	72
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	77	77	72	0	72
Payroll	5,005,400	4,992,800	4,520,000	0	4,520,000
Operational	34,395,700	27,832,300	15,233,900	45,900	15,279,800
Total	\$39,401,100	\$32,825,100	\$19,753,900	\$45,900	\$19,799,800
State	18,711,200	11,093,600	8,885,100	0	8,885,100
Federal	16,557,900	20,345,100	9,482,400	45,900	9,528,300
Other	4,132,000	1,386,400	1,386,400	0	1,386,400

Standard: Through education and awareness, 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.

	5.4%	4.7%	4.6%	0	4.6%
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Standard: Through education and awareness, increase the number of QuitLine participants enrolled in the iCanQuit Tobacco Cessation Counseling program.

Measure: Number of QuitLine participants enrolled in the iCanQuit Program.

	2,998	3,550	4,100	0	4,100
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343.53 Women, Infants, and Children (WIC)

The Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) provides screening, counseling, and supplemental foods to low-income pregnant and postpartum breast-feeding women and supplemental foods to infants and children at risk due to inadequate nutrition. Through promotion and modification of food practices, this program seeks to minimize the risk of complications to mothers and children, maximize normal development, and improve the health status of the targeted high-risk population.

Full-Time	21	21	21	0	21
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	21	21	21	0	21

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
Payroll	1,228,400	1,222,700	1,222,700	0	1,222,700
Operational	141,575,900	141,869,900	141,575,100	185,200	141,760,300
Total	\$142,804,300	\$143,092,600	\$142,797,800	\$185,200	\$142,983,000
State	0	0	0	0	0
Federal	107,670,300	97,959,600	97,664,800	185,200	97,850,000
Other	35,134,000	45,133,000	45,133,000	0	45,133,000

Standard: Through education and training, provide breast-feeding support activities to women participating in WIC in order to achieve an average of at least the national standard of 29% or greater of women who breast feed.

Measure: Percent of women receiving WIC who are breast-feeding.

33.7%	34.0%	35.0%	0	35.0%
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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	1,645	1,641	1,642	0	1,642
Part-Time	2	1	1	0	1
Seasonal	0	0	0	0	0
Total	1,647	1,642	1,643	0	1,643
Payroll	98,601,400	103,634,000	103,741,700	0	103,741,700
Operational	90,161,500	105,316,400	102,328,800	1,760,500	104,089,300
Total	\$188,762,900	\$208,950,400	\$206,070,500	\$1,760,500	\$207,831,000
State	62,161,500	57,614,400	57,917,900	0	57,917,900
Federal	63,270,400	86,529,800	83,982,300	1,760,500	85,742,800
Other	63,331,000	64,806,200	64,170,300	0	64,170,300

Standard: Assure availability and accessibility of public health services at county health departments.

Measure: Number of encounters/visits to county health departments.

2,163,465	2,163,465	2,163,465	0	2,163,465
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Standard: Through education, awareness, and increased support, 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.

23.1%	22.9%	22.5%	0	22.5%
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
343.00 Total Health					
Full-Time	2,987	2,996	2,982	12	2,994
Part-Time	206	207	205	2	207
Seasonal	0	0	0	0	0
Total	3,193	3,203	3,187	14	3,201
Payroll	182,460,200	187,714,800	186,911,400	836,400	187,747,800
Operational	388,710,200	398,557,900	389,699,500	3,153,700	392,853,200
Total	\$571,170,400	\$586,272,700	\$576,610,900	\$3,990,100	\$580,601,000
State	191,533,000	164,882,500	157,050,700	75,000	157,125,700
Federal	249,281,300	274,112,500	274,301,400	3,915,100	278,216,500
Other	130,356,100	147,277,700	145,258,800	0	145,258,800

Department of Finance and Administration, Division of Intellectual Disabilities Services

Performance-Based Budget

The Division of Intellectual Disabilities 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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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Administration and Policy

344.01 Intellectual Disabilities Services Administration

Intellectual Disabilities Services 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	138	136	136	0	136
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	138	136	136	0	136
Payroll	10,419,200	9,819,000	10,026,900	0	10,026,900
Operational	3,955,900	3,173,300	3,261,300	0	3,261,300
Total	\$14,375,100	\$12,992,300	\$13,288,200	\$0	\$13,288,200
State	3,287,200	1,270,300	1,297,300	0	1,297,300
Federal	0	0	0	0	0
Other	11,087,900	11,722,000	11,990,900	0	11,990,900

Standard: Administrative costs to total services costs will not exceed 2%.

Measure: Percent of administrative costs to total services cost.

1.31%	2.00%	2.00%	0	2.00%
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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 Intellectual Disabilities 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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
Payroll	707,500	705,800	705,800	0	705,800
Operational	1,786,300	1,669,900	1,473,200	0	1,473,200
Total	\$2,493,800	\$2,375,700	\$2,179,000	\$0	\$2,179,000
State	217,500	217,100	217,900	0	217,900
Federal	2,176,300	2,058,600	1,861,100	0	1,861,100
Other	100,000	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 federal expenditures spent to support federal priority areas.

76%	80%	80%	0	80%
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Standard: Develop and enhance leadership and self-advocacy skills of Tennesseans with disabilities and their families to direct the supports they receive.

Measure: Number of individuals trained, educated, and informed through the council's Leadership Institute, educational publications, and information/referral service.

28,762	29,000	29,000	0	29,000
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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 Intellectual Disabilities Services

The Community Intellectual Disabilities 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	583,550,700	603,593,100	550,052,100	0	550,052,100
Total	\$583,550,700	\$603,593,100	\$550,052,100	\$0	\$550,052,100
State	49,591,300	51,708,200	16,155,200	0	16,155,200
Federal	0	0	0	0	0
Other	533,959,400	551,884,900	533,896,900	0	533,896,900

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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Standard: Provide medically necessary services to individuals in the Home and Community-Based Services (HCBS) waivers.

Measure: Number of individuals served in the community.

	7,600	7,720	7,828	0	7,828
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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	118	119	0	119
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	120	118	119	0	119
Payroll	7,697,600	7,607,200	7,688,700	0	7,688,700
Operational	644,300	644,300	644,300	0	644,300
Total	\$8,341,900	\$8,251,500	\$8,333,000	\$0	\$8,333,000
State	834,100	825,100	832,300	0	832,300
Federal	0	0	0	0	0
Other	7,507,800	7,426,400	7,500,700	0	7,500,700

Standard: Resolve and close complaint cases within 30 days of receipt.

Measure: Percent of complaint cases resolved and closed within 30 days of receipt.

	98.8%	99.0%	99.0%	0	99.0%
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Standard: Increase the number of investigations closed within 30 days.

Measure: Percent of investigations closed within 30 days.

	94%	96%	98%	0	98%
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344.20 West Tennessee Regional Office

This office coordinates services and support to individuals with mental retardation living in the community in West Tennessee.

Full-Time	206	197	206	0	206
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	206	197	206	0	206
Payroll	11,874,100	11,473,700	11,662,200	0	11,662,200
Operational	4,080,200	2,899,400	6,465,400	0	6,465,400
Total	\$15,954,300	\$14,373,100	\$18,127,600	\$0	\$18,127,600
State	2,503,400	1,370,000	1,725,800	0	1,725,800
Federal	0	0	0	0	0
Other	13,450,900	13,003,100	16,401,800	0	16,401,800

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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Standard: Maximize percentage of waiver participants surveyed who have had an annual reevaluation completed within 12 months of their initial evaluation or last annual reevaluation.

Measure: Percent of waiver participants surveyed who had an annual reevaluation completed within 12 months of their initial evaluation or last annual reevaluation.

	100%	100%	100%	0	100%
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344.21 Middle Tennessee Regional Office

This office coordinates services and support to individuals with mental retardation living in the community in Middle Tennessee.

Full-Time	150	140	142	0	142
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	150	140	142	0	142
Payroll	8,922,700	8,372,000	8,452,200	0	8,452,200
Operational	1,535,200	1,545,700	1,604,300	0	1,604,300
Total	\$10,457,900	\$9,917,700	\$10,056,500	\$0	\$10,056,500
State	1,745,100	990,100	1,007,600	0	1,007,600
Federal	0	0	0	0	0
Other	8,712,800	8,927,600	9,048,900	0	9,048,900

Standard: Maximize percentage of waiver participants surveyed who have had an annual reevaluation completed within 12 months of their initial evaluation or last annual reevaluation.

Measure: Percent of waiver participants surveyed who had an annual reevaluation completed within 12 months of their initial evaluation or last annual reevaluation.

	100%	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	162	150	153	0	153
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	162	150	153	0	153
Payroll	9,913,800	9,144,100	9,144,100	0	9,144,100
Operational	2,962,600	1,964,300	2,023,500	0	2,023,500
Total	\$12,876,400	\$11,108,400	\$11,167,600	\$0	\$11,167,600
State	2,127,100	1,109,000	1,114,900	0	1,114,900
Federal	0	0	0	0	0
Other	10,749,300	9,999,400	10,052,700	0	10,052,700

Standard: Maximize percentage of waiver participants surveyed who have had an annual reevaluation completed within 12 months of their initial evaluation or last annual reevaluation.

Measure: Percent of waiver participants surveyed who had an annual reevaluation completed within 12 months of their initial evaluation or last annual reevaluation.

	100%	100%	100%	0	100%
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	45	45	45	0	45
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	45	45	45	0	45
Payroll	3,538,800	3,537,200	3,537,200	0	3,537,200
Operational	1,765,600	1,773,200	1,775,500	0	1,775,500
Total	\$5,304,400	\$5,310,400	\$5,312,700	\$0	\$5,312,700
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	5,304,400	5,310,400	5,312,700	0	5,312,700

Standard: Provide clinical and medical services through the West Tennessee Resource Center.

Measure: Number of individuals receiving services at the Resource Center.

	173	225	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	282	205	0	205
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	319	282	205	0	205
Payroll	14,308,100	14,218,700	9,586,600	0	9,586,600
Operational	3,918,500	3,917,300	3,860,800	0	3,860,800
Total	\$18,226,600	\$18,136,000	\$13,447,400	\$0	\$13,447,400
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	18,226,600	18,136,000	13,447,400	0	13,447,400

Standard: Reduce serious injuries to consumers each year.

Measure: The number of serious injuries to consumers.

	0	6	5	0	5
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	148	243	0	243
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	148	243	0	243
Payroll	0	5,599,100	8,626,100	0	8,626,100
Operational	0	2,259,400	3,034,200	0	3,034,200
Total	\$0	\$7,858,500	\$11,660,300	\$0	\$11,660,300
State	0	519,000	354,500	0	354,500
Federal	0	0	0	0	0
Other	0	7,339,500	11,305,800	0	11,305,800

Standard: Reduce serious injuries to consumers each year.

Measure: The number of serious injuries to consumers.

Not Applicable	8	8	0	8
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Developmental Centers

The Division of Intellectual Disabilities 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	229	103	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	229	103	0	0	0
Payroll	16,034,200	9,534,000	0	0	0
Operational	9,263,100	5,308,000	0	0	0
Total	\$25,297,300	\$14,842,000	\$0	\$0	\$0
State	1,734,100	1,606,700	0	0	0
Federal	0	0	0	0	0
Other	23,563,200	13,235,300	0	0	0

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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Standard: Reduce serious injuries to consumers each year.

Measure: The number of serious injuries to consumers.

	2	2	0	0	0
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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	752	706	552	0	552
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	752	706	552	0	552
Payroll	38,839,400	34,560,800	18,632,400	0	18,632,400
Operational	20,790,400	21,709,200	12,619,600	0	12,619,600
Total	\$59,629,800	\$56,270,000	\$31,252,000	\$0	\$31,252,000
State	8,796,700	8,580,800	7,451,400	0	7,451,400
Federal	0	0	0	0	0
Other	50,833,100	47,689,200	23,800,600	0	23,800,600

Standard: Reduce serious injuries to consumers each year.

Measure: The number of serious injuries to consumers.

	28	25	14	0	14
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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	1,321	1,143	768	0	768
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,321	1,143	768	0	768
Payroll	66,430,300	56,798,000	34,536,400	0	34,536,400
Operational	14,759,300	13,523,000	18,563,300	0	18,563,300
Total	\$81,189,600	\$70,321,000	\$53,099,700	\$0	\$53,099,700
State	1,353,400	1,325,000	649,000	0	649,000
Federal	0	0	0	0	0
Other	79,836,200	68,996,000	52,450,700	0	52,450,700

Standard: Reduce serious injuries to consumers each year.

Measure: The number of serious injuries to consumers.

	51	49	41	0	41
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	300,000	270,000	100,000	0	100,000
Total	\$300,000	\$270,000	\$100,000	\$0	\$100,000
State	300,000	270,000	100,000	0	100,000
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: Percent of funds disbursed for emergency maintenance.

97%	70%	70%	0	70%
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344.00 Total Division of Intellectual Disabilities Services

Full-Time	3,451	3,177	2,578	0	2,578
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	3,451	3,177	2,578	0	2,578
Payroll	188,685,700	171,369,600	122,598,600	0	122,598,600
Operational	649,312,100	664,250,100	605,477,500	0	605,477,500
Total	\$837,997,800	\$835,619,700	\$728,076,100	\$0	\$728,076,100
State	72,489,900	69,791,300	30,905,900	0	30,905,900
Federal	2,176,300	2,058,600	1,861,100	0	1,861,100
Other	763,331,600	763,769,800	695,309,100	0	695,309,100

Statistical Data

Intellectual Disabilities Developmental Centers

	<u>Arlington</u> 344.10	<u>Clover</u> <u>Bottom</u> 344.11	<u>Greene</u> <u>Valley</u> 344.12	<u>Total</u>
Annual Admissions				
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	3	3
2009-2010	0	0	10	10
2010-2011	0	0	10	10
Annual Releases				
2003-2004	12	17	11	40
2004-2005	19	18	27	28
2005-2006	22	32	13	67
2006-2007	86	0	10	96
2007-2008	24	0	27	51
2008-2009	33	23	15	71
2009-2010	18	36	32	86
2010-2011	0	43	38	81
Average Daily Census				
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	39	141	258	438
2009-2010	13	125	226	364
2010-2011	0	68	194	262
Cost Per Occupancy Day*				
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	\$1,777.12	\$1,158.65	\$862.16	\$1,265.98
2009-2010	\$3,127.92	\$1,233.32	\$852.48	\$1,737.91
2010-2011	\$0.00	\$1,259.15	\$749.89	\$1,004.52

* 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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	530	537	537	0	537
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	530	537	537	0	537
Payroll	36,890,800	35,370,600	35,376,200	0	35,376,200
Operational	26,987,900	27,629,800	28,865,400	0	28,865,400
Total	\$63,878,700	\$63,000,400	\$64,241,600	\$0	\$64,241,600
State	20,883,500	20,806,100	19,058,700	0	19,058,700
Federal	26,125,500	26,062,400	27,998,500	0	27,998,500
Other	16,869,700	16,131,900	17,184,400	0	17,184,400

Standard: Availability of the Child Support Enforcement computer system shall exceed 98%.

Measure: Percent of time Child Support Enforcement System is available.

97.79%	99.00%	98.00%	0	98.00%
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Standard: Monitor the percentage of child care vendor invoices paid within ten days of receipt.

Measure: Percent of approximately 140,000 child care invoices paid within ten days of receipt.

96.46%	97.80%	97.80%	0	97.80%
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	422	412	412	0	412
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	422	412	412	0	412
Payroll	20,979,400	17,565,200	16,334,600	0	16,334,600
Operational	1,399,800	1,714,300	1,702,000	0	1,702,000
Total	\$22,379,200	\$19,279,500	\$18,036,600	\$0	\$18,036,600
State	7,038,800	6,111,700	5,508,700	0	5,508,700
Federal	6,372,700	5,701,600	5,426,600	0	5,426,600
Other	8,967,700	7,466,200	7,101,300	0	7,101,300

Standard: Collection of random moment sample surveys must meet or exceed the federal minimum sample size.

Measure: Percent of random moment sample size met quarterly.

100%	100%	100%	0	100%
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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	17,103,700	17,178,800	17,275,500	0	17,275,500
Total	\$17,103,700	\$17,178,800	\$17,275,500	\$0	\$17,275,500
State	6,068,400	6,052,600	6,244,700	0	6,244,700
Federal	5,190,200	5,767,800	6,022,200	0	6,022,200
Other	5,845,100	5,358,400	5,008,600	0	5,008,600

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 Department of Human Services (DHS) office during the fiscal year.

Measure: Number of active leases.

133	133	133	0	133
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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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	196	199	197	0	197
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	196	199	197	0	197
Payroll	11,884,200	11,217,300	11,221,800	0	11,221,800
Operational	667,400	1,205,900	1,404,800	0	1,404,800
Total	\$12,551,600	\$12,423,200	\$12,626,600	\$0	\$12,626,600
State	2,966,000	3,465,600	3,863,000	0	3,863,000
Federal	4,721,300	4,933,000	5,189,400	0	5,189,400
Other	4,864,300	4,024,600	3,574,200	0	3,574,200

Standard: Process Food Stamps appeals within a 60-day timeframe.

Measure: Average monthly percent of Food Stamps appeals completed within 60 days.

85%	90%	90%	0	90%
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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%	91%	0	91%
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Adult and Family Services

Adult and Family services include family assistance, TANF (Temporary Assistance to Needy Families), child care benefits, Food Stamp benefits, and community services.

The Family Assistance program provides temporary cash assistance, child care, and other services to low-income families to enable them to become self-sufficient. Clients are served in the department's 95 county offices and through service centers strategically located throughout the state. The Family Assistance section consists of three programs: Families First, Food Stamp benefits, and eligibility determination.

Families First is the state's TANF 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

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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programs and provides crucial support to needy households and to those making the transition from welfare to work. The goal of the program is to eliminate hunger and reduce the incidence of food insecurity.

The eligibility determination unit determines eligibility for the Families First-TANF program, Food Stamps, and TennCare, which is the state's Medicaid waiver medical assistance program. Clients are assisted through the department's county offices. Special accommodations are made for the elderly, disabled, those with limited English proficiency, and others who need assistance with the application process.

The Community Services program provides regulatory and protective services, social services, and economic assistance in the areas of child and adult care, adult protective services, and community contract services.

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	201,207,400	233,139,400	192,412,600	0	192,412,600
Total	\$201,207,400	\$233,139,400	\$192,412,600	\$0	\$192,412,600
State	17,427,700	17,486,500	15,056,900	0	15,056,900
Federal	174,151,900	205,152,900	167,355,700	0	167,355,700
Other	9,627,800	10,500,000	10,000,000	0	10,000,000

Standard: Maintain Child Care rates at the 45th percentile of the market rate.

Measure: Average percentile rate at which child care assistance is paid.

	37.27th	45.00th	45.00th	0	45.00th
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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	125,255,300	244,957,500	125,255,300	0	125,255,300
Total	\$125,255,300	\$244,957,500	\$125,255,300	\$0	\$125,255,300

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
State	19,459,100	19,832,000	21,197,100	0	21,197,100
Federal	102,179,000	221,508,300	100,441,000	0	100,441,000
Other	3,617,200	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.

	56,600	60,000	58,000	0	58,000
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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	1,757,141,300	1,751,933,900	1,640,861,400	209,738,600	1,850,600,000
Total	\$1,757,141,300	\$1,751,933,900	\$1,640,861,400	\$209,738,600	\$1,850,600,000
State	0	0	0	0	0
Federal	1,757,141,300	1,751,933,900	1,640,861,400	209,738,600	1,850,600,000
Other	0	0	0	0	0

Standard: Monitor the appropriate monthly participation rate of individuals receiving benefits.

Measure: Number of individuals receiving monthly food stamp benefits.

	1,019,900	1,094,900	1,044,900	0	1,044,900
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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	2,519	2,519	2,511	0	2,511
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2,519	2,519	2,511	0	2,511
Payroll	124,217,700	126,334,900	117,906,400	0	117,906,400
Operational	61,914,600	60,469,400	65,011,000	0	65,011,000
Total	\$186,132,300	\$186,804,300	\$182,917,400	\$0	\$182,917,400
State	75,900,700	72,305,300	73,008,700	0	73,008,700
Federal	58,135,100	62,540,900	58,626,400	0	58,626,400
Other	52,096,500	51,958,100	51,282,300	0	51,282,300

<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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Standard: Meet or exceed the Federal Work Participation Rate for Temporary Assistance to Needy Families (TANF) clients.

Measure: Families First's Work Participation Rate (WPR).

50%	50%	50%	0	50%
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Standard: Increase Food Stamp payment accuracy rate to 95.0%.

Measure: Food Stamp payment accuracy rate.

95%	95%	95%	0	95%
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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	413	413	413	0	413
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	413	413	413	0	413
Payroll	22,259,300	21,283,200	21,626,400	0	21,626,400
Operational	175,878,100	239,197,200	119,084,400	0	119,084,400
Total	\$198,137,400	\$260,480,400	\$140,710,800	\$0	\$140,710,800
State	1,866,000	1,750,400	1,605,000	0	1,605,000
Federal	189,365,600	252,494,900	132,957,000	0	132,957,000
Other	6,905,800	6,235,100	6,148,800	0	6,148,800

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.

85%	86%	88%	0	88%
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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	149	149	149	0	149
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	149	149	149	0	149
Payroll	8,007,500	7,601,500	7,600,000	0	7,600,000
Operational	72,126,100	68,361,900	67,825,600	0	67,825,600
Total	\$80,133,600	\$75,963,400	\$75,425,600	\$0	\$75,425,600
State	19,874,500	18,267,100	17,655,700	0	17,655,700
Federal	34,444,200	32,526,600	31,567,900	0	31,567,900
Other	25,814,900	25,169,700	26,202,000	0	26,202,000

Standard: Increase the percentage of child support cases with court orders.

Measure: Percent of cases with child support orders.

67%	68%	70%	0	70%
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Standard: Increase the percentage of current support collected.

Measure: Percent of current support collected.

53.0%	56.8%	53.5%	0	53.5%
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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.

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
Full-Time	624	643	643	0	643
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	624	643	643	0	643
Payroll	32,403,400	31,754,900	31,236,400	0	31,236,400
Operational	51,068,700	60,048,800	47,411,900	0	47,411,900
Total	\$83,472,100	\$91,803,700	\$78,648,300	\$0	\$78,648,300
State	11,080,300	10,258,000	10,265,300	0	10,265,300
Federal	64,630,100	74,885,300	62,656,600	0	62,656,600
Other	7,761,700	6,660,400	5,726,400	0	5,726,400

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 the Vocational Rehabilitation program after receiving services that achieve employment outcomes. (Federal standard is currently 55.8%.)

50.9%	65.0%	55.8%	0	55.8%
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Standard: Maintain the percentage of individuals who exit the Vocational Rehabilitation 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.

90.58%	90.00%	90.00%	0	90.00%
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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	579	627	627	0	627
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	579	627	627	0	627
Payroll	28,198,000	29,159,500	29,266,800	0	29,266,800
Operational	26,005,400	26,080,300	28,295,700	0	28,295,700
Total	\$54,203,400	\$55,239,800	\$57,562,500	\$0	\$57,562,500
State	0	0	0	0	0
Federal	50,780,100	52,447,600	57,562,500	0	57,562,500
Other	3,423,300	2,792,200	0	0	0

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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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
345.00 Total Human Services					
Full-Time	5,432	5,499	5,489	0	5,489
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	5,432	5,499	5,489	0	5,489
Payroll	284,840,300	280,287,100	270,568,600	0	270,568,600
Operational	2,516,755,700	2,731,917,200	2,335,405,600	209,738,600	2,545,144,200
Total	\$2,801,596,000	\$3,012,204,300	\$2,605,974,200	\$209,738,600	\$2,815,712,800
State	182,565,000	176,335,300	173,463,800	0	173,463,800
Federal	2,473,237,000	2,695,955,200	2,296,665,200	209,738,600	2,506,403,800
Other	145,794,000	139,913,800	135,845,200	0	135,845,200

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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	23,607,900	20,123,000	18,311,900	0	18,311,900
Total	\$23,607,900	\$20,123,000	\$18,311,900	\$0	\$18,311,900
State	23,607,900	20,123,000	18,311,900	0	18,311,900
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.

9,923	7,000	7,200	0	7,200
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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.

19,098	22,000	20,600	0	20,600
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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 may be available for those that qualify financially.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	23,049,200	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.

4,093	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.

87.5%	75.0%	75.0%	0	75.0%
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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	115,710,700	115,710,700	115,710,700	54,688,200	170,398,900
Total	\$115,710,700	\$115,710,700	\$115,710,700	\$54,688,200	\$170,398,900
State	28,956,100	28,956,100	27,717,300	13,100,000	40,817,300
Federal	86,754,600	86,754,600	87,993,400	41,588,200	129,581,600
Other	0	0	0	0	0

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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.

	38,007	41,000	45,000	13,471	58,471
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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 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	9,088,500	11,488,500	9,088,500	4,500,000	13,588,500
Total	\$9,088,500	\$11,488,500	\$9,088,500	\$4,500,000	\$13,588,500
State	8,688,500	11,088,500	8,688,500	4,500,000	13,188,500
Federal	0	0	0	0	0
Other	400,000	400,000	400,000	0	400,000

Standard: .

Measure: Number of enrollees in the CoverRX program.

	36,359	40,000	40,000	16,004	56,004
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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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	171,456,300	170,371,400	166,160,300	59,188,200	225,348,500
Total	\$171,456,300	\$170,371,400	\$166,160,300	\$59,188,200	\$225,348,500
State	84,301,700	83,216,800	77,766,900	17,600,000	95,366,900
Federal	86,754,600	86,754,600	87,993,400	41,588,200	129,581,600
Other	400,000	400,000	400,000	0	400,000

Department of Children's Services

Performance-Based Budget

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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	545	508	508	0	508
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	545	508	508	0	508
Payroll	36,027,300	33,137,800	33,007,800	0	33,007,800
Operational	23,049,400	17,907,300	17,829,000	0	17,829,000
Total	\$59,076,700	\$51,045,100	\$50,836,800	\$0	\$50,836,800
State	31,575,400	28,507,000	28,315,400	0	28,315,400
Federal	7,593,800	6,351,400	6,360,200	0	6,360,200
Other	19,907,500	16,186,700	16,161,200	0	16,161,200

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.

73.8%	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.

49.5%	45.5%	45.0%	0	45.0%
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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.

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	31,338,700	44,389,700	41,580,500	0	41,580,500
Total	\$31,338,700	\$44,389,700	\$41,580,500	\$0	\$41,580,500
State	18,427,700	28,832,700	30,968,600	0	30,968,600
Federal	12,911,000	12,911,000	8,111,900	0	8,111,900
Other	0	2,646,000	2,500,000	0	2,500,000

Standard: Increase the percentage of children exiting out-of-home care to permanency.

Measure: Percent of children exiting out-of-home care to permanency.

89.2%	90.0%	91.0%	0	91.0%
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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	15,000	15,000	15,000	0	15,000
Operational	224,449,300	215,845,000	201,295,300	3,600,000	204,895,300
Total	\$224,464,300	\$215,860,000	\$201,310,300	\$3,600,000	\$204,910,300
State	92,045,800	84,449,400	76,025,700	3,600,000	79,625,700
Federal	24,012,900	23,005,000	21,386,300	0	21,386,300
Other	108,405,600	108,405,600	103,898,300	0	103,898,300

Standard: Reduce the number of dependent/neglected, unruly children entering out-of-home care.

Measure: Number of dependent/neglected, unruly children entering out-of-home care.

4,432	4,077	3,767	0	3,767
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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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
Payroll	0	0	0	0	0
Operational	8,613,200	6,913,200	6,370,100	0	6,370,100
Total	\$8,613,200	\$6,913,200	\$6,370,100	\$0	\$6,370,100
State	6,913,200	6,913,200	6,370,100	0	6,370,100
Federal	0	0	0	0	0
Other	1,700,000	0	0	0	0

Standard: Increase the percentage of neglect/unruly children and youth initially placed in his or her home county or with a relative or kin.

Measure: Percent of neglect/unruly children and youth initially placed in his or her home county or with a relative or kin.

