

STATE OF TENNESSEE

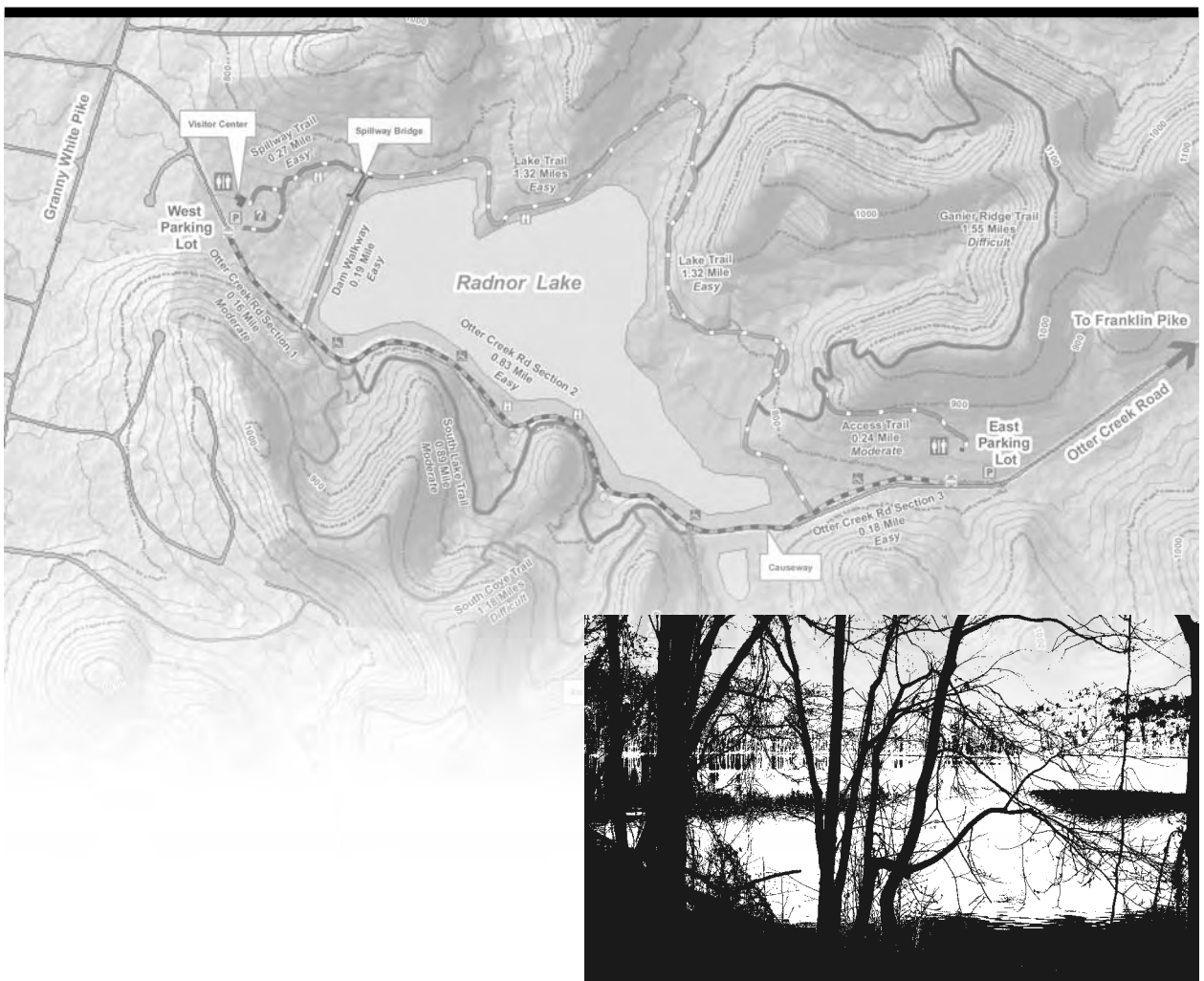


The Budget

FISCAL YEAR 2011-2012



Bill Haslam, Governor



Cover: Radnor Lake State Natural Area, Otter Creek Road, between Franklin Road and Granny White Pike, at Oak Hill, in southern Davidson County, Tennessee, December 2010. Photograph from the south end of the dam, looking northeast.

The 85-acre lake was impounded in 1914 by Louisville and Nashville Railroad (L&N) to furnish water for steam engines and livestock at nearby Radnor Yards. Intended to serve also as a private hunting and fishing preserve, migrating birds discovered this haven and began feeding and resting during annual migration. Efforts to preserve the lake began in 1923, when L&N stopped all hunting and fishing there and declared the site a wildlife sanctuary at the request of the Tennessee Ornithological Society. Threatened by development when the area was sold in 1962, grassroots efforts resulted in purchase in 1973 of 747 acres around Radnor Lake by the State of Tennessee, with federal aid and thousands of individual donations. In 1974, the area was designated by the General Assembly as a state natural area. Today, Radnor Lake State Natural Area is comprised of 1,200 acres and is managed by the Tennessee Division of State Parks as a day-use area. Visitors view migratory waterfowl and songbirds, owls, reptiles, amphibians, and white-tail deer in the marshes, streams, and wooded hills. Higher slopes, rising to 1,200 feet, contain mountain laurel, various species of blueberry, sourwood, oaks and hickories; lower slopes and hollows support beech, black cherry, black walnut, sugar maple, tulip poplar, and shagbark hickory, with spicebush, coralberry, and elderberry in the shrub layer. Fund-raising efforts for ridge preservation continue.

A lower lake trail of 2.3 miles, rated easy hiking, circles the lake on Otter Creek Road and on trails through the woods. Other trails climb the ridges on the south side of the lake (moderate-to-strenuous 2.1-mile South Lake and Cove trails) and the east side of the lake (strenuous 1.6-mile Ganier Ridge trail). [History and information from Friends of Radnor Lake and Tennessee Division of State Parks.]

Section dividers: Prepared by Tennessee Department of General Services, Printing and Media Services Division, 2011, made from a trail map of Radnor Lake State Natural Area, provided by courtesy and permission of Friends of Radnor Lake, from a map created for the organization by James Russ, November 2010. Lake image is made from the cover photograph.



Bill Haslam,
Governor





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

State of Tennessee

For the Fiscal Year Beginning

July 1, 2010

A stylized, handwritten signature in black ink, likely belonging to the President of the GFOA.

President

A handwritten signature in black ink, reading 'Jeffrey R. Emswiler', likely the Executive Director of the GFOA.

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the State of Tennessee for the Annual Budget beginning July 1, 2010.

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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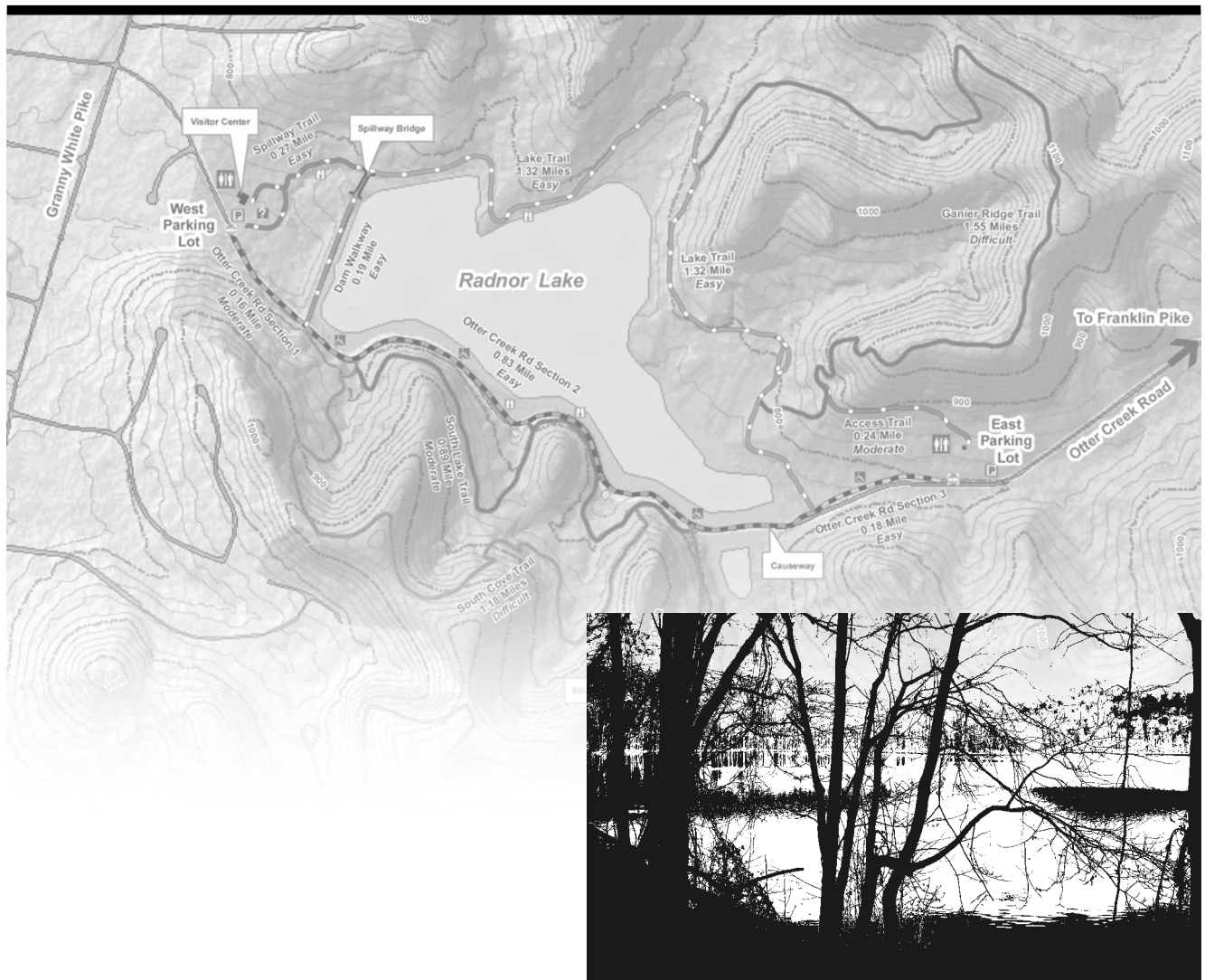
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Introduction

Introduction



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BILL HASLAM
GOVERNOR
STATE OF TENNESSEE

March 14, 2011

To the Members of the 107th General Assembly:

I am honored to recommend to you the 2011-2012 Budget for the State of Tennessee, the first of my Administration.

This budget recognizes several months of revenue growth, but it also recognizes the need for a state government that consumes less while serving well. Our projected revenue growth of 3.65 percent in 2011-2012, or \$473 million above the July, 2010, estimate may sound substantial, but almost all of the projected new funds are consumed by inflationary costs and mandated funding requirements. This budget reduces the base of state programs by an average of 2.5 percent. While all executive branch agencies except one have taken a reduction, I have minimized the reductions required in programs that ensure the public's safety.

New programs and activities funded in this budget include an operating grant to the Memphis Research Consortium to encourage collaboration in medical research. The Basic Education Program is fully funded with recurring state funds, and the coordinated school health and career ladder extended contract programs are continued as core services for another year. With jobs as a priority, funding is provided for economic development projects and the Cates Landing port project in northwest Tennessee. This new port facility will be within one day's drive of 76 percent of the nation's major markets. I have provided funds to keep the Whiteville Prison in Hardeman County open on a recurring basis. State employees will receive a 1.6 percent salary increase and a \$50 monthly match to their 401(k) plans. In addition to funding these items, this budget restores \$69 million to the Rainy Day Fund.

The revenue estimates on which this budget is based are realistically conservative. Should we find ourselves with more revenue than anticipated at the end of the legislative session, I recommend that the General Assembly first consider core services currently funded with non-recurring funds, fund them with recurring revenue, and retain the non-recurring funds in the Rainy Day Fund. Given the budget reductions of the last three years, I believe we should use any additional recurring revenue to preserve core services, rather than to increase spending.

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,

Bill Haslam
Governor of the State of Tennessee



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

Mark A. Emkes
Commissioner

March 14, 2011

The Honorable Bill Haslam
State Capitol
Nashville, Tennessee 37243

Dear Governor Haslam:

I present to you the fiscal year 2011-2012 Budget Document, the first of your Administration. As you directed, we have developed a responsible and realistic spending plan that will well-position our state as it emerges from the recession.

This budget recognizes several months of consistent revenue growth and projects a growth rate of 3.65 percent in 2011-2012, or \$473 million above the July 1, 2010, estimate. Most of this increase will go to critical needs such as TennCare medical costs, to local school systems through the Basic Education Program, for services provided to the intellectually and developmentally disabled, and to incarcerate state felons. Recruiting and retention efforts will create and support new and existing job opportunities. The total state budget for 2011-2012 is \$30.2 billion, with \$13.4 billion from state appropriations, \$11.9 billion from federal funds, and \$4.9 billion from other departmental revenues, higher education student tuition and fees, and bonds for capital outlay and highway projects.

To stay within available revenues, the base of state programs is reduced by an average of 2.5 percent. The higher education base is reduced by 2 percent, but there will be no decline in financial aid for low-income higher education students. There are approximately 1,100 fewer state positions funded in this budget. This decline is due largely to eliminating unfilled positions and the expiration of some categories of federal funding. A 1.6 percent salary increase is funded for state employees, with proportional funds allotted for the state share of salaries of teachers and higher education personnel. This will be the first recurring pay increase for state employees since July 1, 2007.

The revenue fluctuation reserve (Rainy Day Fund) was \$453.1 million on June 30, 2010, and is estimated at \$283.6 million on June 30, 2011, and at \$326.6 million on June 30, 2012. 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,

Mark A. Emkes
Commissioner of Finance and Administration

State of Tennessee

Budget Highlights

Recommended Budget, Fiscal Year 2011-2012

The total recommended state budget for 2011-2012 is \$30.2 billion, with \$13.4 billion from state appropriations, \$11.9 billion from federal funds, and \$4.9 billion from other departmental revenues, higher education student tuition and fees, and bonds for capital projects and facilities revolving fund capital outlay.

Mid-year review of state tax collections and advice from economists and the State Funding Board suggest that current-year estimates of taxes collected by the Department of Revenue should be adjusted upwards. In the general fund for fiscal year 2010-2011, the revenue estimate is increased by \$161.3 million from the originally budgeted estimate. The revised current-year growth rate in the general fund is 4.45 percent compared with the actual 2009-2010 Department of Revenue collections. For 2011-2012, before inter-fund reallocations, general fund taxes are expected to grow by \$312.1 million above the revised current-year estimate. This is a 3.65 percent general fund growth rate above the revised current-year estimate. Revenue growth rates are within the range of revenue growth recommended by the State Funding Board.

The revised revenue estimates for the current year and estimates for next year are based on a slow economic recovery through fiscal year 2011-2012 and beyond.

Plan for Balancing

In fiscal year 2010-2011, the enacted budget was balanced with use of non-recurring funds from the state's revenue fluctuations reserve (rainy day fund) and federal economic assistance. The recurring budget imbalance is \$204.7 million at June 30, 2011. However, in the current year, revised revenue projections provide \$179.2 million in additional revenue, including \$161.3 million from projected Department of Revenue tax overcollections, \$39.4 million from dedicated hospital coverage assessment overcollections, and undercollections of \$21.5 million in other state revenue and miscellaneous revenue. Additional other available funds in the current year total \$158.5 million, including \$19.6 million from an unappropriated budget surplus and undesignated fund balance at June 30, 2010; \$81.2 million from a debt service fund transfer at June 30, 2011, resulting from authorized and unissued bonds; \$46.3 million from an estimated reversion increase from unexpended agency appropriations; and \$11.4 million from a transfer from the TennCare reserve to fund a supplemental appropriation to TennCare for the intellectual and developmental disabilities program.

Supplemental appropriations in 2010-2011 total \$149.5 million, including \$81.9 million for economic development projects, \$11.8 million for the TennCare program from the increased collections in the dedicated hospital coverage assessment, \$11.4 million from the general fund

for TennCare costs of intellectual and developmental disabilities, \$18.5 million for payments to local jails for housing state felons, \$11.9 million for Basic Education Program student count adjustments, and other funds for police pay supplements and miscellaneous state agency adjustments.

At June 30, 2011, the additional available funds are \$188.2 million, but all this is reserved, including \$27.63 million for a dedicated TennCare trust fund reserve totaling \$28.1 million and \$160.53 million reserved for 2011-2012 non-recurring appropriations.

In fiscal year 2011-2012, the budget is balanced, with recurring revenues fully supporting recurring appropriations. This is accomplished by additional budget reductions in 2011-2012, as was anticipated when the budget for the current year was enacted last spring. Base budgets in general fund programs throughout state government have been reduced by \$133.8 million and certain programs have been increased by \$30.3 million for a net recurring base reduction of \$103.5 million in the general fund. The average general fund reduction is 2.5 percent. The higher education reduction is 2 percent. Reductions in programs supporting public safety are minimal or non-existent. (The reductions are detailed in **Volume 2: Base Reductions**.)

A reserve of \$160 million preserves certain core services and 167 state positions that are part of the recurring reductions made in previous fiscal years. Of that amount, \$63.6 million is for the Department of Education, \$15.6 million for the Department of Children's Services, \$13.6 million for the Department of Health, \$10.6 million for the Department of Mental Health, and \$10.4 million for state administered programs in higher education.

K-12 Education

For K-12 education, the improvement from the general fund is \$110.7 million, including \$53.5 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). Growth in student enrollment on a current-year student census basis is funded with \$8.7 million. A \$1.2 million appropriation for pre-kindergarten is necessary to maintain full funding of existing pre-kindergarten and early childhood education classrooms. The state share of a 1.6 percent salary increase effective July 1, 2011, for teachers and other positions funded through the Basic Education Program formula, is funded with an appropriation of \$36.3 million.

Higher Education

For higher education, the general fund improvement is \$52.8 million. This includes non-recurring funding of \$10 million for the Memphis Research Consortium, which includes research and leadership staff from the University of Memphis, the University of Tennessee Health Science Center, and private health-care entities. The consortium will recruit senior scientists from the fields of genomics, population health, and regenerative medicine to work on significant health issues in Tennessee, such as catastrophic injuries and pediatric obesity and diabetes.

A total of \$15 million non-recurring is appropriated to institutions that are losing recurring funding due to the implementation of the Complete College Tennessee Act of 2010, which created an outcomes-based funding formula for higher education that will implement beginning in fiscal year 2011-2012. Additional non-recurring appropriations of \$10 million and \$5 million for the two university systems is anticipated over the following two years to continue some level of support until the new funding formula is fully implemented.

A fifth and final 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. The project includes the construction and operation of a cellulosic ethanol biorefinery in Vonore, Tennessee.

A 1.6 percent salary increase across the higher education system is funded with an appropriation of \$18.4 million. This funds the state appropriation share through the higher education academic funding formula. The salary increase for non-academic formula units is funded completely by state appropriation.

Jobs, Economic Development, Agriculture, and the Environment

A non-recurring appropriation of \$16.6 million is recommended to fund a jobs package that will create new opportunities for Tennessee's workers and support the growth and retention of jobs already in the state. Of that amount, \$10.5 million will be used to recruit new businesses with workforce training, marketing, and education initiatives. Training needs for the Electrolux project in Shelby County are funded with \$3.1 million, and the second phase of the Wacker Chemie project in Bradley County will receive \$3 million as part of this jobs initiative.

Tennessee's tourism advertising campaign is continued with a \$3.5 million non-recurring appropriation that will be used to target markets with the highest potential for increasing tourism and to provide additional marketing support to rural and small communities for various heritage, cultural, and other outdoor recreational activities. Grant programs offered through the Film and Television Incentive Fund will receive \$2.5 million non-recurring. To be eligible for these grants, productions must meet spending criteria established by the Tennessee Film, Entertainment, and Music Commission by hiring Tennessee residents, using local businesses, and promoting state tourism.