63%	64%	65%	0	65%
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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	15,000	15,000	15,000	0	15,000
Operational	66,965,500	73,226,500	72,593,100	0	72,593,100
Total	\$66,980,500	\$73,241,500	\$72,608,100	\$0	\$72,608,100
State	34,722,500	35,309,300	35,310,200	0	35,310,200
Federal	32,181,500	37,855,700	37,221,400	0	37,221,400
Other	76,500	76,500	76,500	0	76,500

Standard: Children in full DCS guardianship will have a finalized adoption within 12 months of termination of parental rights.

Measure: Percent of children in full DCS guardianship that have a finalized adoption within 12 months.

78.2%	83.0%	84.0%	0	84.0%
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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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	3,388	3,327	3,327	0	3,327
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	3,388	3,327	3,327	0	3,327
Payroll	179,092,200	173,750,600	174,325,600	0	174,325,600
Operational	52,884,600	48,385,000	46,535,100	0	46,535,100
Total	\$231,976,800	\$222,135,600	\$220,860,700	\$0	\$220,860,700
State	92,731,800	87,957,100	82,628,400	0	82,628,400
Federal	47,281,500	44,976,200	48,706,500	0	48,706,500
Other	91,963,500	89,202,300	89,525,800	0	89,525,800

Standard: Maintain at least 90% placement stability for children in out-of-home care.

Measure: Percent of children who experienced two or fewer placements in out-of-home care.

92.7%	90.0%	90.0%	0	90.0%
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Standard: Decrease the percent of youth on after care who re-enter DCS custody.

Measure: Percent of youth on aftercare who have re-entered state custody.

14.3%	10.0%	9.9%	0	9.9%
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Juvenile Justice

The Department of Children's Services operates five youth development centers and nine community treatment centers that provide individualized treatment programs and services to juvenile offenders contributing to their successful reintegration into society. These programs assess and properly care for the needs of juveniles while offering counseling and educational services.

A youth development center student either has needs that cannot be met in the community, is committed for a violent offense resulting in injury to another person, or has three or more felony offenses.

Youth development center services include parental responsibility counseling, academic education, general educational development, work-study programs, special education, abuse victimization counseling, family counseling, medical care, remedial reading and math, adult basic education, and vocational training. Some specialized services provided include drug and alcohol abuse treatment, sex-abuse and sex-offender treatment, violent-offender treatment, gang-activity awareness, speech therapy, dental care, and behavioral management.

The nine community treatment facilities, located across the state, provide minimum-security residential programs for youth who have been evaluated and determined to be appropriate for community placement.

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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359.60 John S. Wilder Youth Development Center

John S. Wilder Youth Development Center, located in Somerville, is a regional hardware-secure residential treatment program for delinquent youth ages 13 to 17 who are committed by the courts to the department.

Full-Time	221	215	186	0	186
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
Total	223	217	188	0	188
Payroll	10,785,900	10,535,400	9,386,100	0	9,386,100
Operational	2,456,000	2,400,000	2,032,300	0	2,032,300
Total	\$13,241,900	\$12,935,400	\$11,418,400	\$0	\$11,418,400
State	12,928,100	12,624,700	11,129,600	0	11,129,600
Federal	0	0	0	0	0
Other	313,800	310,700	288,800	0	288,800

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, who exited Wilder to their home community and did not return to the custody of the department as the result of a delinquent offense within 12 months of their exit from custody.

77.9%	90.0%	90.0%	0	90.0%
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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	232	233	201	0	201
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	233	234	202	0	202
Payroll	11,853,800	11,625,000	10,331,800	0	10,331,800
Operational	2,535,200	2,450,300	2,061,700	0	2,061,700
Total	\$14,389,000	\$14,075,300	\$12,393,500	\$0	\$12,393,500
State	13,731,900	13,487,500	11,826,500	0	11,826,500
Federal	0	0	0	0	0
Other	657,100	587,800	567,000	0	567,000

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.

83.7%	90.0%	90.0%	0	90.0%
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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359.62 Woodland Hills Youth Development Center

Woodland Hills Youth Development Center, located in Nashville, is a regional hardware-secure treatment program for delinquent youth ages 13 to 17 that are committed by the courts to the department.

Full-Time	217	216	236	0	236
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
Total	219	218	238	0	238
Payroll	10,312,500	10,149,900	11,037,500	0	11,037,500
Operational	2,620,900	2,683,100	2,973,000	0	2,973,000
Total	\$12,933,400	\$12,833,000	\$14,010,500	\$0	\$14,010,500
State	12,508,000	12,370,200	13,527,700	0	13,527,700
Federal	0	0	0	0	0
Other	425,400	462,800	482,800	0	482,800

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, who exited Woodland Hills to their home community and did not return to the custody of the department as the result of a delinquent offense within 12 months of their exit from custody.

79.4%	90.0%	90.0%	0	90.0%
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Standard: Increase the percentage of female youth released from Woodland Hills Youth Development Center who remain in a community setting.

Measure: Percent of female youth, ages 13-17, who exited Woodland Hills to their home community and did not return to the custody of the department as the result of a delinquent offense within 12 months of their exit from custody.

88.9%	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	214	211	194	0	194
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	215	212	195	0	195
Payroll	10,590,500	10,359,000	9,568,900	0	9,568,900
Operational	2,269,400	2,233,900	2,017,700	0	2,017,700
Total	\$12,859,900	\$12,592,900	\$11,586,600	\$0	\$11,586,600
State	12,517,700	12,249,500	11,267,800	0	11,267,800
Federal	0	0	0	0	0
Other	342,200	343,400	318,800	0	318,800

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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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, who exited Mountain View to their home community and did not return to the custody of the department as the result of a delinquent offense within 12 months of their exit from custody.

	76.5%	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	86	86	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	86	86	0	0	0
Payroll	3,729,400	3,741,300	0	0	0
Operational	1,060,800	997,900	0	0	0
Total	\$4,790,200	\$4,739,200	\$0	\$0	\$0
State	4,699,000	4,668,100	0	0	0
Federal	0	0	0	0	0
Other	91,200	71,100	0	0	0

Standard: See 359.62 Woodland Hills Youth Development Center for performance standard.

Measure: See 359.62 Woodland Hills Youth Development Center for performance measure.

	0	0	0	0	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	154	154	99	0	99
Part-Time	19	19	0	0	0
Seasonal	0	0	0	0	0
Total	173	173	99	0	99
Payroll	7,618,700	7,358,900	4,186,300	0	4,186,300
Operational	1,746,400	1,832,600	1,617,200	0	1,617,200
Total	\$9,365,100	\$9,191,500	\$5,803,500	\$0	\$5,803,500
State	7,017,200	6,766,300	2,858,200	0	2,858,200
Federal	0	0	0	0	0
Other	2,347,900	2,425,200	2,945,300	0	2,945,300

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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Standard: Increase the percentage of youth released from DCS group homes that remain in a community setting.

Measure: Percent of youth, ages 13-17, served through Community Residential Facilities that exit care from the group home and do not return to the custody of the department as the result of a delinquent offense within 12 months of discharge.

73.7%	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	420,100	420,100	420,100	0	420,100
Total	\$420,100	\$420,100	\$420,100	\$0	\$420,100
State	420,100	420,100	420,100	0	420,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Complete at least 95% of planned major maintenance projects.

Measure: Percent of planned major maintenance projects completed.

90%	95%	95%	0	95%
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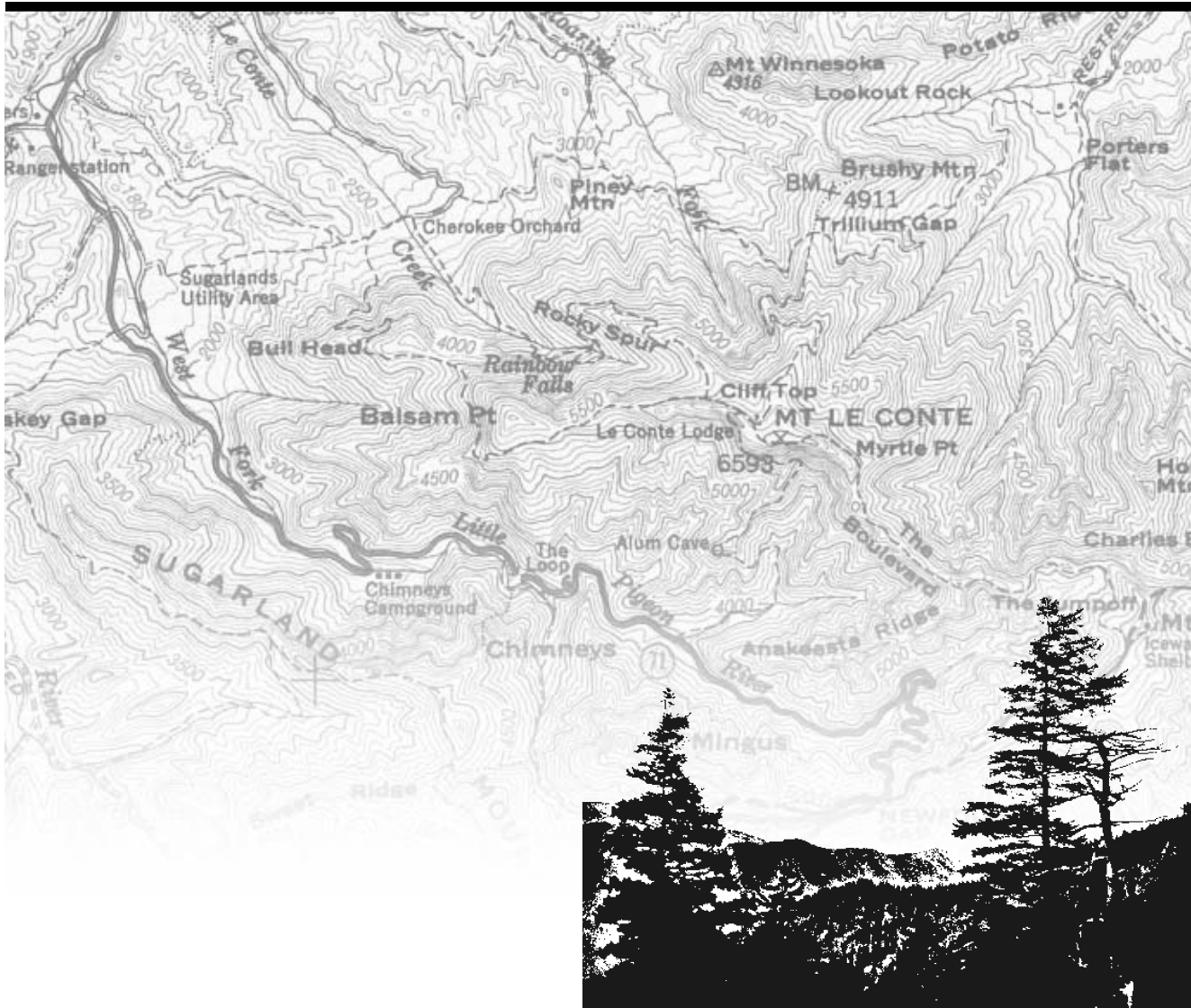
359.00 Total Children's Services

Full-Time	5,057	4,950	4,751	0	4,751
Part-Time	25	25	6	0	6
Seasonal	0	0	0	0	0
Total	5,082	4,975	4,757	0	4,757
Payroll	270,040,300	260,687,900	251,874,000	0	251,874,000
Operational	420,409,500	419,684,600	397,325,100	3,600,000	400,925,100
Total	\$690,449,800	\$680,372,500	\$649,199,100	\$3,600,000	\$652,799,100
State	340,238,400	334,555,100	310,648,300	3,600,000	314,248,300
Federal	123,980,700	125,099,300	121,786,300	0	121,786,300
Other	226,230,700	220,718,100	216,764,500	0	216,764,500

Statistical Data Youth Development Centers

	Wilder 359.60	Taft 359.61	Woodland Hills 359.62	Mountain View 359.63	New Visions 359.64	Total
Annual Admissions						
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
2010-2011	200	200	260	200	0	860
Annual Releases						
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
2010-2011	200	200	254	200	0	854
Average Daily Census						
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
2010-2011	115	136	180	144	0	575
Cost Per Occupancy Day *						
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	\$240.23	\$358.69	\$271.87
2010-2011	\$272.55	\$252.09	\$211.08	\$223.29	\$0.00	\$236.13

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



Law, Safety and Correction

Law, Safety, and Correction



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Law, Safety, and Correction

Recommended Budget, Fiscal Year 2010 – 2011

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 estimated 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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Recommended 2010-2011</u>
Personnel			
Full Time	12,028	12,048	12,036
Part Time	53	52	52
Seasonal	5	5	5
TOTAL	<u>12,086</u>	<u>12,105</u>	<u>12,093</u>
Expenditures			
Payroll	\$ 734,568,900	\$ 713,306,100	\$ 722,310,200
Operational	761,133,600	747,460,400	708,733,300
TOTAL	<u>\$ 1,495,702,500</u>	<u>\$ 1,460,766,500</u>	<u>\$ 1,431,043,500</u>
Funding			
State	\$ 1,195,199,300	\$ 1,115,795,100	\$ 1,143,652,700
Federal	127,472,700	169,056,000	121,210,800
Other	173,030,500	175,915,400	166,180,000

Law, Safety and Correction
Recommended Budget for Fiscal Year 2010-2011
By Funding Source

Department	State	Federal	Other	Total
302.00 Court System	110,920,300	400,000	5,230,700	116,551,000
303.00 Attorney General and Reporter	20,080,600	0	12,579,900	32,660,500
304.00 District Attorneys General Conference	68,433,300	0	26,633,500	95,066,800
306.00 District Public Defenders Conference	39,611,000	0	1,946,600	41,557,600
308.00 Office of the Post-Conviction Defender	1,948,600	0	0	1,948,600
316.03 Alcoholic Beverage Commission	366,700	0	5,102,300	5,469,000
316.08 TRICOR	0	0	31,353,400	31,353,400
316.09 Corrections Institute	884,900	0	60,000	944,900
324.00 Board of Probation and Parole	86,361,900	0	901,700	87,263,600
329.00 Correction	660,191,500	1,114,500	17,407,700	678,713,700
341.00 Military	10,419,800	95,913,800	2,020,200	108,353,800
348.00 Tennessee Bureau of Investigation	32,829,000	14,246,700	14,990,700	62,066,400
349.00 Safety	111,605,100	9,535,800	47,953,300	169,094,200
Total	\$1,143,652,700	\$121,210,800	\$166,180,000	\$1,431,043,500

Law, Safety and Correction Improvements for Fiscal Year 2010-2011

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Court System					
• Indigent Defendants and Dependent Children Representation					
To provide funding for growth in the number of attorneys appointed as guardians ad litem for dependent, neglected, and abused children and for representation of indigent criminal defendants.					
302.09 Guardian Ad Litem	\$1,000,000	\$0	\$0	\$1,000,000	0
302.10 Indigent Defendants' Counsel	\$3,000,000	\$0	\$0	\$3,000,000	0
Sub-total	\$4,000,000	\$0	\$0	\$4,000,000	0
• Board of Court Reporting					
To provide funding for two administrative positions and operational expenditures to carry out the responsibilities of the Board of Court Reporting, created by 2009 Public Chapter 450. The appropriation is from a dedicated biennial fee paid by court reporters.					
302.34 Board of Court Reporting	\$164,500	\$0	\$0	\$164,500	2
Sub-total	\$164,500	\$0	\$0	\$164,500	2
Total Court System	\$4,164,500	\$0	\$0	\$4,164,500	2
Correction					
• Local Jails					
To provide funding to accommodate an increased felon population in local jails.					
329.04 State Prosecutions	\$7,633,800	\$0	\$0	\$7,633,800	0
Sub-total	\$7,633,800	\$0	\$0	\$7,633,800	0
• Prison Expansion					
To provide funding for positions and related operational expenses required for expansion of the Turney Center minimum security annex, Southeastern Tennessee State Regional Correctional Facility, and the West Tennessee minimum security annex. The positions at the prisons include correctional officers and building maintenance staff. The state appropriation increase for the operating cost of the prison expansion is offset by a recurring base reduction of \$1,161,800 in the Sentencing Act of 1985 allotment, as authorized by law.					
329.14 Turney Center Industrial Complex	\$311,100	\$0	\$0	\$311,100	23
329.18 Southeastern Tennessee State Regional Correctional Facility	\$539,600	\$0	\$0	\$539,600	14
329.41 West Tennessee State Penitentiary	\$311,100	\$0	\$0	\$311,100	23
Sub-total	\$1,161,800	\$0	\$0	\$1,161,800	60

Law, Safety and Correction Improvements for Fiscal Year 2010-2011

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Operational Increase					
To provide funding for increased operational costs of prison service agreements (\$1,723,700), health and mental health contract services (\$3,226,100), and the sex offender treatment program (\$57,400). The appropriation includes non-recurring funds of \$175,200 in the Hardeman County prison at Whiteville.					
329.13 Tennessee Prison for Women	\$531,000	\$0	\$0	\$531,000	0
329.14 Turney Center Industrial Complex	\$452,800	\$0	\$0	\$452,800	0
329.16 Mark Luttrell Correctional Facility	\$14,900	\$0	\$0	\$14,900	0
329.17 Charles B. Bass Correctional Complex	\$384,100	\$0	\$0	\$384,100	0
329.18 Southeastern Tennessee State Regional Correctional Facility	\$8,600	\$0	\$0	\$8,600	0
329.21 Hardeman County Incarceration Agreement	\$991,100	\$0	\$0	\$991,100	0
329.22 Hardeman County Agreement - Whiteville	\$175,200	\$0	\$0	\$175,200	0
329.41 West Tennessee State Penitentiary	\$22,800	\$0	\$0	\$22,800	0
329.42 Riverbend Maximum Security Institution	\$376,800	\$0	\$0	\$376,800	0
329.43 Northeast Correctional Complex	\$16,200	\$0	\$0	\$16,200	0
329.44 South Central Correctional Center	\$557,400	\$0	\$0	\$557,400	0
329.45 Northwest Correctional Complex	\$21,200	\$0	\$0	\$21,200	0
329.46 Lois M. DeBerry Special Needs Facility	\$1,017,700	\$0	\$0	\$1,017,700	0
329.47 Morgan County Correctional Complex	\$380,000	\$0	\$0	\$380,000	0
329.50 Sex Offender Treatment Program	\$57,400	\$0	\$60,000	\$117,400	0
Sub-total	<u>\$5,007,200</u>	<u>\$0</u>	<u>\$60,000</u>	<u>\$5,067,200</u>	<u>0</u>
• Radio System Upgrade					
To provide non-recurring funding to upgrade the current 550 MHz radio system to an 800 MHz system, as required by federal law. The Federal Communications Commission has mandated that the conversion take place by 2013.					
329.32 Major Maintenance	\$5,524,200	\$0	\$0	\$5,524,200	0
Sub-total	<u>\$5,524,200</u>	<u>\$0</u>	<u>\$0</u>	<u>\$5,524,200</u>	<u>0</u>
Total Correction	<u>\$19,327,000</u>	<u>\$0</u>	<u>\$60,000</u>	<u>\$19,387,000</u>	<u>60</u>

Law, Safety and Correction Improvements for Fiscal Year 2010-2011

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Tennessee Bureau of Investigation					
• Administration Legislation - Offender-paid Testing Fee					
To provide funding dedicated for the operational support of the Forensic Services Division of the bureau. Legislation will be introduced to increase offender-paid fees outlined in TCA 39-17-420 (drug testing fee) and TCA 55-10-419 (blood alcohol or drug concentration test fee) from \$100 to \$250.					
348.00 Tennessee Bureau of Investigation	\$1,950,000	\$0	\$0	\$1,950,000	0
Sub-total	\$1,950,000	\$0	\$0	\$1,950,000	0
Total Tennessee Bureau of Investigation	\$1,950,000	\$0	\$0	\$1,950,000	0
Safety					
• Driver License Cards					
To provide additional funds for driver license card production. This will allow replacement of equipment that is eight years old and will provide a more secure driver license card with enhanced security features.					
349.02 Driver License Issuance	\$2,325,600	\$0	\$0	\$2,325,600	0
Sub-total	\$2,325,600	\$0	\$0	\$2,325,600	0
• Giles County Commercial Vehicle Scales					
To provide operational funding for enforcement of size and weight regulations of commercial vehicles at the new Giles County scales complex. Positions are 10 troopers, two sergeants, and one lieutenant. The appropriation includes non-recurring funds of \$696,800.					
349.03 Highway Patrol	\$1,594,100	\$0	\$0	\$1,594,100	13
349.07 Motor Vehicle Operations	\$171,600	\$0	\$0	\$171,600	0
Sub-total	\$1,765,700	\$0	\$0	\$1,765,700	13
• Administration Legislation - Driver License System Programming					
To provide non-recurring funding for programming costs required to modify the driver license system to convert driver licenses from a five-year to an eight-year license. The legislation will authorize the department to increase fees by \$2.00 per year for all driver license types and extend the expiration date of new issuances, renewals, and reinstatements to eight years.					
349.02 Driver License Issuance	\$56,100	\$0	\$0	\$56,100	0
Sub-total	\$56,100	\$0	\$0	\$56,100	0
Total Safety	\$4,147,400	\$0	\$0	\$4,147,400	13
Total Law, Safety and Correction	\$29,588,900	\$0	\$60,000	\$29,648,900	75

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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	432	432	0	432
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	437	432	432	0	432

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
Payroll	53,338,600	54,498,500	54,098,500	0	54,098,500
Operational	2,509,100	2,261,900	2,272,000	0	2,272,000
Total	\$55,847,700	\$56,760,400	\$56,370,500	\$0	\$56,370,500
State	55,820,400	56,733,100	56,343,200	0	56,343,200
Federal	0	0	0	0	0
Other	27,300	27,300	27,300	0	27,300

302.08 Child Support Referees

The Child Support Referees program provides personnel and operational funding to ensure the timely fulfillment of financial support by parents in child support cases.

Full-Time	24	24	24	0	24
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	24	24	24	0	24
Payroll	2,024,900	2,041,900	2,041,900	0	2,041,900
Operational	191,100	173,000	174,300	0	174,300
Total	\$2,216,000	\$2,214,900	\$2,216,200	\$0	\$2,216,200
State	655,300	739,400	739,800	0	739,800
Federal	0	0	0	0	0
Other	1,560,700	1,475,500	1,476,400	0	1,476,400

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	5,047,500	5,047,500	4,047,500	1,000,000	5,047,500
Total	\$5,047,500	\$5,047,500	\$4,047,500	\$1,000,000	\$5,047,500
State	5,047,500	5,047,500	4,047,500	1,000,000	5,047,500
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	25,464,600	29,465,300	21,465,300	3,000,000	24,465,300
Total	\$25,464,600	\$29,465,300	\$21,465,300	\$3,000,000	\$24,465,300

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
State	25,459,600	29,460,300	21,460,300	3,000,000	24,460,300
Federal	0	0	0	0	0
Other	5,000	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	3,327,900	3,327,900	3,327,900	0	3,327,900
Total	\$3,327,900	\$3,327,900	\$3,327,900	\$0	\$3,327,900
State	3,327,900	3,327,900	3,327,900	0	3,327,900
Federal	0	0	0	0	0
Other	0	0	0	0	0

302.12 Verbatim Transcripts

The Verbatim Transcripts program provides funding for personnel and operational costs of court reporting and verbatim transcripts.

Full-Time	57	49	49	0	49
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	57	49	49	0	49
Payroll	3,138,600	3,015,500	2,915,500	0	2,915,500
Operational	1,140,600	1,054,900	1,056,500	0	1,056,500
Total	\$4,279,200	\$4,070,400	\$3,972,000	\$0	\$3,972,000
State	4,279,200	4,070,400	3,972,000	0	3,972,000
Federal	0	0	0	0	0
Other	0	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	170,700	775,000	125,000	0	125,000
Total	\$170,700	\$775,000	\$125,000	\$0	\$125,000

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
State	104,600	707,500	57,500	0	57,500
Federal	0	0	0	0	0
Other	66,100	67,500	67,500	0	67,500

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	83	83	0	83
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	89	84	84	0	84
Payroll	6,373,600	6,022,900	6,023,000	0	6,023,000
Operational	6,256,500	5,945,400	2,984,500	0	2,984,500
Total	\$12,630,100	\$11,968,300	\$9,007,500	\$0	\$9,007,500
State	12,147,000	10,535,300	7,731,300	0	7,731,300
Federal	200,000	400,000	400,000	0	400,000
Other	283,100	1,033,000	876,200	0	876,200

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	687,100	683,900	683,900	0	683,900
Operational	2,547,800	2,547,600	2,548,500	0	2,548,500
Total	\$3,234,900	\$3,231,500	\$3,232,400	\$0	\$3,232,400
State	2,621,900	2,618,500	2,619,400	0	2,619,400
Federal	0	0	0	0	0
Other	613,000	613,000	613,000	0	613,000

302.15 Tennessee State Law Libraries

The three state law libraries provide legal resources to the state judiciary. The libraries are located in Nashville, Knoxville, and Jackson.

Full-Time	4	0	0	0	0
Part-Time	2	0	0	0	0
Seasonal	0	0	0	0	0
Total	6	0	0	0	0

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
Payroll	270,100	0	0	0	0
Operational	317,500	84,900	75,000	0	75,000
Total	\$587,600	\$84,900	\$75,000	\$0	\$75,000
State	577,600	74,900	75,000	0	75,000
Federal	0	0	0	0	0
Other	10,000	10,000	0	0	0

302.18 Judicial Conference

The Judicial Conference provides continuing legal education and legal updates to judges.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	347,800	264,600	264,600	0	264,600
Total	\$347,800	\$264,600	\$264,600	\$0	\$264,600
State	307,800	224,600	224,600	0	224,600
Federal	0	0	0	0	0
Other	40,000	40,000	40,000	0	40,000

302.20 Judicial Programs and Commissions

The Judicial Programs and Commissions allotment provides operational funding for commissions appointed by the Supreme Court to study issues, monitor judicial programs, and make recommendations. Programs and commissions include the Court of the Judiciary, Victim Offender Reconciliation Program, Alternative Dispute Resolution, Judicial 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	1,013,600	992,400	929,400	0	929,400
Total	\$1,013,600	\$992,400	\$929,400	\$0	\$929,400
State	665,400	494,200	431,200	0	431,200
Federal	0	0	0	0	0
Other	348,200	498,200	498,200	0	498,200

302.22 State Court Clerks' Conference

The State Court Clerks' Conference provides education and legal updates to the clerks as required by law.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	244,500	257,700	257,700	0	257,700
Total	\$244,500	\$257,700	\$257,700	\$0	\$257,700

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
State	244,500	257,700	257,700	0	257,700
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	30	30	0	30
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	35	30	30	0	30
Payroll	1,947,200	1,878,900	1,828,900	0	1,828,900
Operational	404,800	359,800	290,800	0	290,800
Total	\$2,352,000	\$2,238,700	\$2,119,700	\$0	\$2,119,700
State	702,400	611,600	492,600	0	492,600
Federal	0	0	0	0	0
Other	1,649,600	1,627,100	1,627,100	0	1,627,100

Professional Standards

This functional area is responsible for maintaining professional standards of licensed court reporters and attorneys; it includes the Board of Court Reporting, Board of Law Examiners, Board of Professional Responsibility, Tennessee Lawyers Assistance Program, Continuing Legal Education, and Client Protection Fund.

302.34 Board of Court Reporting

The Board of Court Reporting is responsible for the licensing of court reporters working in the state. In addition, the board investigates complaints against licensee, establishes and maintains requirements for continuing education, and oversees ethical standards. The board is funded from a dedicated biennial licensure fee paid by court reporters.

Full-Time	0	0	0	2	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	2	2
Payroll	0	0	0	104,000	104,000
Operational	0	0	0	60,500	60,500
Total	\$0	\$0	\$0	\$164,500	\$164,500
State	0	0	0	164,500	164,500
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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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	412,500	410,500	410,500	0	410,500
Operational	297,100	296,700	296,800	0	296,800
Total	\$709,600	\$707,200	\$707,300	\$0	\$707,300
State	709,600	707,200	707,300	0	707,300
Federal	0	0	0	0	0
Other	0	0	0	0	0

302.40 Board of Professional Responsibility

The Board of Professional Responsibility reviews and investigates allegations of attorney misconduct and imposes disciplinary action on those who violate professional standards. Also, the board publishes ethics opinions, conducts seminars, and operates an ethics hotline for attorneys. The board is funded from a dedicated annual registration fee, set by Supreme Court Rule, and paid by each attorney.

Full-Time	27	28	28	0	28
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	27	28	28	0	28
Payroll	2,157,900	2,185,500	2,185,500	0	2,185,500
Operational	743,400	746,000	747,000	0	747,000
Total	\$2,901,300	\$2,931,500	\$2,932,500	\$0	\$2,932,500
State	2,901,300	2,931,500	2,932,500	0	2,932,500
Federal	0	0	0	0	0
Other	0	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	270,300	270,100	270,100	0	270,100
Operational	173,800	101,600	101,800	0	101,800
Total	\$444,100	\$371,700	\$371,900	\$0	\$371,900
State	369,300	371,700	371,900	0	371,900
Federal	0	0	0	0	0
Other	74,800	0	0	0	0

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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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	442,600	441,000	441,000	0	441,000
Operational	313,600	314,300	314,600	0	314,600
Total	\$756,200	\$755,300	\$755,600	\$0	\$755,600
State	756,200	755,300	755,600	0	755,600
Federal	0	0	0	0	0
Other	0	0	0	0	0

302.65 Client Protection Fund

The Client Protection Fund reimburses claimants for losses caused by misconduct of attorneys licensed to practice in this state and is funded from the annual registration fee collected by the Board of Professional Responsibility.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	508,500	208,500	208,500	0	208,500
Total	\$508,500	\$208,500	\$208,500	\$0	\$208,500
State	208,500	208,500	208,500	0	208,500
Federal	0	0	0	0	0
Other	300,000	0	0	0	0

302.00 Total Court System

Full-Time	709	683	683	2	685
Part-Time	10	8	8	0	8
Seasonal	0	0	0	0	0
Total	719	691	691	2	693
Payroll	71,063,400	71,448,700	70,898,800	104,000	71,002,800
Operational	51,020,400	54,225,000	41,487,700	4,060,500	45,548,200
Total	\$122,083,800	\$125,673,700	\$112,386,500	\$4,164,500	\$116,551,000
State	116,906,000	119,877,100	106,755,800	4,164,500	110,920,300
Federal	200,000	400,000	400,000	0	400,000
Other	4,977,800	5,396,600	5,230,700	0	5,230,700

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.

	Estimated 2008-2009	Estimated 2009-2010	Base 2010-2011	Improvement 2010-2011	Recommended 2010-2011
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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	338	338	332	0	332
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	338	338	332	0	332
Payroll	28,178,900	27,587,100	25,182,800	0	25,182,800
Operational	7,561,600	7,287,700	6,239,500	0	6,239,500
Total	\$35,740,500	\$34,874,800	\$31,422,300	\$0	\$31,422,300
State	23,923,900	23,087,400	19,630,700	0	19,630,700
Federal	0	0	0	0	0
Other	11,816,600	11,787,400	11,791,600	0	11,791,600

303.05 Publication of Tennessee Reports

Publication of Tennessee Reports provides funds for publication of opinions of the Tennessee Supreme Court, the Court of Appeals, and the Court of Criminal Appeals. The opinions of the Attorney General and Reporter are published on the Attorney General's web site.

Full-Time	2	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2	2	2	0	2
Payroll	98,600	98,200	98,200	0	98,200
Operational	62,000	62,000	62,100	0	62,100
Total	\$160,600	\$160,200	\$160,300	\$0	\$160,300
State	160,600	160,200	160,300	0	160,300
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	3,326,700	3,077,900	1,077,900	0	1,077,900
Total	\$3,326,700	\$3,077,900	\$1,077,900	\$0	\$1,077,900
State	1,789,200	2,289,600	289,600	0	289,600
Federal	0	0	0	0	0
Other	1,537,500	788,300	788,300	0	788,300

303.00 Total Attorney General and Reporter

Full-Time	340	340	334	0	334
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	340	340	334	0	334
Payroll	28,277,500	27,685,300	25,281,000	0	25,281,000
Operational	10,950,300	10,427,600	7,379,500	0	7,379,500
Total	\$39,227,800	\$38,112,900	\$32,660,500	\$0	\$32,660,500
State	25,873,700	25,537,200	20,080,600	0	20,080,600
Federal	0	0	0	0	0
Other	13,354,100	12,575,700	12,579,900	0	12,579,900

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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	732	747	727	0	727
Part-Time	3	4	4	0	4
Seasonal	0	0	0	0	0
Total	735	751	731	0	731
Payroll	67,103,000	68,033,600	66,569,700	0	66,569,700
Operational	6,686,300	6,569,900	6,512,700	0	6,512,700
Total	\$73,789,300	\$74,603,500	\$73,082,400	\$0	\$73,082,400
State	66,739,200	66,993,600	66,450,400	0	66,450,400
Federal	0	0	0	0	0
Other	7,050,100	7,609,900	6,632,000	0	6,632,000

304.05 District Attorneys General Conference

The District Attorneys General Conference is comprised of all District Attorneys. State law requires a conference to be held annually to consider matters related to members. A second conference is held annually to provide continuing legal education to the members.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	724,800	674,500	591,500	0	591,500
Total	\$724,800	\$674,500	\$591,500	\$0	\$591,500
State	492,000	430,400	430,400	0	430,400
Federal	0	0	0	0	0
Other	232,800	244,100	161,100	0	161,100

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	2,265,700	2,261,700	2,280,200	0	2,280,200
Operational	501,500	508,400	509,400	0	509,400
Total	\$2,767,200	\$2,770,100	\$2,789,600	\$0	\$2,789,600
State	1,531,900	1,533,000	1,552,500	0	1,552,500
Federal	0	0	0	0	0
Other	1,235,300	1,237,100	1,237,100	0	1,237,100

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	326	326	326	0	326
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	327	327	327	0	327
Payroll	16,313,900	16,346,100	16,346,100	0	16,346,100
Operational	2,526,000	2,251,600	2,257,200	0	2,257,200
Total	\$18,839,900	\$18,597,700	\$18,603,300	\$0	\$18,603,300
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	18,839,900	18,597,700	18,603,300	0	18,603,300

304.00 Total District Attorneys General Conference

Full-Time	1,085	1,100	1,080	0	1,080
Part-Time	4	5	5	0	5
Seasonal	0	0	0	0	0
Total	1,089	1,105	1,085	0	1,085
Payroll	85,682,600	86,641,400	85,196,000	0	85,196,000
Operational	10,438,600	10,004,400	9,870,800	0	9,870,800
Total	\$96,121,200	\$96,645,800	\$95,066,800	\$0	\$95,066,800
State	68,763,100	68,957,000	68,433,300	0	68,433,300
Federal	0	0	0	0	0
Other	27,358,100	27,688,800	26,633,500	0	26,633,500

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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	339	339	339	0	339
Part-Time	13	13	13	0	13
Seasonal	1	1	1	0	1
Total	353	353	353	0	353
Payroll	31,057,300	31,288,400	31,248,300	0	31,248,300
Operational	3,818,900	4,060,100	4,058,500	0	4,058,500
Total	\$34,876,200	\$35,348,500	\$35,306,800	\$0	\$35,306,800
State	33,442,100	33,401,900	33,360,200	0	33,360,200
Federal	0	0	0	0	0
Other	1,434,100	1,946,600	1,946,600	0	1,946,600

306.03 Executive Director

The executive director of the Public Defenders Conference is elected by the District Public Defenders Conference and serves a four-year term. This office provides administrative support to the conference, such as training, fiscal services, coordination of multi-district cases, legal research, and information technology support.

Full-Time	15	15	15	0	15
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	15	15	15	0	15
Payroll	1,265,900	1,260,100	1,260,100	0	1,260,100
Operational	307,300	311,800	296,100	0	296,100
Total	\$1,573,200	\$1,571,900	\$1,556,200	\$0	\$1,556,200
State	1,573,200	1,571,900	1,556,200	0	1,556,200
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	354	354	354	0	354
Part-Time	13	13	13	0	13
Seasonal	1	1	1	0	1
Total	368	368	368	0	368
Payroll	32,323,200	32,548,500	32,508,400	0	32,508,400
Operational	8,820,800	9,066,500	9,049,200	0	9,049,200
Total	\$41,144,000	\$41,615,000	\$41,557,600	\$0	\$41,557,600
State	39,709,900	39,668,400	39,611,000	0	39,611,000
Federal	0	0	0	0	0
Other	1,434,100	1,946,600	1,946,600	0	1,946,600

Office of the Post-Conviction Defender

The Office of the Post-Conviction Defender was created in 1995 in order to provide for the representation of any person convicted and sentenced to death who is unable to secure counsel due to indigence. This office also provides continuing legal education and consulting services to attorneys representing indigents in capital cases and recruits qualified members of the private bar who are willing to provide representation in state death penalty proceedings.

The Post-Conviction Defender Commission appoints the Post-Conviction Defender 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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
308.00 Office of the Post-Conviction Defender					
Full-Time	19	19	19	0	19
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	19	19	19	0	19
Payroll	1,534,500	1,533,900	1,533,900	0	1,533,900
Operational	419,400	412,100	414,700	0	414,700
Total	\$1,953,900	\$1,946,000	\$1,948,600	\$0	\$1,948,600
State	1,953,900	1,946,000	1,948,600	0	1,948,600
Federal	0	0	0	0	0
Other	0	0	0	0	0

Alcoholic Beverage Commission

Performance-Based Budget

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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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316.03 Alcoholic Beverage Commission

Full-Time	67	68	65	0	65
Part-Time	3	3	3	0	3
Seasonal	0	0	0	0	0
Total	70	71	68	0	68
Payroll	4,139,300	4,157,000	4,066,400	0	4,066,400
Operational	1,397,400	1,399,000	1,402,600	0	1,402,600
Total	\$5,536,700	\$5,556,000	\$5,469,000	\$0	\$5,469,000
State	1,005,900	1,005,800	366,700	0	366,700
Federal	0	0	0	0	0
Other	4,530,800	4,550,200	5,102,300	0	5,102,300

Standard: Process renewal of all licenses within two calendar days once a completed renewal application is submitted by issuing licenses to renewal applicants who have properly and timely submitted renewal applications.

Measure: Percent of renewals processed timely to qualified applicants.

97%	98%	99%	0	99%
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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; K-12 test distribution; and the cook-chill program.

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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
316.08 TRICOR					
Full-Time	221	222	218	0	218
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	221	222	218	0	218
Payroll	11,204,500	11,265,900	10,998,700	0	10,998,700
Operational	28,034,700	25,057,900	20,354,700	0	20,354,700
Total	\$39,239,200	\$36,323,800	\$31,353,400	\$0	\$31,353,400
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	39,239,200	36,323,800	31,353,400	0	31,353,400

<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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Standard: Increase the three-year success rate (i.e., the percentage of those offenders who do not return to prison on a permanent basis within three years of release) among eligible offenders.

Measure: Three-year success rate among eligible offenders.

66.4%	69.5%	69.5%	0	69.5%
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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.

1,641	1,325	1,350	0	1,350
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Corrections Institute

Performance-Based Budget

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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
316.09 Corrections Institute					
Full-Time	14	14	13	0	13
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	14	14	13	0	13
Payroll	736,300	732,500	703,300	0	703,300
Operational	287,100	288,500	241,600	0	241,600
Total	\$1,023,400	\$1,021,000	\$944,900	\$0	\$944,900
State	973,400	971,000	884,900	0	884,900
Federal	0	0	0	0	0
Other	50,000	50,000	60,000	0	60,000
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
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.					
	5,594	5,874	5,168	0	5,168

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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	1,117	1,171	1,166	0	1,166
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,117	1,171	1,166	0	1,166
Payroll	57,777,200	58,649,000	58,861,200	0	58,861,200
Operational	12,661,800	15,995,600	15,070,600	0	15,070,600
Total	\$70,439,000	\$74,644,600	\$73,931,800	\$0	\$73,931,800
State	69,152,600	72,792,400	73,030,100	0	73,030,100
Federal	0	0	0	0	0
Other	1,286,400	1,852,200	901,700	0	901,700

Standard: Improve the offender success rate by decreasing the percentage of probation and parole offenders who are revoked.

Measure: Percent of total probation population served during the year whose community supervision status is revoked during the fiscal year.

7.7%	5.2%	5.2%	0	5.2%
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Standard: Improve the offender success rate by decreasing the percentage of parolees who are revoked.

Measure: Percent of total parole population served during the year whose community supervision status is revoked during the fiscal year.

10.0%	6.8%	6.8%	0	6.8%
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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324.04 Community Corrections

The Community Corrections program provides grants to local programs which provide alternatives to incarceration for non-violent felony offenders, as adjudicated by state courts.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	11,993,100	12,657,800	13,331,800	0	13,331,800
Total	\$11,993,100	\$12,657,800	\$13,331,800	\$0	\$13,331,800
State	11,993,100	12,657,800	13,331,800	0	13,331,800
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Improve offender success by decreasing the percentage 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.

11.1%	8.9%	8.9%	0	8.9%
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324.00 Total Board of Probation and Parole

Full-Time	1,117	1,171	1,166	0	1,166
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,117	1,171	1,166	0	1,166
Payroll	57,777,200	58,649,000	58,861,200	0	58,861,200
Operational	24,654,900	28,653,400	28,402,400	0	28,402,400
Total	\$82,432,100	\$87,302,400	\$87,263,600	\$0	\$87,263,600
State	81,145,700	85,450,200	86,361,900	0	86,361,900
Federal	0	0	0	0	0
Other	1,286,400	1,852,200	901,700	0	901,700

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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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Administrative and Other Services

The Administrative and Other Services function includes Administration, State Prosecutions, Tennessee Correction Academy, Correction Release Centers, 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	207	208	208	0	208
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	207	208	208	0	208
Payroll	13,782,900	12,937,500	13,631,900	0	13,631,900
Operational	7,869,200	8,497,300	8,286,800	0	8,286,800
Total	\$21,652,100	\$21,434,800	\$21,918,700	\$0	\$21,918,700
State	16,053,900	15,263,500	15,865,000	0	15,865,000
Federal	979,100	1,114,500	1,114,500	0	1,114,500
Other	4,619,100	5,056,800	4,939,200	0	4,939,200

Standard: Reduce the average length of hospital stay.

Measure: Hospital average length of stay (days).

3.4	3.8	3.6	0	3.6
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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).

	13	12	14	0	14
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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	139,475,800	129,023,100	110,291,500	7,633,800	117,925,300
Total	\$139,475,800	\$129,023,100	\$110,291,500	\$7,633,800	\$117,925,300
State	138,675,800	109,491,500	109,491,500	7,633,800	117,125,300
Federal	0	18,731,600	0	0	0
Other	800,000	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.).

	90%	95%	95%	0	95%
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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	73	0	73
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	79	79	73	0	73
Payroll	3,965,800	3,733,600	3,719,500	0	3,719,500
Operational	1,537,900	1,537,800	1,500,100	0	1,500,100
Total	\$5,503,700	\$5,271,400	\$5,219,600	\$0	\$5,219,600

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
State	5,438,800	5,206,500	5,154,700	0	5,154,700
Federal	0	0	0	0	0
Other	64,900	64,900	64,900	0	64,900

Standard: Continue to deliver training by the academy using non-traditional (non-residential) methodologies.

Measure: Total training hours delivered by the academy using non-traditional (non-residential) methodologies.

	14,871	22,334	5,300	0	5,300
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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.

	56%	85%	85%	0	85%
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329.28 Correction Release Centers

The Correction Release Centers serve as residential programs for TDOC offenders who have been recommended for parole and are within 60 days of release from prison. The centers provide pre-release treatment and job training for offenders as they transition back into society.

Full-Time	0	0	0	0	0
Part-Time	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	678,700	1,368,800	0	1,368,800
Total	\$0	\$678,700	\$1,368,800	\$0	\$1,368,800
State	0	678,700	1,368,800	0	1,368,800
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Maintain the rate of successful completions of the correction release center program.

Measure: Percent of offenders successfully completing the program at release centers.

	Not Applicable	85%	85%	0	85%
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Standard: Maintain the rate of offenders gaining employment prior to release from correction release centers.

Measure: Percent of offenders gaining employment prior to release from release centers.

	Not Applicable	65%	65%	0	65%
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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329.32 Major Maintenance

The Major Maintenance program is responsible for maintenance of the state's prison facilities and the Tennessee Correction Academy whenever costs exceed routine daily maintenance requirements. Also, this program provides information systems services and technology. This includes repair and preventive maintenance of security electronic systems, including fence detection systems, locking-control panels, alarm annunciation panels, closed-circuit TV, paging and intercom systems, mobile mapping systems, and installation and maintenance of the department's computer systems.

Full-Time	24	25	25	0	25
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	24	25	25	0	25
Payroll	1,588,900	1,650,800	1,650,800	0	1,650,800
Operational	2,445,000	2,450,200	2,460,400	5,524,200	7,984,600
Total	\$4,033,900	\$4,101,000	\$4,111,200	\$5,524,200	\$9,635,400
State	4,033,900	4,101,000	4,111,200	5,524,200	9,635,400
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Resolve security system calls within 48 hours.

Measure: The percent of security system calls resolved within 48 hours.

87.7%	99.9%	99.9%	0	99.9%
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Standard: Respond on-site to emergency electronic problems within four hours.

Measure: The percent of emergency electronic problems responded to on-site within four hours.

100%	99%	99%	0	99%
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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	84,000	86,300	86,300	117,400	203,700
Total	\$84,000	\$86,300	\$86,300	\$117,400	\$203,700
State	84,000	86,300	86,300	57,400	143,700
Federal	0	0	0	0	0
Other	0	0	0	60,000	60,000

<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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Standard: Provide annual training to at least 200 treatment providers.

Measure: The number of treatment providers receiving annual training.

48	215	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	45,232,100	44,864,100	43,702,300	0	43,702,300
Total	\$45,232,100	\$44,864,100	\$43,702,300	\$0	\$43,702,300
State	45,224,600	44,856,600	43,694,800	0	43,694,800
Federal	0	0	0	0	0
Other	7,500	7,500	7,500	0	7,500

Standard: The Tennessee Department of Correction 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.

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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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 was closed at the end of fiscal year 2008-2009, and all inmates were transferred to the Morgan County Correctional Complex.

Full-Time	228	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	228	0	0	0	0
Payroll	6,013,700	0	0	0	0
Operational	2,776,900	0	0	0	0
Total	\$8,790,600	\$0	\$0	\$0	\$0
State	8,606,600	0	0	0	0
Federal	0	0	0	0	0
Other	184,000	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	252	252	248	0	248
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	252	252	248	0	248
Payroll	11,612,700	10,902,100	11,399,300	0	11,399,300
Operational	10,531,700	10,966,600	10,835,300	531,000	11,366,300
Total	\$22,144,400	\$21,868,700	\$22,234,600	\$531,000	\$22,765,600
State	21,270,000	21,000,600	21,391,500	531,000	21,922,500
Federal	0	0	0	0	0
Other	874,400	868,100	843,100	0	843,100

Standard: Increase General Education Diploma (GED) and vocational completions.

Measure: The number of GED and vocational recipients.

85	95	105	0	105
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Standard: Limit the rate of violent institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

6.78	1.45	10.00	0	10.00
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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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	435	436	429	23	452
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	435	436	429	23	452
Payroll	21,864,200	19,779,200	20,635,300	211,500	20,846,800
Operational	16,477,100	17,386,600	16,963,100	552,400	17,515,500
Total	\$38,341,300	\$37,165,800	\$37,598,400	\$763,900	\$38,362,300
State	37,014,300	35,838,800	36,271,400	763,900	37,035,300
Federal	0	0	0	0	0
Other	1,327,000	1,327,000	1,327,000	0	1,327,000

Standard: Increase GED and vocational completions.

Measure: The number of GED and vocational completions.

226	140	190	0	190
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Standard: Reduce the rate of violent institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

6.21	5.50	5.00	0	5.00
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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	192	192	189	0	189
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	192	192	189	0	189
Payroll	9,672,300	8,999,800	9,399,100	0	9,399,100
Operational	4,525,600	4,779,400	4,766,000	14,900	4,780,900
Total	\$14,197,900	\$13,779,200	\$14,165,100	\$14,900	\$14,180,000
State	13,655,900	13,237,200	13,623,100	14,900	13,638,000
Federal	0	0	0	0	0
Other	542,000	542,000	542,000	0	542,000

Standard: Maintain the number of GED and vocational completions.

Measure: The number of GED and vocational completions.

46	48	48	0	48
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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).

	13.34	3.00	10.00	0	10.00
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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	378	378	375	0	375
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	378	378	375	0	375
Payroll	18,164,100	16,850,300	17,709,300	0	17,709,300
Operational	11,569,300	12,148,400	12,244,400	384,100	12,628,500
Total	\$29,733,400	\$28,998,700	\$29,953,700	\$384,100	\$30,337,800
State	28,601,600	27,866,900	28,821,900	384,100	29,206,000
Federal	0	0	0	0	0
Other	1,131,800	1,131,800	1,131,800	0	1,131,800

Standard: Increase the number of GED recipients.

Measure: The number of GED recipients.

	6	30	30	0	30
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Standard: Reduce the rate of violent institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

	4.48	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	311	311	308	14	322
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	311	311	308	14	322
Payroll	15,899,700	14,743,700	15,414,900	508,200	15,923,100
Operational	7,241,000	7,758,700	7,843,900	40,000	7,883,900
Total	\$23,140,700	\$22,502,400	\$23,258,800	\$548,200	\$23,807,000
State	22,352,600	21,714,300	22,470,700	548,200	23,018,900
Federal	0	0	0	0	0
Other	788,100	788,100	788,100	0	788,100

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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Standard: Achieve no less than 100 GED and vocational completions.

Measure: The number of GED and vocational completions.

	157	105	115	0	115
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Standard: Reduce the rate of violent institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

	2.69	1.15	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	761	761	753	23	776
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	761	761	753	23	776
Payroll	36,164,200	33,899,800	35,475,200	211,500	35,686,700
Operational	19,940,300	21,309,200	21,405,700	122,400	21,528,100
Total	\$56,104,500	\$55,209,000	\$56,880,900	\$333,900	\$57,214,800
State	54,784,300	53,888,800	55,560,700	333,900	55,894,600
Federal	0	0	0	0	0
Other	1,320,200	1,320,200	1,320,200	0	1,320,200

Standard: Increase the number of GED and vocational completions.

Measure: The number of GED and vocational completions.

	315	255	300	0	300
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Standard: Limit the rate of violent institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

	6.47	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	325	325	324	0	324
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	325	325	324	0	324
Payroll	15,798,900	14,875,200	15,619,900	0	15,619,900
Operational	9,464,800	9,875,800	9,960,100	376,800	10,336,900
Total	\$25,263,700	\$24,751,000	\$25,580,000	\$376,800	\$25,956,800

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
State	24,836,800	24,324,100	25,153,100	376,800	25,529,900
Federal	0	0	0	0	0
Other	426,900	426,900	426,900	0	426,900

Standard: Maintain the number of GED and vocational completions.

Measure: The number of GED and vocational completions.

	62	54	54	0	54
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Standard: Reduce the rate of violent institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

	20.98	15.50	14.00	0	14.00
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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	527	527	526	0	526
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	527	527	526	0	526
Payroll	24,862,900	23,274,800	24,513,700	0	24,513,700
Operational	15,192,600	16,159,400	16,163,700	16,200	16,179,900
Total	\$40,055,500	\$39,434,200	\$40,677,400	\$16,200	\$40,693,600
State	38,739,000	38,117,700	39,360,900	16,200	39,377,100
Federal	0	0	0	0	0
Other	1,316,500	1,316,500	1,316,500	0	1,316,500

Standard: Maintain the number of GED and vocational completions.

Measure: The number of GED and vocational completions.

	103	225	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).

	3.79	2.60	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	690	690	684	0	684
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	690	690	684	0	684

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
Payroll	32,730,600	30,569,100	32,044,400	0	32,044,400
Operational	17,452,800	18,711,700	18,722,500	21,200	18,743,700
Total	\$50,183,400	\$49,280,800	\$50,766,900	\$21,200	\$50,788,100
State	48,363,900	47,476,600	49,034,500	21,200	49,055,700
Federal	0	0	0	0	0
Other	1,819,500	1,804,200	1,732,400	0	1,732,400

Standard: Maintain at least 245 GED and vocational completions.

Measure: The number of GED and vocational completions.

398	270	245	0	245
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Standard: Reduce the rate of violent institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

7.78	6.00	6.20	0	6.20
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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	530	758	757	0	757
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	530	758	757	0	757
Payroll	30,104,000	33,144,600	35,214,300	0	35,214,300
Operational	19,447,100	24,979,700	24,546,900	380,000	24,926,900
Total	\$49,551,100	\$58,124,300	\$59,761,200	\$380,000	\$60,141,200
State	48,176,700	56,469,900	58,106,800	380,000	58,486,800
Federal	0	0	0	0	0
Other	1,374,400	1,654,400	1,654,400	0	1,654,400

Standard: Increase the number of GED and vocational recipients.

Measure: The number of GED and vocational completions.

162	175	195	0	195
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Standard: Limit the rate of violent institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

4.88	7.45	5.00	0	5.00
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**Estimated
2008-2009**

**Estimated
2009-2010**

**Base
2010-2011**

**Improvement
2010-2011**

**Recommended
2010-2011**

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	478	478	474	0	474
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	478	478	474	0	474
Payroll	24,769,000	23,267,800	24,397,100	0	24,397,100
Operational	12,608,700	13,064,800	13,196,600	1,017,700	14,214,300
Total	\$37,377,700	\$36,332,600	\$37,593,700	\$1,017,700	\$38,611,400
State	36,980,300	35,935,200	37,196,300	1,017,700	38,214,000
Federal	0	0	0	0	0
Other	397,400	397,400	397,400	0	397,400

Standard: Increase the number of GED recipients.

Measure: The number of GED recipients.

10	9	9	0	10
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Standard: Limit the rate of violent institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

45.47	11.00	25.00	0	25.00
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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.

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	149,700	148,900	157,900	0	157,900
Operational	35,433,300	36,899,300	36,900,200	991,100	37,891,300
Total	\$35,583,000	\$37,048,200	\$37,058,100	\$991,100	\$38,049,200
State	35,564,100	37,029,300	37,039,200	991,100	38,030,300
Federal	0	0	0	0	0
Other	18,900	18,900	18,900	0	18,900

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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Standard: Increase the number of GED and vocational completions.

Measure: The number of GED and vocational completions.

	217	240	275	0	275
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Standard: Reduce the rate of violent institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

	7.54	3.50	6.00	0	6.00
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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. This facility will be closed at the end of calendar year 2010, and all inmates will be transferred to other TDOC facilities.

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	147,300	146,400	76,600	0	76,600
Operational	28,048,400	29,035,500	10,492,100	175,200	10,667,300
Total	\$28,195,700	\$29,181,900	\$10,568,700	\$175,200	\$10,743,900
State	28,177,000	986,200	10,550,000	175,200	10,725,200
Federal	0	28,177,000	0	0	0
Other	18,700	18,700	18,700	0	18,700

Standard: Maintain no less than 40 GED and vocational completions.

Measure: The number of GED and vocational completions.

	328	125	42	0	42
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Standard: Reduce the rate of institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

	10.34	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

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
Payroll	164,600	163,800	154,800	0	154,800
Operational	25,482,800	26,375,100	26,376,000	557,400	26,933,400
Total	\$25,647,400	\$26,538,900	\$26,530,800	\$557,400	\$27,088,200
State	25,628,700	26,520,200	26,512,100	557,400	27,069,500
Federal	0	0	0	0	0
Other	18,700	18,700	18,700	0	18,700

Standard: Increase the number of GED and vocational completions.

Measure: The number of GED and vocational completions.