An appropriation of \$10.3 million is recommended to restore the Tennessee agricultural enhancement program to full funding of \$21 million on a recurring basis. These funds are from the dedicated cigarette tax and are used to provide programs to improve cattle breeding, encourage crop diversification, promote Tennessee products, assist in the development of a viticulture association, and support farmers' markets and other agribusiness initiatives. The base budget includes \$10.7 million from the dedicated tax for this program.

Statutory pay raises for eligible employees of the Tennessee Wildlife Resources Agency and the Tennessee Law Enforcement Training Academy are funded with \$524,000 and \$18,000,

respectively. Additional funding for police and firefighter pay supplements is provided for with an appropriation of \$529,800. Local police officers and firefighters are eligible for the annual \$600 pay supplement upon successful completion of at least 40 hours of in-service training.

Health, Child Welfare, Social Services, and Juvenile Justice

A 3.89 percent increase in TennCare costs resulting from additional medical utilization and cost inflation is funded with a recurring appropriation of \$99.9 million. This 3.89 percent increase compares favorably to a national average increase of 8.26 percent. A fiscal year 2009-2010 reduction in long-term care is restored on a recurring basis with an appropriation of \$15.9 million. The U.S. Centers for Medicare and Medicaid Services has informed the state that the proposed change in eligibility for home and community-based services is not allowable under the 2010 Affordable Care Act.

A projected increase in the number of enrollees and cost per day for home and community-based services provided to the intellectually and developmentally disabled is funded with an additional \$50.2 million in interdepartmental funds from TennCare. A four-bed community home in Middle Tennessee for patients transitioning out of Clover Bottom Developmental Center is recommended at a total cost of \$2 million. This amount includes \$990,000 for start-up costs at all nine Middle Tennessee homes. Start-up costs for 16 new four-bed homes in East Tennessee for patients transitioning from Greene Valley Developmental Center are funded with a total of \$440,000. A resource center that will provide specialized services to clients living in community settings is recommended at a total cost of \$3.5 million. Much of the funding in Intellectual and Developmental Disabilities comes from the Bureau of TennCare. To fund these improvements, a state appropriation of \$18 million is requested for the TennCare Bureau.

Increased costs in the CoverKids program are funded with an appropriation of \$8.2 million that will match \$26.8 million federal for a total of \$35 million. Medical utilization and inflation has increased by 10.04 percent, and maternity costs have increased by 14.27 percent.

Safe Communities

In the prison budget, \$30.9 million recurring is recommended to continue housing felons at the Hardeman County Correctional Facility at Whiteville. An appropriation of \$11.1 million is required to accommodate an increased felon population in local jails. Of that amount, \$3.7 million is non-recurring. Increased costs at a variety of correctional institutions particular to sex offenders, medical services, and contract inflators are funded with \$5.7 million.

The Department of Safety will receive eight positions and \$1.1 million from the systems development fund to manage the development and implementation of a new driver license issuance system. Mandatory annual trooper salary increases are funded with \$801,700.

An additional \$7 million is recommended for the representation of indigent criminal defendants and an additional \$1 million is recommended for the growth in the number of attorneys

appointed as guardians ad litem for dependent, neglected, and abused children. The mandated salary increase for judges, the Attorney General, district attorneys, criminal investigators, public defenders, and assistant post-conviction defenders are funded with a total appropriation of \$2.2 million.

General Government

A 1.6 percent salary increase for state employees is recommended and funded with a \$23.1 million appropriation. Additional funds are recommended to fund the state's portion of increases for teachers (\$36.3 million) and higher education (\$18.4 million). The total cost of the 1.6 percent salary increase is \$77.8 million. Increasing costs in the state's group health insurance program are funded with a total appropriation of \$15 million. This improvement includes funds for state employees (\$5.2 million), teachers and other licensed K-12 employees (\$5.7 million), and higher education employees (\$4.1 million). An appropriation of \$2 million is recommended for the increasing health insurance costs of retired state employees (\$700,000) and retired teachers (\$1.3 million).

Capital Outlay

Capital outlay in fiscal year 2011-2012 totals \$198 million, including \$45 million in non-recurring current funds and \$49.4 million from federal and other sources. A bond authorization of \$103.6 million is also requested. An appropriation of \$110.9 million is recommended for statewide capital maintenance, including \$23.7 million for general government, \$30.8 million for the Board of Regents, \$23.9 million for the University of Tennessee, and \$32.5 million for the Department of Correction from Sentencing Act funds.

The facilities revolving fund (FRF) capital budget provides an additional \$23.3 million for projects and maintenance of state office buildings and similar facilities maintained through agency rent payments. This is funded by \$3.1 million from FRF current funds, \$12.4 million from other funding, and \$7.9 million from proposed bonds, with debt service provided from the facilities revolving fund through agency rent payments.

Revenue Fluctuation Reserve

The revenue fluctuation reserve allows services to be maintained when revenue growth is slower than estimated in the budget, mainly during economic downturns. The revenue fluctuation reserve was \$453.1 million at June 30, 2010. The 2010 appropriations act included the use of \$195.8 million from the reserve in fiscal year 2010-2011, leaving a balance of \$257.3 million. Allowing some reductions to be implemented ahead of schedule allows \$26.3 million to be returned to the revenue fluctuation reserve from the core services reserve. The net result is an anticipated balance in the revenue fluctuation reserve of \$283.6 million on June 30, 2011. A recommended deposit to the fund of \$43 million in fiscal year 2011-2012 will have the total revenue fluctuation reserve at \$326.6 million on June 30, 2012.

TennCare Reserve

The TennCare reserve consists of prior-year unspent funds appropriated to the TennCare program. The unobligated reserve as of June 30, 2010, is estimated at \$442 million. The budget for fiscal year 2010-2011 includes transfers to the general fund of \$170 million for operating expenditures and \$11.4 million for the Intellectual and Developmental Disabilities supplemental request, leaving a balance of \$260.6 million on June 30, 2011. The fiscal year 2011-2012 budget anticipates \$6 million from the fund to be used for health department grants to clinics, leaving a projected balance of \$254.6 million on June 30, 2012.

Conclusion

Should additional revenues for 2011-2012 be available at the end of the legislative session, the Governor and the Commissioner of Finance and Administration encourage the General Assembly to first consider core services currently funded with non-recurring funds, fund them with recurring revenue, and retain the non-recurring funds in the revenue fluctuation reserve. Any additional recurring revenue should be used to preserve core services, rather than to increase spending.

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

The Budget Document

Introduction

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

1. Financial Policy – The state's financial policy, contrasting the relationships between expenditures and revenues from all sources that are estimated for the ensuing fiscal year, with the corresponding figures for the latest completed fiscal year and the fiscal year in progress; and a budget summary;

2. State Appropriations and Taxes, Excluding Dedicated Funds – Appropriations and tax estimates from general state tax sources, excluding appropriations from dedicated tax sources; this is the so-called "State Taxpayers Budget";

3. Detailed Budget Estimates – Estimates of expenditures and revenues, including all funding sources; program statements and performance measures; statement of the state's bonded indebtedness, detailing redemption requirements until retirement, the net and gross debt of the state, and condition of the sinking fund; and

4. Appropriations Bill and Other Budget Bills – The General Appropriations Bill, through which the General Assembly gives legal sanction to the financial plan it adopts. Upon passage, this bill appropriates by agency and fund the expenditures for the ensuing fiscal year. The revenues by which these expenditures are financed also are detailed in this bill. In addition, other bills required to give legal sanction to the financial plan must be filed.

Parts one, two, and three are included in the Budget Document. The format of the Budget Document is reviewed annually for clarity and content. Part four, the Appropriations Bill and other budget legislation, such as the Bond Authorization Bill, are separate documents.

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

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.

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.

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

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

The proposed capital outlay for the ensuing fiscal year is included within the "Capital Outlay 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.

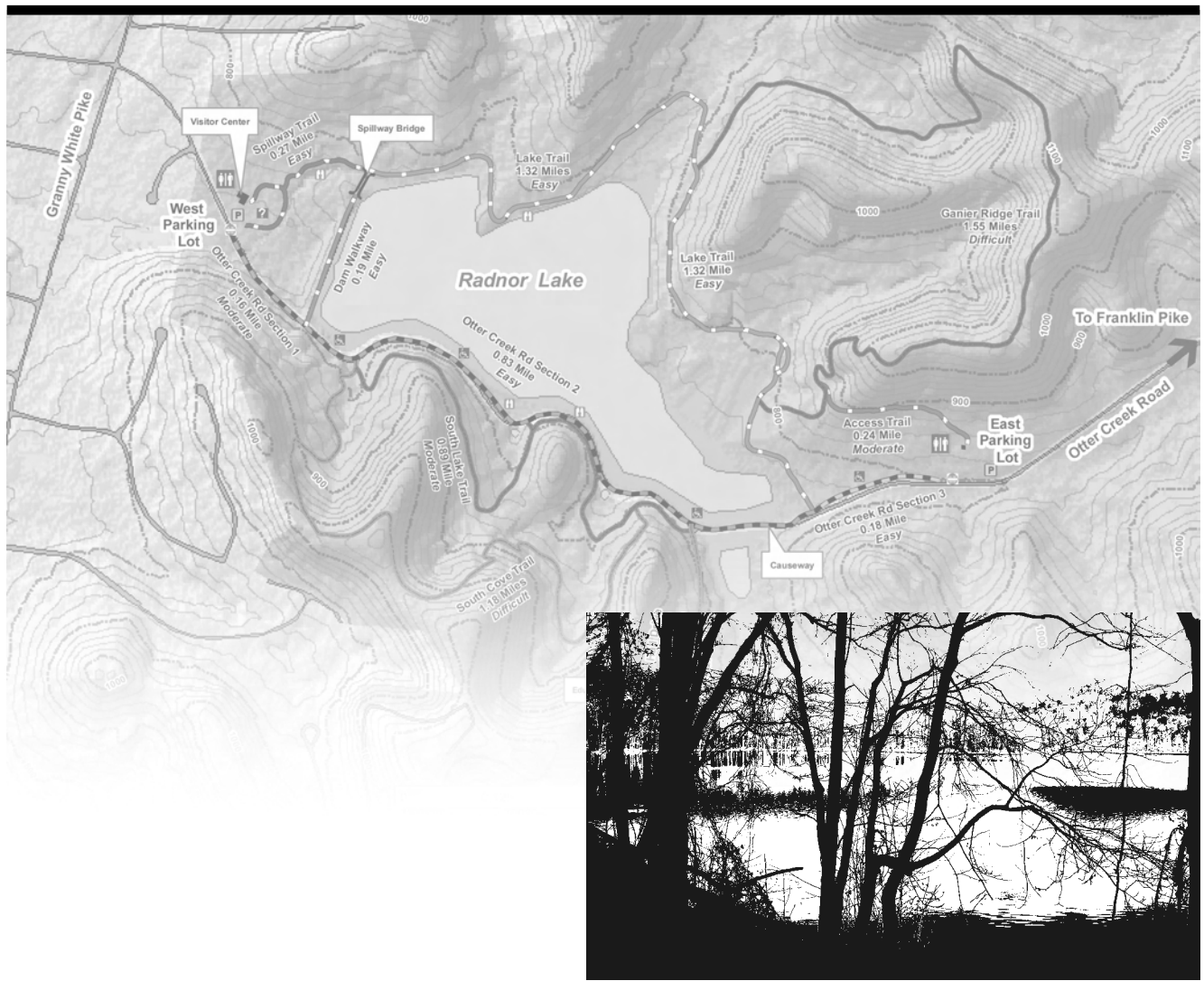
Following this narrative, fiscal and personnel data are provided for the last completed year, the current year, and the next year.

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 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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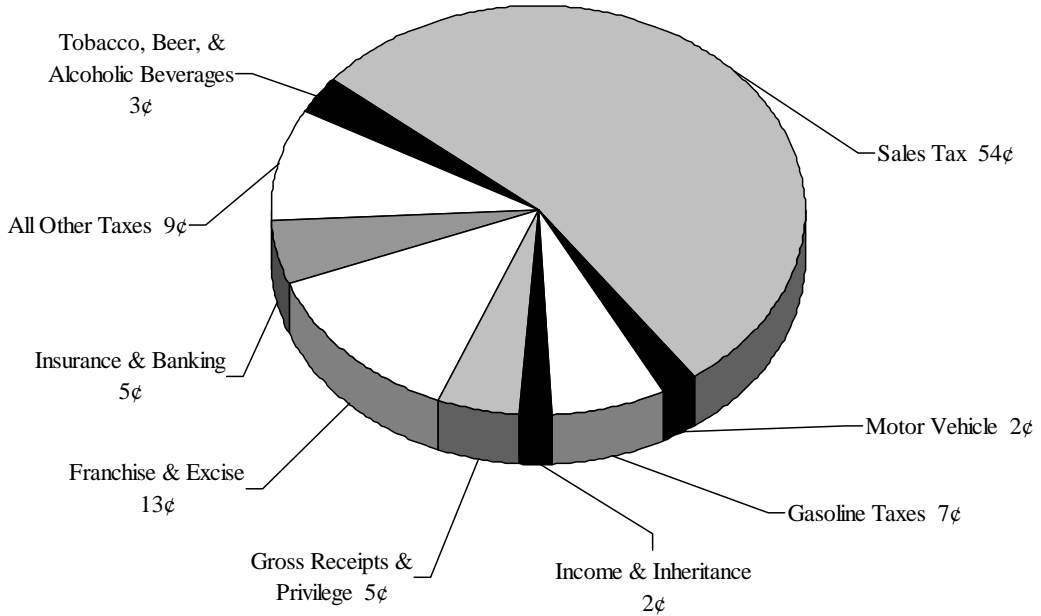
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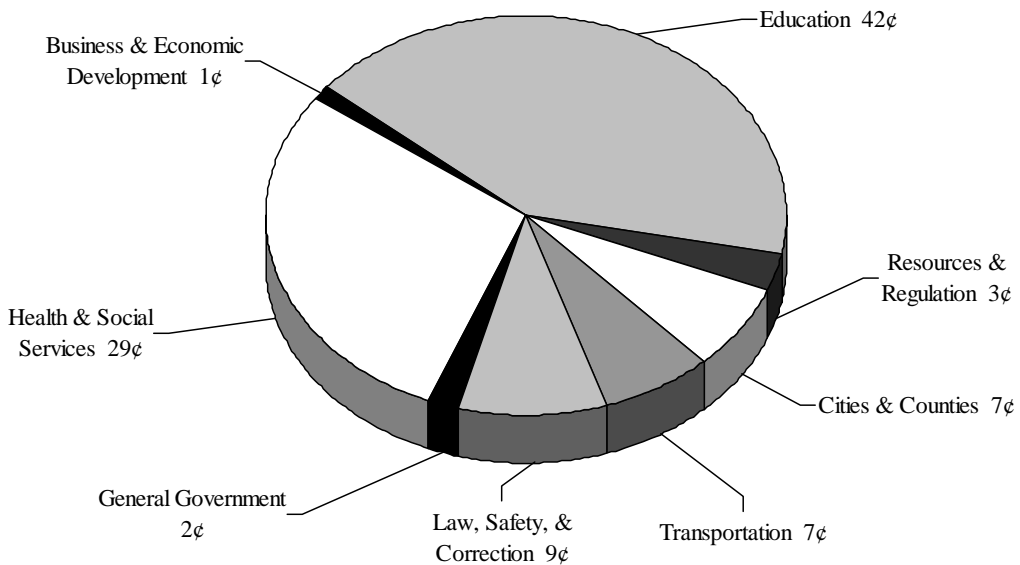
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Total State Budget