	106	235	247	0	247
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Standard: Reduce the rate of institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

	7.68	7.20	7.20	0	7.20
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329.00 Total Correction

Full-Time	5,423	5,426	5,379	60	5,439
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	5,423	5,426	5,379	60	5,439
Payroll	267,455,500	249,087,400	261,214,000	931,200	262,145,200
Operational	432,836,400	436,587,700	398,112,700	18,455,800	416,568,500
Total	\$700,291,900	\$685,675,100	\$659,326,700	\$19,387,000	\$678,713,700
State	682,262,800	620,089,900	640,864,500	19,327,000	660,191,500
Federal	979,100	48,023,100	1,114,500	0	1,114,500
Other	17,050,000	17,562,100	17,347,700	60,000	17,407,700

Statistical Data Correctional Institutions

	BMCC 329.11	TPW 329.13	TCIC 329.14	MLCF 329.16	CBCC 329.17
Annual Admissions					
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	569	1,073	240	3,318
2009-2010	N/A	700	1,100	245	2,800
2010-2011	N/A	700	1,100	245	2,800
Annual Releases					
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	368	438	200	4,113
2009-2010	N/A	475	400	200	2,800
2010-2011	N/A	475	400	200	2,800
Average Daily Census					
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	389	737	1,530	405	1,024
2009-2010	N/A	775	1,572	440	1,110
2010-2011	N/A	775	1,572	440	1,110
Cost Per Occupancy Day (Total Expenditures)*					
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	\$61.91	\$82.32	\$68.66	\$96.05	\$79.55
2009-2010	N/A	\$77.31	\$64.77	\$85.80	\$71.58
2010-2011	N/A	\$80.48	\$66.86	\$88.29	\$74.88

BMCC: Brushy Mountain Correctional Complex

TPW: Tennessee Prison for Women

TCIC: Turney Center Industrial Complex

N/A = Indicates facilities were not in existence during the reporting period.

MLCF: Mark Luttrell Correctional Facility

CBCC: Charles B. Bass Correctional Complex

*FY 2003-2004 to 2007-2008 are actual expenditures from all sources; 2008-09 to 2010-11 are estimates.

Statistical Data Correctional Institutions

	<u>STRCF</u> 329.18	<u>WTSP</u> 329.41	<u>RMSI</u> 329.42	<u>NECC</u> 329.43	<u>NWCC</u> 329.45	<u>MCCC</u> 329.47
Annual Admissions						
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	381	3,212	390	697	1,085	1,800
2009-2010	381	2,600	390	700	1,085	1,800
2010-2011	381	2,600	390	700	1,085	1,800
Annual Releases						
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	384	3,180	380	474	1,063	1,800
2009-2010	384	2,600	380	475	1,063	1,800
2010-2011	384	2,600	380	475	1,063	1,800
Average Daily Census						
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	929	2,458	696	1,768	2,301	1,153
2009-2010	981	2,582	736	1,856	2,425	2,441
2010-2011	981	2,582	736	1,856	2,425	2,441
Cost Per Occupancy Day (Total Expenditures)*						
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	\$68.24	\$62.53	\$99.45	\$62.07	\$59.75	\$117.74
2009-2010	\$62.84	\$58.58	\$92.13	\$58.21	\$55.68	\$65.24
2010-2011	\$66.49	\$60.71	\$96.62	\$60.07	\$57.38	\$67.50

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 2003-2004 to 2007-2008 are actual expenditures from all sources; 2008-09 to 2010-11 are estimates.

Statistical Data Correctional Institutions

	DSNF 329.46	HCCF 329.21	HCCF-W 329.22	SCCC 329.44	Total*
Annual Admissions					
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	389	827	699	663	11,105
2009-2010	400	900	800	730	11,985
2010-2011	400	900	400	730	11,985
Annual Releases					
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	433	880	745	710	11,131
2009-2010	400	900	800	730	11,400
2010-2011	400	900	400	730	11,400
Average Daily Census					
2003-2004	738	1,947	1,474	1,608	19,117
2004-2005	714	1,953	1,476	1,615	19,141
2005-2006	641	1,964	1,490	1,628	19,128
2006-2007	687	1,964	1,488	1,632	19,120
2007-2008	711	1,962	1,485	1,626	19,191
2008-2009	711	1,963	1,490	1,629	19,183
2009-2010	800	2,016	1,536	1,676	20,946
2010-2011	800	2,016	768	1,676	20,178
Cost Per Occupancy Day (Total Expenditures)**					
2003-2004	\$99.08	\$44.15	\$45.64	\$39.16	\$51.99
2004-2005	\$111.75	\$44.95	\$46.90	\$40.59	\$55.87
2005-2006	\$135.01	\$45.83	\$47.55	\$42.04	\$58.91
2006-2007	\$143.52	\$47.13	\$48.65	\$43.64	\$62.40
2007-2008	\$151.62	\$48.20	\$49.80	\$41.29	\$65.30
2008-2009	\$144.03	\$49.66	\$51.84	\$43.13	\$69.17
2009-2010	\$124.43	\$50.35	\$52.05	\$43.38	\$62.81
2010-2011	\$132.23	\$51.71	\$38.33	\$44.28	\$65.00

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 2003-2004 to 2007-2008 are actual expenditures from all sources; 2008-09 to 2010-11 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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	41	43	43	0	43
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	41	43	43	0	43
Payroll	2,765,100	2,721,600	2,721,600	0	2,721,600
Operational	964,300	960,900	470,100	0	470,100
Total	\$3,729,400	\$3,682,500	\$3,191,700	\$0	\$3,191,700
State	2,828,700	2,691,000	2,197,800	0	2,197,800
Federal	897,700	988,500	990,900	0	990,900
Other	3,000	3,000	3,000	0	3,000

Standard: Monitor Station Commanders 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.

30%	35%	47%	0	47%
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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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	75	71	71	0	71
Part-Time	0	0	0	0	0
Seasonal	4	4	4	0	4
Total	79	75	75	0	75
Payroll	5,607,700	5,292,400	5,292,400	0	5,292,400
Operational	2,288,900	2,021,100	1,955,200	0	1,955,200
Total	\$7,896,600	\$7,313,500	\$7,247,600	\$0	\$7,247,600
State	1,039,700	893,700	812,400	0	812,400
Federal	6,161,400	5,796,500	5,810,700	0	5,810,700
Other	695,500	623,300	624,500	0	624,500

Standard: Process and complete 97% of all maintenance requests.

Measure: Percent of processed and completed maintenance requests.

95%	97%	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	216	216	216	0	216
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	216	216	216	0	216
Payroll	9,732,900	9,560,800	9,560,800	0	9,560,800
Operational	5,711,100	5,298,500	5,327,100	0	5,327,100
Total	\$15,444,000	\$14,859,300	\$14,887,900	\$0	\$14,887,900
State	2,889,500	2,304,800	2,333,400	0	2,333,400
Federal	12,549,800	12,549,800	12,549,800	0	12,549,800
Other	4,700	4,700	4,700	0	4,700

Standard: Achieve and maintain a high percentage rating of 92% of work orders completed in support of the facilities and equipment used by the full-time force.

Measure: Percent of work orders completed.

92%	93%	95%	0	95%
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	5,221,300	8,535,700	7,815,700	0	7,815,700
Total	\$5,221,300	\$8,535,700	\$7,815,700	\$0	\$7,815,700
State	733,900	625,500	625,500	0	625,500
Federal	4,142,800	7,565,600	6,845,600	0	6,845,600
Other	344,600	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.

85%	85%	85%	0	85%
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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	3,937,300	3,896,100	3,699,700	0	3,699,700
Total	\$3,937,300	\$3,896,100	\$3,699,700	\$0	\$3,699,700
State	2,416,200	2,059,500	1,863,100	0	1,863,100
Federal	1,406,800	1,722,300	1,722,300	0	1,722,300
Other	114,300	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.

\$0.97	\$0.99	\$0.99	0	\$0.99
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	96	94	92	0	92
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	96	94	92	0	92
Payroll	6,284,400	6,083,400	5,961,000	0	5,961,000
Operational	6,075,400	5,825,100	5,513,600	0	5,513,600
Total	\$12,359,800	\$11,908,500	\$11,474,600	\$0	\$11,474,600
State	3,472,800	3,021,500	2,587,600	0	2,587,600
Federal	7,957,900	7,957,900	7,957,900	0	7,957,900
Other	929,100	929,100	929,100	0	929,100

Standard: Increase the number of counties participating in the Emergency Management Program Grants (EMPG).

Measure: The number of counties participating in the EMPG program.

	71	73	75	0	75
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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	304,300	303,100	303,100	0	303,100
Operational	54,729,500	54,732,200	54,733,500	0	54,733,500
Total	\$55,033,800	\$55,035,300	\$55,036,600	\$0	\$55,036,600
State	0	0	0	0	0
Federal	55,033,800	55,035,300	55,036,600	0	55,036,600
Other	0	0	0	0	0

Standard: State and local responders from all jurisdictions are able to demonstrate response-level emergency communications within three hours of a significant event as outlined in national planning scenarios.

Measure: Percent of state and local agencies that are able to demonstrate response-level emergency communications within three hours of a significant event as outlined in national planning scenarios.

	45%	55%	65%	0%	65%
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	17,000,000	5,000,000	5,000,000	0	5,000,000
Total	\$17,000,000	\$5,000,000	\$5,000,000	\$0	\$5,000,000
State	2,000,000	0	0	0	0
Federal	13,940,000	5,000,000	5,000,000	0	5,000,000
Other	1,060,000	0	0	0	0

Standard: Manage public assistance grants to those affected by disaster.

Measure: Number of applicant grants finalized.

30	60	70	0	70
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341.00 Total Military

Full-Time	433	429	427	0	427
Part-Time	0	0	0	0	0
Seasonal	4	4	4	0	4
Total	437	433	431	0	431
Payroll	24,694,400	23,961,300	23,838,900	0	23,838,900
Operational	95,927,800	86,269,600	84,514,900	0	84,514,900
Total	\$120,622,200	\$110,230,900	\$108,353,800	\$0	\$108,353,800
State	15,380,800	11,596,000	10,419,800	0	10,419,800
Federal	102,090,200	96,615,900	95,913,800	0	95,913,800
Other	3,151,200	2,019,000	2,020,200	0	2,020,200

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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
348.00 Tennessee Bureau of Investigation					
Full-Time	493	493	493	0	493
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	493	493	493	0	493
Payroll	35,347,300	34,769,700	34,693,800	0	34,693,800
Operational	33,233,400	28,454,200	25,422,600	1,950,000	27,372,600
Total	\$68,580,700	\$63,223,900	\$60,116,400	\$1,950,000	\$62,066,400
State	40,164,900	33,762,000	30,879,000	1,950,000	32,829,000
Federal	14,667,600	14,481,200	14,246,700	0	14,246,700
Other	13,748,200	14,980,700	14,990,700	0	14,990,700

Standard: Deter crime in Tennessee by solving crime incidents initially investigated by the TBI.

Measure: Percent of crime incidents, initially investigated by TBI, cleared by arrests or exceptional means.

55%	55%	50%	0	50%
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<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	95	94	95	0	95
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	95	94	95	0	95
Payroll	6,223,900	5,901,600	5,935,200	0	5,935,200
Operational	2,195,000	2,401,000	2,424,500	0	2,424,500
Total	\$8,418,900	\$8,302,600	\$8,359,700	\$0	\$8,359,700
State	7,872,900	7,756,600	7,813,700	0	7,813,700
Federal	0	0	0	0	0
Other	546,000	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 3% annually.

-2.1%	3%	3%	0	3%
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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.

93%	80%	80%	0	80%
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	10,051,200	10,060,900	10,140,100	171,600	10,311,700
Total	\$10,051,200	\$10,060,900	\$10,140,100	\$171,600	\$10,311,700
State	9,881,600	9,941,300	10,020,500	171,600	10,192,100
Federal	0	0	0	0	0
Other	169,600	119,600	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.

29%	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	199,600	10,300	10,300	0	10,300
Total	\$199,600	\$10,300	\$10,300	\$0	\$10,300
State	199,600	10,300	10,300	0	10,300
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Maintain communication sites so that reliable radio coverage is provided for Tennessee Department of Safety (TDOS) law enforcement personnel.

Measure: Number of communication sites maintained and managed by TDOS.

42	42	42	0	42
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Standard: Maintain communication sites so that reliable radio coverage is provided for TDOS law enforcement personnel.

Measure: Percent of communication sites inspected a minimum of three times per year.

100%	75%	75%	0	75%
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	111	84	84	0	84
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	111	84	84	0	84
Payroll	5,653,500	4,491,300	4,491,300	0	4,491,300
Operational	2,698,600	2,790,300	2,809,100	0	2,809,100
Total	\$8,352,100	\$7,281,600	\$7,300,400	\$0	\$7,300,400
State	1,886,000	815,500	834,300	0	834,300
Federal	433,100	433,100	433,100	0	433,100
Other	6,033,000	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.

57%	75%	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.

32%	50%	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	417	433	433	0	433
Part-Time	23	23	23	0	23
Seasonal	0	0	0	0	0
Total	440	456	456	0	456
Payroll	18,094,200	18,333,000	18,299,400	0	18,299,400
Operational	25,869,800	16,804,600	16,844,100	2,381,700	19,225,800
Total	\$43,964,000	\$35,137,600	\$35,143,500	\$2,381,700	\$37,525,200
State	12,702,200	2,245,900	2,268,200	2,381,700	4,649,900
Federal	2,328,100	2,328,100	2,328,100	0	2,328,100
Other	28,933,700	30,563,600	30,547,200	0	30,547,200

<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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.

65%	48%	40%	0	40%
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Standard: Increase the percentage of non-test driver license transactions conducted without the customer having to visit a driver license office.

Measure: Percent of driver license issuance transactions conducted via Internet, mail, or at a county clerk office.

41%	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	1,098	1,086	1,086	13	1,099
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,098	1,086	1,086	13	1,099
Payroll	81,768,100	79,537,700	79,537,700	655,100	80,192,800
Operational	17,511,300	20,184,500	17,519,000	939,000	18,458,000
Total	\$99,279,400	\$99,722,200	\$97,056,700	\$1,594,100	\$98,650,800
State	86,087,900	83,741,500	84,076,000	1,594,100	85,670,100
Federal	6,774,600	6,774,600	6,774,600	0	6,774,600
Other	6,416,900	9,206,100	6,206,100	0	6,206,100

Standard: Reduce highway fatalities in Tennessee.

Measure: Number of fatalities per 100 million vehicular miles traveled.

1.24	1.46	1.43	0	1.43
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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.

48%	50%	50%	0	50%
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	350,100	350,100	350,100	0	350,100
Total	\$350,100	\$350,100	\$350,100	\$0	\$350,100
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	350,100	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.

11%	10%	10%	0	10%
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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	28	28	28	0	28
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	28	28	28	0	28
Payroll	2,299,900	2,269,400	2,269,400	0	2,269,400
Operational	3,604,100	3,628,200	3,638,500	0	3,638,500
Total	\$5,904,000	\$5,897,600	\$5,907,900	\$0	\$5,907,900
State	1,752,700	1,746,300	1,756,600	0	1,756,600
Federal	0	0	0	0	0
Other	4,151,300	4,151,300	4,151,300	0	4,151,300

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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.

	6,015	4,500	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	120,400	119,600	119,600	0	119,600
Operational	432,000	284,000	284,400	0	284,400
Total	\$552,400	\$403,600	\$404,000	\$0	\$404,000
State	402,400	403,600	404,000	0	404,000
Federal	0	0	0	0	0
Other	150,000	0	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.

	9,312	8,000	8,250	0	8,250
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Standard: Ensure the quality of program instruction through annual site visits.

Measure: Percent of Motorcycle Rider Education Program training sites inspected a minimum of three times per fiscal year.

	20%	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	173,200	172,900	172,900	0	172,900
Operational	200,700	100,600	101,200	0	101,200
Total	\$373,900	\$273,500	\$274,100	\$0	\$274,100

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
State	273,900	273,500	274,100	0	274,100
Federal	0	0	0	0	0
Other	100,000	0	0	0	0

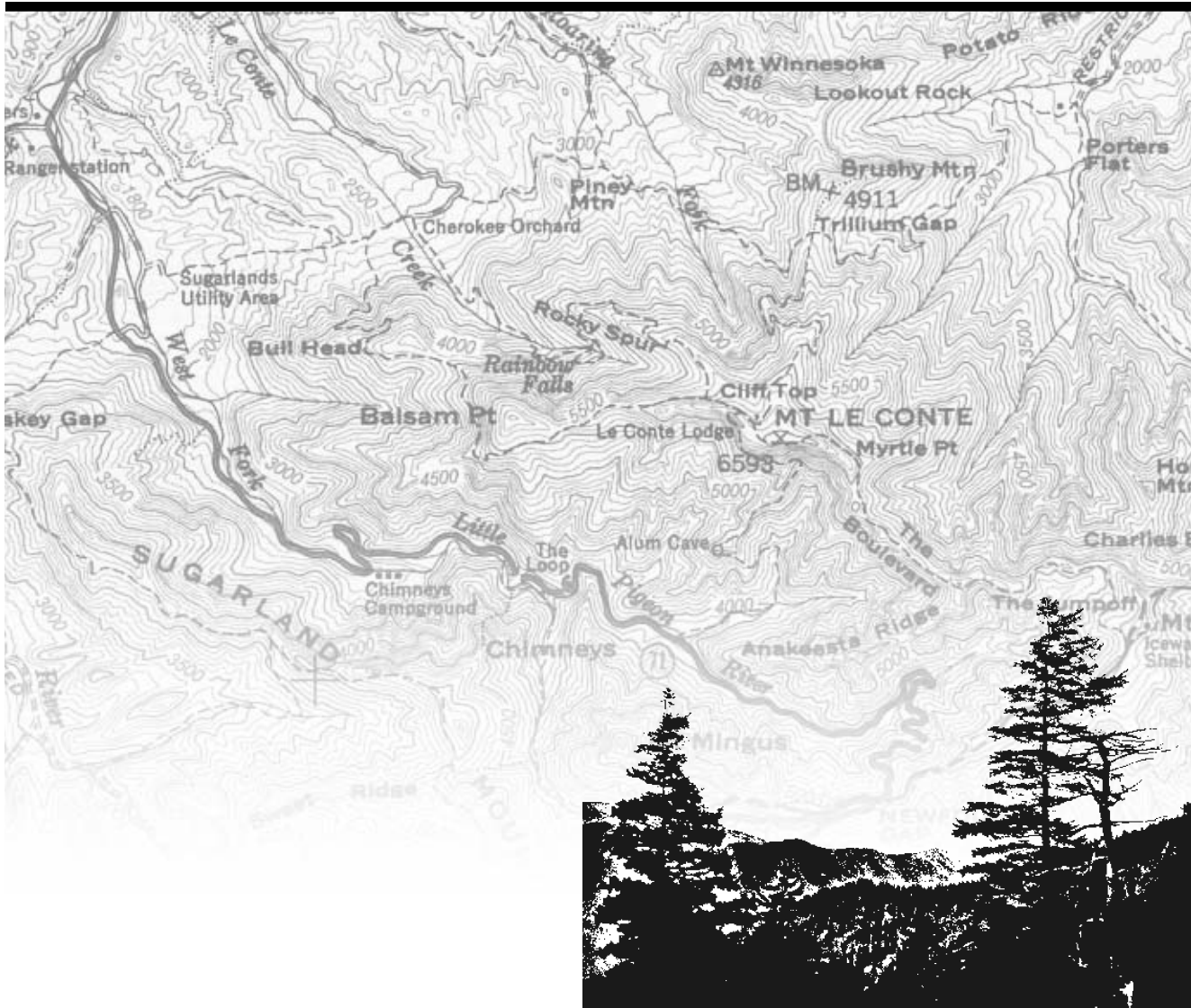
Standard: Increase public awareness of safe driving principles.

Measure: Number of safety education presentations held to promote safe highways.

	4,340	3,000	3,000	0	3,000
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349.00 Total Safety

Full-Time	1,753	1,729	1,730	13	1,743
Part-Time	23	23	23	0	23
Seasonal	0	0	0	0	0
Total	1,776	1,752	1,753	13	1,766
Payroll	114,333,200	110,825,500	110,825,500	655,100	111,480,600
Operational	63,112,400	56,614,500	54,121,300	3,492,300	57,613,600
Total	\$177,445,600	\$167,440,000	\$164,946,800	\$4,147,400	\$169,094,200
State	121,059,200	106,934,500	107,457,700	4,147,400	111,605,100
Federal	9,535,800	9,535,800	9,535,800	0	9,535,800
Other	46,850,600	50,969,700	47,953,300	0	47,953,300



Resources and Regulation

Resources and Regulation



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Resources and Regulation

Recommended Budget, Fiscal Year 2010 – 2011

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 estimated 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

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Recommended 2010-2011</u>
Personnel			
Full Time	5,624	5,587	5,565
Part Time	977	1,000	992
Seasonal	339	339	322
TOTAL	6,940	6,926	6,879
Expenditures			
Payroll	\$ 345,012,200	\$ 336,261,900	\$ 334,404,200
Operational	550,346,400	616,975,100	533,109,700
TOTAL	\$ 895,358,600	\$ 953,237,000	\$ 867,513,900
Funding			
State	\$ 374,128,300	\$ 356,857,400	\$ 367,470,700
Federal	258,849,800	366,422,900	269,796,200
Other	262,380,500	229,956,700	230,247,000

Resources and Regulation
Recommended Budget for Fiscal Year 2010-2011
By Funding Source

Department	State	Federal	Other	Total
316.25 Arts Commission	6,174,600	1,136,600	537,800	7,849,000
316.27 State Museum	3,741,300	100,000	5,000	3,846,300
327.00 Environment and Conservation	166,520,200	99,284,200	104,875,200	370,679,600
328.00 Tennessee Wildlife Resources Agency	44,876,900	20,768,300	9,951,000	75,596,200
335.00 Commerce and Insurance	95,734,100	1,734,600	74,965,400	172,434,100
336.00 Financial Institutions	8,561,800	0	8,118,300	16,680,100
337.00 Labor and Workforce Development	41,861,800	146,772,500	31,794,300	220,428,600
Total	\$367,470,700	\$269,796,200	\$230,247,000	\$867,513,900

Resources and Regulation

Improvements for Fiscal Year 2010-2011

	State	Federal	Other	Total	Positions
Arts Commission					
• 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 the second year of one-time grants to eligible non-profit arts organizations. The total amount of the grant is \$321,800 for a two year period beginning July 1, 2009.					
316.25 Arts Commission	\$0	\$93,000	\$0	\$93,000	0
Sub-total	\$0	\$93,000	\$0	\$93,000	0
Total Arts Commission	\$0	\$93,000	\$0	\$93,000	0

Environment and Conservation

• State Lands Acquisition and Local Parks Acquisition

To provide recurring and full funding for state lands acquisition and local parks land acquisition. These appropriations are from an additional \$10,925,000 allocation of the real estate transfer tax. This, along with the \$6,075,000 base budget allocation, will provide a total allocation from the tax of \$17 million for the four land acquisition and soil conservation programs in fiscal year 2010-2011. The improvement for each program is a pro-rata share of the 8 cents stated in law (TCA 67-4-409). The local parks acquisition fund receives a 1.75-cent share, and the state lands acquisition fund receives a 1.5-cent share of the 8 cents.

327.19 Local Parks Acquisition Fund	\$3,718,700	\$0	\$0	\$3,718,700	0
327.20 State Lands Acquisition Fund	\$3,112,500	\$0	\$0	\$3,112,500	0
Sub-total	\$6,831,200	\$0	\$0	\$6,831,200	0

• Used Oil Collection Fund

To redirect the 2-cent-per-quart fee on automotive oil to the used oil collection fund. In the current-year budget, \$400,000 of the fee has been diverted to the general fund. The used oil collection program condition requires that the funds be restored to the program in 2010-2011, two years ahead of the authorization in 2009 legislation. This re-apportionment will restore public outreach efforts to educate people on the importance of recycling or re-using used oil and increase the amount available for used oil grants to local governments and individuals. Funding is from dedicated fees.

327.23 Used Oil Collection Program	\$400,000	\$0	\$0	\$400,000	0
Sub-total	\$400,000	\$0	\$0	\$400,000	0

Resources and Regulation

Improvements for Fiscal Year 2010-2011

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• 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. This is third-year funding of a multi-year \$56.9 million grant award to the clean water state revolving fund. The clean water state revolving fund provides 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	\$19,957,600	\$0	\$19,957,600	0
Sub-total	\$0	\$19,957,600	\$0	\$19,957,600	0
• 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. This is third-year funding of a multi-year \$20.2 million grant award to the drinking water state revolving fund. The drinking water state revolving fund provides 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	\$6,241,100	\$0	\$6,241,100	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	\$7,455,400	\$0	\$7,455,400	0
• U.S. Economic Recovery - Water Quality Management Planning					
Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. The Division of Water Pollution Control has been awarded a federal grant in the amount of \$184,900 for the purpose of promoting water-quality management and helping communities develop plans that lead to the implementation of green infrastructure stormwater controls.					
327.34 Water Pollution Control	\$0	\$184,900	\$0	\$184,900	0
Sub-total	\$0	\$184,900	\$0	\$184,900	0
Total Environment and Conservation	\$7,231,200	\$27,597,900	\$0	\$34,829,100	0

Resources and Regulation Improvements for Fiscal Year 2010-2011

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Tennessee Wildlife Resources Agency					
• Wetlands Acquisition					
To provide recurring and full funding for wetlands acquisition. This appropriation is from an additional \$10,925,000 allocation of the real estate transfer tax. This, along with the \$6,075,000 base budget allocation, will provide a total allocation from the tax of \$17 million for the four land acquisition and soil conservation programs in fiscal year 2010-2011. The improvement for each program is a pro-rata share of the 8 cents stated in law (TCA 67-4-409). The wetlands acquisition fund receives a 3.25-cent share of the 8 cents.					
328.03 Wetlands Acquisition Fund	\$906,300	\$0	\$0	\$906,300	0
Sub-total	\$906,300	\$0	\$0	\$906,300	0
Total Tennessee Wildlife Resources Agency	\$906,300	\$0	\$0	\$906,300	0

Commerce and Insurance

• E-911 Infrastructure Modernization Program					
To continue the state's investment in the modernization of Tennessee's E- 911 system. Funding will be used to upgrade the state's E-911 system infrastructure from analog to digital to take advantage of widespread improvements in telecommunications technology. The Next Generation 911 (NG911) system will enhance interoperability, and increase the ease of communication between the state's 100 emergency communication districts, allowing immediate transfer of 911 calls, maps, photos, caller information and other data statewide. Funding is from dedicated fees. The state will also receive a non-recurring federal grant of \$1,499,600 to fund equipment for each emergency communication district.					
335.08 911 Emergency Communications Fund	\$5,902,900	\$1,499,600	\$20,575,800	\$27,978,300	0
Sub-total	\$5,902,900	\$1,499,600	\$20,575,800	\$27,978,300	0
• Police and Firefighter Pay Supplement					
To provide funding for police pay supplements (TCA 38-8-111a) and fire fighter pay supplement programs (TCA 4-24-202a). Local police officers and firefighters are eligible for the annual pay supplement (\$600) upon successful completion of at least 40 hours of in-service training.					
335.12 POST Commission	\$490,800	\$0	\$0	\$490,800	0
335.28 Fire Fighting Personnel Standards and Education	\$179,800	\$0	\$0	\$179,800	0
Sub-total	\$670,600	\$0	\$0	\$670,600	0

Resources and Regulation

Improvements for Fiscal Year 2010-2011

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• 2009 Debt Management Services Act					
To provide funding for the implementation of the uniform debt management services act (2009 Public Chapter 469) in the Division of Consumer Affairs. The debt management services program regulates providers of debt management services by requiring them to register and disclose fees and services before entering into agreements with individuals for the purpose of creating financial repayment plans. Funding is provided for four positions, including a staff attorney, a consumer protection specialist, and two licensing technicians, and for operational expenses associated with the program. Of the \$260,700 appropriated, \$18,600 is non-recurring.					
335.06 Consumer Affairs	\$260,700	\$0	\$0	\$260,700	4
Sub-total	\$260,700	\$0	\$0	\$260,700	4
Total Commerce and Insurance	\$6,834,200	\$1,499,600	\$20,575,800	\$28,909,600	4

Labor and Workforce Development

• Workers' Compensation Advisory Council					
To restore recurring funding for the Workers' Compensation Advisory Council. The council provides information, research, and recommendations concerning workers' compensation issues to the Tennessee General Assembly, the Department of Commerce and Insurance, and the Department of Labor and Workforce Development. The existing position is a workers' compensation specialist.					
337.03 Workers' Compensation	\$196,500	\$0	\$0	\$196,500	1
Sub-total	\$196,500	\$0	\$0	\$196,500	1
• U.S. Economic Recovery - Workforce Development Act - Dislocated Workers					
Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. This is third-year funding of a multi-year \$28.4 million grant award. 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.					
337.07 Employment and Training	\$0	\$1,599,900	\$0	\$1,599,900	0
Sub-total	\$0	\$1,599,900	\$0	\$1,599,900	0
• 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. This is third-year funding of a multi-year \$10.8 million grant award for the Workforce Investment Act for adults program. 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	\$700,000	\$0	\$700,000	0
Sub-total	\$0	\$700,000	\$0	\$700,000	0

Resources and Regulation Improvements for Fiscal Year 2010-2011

	<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 - Youths Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. This is third-year funding of a multi-year \$25.1 million grant award for the Workforce Investment Act for youths program. Funding is formula-based and will help employ disadvantaged youths during the summer months. 					
337.07 Employment and Training	\$0	\$2,000,100	\$0	\$2,000,100	0
Sub-total	\$0	\$2,000,100	\$0	\$2,000,100	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. This is third-year funding of a multi-year \$484,100 grant award. The Senior Community Service Employment Program 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	\$4,100	\$0	\$4,100	0
Sub-total	\$0	\$4,100	\$0	\$4,100	0
Total Labor and Workforce Development	\$196,500	\$4,304,100	\$0	\$4,500,600	1
Total Resources and Regulation	\$15,168,200	\$33,494,600	\$20,575,800	\$69,238,600	5

Arts Commission

Performance-Based Budget

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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
316.25 Arts Commission					
Full-Time	19	20	20	0	20
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	19	20	20	0	20
Payroll	1,220,200	1,211,700	1,211,700	0	1,211,700
Operational	6,808,400	6,771,400	6,544,300	93,000	6,637,300
Total	\$8,028,600	\$7,983,100	\$7,756,000	\$93,000	\$7,849,000
State	6,375,500	6,172,900	6,174,600	0	6,174,600
Federal	1,043,600	1,272,400	1,043,600	93,000	1,136,600
Other	609,500	537,800	537,800	0	537,800

Standard: Increase 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 website.