Where Your State Tax Dollar Comes From



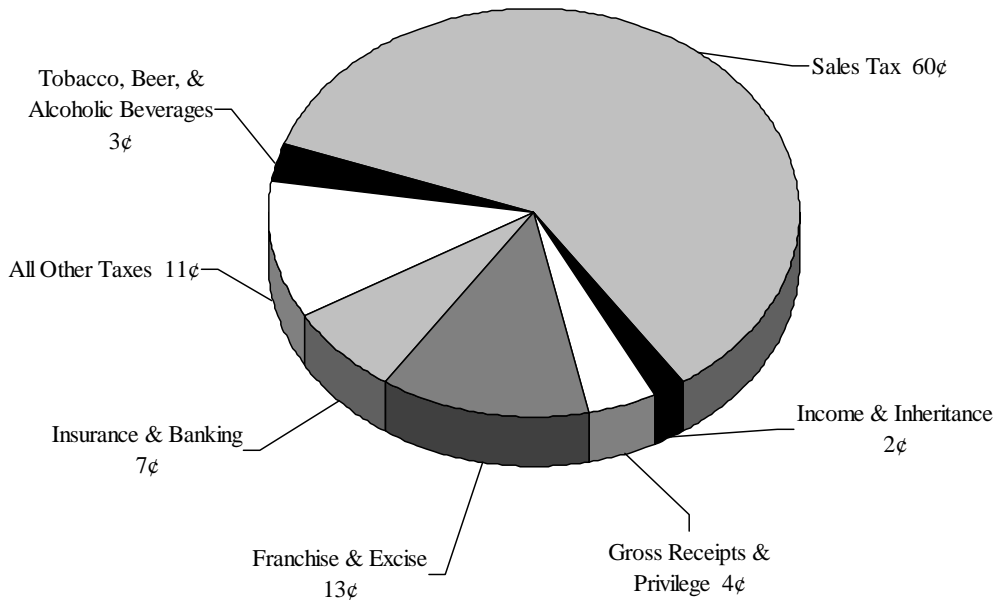
Where Your State Tax Dollar Goes



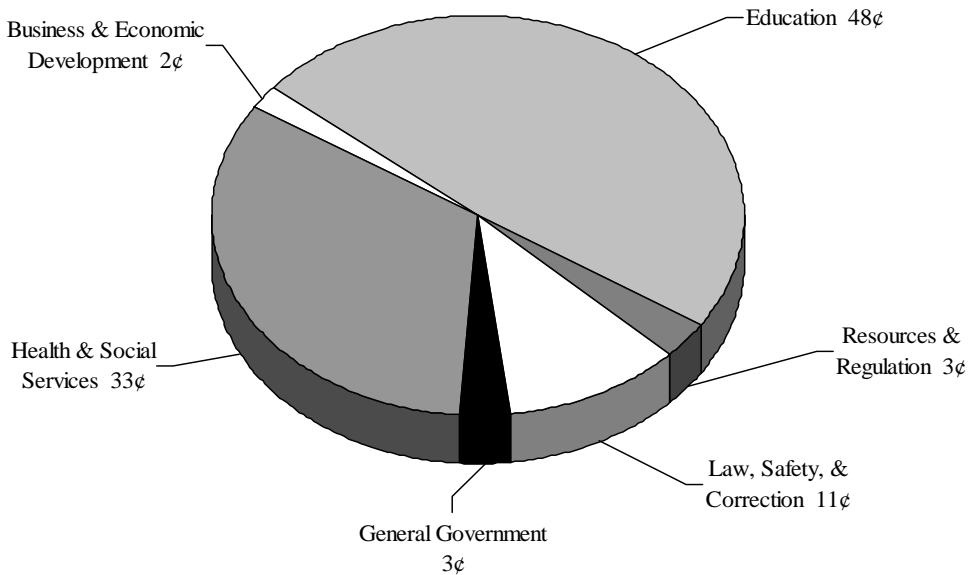
Fiscal Year 2011 - 2012

General Fund Budget

Where Your State Tax Dollar Comes From



Where Your State Tax Dollar Goes



Fiscal Year 2011 - 2012

**Total State Budget
Comparison of Programs and Revenue Sources
Fiscal Years 2009-2010, 2010-2011, and 2011-2012**

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Recommended 2011-2012</u>	<u>Act. vs. Est. Difference</u>	<u>Est. vs. Rec. Difference</u>
I. PROGRAMS					
ALL PROGRAMS	\$ 29,572,146,900	\$ 31,999,842,700	\$ 30,200,405,300	\$ 2,427,695,800	\$ (1,799,437,400)
General Fund ¹	25,897,136,100	28,357,770,300	26,761,974,000	2,460,634,200	(1,595,796,300)
Department of Transportation	1,815,696,000	1,804,482,000	1,816,595,000	(11,214,000)	12,113,000
Debt Service Requirements	416,369,900	393,523,000	405,214,000	(22,846,900)	11,691,000
Capital Outlay Program	485,937,000	448,252,500	198,047,500	(37,684,500)	(250,205,000)
Facilities Revolving Fund	146,054,600	163,614,900	160,174,800	17,560,300	(3,440,100)
Cities & Counties - State Shared Taxes	810,953,300	832,200,000	858,400,000	21,246,700	26,200,000
II. REVENUE SOURCES					
APPROPRIATION	\$ 11,970,159,900	\$ 12,918,031,700	\$ 13,376,499,400	\$ 947,871,800	\$ 458,467,700
General Fund ¹	9,450,586,900	10,684,043,900	11,342,020,600	1,233,457,000	657,976,700
Department of Transportation	871,073,600 ²	703,500,000	712,800,000	(167,573,600)	9,300,000
Debt Service Requirements	416,369,900	393,523,000	405,214,000	(22,846,900)	11,691,000
Capital Outlay Program	413,659,000 ²	291,700,000	45,000,000	(121,959,000)	(246,700,000)
Facilities Revolving Fund	7,517,200	13,064,800	13,064,800	5,547,600	0
Cities & Counties - State Shared Taxes	810,953,300	832,200,000	858,400,000	21,246,700	26,200,000
BONDS	\$ 0	\$ 300,500,000	\$ 273,000,000	\$ 300,500,000	\$ (27,500,000)
Department of Transportation	0	164,500,000	161,500,000	164,500,000	(3,000,000)
Capital Outlay Program	0	119,600,000	103,600,000	119,600,000	(16,000,000)
Facilities Revolving Fund	0	16,400,000	7,900,000	16,400,000	(8,500,000)
FEDERAL	\$ 12,959,195,800	\$ 13,929,975,600	\$ 11,889,162,500	\$ 970,779,800	\$ (2,040,813,100)
General Fund	12,036,992,300	13,025,395,100	10,969,164,000	988,402,800	(2,056,231,100)
Department of Transportation	911,896,500	899,718,000	904,031,000	(12,178,500)	4,313,000
Capital Outlay Program	10,307,000	4,862,500	15,967,500	(5,444,500)	11,105,000
CURRENT SERVICES & OTHER	\$ 4,642,791,200	\$ 4,851,335,400	\$ 4,661,743,400	\$ 208,544,200	\$ (189,592,000)
General Fund ³	4,409,556,900	4,648,331,300	4,450,789,400	238,774,400	(197,541,900)
Department of Transportation	32,725,900	36,764,000	38,264,000	4,038,100	1,500,000
Capital Outlay Program	61,971,000	32,090,000	33,480,000	(29,881,000)	1,390,000
Facilities Revolving Fund	138,537,400 ⁴	134,150,100	139,210,000	(4,387,300)	5,059,900
TOTAL STATE BUDGET	\$ 29,572,146,900	\$ 31,999,842,700	\$ 30,200,405,300	\$ 2,427,695,800	\$ (1,799,437,400)

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 2009-2010, 2010-2011, and 2011-2012**

	Actual 2009-2010	Estimated 2010-2011	Recommended 2011-2012	Act. vs. Est. Difference	Est. vs. Rec. Difference
I. GENERAL FUND ¹	\$ 25,897,136,100	\$ 28,357,770,300	\$ 26,761,974,000	\$ 2,460,634,200	\$ (1,595,796,300)
Appropriation	9,450,586,900	10,684,043,900	11,342,020,600	1,233,457,000	657,976,700
Federal	12,036,992,300	13,025,395,100	10,969,164,000	988,402,800	(2,056,231,100)
Current Services & Other Revenue ²	4,409,556,900	4,648,331,300	4,450,789,400	238,774,400	(197,541,900)
II. DEPARTMENT OF TRANSPORTATION	\$ 1,815,696,000	\$ 1,804,482,000	\$ 1,816,595,000	\$ (11,214,000)	\$ 12,113,000
Appropriation	871,073,600 ³	703,500,000	712,800,000	(167,573,600)	9,300,000
Federal	911,896,500	899,718,000	904,031,000	(12,178,500)	4,313,000
Current Services & Other Revenue	32,725,900	36,764,000	38,264,000	4,038,100	1,500,000
Bonds	0	164,500,000	161,500,000	164,500,000	(3,000,000)
III. DEBT SERVICE REQUIREMENTS	\$ 416,369,900	\$ 393,523,000	\$ 405,214,000	\$ (22,846,900)	\$ 11,691,000
Appropriation	416,369,900	393,523,000	405,214,000	(22,846,900)	11,691,000
IV. CAPITAL OUTLAY PROGRAM	\$ 485,937,000	\$ 448,252,500	\$ 198,047,500	\$ (37,684,500)	\$ (250,205,000)
Appropriation	413,659,000 ³	291,700,000	45,000,000	(121,959,000)	(246,700,000)
Federal	10,307,000	4,862,500	15,967,500	(5,444,500)	11,105,000
Current Services & Other Revenue	61,971,000	32,090,000	33,480,000	(29,881,000)	1,390,000
Bonds	0	119,600,000	103,600,000	119,600,000	(16,000,000)
V. FACILITIES REVOLVING FUND	\$ 146,054,600	\$ 163,614,900	\$ 160,174,800	\$ 17,560,300	\$ (3,440,100)
Appropriations	7,517,200	13,064,800	13,064,800	5,547,600	0
Current Services & Other Revenue	138,537,400 ⁴	134,150,100	139,210,000	(4,387,300)	5,059,900
Bonds	0	16,400,000	7,900,000	16,400,000	(8,500,000)
VI. CITIES & COUNTIES - STATE SHARED TAXES	\$ 810,953,300	\$ 832,200,000	\$ 858,400,000	\$ 21,246,700	\$ 26,200,000
Appropriation	810,953,300	832,200,000	858,400,000	21,246,700	26,200,000
VII. TOTAL STATE BUDGET	\$ 29,572,146,900	\$ 31,999,842,700	\$ 30,200,405,300	\$ 2,427,695,800	\$ (1,799,437,400)
Appropriation	11,970,159,900	12,918,031,700	13,376,499,400	947,871,800	458,467,700
Federal	12,959,195,800	13,929,975,600	11,889,162,500	970,779,800	(2,040,813,100)
Current Services & Other Revenue ²	4,642,791,200	4,851,335,400	4,661,743,400	208,544,200	(189,592,000)
Bonds	0	300,500,000	273,000,000	300,500,000	(27,500,000)

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, 2009-2010, 2010-2011, and 2011-2012**

TABLE 1

**Tennessee Personal Income
Calendar Years 1977, 2009, 2010, and 2011
(Dollars in Millions)**

<u>Year</u>	<u>Personal Income</u>	<u>Percentage Growth</u>
1977	\$ 26,805	-
2009	215,612	-
2010	224,358	4.06
2011	234,368	4.46

TABLE 2

**Appropriations from State Tax Revenues
Fiscal Years 1977-1978, 2009-2010, 2010-2011, and 2011-2012
(Dollars in Millions)**

<u>Year</u>	<u>Appropriations</u>	<u>Percentage Growth</u>
1977-1978	\$ 1,747.3	-
2009-2010	11,271.2	-
2010-2011	11,831.5	4.97
2011-2012	12,294.7	3.91

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.

2010-2011 Through 2014-2015 Budget Projection
General Fund and Education Fund
Recurring Appropriations and State Revenues
(Incremental Change)
Increase / (Decrease) in Millions

	Year 0	Year 1	Year 2	Year 3	Year 4
	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>
I. General Fund Revenues:					
Department of Revenue Taxes	\$ -	\$ 473	\$ 399	\$ 463	\$ 486
Other and Miscellaneous Revenue	-	(1)	15	15	15
Debt Service Fund Revenue	-	13	5	5	5
Dedicated Taxes - Restore to Earmarked Funds	-	(11)	(14)	-	-
Net Revenue Estimate Rounding	-	1	-	-	-
Total General Fund Revenue	<u>\$ -</u>	<u>\$ 475</u>	<u>\$ 405</u>	<u>\$ 483</u>	<u>\$ 506</u>
Recurring Imbalance at July 1, 2010	(205)	(205)	-	-	2
Total Available General Fund Revenue	<u>\$ (205)</u>	<u>\$ 270</u>	<u>\$ 405</u>	<u>\$ 483</u>	<u>\$ 508</u>
II. Appropriation Requirements:					
Base Reductions and Adjustments:					
Preliminary Base Adjustments	\$ -	\$ 30	\$ -	\$ -	\$ -
Preliminary Base Reductions	-	(2)	-	-	-
Base Reduction Plans and Reallocations	-	(134)	(121)	-	-
Sub-Total Base Reductions and Adjustments	<u>\$ -</u>	<u>\$ (106)</u>	<u>\$ (121)</u>	<u>\$ -</u>	<u>\$ -</u>
Program Growth:					
Education:					
Basic Education Program (BEP)	\$ -	\$ 66	\$ 55	\$ 55	\$ 55
Pre-K - Existing Classes	-	1	1	1	1
Other K-12 Education	-	-	5	5	5
Sub-Total Education	<u>\$ -</u>	<u>\$ 67</u>	<u>\$ 61</u>	<u>\$ 61</u>	<u>\$ 61</u>
Other Programs:					
Higher Education	\$ -	\$ -	\$ 50	\$ 90	\$ 70
TennCare	-	133	106	106	106
Cover Tennessee Health Care Programs	-	8	9	10	11
Correction Department	-	45	20	10	10
Employee Health Insurance	-	17	38	43	43
Retirement Contribution Rate Increase	-	-	60	-	50
Salary Increase - State, Higher Ed., Teachers	-	78	102	104	106
Other Programs	-	25	20	20	20
Capital Outlay - Debt Service on New Bonds	-	23	60	37	31
Overappropriation - Prior-Year Refund Adjustment	-	(20)	-	-	-
Sub-Total Other Programs	<u>\$ -</u>	<u>\$ 309</u>	<u>\$ 465</u>	<u>\$ 420</u>	<u>\$ 447</u>
Total Program Growth	<u>\$ -</u>	<u>\$ 376</u>	<u>\$ 526</u>	<u>\$ 481</u>	<u>\$ 508</u>
Total Appropriation Requirements	<u>\$ -</u>	<u>\$ 270</u>	<u>\$ 405</u>	<u>\$ 481</u>	<u>\$ 508</u>
III. Recurring Budget Surplus / (Deficit)	<u>\$ (205)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ -</u>
Rainy Day Fund at June 30, 2010: \$453 M; then:	\$ 284	\$ 327	\$ 368	\$ 416	\$ 466
TennCare Reserve Fund at June 30, 2010: \$442 M; then:	\$ 261	\$ 255	\$ 255	\$ 255	\$ 255

NOTE: Department of Revenue Taxes - Growth rates, years 1 - 4, are 3.65%, 4.5%, 5%, and 5%.

**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:			
K-12 Education - BEP Adjustment - Federal Availability	\$ 0	\$ 337,307,300	\$ (337,307,300)
Enhanced FMAP Adjustment - TennCare and Children's Services	0	528,529,100	(528,529,100)
TennCare - Dedicated Hospital Assessment	309,529,900	0	309,529,900
Other Appropriations	10,261,885,500	9,467,012,600	794,872,900
Total 2010 Appropriations Act - Work Program	\$ 10,571,415,400	\$ 10,332,849,000	\$ 238,566,400
2011 Supplemental Appropriations - Dedicated Hospital Assessment	\$ 11,763,400	\$ 0	\$ 11,763,400
2011 Supplemental Appropriations - Other Programs	100,865,100	0	100,865,100
Sub-Total Supplemental Appropriations	\$ 112,628,500	\$ 0	\$ 112,628,500
Total General Fund Requirements	\$ 10,684,043,900	\$ 10,332,849,000	\$ 351,194,900
Less: Overappropriation	(120,200,000)	(120,300,000)	100,000
Less: Reversion - Other Agencies - Prior-Year Savings	(20,000,000)	(20,000,000)	0
Less: Additional Reversion	(22,200,000)	0	(22,200,000)
Less: Reversion - State Agencies - Claims Premium	(3,400,000)	0	(3,400,000)
Less: Reversion - Higher Education - Claims Premium	(700,000)	0	(700,000)
Net General Fund Requirements	\$ 10,517,543,900	\$ 10,192,549,000	\$ 324,994,900
Other Programs:			
Capital Outlay Program	\$ 266,500,000	\$ 0	\$ 266,500,000
E&CD - Capital Outlay Grants	25,200,000	0	25,200,000
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 Programs	\$ 309,467,800	\$ 17,767,800	\$ 291,700,000
Total Appropriation Requirements	\$ 10,827,011,700	\$ 10,210,316,800	\$ 616,694,900
II. GENERAL FUND REVENUES AND RESERVES			
State Tax Revenue - Department of Revenue	\$ 8,539,300,000	\$ 8,389,700,000	\$ 149,600,000
Less: Sales Tax Relief - May 2010 Flood - Legislation	(7,400,000)	0	(7,400,000)
State Tax Revenue - Other State Revenue	1,477,500,000	1,127,843,200	349,656,800
Miscellaneous Revenue	46,600,000	42,800,000	3,800,000
Tobacco MSA Revenue	137,500,000	134,800,000	2,700,000
Lottery for Education Account	309,400,000	309,400,000	0
Highway Fund Transfer - Gas Inspection Act	1,100,000	1,100,000	0
Reserve for 2010-2011 Appropriations	239,400,000	0	239,400,000
Debt Service Fund Transfer at June 30, 2011	81,200,000	0	81,200,000
Transfer from TennCare Reserve	170,000,000	0	170,000,000
Transfer from TennCare Reserve - DIDD	11,400,000	0	11,400,000
Transfer from Rainy Day Fund	195,800,000	0	195,800,000
Undesignated Fund Balance at June 30, 2010	358,000	0	358,000
Total General Fund Revenues and Reserves	\$ 11,202,158,000	\$ 10,005,643,200	\$ 1,196,514,800
III. AVAILABLE FUNDS AT JUNE 30, 2011			
Reserve for 2011-2012 Appropriations for Core Services	\$ 160,000,000	\$ 0	\$ 160,000,000
Transfer to Rainy Day Fund from Core Services Reserve	26,300,000	0	26,300,000
Reserve for TennCare Trust Fund	28,106,700	0	28,106,700
Available Funds - 2010-2011 Closing Plan	160,534,900	0	160,534,900
Undesignated Fund Balance	204,700	(204,673,600)	204,878,300
Total Available Funds	\$ 375,146,300	\$ (204,673,600)	\$ 579,819,900
Revenue Fluctuation Reserve at June 30, 2010	\$ 453,100,000		
Revenue Fluctuation Reserve at June 30, 2011	\$ 283,600,000		

**General Fund and Education Fund
Comparison of Appropriation Requirements and State Revenues
Fiscal Year 2011-2012**

	<u>TOTAL</u>	<u>RECURRING</u>	<u>NON-RECURRING</u>
I. APPROPRIATION REQUIREMENTS			
General Fund Programs:			
Base Budget Requirements	\$ 10,332,849,000	\$ 10,332,849,000	\$ 0
Reductions and Reallocations - General Fund	(92,710,400)	(92,710,400)	0
Base Adjustments - General Fund	480,087,400	30,287,400	449,800,000
Reductions - Dedicated Funds	(4,069,100)	(4,069,100)	0
Base Adjustments - Dedicated Funds	4,928,100	4,928,100	0
Core Services - Non-Recurring	160,000,000	0	160,000,000
Base Budget Recommended	\$ 10,881,085,000	\$ 10,271,285,000	\$ 609,800,000
Improvement Budget Recommendations			
K-12 Education	\$ 68,700,000	\$ 66,200,000	\$ 2,500,000
Higher Education	30,300,000	0	30,300,000
Health and Social Services	143,320,800	141,528,700	1,792,100
Correction	49,184,100	45,484,100	3,700,000
Economic and Community Development	19,144,500	0	19,144,500
Group Health Insurance	17,000,000	17,000,000	0
Salary Increase @ 1.6%	77,800,000	77,800,000	0
Other Agencies and Programs	40,220,300	24,903,100	15,317,200
Other Agencies and Programs - Dedicated Funds	15,265,900	15,265,900	0
Total Improvements	\$ 460,935,600	\$ 388,181,800	\$ 72,753,800
Total General Fund Requirements	\$ 11,342,020,600	\$ 10,659,466,800	\$ 682,553,800
Less: Overappropriation	(140,300,000)	(140,300,000)	0
Less: Base Budget Reduction Plans	(43,900,000)	(43,900,000)	0
Net General Fund Requirements	\$ 11,157,820,600	\$ 10,475,266,800	\$ 682,553,800
Other Programs:			
Capital Outlay Program	\$ 45,000,000	\$ 0	\$ 45,000,000
Metro Sports Authority Debt Service	3,641,000	3,641,000	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 Programs	\$ 62,705,800	\$ 17,705,800	\$ 45,000,000
Total Appropriation Requirements	\$ 11,220,526,400	\$ 10,492,972,600	\$ 727,553,800
II. GENERAL FUND REVENUES AND RESERVES			
State Tax Revenue - Department of Revenue	\$ 8,852,800,000	\$ 8,852,800,000	\$ 0
State Tax Revenue - Other State Revenue	1,592,700,000	1,142,900,000	449,800,000
Miscellaneous Revenue	47,000,000	47,000,000	0
Tobacco MSA Revenue	138,000,000	138,000,000	0
Lottery for Education Account	311,400,000	311,400,000	0
Highway Fund Transfer - Gas Inspection Act	1,100,000	1,100,000	0
Available Funds - 2010-2011 Closing Plan	160,534,900	0	160,534,900
2011-2012 Transfer from Core Services Reserve	160,000,000	0	160,000,000
Transfer to Rainy Day Fund	(43,000,000)	0	(43,000,000)
Undesignated Fund Balance at June 30, 2011	204,700	0	204,700
Total General Fund Revenues and Reserves	\$ 11,220,739,600	\$ 10,493,200,000	\$ 727,539,600
III. AVAILABLE FUNDS AT JUNE 30, 2012			
Undesignated Fund Balance	\$ 213,200	\$ 227,400	\$ (14,200)
Total Available Funds	\$ 213,200	\$ 227,400	\$ (14,200)
Revenue Fluctuation Reserve at June 30, 2011	\$ 283,600,000		
Revenue Fluctuation Reserve at June 30, 2012	\$ 326,600,000		

Department of Transportation
Comparison of Appropriations and Funding Requirements
Fiscal Years 2010-2011 and 2011-2012

	<u>2010-2011</u>	<u>2011-2012</u>	<u>Difference</u>
I. APPROPRIATION REQUIREMENTS			
ADMINISTRATION			
D.O.T. Headquarters	\$ 13,071,000	\$ 12,808,200	\$ (262,800)
Bureau of Engineering	16,998,000	16,657,000	(341,000)
Bureau of Administration	42,223,000	41,489,900	(733,100)
Bureau of Environment and Planning	6,841,000	6,237,000	(604,000)
Field Engineering	43,219,000	40,414,900	(2,804,100)
Insurance Premiums	9,000,000	8,400,000	(600,000)
Sub-Total Administration	\$ 131,352,000	\$ 126,007,000	\$ (5,345,000)
EQUIPMENT PURCHASES & OPERATIONS	\$ 28,653,000	\$ 29,725,000	\$ 1,072,000
HIGHWAY MAINTENANCE	\$ 290,419,000	\$ 298,198,000	\$ 7,779,000
STATE CONSTRUCTION			
Highway Betterments	\$ 9,000,000	\$ 9,000,000	\$ 0
State Aid	30,622,000	30,622,000	0
State Industrial Access	20,180,000	18,180,000	(2,000,000)
Local Interstate Connectors	3,000,000	3,000,000	0
Capital Improvements	3,596,000	6,337,000	2,741,000
Sub-Total State Construction	\$ 66,398,000	\$ 67,139,000	\$ 741,000
FEDERAL CONSTRUCTION			
Mass Transit	\$ 44,624,000	\$ 44,931,000	\$ 307,000
Planning & Research	5,500,000	5,746,000	246,000
Interstate Construction	14,800,000	14,800,000	0
Forest Highways	200,000	200,000	0
State Highway Construction	138,154,000	142,654,000	4,500,000
Bridge Replacement	92,900,000	92,900,000	0
Air, Water, and Rail	55,000,000	52,000,000	(3,000,000)
Sub-Total Federal Construction	\$ 351,178,000	\$ 353,231,000	\$ 2,053,000
TOTAL APPROPRIATION REQUIREMENTS	\$ 868,000,000	\$ 874,300,000	\$ 6,300,000
II. FUNDING REQUIREMENTS			
Highway User Taxes	\$ 613,900,000	\$ 631,000,000	\$ 17,100,000
Miscellaneous Revenue	21,600,000	21,800,000	200,000
Bonds	77,000,000	74,000,000	(3,000,000)
Bridge Bonds	87,500,000	87,500,000	0
Highway Fund Balance/Reserves	16,000,000	8,000,000	(8,000,000)
Transportation Equity Fund	52,000,000	52,000,000	0
Sub-Total Revenues and Reserves	\$ 868,000,000	\$ 874,300,000	\$ 6,300,000
TOTAL FUNDING REQUIREMENTS	\$ 868,000,000	\$ 874,300,000	\$ 6,300,000

Department of Transportation
Comparison of Appropriations by Funding Sources
Fiscal Years 2010-2011 and 2011-2012

	<u>2010-2011</u>	<u>2011-2012</u>	<u>Difference</u>
I. STATE FUNDS			
Administration	\$ 131,352,000	\$ 126,007,000	\$ (5,345,000)
Equipment Purchases	28,653,000	29,725,000	1,072,000
Highway Maintenance	290,419,000	298,198,000	7,779,000
State Construction	66,398,000	67,139,000	741,000
Federal Aid Construction	186,678,000	191,731,000	5,053,000
Total State Funds	<u>\$ 703,500,000</u>	<u>\$ 712,800,000</u>	<u>\$ 9,300,000</u>
II. BOND AUTHORIZATIONS			
State Construction	\$ 0	\$ 0	\$ 0
Federal Aid Construction	164,500,000	161,500,000	(3,000,000)
Total Bond Authorizations	<u>\$ 164,500,000</u>	<u>\$ 161,500,000</u>	<u>\$ (3,000,000)</u>
III. FEDERAL AID			
Federal Aid Construction	\$ 899,718,000	\$ 904,031,000	\$ 4,313,000
Total Federal Aid	<u>\$ 899,718,000</u>	<u>\$ 904,031,000</u>	<u>\$ 4,313,000</u>
IV. LOCAL GOVERNMENTS			
Highway Maintenance	\$ 1,100,000	\$ 1,100,000	\$ 0
State Construction	12,714,000	12,714,000	0
Federal Aid Construction	22,950,000	24,450,000	1,500,000
Total Local Governments	<u>\$ 36,764,000</u>	<u>\$ 38,264,000</u>	<u>\$ 1,500,000</u>
V. GRAND TOTAL			
Administration	\$ 131,352,000	\$ 126,007,000	\$ (5,345,000)
Equipment Purchases	28,653,000	29,725,000	1,072,000
Highway Maintenance	291,519,000	299,298,000	7,779,000
State Construction	79,112,000	79,853,000	741,000
Federal Aid Construction	1,273,846,000	1,281,712,000	7,866,000
Grand Total	<u>\$ 1,804,482,000</u>	<u>\$ 1,816,595,000</u>	<u>\$ 12,113,000</u>

Department of Transportation
Actual Expenditures by Program and Funding Source
Fiscal Year 2009-2010

		Federal					
		2009	2009				
		Appropriations	U.S. Economic				
		Act	Recovery Act				
		State			Total	Other	Total
ADMINISTRATION							
401	D.O.T Headquarters	\$ 12,270,400	\$ -	\$ -	\$ -	\$ -	\$ 12,270,400
403	Bureau of Engineering	17,645,500	-	-	-	-	17,645,500
402	Bureau of Administration	34,083,400	-	-	-	-	34,083,400
405	Bureau of Environment and Planning	5,235,700	-	-	-	-	5,235,700
412	Field Engineering	39,413,900	-	-	-	-	39,413,900
414	Insurance Premiums	3,938,800	-	-	-	-	3,938,800
Sub-Total Administration		\$ 112,587,700	\$ -	\$ -	\$ -	\$ -	\$ 112,587,700
430	Equipment Purchases & Operations	16,008,800	-	-	-	3,092,200	19,101,000
451	Highway Maintenance	235,422,700	5,600	-	5,600	3,756,100	239,184,400
STATE CONSTRUCTION							
453	Highway Betterments	\$ 3,663,800	\$ -	\$ -	\$ -	\$ 136,400	\$ 3,800,200
455	State Aid	25,369,800	-	-	-	-	25,369,800
470	State Industrial Access	19,682,300	-	-	-	91,300	19,773,600
478	Local Interstate Connectors	2,580,700	-	-	-	2,112,200	4,692,900
481	Capital Improvements	8,128,400	-	-	-	-	8,128,400
Sub-Total State Construction		\$ 59,425,000	\$ -	\$ -	\$ -	\$ 2,339,900	\$ 61,764,900
FEDERAL CONSTRUCTION							
416	Mass Transit	\$ 42,250,300	\$ 22,126,500	\$ 11,269,000	\$ 33,395,500	\$ 1,144,000	\$ 76,789,800
440	Planning and Research	8,028,300	11,516,800	-	11,516,800	44,600	19,589,700
472	Interstate Construction	15,876,300	77,216,800	-	77,216,800	3,189,100	96,282,200
475	Forest Highways	55,100	188,100	-	188,100	-	243,200
480	State Highway Construction	287,506,400	417,058,900	310,309,900	727,368,800	15,530,900	1,030,406,100
488	Bridge Replacement	30,352,300	51,962,300	-	51,962,300	425,600	82,740,200
494	Air, Water, and Rail	63,560,700	9,519,500	723,100	10,242,600	3,203,500	77,006,800
Sub-Total Federal Construction		\$ 447,629,400	\$ 589,588,900	\$ 322,302,000	\$ 911,890,900	\$ 23,537,700	\$ 1,383,058,000
Total Appropriations		\$ 871,073,600	\$ 589,594,500	\$ 322,302,000	\$ 911,896,500	\$ 32,725,900	\$ 1,815,696,000
FUNDING SOURCES:							
	Highway User Taxes	\$ 600,234,700					
	Misc. Dept. Revenues	27,440,300					
	Transportation Equity Fund	37,203,300					
	Carryforward Funding	206,195,300					
Total State Appropriations		\$ 871,073,600					

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

		Federal					
		2010	2009				
		Appropriations	U.S. Economic				
		Act	Recovery Act				
		State			Total	Other	Total
ADMINISTRATION							
401	D.O.T Headquarters	\$ 13,071,000	\$ -	\$ -	\$ -	\$ -	\$ 13,071,000
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	6,841,000	-	-	-	-	6,841,000
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	28,653,000	-	-	-	-	28,653,000
451	Highway Maintenance	290,419,000	-	-	-	1,100,000	291,519,000
STATE CONSTRUCTION							
453	Highway Betterments	\$ 9,000,000	\$ -	\$ -	\$ -	\$ 100,000	\$ 9,100,000
455	State Aid	30,622,000	-	-	-	9,414,000	40,036,000
470	State Industrial Access	20,180,000	-	-	-	200,000	20,380,000
478	Local Interstate Connectors	3,000,000	-	-	-	3,000,000	6,000,000
481	Capital Improvements	3,596,000	-	-	-	-	3,596,000
	Sub-Total State Construction	\$ 66,398,000	\$ -	\$ -	\$ -	\$ 12,714,000	\$ 79,112,000
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	55,300,000	68,700,000	3,500,000	127,200,000
	Sub-Total Federal Construction	\$ 351,178,000	\$ 844,418,000	\$ 55,300,000	\$ 899,718,000	\$ 22,950,000	\$ 1,273,846,000
	Total Appropriations	\$ 868,000,000	\$ 844,418,000	\$ 55,300,000	\$ 899,718,000	\$ 36,764,000	\$ 1,804,482,000
FUNDING SOURCES:							
	Highway User Taxes	\$ 613,900,000					
	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	\$ 868,000,000					

Department of Transportation
Recommended Budget by Program and Funding Source
Fiscal Year 2011-2012

		<u>Federal</u>					
		2009					
		<u>State</u>	<u>Regular Program</u>	<u>U.S. Economic Recovery Act</u>	<u>Total</u>	<u>Other</u>	<u>Total</u>
ADMINISTRATION							
401	D.O.T Headquarters	\$ 12,808,200	\$ -	\$ -	\$ -	\$ -	\$ 12,808,200
403	Bureau of Engineering	16,657,000	-	-	-	-	16,657,000
402	Bureau of Administration	41,489,900	-	-	-	-	41,489,900
405	Bureau of Environment and Planning	6,237,000	-	-	-	-	6,237,000
412	Field Engineering	40,414,900	-	-	-	-	40,414,900
414	Insurance Premiums	8,400,000	-	-	-	-	8,400,000
	Sub-Total Administration	\$ 126,007,000	\$ -	\$ -	\$ -	\$ -	\$ 126,007,000
430	Equipment Purchases & Operations	29,725,000	-	-	-	-	29,725,000
451	Highway Maintenance	298,198,000	-	-	-	1,100,000	299,298,000
STATE CONSTRUCTION							
453	Highway Betterments	\$ 9,000,000	\$ -	\$ -	\$ -	\$ 100,000	\$ 9,100,000
455	State Aid	30,622,000	-	-	-	9,414,000	40,036,000
470	State Industrial Access	18,180,000	-	-	-	200,000	18,380,000
478	Local Interstate Connectors	3,000,000	-	-	-	3,000,000	6,000,000
481	Capital Improvements	6,337,000	-	-	-	-	6,337,000
	Sub-Total State Construction	\$ 67,139,000	\$ -	\$ -	\$ -	\$ 12,714,000	\$ 79,853,000
FEDERAL CONSTRUCTION							
416	Mass Transit	\$ 44,931,000	\$ 98,470,000	\$ -	\$ 98,470,000	\$ -	\$ 143,401,000
440	Planning and Research	5,746,000	14,500,000	-	14,500,000	-	20,246,000
472	Interstate Construction	14,800,000	162,600,000	-	162,600,000	1,500,000	178,900,000
475	Forest Highways	200,000	700,000	-	700,000	-	900,000
480	State Highway Construction	142,654,000	549,361,000	-	549,361,000	15,950,000	707,965,000
488	Bridge Replacement	92,900,000	63,900,000	-	63,900,000	3,500,000	160,300,000
494	Air, Water, and Rail	52,000,000	14,500,000	-	14,500,000	3,500,000	70,000,000
	Sub-Total Federal Construction	\$ 353,231,000	\$ 904,031,000	\$ -	\$ 904,031,000	\$ 24,450,000	\$ 1,281,712,000
	Total Appropriations	\$ 874,300,000	\$ 904,031,000	\$ -	\$ 904,031,000	\$ 38,264,000	\$ 1,816,595,000
FUNDING SOURCES:							
	Highway User Taxes	\$ 631,000,000					
	Misc. Dept. Revenues	21,800,000					
	Bond Authorization	74,000,000					
	Bridge Bonds	87,500,000					
	Fund Balance & Reserves	8,000,000					
	Transportation Equity Fund	52,000,000					
	Total State Appropriations	\$ 874,300,000					

Comparison of Programs Fiscal Years 2009-2010, 2010-2011, and 2011-2012

Allot. Code	Department	Actual 2009-2010	Estimated 2010-2011	Recommended 2011-2012	Act. vs. Est. Difference	Est. vs. Rec. Difference
301	Legislature	\$ 36,419,600	\$ 37,256,800	\$ 39,214,000	\$ 837,200	\$ 1,957,200
	Appropriation	34,859,000	37,119,300	39,076,500	2,260,300	1,957,200
	Current Services and Other Revenue	1,560,600	137,500	137,500	(1,423,100)	0
301.50	Fiscal Review Committee	\$ 1,222,300	\$ 1,285,500	\$ 1,334,500	\$ 63,200	\$ 49,000
	Appropriation	1,222,300	1,240,500	1,334,500	18,200	94,000
	Current Services and Other Revenue	0	45,000	0	45,000	(45,000)
302	Court System	\$ 124,733,300	\$ 122,245,900	\$ 125,262,700	\$ (2,487,400)	\$ 3,016,800
	Appropriation	117,689,100	115,909,000	119,435,800	(1,780,100)	3,526,800
	Federal	747,800	400,000	400,000	(347,800)	0
	Current Services and Other Revenue	6,296,400	5,936,900	5,426,900	(359,500)	(510,000)
303	Attorney General and Reporter	\$ 31,951,700	\$ 36,429,900	\$ 36,433,000	\$ 4,478,200	\$ 3,100
	Appropriation	20,997,400	23,769,400	23,772,700	2,772,000	3,300
	Current Services and Other Revenue	10,954,300	12,660,500	12,660,300	1,706,200	(200)
304	District Attorneys General	\$ 91,872,300	\$ 96,319,600	\$ 96,216,800	\$ 4,447,300	\$ (102,800)
	Appropriation	66,107,400	68,471,700	69,441,700	2,364,300	970,000
	Current Services and Other Revenue	25,764,900	27,847,900	26,775,100	2,083,000	(1,072,800)
305	Secretary of State	\$ 37,526,300	\$ 61,997,500	\$ 68,229,300	\$ 24,471,200	\$ 6,231,800
	Appropriation	23,774,300	27,665,700	27,175,100	3,891,400	(490,600)
	Federal	3,762,800	23,406,700	30,396,700	19,643,900	6,990,000
	Current Services and Other Revenue	9,989,200	10,925,100	10,657,500	935,900	(267,600)
306	District Public Defenders	\$ 38,864,800	\$ 42,363,400	\$ 42,606,700	\$ 3,498,600	\$ 243,300
	Appropriation	36,944,400	40,416,800	40,997,600	3,472,400	580,800
	Current Services and Other Revenue	1,920,400	1,946,600	1,609,100	26,200	(337,500)
307	Comptroller of the Treasury	\$ 83,839,900	\$ 93,627,200	\$ 94,772,300	\$ 9,787,300	\$ 1,145,100
	Appropriation	73,560,500	83,616,300	85,189,300	10,055,800	1,573,000
	Current Services and Other Revenue	10,279,400	10,010,900	9,583,000	(268,500)	(427,900)
308	Post-Conviction Defender	\$ 1,829,200	\$ 1,999,700	\$ 2,023,100	\$ 170,500	\$ 23,400
	Appropriation	1,829,200	1,999,700	2,023,100	170,500	23,400
309	Treasury Department	\$ 22,208,400	\$ 41,721,200	\$ 27,411,500	\$ 19,512,800	\$ (14,309,700)
	Appropriation	752,100	16,043,600	1,525,300	15,291,500	(14,518,300)
	Current Services and Other Revenue	21,456,300	25,677,600	25,886,200	4,221,300	208,600
313	Claims and Compensation	\$ 92,049,800	\$ 104,686,800	\$ 102,433,200	\$ 12,637,000	\$ (2,253,600)
	Appropriation	8,846,400	10,500,000	10,500,000	1,653,600	0
	Federal	11,031,000	3,700,000	5,020,000	(7,331,000)	1,320,000
	Current Services and Other Revenue	72,172,400	90,486,800	86,913,200	18,314,400	(3,573,600)

Comparison of Programs

Fiscal Years 2009-2010, 2010-2011, and 2011-2012

Allot. Code	Department	Actual 2009-2010	Estimated 2010-2011	Recommended 2011-2012	Act. vs. Est. Difference	Est. vs. Rec. Difference
315	Executive Department	\$ 3,901,300	\$ 5,089,400	\$ 5,030,200	\$ 1,188,100	\$ (59,200)
	Appropriation	3,901,300	5,089,400	5,030,200	1,188,100	(59,200)
316	Commissions	\$ 386,176,900	\$ 540,033,200	\$ 343,960,600	\$ 153,856,300	\$ (196,072,600)
	Appropriation	35,488,700	38,480,700	37,019,300	2,992,000	(1,461,400)
	Federal	299,879,900	439,683,500	243,672,800	139,803,600	(196,010,700)
	Current Services and Other Revenue	50,808,300	61,869,000	63,268,500	11,060,700	1,399,500
317	Finance and Administration (F&A)	\$ 249,678,300	\$ 297,655,800	\$ 251,812,800	\$ 47,977,500	\$ (45,843,000)
	Appropriation	15,561,300	33,170,600	19,629,000	17,609,300	(13,541,600)
	Federal	37,467,000	56,053,000	24,970,600	18,586,000	(31,082,400)
	Current Services and Other Revenue	196,650,000	208,432,200	207,213,200	11,782,200	(1,219,000)
	Criminal Justice Programs ¹	\$ 37,443,800	\$ 47,492,200	\$ 29,153,200	\$ 10,048,400	\$ (18,339,000)
	Appropriation	5,763,100	8,439,200	8,253,700	2,676,100	(185,500)
	Federal	31,244,500	38,947,200	20,793,700	7,702,700	(18,153,500)
	Current Services and Other Revenue	436,200	105,800	105,800	(330,400)	0
	Other F&A Programs ¹	\$ 212,234,500	\$ 250,163,600	\$ 222,659,600	\$ 37,929,100	\$ (27,504,000)
	Appropriation	9,798,200	24,731,400	11,375,300	14,933,200	(13,356,100)
	Federal	6,222,500	17,105,800	4,176,900	10,883,300	(12,928,900)
	Current Services and Other Revenue	196,213,800	208,326,400	207,107,400	12,112,600	(1,219,000)
318	F&A - TennCare	\$ 8,181,364,800	\$ 8,578,831,100	\$ 8,693,598,700	\$ 397,466,300	\$ 114,767,600
	Appropriation	1,632,337,800	2,151,986,600	2,747,094,900	519,648,800	595,108,300
	Federal	6,227,031,600	6,151,958,500	5,682,276,600	(75,073,100)	(469,681,900)
	Current Services and Other Revenue	321,995,400	274,886,000	264,227,200	(47,109,400)	(10,658,800)
319	Human Resources	\$ 8,187,300	\$ 11,499,700	\$ 11,499,700	\$ 3,312,400	\$ 0
	Appropriation	1,941,400	4,487,100	4,487,100	2,545,700	0
	Current Services and Other Revenue	6,245,900	7,012,600	7,012,600	766,700	0
321	General Services	\$ 80,296,400	\$ 92,919,400	\$ 92,198,800	\$ 12,623,000	\$ (720,600)
	Appropriation	6,069,900	2,539,200	2,461,200	(3,530,700)	(78,000)
	Current Services and Other Revenue	74,226,500	90,380,200	89,737,600	16,153,700	(642,600)
323	Veterans Affairs	\$ 4,599,900	\$ 5,275,100	\$ 5,236,700	\$ 675,200	\$ (38,400)
	Appropriation	4,007,400	4,735,400	4,697,000	728,000	(38,400)
	Federal	459,900	392,700	392,700	(67,200)	0
	Current Services and Other Revenue	132,600	147,000	147,000	14,400	0
324	Board of Probation and Parole	\$ 80,590,300	\$ 91,289,800	\$ 89,614,000	\$ 10,699,500	\$ (1,675,800)
	Appropriation	80,434,400	87,967,000	88,855,300	7,532,600	888,300
	Current Services and Other Revenue	155,900	3,322,800	758,700	3,166,900	(2,564,100)