6,600	6,780	7,000	0	7,000
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Standard: Increase support for the eligible artists and organizations in Tennessee.

Measure: Amount of support for eligible artists and organizations.

\$7,222,700	\$7,637,600	\$7,800,000	0	\$7,800,000
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State Museum

Performance-Based Budget

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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
316.27 State Museum					
Full-Time	47	47	47	0	47
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	47	47	47	0	47
Payroll	2,446,400	2,388,300	2,388,300	0	2,388,300
Operational	1,383,700	1,654,500	1,458,000	0	1,458,000
Total	\$3,830,100	\$4,042,800	\$3,846,300	\$0	\$3,846,300
State	3,825,100	3,737,800	3,741,300	0	3,741,300
Federal	0	300,000	100,000	0	100,000
Other	5,000	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.

	103,843	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.

	9	5	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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	207	202	202	0	202
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	207	202	202	0	202
Payroll	12,867,300	13,052,400	13,052,400	0	13,052,400
Operational	3,008,500	2,967,600	3,018,300	0	3,018,300
Total	\$15,875,800	\$16,020,000	\$16,070,700	\$0	\$16,070,700
State	6,282,000	6,028,600	6,058,100	0	6,058,100
Federal	2,518,500	2,500,400	2,500,400	0	2,500,400
Other	7,075,300	7,491,000	7,512,200	0	7,512,200

Standard: Maintain the percentage of Administration's actual expenditures as compared to department's total expenditures.

Measure: Percent increase in Administration's actual expenditures as compared to department's total expenditures.

0%	0%	0%	0	0%
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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.

327.03 Recreation Educational Services

The Recreation Educational Services division assists public recreation providers and promotes recreation development through grants, technical assistance, and monitoring of local and state planning efforts. The program houses the Parks and Recreation Technical Advisory Service to specifically assist county and municipal governments and other recreation providers.

Full-Time	14	14	14	0	14
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	14	14	14	0	14
Payroll	961,500	878,900	878,900	0	878,900
Operational	4,359,600	4,359,000	4,362,000	0	4,362,000
Total	\$5,321,100	\$5,237,900	\$5,240,900	\$0	\$5,240,900
State	842,300	762,100	765,100	0	765,100
Federal	2,292,800	2,291,300	2,291,300	0	2,291,300
Other	2,186,000	2,184,500	2,184,500	0	2,184,500

Standard: Increase the number of counties that 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.

129	141	146	0	146
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Standard: Increase the number of counties or municipalities in underserved areas that 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.

76	78	79	0	79
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327.04 Historical Commission

The Tennessee Historical Commission administers state historic sites; places historical markers that denote important locations, persons, and events; assists in publication projects; and promotes preservation and interpretation of structures, buildings, sites, and battlefields. The commission implements the National Historic Preservation Act.

Full-Time	15	15	15	0	15
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	15	15	15	0	15
Payroll	879,700	886,000	886,000	0	886,000
Operational	1,910,800	2,825,600	1,802,000	0	1,802,000
Total	\$2,790,500	\$3,711,600	\$2,688,000	\$0	\$2,688,000

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
State	2,285,400	2,235,400	2,183,400	0	2,183,400
Federal	500,100	1,471,200	499,600	0	499,600
Other	5,000	5,000	5,000	0	5,000

Standard: Survey and add properties to the National Register of Historic Places.

Measure: Number of properties added to the National Register of Historic Places.

	230	250	65	0	65
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Standard: Review projects to ensure they are in compliance with the National Historic Preservation Act of 1966 as amended. (The U.S. National Park Service requires 95% or greater response within 30 calendar days.)

Measure: Percent of review and compliance projects reviewed within 30 calendar days from date of formal receipt.

	100%	100%	100%	0	100%
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327.06 Land and Water Conservation Fund

The Land and Water Conservation Fund provides grants to assist in preserving, developing, and assuring accessibility to outdoor recreation resources. This federal program provides grants for the acquisition and development of public outdoor recreation areas and facilities. The Recreation Educational Services Division administers these grants to local governments and agencies that provide recreational areas and parks.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	750,000	750,000	750,000	0	750,000
Total	\$750,000	\$750,000	\$750,000	\$0	\$750,000
State	0	0	0	0	0
Federal	750,000	750,000	750,000	0	750,000
Other	0	0	0	0	0

Standard: Maintain, at 95%, the 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.

	23%	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

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
Payroll	0	0	0	0	0
Operational	285,000	285,000	285,000	0	285,000
Total	\$285,000	\$285,000	\$285,000	\$0	\$285,000
State	285,000	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: Percent of state-owned sites where maintenance projects are initiated within one year of a formal request.

100% 100% 100% 0 100%

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	692,900	689,900	689,900	0	689,900
Operational	254,300	184,300	186,500	0	186,500
Total	\$947,200	\$874,200	\$876,400	\$0	\$876,400
State	779,600	776,200	778,400	0	778,400
Federal	0	0	0	0	0
Other	167,600	98,000	98,000	0	98,000

Standard: Respond to all requests for opinions, recommendations, site visits, and archaeological information within 30 days.

Measure: Percent of responses within 30 days to all requests for opinions, recommendations, site visits, and archaeological information.

98% 98% 99% 0 99%

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

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
ginseng.					
Full-Time	11	6	6	0	6
Part-Time	0	0	0	0	0
Seasonal	1	1	1	0	1
Total	12	7	7	0	7
Payroll	769,000	410,400	410,400	0	410,400
Operational	390,500	329,300	332,000	0	332,000
Total	\$1,159,500	\$739,700	\$742,400	\$0	\$742,400
State	909,300	490,000	492,700	0	492,700
Federal	142,300	142,000	142,000	0	142,000
Other	107,900	107,700	107,700	0	107,700

Standard: Protect and preserve Tennessee's biological diversity of plant life.

Measure: Percent of targeted rare plant species (S1, S2, and federal listed) with a minimum of at least one protected population in at least one designated or registered state natural area and/or scenic river.

36% 43% 45% 0 45%

Standard: Protect and preserve Tennessee's biological diversity of animal life.

Measure: Percent of targeted rare animal species (S1, S2, and federal listed) with a minimum of at least one protected population in at least one designated or registered state natural area and/or scenic river.

24% 18% 20% 0 20%

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	1,062	1,050	1,028	0	1,028
Part-Time	253	249	241	0	241
Seasonal	333	333	316	0	316
Total	1,648	1,632	1,585	0	1,585
Payroll	49,984,200	48,671,100	47,833,000	0	47,833,000
Operational	29,679,800	29,211,000	28,561,900	0	28,561,900
Total	\$79,664,000	\$77,882,100	\$76,394,900	\$0	\$76,394,900
State	42,673,300	41,486,400	41,000,900	0	41,000,900
Federal	1,000	1,000	1,000	0	1,000
Other	36,989,700	36,394,700	35,393,000	0	35,393,000

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).

100% 100% 100% 0 100%

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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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.

1%	3%	5%	0	5%
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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	2,498,700	2,498,700	2,498,700	0	2,498,700
Total	\$2,498,700	\$2,498,700	\$2,498,700	\$0	\$2,498,700
State	2,214,100	2,214,100	2,214,100	0	2,214,100
Federal	169,600	169,600	169,600	0	169,600
Other	115,000	115,000	115,000	0	115,000

Standard: Effectively complete maintenance projects and coordinate major emergency repairs with available funds.

Measure: Percent of major maintenance funds encumbered or spent.

100%	95%	95%	0	95%
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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	928,000	61,000	828,000	0	828,000
Total	\$928,000	\$61,000	\$828,000	\$0	\$828,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	928,000	61,000	828,000	0	828,000

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	5,351,400	3,500,000	0	3,718,700	3,718,700
Total	\$5,351,400	\$3,500,000	\$0	\$3,718,700	\$3,718,700
State	0	0	0	3,718,700	3,718,700
Federal	0	0	0	0	0
Other	5,351,400	3,500,000	0	0	0

Standard: Effectively and efficiently distribute grants to local governments.

Measure: Percent of funds awarded in biennial grant cycle.

96%	Not Applicable	96%	0	96%
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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	17,492,000	7,761,600	0	3,112,500	3,112,500
Total	\$17,492,000	\$7,761,600	\$0	\$3,112,500	\$3,112,500
State	0	0	0	3,112,500	3,112,500
Federal	3,044,800	1,722,000	0	0	0
Other	14,447,200	6,039,600	0	0	0

Standard: Complete by closing or canceling 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.

87%	85%	85%	0	85%
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	75,000	75,000	75,000	0	75,000
Total	\$75,000	\$75,000	\$75,000	\$0	\$75,000
State	75,000	75,000	75,000	0	75,000
Federal	0	0	0	0	0
Other	0	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	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1	0	0	0	0
Payroll	100,000	0	0	0	0
Operational	25,305,600	4,837,500	1,000,000	0	1,000,000
Total	\$25,405,600	\$4,837,500	\$1,000,000	\$0	\$1,000,000
State	4,100,000	0	0	0	0
Federal	0	0	0	0	0
Other	21,305,600	4,837,500	1,000,000	0	1,000,000

Standard: Preserve undeveloped open spaces, undeveloped natural areas, and state's heritage because of their importance to citizens' physical and mental health.

Measure: Acres conserved (obligations).

20,228	6,000	1,000	0	1,000
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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Standard: Use state appropriations to leverage funds from partners to support projects that preserve open spaces and state's heritage.

Measure: Partner funding leveraged with state funds (obligations).

	\$57,624,192	\$8,000,000	\$3,000,000	0	\$3,000,000
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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	42,000	42,000	42,000	0	42,000
Total	\$42,000	\$42,000	\$42,000	\$0	\$42,000
State	42,000	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.

	100%	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	83	85	82	0	82
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	83	85	82	0	82
Payroll	5,222,800	4,751,600	4,700,300	0	4,700,300
Operational	980,300	835,300	749,700	0	749,700
Total	\$6,203,100	\$5,586,900	\$5,450,000	\$0	\$5,450,000
State	1,790,300	1,581,200	1,435,200	0	1,435,200
Federal	0	0	0	0	0
Other	4,412,800	4,005,700	4,014,800	0	4,014,800

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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Standard: Maintain and coordinate issuance of enforcement orders to achieve accurate and prompt issuance and deter non-compliance within the regulated community.

Measure: Number of enforcement orders issued to achieve accurate and prompt issuance and deter non-compliance within the regulated community.

	879	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	14	13	13	0	13
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	14	13	13	0	13
Payroll	939,600	864,400	864,400	0	864,400
Operational	289,300	281,200	284,000	0	284,000
Total	\$1,228,900	\$1,145,600	\$1,148,400	\$0	\$1,148,400
State	1,078,000	994,900	452,900	0	452,900
Federal	78,700	78,600	92,400	0	92,400
Other	72,200	72,100	603,100	0	603,100

Standard: Complete four geologic maps and reports for public distribution.

Measure: Number of geologic maps and reports completed.

	2	3	4	0	4
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Standard: Perform 100% of requested geologic hazard assessments.

Measure: Percent of requests for geologic hazard assessments conducted.

	100%	100%	100%	0	100%
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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

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
Payroll	251,100	249,900	249,900	0	249,900
Operational	1,301,900	901,100	901,500	400,000	1,301,500
Total	\$1,553,000	\$1,151,000	\$1,151,400	\$400,000	\$1,551,400
State	1,319,000	917,100	917,500	400,000	1,317,500
Federal	0	0	0	0	0
Other	234,000	233,900	233,900	0	233,900

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.

0% 4% 4% 0 4%

327.26 West Tennessee River Basin Authority

The West Tennessee River Basin Authority (WTRBA), administratively attached to the Department of Environment and Conservation and governed by a board of directors, works to preserve the natural flow and function of the Hatchie, Obion, and Forked Deer rivers. Services include environmentally sensitive stream maintenance in the river basins; maintenance of flood control sediment retention structures; collection of timber easements; and restoration, in a self-sustaining manner, of natural streams and floodplains.

Full-Time	18	18	18	0	18
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	18	18	18	0	18
Payroll	1,061,400	1,027,100	1,027,100	0	1,027,100
Operational	435,400	436,200	440,400	0	440,400
Total	\$1,496,800	\$1,463,300	\$1,467,500	\$0	\$1,467,500
State	1,139,900	1,114,500	1,117,700	0	1,117,700
Federal	0	0	0	0	0
Other	356,900	348,800	349,800	0	349,800

Standard: Perform environmentally sensitive stream maintenance and continue routine maintenance on infrastructure.

Measure: Number of flood control/sediment retention minor maintenance projects completed (mowing, resolving annual inspection issues, and beaver management).

76 40 40 0 40

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

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
Payroll	0	0	0	0	0
Operational	1,215,300	1,215,300	1,215,300	0	1,215,300
Total	\$1,215,300	\$1,215,300	\$1,215,300	\$0	\$1,215,300
State	1,215,300	1,215,300	1,215,300	0	1,215,300
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Perform major maintenance, as necessary, on the West Tennessee River Basin Authority infrastructure and watersheds.

Measure: Number of major maintenance projects completed.

	4	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	463,200	462,400	462,400	0	462,400
Operational	2,056,800	2,056,200	2,057,200	0	2,057,200
Total	\$2,520,000	\$2,518,600	\$2,519,600	\$0	\$2,519,600
State	2,520,000	2,518,600	2,519,600	0	2,519,600
Federal	0	0	0	0	0
Other	0	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 cleanup has been initiated.

	92%	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	149	149	149	0	149
Part-Time	12	12	12	0	12
Seasonal	0	0	0	0	0
Total	161	161	161	0	161

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
Payroll	10,291,200	10,043,400	10,043,400	0	10,043,400
Operational	3,123,000	4,648,200	2,978,200	0	2,978,200
Total	\$13,414,200	\$14,691,600	\$13,021,600	\$0	\$13,021,600
State	1,498,000	1,275,700	1,159,000	0	1,159,000
Federal	1,241,200	2,939,500	1,239,500	0	1,239,500
Other	10,675,000	10,476,400	10,623,100	0	10,623,100

Standard: Attain new, more restrictive federal air quality standards for ozone by maintaining Early Action Compacts (a voluntary program with the state, local, and federal government designed to achieve clean air quicker than the new federal standards require).

Measure: Average design values of all ozone-monitoring sites in the state for ozone ambient concentrations in parts per million (ppm).

0.080 ppm	0.079 ppm	0.078 ppm	0	0.078 ppm
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Standard: Attain the new, more restrictive Environmental Protection Agency national ambient air quality standard for fine particulate matter at all monitors in the state.

Measure: Average annual values of all Particulate Matter 2.5 fine particulates (in ug/m3) monitoring sites.

13.2	12.9	12.8	0	12.8
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327.32 Radiological Health

The Radiological Health division regulates the use and possession of radioactive materials and radiation producing machines throughout the state. The program performs these functions through licensing and registration of x-ray equipment; inspecting registered facilities; and environmental monitoring of specific sites. The division also monitors the environment for radioactivity, particularly near nuclear reactors, and responds to accidents involving radioactive materials.

Full-Time	63	63	63	0	63
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	63	63	63	0	63
Payroll	4,307,700	4,240,900	4,240,900	0	4,240,900
Operational	1,600,600	1,596,700	1,609,300	0	1,609,300
Total	\$5,908,300	\$5,837,600	\$5,850,200	\$0	\$5,850,200
State	793,000	667,800	600,400	0	600,400
Federal	70,800	70,700	70,700	0	70,700
Other	5,044,500	5,099,100	5,179,100	0	5,179,100

Standard: Meet the required percentage of registered inspectors' follow-up inspections.

Measure: Percent of inspections performed by registered inspectors that are verified for quality assurance purposes.

11.3%	10.0%	10.0%	0	10.0%
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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327.33 Clean Water and Drinking Water State Revolving Fund

The Clean Water and Drinking Water State Revolving Fund provides funds to cities, counties, and utility districts for the creation and maintenance of wastewater and drinking water facilities. This division administers two low-interest revolving-fund loan programs, the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund.

Full-Time	16	16	16	0	16
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	16	16	16	0	16
Payroll	1,221,300	1,204,300	1,204,300	0	1,204,300
Operational	48,615,600	97,154,800	48,617,100	26,198,700	74,815,800
Total	\$49,836,900	\$98,359,100	\$49,821,400	\$26,198,700	\$76,020,100
State	5,219,600	5,202,800	5,206,100	0	5,206,100
Federal	44,617,300	93,156,300	44,615,300	26,198,700	70,814,000
Other	0	0	0	0	0

Standard: Complete thorough and appropriate evaluation of loan recipients and their capability to repay loan amounts in full and on time.

Measure: Percent of State Revolving Fund loan recipients that repay loan(s) on time and in full.

100%	100%	100%	0	100%
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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	230	229	229	0	229
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	238	237	237	0	237
Payroll	15,422,200	15,013,600	15,013,600	0	15,013,600
Operational	7,233,000	7,583,100	7,094,100	184,900	7,279,000
Total	\$22,655,200	\$22,596,700	\$22,107,700	\$184,900	\$22,292,600
State	10,892,000	9,127,000	9,082,400	0	9,082,400
Federal	3,313,500	3,699,200	3,309,000	184,900	3,493,900
Other	8,449,700	9,770,500	9,716,300	0	9,716,300

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 (NPDES) discharge facilities in significant compliance.

80%	80%	80%	0	80%
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	133	132	132	0	132
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	141	140	140	0	140
Payroll	9,537,600	9,413,400	9,413,400	0	9,413,400
Operational	1,998,900	1,988,200	2,016,900	0	2,016,900
Total	\$11,536,500	\$11,401,600	\$11,430,300	\$0	\$11,430,300
State	2,001,600	1,852,400	1,859,400	0	1,859,400
Federal	2,283,500	2,279,600	2,279,600	0	2,279,600
Other	7,251,400	7,269,600	7,291,300	0	7,291,300

Standard: Increase the percentage of landfill/solid waste facilities in significant operational compliance.

Measure: Percent of landfill/solid waste facilities in significant operational compliance.

	97%	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.

	23%	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	3,621,600	3,606,600	3,606,600	0	3,606,600
Operational	3,170,100	3,162,500	3,172,200	0	3,172,200
Total	\$6,791,700	\$6,769,100	\$6,778,800	\$0	\$6,778,800
State	0	0	0	0	0
Federal	6,791,700	6,769,100	6,778,800	0	6,778,800
Other	0	0	0	0	0

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	500,000	500,000	500,000	0	500,000
Total	\$500,000	\$500,000	\$500,000	\$0	\$500,000
State	500,000	500,000	500,000	0	500,000
Federal	0	0	0	0	0
Other	0	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.

	3	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	60	60	60	0	60
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	60	60	60	0	60
Payroll	4,219,300	4,168,300	4,168,300	0	4,168,300
Operational	7,568,400	7,565,500	7,575,500	0	7,575,500
Total	\$11,787,700	\$11,733,800	\$11,743,800	\$0	\$11,743,800
State	1,000,000	1,000,000	1,000,000	0	1,000,000
Federal	1,990,700	1,989,900	1,989,900	0	1,989,900
Other	8,797,000	8,743,900	8,753,900	0	8,753,900

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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 inactive hazardous substance sites with progress during the fiscal year toward investigation and/or cleanup.

	49%	60%	50%	0	50%
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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	77	77	77	0	77
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	77	77	77	0	77
Payroll	5,363,800	5,203,900	5,203,900	0	5,203,900
Operational	1,834,400	2,844,000	1,848,700	1,011,900	2,860,600
Total	\$7,198,200	\$8,047,900	\$7,052,600	\$1,011,900	\$8,064,500
State	1,091,500	949,900	955,900	0	955,900
Federal	2,376,500	3,386,500	2,374,600	1,011,900	3,386,500
Other	3,730,200	3,711,500	3,722,100	0	3,722,100

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.

	96%	96%	96%	0	96%
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Standard: Conduct a regular inspection program to ensure that Tennessee's public water supplies comply with state and federal drinking health standards; monitoring, reporting, and operational requirements, as well as construction standards to protect the public.

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	120	102	102	0	102
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	120	102	102	0	102

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
Payroll	8,231,400	6,800,400	6,800,400	0	6,800,400
Operational	1,903,600	1,944,300	1,322,200	0	1,322,200
Total	\$10,135,000	\$8,744,700	\$8,122,600	\$0	\$8,122,600
State	4,538,700	2,549,900	2,351,800	0	2,351,800
Federal	0	0	0	0	0
Other	5,596,300	6,194,800	5,770,800	0	5,770,800

Standard: Issue construction permits for subsurface sewage disposal systems where suitable soil conditions exist.

Measure: Number of subsurface sewage disposal system permits issued.

	8,828	9,000	9,000	0	9,000
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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	81	81	81	0	81
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	89	89	89	0	89
Payroll	5,335,500	5,248,400	5,248,400	0	5,248,400
Operational	19,199,900	21,239,500	16,212,800	0	16,212,800
Total	\$24,535,400	\$26,487,900	\$21,461,200	\$0	\$21,461,200
State	22,457,800	19,368,600	19,383,900	0	19,383,900
Federal	2,077,600	7,119,300	2,077,300	0	2,077,300
Other	0	0	0	0	0

Standard: Inspect all active underground storage tanks facilities every three years.

Measure: Percent of active, registered underground storage tank facilities inspected annually.

	51%	36%	36%	0	36%
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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	16	18	18	0	18
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	16	18	18	0	18
Payroll	1,226,100	1,307,500	1,307,500	0	1,307,500
Operational	8,250,800	5,666,200	5,669,400	0	5,669,400
Total	\$9,476,900	\$6,973,700	\$6,976,900	\$0	\$6,976,900

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
State	9,476,900	6,973,700	6,976,900	0	6,976,900
Federal	0	0	0	0	0
Other	0	0	0	0	0

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	45,594,900	48,031,700	48,148,300	0	48,148,300
Total	\$45,594,900	\$48,031,700	\$48,148,300	\$0	\$48,148,300
State	45,594,900	48,031,700	48,148,300	0	48,148,300
Federal	0	0	0	0	0
Other	0	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	9	9	9	0	9
Part-Time	4	4	4	0	4
Seasonal	0	0	0	0	0
Total	13	13	13	0	13
Payroll	579,500	549,700	549,700	0	549,700
Operational	408,500	612,000	411,500	202,400	613,900
Total	\$988,000	\$1,161,700	\$961,200	\$202,400	\$1,163,600
State	583,300	0	0	0	0
Federal	233,600	435,700	233,300	202,400	435,700
Other	171,100	726,000	727,900	0	727,900

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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 system operators.

	220	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.

	7,700	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	22	20	20	0	20
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	22	20	20	0	20
Payroll	1,389,400	1,308,500	1,308,500	0	1,308,500
Operational	177,400	117,200	121,200	0	121,200
Total	\$1,566,800	\$1,425,700	\$1,429,700	\$0	\$1,429,700
State	856,000	716,000	512,000	0	512,000
Federal	247,400	247,000	272,000	0	272,000
Other	463,400	462,700	645,700	0	645,700

Standard: Provide businesses, government, schools, and organizations training, assistance, and/or recognition to proactively assist with the prevention and reduction of adverse environmental impacts.

Measure: Number of businesses, government agencies, and schools assisted.

	1,694	3,750	3,750	0	3,750
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
327.00 Total Environment and Conservation					
Full-Time	2,472	2,430	2,405	0	2,405
Part-Time	293	289	281	0	281
Seasonal	339	339	322	0	322
Total	3,104	3,058	3,008	0	3,008
Payroll	144,939,300	140,053,000	139,163,600	0	139,163,600
Operational	249,789,300	270,066,800	196,686,900	34,829,100	231,516,000
Total	\$394,728,600	\$410,119,800	\$335,850,500	\$34,829,100	\$370,679,600
State	176,053,800	160,951,900	159,289,000	7,231,200	166,520,200
Federal	74,741,600	131,218,900	71,686,300	27,597,900	99,284,200
Other	143,933,200	117,949,000	104,875,200	0	104,875,200

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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	638	638	638	0	638
Part-Time	10	10	10	0	10
Seasonal	0	0	0	0	0
Total	648	648	648	0	648
Payroll	38,812,400	38,877,100	38,851,200	0	38,851,200
Operational	34,268,000	29,353,900	20,361,600	0	20,361,600
Total	\$73,080,400	\$68,231,000	\$59,212,800	\$0	\$59,212,800
State	35,517,300	32,077,900	31,880,400	0	31,880,400
Federal	17,587,400	20,050,200	17,654,100	0	17,654,100
Other	19,975,700	16,102,900	9,678,300	0	9,678,300

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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Standard: Provide recreational opportunities for the sportsmen in Tennessee.

Measure: Annual harvest of white-tailed deer by hunters.

	163,856	168,000	170,000	0	170,000
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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	5,100,400	4,956,000	4,943,000	0	4,943,000
Operational	9,946,600	6,286,400	4,464,100	0	4,464,100
Total	\$15,047,000	\$11,242,400	\$9,407,100	\$0	\$9,407,100
State	5,446,900	5,769,400	6,090,200	0	6,090,200
Federal	5,787,200	5,226,600	3,114,200	0	3,114,200
Other	3,812,900	246,400	202,700	0	202,700

Standard: Reduce the number of boating fatalities by enforcing boating safety laws.

Measure: Number of boating fatalities per 100,000 boats.

	7.4	4.5	4.5	0	4.5
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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	5,740,000	5,740,000	5,670,000	906,300	6,576,300
Total	\$5,740,000	\$5,740,000	\$5,670,000	\$906,300	\$6,576,300
State	5,600,000	5,600,000	5,600,000	906,300	6,506,300
Federal	0	0	0	0	0
Other	140,000	140,000	70,000	0	70,000

Standard: Preserve and expand wetlands in Tennessee.