Comparison of Programs Fiscal Years 2009-2010, 2010-2011, and 2011-2012

Allot. Code	Department	Actual 2009-2010	Estimated 2010-2011	Recommended 2011-2012	Act. vs. Est. Difference	Est. vs. Rec. Difference
325	Agriculture	\$ 76,992,500	\$ 94,532,800	\$ 87,748,600	\$ 17,540,300	\$ (6,784,200)
	Appropriation	57,029,200	68,956,700	68,704,100	11,927,500	(252,600)
	Federal	9,631,600	16,262,200	10,282,000	6,630,600	(5,980,200)
	Current Services and Other Revenue	10,331,700	9,313,900	8,762,500	(1,017,800)	(551,400)
326	Tourist Development	\$ 17,492,500	\$ 20,073,300	\$ 19,915,800	\$ 2,580,800	\$ (157,500)
	Appropriation	11,188,200	12,574,800	12,417,300	1,386,600	(157,500)
	Current Services and Other Revenue	6,304,300	7,498,500	7,498,500	1,194,200	0
327	Environment and Conservation	\$ 302,389,000	\$ 426,737,700	\$ 341,783,200	\$ 124,348,700	\$ (84,954,500)
	Appropriation	143,195,600	171,778,100	165,850,900	28,582,500	(5,927,200)
	Federal	58,968,200	147,870,000	71,774,800	88,901,800	(76,095,200)
	Current Services and Other Revenue	100,225,200	107,089,600	104,157,500	6,864,400	(2,932,100)
328	Wildlife Resources Agency	\$ 71,756,100	\$ 88,972,100	\$ 76,805,700	\$ 17,216,000	\$ (12,166,400)
	Appropriation	39,727,100	46,995,100	48,088,700	7,268,000	1,093,600
	Federal	23,875,100	26,006,000	21,117,000	2,130,900	(4,889,000)
	Current Services and Other Revenue	8,153,900	15,971,000	7,600,000	7,817,100	(8,371,000)
329	Correction	\$ 622,011,500	\$ 717,607,200	\$ 702,190,200	\$ 95,595,700	\$ (15,417,000)
	Appropriation	557,733,400	699,035,200	684,040,700	141,301,800	(14,994,500)
	Federal	48,188,700	1,114,500	1,114,500	(47,074,200)	0
	Current Services and Other Revenue	16,089,400	17,457,500	17,035,000	1,368,100	(422,500)
330	Economic and Community Development	\$ 89,807,800	\$ 365,720,500	\$ 147,111,300	\$ 275,912,700	\$ (218,609,200)
	Appropriation	44,527,000	145,554,300	46,565,700	101,027,300	(98,988,600)
	Federal	29,138,500	192,808,300	92,155,000	163,669,800	(100,653,300)
	Current Services and Other Revenue	16,142,300	27,357,900	8,390,600	11,215,600	(18,967,300)
331	Education (K-12)	\$ 5,031,432,600	\$ 5,678,575,200	\$ 5,192,612,200	\$ 647,142,600	\$ (485,963,000)
	Appropriation	3,661,207,300	3,644,871,800	4,094,138,700	(16,335,500)	449,266,900
	Federal	1,337,269,300	1,963,358,700	1,037,731,700	626,089,400	(925,627,000)
	Current Services and Other Revenue	32,956,000	70,344,700	60,741,800	37,388,700	(9,602,900)
	Lottery-Funded Programs	¹ \$ 12,965,300	\$ 14,500,000	\$ 13,500,000	\$ 1,534,700	\$ (1,000,000)
	Appropriation	12,965,300	13,700,000	13,200,000	734,700	(500,000)
	Current Services and Other Revenue	0	800,000	300,000	800,000	(500,000)
	Other Education (K-12) Programs	¹ \$ 5,018,467,300	\$ 5,664,075,200	\$ 5,179,112,200	\$ 645,607,900	\$ (484,963,000)
	Appropriation	3,648,242,000	3,631,171,800	4,080,938,700	(17,070,200)	449,766,900
	Federal	1,337,269,300	1,963,358,700	1,037,731,700	626,089,400	(925,627,000)
	Current Services and Other Revenue	32,956,000	69,544,700	60,441,800	36,588,700	(9,102,900)

Comparison of Programs

Fiscal Years 2009-2010, 2010-2011, and 2011-2012

Allot. Code	Department	Actual 2009-2010	Estimated 2010-2011	Recommended 2011-2012	Act. vs. Est. Difference	Est. vs. Rec. Difference
332	Higher Education	\$ 3,718,140,400	\$ 3,966,607,200	\$ 3,629,490,800	\$ 248,466,800	\$ (337,116,400)
	Appropriation	1,481,106,600	1,654,187,900	1,407,531,000	173,081,300	(246,656,900)
	Federal	380,322,800	353,199,500	258,175,000	(27,123,300)	(95,024,500)
	Current Services and Other Revenue	607,034,700	614,788,000	619,353,000	7,753,300	4,565,000
	Tuition and Student Fees	1,249,676,300	1,344,431,800	1,344,431,800	94,755,500	0
	Lottery for Education Account ¹	\$ 292,925,500	\$ 312,600,000	\$ 319,700,000	\$ 19,674,500	\$ 7,100,000
	Appropriation	292,925,500	295,700,000	298,200,000	2,774,500	2,500,000
	Current Services and Other Revenue	0	16,900,000	21,500,000	16,900,000	4,600,000
	Other Higher Education Programs ¹	\$ 3,425,214,900	\$ 3,654,007,200	\$ 3,309,790,800	\$ 228,792,300	\$ (344,216,400)
	Appropriation	1,188,181,100	1,358,487,900	1,109,331,000	170,306,800	(249,156,900)
	Federal	380,322,800	353,199,500	258,175,000	(27,123,300)	(95,024,500)
	Current Services and Other Revenue	607,034,700	597,888,000	597,853,000	(9,146,700)	(35,000)
	Tuition and Student Fees	1,249,676,300	1,344,431,800	1,344,431,800	94,755,500	0
335	Commerce and Insurance	\$ 125,073,000	\$ 176,939,000	\$ 163,996,300	\$ 51,866,000	\$ (12,942,700)
	Appropriation	82,931,700	96,485,400	100,267,400	13,553,700	3,782,000
	Federal	321,300	3,556,400	235,000	3,235,100	(3,321,400)
	Current Services and Other Revenue	41,820,000	76,897,200	63,493,900	35,077,200	(13,403,300)
336	Financial Institutions	\$ 14,144,400	\$ 16,835,000	\$ 16,698,100	\$ 2,690,600	\$ (136,900)
	Appropriation	5,652,200	8,634,300	8,531,600	2,982,100	(102,700)
	Current Services and Other Revenue	8,492,200	8,200,700	8,166,500	(291,500)	(34,200)
337	Labor and Workforce Development	\$ 244,785,700	\$ 251,600,200	\$ 220,409,300	\$ 6,814,500	\$ (31,190,900)
	Appropriation	32,023,200	42,854,000	44,384,900	10,830,800	1,530,900
	Federal	200,863,100	176,850,800	171,790,400	(24,012,300)	(5,060,400)
	Current Services and Other Revenue	11,899,400	31,895,400	4,234,000	19,996,000	(27,661,400)
339	Mental Health	\$ 295,178,600	\$ 339,198,100	\$ 295,098,400	\$ 44,019,500	\$ (44,099,700)
	Appropriation	177,600,400	189,947,700	185,689,300	12,347,300	(4,258,400)
	Federal	64,004,500	63,544,300	58,756,200	(460,200)	(4,788,100)
	Current Services and Other Revenue	53,573,700	85,706,100	50,652,900	32,132,400	(35,053,200)
341	Military	\$ 91,766,100	\$ 114,386,100	\$ 112,113,700	\$ 22,620,000	\$ (2,272,400)
	Appropriation	11,771,600	12,767,000	10,509,000	995,400	(2,258,000)
	Federal	78,525,900	99,601,400	99,587,000	21,075,500	(14,400)
	Current Services and Other Revenue	1,468,600	2,017,700	2,017,700	549,100	0
343	Health	\$ 514,320,600	\$ 613,711,600	\$ 572,930,700	\$ 99,391,000	\$ (40,780,900)
	Appropriation	148,559,000	163,421,400	168,233,600	14,862,400	4,812,200
	Federal	213,598,300	291,339,300	253,342,500	77,741,000	(37,996,800)
	Current Services and Other Revenue	152,163,300	158,950,900	151,354,600	6,787,600	(7,596,300)
344	Intellectual and Developmental Disabilities	\$ 857,438,100	\$ 815,738,600	\$ 773,150,500	\$ (41,699,500)	\$ (42,588,100)
	Appropriation	61,571,100	30,653,600	28,109,200	(30,917,500)	(2,544,400)
	Federal	1,898,200	1,768,900	1,768,900	(129,300)	0
	Current Services and Other Revenue	793,968,800	783,316,100	743,272,400	(10,652,700)	(40,043,700)

Comparison of Programs Fiscal Years 2009-2010, 2010-2011, and 2011-2012

Allot. Code	Department	Actual 2009-2010	Estimated 2010-2011	Recommended 2011-2012	Act. vs. Est. Difference	Est. vs. Rec. Difference
345	Human Services	\$ 3,076,557,300	\$ 3,053,026,700	\$ 2,910,373,500	\$ (23,530,600)	\$ (142,653,200)
	Appropriation	136,071,000	176,863,400	175,449,200	40,792,400	(1,414,200)
	Federal	2,796,528,900	2,730,648,400	2,599,862,300	(65,880,500)	(130,786,100)
	Current Services and Other Revenue	143,957,400	145,514,900	135,062,000	1,557,500	(10,452,900)
	Temporary Cash Assistance ¹	\$ 135,737,400	\$ 159,987,500	\$ 126,712,900	\$ 24,250,100	\$ (33,274,600)
	Appropriation	5,354,500	21,197,100	20,868,900	15,842,600	(328,200)
	Federal	126,765,700	135,173,200	102,226,800	8,407,500	(32,946,400)
	Current Services and Other Revenue	3,617,200	3,617,200	3,617,200	0	0
	Food Stamp Benefits ¹	\$ 1,926,728,100	\$ 1,927,600,000	\$ 1,927,600,000	\$ 871,900	\$ 0
	Federal	1,926,728,100	1,927,600,000	1,927,600,000	871,900	0
	Other Human Services Programs ¹	\$ 1,014,091,800	\$ 965,439,200	\$ 856,060,600	\$ (48,652,600)	\$ (109,378,600)
	Appropriation	130,716,500	155,666,300	154,580,300	24,949,800	(1,086,000)
	Federal	743,035,100	667,875,200	570,035,500	(75,159,900)	(97,839,700)
	Current Services and Other Revenue	140,340,200	141,897,700	131,444,800	1,557,500	(10,452,900)
347	Revenue	\$ 103,378,700	\$ 107,944,000	\$ 108,179,300	\$ 4,565,300	\$ 235,300
	Appropriation	76,252,400	82,920,100	83,579,300	6,667,700	659,200
	Federal	4,600	22,000	22,000	17,400	0
	Current Services and Other Revenue	27,121,700	25,001,900	24,578,000	(2,119,800)	(423,900)
348	Tennessee Bureau of Investigation	\$ 63,227,800	\$ 66,841,500	\$ 64,840,800	\$ 3,613,700	\$ (2,000,700)
	Appropriation	30,959,600	35,603,000	35,471,200	4,643,400	(131,800)
	Federal	12,617,500	15,610,400	14,962,000	2,992,900	(648,400)
	Current Services and Other Revenue	19,650,700	15,628,100	14,407,600	(4,022,600)	(1,220,500)
349	Safety	\$ 154,584,000	\$ 215,588,100	\$ 175,652,000	\$ 61,004,100	\$ (39,936,100)
	Appropriation	99,413,300	158,168,500	117,899,700	58,755,200	(40,268,800)
	Federal	5,786,200	9,580,800	9,276,400	3,794,600	(304,400)
	Current Services and Other Revenue	49,384,500	47,838,800	48,475,900	(1,545,700)	637,100
350	Cover Tennessee Health Care Programs	\$ 175,666,000	\$ 229,727,600	\$ 264,226,300	\$ 54,061,600	\$ 34,498,700
	Appropriation	82,579,700	96,416,000	103,596,900	13,836,300	7,180,900
	Federal	92,497,800	132,911,600	160,229,400	40,413,800	27,317,800
	Current Services and Other Revenue	588,500	400,000	400,000	(188,500)	0
351	Miscellaneous Appropriations	\$ 32,780,400	\$ 67,183,000	\$ 105,028,300	\$ 34,402,600	\$ 37,845,300
	Appropriation	31,797,800	67,183,000	105,028,300	35,385,200	37,845,300
	Current Services and Other Revenue	982,600	0	0	(982,600)	0
353	Emergency and Contingency Fund	\$ 0	\$ 819,300	\$ 819,300	\$ 819,300	\$ 0
	Appropriation	0	819,300	819,300	819,300	0
355	State Building Commission	\$ 106,600	\$ 425,000	\$ 400,000	\$ 318,400	\$ (25,000)
	Appropriation	56,500	275,000	250,000	218,500	(25,000)
	Current Services and Other Revenue	50,100	150,000	150,000	99,900	0

Comparison of Programs

Fiscal Years 2009-2010, 2010-2011, and 2011-2012

Allot. Code	Department	Actual 2009-2010	Estimated 2010-2011	Recommended 2011-2012	Act. vs. Est. Difference	Est. vs. Rec. Difference
359	Children's Services	\$ 660,793,600	\$ 666,453,500	\$ 651,511,100	\$ 5,659,900	\$ (14,942,400)
	Appropriation	311,308,700	321,870,300	317,119,000	10,561,600	(4,751,300)
	Federal	102,571,800	123,747,200	119,852,500	21,175,400	(3,894,700)
	Current Services and Other Revenue	246,913,100	220,836,000	214,539,600	(26,077,100)	(6,296,400)
	Grand Total - General Fund	\$ 25,897,136,100	\$ 28,357,770,300	\$ 26,761,974,000	\$ 2,460,634,200	\$ (1,595,796,300)
	Appropriation	9,450,586,900	10,684,043,900	11,342,020,600	1,233,457,000	657,976,700
	Federal	12,036,992,300	13,025,395,100	10,969,164,000	988,402,800	(2,056,231,100)
	Current Services and Other Revenue	3,159,880,600	3,303,899,500	3,106,357,600	144,018,900	(197,541,900)
	Tuition and Student Fees	1,249,676,300	1,344,431,800	1,344,431,800	94,755,500	0
400	Transportation	\$ 1,815,696,000	\$ 1,804,482,000	\$ 1,816,595,000	\$ (11,214,000)	\$ 12,113,000
	Appropriation	871,073,600 ²	703,500,000	712,800,000	(167,573,600)	9,300,000
	Federal	911,896,500	899,718,000	904,031,000	(12,178,500)	4,313,000
	Current Services and Other Revenue	32,725,900	36,764,000	38,264,000	4,038,100	1,500,000
	Bonds	0	164,500,000	161,500,000	164,500,000	(3,000,000)
	Debt Service Requirements	\$ 416,369,900	\$ 393,523,000	\$ 405,214,000	\$ (22,846,900)	\$ 11,691,000
	Appropriation	416,369,900	393,523,000	405,214,000	(22,846,900)	11,691,000
	Capital Outlay Program	\$ 485,937,000	\$ 448,252,500 ⁴	\$ 198,047,500	\$ (37,684,500)	\$ (250,205,000)
	Appropriation	413,659,000 ²	291,700,000	45,000,000	(121,959,000)	(246,700,000)
	Federal	10,307,000	4,862,500	15,967,500	(5,444,500)	11,105,000
	Current Services and Other Revenue	61,971,000	32,090,000	33,480,000	(29,881,000)	1,390,000
	Bonds	0	119,600,000	103,600,000	119,600,000	(16,000,000)
	Facilities Revolving Fund	\$ 146,054,600	\$ 163,614,900	\$ 160,174,800	\$ 17,560,300	\$ (3,440,100)
	Appropriation	7,517,200	13,064,800	13,064,800	5,547,600	0
	Current Services and Other Revenue	138,537,400 ³	134,150,100	139,210,000	(4,387,300)	5,059,900
	Bonds	0	16,400,000	7,900,000	16,400,000	(8,500,000)
	Cities & Counties - State Shared Taxes	\$ 810,953,300	\$ 832,200,000	\$ 858,400,000	\$ 21,246,700	\$ 26,200,000
	Appropriation	810,953,300	832,200,000	858,400,000	21,246,700	26,200,000
	Total State Budget - All Programs	\$ 29,572,146,900	\$ 31,999,842,700	\$ 30,200,405,300	\$ 2,427,695,800	\$ (1,799,437,400)
	Appropriation	11,970,159,900	12,918,031,700	13,376,499,400	947,871,800	458,467,700
	Federal	12,959,195,800	13,929,975,600	11,889,162,500	970,779,800	(2,040,813,100)
	Current Services and Other Revenue	3,393,114,900	3,506,903,600	3,317,311,600	113,788,700	(189,592,000)
	Tuition and Student Fees	1,249,676,300	1,344,431,800	1,344,431,800	94,755,500	0
	Bonds	0	300,500,000	273,000,000	300,500,000	(27,500,000)

¹ Included in departmental total.

² Transportation and Capital Outlay Program - Actual 2009-2010 includes tax revenue and bonds.

³ Facilities Revolving Fund - Actual 2009-2010 includes departmental revenue and bonds.

⁴ Capital Outlay Program - Estimated 2010-2011 includes the following from 2011 bond authorization and supplemental appropriations bills:

Total 2011 Bills	\$ 131,600,000
Appropriation	\$25,200,000
Bonds	\$106,400,000

**Fiscal Year 2011-2012
Authorized Positions Change
Recommended 2011-2012 Change from Estimated 2010-2011
Increase / (Decrease)**

	<u>Full-Time</u>	<u>Part-Time</u>	<u>Seasonal</u>	<u>Total</u>
I. Total Recommended	<u>(1,146)</u>	<u>(34)</u>	<u>-</u>	<u>(1,180)</u>
II. Base Budget	<u>(1,297)</u>	<u>(34)</u>	<u>(1)</u>	<u>(1,332)</u>
a. 2010-2011 Non-recurring Appropriations:	<u>(637)</u>	<u>(1)</u>	<u>(1)</u>	<u>(639)</u>
Various Agencies - Expired Federal Grants - Criminal Justice	(28)	(1)	-	(29)
Gubernatorial Transition Office	(8)	-	-	(8)
State Parks - Henry Horton Restaurant - See Improvement Below	(12)	-	(1)	(13)
Correction - Whiteville Prison - See Improvement Below	(2)	-	-	(2)
Intellectual Disabilities - Clover Bottom Developmental Center	(282)	-	-	(282)
Intellectual Disabilities - Greene Valley Developmental Center	(305)	-	-	(305)
b. 2010-2011 Core Services Positions Not Retained	(251)	(1)	-	(252)
c. 2011-2012 Base Reduction Plans	(322)	(33)	-	(355)
d. 2011-2012 Reallocations - Intellectual and Dev. Disabilities	(40)	-	-	(40)
e. 2011-2012 Other Base Adjustments:	<u>(47)</u>	<u>1</u>	<u>-</u>	<u>(46)</u>
Comptroller of the Treasury - Capitol Print Shop	(2)	-	-	(2)
Education - Expired Federal Grant - Reading First	(5)	-	-	(5)
Commerce - TLETA Food Service - Retained as Recurring	1	1	-	2
Mental Health - Expired Federal Grant - Access to Recovery	(4)	-	-	(4)
Military - Expired Federal Grant - Military Police	(37)	-	-	(37)
III. Program Improvement	<u>151</u>	<u>-</u>	<u>1</u>	<u>152</u>
Correction - Whiteville Prison	2	-	-	2
State Parks - Henry Horton Restaurant	12	-	1	13
Comptroller of the Treasury	1	-	-	1
Treasury Department	3	-	-	3
Human Rights Commission	1	-	-	1
Tennessee Housing Development Agency	12	-	-	12
Finance and Administration	6	-	-	6
Correction	24	-	-	24
Labor and Workforce Development	2	-	-	2
Health	2	-	-	2
Intellectual and Developmental Disabilities	44	-	-	44
Human Services	30	-	-	30
Revenue	1	-	-	1
Safety	8	-	-	8
Miscellaneous Appropriations - Chief Procurement Office	3	-	-	3

Departmental Summary of Continuation and Improvement Recommendations from State Revenue for Fiscal Year 2011-2012

Department	2010-2011 Appropriations *		2011-2012 Recommended Appropriations				
	Recurring	Non-Recurring	Base	% Change	Improvements	Total	% Change
Legislature	\$ 39,384,200	\$ (2,264,900)	\$ 39,076,500	-0.78%	\$ 0	\$ 39,076,500	5.27%
Fiscal Review Committee	1,348,000	(107,500)	1,334,500	-1.00%	0	1,334,500	7.58%
Court System	110,273,900	5,635,100	110,859,000	0.53%	8,576,800	119,435,800	3.04%
Attorney General and Reporter	23,304,900	464,500	23,769,400	1.99%	3,300	23,772,700	0.01%
District Attorneys General	68,446,900	24,800	68,446,900	0.00%	994,800	69,441,700	1.42%
Secretary of State	25,805,900	1,859,800	27,175,100	5.31%	0	27,175,100	-1.77%
District Public Defenders	40,416,800	0	40,416,800	0.00%	580,800	40,997,600	1.44%
Comptroller of the Treasury	83,616,300	0	83,616,300	0.00%	1,573,000	85,189,300	1.88%
Post-Conviction Defender	1,999,700	0	1,999,700	0.00%	23,400	2,023,100	1.17%
Treasury Department	1,043,600	15,000,000	1,275,300	22.20%	250,000	1,525,300	-90.49%
Claims and Compensation	10,500,000	0	10,500,000	0.00%	0	10,500,000	0.00%
Executive Department	5,185,400	(96,000)	5,030,200	-2.99%	0	5,030,200	-1.16%
Commissions	35,578,000	2,902,700	36,469,300	2.51%	550,000	37,019,300	-3.80%
Finance and Administration (F&A)	19,380,400	13,790,200	19,051,700	-1.70%	577,300	19,629,000	-40.82%
Criminal Justice Programs **	8,295,600	143,600	8,253,700	-0.51%	0	8,253,700	-2.20%
Other F&A Programs **	11,084,800	13,646,600	10,798,000	-2.59%	577,300	11,375,300	-54.00%
F&A - TennCare	2,203,054,100	(51,067,500)	2,613,254,400	18.62%	133,840,500	2,747,094,900	27.65%
Human Resources	4,487,100	0	4,487,100	0.00%	0	4,487,100	0.00%
General Services	2,530,500	8,700	2,461,200	-2.74%	0	2,461,200	-3.07%
Veterans Affairs	4,626,700	108,700	4,697,000	1.52%	0	4,697,000	-0.81%
Board of Probation and Parole	87,580,900	386,100	86,745,300	-0.95%	2,110,000	88,855,300	1.01%
Agriculture	60,599,700	8,357,000	58,440,400	-3.56%	10,263,700	68,704,100	-0.37%
Tourist Development	6,922,200	5,652,600	8,917,300	28.82%	3,500,000	12,417,300	-1.25%
Environment and Conservation	157,884,000	13,894,100	164,855,900	4.42%	995,000	165,850,900	-3.45%
Wildlife Resources Agency	45,223,300	1,771,800	47,564,700	5.18%	524,000	48,088,700	2.33%
Correction	644,149,400	54,885,800	634,856,600	-1.44%	49,184,100	684,040,700	-2.15%
Economic and Community Development	27,002,200	118,552,100	27,421,200	1.55%	19,144,500	46,565,700	-68.01%
Education (K-12)	3,923,744,600	(278,872,800)	3,983,438,700	1.52%	110,700,000	4,094,138,700	12.33%
Lottery-Funded Programs **	13,700,000	0	13,200,000	-3.65%	0	13,200,000	-3.65%
Other K-12 Education Programs **	3,910,044,600	(278,872,800)	3,970,238,700	1.54%	110,700,000	4,080,938,700	12.39%
Higher Education	1,355,226,900	298,961,000	1,354,731,000	-0.04%	52,800,000	1,407,531,000	-14.91%
Lottery for Education Account **	295,700,000	0	298,200,000	0.85%	0	298,200,000	0.85%
Other Higher Education Programs **	1,059,526,900	298,961,000	1,056,531,000	-0.28%	52,800,000	1,109,331,000	-18.34%
Commerce and Insurance	95,961,900	523,500	95,873,200	-0.09%	4,394,200	100,267,400	3.92%
Financial Institutions	8,634,300	0	8,531,600	-1.19%	0	8,531,600	-1.19%
Labor and Workforce Development	42,170,800	683,200	41,833,300	-0.80%	2,551,600	44,384,900	3.57%
Mental Health	158,058,400	31,889,300	185,689,300	17.48%	0	185,689,300	-2.24%

Departmental Summary of Continuation and Improvement Recommendations from State Revenue for Fiscal Year 2011-2012

Department	2010-2011 Appropriations *		2011-2012 Recommended Appropriations				
	Recurring	Non-Recurring	Base	% Change	Improvements	Total	% Change
Military	10,412,200	2,354,800	10,509,000	0.93%	0	10,509,000	-17.69%
Health	156,102,900	7,318,500	168,233,600	7.77%	0	168,233,600	2.94%
Intellectual and Developmental Disabilities	21,473,200	9,180,400	26,913,200	25.33%	1,196,000	28,109,200	-8.30%
Human Services	167,735,900	9,127,500	175,407,200	4.57%	42,000	175,449,200	-0.80%
Temporary Cash Assistance **	20,297,100	900,000	20,868,900	2.82%	0	20,868,900	-1.55%
Other Human Services Programs **	147,438,800	8,227,500	154,538,300	4.82%	42,000	154,580,300	-0.70%
Revenue	78,788,800	4,131,300	78,217,300	-0.73%	5,362,000	83,579,300	0.79%
Tennessee Bureau of Investigation	35,601,000	2,000	35,471,200	-0.36%	0	35,471,200	-0.37%
Safety	117,431,700	40,736,800	117,098,000	-0.28%	801,700	117,899,700	-25.46%
F&A - Cover Tennessee Health Care Programs	96,416,000	0	95,312,600	-1.14%	8,284,300	103,596,900	7.45%
Miscellaneous Appropriations	49,471,500	17,711,500	62,915,700	27.18%	42,112,600	105,028,300	56.33%
Emergency and Contingency Fund	819,300	0	819,300	0.00%	0	819,300	0.00%
State Building Commission	250,000	25,000	250,000	0.00%	0	250,000	-9.09%
Children's Services	304,205,500	17,664,800	317,119,000	4.24%	0	317,119,000	-1.48%
Total General Fund	\$ 10,332,849,000	\$ 351,194,900	\$ 10,881,085,000	5.31%	\$ 460,935,600	\$ 11,342,020,600	6.16%

* Includes recommended supplemental appropriations in the amount of \$112,628,500. See supplemental appropriation chart.

** These items are included in the departmental totals.

**Departmental Summary of Improvements
Fiscal Year 2011-2012**

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	8,576,800	8,576,800	0	0
303	Attorney General and Reporter	3,300	3,300	0	0
304	District Attorneys General	1,269,700	994,800	0	274,900
305	Secretary of State	0	0	0	0
306	District Public Defenders	580,800	580,800	0	0
307	Comptroller of the Treasury	1,573,000	1,573,000	0	0
308	Post-Conviction Defender	23,400	23,400	0	0
309	Treasury Department	754,000	250,000	0	504,000
313	Claims and Compensation	0	0	0	0
315	Executive Department	0	0	0	0
316	Commissions	2,796,300	550,000	209,800	2,036,500
317	Finance and Administration (F&A)	<u>577,300</u>	<u>577,300</u>	<u>0</u>	<u>0</u>
317.06	Criminal Justice Programs *	0	0	0	0
	Other F&A Programs *	577,300	577,300	0	0
318	F&A - TennCare	395,733,400	133,840,500	261,892,900	0
319	Human Resources	0	0	0	0
321	General Services	0	0	0	0
323	Veterans Affairs	0	0	0	0
324	Board of Probation and Parole	2,110,000	2,110,000	0	0
325	Agriculture	10,263,700	10,263,700	0	0
326	Tourist Development	3,500,000	3,500,000	0	0
327	Environment and Conservation	1,415,000	995,000	0	420,000
328	Wildlife Resources Agency	524,000	524,000	0	0
329	Correction	49,202,800	49,184,100	0	18,700
330	Economic and Community Development	19,144,500	19,144,500	0	0
331	Education (K-12)	<u>110,700,000</u>	<u>110,700,000</u>	<u>0</u>	<u>0</u>
	Lottery-Funded Programs *	0	0	0	0
	Other K-12 Education Programs *	110,700,000	110,700,000	0	0
332	Higher Education	<u>52,800,000</u>	<u>52,800,000</u>	<u>0</u>	<u>0</u>
	Lottery for Education Account *	0	0	0	0
	Other Higher Education Programs *	52,800,000	52,800,000	0	0
335	Commerce and Insurance	11,602,600	4,394,200	0	7,208,400
336	Financial Institutions	0	0	0	0
337	Labor and Workforce Development	2,551,600	2,551,600	0	0
339	Mental Health	0	0	0	0
341	Military	0	0	0	0
343	Health	169,300	0	0	169,300
344	Intellectual and Developmental Disabilities	56,183,200	1,196,000	0	54,987,200
345	Human Services	<u>1,716,500</u>	<u>42,000</u>	<u>1,674,500</u>	<u>0</u>
345.23	Temporary Cash Assistance *	0	0	0	0
	Other Human Services Programs *	1,716,500	42,000	1,674,500	0
347	Revenue	5,478,100	5,362,000	0	116,100
348	Tennessee Bureau of Investigation	0	0	0	0
349	Safety	1,870,400	801,700	0	1,068,700
350	F&A - Cover Tennessee Health Care Programs	35,048,000	8,284,300	26,763,700	0

**Departmental Summary of Improvements
Fiscal Year 2011-2012**

<u>Code</u>	<u>Department</u>	<u>Total</u>	<u>Funding</u>		
			<u>Appropriation</u>	<u>Federal</u>	<u>Other</u>
351	Miscellaneous Appropriations	42,112,600	42,112,600	0	0
359	Children's Services	0	0	0	0
	Sub-total General Fund	<u>\$ 818,280,300</u>	<u>\$ 460,935,600</u>	<u>\$ 290,540,900</u>	<u>\$ 66,803,800</u>
400	Transportation	0	0	0	0
	Total All Funds	<u>\$ 818,280,300</u>	<u>\$ 460,935,600</u>	<u>\$ 290,540,900</u>	<u>\$ 66,803,800</u>

* These items are included in the departmental totals.

**Supplemental Appropriations
General and Education Funds
Fiscal Year 2010-2011**

	2010-2011	Recurring 2011-2012
I. Operating Budget:		
Court System		
302.10 Indigent Defendants' Counsel	\$ 5,000,000	\$ 7,000,000
TennCare		
Hospital Coverage Assessment Items:		
318.65 TennCare Administration	\$ 70,000	\$ -
318.66 TennCare Medical Services	(15,575,900)	-
318.70 Supplemental Appropriations	28,364,800	-
318.71 Intellectual Disability Services	(30,000)	-
318.72 Medicare Services	(1,065,500)	-
Sub-Total Hospital Coverage Assessment Items	\$ 11,763,400	\$ -
318.71 Intellectual and Developmental Disabilities - Benefits Limits @ April 30 DIDD - Clover Bottom - Downsizing Delay	\$ 8,400,000 3,000,000	\$ - -
Total TennCare	\$ 23,163,400	\$ -
Correction		
329.04 State Prosecutions - Local Jail Payments	18,500,000	7,400,000
Economic and Community Development		
330.06 FastTrack Infrastructure and Job Training	45,000,000	-
Education		
331.25 BEP - ADM Correction for Prior Year	\$ 3,200,000	\$ 3,200,000
331.25 BEP - BEP Growth Fund @ \$35.7M (0%)	8,700,000	8,700,000
Sub-Total Education	\$ 11,900,000	\$ 11,900,000
Higher Education		
332.00 Group Health Insurance Open Enrollment 1-11-11 - See Subsidiary Chart	3,436,500	6,872,900
Commerce and Insurance		
335.12 POST Commission - Police Pay Supplement @ \$8,019,600	78,600	-
Revenue		
347.11 Title and Registration - TRUST system completion	3,600,000	-
Miscellaneous Appropriations:		
Property Insurance	\$ 300,000	\$ 489,600
State Agencies - Group Health Insurance Open Enrollment 1-1-11	1,050,000	4,100,000
Retirees Health Insurance @ \$12,500,000	600,000	700,000
Sub-Total Miscellaneous Appropriations	\$ 1,950,000	\$ 5,289,600
Total Operating Budget	\$ 112,628,500	\$ 38,462,500
II. Capital Outlay and Debt Service for Economic Development:		
Capital Outlay Budget *		
Wacker Chemie AG Project - Additional Funds	\$ 5,200,000	\$ -
Electrolux Project	20,000,000	-
Sub-Total Capital Outlay Budget	\$ 25,200,000	\$ -
Debt Service *		
Wacker Chemie Project - Debt Service on \$29.4 M Bonds	\$ 3,200,000	\$ 3,200,000
Electrolux Project - Debt Service on \$77 M Bonds	8,500,000	8,500,000
Sub-Total Debt Service	\$ 11,700,000	\$ 11,700,000
Total Capital Outlay and Debt Service	\$ 36,900,000	\$ 11,700,000
III. Grand Total Supplemental Appropriations	\$ 149,528,500	\$ 50,162,500

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

**Supplemental Appropriations
Higher Education
Group Health Insurance Open Enrollment
Fiscal Year 2010-2011**

	<u>FY 2011</u>	<u>Recurring FY 2012</u>
University of Tennessee System		
332.10 UT University-Wide Administration	\$ 15,000	\$ 30,000
332.15 UT Institute for Public Service	8,000	16,000
332.16 UT Municipal Technical Advisory Service	1,600	3,100
332.17 UT County Technical Assistance Service	2,600	5,100
332.23 UT Space Institute	10,500	20,900
332.25 UT Agricultural Experiment Station	68,900	137,700
332.26 UT Agricultural Extension Service	117,900	235,700
332.28 UT College of Veterinary Medicine	61,600	123,200
332.30 UT Health Science Center	131,500	262,900
332.32 UT Family Medicine	8,700	17,300
332.40 UT Chattanooga	150,400	300,700
332.42 UT Knoxville	766,900	1,534,400
332.44 UT Martin	183,100	366,400
Sub-Total University of Tennessee System	<u>\$ 1,526,700</u>	<u>\$ 3,053,400</u>
State University and Community College System		
332.53 Southwest Tennessee Community College	\$ 5,000	\$ 10,000
332.54 Nashville State Community College	61,700	123,300
332.55 Pellissippi State Community College	68,300	136,600
332.56 Northeast State Community College	110,700	221,400
332.60 Tennessee Board of Regents	7,300	14,600
332.70 Austin Peay State University	189,400	378,800
332.72 East Tennessee State University	356,200	712,600
332.74 University of Memphis	218,600	437,400
332.75 Middle Tennessee State University	359,200	718,700
332.77 Tennessee State University	136,500	272,900
332.78 Tennessee Technological University	108,800	217,600
332.80 Chattanooga State Community College	(40,300)	(80,600)
332.81 Cleveland State Community College	75,500	150,900
332.82 Columbia State Community College	23,800	47,500
332.84 Dyersburg State Community College	18,500	36,900
332.86 Jackson State Community College	27,900	55,700
332.88 Motlow State Community College	(16,800)	(33,600)
332.90 Roane State Community College	31,800	63,500
332.94 Volunteer State Community College	22,100	44,100
332.96 Walters State Community College	145,600	291,200
Sub-Total State University and Community College System	<u>\$ 1,909,800</u>	<u>\$ 3,819,500</u>
Grand Total	<u>\$ 3,436,500</u>	<u>\$ 6,872,900</u>

Lottery for Education Account
Summary of Appropriation Requirements, Revenues, and Reserves
Fiscal Years 2009-2010 Through 2014-2015
(Millions)

	Actual	Revised ¹	Recomm.	Projected		
	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
1. Appropriation Requirements:						
Higher Education Scholarships Base	\$ 289.7	\$ 308.7	\$ 315.9	\$ 316.1	\$ 316.5	\$ 316.5
Pre-Kindergarten Program	(0.7)	-	-	-	-	-
Administration and Other	3.6	3.8	3.8	3.8	3.8	3.8
Total Appropriation Requirements²	\$ 292.6	\$ 312.5	\$ 319.7	\$ 319.9	\$ 320.3	\$ 320.3
2. Current Revenue:						
Net Education Lottery Proceeds	\$ 276.0	\$ 280.0	\$ 282.2	\$ 284.5	\$ 286.7	\$ 289.0
Lottery for Education Account - Interest	17.9	17.0	16.0	15.0	14.0	13.0
Total Current Revenue	\$ 293.9	\$ 297.0	\$ 298.2	\$ 299.5	\$ 300.7	\$ 302.0
3. Net Available Current Revenue	\$ 1.3	\$ (15.5)	\$ (21.5)	\$ (20.4)	\$ (19.6)	\$ (18.3)
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	322.8	307.3	285.8	265.4	245.8	227.5
Total Reserve at June 30	\$ 372.8	\$ 357.3	\$ 335.8	\$ 315.4	\$ 295.8	\$ 277.5

(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 - 2009-2010 actual - 101,400; 2010-2011 revised estimate - 109,000; and 2011-2012 recommended estimate - 117,700.

¹ Revised 2010-2011 column reflects mid-year revised scholarship expenditure estimate and mid-year revised revenue estimate.

² 2009-2010 reflects final accounts closing, which has expenditures \$255,341 less than amount on page B-114 of the 2011-2012 Budget Document.