Measure: Total acres protected for public use and benefit through the Wetlands Acquisition Fund.

	206,594	207,000	207,000	0	207,000
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	400,000	400,000	400,000	0	400,000
Total	\$400,000	\$400,000	\$400,000	\$0	\$400,000
State	400,000	400,000	400,000	0	400,000
Federal	0	0	0	0	0
Other	0	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	671	671	671	0	671
Part-Time	69	69	69	0	69
Seasonal	0	0	0	0	0
Total	740	740	740	0	740
Payroll	43,912,800	43,833,100	43,794,200	0	43,794,200
Operational	50,354,600	41,780,300	30,895,700	906,300	31,802,000
Total	\$94,267,400	\$85,613,400	\$74,689,900	\$906,300	\$75,596,200
State	46,964,200	43,847,300	43,970,600	906,300	44,876,900
Federal	23,374,600	25,276,800	20,768,300	0	20,768,300
Other	23,928,600	16,489,300	9,951,000	0	9,951,000

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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	89	103	102	0	102
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	89	103	102	0	102
Payroll	5,863,300	6,824,200	6,824,200	0	6,824,200
Operational	942,500	877,200	859,800	0	859,800
Total	\$6,805,800	\$7,701,400	\$7,684,000	\$0	\$7,684,000
State	3,600	0	0	0	0
Federal	0	0	0	0	0
Other	6,802,200	7,701,400	7,684,000	0	7,684,000

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.

90%	90%	90%	0	90%
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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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	129	120	121	0	121
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	129	120	121	0	121
Payroll	8,283,000	7,444,400	7,444,400	0	7,444,400
Operational	5,110,800	5,887,800	5,684,900	0	5,684,900
Total	\$13,393,800	\$13,332,200	\$13,129,300	\$0	\$13,129,300
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	13,393,800	13,332,200	13,129,300	0	13,129,300

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	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	1,338,600	1,268,500	1,268,500	0	1,268,500
Operational	680,300	675,700	677,000	0	677,000
Total	\$2,018,900	\$1,944,200	\$1,945,500	\$0	\$1,945,500
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	2,018,900	1,944,200	1,945,500	0	1,945,500

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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Standard: Examine applications for broker-dealer, agent, and investment adviser 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.

	95%	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	14	13	4	17
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	10	14	13	4	17
Payroll	599,100	777,400	743,100	186,900	930,000
Operational	289,300	390,500	327,600	73,800	401,400
Total	\$888,400	\$1,167,900	\$1,070,700	\$260,700	\$1,331,400
State	867,200	1,085,900	988,700	260,700	1,249,400
Federal	0	0	0	0	0
Other	21,200	82,000	82,000	0	82,000

Standard: Provide a response to questions, inquiries, and telephone calls from consumers made through the Consumer Affairs' email address within three working days.

Measure: Percent of questions, inquiries, and telephone calls in which a response was given within three days.

	75%	90%	100%	0	100%
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Standard: Provide a reply to the consumer from the business in reference to a complaint filed by the consumer within seven days of receipt.

Measure: Percent of responses sent to consumers within seven days of receipt.

	70%	85%	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

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
Payroll	0	0	0	0	0
Operational	292,100	292,100	292,100	0	292,100
Total	\$292,100	\$292,100	\$292,100	\$0	\$292,100
State	292,100	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.

	1	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	81,400	81,400	81,400	0	81,400
Total	\$81,400	\$81,400	\$81,400	\$0	\$81,400
State	81,400	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	360,000	360,000	360,000	0	360,000
Total	\$360,000	\$360,000	\$360,000	\$0	\$360,000
State	360,000	360,000	360,000	0	360,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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Standard: Reduce the Burial Services reserve deficit.

Measure: Percent the reserve deficit is reduced.

6.12%	6.00%	5.00%	0	5.00%
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335.20 Pre-Need Funeral Consumer Protection Fund

The Pre-Need Funeral Consumer Protection Fund was established in 2007 by the General Assembly to register pre-need funeral retailers and to provide consumer protection for any receivership action taken against a pre-need funeral seller.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	0	100,000	100,000	0	100,000
Total	\$0	\$100,000	\$100,000	\$0	\$100,000
State	0	100,000	100,000	0	100,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

335.04 TennCare Oversight

The TennCare Oversight division provides financial and systems oversight of the managed care organizations (MCOs) participating in the TennCare program, which is the state's Medicaid-waiver health-care program. The division 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	1,676,400	1,667,900	1,667,900	0	1,667,900
Operational	1,166,600	1,164,400	909,900	0	909,900
Total	\$2,843,000	\$2,832,300	\$2,577,800	\$0	\$2,577,800
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	2,843,000	2,832,300	2,577,800	0	2,577,800

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.

93%	90%	90%	0	90%
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<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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Standard: Perform quarterly tests of compliance with the statutory claims processing timeliness standards for all TennCare HMOs, PLHMOs, 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, PLHMOs, 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; automotive manufacturers, dealers, and salesmen; geologists; auctioneers; architects and landscape architects; and employee leasing.

Full-Time	187	182	182	0	182
Part-Time	115	115	115	0	115
Seasonal	0	0	0	0	0
Total	302	297	297	0	297
Payroll	9,946,100	9,367,500	9,367,500	0	9,367,500
Operational	8,943,200	9,246,000	9,242,800	0	9,242,800
Total	\$18,889,300	\$18,613,500	\$18,610,300	\$0	\$18,610,300
State	18,430,900	18,155,100	18,151,900	0	18,151,900
Federal	0	0	0	0	0
Other	458,400	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.

100%	95%	95%	0	95%
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Standard: Resolve consumer complaints or refer them for legal action within 180 days of receipt.

Measure: The percent of complaints resolved or referred for legal action within 180 days.

39.6%	70.0%	70.0%	0	70.0%
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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335.21 Tennessee Athletic Commission

The Tennessee Athletic Commission, created in 2008, licenses and regulates professional boxing and mixed martial arts participants and events in the state. Administratively attached to the Department of Commerce and Insurance, the commission is funded by dedicated licensing fees, gross receipts taxes, contest permits, and penalty fines. The commission's board is comprised of nine members appointed by the Governor, the Speaker of the Senate, and the Speaker of the House.

Full-Time	2	1	1	0	1
Part-Time	9	49	49	0	49
Seasonal	0	0	0	0	0
Total	11	50	50	0	50
Payroll	127,100	140,100	144,300	0	144,300
Operational	199,600	190,700	195,300	0	195,300
Total	\$326,700	\$330,800	\$339,600	\$0	\$339,600
State	326,700	330,800	339,600	0	339,600
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Issue licenses and event permits to applicants upon submission of completed, approved application.

Measure: Number of licenses and event permits issued upon receipt of completed, approved application.

409 licenses, 12 event permits	500 licenses, 20 event permits	500 licenses, 25 event permits	0	500 licenses, 25 event permits
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Standard: Regulate permitted events in accordance with the applicable rules and regulations.

Measure: Number of permitted events regulated.

10	20	25	0	25
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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	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	849,600	846,900	846,900	0	846,900
Operational	51,229,000	56,231,100	56,232,100	27,978,300	84,210,400
Total	\$52,078,600	\$57,078,000	\$57,079,000	\$27,978,300	\$85,057,300

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
State	49,220,000	51,267,500	51,268,500	5,902,900	57,171,400
Federal	0	0	0	1,499,600	1,499,600
Other	2,858,600	5,810,500	5,810,500	20,575,800	26,386,300

Standard: Ensure reasonable financial support necessary for ECD financial health.

Measure: Number of ECDs deemed financially distressed pursuant to TCA 7-86-304(d).

2	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.

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.

100	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.

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	156	160	160	0	160
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	156	160	160	0	160
Payroll	8,548,500	8,496,500	8,496,500	0	8,496,500
Operational	11,448,300	12,129,200	11,879,600	0	11,879,600
Total	\$19,996,800	\$20,625,700	\$20,376,100	\$0	\$20,376,100
State	85,900	0	0	0	0
Federal	210,000	210,000	210,000	0	210,000
Other	19,700,900	20,415,700	20,166,100	0	20,166,100

Standard: Improve time for processing of renewals of licenses and permits.

Measure: Percent of license applications reviewed and responded to within 15 days of receipt.

95% (Estimate)	85%	90%	0	90%
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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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.

	78% (Estimate)	80%	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	32	27	26	0	26
Part-Time	100	100	100	0	100
Seasonal	0	0	0	0	0
Total	132	127	126	0	126
Payroll	2,546,200	2,190,700	2,123,000	0	2,123,000
Operational	1,911,600	1,812,200	1,772,600	0	1,772,600
Total	\$4,457,800	\$4,002,900	\$3,895,600	\$0	\$3,895,600
State	3,582,900	3,165,700	2,977,500	0	2,977,500
Federal	25,000	25,000	25,000	0	25,000
Other	849,900	812,200	893,100	0	893,100

Standard: Provide training to fire service and other emergency first responders.

Measure: Percent of basic recruit trainees certified following completion of basic training course.

	99%	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	167,900	166,900	166,900	0	166,900
Operational	3,796,900	3,883,200	3,815,400	179,800	3,995,200
Total	\$3,964,800	\$4,050,100	\$3,982,300	\$179,800	\$4,162,100
State	3,964,800	4,050,100	3,982,300	179,800	4,162,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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Standard: Increase the number of written certification examinations administered to Tennessee firefighters each year.

Measure: The number of written certification examinations administered.

	3,218	2,400	2,450	0	2,450
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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	2	2	0	2
Seasonal	0	0	0	0	0
Total	27	28	27	0	27
Payroll	1,747,900	1,892,000	1,680,300	0	1,680,300
Operational	2,314,700	2,205,200	2,333,500	0	2,333,500
Total	\$4,062,600	\$4,097,200	\$4,013,800	\$0	\$4,013,800
State	2,901,200	2,668,000	2,372,400	0	2,372,400
Federal	0	0	0	0	0
Other	1,161,400	1,429,200	1,641,400	0	1,641,400

Standard: Provide effective training of new law enforcement recruits hired by agencies served by the Tennessee Law Enforcement Training Academy.

Measure: Average number of points gained by class on pre- and post-tests, using the Peace Officers Training (POST) certified Basic Police School knowledge test.

	31.6	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.

	53	40	40	0	40
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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	6	6	0	6
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	8	6	6	0	6

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
Payroll	365,000	298,100	323,000	0	323,000
Operational	7,820,500	7,948,300	7,664,000	490,800	8,154,800
Total	\$8,185,500	\$8,246,400	\$7,987,000	\$490,800	\$8,477,800
State	8,185,500	8,244,900	7,985,500	490,800	8,476,300
Federal	0	0	0	0	0
Other	0	1,500	1,500	0	1,500

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 POST Commission request for an investigation/field audit within 60 days.

100%	90%	90%	0	90%
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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.

12,476	12,850	13,235	0	13,235
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335.00 Total Commerce and Insurance

Full-Time	693	693	690	4	694
Part-Time	234	275	275	0	275
Seasonal	0	0	0	0	0
Total	927	968	965	4	969
Payroll	42,058,700	41,381,100	41,096,500	186,900	41,283,400
Operational	96,586,800	103,475,000	102,428,000	28,722,700	131,150,700
Total	\$138,645,500	\$144,856,100	\$143,524,500	\$28,909,600	\$172,434,100
State	88,302,200	89,801,500	88,899,900	6,834,200	95,734,100
Federal	235,000	235,000	235,000	1,499,600	1,734,600
Other	50,108,300	54,819,600	54,389,600	20,575,800	74,965,400

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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
336.00 Financial Institutions					
Full-Time	166	173	173	0	173
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	166	173	173	0	173
Payroll	12,288,600	12,605,600	12,605,600	0	12,605,600
Operational	3,958,500	4,073,500	4,074,500	0	4,074,500
Total	\$16,247,100	\$16,679,100	\$16,680,100	\$0	\$16,680,100
State	8,295,800	8,557,200	8,561,800	0	8,561,800
Federal	0	0	0	0	0
Other	7,951,300	8,121,900	8,118,300	0	8,118,300

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.

149	172	172	0	172
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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.

4,412/5,281 (84%)	3,640/4,719 (77%)	4,423/5,820 (76%)	0	4,423/5,820 (76%)
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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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	103	99	99	0	99
Part-Time	3	3	3	0	3
Seasonal	0	0	0	0	0
Total	106	102	102	0	102
Payroll	7,310,400	6,694,600	6,549,000	0	6,549,000
Operational	2,596,300	2,443,700	2,514,100	0	2,514,100
Total	\$9,906,700	\$9,138,300	\$9,063,100	\$0	\$9,063,100
State	3,200,800	2,759,400	2,680,200	0	2,680,200
Federal	6,671,900	6,344,900	6,348,900	0	6,348,900
Other	34,000	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.

4.1%	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	95	94	0	94
Part-Time	3	3	3	0	3
Seasonal	0	0	0	0	0
Total	105	98	97	0	97

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
Payroll	7,399,600	7,070,400	6,981,900	0	6,981,900
Operational	1,954,600	1,919,200	1,972,500	0	1,972,500
Total	\$9,354,200	\$8,989,600	\$8,954,400	\$0	\$8,954,400
State	5,048,800	4,868,800	4,830,900	0	4,830,900
Federal	4,270,800	4,086,200	4,088,900	0	4,088,900
Other	34,600	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.

	11,953	6,500	6,500	0	6,500
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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.

	12,317	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	6	6	6	0	6
Part-Time	18	18	18	0	18
Seasonal	0	0	0	0	0
Total	24	24	24	0	24
Payroll	422,900	393,300	393,300	0	393,300
Operational	223,300	213,900	214,700	0	214,700
Total	\$646,200	\$607,200	\$608,000	\$0	\$608,000
State	391,300	367,600	368,400	0	368,400
Federal	137,900	122,600	122,600	0	122,600
Other	117,000	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.

	2,437	2,675	2,500	0	2,500
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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	54	56	56	0	56
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	54	56	56	0	56
Payroll	3,199,800	3,350,200	3,350,200	0	3,350,200
Operational	989,400	1,007,600	1,009,800	0	1,009,800
Total	\$4,189,200	\$4,357,800	\$4,360,000	\$0	\$4,360,000

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
State	42,100	4,261,800	4,261,800	0	4,261,800
Federal	0	0	0	0	0
Other	4,147,100	96,000	98,200	0	98,200

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.

	530	200	200	0	200
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Standard: Maintain a minimum of 30 hours of deputy training annually to ensure the latest state and/or national safety/operational techniques are maintained.

Measure: Number of hours trained.

	46	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	173	166	165	1	166
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	173	166	165	1	166
Payroll	11,294,000	10,703,300	10,650,900	98,800	10,749,700
Operational	2,795,100	2,509,300	2,375,100	97,700	2,472,800
Total	\$14,089,100	\$13,212,600	\$13,026,000	\$196,500	\$13,222,500
State	14,057,100	13,180,600	12,994,000	196,500	13,190,500
Federal	0	0	0	0	0
Other	32,000	32,000	32,000	0	32,000

Standard: Maintain the percentage of cases settled.

Measure: Number/percent of cases settled.

	3,457 (67%)	3,000 (67%)	3,000 (67%)	0	3,000 (67%)
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Standard: Improve compliance of the Tennessee Workers' Compensation Act by collecting Uninsured Employer Fund (UEF) penalties.

Measure: Total amount of UEF penalties collected.

	\$1,043,847	\$1,622,400	\$1,300,000	0	\$1,300,000
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	15,371,200	13,693,000	11,871,400	0	11,871,400
Total	\$15,371,200	\$13,693,000	\$11,871,400	\$0	\$11,871,400
State	15,096,200	13,418,000	11,596,400	0	11,596,400
Federal	0	0	0	0	0
Other	275,000	275,000	275,000	0	275,000

Standard: Pay awards from the Second Injury Fund.

Measure: Awards paid from Second Injury Fund.

\$7,303,996	\$11,900,000	\$10,038,000	0	\$10,038,000
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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	22	22	0	22
Part-Time	5	5	5	0	5
Seasonal	0	0	0	0	0
Total	28	27	27	0	27
Payroll	1,165,800	1,088,300	1,045,600	0	1,045,600
Operational	284,300	319,300	362,900	0	362,900
Total	\$1,450,100	\$1,407,600	\$1,408,500	\$0	\$1,408,500
State	1,236,100	1,194,800	1,195,600	0	1,195,600
Federal	203,000	201,800	201,900	0	201,900
Other	11,000	11,000	11,000	0	11,000

Standard: Conduct at least 50 lectures per year to promote child labor safety education and awareness.

Measure: Number of lectures delivered.

120	50	50	0	50
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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Standard: Maintain the number of violations as a result of increased lecture outreach programs at or below 20%.

Measure: Percent of child labor inspections found with violations.

	20%	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	40	0	40
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	37	37	40	0	40
Payroll	3,373,200	3,363,400	3,577,200	0	3,577,200
Operational	77,657,200	113,578,100	65,167,400	4,304,100	69,471,500
Total	\$81,030,400	\$116,941,500	\$68,744,600	\$4,304,100	\$73,048,700
State	0	0	0	0	0
Federal	80,952,400	116,863,500	68,666,600	4,304,100	72,970,700
Other	78,000	78,000	78,000	0	78,000

Standard: WIA Adult Entered Employment Rate.

Measure: WIA Adult Entered Employment Rate.

	87%	83%	83%	0	83%
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Standard: WIA Adult Retention Rate.

Measure: WIA Adult Retention Rate.

	87%	84%	84%	0	84%
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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

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
Payroll	904,900	900,000	892,800	0	892,800
Operational	17,436,600	14,534,800	14,542,800	0	14,542,800
Total	\$18,341,500	\$15,434,800	\$15,435,600	\$0	\$15,435,600
State	5,239,300	3,737,800	3,738,000	0	3,738,000
Federal	13,100,800	11,697,000	11,697,600	0	11,697,600
Other	1,400	0	0	0	0

Standard: Raise the number of General Educational Development (GED) diplomas issued.

Measure: Number of GED diplomas issued.

	10,861	13,310	13,310	0	13,310
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Standard: Raise the percentage of students completing a level of education in the Adult Education program.

Measure: Percent of students completing a level of education.

	52%	52%	53%	0	53%
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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	1,046	1,060	1,060	0	1,060
Part-Time	352	338	338	0	338
Seasonal	0	0	0	0	0
Total	1,398	1,398	1,398	0	1,398
Payroll	63,075,600	61,225,600	60,417,700	0	60,417,700
Operational	22,157,100	38,934,700	22,038,700	0	22,038,700
Total	\$85,232,700	\$100,160,300	\$82,456,400	\$0	\$82,456,400
State	0	0	0	0	0
Federal	54,118,200	68,803,800	51,341,900	0	51,341,900
Other	31,114,500	31,356,500	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.

	91.39%	94.00%	94.00%	0	94.00%
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<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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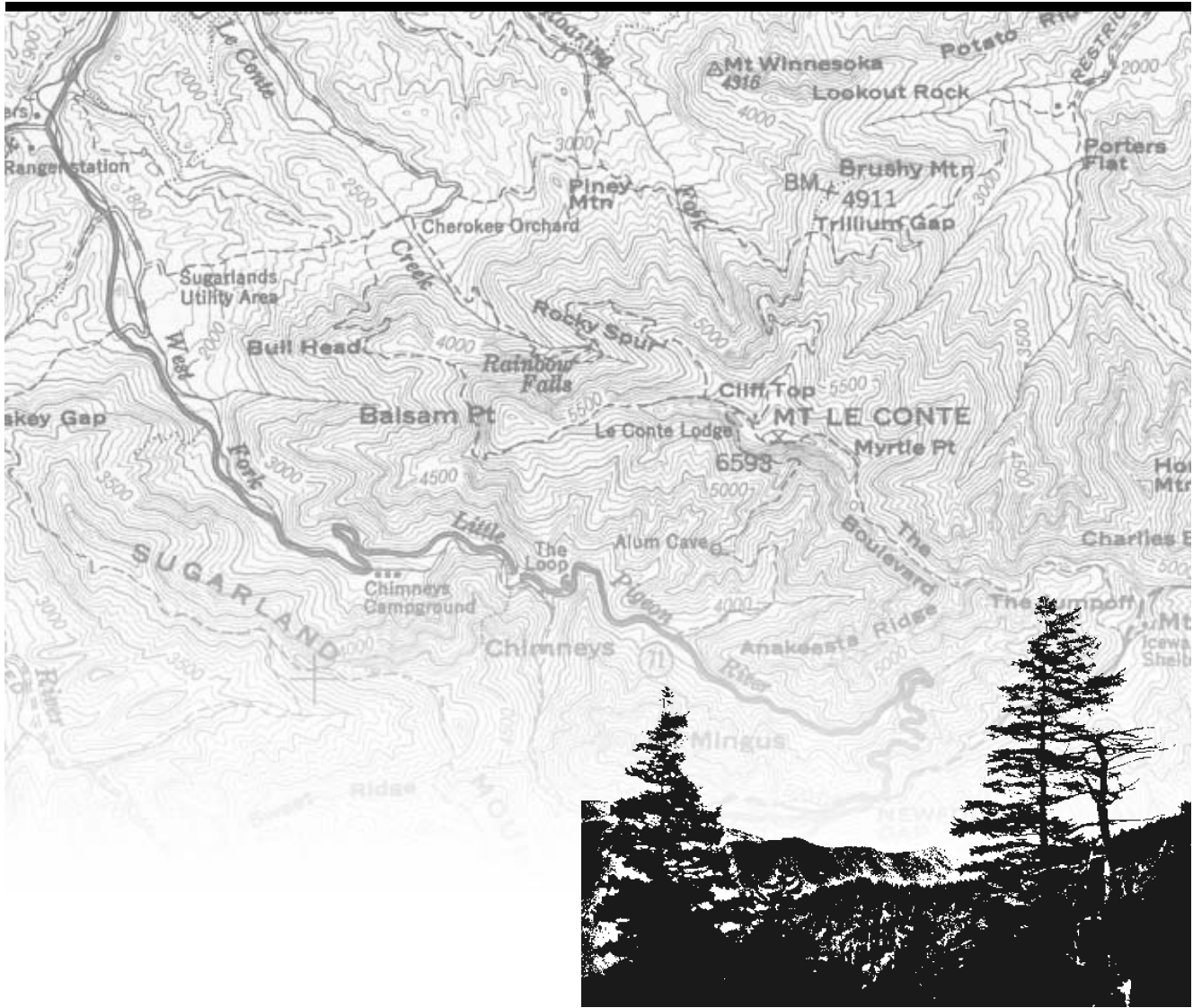
Standard: Exceed the negotiated standard for Wagner-Peyser Entered Employment Rate.

Measure: Entered employment rate for Job Service participants.

65%	68%	68%	0	68%
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337.00 Total Labor and Workforce Development

Full-Time	1,556	1,553	1,554	1	1,555
Part-Time	381	367	367	0	367
Seasonal	0	0	0	0	0
Total	1,937	1,920	1,921	1	1,922
Payroll	98,146,200	94,789,100	93,858,600	98,800	93,957,400
Operational	141,465,100	189,153,600	122,069,400	4,401,800	126,471,200
Total	\$239,611,300	\$283,942,700	\$215,928,000	\$4,500,600	\$220,428,600
State	44,311,700	43,788,800	41,665,300	196,500	41,861,800
Federal	159,455,000	208,119,800	142,468,400	4,304,100	146,772,500
Other	35,844,600	32,034,100	31,794,300	0	31,794,300



Transportation, Business and Economic Development

Transportation, Business, and Economic Development



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Transportation, Business, and Economic Development

Recommended Budget, Fiscal Year 2010 – 2011

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 estimated 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

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Recommended 2010-2011</u>
Personnel			
Full Time	6,102	6,097	5,895
Part Time	6	5	5
Seasonal	225	215	215
TOTAL	6,333	6,317	6,115
Expenditures			
Payroll	\$ 343,670,700	\$ 324,574,100	\$ 322,772,200
Operational	2,883,423,800	2,319,788,700	1,916,246,800
TOTAL	\$ 3,227,094,500	\$ 2,644,362,800	\$ 2,239,019,000
Funding			
State	\$ 1,298,363,300	\$ 1,083,587,100	\$ 1,014,742,300
Federal	1,836,260,300	1,469,798,400	1,137,871,800
Other	92,470,900	90,977,300	86,404,900

**Transportation, Business and Economic Development
Recommended Budget for Fiscal Year 2010-2011
By Funding Source**

Department	State	Federal	Other	Total
316.20 Tennessee Housing Development Agency	0	229,988,500	18,406,900	248,395,400
325.00 Agriculture	68,479,500	10,415,700	8,778,900	87,674,100
326.00 Tourist Development	12,392,500	0	7,432,000	19,824,500
330.00 Economic and Community Development	52,270,300	53,049,600	14,023,100	119,343,000
400.00 Transportation	881,600,000	844,418,000	37,764,000	1,763,782,000
Total	\$1,014,742,300	\$1,137,871,800	\$86,404,900	\$2,239,019,000

Transportation, Business and Economic Development Improvements for Fiscal Year 2010-2011

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Tennessee Housing Development Agency					
<ul style="list-style-type: none"> Program Compliance and Legal Assistance To provide funding for three compliance monitors and two additional legal division positions. THDA compliance monitors conduct onsite reviews of low-income housing tax-credit (LIHTC) properties, HOME grant recipients, and project-based contract administration properties for U.S. Department of Housing and Urban Development (HUD) contracts. The onsite reviews consist of monitoring for compliance with laws, rules, and regulations pertaining to LIHTC, HUD contracts, HOME, and THDA grant properties. The two additional legal division positions, an attorney and a paralegal, are needed to meet the increased and ongoing legal demands within THDA. Over recent years, THDA programs have become more complex due to changes in laws, regulations, and program scope. These changes have increased demand for legal services relating to THDA mortgage loan programs, low-income housing tax-credit program, multi-family bond program, the housing trust fund, BUILD program, and most recently, the federal economic recovery programs administered by THDA. 					
316.20 Tennessee Housing Development Agency	\$0	\$0	\$370,300	\$370,300	5
Sub-total	\$0	\$0	\$370,300	\$370,300	5
<ul style="list-style-type: none"> 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 \$19,032,500 for the tax credit assistance program in addition to \$20 million appropriated in the current fiscal year. This grant is helping stalled affordable rental housing developments that rely on low-income housing tax credits. THDA is distributing the funds according to an allocation plan that gives priority to housing projects that are expected to be completed within three years. 					
316.20 Tennessee Housing Development Agency	\$0	\$19,032,500	\$0	\$19,032,500	0
Sub-total	\$0	\$19,032,500	\$0	\$19,032,500	0
<ul style="list-style-type: none"> 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. In addition to \$8,080,400 appropriated in the current fiscal year, THDA will receive a formula grant amount of \$5,387,000 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	\$5,387,000	\$0	\$5,387,000	0
Sub-total	\$0	\$5,387,000	\$0	\$5,387,000	0
Total Tennessee Housing Development Agency	\$0	\$24,419,500	\$370,300	\$24,789,800	5

Transportation, Business and Economic Development Improvements for Fiscal Year 2010-2011

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Agriculture					
• Soil Conservation - Agricultural Resources Conservation Fund					
To provide recurring and full funding to the Agricultural Resources Conservation Fund. This appropriation is from an additional \$10,925,000 allocation of the real estate transfer tax. This, along with the \$6,075,000 base budget allocation, will provide a total allocation from the tax of \$17 million for the four land acquisition and soil conservation programs in fiscal year 2010-2011. The improvement for each program is a pro-rata share of the 8 cents stated in law. The Agricultural Resources Conservation Fund receives a 1.5-cent share of the 8 cents.					
325.08 Agricultural Resources Conservation Fund	\$3,187,500	\$0	\$0	\$3,187,500	0
Sub-total	\$3,187,500	\$0	\$0	\$3,187,500	0
• 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. Improvement funding of \$345,900 represents a portion of the total award of \$1,145,900 for the emergency food assistance program, of which \$800,000 was appropriated in fiscal year 2009-2010. 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	\$345,900	\$0	\$345,900	0
Sub-total	\$0	\$345,900	\$0	\$345,900	0
Total Agriculture	\$3,187,500	\$345,900	\$0	\$3,533,400	0
Tourist Development					
• Administration and Marketing					
To provide non-recurring funds for the continuation of Tennessee's advertising campaign. The campaign will continue to target markets with the highest potential for increasing tourism to the state. These funds also will provide additional marketing support to rural and small communities for various heritage, cultural, and other outdoor recreational activities.					
326.01 Administration and Marketing	\$3,500,000	\$0	\$0	\$3,500,000	0
Sub-total	\$3,500,000	\$0	\$0	\$3,500,000	0
Total Tourist Development	\$3,500,000	\$0	\$0	\$3,500,000	0

Transportation, Business and Economic Development Improvements for Fiscal Year 2010-2011

	State	Federal	Other	Total	Positions
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 \$20 million non-recurring appropriation includes funding necessary for the recruitment of new businesses, including support for workforce training, marketing, and education initiatives. Additional non-recurring funds (\$3.51 million) are provided for the Eastman project and regional job training in the Kingsport area.					
330.06 FastTrack Infrastructure and Job Training Assistance	\$23,510,000	\$0	\$0	\$23,510,000	0
Sub-total	\$23,510,000	\$0	\$0	\$23,510,000	0
• 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. Improvement funding of \$2,863,000 represents a portion of the total award of \$5,963,000 for the energy-efficient appliance rebate program, of which \$3,100,000 was appropriated in fiscal year 2009-2010. The 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	\$2,863,000	\$0	\$2,863,000	0
Sub-total	\$0	\$2,863,000	\$0	\$2,863,000	0
• U.S. Economic Recovery - Energy Assurance Capabilities and Planning					
Non-recurring federal grant funds are provided by U.S. Public Law 111-5, American Recovery and Reinvestment Act. Improvement funding of \$360,100 is second-year funding of a multi-year grant of \$770,200 for the energy assurance capabilities and planning program. The Department of Economic and Community Development has been awarded funding from the U.S. Department of Energy to strengthen state and local government energy assurance planning and resiliency efforts by developing energy emergency preparedness strategies for state energy portfolios. The funding will be used to improve state and local partnership communications during and after energy disruptions, enhance the state's ability to collect and analyze energy-related data, and conduct targeted exercises related to energy assurance strategies.					
330.08 Energy Division	\$0	\$360,100	\$0	\$360,100	0
Sub-total	\$0	\$360,100	\$0	\$360,100	0
• 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. Improvement funding of \$413,000 represents a portion of the total award of \$7,095,600 for the Community Development Block Grant (CDBG) program, of which \$6,682,600 was appropriated in fiscal year 2009-2010. CDBG funding provides grants to city and county governments for water, sewer, housing rehabilitation, community livability, and economic development.					
330.04 Regional Grants Management	\$0	\$413,000	\$0	\$413,000	0
Sub-total	\$0	\$413,000	\$0	\$413,000	0

**Transportation, Business and Economic Development
Improvements for Fiscal Year 2010-2011**

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• National Conference					
To provide non-recurring funds for a national conference in Memphis.					
330.01 Administrative Services	\$300,000	\$0	\$0	\$300,000	0
Sub-total	\$300,000	\$0	\$0	\$300,000	0
Total Economic and Community Development	\$23,810,000	\$3,636,100	\$0	\$27,446,100	0
Total Transportation, Business and Economic Development	\$30,497,500	\$28,401,500	\$370,300	\$59,269,300	5

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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
316.20 Tennessee Housing Development Agency					
Full-Time	207	210	210	5	215
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	207	210	210	5	215
Payroll	13,821,200	13,933,800	13,933,800	336,800	14,270,600
Operational	259,149,500	443,049,700	209,671,800	24,453,000	234,124,800
Total	\$272,970,700	\$456,983,500	\$223,605,600	\$24,789,800	\$248,395,400
State	350,000	0	0	0	0
Federal	254,810,700	439,147,300	205,569,000	24,419,500	229,988,500
Other	17,810,000	17,836,200	18,036,600	370,300	18,406,900

Standard: Obligate 100% of HOME funds received from Housing and Urban Development (HUD).
(This action is also a performance measure of HUD. Failure to 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 each year is based on the mortgage market, of which THDA is a part.