Lottery-Funded Education Programs
Comparison of Appropriation Requirements and State Revenues
Fiscal Years 2009-2010 Through 2014-2015

	Actual	2010-2011 ¹		Recommended	Projected		
	2009-2010	Budgeted	Revised	2011-2012	2012-2013	2013-2014	2014-2015
I. Appropriation Requirements							
Higher Education Scholarships Base	\$ 289,722,322	\$ 308,800,000	\$ 308,700,000	\$ 315,900,000	\$ 316,100,000	\$ 316,500,000	\$ 316,500,000
Pre-Kindergarten Program ²	(668,176)	-	-	-	-	-	-
Tenn. Higher Education Commission ²	477,032	521,400	521,400	521,400	521,400	521,400	521,400
Tenn. Student Assistance Corp. ²	3,138,980	2,438,800	2,438,800	2,438,800	2,438,800	2,438,800	2,438,800
Education - E-Transcripts for THEC ²	-	808,100	808,100	808,100	808,100	808,100	808,100
Education - Lottery Scholarship Day ²	-	23,000	23,000	23,000	23,000	23,000	23,000
Rounding / Reconciling	-	8,700	8,700	8,700	8,700	8,700	8,700
Sub-Total Lottery for Education Acct. ³	\$ 292,670,158	\$ 312,600,000	\$ 312,500,000	\$ 319,700,000	\$ 319,900,000	\$ 320,300,000	\$ 320,300,000
After-School Programs	12,958,655	14,500,000	14,500,000	13,500,000	13,500,000	13,500,000	13,500,000
Total Appropriation Requirements	\$ 305,628,813	\$ 327,100,000	\$ 327,000,000	\$ 333,200,000	\$ 333,400,000	\$ 333,800,000	\$ 333,800,000
II. Available Revenues and Reserves							
Net Education Lottery Proceeds	\$ 275,979,000	\$ 278,700,000	\$ 280,000,000	\$ 282,200,000	\$ 284,500,000	\$ 286,700,000	\$ 289,000,000
Lottery for Education Account - Interest	17,852,698	17,000,000	17,000,000	16,000,000	15,000,000	14,000,000	13,000,000
Unclaimed Prizes (After-School Programs)	12,894,000	13,500,000	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000
After-School Programs - Interest Earnings	46,700	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
Lottery for Education Account @ prior 6-30	321,627,282	315,227,282	322,788,822	307,288,822	285,788,822	265,388,822	245,788,822
Unclaimed Prizes @ prior 6-30	17,987,071	16,887,071	17,969,116	16,669,116	16,369,116	16,069,116	15,769,116
Total Available Revenues and Reserves	\$ 696,386,751	\$ 691,514,353	\$ 700,957,938	\$ 685,357,938	\$ 664,857,938	\$ 645,357,938	\$ 626,757,938
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
Lottery for Education Account	322,788,822	298,327,282	307,288,822	285,788,822	265,388,822	245,788,822	227,488,822
After-School Programs Reserve	17,969,116	16,087,071	16,669,116	16,369,116	16,069,116	15,769,116	15,469,116
Total Available Funds @ June 30	\$ 390,757,938	\$ 364,414,353	\$ 373,957,938	\$ 352,157,938	\$ 331,457,938	\$ 311,557,938	\$ 292,957,938

¹ 2010-2011 - Budgeted column reflects budgeted appropriations and revenue estimate. Revised column reflects mid-year revised scholarship expenditure estimate and mid-year revised revenue estimate.

² Estimated in departmental revenues of affected agencies.

³ 2009-2010 reflects final accounts closing, which has expenditures \$255,341 less than amount on page B-114 of the 2011-2012 Budget Document.

Departmental Comparison of Recurring Appropriations from State Revenues, 2010-2011 and Base Budget 2011-2012

Program	2010-2011	Base Budget 2011-2012	Increase/ (Decrease)	% Chg
301.00 Legislature	\$ 39,384,200	\$ 39,076,500	\$ (307,700)	(0.8%)
301.50 Fiscal Review Committee	1,348,000	1,334,500	(13,500)	(1.0%)
302.00 Court System	110,273,900	110,273,900	-	0.0%
303.00 Attorney General and Reporter	23,304,900	23,304,900	-	0.0%
304.00 District Attorneys General	68,446,900	68,446,900	-	0.0%
305.00 Secretary of State	25,805,900	25,842,900	37,000	0.1%
306.00 District Public Defenders	40,416,800	40,416,800	-	0.0%
307.00 Comptroller of the Treasury	83,616,300	83,616,300	-	0.0%
308.00 Post-Conviction Defender	1,999,700	1,999,700	-	0.0%
309.00 Treasury Department	1,043,600	1,275,300	231,700	22.2%
313.00 Claims and Compensation	10,500,000	10,500,000	-	0.0%
315.00 Executive Department	5,185,400	5,030,200	(155,200)	(3.0%)
316.00 Commissions	35,578,000	34,232,000	(1,346,000)	(3.8%)
317.00 Finance and Administration (F&A)	\$ 19,380,400	\$ 18,913,100	\$ (467,300)	(2.4%)
Criminal Justice Programs	8,295,600	8,253,700	(41,900)	(0.5%)
Other F&A Programs	11,084,800	10,659,400	(425,400)	(3.8%)
318.00 F&A - TennCare	2,203,054,100	2,163,028,200	(40,025,900)	(1.8%)
319.00 Human Resources	4,487,100	4,487,100	-	0.0%
321.00 General Services	2,530,500	2,461,200	(69,300)	(2.7%)
323.00 Veterans Affairs	4,626,700	4,655,800	29,100	0.6%
324.00 Board of Probation and Parole	87,580,900	86,745,300	(835,600)	(1.0%)
325.00 Agriculture	60,599,700	56,988,000	(3,611,700)	(6.0%)
326.00 Tourist Development	6,922,200	6,922,200	-	0.0%
327.00 Environment and Conservation	157,884,000	156,024,800	(1,859,200)	(1.2%)
328.00 Wildlife Resources Agency	45,223,300	46,658,400	1,435,100	3.2%
329.00 Correction	644,149,400	634,856,600	(9,292,800)	(1.4%)
330.00 Economic and Community Development	27,002,200	26,233,100	(769,100)	(2.9%)
331.00 Education (K-12)	\$ 3,923,744,600	\$ 3,919,847,300	\$ (3,897,300)	(0.1%)
Lottery-Funded Programs	13,700,000	13,200,000	(500,000)	(3.7%)
Other K-12 Education Programs	3,910,044,600	3,906,647,300	(3,397,300)	(0.1%)
332.00 Higher Education	\$ 1,355,226,900	\$ 1,344,364,400	\$ (10,862,500)	(0.8%)
Lottery-Funded Programs	295,700,000	298,200,000	2,500,000	0.9%
Other Higher Education Programs	1,059,526,900	1,046,164,400	(13,362,500)	(1.3%)

Departmental Comparison of Recurring Appropriations from State Revenues, 2010-2011 and Base Budget 2011-2012

Program	2010-2011	Base Budget 2011-2012	Increase/ (Decrease)	% Chg
335.00 Commerce and Insurance	95,961,900	95,635,200	(326,700)	(0.3%)
336.00 Financial Institutions	8,634,300	8,531,600	(102,700)	(1.2%)
337.00 Labor and Workforce Development	42,170,800	41,533,300	(637,500)	(1.5%)
339.00 Mental Health	158,058,400	175,121,700	17,063,300	10.8%
341.00 Military	10,412,200	10,260,500	(151,700)	(1.5%)
343.00 Health	156,102,900	154,640,600	(1,462,300)	(0.9%)
344.00 Intellectual and Developmental Disabilities	21,473,200	19,731,700	(1,741,500)	(8.1%)
345.00 Human Services	\$ 167,735,900	\$ 166,387,400	\$ (1,348,500)	(0.8%)
Temporary Cash Assistance	20,297,100	20,868,900	571,800	2.8%
Other Human Services Programs	147,438,800	145,518,500	(1,920,300)	(1.3%)
347.00 Revenue	78,788,800	78,217,300	(571,500)	(0.7%)
348.00 Tennessee Bureau of Investigation	35,601,000	35,471,200	(129,800)	(0.4%)
349.00 Safety	117,431,700	117,098,000	(333,700)	(0.3%)
350.00 F&A - Cover Tennessee Health Care Programs	96,416,000	95,312,600	(1,103,400)	(1.1%)
351.00 Miscellaneous Appropriations	49,471,500	53,218,700	3,747,200	7.6%
353.00 Emergency and Contingency Fund	819,300	819,300	-	0.0%
355.00 State Building Commission	250,000	250,000	-	0.0%
359.00 Children's Services	304,205,500	301,520,500	(2,685,000)	(0.9%)
Total General Fund	\$ 10,332,849,000	\$ 10,271,285,000	\$ (61,564,000)	(0.6%)

Departmental Comparison of Appropriations from State Revenues, Recurring and Non-Recurring, for Fiscal Years 2010-2011 and 2011-2012

Program	2010-2011 Appropriation		2011-2012 Base Recommended			2011-2012 Improvements		2011-2012 Total Recommended				
	Recurring	Non-Recurring	Recurring	Pct. Chg.	Non-Recurring	Recurring	Non-Recurring	Recurring	Pct. Chg.	Non-Recurring	Total	Pct. Chg.
Legislature	\$ 39,384,200	\$ (2,264,900)	\$ 39,076,500	(0.8%)	\$ -	\$ -	\$ -	\$ 39,076,500	(0.8%)	\$ -	\$ 39,076,500	5.3%
Fiscal Review Committee	1,348,000	(107,500)	1,334,500	(1.0%)	-	-	-	1,334,500	(1.0%)	-	1,334,500	7.6%
Court System	110,273,900	5,635,100	110,273,900	0.0%	585,100	8,576,800	-	118,850,700	7.8%	585,100	119,435,800	3.0%
Attorney General and Reporter	23,304,900	464,500	23,304,900	0.0%	464,500	3,300	-	23,308,200	0.0%	464,500	23,772,700	0.0%
District Attorneys General	68,446,900	24,800	68,446,900	0.0%	-	994,800	-	69,441,700	1.5%	-	69,441,700	1.4%
Secretary of State	25,805,900	1,859,800	25,842,900	0.1%	1,332,200	-	-	25,842,900	0.1%	1,332,200	27,175,100	(1.8%)
District Public Defenders	40,416,800	-	40,416,800	0.0%	-	580,800	-	40,997,600	1.4%	-	40,997,600	1.4%
Comptroller of the Treasury	83,616,300	-	83,616,300	0.0%	-	1,573,000	-	85,189,300	1.9%	-	85,189,300	1.9%
Post-Conviction Defender	1,999,700	-	1,999,700	0.0%	-	23,400	-	2,023,100	1.2%	-	2,023,100	1.2%
Treasury Department	1,043,600	15,000,000	1,275,300	22.2%	-	-	250,000	1,275,300	22.2%	250,000	1,525,300	(90.5%)
Claims and Compensation	10,500,000	-	10,500,000	0.0%	-	-	-	10,500,000	0.0%	-	10,500,000	0.0%
Executive Department	5,185,400	(96,000)	5,030,200	(3.0%)	-	-	-	5,030,200	(3.0%)	-	5,030,200	(1.2%)
Commissions	35,578,000	2,902,700	34,232,000	(3.8%)	2,237,300	550,000	-	34,782,000	(2.2%)	2,237,300	37,019,300	(3.8%)
Finance and Administration (F&A)	\$ 19,380,400	\$ 13,790,200	\$ 18,913,100	(2.4%)	\$ 138,600	\$ 577,300	\$ -	\$ 19,490,400	0.6%	\$ 138,600	\$ 19,629,000	(40.8%)
Criminal Justice Programs	8,295,600	143,600	8,253,700	(0.5%)	-	-	-	8,253,700	(0.5%)	-	8,253,700	(2.2%)
Other F&A Programs	11,084,800	13,646,600	10,659,400	(3.8%)	138,600	577,300	-	11,236,700	1.4%	138,600	11,375,300	(54.0%)
F&A - TennCare	2,203,054,100	(51,067,500)	2,163,028,200	(1.8%)	450,226,200	133,218,400	622,100	2,296,246,600	4.2%	450,848,300	2,747,094,900	27.7%
Human Resources	4,487,100	-	4,487,100	0.0%	-	-	-	4,487,100	0.0%	-	4,487,100	0.0%
General Services	2,530,500	8,700	2,461,200	(2.7%)	-	-	-	2,461,200	(2.7%)	-	2,461,200	(3.1%)
Veterans Affairs	4,626,700	108,700	4,655,800	0.6%	41,200	-	-	4,655,800	0.6%	41,200	4,697,000	(0.8%)
Board of Probation and Parole	87,580,900	386,100	86,745,300	(1.0%)	-	2,000,000	110,000	88,745,300	1.3%	110,000	88,855,300	1.0%
Agriculture	60,599,700	8,357,000	56,988,000	(6.0%)	1,452,400	10,263,700	-	67,251,700	11.0%	1,452,400	68,704,100	(0.4%)
Tourist Development	6,922,200	5,652,600	6,922,200	0.0%	1,995,100	-	3,500,000	6,922,200	0.0%	5,495,100	12,417,300	(1.3%)
Environment and Conservation	157,884,000	13,894,100	156,024,800	(1.2%)	8,831,100	245,000	750,000	156,269,800	(1.0%)	9,581,100	165,850,900	(3.5%)
Wildlife Resources Agency	45,223,300	1,771,800	46,658,400	3.2%	906,300	524,000	-	47,182,400	4.3%	906,300	48,088,700	2.3%
Correction	644,149,400	54,885,800	634,856,600	(1.4%)	-	45,484,100	3,700,000	680,340,700	5.6%	3,700,000	684,040,700	(2.2%)
Economic and Community Development	27,002,200	118,552,100	26,233,100	(2.9%)	1,188,100	-	19,144,500	26,233,100	(2.9%)	20,332,600	46,565,700	(68.0%)

**Departmental Comparison of Appropriations from State Revenues,
Recurring and Non-Recurring, for Fiscal Years 2010-2011 and 2011-2012**

Program	2010-2011 Appropriation		2011-2012 Base Recommended			2011-2012 Improvements		2011-2012 Total Recommended				
	Recurring	Non-Recurring	Recurring	Pct. Chg.	Non-Recurring	Recurring	Non-Recurring	Recurring	Pct. Chg.	Non-Recurring	Total	Pct. Chg.
Education (K-12)	\$ 3,923,744,600	\$(278,872,800)	\$ 3,919,847,300	(0.1%)	\$ 63,591,400	\$ 108,200,000	\$ 2,500,000	\$ 4,028,047,300	2.7%	\$ 66,091,400	\$ 4,094,138,700	12.3%
Lottery-Funded Programs	13,700,000	-	13,200,000	(3.7%)	-	-	-	13,200,000	(3.7%)	-	13,200,000	(3.7%)
Other K-12 Education Programs	3,910,044,600	(278,872,800)	3,906,647,300	(0.1%)	63,591,400	108,200,000	2,500,000	4,014,847,300	2.7%	66,091,400	4,080,938,700	12.4%
Higher Education	\$ 1,355,226,900	\$ 298,961,000	\$ 1,344,364,400	(0.8%)	\$ 10,366,600	\$ 22,500,000	\$30,300,000	\$ 1,366,864,400	0.9%	\$ 40,666,600	\$ 1,407,531,000	(14.9%)
Lottery-Funded Programs	295,700,000	-	298,200,000	0.9%	-	-	-	298,200,000	0.9%	-	298,200,000	0.9%
Other Higher Education Programs	1,059,526,900	298,961,000	1,046,164,400	(1.3%)	10,366,600	22,500,000	30,300,000	1,068,664,400	0.9%	40,666,600	1,109,331,000	(18.3%)
Commerce and Insurance	95,961,900	523,500	95,635,200	(0.3%)	238,000	4,394,200	-	100,029,400	4.2%	238,000	100,267,400	3.9%
Financial Institutions	8,634,300	-	8,531,600	(1.2%)	-	-	-	8,531,600	(1.2%)	-	8,531,600	(1.2%)
Labor and Workforce Development	42,170,800	683,200	41,533,300	(1.5%)	300,000	381,800	2,169,800	41,915,100	(0.6%)	2,469,800	44,384,900	3.6%
Mental Health	158,058,400	31,889,300	175,121,700	10.8%	10,567,600	-	-	175,121,700	10.8%	10,567,600	185,689,300	(2.2%)
Military	10,412,200	2,354,800	10,260,500	(1.5%)	248,500	-	-	10,260,500	(1.5%)	248,500	10,509,000	(17.7%)
Health	156,102,900	7,318,500	154,640,600	(0.9%)	13,593,000	-	-	154,640,600	(0.9%)	13,593,000	168,233,600	2.9%
Intellectual and Developmental Disabilities	21,473,200	9,180,400	19,731,700	(8.1%)	7,181,500	26,000	1,170,000	19,757,700	(8.0%)	8,351,500	28,109,200	(8.3%)
Human Services	\$ 167,735,900	\$ 9,127,500	\$ 166,387,400	(0.8%)	\$ 9,019,800	\$ 42,000	\$ -	\$ 166,429,400	(0.8%)	\$ 9,019,800	\$ 175,449,200	(0.8%)
Temporary Cash Assistance	20,297,100	900,000	20,868,900	2.8%	-	-	-	20,868,900	2.8%	-	20,868,900	(1.6%)
Other Human Services Programs	147,438,800	8,227,500	145,518,500	(1.3%)	9,019,800	42,000	-	145,560,500	(1.3%)	9,019,800	154,580,300	(0.7%)
Revenue	78,788,800	4,131,300	78,217,300	(0.7%)	-	2,614,600	2,747,400	80,831,900	2.6%	2,747,400	83,579,300	0.8%
Tennessee Bureau of Investigation	35,601,000	2,000	35,471,200	(0.4%)	-	-	-	35,471,200	(0.4%)	-	35,471,200	(0.4%)
Safety	117,431,700	40,736,800	117,098,000	(0.3%)	-	801,700	-	117,899,700	0.4%	-	117,899,700	(25.5%)
F&A - Cover Tennessee Health Care Programs	96,416,000	-	95,312,600	(1.1%)	-	8,284,300	-	103,596,900	7.5%	-	103,596,900	7.5%
Miscellaneous Appropriations	49,471,500	17,711,500	53,218,700	7.6%	9,697,000	36,322,600	5,790,000	89,541,300	81.0%	15,487,000	105,028,300	56.3%
Emergency and Contingency Fund	819,300	-	819,300	0.0%	-	-	-	819,300	0.0%	-	819,300	0.0%
State Building Commission	250,000	25,000	250,000	0.0%	-	-	-	250,000	0.0%	-	250,000	(9.1%)
Children's Services	304,205,500	17,664,800	301,520,500	(0.9%)	15,598,500	-	-	301,520,500	(0.9%)	15,598,500	317,119,000	(1.5%)
Total General Fund	\$10,332,849,000	\$ 351,194,900	\$10,271,285,000	(0.6%)	\$ 609,800,000	\$ 388,181,800	\$72,753,800	\$10,659,466,800	3.2%	\$ 682,553,800	\$11,342,020,600	6.2%

Funding Summary All Programs

	Actual 2009-2010	Estimated 2010-2011	Recommended 2011-2012
GENERAL FUND AND EDUCATION FUND			
Expenditures			
Payroll	\$ 2,404,253,700	\$ 2,595,206,700	\$ 2,543,260,900
Operational	23,492,882,400	25,762,563,600	24,218,713,100
TOTAL	\$ 25,897,136,100	\$ 28,357,770,300	\$ 26,761,974,000
Funding			
State *	\$ 9,450,586,900	\$ 10,684,043,900	\$ 11,342,020,600
Federal	12,036,992,300	13,025,395,100	10,969,164,000
Other	3,159,880,600	3,303,899,500	3,106,357,600
Tuition and Fees	1,249,676,300	1,344,431,800	1,344,431,800
DEPARTMENT OF TRANSPORTATION			
Expenditures			
Payroll	\$ 226,290,100	\$ 249,399,500	\$ 254,951,600
Operational	1,589,405,900	1,555,082,500	1,561,643,400
TOTAL	\$ 1,815,696,000	\$ 1,804,482,000	\$ 1,816,595,000
Funding			
State	\$ 871,073,600	\$ 868,000,000	\$ 874,300,000
Federal	911,896,500	899,718,000	904,031,000
Other	32,725,900	36,764,000	38,264,000
GRAND TOTAL - ALL PROGRAMS			
Expenditures			
Payroll	\$ 2,630,543,800	\$ 2,844,606,200	\$ 2,798,212,500
Operational	25,082,288,300	27,317,646,100	25,780,356,500
TOTAL	\$ 27,712,832,100	\$ 30,162,252,300	\$ 28,578,569,000
Funding			
State *	\$ 10,321,660,500	\$ 11,552,043,900	\$ 12,216,320,600
Federal	12,948,888,800	13,925,113,100	11,873,195,000
Other	3,192,606,500	3,340,663,500	3,144,621,600
Tuition and Fees	1,249,676,300	1,344,431,800	1,344,431,800