Measure: Number of below-market rate mortgage loans originated for first-time homebuyers.

4,000	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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	73	72	72	0	72
Part-Time	0	0	0	0	0
Seasonal	1	1	1	0	1
Total	74	73	73	0	73
Payroll	5,349,100	5,058,800	5,058,800	0	5,058,800
Operational	5,439,400	6,226,000	5,196,400	345,900	5,542,300
Total	\$10,788,500	\$11,284,800	\$10,255,200	\$345,900	\$10,601,100
State	5,730,100	5,366,400	5,136,800	0	5,136,800
Federal	4,678,000	5,478,000	4,678,000	345,900	5,023,900
Other	380,400	440,400	440,400	0	440,400

<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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 (BMPs) 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.

66	150	75	0	75
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Standard: Maximize use of commodities allocated from the United States Department of Agriculture (USDA) in the School Nutrition Program.

Measure: Percent of School Nutrition commodity allocation 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	4,238,400	2,500,000	0	3,187,500	3,187,500
Total	\$4,238,400	\$2,500,000	\$0	\$3,187,500	\$3,187,500
State	2,250,000	2,250,000	0	3,187,500	3,187,500
Federal	0	250,000	0	0	0
Other	1,988,400	0	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.

256	300	300	0	300
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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.

1,051	700	700	0	700
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	126,700	126,700	126,700	0	126,700
Total	\$126,700	\$126,700	\$126,700	\$0	\$126,700
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	126,700	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	6,540,000	6,540,000	4,000,000	0	4,000,000
Total	\$6,540,000	\$6,540,000	\$4,000,000	\$0	\$4,000,000
State	6,540,000	6,540,000	4,000,000	0	4,000,000
Federal	0	0	0	0	0
Other	0	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.

100%	100%	100%	0	100%
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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	34	35	35	0	35
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
Total	36	37	37	0	37
Payroll	2,177,500	2,094,000	2,094,000	0	2,094,000
Operational	20,460,700	15,370,400	15,443,600	0	15,443,600
Total	\$22,638,200	\$17,464,400	\$17,537,600	\$0	\$17,537,600
State	22,405,200	17,118,400	17,094,800	0	17,094,800
Federal	98,000	211,000	307,800	0	307,800
Other	135,000	135,000	135,000	0	135,000

Standard: Increase new market opportunities for Tennessee farmers.

Measure: Number of participants approved for agricultural enhancement programs.

3,734	3,000	3,000	0	3,000
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Standard: Increase investments in Tennessee's agri-economy.

Measure: Amount of agri-industry investments facilitated by division's activities.

\$22,150,000	\$22,350,000	\$22,500,000	0	\$22,500,000
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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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
Full-Time	224	220	217	0	217
Part-Time	1	1	1	0	1
Seasonal	3	3	3	0	3
Total	228	224	221	0	221
Payroll	13,299,000	12,798,500	12,635,300	0	12,635,300
Operational	7,169,100	7,035,800	7,024,000	0	7,024,000
Total	\$20,468,100	\$19,834,300	\$19,659,300	\$0	\$19,659,300
State	13,757,900	13,100,200	13,005,800	0	13,005,800
Federal	1,297,400	1,297,400	1,297,400	0	1,297,400
Other	5,412,800	5,436,700	5,356,100	0	5,356,100

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: Complete pesticide complaint investigations on target.

Measure: Percent of pesticide-related consumer complaint investigations completed within the established guideline of 90 days.

60%	90%	85%	0	85%
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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	2,474,400	2,474,400	2,474,400	0	2,474,400
Total	\$2,474,400	\$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	120,000	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.

76.84%	100.00%	100.00%	0	100.00%
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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	322	318	318	0	318
Part-Time	3	2	2	0	2
Seasonal	221	211	211	0	211
Total	546	531	531	0	531
Payroll	18,642,900	17,773,700	17,773,700	0	17,773,700
Operational	12,451,800	12,250,300	12,155,300	0	12,155,300
Total	\$31,094,700	\$30,024,000	\$29,929,000	\$0	\$29,929,000
State	24,632,400	23,461,700	23,541,700	0	23,541,700
Federal	3,786,600	3,886,600	3,786,600	0	3,786,600
Other	2,675,700	2,675,700	2,600,700	0	2,600,700

Standard: Reduce annual losses of forest resources and other assets due to wildfires.

Measure: Average size of fires, in acres.

	11.5	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.

	614	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	158,500	158,500	158,500	0	158,500
Total	\$158,500	\$158,500	\$158,500	\$0	\$158,500
State	158,500	158,500	158,500	0	158,500
Federal	0	0	0	0	0
Other	0	0	0	0	0

<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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Standard: Utilize available funds for needed maintenance.

Measure: Percent of available funding used for facilities and communications maintenance.

99.5%	100.0%	100.0%	0	100.0%
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325.00 Total Agriculture

Full-Time	653	645	642	0	642
Part-Time	6	5	5	0	5
Seasonal	225	215	215	0	215
Total	884	865	862	0	862
Payroll	39,468,500	37,725,000	37,561,800	0	37,561,800
Operational	59,059,000	52,682,100	46,578,900	3,533,400	50,112,300
Total	\$98,527,500	\$90,407,100	\$84,140,700	\$3,533,400	\$87,674,100
State	77,828,500	70,349,600	65,292,000	3,187,500	68,479,500
Federal	9,860,000	11,123,000	10,069,800	345,900	10,415,700
Other	10,839,000	8,934,500	8,778,900	0	8,778,900

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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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326.01 Administration and Marketing

The Administration and Marketing Division is responsible for planning, managing, and implementing marketing programs that increase the economic impact of tourism on the state's economy. The marketing activities are designed to enhance Tennessee's image as a primary tourist destination. These activities include creating, producing, and placing broadcast and print media campaigns; developing direct sales programs that target group tour companies, travel agents, and international tour operators; promoting Tennessee to the media and national travel press by writing and distributing camera-ready travel articles and sponsoring travel writer press trips to Tennessee locations; developing promotional brochures and travel literature for distribution to customers; collecting travel data and developing marketing research information; developing rural and heritage tourism promotional opportunities by directly working with local communities; and providing cooperative advertising, marketing, and promotional opportunities to businesses in the travel industry. This division also is responsible for the overall administration of the department, including financial, information system, and support services.

Full-Time	28	28	28	0	28
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	28	28	28	0	28
Payroll	2,089,600	2,059,300	2,059,300	0	2,059,300
Operational	10,131,300	10,033,200	6,380,400	3,500,000	9,880,400
Total	\$12,220,900	\$12,092,500	\$8,439,700	\$3,500,000	\$11,939,700
State	11,173,700	11,045,300	7,392,500	3,500,000	10,892,500
Federal	0	0	0	0	0
Other	1,047,200	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.

\$7,237,502,800	\$6,434,628,000	\$6,643,776,000	\$519,365,000	\$7,163,141,000
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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 that stop at the centers each year.

Full-Time	132	132	132	0	132
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	132	132	132	0	132
Payroll	5,007,000	5,178,100	5,178,100	0	5,178,100
Operational	2,669,800	2,694,200	2,706,700	0	2,706,700
Total	\$7,676,800	\$7,872,300	\$7,884,800	\$0	\$7,884,800
State	1,500,000	1,500,000	1,500,000	0	1,500,000
Federal	0	0	0	0	0
Other	6,176,800	6,372,300	6,384,800	0	6,384,800

Standard: Encourage travelers to extend their stay in Tennessee by providing a free reservation service and increase the annual number of reservations.

Measure: Number of reservations made for travelers.

	10,984	15,300	15,600	0	15,600
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326.00 Total Tourist Development

Full-Time	160	160	160	0	160
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	160	160	160	0	160
Payroll	7,096,600	7,237,400	7,237,400	0	7,237,400
Operational	12,801,100	12,727,400	9,087,100	3,500,000	12,587,100
Total	\$19,897,700	\$19,964,800	\$16,324,500	\$3,500,000	\$19,824,500
State	12,673,700	12,545,300	8,892,500	3,500,000	12,392,500
Federal	0	0	0	0	0
Other	7,224,000	7,419,500	7,432,000	0	7,432,000

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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	60	0	60
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	60	60	60	0	60
Payroll	4,415,800	4,407,900	4,391,200	0	4,391,200
Operational	2,318,000	1,750,100	1,679,000	300,000	1,979,000
Total	\$6,733,800	\$6,158,000	\$6,070,200	\$300,000	\$6,370,200
State	6,190,500	5,414,700	5,326,900	300,000	5,626,900
Federal	135,500	135,500	135,500	0	135,500
Other	407,800	607,800	607,800	0	607,800

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.

97%	97%	97%	0	97%
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<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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.

100%	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	35	0	35
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	37	37	35	0	35
Payroll	2,621,600	2,613,300	2,508,800	0	2,508,800
Operational	105,820,600	1,843,500	1,708,100	0	1,708,100
Total	\$108,442,200	\$4,456,800	\$4,216,900	\$0	\$4,216,900
State	108,351,700	4,366,300	4,126,400	0	4,126,400
Federal	0	0	0	0	0
Other	90,500	90,500	90,500	0	90,500

Standard: Attract and recruit new 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.

15,883	13,000	11,700	0	11,700
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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.

\$4,972,046,499	\$1,700,000,000	\$1,600,000,000	0	\$1,600,000,000
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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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
Payroll	0	0	0	0	0
Operational	1,927,500	8,769,800	15,459,100	0	15,459,100
Total	\$1,927,500	\$8,769,800	\$15,459,100	\$0	\$15,459,100
State	302,500	257,900	257,900	0	257,900
Federal	125,000	7,011,900	13,701,200	0	13,701,200
Other	1,500,000	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.

10	10	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	0	0	0	0	0
Operational	9,285,200	9,285,200	9,285,200	0	9,285,200
Total	\$9,285,200	\$9,285,200	\$9,285,200	\$0	\$9,285,200
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	9,285,200	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.

1,513	500	600	0	600
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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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	24	24	0	24
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	26	24	24	0	24
Payroll	1,693,400	1,564,100	1,574,200	0	1,574,200
Operational	27,570,400	33,686,700	27,348,300	413,000	27,761,300
Total	\$29,263,800	\$35,250,800	\$28,922,500	\$413,000	\$29,335,500
State	1,165,800	1,127,400	974,900	0	974,900
Federal	27,721,900	33,735,700	27,559,900	413,000	27,972,900
Other	376,100	387,700	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.

72%	60%	62%	0	62%
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Standard: Within the CDBG program, target areas of economic distress.

Measure: Percent of CDBG projects awarded in distressed areas.

42%	35%	40%	0	40%
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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	1,500,100	1,500,100	1,500,100	0	1,500,100
Total	\$1,500,100	\$1,500,100	\$1,500,100	\$0	\$1,500,100

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
State	1,500,100	1,500,100	1,500,100	0	1,500,100
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	53,823,900	93,690,600	11,308,500	23,510,000	34,818,500
Total	\$53,823,900	\$93,690,600	\$11,308,500	\$23,510,000	\$34,818,500
State	53,495,000	93,350,100	10,968,000	23,510,000	34,478,000
Federal	0	0	0	0	0
Other	328,900	340,500	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.

	17,046	12,000	10,200	2,000	12,200
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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.

	\$955,977,798	\$1,200,000,000	\$1,020,000,000	\$200,000,000	\$1,220,000,000
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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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
Payroll	0	0	0	0	0
Operational	48,600	48,600	48,600	0	48,600
Total	\$48,600	\$48,600	\$48,600	\$0	\$48,600
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	48,600	48,600	48,600	0	48,600

Standard: In order to be eligible to receive the incentive, productions must be in total compliance with the incentive criteria.

Measure: Number of films, movies, television pilots, or shows produced.

	12	16	0	0	0
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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	85	85	83	0	83
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	85	85	83	0	83
Payroll	5,431,900	5,169,500	5,028,300	0	5,028,300
Operational	2,825,700	5,833,300	2,229,900	0	2,229,900
Total	\$8,257,600	\$11,002,800	\$7,258,200	\$0	\$7,258,200
State	6,270,700	9,015,900	5,271,300	0	5,271,300
Federal	224,100	224,100	224,100	0	224,100
Other	1,762,800	1,762,800	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.

	5	10	15	0	15
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Standard: Through the provision of the Main Street Program and related principals, assist cities in development of a plan to revitalize downtown districts.

Measure: Number of certified Main Street communities and those pursuing Main Street principals.

	23	30	40	0	40
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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	9	9	0	9
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	8	9	9	0	9
Payroll	715,800	798,900	798,900	0	798,900
Operational	1,827,100	114,138,800	1,828,700	3,223,100	5,051,800
Total	\$2,542,900	\$114,937,700	\$2,627,600	\$3,223,100	\$5,850,700
State	34,800	34,800	34,800	0	34,800
Federal	2,508,100	114,902,900	2,592,800	3,223,100	5,815,900
Other	0	0	0	0	0

Standard: Promote energy cost and dollar savings.

Measure: Projected energy cost savings as a result of energy loan programs.

\$4,322,078	\$2,000,000	\$2,400,000	0	\$2,400,000
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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.

32,981	40,000	25,000	0	25,000
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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	2,500,000	100,000	100,000	0	100,000
Total	\$2,500,000	\$100,000	\$100,000	\$0	\$100,000
State	0	0	0	0	0
Federal	2,500,000	100,000	100,000	0	100,000
Other	0	0	0	0	0

<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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.

\$2,205,653	\$1,000,000	\$1,200,000	0	\$1,200,000
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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.

9,628	5,567	6,000	0	6,000
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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	5,000,000	100,000	100,000	0	100,000
Total	\$5,000,000	\$100,000	\$100,000	\$0	\$100,000
State	0	0	0	0	0
Federal	5,000,000	100,000	100,000	0	100,000
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.

\$2,116,425	\$1,000,000	\$1,200,000	0	\$1,200,000
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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.

9,628	5,567	6,000	0	6,000
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330.12 Tennessee Energy Loan Program

The Tennessee Energy Loan Program is organized as a revolving loan program to assist for-profit businesses, non-profit organizations, private institutions of higher education, and units of local governments in becoming more energy efficient. Eligible and approved applicants can obtain a low interest loan of up to \$500,000 and repay it over a period of up to seven years. Loans must be for energy efficiency projects or renewable energy measures on existing facilities that are at least one year old or on other energy saving processes and operations located in Tennessee.

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	0	3,000,000	5,000,000	0	5,000,000
Total	\$0	\$3,000,000	\$5,000,000	\$0	\$5,000,000
State	0	0	0	0	0
Federal	0	3,000,000	5,000,000	0	5,000,000
Other	0	0	0	0	0

Standard: Promote energy cost and dollar savings in for-profit businesses, non-profit organizations, private institutions of higher education, and units of local governments in Tennessee.

Measure: Projected energy cost savings as a result of active loans.

Not Applicable	\$1,000,000	\$1,000,000	0	\$1,000,000
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Standard: Through the provision of energy audit technical assistance to for-profit businesses, non-profit organizations, private institutions of higher education, and units of local governments, promote the efficient and economical use of energy.

Measure: Number of energy audit technical assistance contacts and support provided.

Not Applicable	1,000	1,000	0	1,000
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330.00 Total Economic and Community Development

Full-Time	216	215	211	0	211
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	216	215	211	0	211
Payroll	14,878,500	14,553,700	14,301,400	0	14,301,400
Operational	214,447,100	273,746,700	77,595,500	27,446,100	105,041,600
Total	\$229,325,600	\$288,300,400	\$91,896,900	\$27,446,100	\$119,343,000
State	177,311,100	115,067,200	28,460,300	23,810,000	52,270,300
Federal	38,214,600	159,210,100	49,413,500	3,636,100	53,049,600
Other	13,799,900	14,023,100	14,023,100	0	14,023,100

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>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	159	159	154	0	154
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	159	159	154	0	154
Payroll	10,064,600	9,515,500	10,158,900	0	10,158,900
Operational	9,708,500	10,658,200	9,319,900	0	9,319,900
Reallocated	(3,358,100)	(4,604,700)	(4,820,800)	0	(4,820,800)
Total	\$16,415,000	\$15,569,000	\$14,658,000	\$0	\$14,658,000
State	16,415,000	14,769,000	14,658,000	0	14,658,000
Federal	0	800,000	0	0	0
Other	0	0	0	0	0

Standard: Increase the percent of Tennessee's short line railroad track miles that can carry over 286,000 pounds by 3% a year.

Measure: Percent of short line track miles with a capacity over 286,000 pounds.

36%	41%	41%	0	41%
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Standard: Increase total statewide transit passenger trips by 1.5% annually to reduce urban congestion and increase air quality and accessibility.

Measure: Annual percent increase in total statewide transit passenger trips.

2.4%	2.0%	2.0%	0	2.0%
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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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
Payroll	0	0	0	0	0
Operational	10,000,000	9,000,000	9,000,000	0	9,000,000
Reallocated	0	0	0	0	0
Total	\$10,000,000	\$9,000,000	\$9,000,000	\$0	\$9,000,000
State	10,000,000	9,000,000	9,000,000	0	9,000,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

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	291	292	284	0	284
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	291	292	284	0	284
Payroll	19,051,900	15,887,300	17,563,300	0	17,563,300
Operational	27,619,500	27,490,600	25,268,000	0	25,268,000
Reallocated	(537,400)	(229,900)	(608,300)	0	(608,300)
Total	\$46,134,000	\$43,148,000	\$42,223,000	\$0	\$42,223,000
State	46,134,000	43,148,000	42,223,000	0	42,223,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Increase seatbelt usage in Tennessee by 2% annually.

Measure: Percent of usage of seatbelts in Tennessee.

82%	83%	84%	0	84%
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Bureau of Environment and Planning

The Bureau of Environment and Planning functions include environmental compliance, environmental planning and permitting, transportation planning, mapping and statistics, functional design, highway beautification, public transit, waterways, and rail and railroad safety.

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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405.00 Bureau of Environment and Planning

The Bureau of Environment and Planning is an administrative division that distributes mass transit grants, provides transportation and traffic planning, and monitors environmental impacts of transportation projects. In addition, this division ensures the safety of the state's waterways and railways through routine inspections and controls outdoor advertising and easements.

Full-Time	274	274	256	0	256
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	274	274	256	0	256
Payroll	18,604,200	17,090,900	16,689,600	0	16,689,600
Operational	790,800	846,600	959,700	0	959,700
Reallocated	(9,419,000)	(12,254,500)	(12,395,300)	0	(12,395,300)
Total	\$9,976,000	\$5,683,000	\$5,254,000	\$0	\$5,254,000
State	9,976,000	5,683,000	5,254,000	0	5,254,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: To increase the number of publicly accessible biofuel (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 biofuel (B20 and/or E85) refueling pumps in Tennessee's Biofuel Green Island Corridor System.

59	95	95	0	95
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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.

Measure: Percent of funded research projects that align with the agency strategic emphasis areas.

92%	85%	90%	0	90%
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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	219,953,700	142,119,000	143,094,000	0	143,094,000
Reallocated	25,300	0	0	0	0
Total	\$219,979,000	\$142,119,000	\$143,094,000	\$0	\$143,094,000
State	42,813,000	43,649,000	44,624,000	0	44,624,000
Federal	177,166,000	98,470,000	98,470,000	0	98,470,000
Other	0	0	0	0	0

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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Standard: See 401.00 Headquarters for performance standard.

Measure: See 401.00 Headquarters for performance measure.

	0	0	0	0	0
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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	12,297,400	9,908,000	10,119,200	0	10,119,200
Reallocated	7,202,600	9,592,000	9,380,800	0	9,380,800
Total	\$19,500,000	\$19,500,000	\$19,500,000	\$0	\$19,500,000
State	5,500,000	5,500,000	5,500,000	0	5,500,000
Federal	14,000,000	14,000,000	14,000,000	0	14,000,000
Other	0	0	0	0	0

Standard: See 405.00 Bureau of Environment and Planning for performance standard.

Measure: See 405.00 Bureau of Environment and Planning for performance measure.

	0	0	0	0	0
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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	93,898,200	83,630,900	70,549,100	0	70,549,100
Reallocated	101,800	1,369,100	1,350,900	0	1,350,900
Total	\$94,000,000	\$85,000,000	\$71,900,000	\$0	\$71,900,000
State	53,000,000	64,000,000	55,000,000	0	55,000,000
Federal	33,800,000	13,500,000	13,400,000	0	13,400,000
Other	7,200,000	7,500,000	3,500,000	0	3,500,000

Standard: See 401.00 Headquarters for performance standard.

Measure: See 401.00 Headquarters for performance measure.

	0	0	0	0	0
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Estimated
2008-2009

Estimated
2009-2010

Base
2010-2011

Improvement
2010-2011

Recommended
2010-2011

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	542	542	423	0	423
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	542	542	423	0	423
Payroll	38,523,800	35,368,200	31,098,600	0	31,098,600
Operational	3,308,100	3,362,700	2,882,300	0	2,882,300
Reallocated	(17,691,900)	(18,925,900)	(16,982,900)	0	(16,982,900)
Total	\$24,140,000	\$19,805,000	\$16,998,000	\$0	\$16,998,000
State	24,140,000	19,805,000	16,998,000	0	16,998,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: The sum of the deck area for those bridges on the state system not classified as structurally deficient will be 94% 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.

95%	94%	95%	0	95%
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Standard: Reduce the fatality rate by 2% annually on Tennessee roadways by expanding traffic safety information systems and other engineering efforts.

Measure: Percent of reduction in fatality rate on Tennessee roadways.

12%	2%	2%	0	2%
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	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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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	954	954	904	0	904
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	954	954	904	0	904
Payroll	58,528,500	53,308,100	53,523,400	0	53,523,400
Operational	7,653,800	7,346,000	6,610,400	0	6,610,400
Reallocated	(17,091,300)	(14,606,100)	(16,914,800)	0	(16,914,800)
Total	\$49,091,000	\$46,048,000	\$43,219,000	\$0	\$43,219,000
State	49,091,000	46,048,000	43,219,000	0	43,219,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: International Roughness Index (IRI) rating on interstate pavement will be good or very good on 93% of pavement.

Measure: Percent of interstate mileage with an IRI pavement rating of good or very good.

93%	94%	94%	0	94%
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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 97% of the "HELP" Operator responses. Lanes closed for construction or maintenance activities are not included.

Measure: Percent of highway lane blockage incidents in urban "HELP" service areas cleared within 90 minutes.

97%	98%	98%	0	98%
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418.00 Field Construction

The Field Construction allotment provides the payroll funds for construction units of the highway construction programs. Employees within this division perform various tasks including civil engineering, geological surveying, planning, and construction of highways. The payroll costs are reallocated to various construction programs delivered through the Interstate, Forest Highways, State Highway Construction, and Bridge programs.

Full-Time	797	797	797	0	797
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	797	797	797	0	797
Payroll	44,473,500	42,651,600	42,651,600	0	42,651,600
Operational	0	0	0	0	0
Reallocated	(44,473,500)	(42,651,600)	(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

<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
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Standard: The percent of contracts completed by original contract completion date will be 78%.

Measure: Percent of contracts completed by original contract completion date.

72%	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 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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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	65,016,800	65,050,700	65,050,700	0	65,050,700
Operational	0	0	0	0	0
Reallocated	(65,016,800)	(65,050,700)	(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: TDOT's maintenance rating index related to maintaining roadways will be equal to or greater than 90.

Measure: The condition level for the combination of interstate and state maintained-roads.

90	90	90	0	90
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430.00 Equipment Purchases and Operations

The Equipment Purchases and Operations allotment provides funds for the acquisition of mobile equipment, consumable inventory items, and fixed assets and for maintenance and repair of equipment. In addition, responsibilities of the division's staff range from administrative duties to mechanical and maintenance duties at state garages.

Full-Time	271	271	271	0	271
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	271	271	271	0	271
Payroll	14,142,600	12,251,900	12,664,900	0	12,664,900
Operational	48,966,200	46,900,300	17,113,300	0	17,113,300
Reallocated	(27,302,800)	(32,597,200)	374,800	0	374,800
Total	\$35,806,000	\$26,555,000	\$30,153,000	\$0	\$30,153,000

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
State	35,806,000	26,555,000	30,153,000	0	30,153,000
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.

87%	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	217,777,300	178,257,500	205,156,400	0	205,156,400
Reallocated	100,045,700	104,634,500	86,562,600	0	86,562,600
Total	\$317,823,000	\$282,892,000	\$291,719,000	\$0	\$291,719,000
State	316,723,000	278,792,000	290,619,000	0	290,619,000
Federal	0	3,000,000	0	0	0
Other	1,100,000	1,100,000	1,100,000	0	1,100,000

Standard: See 419.00 Field Maintenance Operations for performance standard.

Measure: See 419.00 Field Maintenance Operations for performance measure.

0	0	0	0	0
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Standard: See 412.00 Field Engineering for performance standard.

Measure: See 412.00 Field Engineering for performance measure.

0	0	0	0	0
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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	9,479,800	9,453,300	9,534,800	0	9,534,800
Reallocated	620,200	646,700	565,200	0	565,200
Total	\$10,100,000	\$10,100,000	\$10,100,000	\$0	\$10,100,000

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
State	10,000,000	10,000,000	10,000,000	0	10,000,000
Federal	0	0	0	0	0
Other	100,000	100,000	100,000	0	100,000

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	40,825,300	39,607,300	39,739,600	0	39,739,600
Reallocated	544,700	428,700	296,400	0	296,400
Total	\$41,370,000	\$40,036,000	\$40,036,000	\$0	\$40,036,000
State	31,622,000	30,622,000	30,622,000	0	30,622,000
Federal	0	0	0	0	0
Other	9,748,000	9,414,000	9,414,000	0	9,414,000

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	22,328,000	22,498,700	20,895,800	0	20,895,800
Reallocated	1,872,000	1,701,300	1,304,200	0	1,304,200
Total	\$24,200,000	\$24,200,000	\$22,200,000	\$0	\$22,200,000
State	24,000,000	24,000,000	22,000,000	0	22,000,000
Federal	0	0	0	0	0
Other	200,000	200,000	200,000	0	200,000

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	142,980,400	145,166,400	146,559,200	0	146,559,200
Reallocated	6,339,600	4,153,600	2,760,800	0	2,760,800
Total	\$149,320,000	\$149,320,000	\$149,320,000	\$0	\$149,320,000

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
State	14,800,000	14,800,000	14,800,000	0	14,800,000
Federal	133,020,000	133,020,000	133,020,000	0	133,020,000
Other	1,500,000	1,500,000	1,500,000	0	1,500,000

Standard: See 403.00 Bureau of Engineering for performance standard.

Measure: 403.00 Bureau of Engineering for performance measure.

0	0	0	0	0
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Standard: See 412.00 Field Engineering for performance standard.

Measure: See 412.00 Field Engineering for performance measure.

0	0	0	0	0
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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	712,100	663,700	727,600	0	727,600
Reallocated	187,900	236,300	172,400	0	172,400
Total	\$900,000	\$900,000	\$900,000	\$0	\$900,000
State	200,000	200,000	200,000	0	200,000
Federal	700,000	700,000	700,000	0	700,000
Other	0	0	0	0	0

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	9,632,800	9,756,400	7,805,300	0	7,805,300
Reallocated	367,200	243,600	194,700	0	194,700
Total	\$10,000,000	\$10,000,000	\$8,000,000	\$0	\$8,000,000
State	5,000,000	5,000,000	4,000,000	0	4,000,000
Federal	0	0	0	0	0
Other	5,000,000	5,000,000	4,000,000	0	4,000,000

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</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	1,396,559,900	663,584,100	651,676,700	0	651,676,700
Reallocated	43,739,100	44,687,900	35,795,300	0	35,795,300
Total	\$1,440,299,000	\$708,272,000	\$687,472,000	\$0	\$687,472,000
State	308,280,000	146,954,000	138,154,000	0	138,154,000
Federal	1,117,069,000	546,368,000	534,368,000	0	534,368,000
Other	14,950,000	14,950,000	14,950,000	0	14,950,000

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	7,062,400	4,197,500	11,676,000	0	11,676,000
Reallocated	137,600	2,500	0	0	0
Total	\$7,200,000	\$4,200,000	\$11,676,000	\$0	\$11,676,000
State	7,200,000	4,200,000	11,676,000	0	11,676,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

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

	<u>Estimated 2008-2009</u>	<u>Estimated 2009-2010</u>	<u>Base 2010-2011</u>	<u>Improvement 2010-2011</u>	<u>Recommended 2010-2011</u>
Payroll	0	0	0	0	0
Operational	56,412,900	123,135,600	125,693,700	0	125,693,700
Reallocated	23,707,100	23,224,400	20,666,300	0	20,666,300
Total	\$80,120,000	\$146,360,000	\$146,360,000	\$0	\$146,360,000
State	19,500,000	92,900,000	92,900,000	0	92,900,000
Federal	57,620,000	50,460,000	50,460,000	0	50,460,000
Other	3,000,000	3,000,000	3,000,000	0	3,000,000

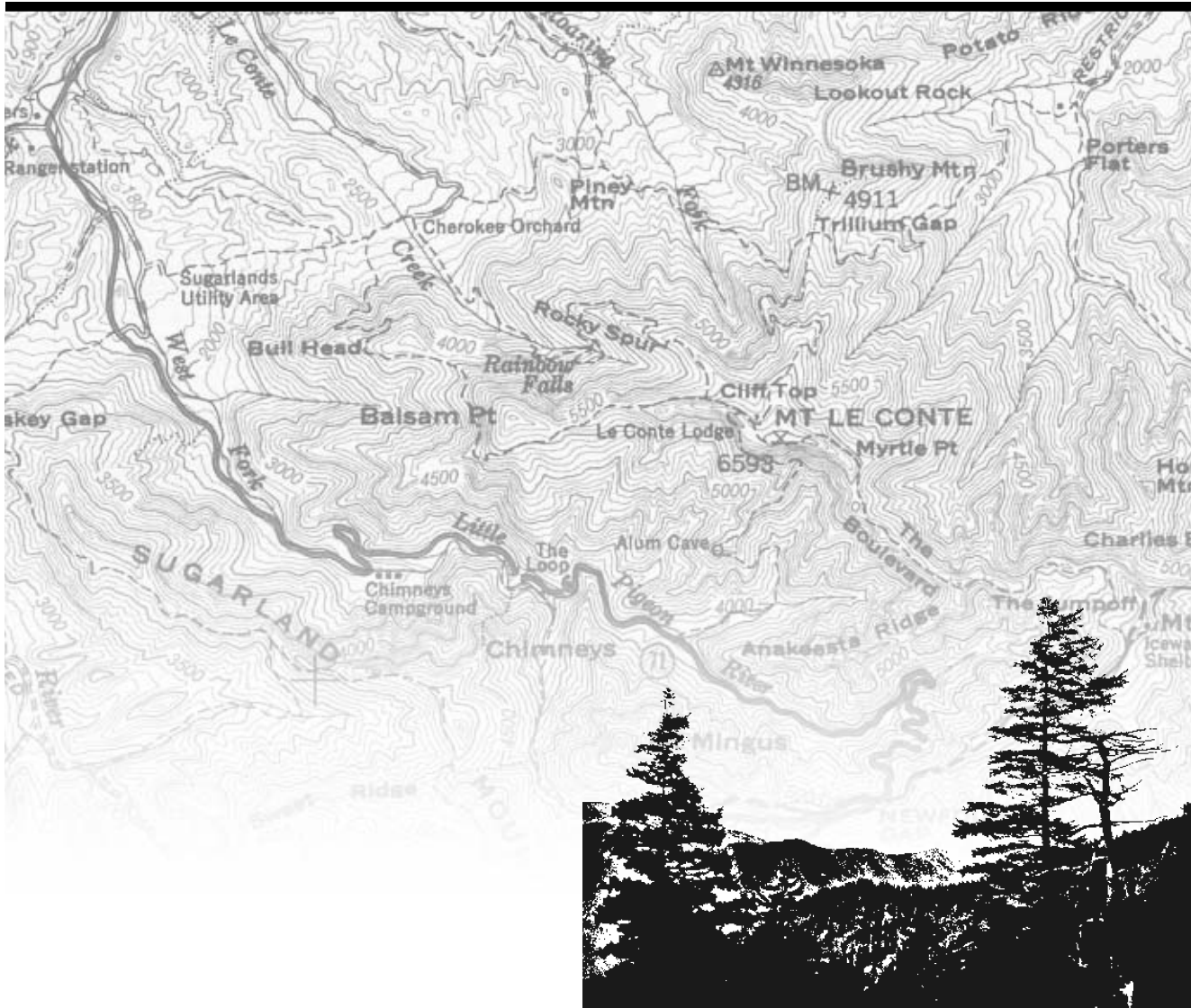
Standard: See 403.00 Bureau of Engineering for performance standard.

Measure: See 403.00 Bureau of Engineering for performance measure.

0	0	0	0	0
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400.00 Total Transportation

Full-Time	4,866	4,867	4,667	0	4,667
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	4,866	4,867	4,667	0	4,667
Payroll	268,405,900	251,124,200	249,401,000	0	249,401,000
Operational	2,337,967,100	1,537,582,800	1,514,381,000	0	1,514,381,000
Reallocated	0	0	0	0	0
Total	\$2,606,373,000	\$1,788,707,000	\$1,763,782,000	\$0	\$1,763,782,000
State	1,030,200,000	885,625,000	881,600,000	0	881,600,000
Federal	1,533,375,000	860,318,000	844,418,000	0	844,418,000
Other	42,798,000	42,764,000	37,764,000	0	37,764,000



Budget Process and Program History

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, Tourist Development, Human Rights, Advisory Commission on Intergovernmental Relations, Veterans Affairs, Commission on Children and Youth, Aging and Disability, Health Services and Development Agency, Intellectual Disabilities Services, Children's Services, Alcoholic Beverage Commission, Corrections Institute, Arts Commission, and State Museum. The remaining executive branch agencies to be phased into performance-based budgets in 2011-2012 are: Higher Education, TennCare and Cover Tennessee.

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, Tourist Development, Human Rights, Advisory Commission on Intergovernmental Relations, Veterans Affairs, Commission on Children and Youth, Aging and Disability, Health Services and Development Agency, Intellectual Disabilities Services, Children's Services, Alcoholic Beverage Commission, Corrections Institute, Arts Commission, and State Museum. The following agencies are scheduled to submit performance-based budgets in 2011-2012: Higher Education, TennCare, and Cover Tennessee, which will conclude the phase-in of all executive branch agencies to performance-based budgeting.

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
Performance-Based 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

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. Most appropriations generally lapse at the end of each fiscal year. Appropriations for contractual obligations in the Highway Fund do not lapse at year end, but are carried forward for subsequent year expenditures. In addition, it is the state’s budgetary practice to appropriate matching dollars for jointly funded projects in the year of federal apportionment. Most revenue collection estimates are presented on a modified accrual basis, consistent with the basis of accounting explained below.

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

Budgetary control is maintained at the program level by the individual departments and agencies, acting in conjunction with the Department of Finance and Administration. The latter has a Division of Budget and a Division of Accounts to execute budgetary controls. The Budget Document details the separation between payroll and operational funds by program. Any movement of funds between the payroll and operational funds requires approval and a revision to the budget by the 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
- Pre-Need Funeral Consumer Protection Fund

Cemetery Consumer Protection Fund
Agricultural Resources Conservation Fund
Certified Cotton Growers' Organization Fund
Agricultural Regulatory Fund
Local Parks Acquisition Fund
State Lands Acquisition Fund
State Lands Acquisition Compensation Fund
Used Oil Collection Program
Tennessee Dry Cleaners Environmental
Response Fund
Abandoned Lands
Hazardous Waste Remedial Action Fund
Underground Storage Tanks
Solid Waste Assistance
Environmental Protection Fund
Sex Offender Treatment Program
Small and Minority-Owned Business
Assistance Program
Criminal Injuries Compensation
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; and,

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; however, tobacco settlement monies are considered available if received in twelve months. All other revenue items are considered to be measurable and available only when cash is received by the state.

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

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

Security Fund. Non-major funds are reported in a single column; and,

Internal Service Funds – used to account for 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

Tennessee State School Bond Authority

Tennessee Board of Regents

University of Tennessee Board of Trustees

Tennessee Education Lottery Corporation

Access Tennessee.

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 \$2.47 billion in new recurring funds will have been invested in the BEP as of 2010-2011.

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 2008-2009, average expenditures per student grew from \$3,732 to \$8,518, an increase of 128.24 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 231,000 students and 27 technology centers serving approximately 12,000 full-time equivalent students. Including private non-profit and for-profit institutions, Tennessee post-secondary education served approximately 388,000 students in fall 2009.

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 continues its transition into the knowledge economy of the 21st century, its post-secondary 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 post-secondary credential. Only 31 percent of Tennesseans between the ages of 25 and 64 have an associate's degree or higher, compared to the national average of 38 percent and the Southern states' average

of 35 percent. Degree attainment in the working-age 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 post-secondary education and eventual entry into the workforce.

- Partnerships for affordability through the construction of funding and finance policy that ensures that all students are able to participate in higher education. Given the tacit funding shift from state support to student fees, the Master Plan places greater 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 for 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 cumulative 3.0 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 years 2008-2009 and 2009-2010, a combination of lottery funds and other non-recurring general fund dollars for a yearly 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. In 2009-2010, approximately 27,000 students

received some \$57 million in 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 54,000 eligible students will go unserved in fiscal year 2010-2011.

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 primarily serves 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, Three-Star criteria and performance measures have been established and are periodically revised 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. Tennessee Downtowns is a new initiative based on Main Street principals to help communities revitalize their downtowns.
- The Energy Division provides grant, loan, education technical assistance, and training programs to improve energy efficiency, reduce energy consumption, expand availability and use of biofuels and renewable energy systems, and support the further development of Tennessee's clean energy technology. The division also has primary

responsibility for coordinating and overseeing all statewide energy assurance activities under the framework established by the Tennessee Energy Management Plan.

- 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 2008 study by the Research Department of the Travel Industry Association of America, domestic and international travelers to Tennessee annually spend more than \$14.3 billion. As a result of spending by travelers, tourism provides jobs for over 182,300 Tennesseans, and tax revenues for state and local governments totaling over \$1.1 billion. More than 80.2 million people visited Tennessee in 2008, 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. Construction of a new welcome center on I-26 in Unicoi County is scheduled for completion in early 2010.

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 permanence for children in the custody of the state and those at risk of state custody.

The Division of Community Partnerships and Support Services – Traditionally, there has been a deficit within our regions to effectively engage essential partnerships to provide permanency for children and youth in care. In response to this need, the division provides leadership, technical assistance, and consultation to the regions to engage local community resources as a foundation for strategically identifying community strengths, weaknesses, and potential partnerships. These partnerships/collaborations aid regional staff and enhance their ability to work with private providers and other community stakeholders when making critical decisions regarding children and families. These partnerships include, but are not limited to: local courts, judges, and other legal resources; school systems; legislators; birth parents; relative caregivers; resource parents; youth; and a diverse faith-based infrastructure that assists regional recruitment efforts. 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 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 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). The unit also monitors placement at Taft Youth

Development Center and emergency and standard mental health referrals to regional mental health institutes. The unit also deals with a specific segment of the Juvenile Justice population and primarily works with the mentally ill, mildly 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.

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.

TennCare 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 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. On January 1, 2009, TennCare begins to 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 causes 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 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.

2009 – TennCare begins implementation of the Long Term Care Community Choices Act of 2008. CMS approves an amendment to the TennCare waiver that will allow managed care organizations to coordinate all of the care a TennCare member needs, which now includes medical, behavioral, and long-term care. A record number of people — approximately 6,000 Tennesseans — who would otherwise need nursing home care are instead receiving Home and Community Based Services (HCBS), getting the quality health care services they need in their own homes instead of receiving care in a nursing facility. Implementation of the Act will fundamentally restructure how long-term care is handled in the TennCare program by providing elderly and disabled Tennesseans with a richer set of choices and a simpler process for accessing them.

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 (FQHC)s 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 2006-2007.

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 expands 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 illnesses 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 Regional Mental Health Institutes;

- 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. In 2009, the department effectively managed a variety of unanticipated challenges, including a comprehensive response to the extraordinary 5.4 million cubic yard coal ash spill at the Tennessee Valley Authority (TVA)'s Kingston Fossil plant in Roane County and the implementation of the unprecedented federal stimulus package delivered through the American Recovery and Reinvestment Act of 2009.

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. Environmental Protection Agency (EPA) has recognized Tennessee for national leadership in water quality evaluation, reporting, and restoration.

Siltation continues to be one of the largest causes 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 \$121 million to local governments from the Clean Water State Revolving Fund in 2009.

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 2009, TDEC acted on four 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 \$39 million in funds from the Drinking Water State Revolving Fund in 2009 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 decreased in Tennessee in 2009. The likely explanation of this was a combination of weather less conducive to the formation of ozone, increased availability of hydroelectric power production as opposed to coal fired power production, the downturn in the economy and the continued progression of air pollution control measures that are being implemented. However, the federal government is expected to promulgate an even more stringent ground level ozone standard and will make the final attainment designations regarding this new standard effective August 2011. Following the effective date for the new federal ozone standard, Tennessee will have until December 2013 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 2009, the Division of Solid Waste Management

(SWM) conducted more than 600 inspections of facilities that generate and manage hazardous waste. Staff reviewed approximately 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 500 illegal solid waste disposal complaints.

SWM also houses the Toxic Substances Program, which protects the people of Tennessee from environmental and health hazards caused by three toxic substances: lead, asbestos, and Polychlorinated Biphenyls (PCBs). State and federal statutes and regulations are the foundation of this compliance monitoring and enforcement program.

SWM provides a range of solid waste financial and technical assistance to local governments and businesses. Since 2003, nearly \$49 million has been distributed to local governments through 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 the Recycling Marketing Cooperative of Tennessee. The state's mobile household hazardous waste collection program conducted 47 events and collected 614 tons of materials for disposal. Through the Recycling Marketing Cooperative of Tennessee contract, more than 3,800 tons of electronic scrap was recycled in 2009. The division also drafted rules and continues to work with the Solid Waste Disposal Control Board in 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 they 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 housing developments in Memphis and Chattanooga; mixed use developments in Nashville; park, rails to trails, and greenway reuse in several areas; and reducing pollution to the Ocoee River and in Chattanooga Creek.

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 2009, TDEC was able to close 44 percent of the active UST remediation cases, representing 274 case closures. The number of active cases was reduced from 630 in fiscal year 2008 to 505 in fiscal year 2009. TDEC inspected 54 percent of the open facilities in the state in fiscal year 2009, representing 2,996 inspections of 5,466 active facilities. The division also continues to provide diverse educational opportunities for all tank owners while earning recognition as a national leader in completing cleanups.

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 \$9.7 million in penalties for fiscal year 2009. Natural Resource Damages Assessments included a total of \$1.1 million.

In addition, the department is working with the Office of the Attorney General on a joint enforcement initiative focusing on the UST program. The enforcement initiative is targeting repeat violators, the submittal of false information, false claims against the UST Fund, and subrogation actions.

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 was recognized as the best state parks system in the nation for 2007-2008 as selected by the National Recreation and Park Association. This prestigious Gold Medal Award recognized Tennessee State Parks' key accomplishments since 2003, including system access improvements, service enhancements, effective conservation practices, and promoting parks professionalism among staff.

In 2009, Tennessee State Parks and Natural Areas added more than 2,750 acres of total parklands and hosted nearly 29 million visits. Park staff presented 18,000 interpretive programs to more than 730,000 participants.

General economic weakness contributed to less demand for State Parks' inn rooms, cabins, and dining in 2009. In response to these difficult economic conditions, State Parks' hospitality services implemented an aggressive cost control program to flex variable expenses according to customer demand. As a result, State Parks' hospitality facilities were still able to perform at 99.6 percent self-sufficiency for the most recent period. The Tennessee Golf Trail continued to make targeted improvements at course locations to support high-quality customer experiences and greater long-term operational efficiency. Two significant capital projects began with the construction of new environmentally sensitive cabins at Montgomery Bell and David Crockett State Parks.

Natural Areas and Scenic Rivers – State Natural Areas feature 80 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.

In 2009, the department processed 152 grants for the Recreation Trail Program, Local Parks and Recreation Fund, and Land and Water Conservation Fund programs, totaling more than \$19 million. In addition, land acquisitions of 4,667 acres through the State Land Acquisition Fund and other fund programs were completed, totaling approximately \$5.8 million. Another milestone accomplishment for 2009 was

completion of the National Park Service-approved *Tennessee 2020 State Recreation Plan: Vision for Parks, People and Landscapes*. This plan outlines a number of initiatives, including meeting the recreational and informational needs of the public and conserving vital recreational resources and using them to benefit economic development in Tennessee's rural communities.

Archaeology - The Division of Archaeology added 750 new sites to the total statewide database of more than 24,000 known archaeological sites in 2009. The division also issued 29 permits for archaeological investigations on state lands while reviewing and commenting on 950 federal projects that could have involved archaeological sites. The division also achieved a 100 percent response rate for 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 prevision 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.

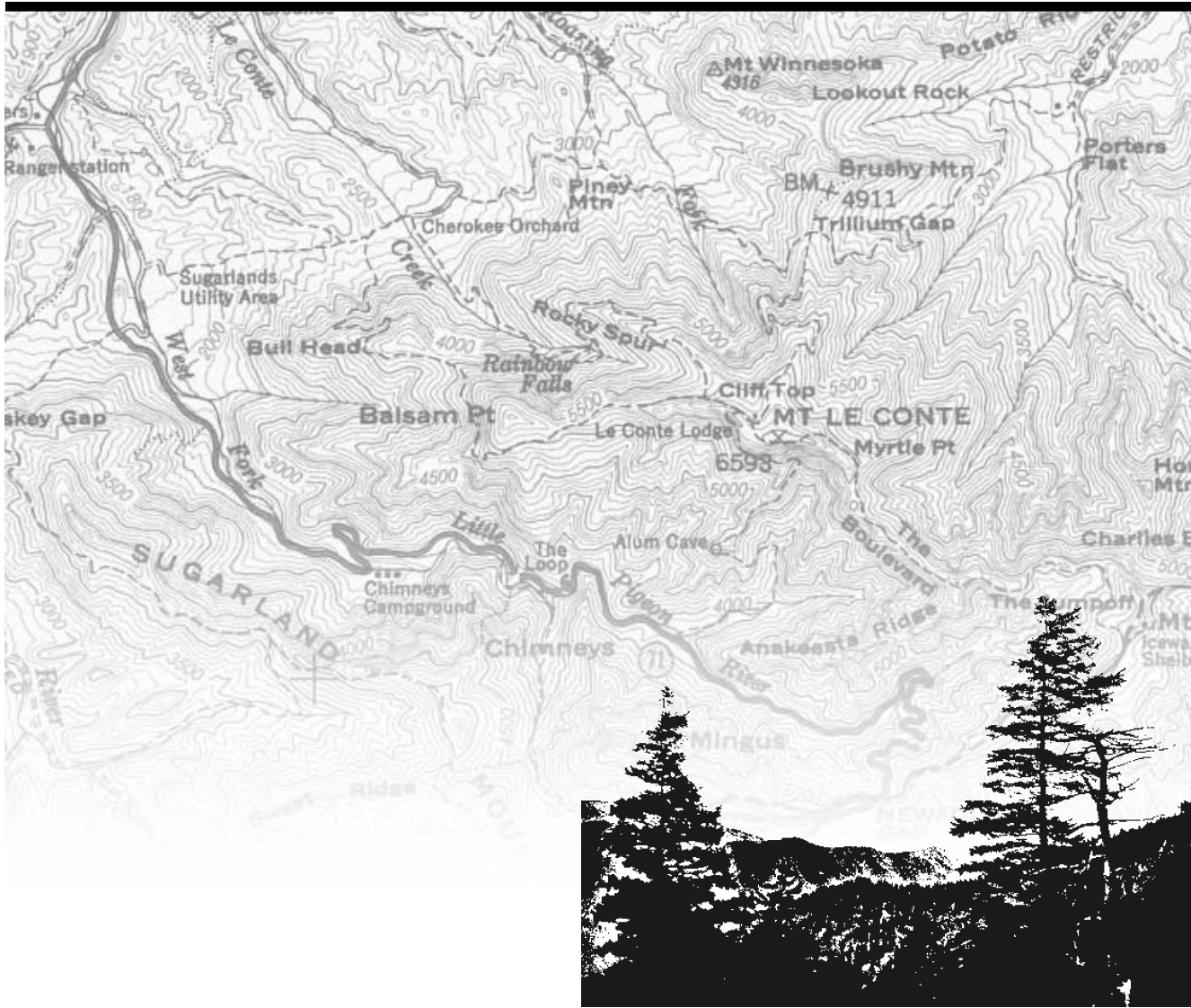
Time Limited Benefits — Families First is a time-limited program. Benefits are limited to five years over the course of a lifetime. Families meeting certain criteria such as disability or incapacity of the caretaker, caretaker over the age of 65, etc. may receive additional months of assistance at the end of the five-year 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.
- The department also supports monthly child enrollments for low-income, families through its Child Care Certificate (subsidy) Program.



Glossary and index

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Glossary of Budget Terms

A

Accrual Basis of Accounting - Records revenues in the period in which they are earned and become measurable; expenses are recorded in the period incurred, if measurable.

Agency - Any department, commission, board, authority, government-owned corporation, or other independent governmental entity.

Allotment - Funds established for agency expenditure, in accordance with the appropriations made by the General Assembly.

Allotment Code - The five-digit number used to designate a program or programs for budgeting and accounting purposes.

American Recovery and Reinvestment Act, U.S. Public Law 111-5 - A multi-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, and 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.

Glossary of Budget Terms

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 issued 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, replaced 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.

Glossary of Budget Terms

G

Geier Desegregation Settlement - A settlement agreement implemented in January 2001 to end the Geier higher education lawsuit, originally filed in 1968. The agreement resulted in dismissal of the lawsuit in September 2006. The agreement was intended to create a system of public higher education that preserves and enhances access and opportunities at Tennessee's public colleges and universities.

General Fund - The fund maintained by the Treasurer into which revenues collected by the state, other than highway taxes, are deposited for appropriation by the General Assembly to support the operation of state agencies.

Geographic Information System (GIS) - A computer-based system for managing spatial data and mapping applications. Spatial data includes roads, elevation data, streams and lakes, imagery, and parcel boundaries.

Governmental Accountability Act – Law enacted 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, school district of any metropolitan form of government, or any other school system established by law.

Glossary of Budget Terms

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 fiscal year 2011-2012.

Glossary of Budget Terms

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 the Department of Commerce and Insurance reconciles claims submitted by Prepaid Limited Health Service Organizations.

Pre-Need Funeral Contracts - Contracts entered into with funeral establishments for services required at a later date.

Program - Any of the major activities of an agency expressed as a primary function.

R

Rainy Day Fund - A fund established to ensure stability in the event of an extended economic downturn (also referred to as the Revenue Fluctuation Reserve Fund).

RDA - The Records Disposition Authority is the primary record management agency for state government and directs the disposition of all records, including electronic processed records and computer output microfilm records.

Reappropriation - The extension of the termination date for the availability of appropriated money.

Reclassification - A change in the duties and responsibilities of a state employee's job.

Recommended Funds - The funds proposed by the Governor for legislative approval, including the base budget and improvements.

Recurring Funds - Funds that are appropriated on an ongoing basis.

Reserve Funds - Funds held for future needs or a special purpose.

Reversion - The return of the unused portion of an appropriation to the fund from which the appropriation was made.

Revolving Fund - A fund provided to carry out a cycle of operations. The amounts expended from a fund of this type are restored by earnings from operations or by transfer from other funds. Thus, the fund is always intact in the form of cash, receivables, inventory, or other assets.

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 for individuals and families with very low incomes.

Sinking Fund - See **Debt Service Fund**.

Glossary of Budget Terms

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 collect premiums and adjust or settle claims relative to Tennessee residents' insurance coverage. The TennCare Oversight program

Glossary of Budget Terms

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 2010 - 2011

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