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

\$ 305,890,800	\$ 309,400,000	\$ 311,400,000
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Comparison of Authorized Positions State Agencies and Higher Education

	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>	<u>Change From Current Year</u>
I. STATE AGENCIES *				
General Fund	47,583	46,188	45,008	(1,180)
Full-time	44,897	43,971	42,825	(1,146)
Part-time	2,078	1,619	1,585	(34)
Seasonal	608	598	598	0
Department of Transportation	4,867	4,667	4,667	0
Full-time	4,867	4,667	4,662	(5)
Part-time	0	0	5	5
Seasonal	0	0	0	0
Total State Agencies	52,450	50,855	49,675	(1,180)
Full-time	49,764	48,638	47,487	(1,151)
Part-time	2,078	1,619	1,590	(29)
Seasonal	608	598	598	0
II. HIGHER EDUCATION				
Total Positions	23,817	23,814	23,814	0
Full-time Equivalent (UT and TBR)				
Administrative	1,251	1,268	1,268	0
Professional	5,051	5,131	5,131	0
Faculty	9,051	9,050	9,050	0
Clerical and Support	8,450	8,351	8,351	0
Foreign Language Institute (FT)	14	14	14	0
III. TOTAL STATE AGENCIES AND HIGHER EDUCATION				
Total Positions	76,267	74,669	73,489	(1,180)
Full-time **	73,581	72,452	71,301	(1,151)
Part-time	2,078	1,619	1,590	(29)
Seasonal	608	598	598	0

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

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

Full-Time Employees Overlapped Over 90 Days

		<u>Number</u>
301.00	Legislature	32
302.00	Court System	10
304.00	District Attorneys General Conference	6
305.00	Secretary of State	3
307.00	Comptroller of the Treasury	2
309.00	Treasury Department	1
316.00	Commissions	1
317.00	Finance and Administration	6
318.00	TennCare	2
324.00	Board of Probation and Parole	3
325.00	Agriculture	2
327.00	Environment and Conservation	4
328.00	Tennessee Wildlife Resources Agency	1
329.00	Correction	29
331.00	Education (K-12)	10
332.00	Higher Education - State Administered Programs	1
337.00	Labor and Workforce Development	9
339.00	Mental Health	6
341.00	Military	9
343.00	Health	5
344.00	Intellectual and Developmental Disabilities	42
345.00	Human Services	45
349.00	Safety	36
359.00	Children's Services	11
400.00	Transportation	2
	Total	278

Based on Edison extract of full-time employees overlapped more than ninety days as of 3/1/2011.

Excludes 361 overlapped Eligibility Clerk and Eligibility Counselor positions in DHS. These overlaps are funded by ARRA TANF funds set to expire at June 30, 2011.

**Base Appropriations Preserved
by Proposed Legislation
Hospital Coverage Assessment
Fiscal Year 2011-2012**

Legislation is proposed to continue the hospital coverage assessment for one year. An estimated \$449.8 million is raised by this legislation. The following base appropriations are preserved by this revenue proposal. Failure to enact this legislation will result in the following base budget reductions.

	<u>State</u>	<u>Federal</u>	<u>Total</u>
FY 2009-2010 Base Reductions Restored:			
Medically Needy Category	\$ 11,051,000	\$ 21,676,300	\$ 32,727,300
Essential Access Hospital Payments	33,767,000	66,233,000	100,000,000
Graduate Medical Education	16,883,500	33,116,500	50,000,000
Critical Access Hospital Payments	3,376,700	6,623,300	10,000,000
Medicare Part A Reimbursement	12,004,300	23,546,100	35,550,400
Provider Reimbursement and Co-Pay	62,848,200	123,274,900	186,123,100
Sub-Total	\$ 139,930,700	\$ 274,470,100	\$ 414,400,800
FY 2010-2011 Base Reductions Restored:			
Hospital Reimbursement Ceiling	\$ 22,477,200	\$ 44,088,500	\$ 66,565,700
In-Patient Services	45,734,500	89,707,000	135,441,500
Lab and X-Ray Procedures	27,274,600	53,498,200	80,772,800
Therapies	4,483,400	8,794,200	13,277,600
Out-Patient Services	10,321,500	20,245,400	30,566,900
Office Visits	14,349,700	28,146,400	42,496,100
Sub-Total	\$ 124,640,900	\$ 244,479,700	\$ 369,120,600
Other Appropriations:			
Disproportionate Share Hospital Payments	\$ 27,359,000	\$ 53,664,000	\$ 81,023,000
Additional Cost-Based Reimbursement for Critical Access	6,000,000	-	6,000,000
Hospital Payments - Unreimbursed Costs	151,869,400	297,930,700	449,800,100
Sub-Total	\$ 185,228,400	\$ 351,594,700	\$ 536,823,100
Grand Total	\$ 449,800,000	\$ 870,544,500	\$ 1,320,344,500

**TennCare Program
Non-Recurring Appropriations
from Hospital Coverage Assessment and Drug Clawback Enhanced Match Rate
Revised 2010-2011 and Base 2011-2012**

Red. Number	Description	Fiscal Year 2010-2011					Fiscal Year 2011-2012		
		State Appropriation			Federal	Total	State Approp. (Coverage Assessment) ¹	Federal	Total
		Clawback Enhanced Match	Coverage Assessment ¹	Total					
A. FY 2009-2010 Base Reductions Restored:									
8	Medically Needy Category	\$ -	\$ 8,617,100	\$ 8,617,100	\$ 24,110,200	\$ 32,727,300	\$ 11,051,000	\$ 21,676,300	\$ 32,727,300
11	Long Term Care Eligibility Criteria	6,910,000	6,203,900	13,113,900	34,010,100	47,124,000	-	-	-
12	Essential Access Hospital Payments	-	34,220,000	34,220,000	65,780,000	100,000,000	33,767,000	66,233,000	100,000,000
13	Graduate Medical Education	-	13,165,000	13,165,000	36,835,000	50,000,000	16,883,500	33,116,500	50,000,000
14	Meharry Grants	1,466,300	3,000,000	4,466,300	3,533,700	8,000,000	-	-	-
15	Critical Access Hospital Payments	-	2,633,000	2,633,000	7,367,000	10,000,000	3,376,700	6,623,300	10,000,000
20	Medicare Part A Reimbursement	-	9,360,400	9,360,400	26,190,000	35,550,400	12,004,300	23,546,100	35,550,400
21	Nursing Home Rates	16,534,000	2,474,100	19,008,100	46,766,300	65,774,400	-	-	-
22	MCO Administration Rate	6,507,900	973,800	7,481,700	18,407,500	25,889,200	-	-	-
23	Provider Reimbursement and Co-Pay	64,355,700	9,629,800	73,985,500	182,065,800	256,051,300	62,848,200	123,274,900	186,123,100
24	Dental Provider Rate	2,849,400	426,400	3,275,800	8,059,500	11,335,300	-	-	-
25	Private ICF-MR Rates	1,759,600	263,300	2,022,900	4,977,100	7,000,000	-	-	-
26	PACE Capitation Rates	220,200	33,000	253,200	622,900	876,100	-	-	-
Sub-Total		\$ 100,603,100	\$ 90,999,800	\$ 191,602,900	\$ 458,725,100	\$ 650,328,000	\$ 139,930,700	\$ 274,470,100	\$ 414,400,800
B. FY 2010-2011 Base Reductions Restored:									
3	Non-Emergency Transportation	\$ 1,123,000	\$ -	\$ 1,123,000	\$ 2,706,300	\$ 3,829,300	\$ -	\$ -	\$ -
10	Hospital Reimbursement Ceiling	-	13,719,200	13,719,200	38,385,700	52,104,900	22,477,200	44,088,500	66,565,700
11	MAC Pricing on Pharmacy	4,839,600	-	4,839,600	11,662,500	16,502,100	-	-	-
14	Meharry Grants	1,466,400	-	1,466,400	3,533,600	5,000,000	-	-	-
16	In-Patient Services	-	39,421,100	39,421,100	110,298,100	149,719,200	45,734,500	89,707,000	135,441,500
17	Lab and X-Ray Procedures	-	15,874,100	15,874,100	44,414,800	60,288,900	27,274,600	53,498,200	80,772,800
18	Therapies	-	2,606,900	2,606,900	7,294,000	9,900,900	4,483,400	8,794,200	13,277,600
19	Out-Patient Services	-	7,496,700	7,496,700	20,975,300	28,472,000	10,321,500	20,245,400	30,566,900
20	Pharmacy Pricing - Reduce MAC Pricing	3,519,200	-	3,519,200	8,480,800	12,000,000	-	-	-
21	Benefit Limits - Reduced Growth	-	5,247,100	5,247,100	14,681,200	19,928,300	-	-	-
24	Office Visits	-	10,053,100	10,053,100	28,127,900	38,181,000	14,349,700	28,146,400	42,496,100
Sub-Total		\$ 10,948,200	\$ 94,418,200	\$ 105,366,400	\$ 290,560,200	\$ 395,926,600	\$ 124,640,900	\$ 244,479,700	\$ 369,120,600
Sub-Total - Reductions Restored		\$ 111,551,300	\$ 185,418,000	\$ 296,969,300	\$ 749,285,300	\$ 1,046,254,600	\$ 264,571,600	\$ 518,949,800	\$ 783,521,400

**TennCare Program
Non-Recurring Appropriations
from Hospital Coverage Assessment and Drug Clawback Enhanced Match Rate
Revised 2010-2011 and Base 2011-2012**

Red. Number	Description	Fiscal Year 2010-2011				Fiscal Year 2011-2012			
		State Appropriation			Federal	Total	State Approp. (Coverage Assessment) ¹	Federal	Total
		Clawback Enhanced Match	Coverage Assessment ¹	Total					
C. Other Appropriations:									
	State Supplemental Hospital Grant ²	\$ 10,000,000	\$ -	\$ 10,000,000	\$ -	\$ 10,000,000	\$ -	\$ -	\$ -
	Disproportionate Share Hospital Payments ²	-	13,603,200	13,603,200	26,149,100	39,752,300	27,359,000	53,664,000	81,023,000
	Add'l. Cost-Based Reimb. for Crit. Access ²	-	6,000,000	6,000,000	-	6,000,000	6,000,000	-	6,000,000
	Loss of Supplemental Rx Rebates	-	5,549,800	5,549,800	-	5,549,800	-	-	-
	Administrative Costs	-	70,000	70,000	70,000	140,000	-	-	-
	Hospital Payments - Unreimb. Costs	-	110,652,300	110,652,300	309,639,800	420,292,100	151,869,400	297,930,700	449,800,100
	Sub-Total	\$ 10,000,000	\$ 135,875,300	\$ 145,875,300	\$ 335,858,900	\$ 481,734,200	\$ 185,228,400	\$ 351,594,700	\$ 536,823,100
	Total Expenditures	\$ 121,551,300	\$ 321,293,300	\$ 442,844,600	\$1,085,144,200	\$ 1,527,988,800	\$ 449,800,000	\$ 870,544,500	\$ 1,320,344,500
D. State Revenue:									
	Hospital Coverage Assessment ³	\$ 349,400,000					\$ 449,800,000		
	Clawback Savings	121,551,300					-		
		\$ 470,951,300					\$ 449,800,000		
E. TennCare Trust Fund Reserve @ 6-30-11									
		\$ 28,106,700							

¹ Recurring state dollar matching percentages: 34.220% in fiscal 2010-2011; 33.767% in fiscal 2011-2012.

² Items previously funded from TennCare Reserve.

³ Hospital Coverage Assessment in each fiscal year: 3.52% in fiscal 2010-2011; 4.52% in fiscal 2011-2012.

**Non-Recurring Appropriations for Core Services
Fiscal Year 2011-2012 Base Recommended**

	<u>Positions</u>	<u>Appropriation</u>
302.00 Court System	12	\$ 585,100
303.00 Attorney General and Reporter	0	464,500
305.00 Secretary of State	19	1,332,200
316.01 Commission on Children and Youth	0	18,000
316.02 Commission on Aging and Disability	0	1,209,500
316.25 Arts Commission	0	674,900
316.27 State Museum	0	334,900
317.00 Finance and Administration	0	138,600
318.00 TennCare	0	426,200
323.00 Veterans Affairs	1	41,200
325.00 Agriculture	11	1,452,400
326.00 Tourist Development	0	1,995,100
327.00 Environment and Conservation	62	8,831,100
328.00 Tennessee Wildlife Resources Agency	0	906,300
330.00 Economic and Community Development	4	1,188,100
331.00 Education (K-12)	17	63,591,400
332.00 Higher Education	0	10,366,600
335.00 Commerce and Insurance	3	238,000
337.00 Labor and Workforce Development	0	300,000
339.00 Mental Health	0	10,567,600
341.00 Military	0	248,500
343.00 Health	1	13,593,000
344.00 Intellectual and Developmental Disabilities	0	7,181,500
345.00 Human Services	0	9,019,800
351.00 Miscellaneous Appropriations	0	9,697,000
359.00 Children's Services	37	15,598,500
	<hr/>	<hr/>
Total	167	\$ 160,000,000
	<hr/> <hr/>	<hr/> <hr/>

Base Budget Reduction and Adjustment Summary
General Fund State Appropriations
Fiscal Year 2011-2012
Recurring Increase / (Decrease)

Program	Reductions			Total Reduction	Preliminary Adjustments	Net Reduction
	Reduction Plans	Reallocations	Preliminary Reductions			
301.00 Legislature	\$ (307,700)	\$ -	\$ -	\$ (307,700)	\$ -	\$ (307,700)
301.50 Fiscal Review Committee	(13,500)	-	-	(13,500)	-	(13,500)
302.00 Court System	-	-	-	-	-	-
303.00 Attorney General and Reporter	-	-	-	-	-	-
304.00 District Attorneys General	-	-	-	-	-	-
305.00 Secretary of State	-	-	-	-	37,000	37,000
306.00 District Public Defenders	-	-	-	-	-	-
307.00 Comptroller of the Treasury	-	-	-	-	-	-
309.00 Treasury Department	-	-	-	-	-	-
Sub-Total Non-Executive	\$ (321,200)	\$ -	\$ -	\$ (321,200)	\$ 37,000	\$ (284,200)
315.00 Executive Department	\$ (155,200)	\$ -	\$ -	\$ (155,200)	\$ -	\$ (155,200)
316.01 Children and Youth Commission	(52,800)	-	-	(52,800)	-	(52,800)
316.02 Aging and Disability Commission	(387,900)	-	-	(387,900)	-	(387,900)
316.03 Alcoholic Beverage Commission	(11,600)	-	-	(11,600)	-	(11,600)
316.04 Human Rights Commission	(12,000)	-	-	(12,000)	-	(12,000)
316.07 Health Services and Development Agency	(13,100)	-	-	(13,100)	-	(13,100)
316.09 Corrections Institute	(9,500)	-	-	(9,500)	-	(9,500)
316.11 Tennessee Regulatory Authority	-	-	-	-	-	-
316.12 TACIR	(7,300)	-	-	(7,300)	-	(7,300)
316.25 Arts Commission	(40,000)	-	-	(40,000)	-	(40,000)
316.27 State Museum	(34,100)	-	-	(34,100)	-	(34,100)
317.00 Finance and Administration	(536,300)	-	-	(536,300)	69,000	(467,300)
318.00 TennCare Programs	\$ (38,601,700)	\$ -	\$ -	\$ (38,601,700)	\$ 526,200	\$ (38,075,500)
TennCare for Children's Services	(285,600)	-	-	(285,600)	-	(285,600)
TennCare for Intellectual Disabilities	(725,900)	(642,000)	-	(1,367,900)	-	(1,367,900)
TennCare for Human Services	(296,900)	-	-	(296,900)	-	(296,900)
TennCare for Children's Care Coordination	-	-	-	-	-	-
Sub-Total TennCare Programs	\$ (39,910,100)	\$ (642,000)	\$ -	\$ (40,552,100)	\$ 526,200	\$ (40,025,900)
319.00 Human Resources - See Overappropriation	-	-	-	-	-	-
321.00 General Services	(69,300)	-	-	(69,300)	-	(69,300)
323.00 Veterans Affairs	(36,900)	-	-	(36,900)	66,000	29,100
324.00 Board of Probation and Parole	(835,600)	-	-	(835,600)	-	(835,600)
325.00 Agriculture	(955,500)	-	-	(955,500)	-	(955,500)
326.00 Tourist Development	-	-	-	-	-	-
327.00 Environment and Conservation	(677,200)	-	-	(677,200)	-	(677,200)
328.00 Tennessee Wildlife Resources Agency	(1,500,000)	-	-	(1,500,000)	-	(1,500,000)
329.00 Correction	(7,833,700)	-	(1,459,100)	(9,292,800)	-	(9,292,800)
330.00 Economic and Community Development	(809,100)	-	-	(809,100)	40,000	(769,100)
331.00 Education (K-12)	(3,397,300)	-	-	(3,397,300)	-	(3,397,300)
332.00 Higher Ed. State-Administered Programs	\$ (227,600)	\$ -	\$ -	\$ (227,600)	\$ 6,872,900	\$ 6,645,300
332.10 University of Tennessee System	(7,046,200)	-	-	(7,046,200)	-	(7,046,200)
332.60 State Univ. and Comm. College System	(12,961,600)	-	-	(12,961,600)	-	(12,961,600)
Sub-Total Higher Education	\$ (20,235,400)	\$ -	\$ -	\$ (20,235,400)	\$ 6,872,900	\$ (13,362,500)
335.00 Commerce and Insurance	(205,700)	-	-	(205,700)	-	(205,700)
336.00 Financial Institutions	-	-	-	-	-	-
337.00 Labor and Workforce Development	(637,500)	-	-	(637,500)	-	(637,500)
339.00 Mental Health	(1,515,200)	-	-	(1,515,200)	18,578,500	17,063,300
341.00 Military	(151,700)	-	-	(151,700)	-	(151,700)
343.00 Health	(1,994,100)	-	-	(1,994,100)	-	(1,994,100)
344.00 Intellectual and Developmental Disabilities	(1,878,900)	137,400	-	(1,741,500)	-	(1,741,500)
345.00 Human Services	(822,300)	-	-	(822,300)	(526,200)	(1,348,500)
347.00 Revenue	(1,111,500)	-	-	(1,111,500)	540,000	(571,500)
348.00 Tennessee Bureau of Investigation	(129,800)	-	-	(129,800)	-	(129,800)
349.00 Safety	(670,500)	-	-	(670,500)	336,800	(333,700)
350.00 Cover Tennessee Health Care Programs	(549,300)	-	(554,100)	(1,103,400)	-	(1,103,400)
351.00 Miscellaneous Appropriations	-	-	-	-	3,747,200	3,747,200
359.00 Children's Services	(2,357,900)	-	(327,100)	(2,685,000)	-	(2,685,000)
Sub-Total Executive	\$ (89,544,300)	\$ (504,600)	\$ (2,340,300)	\$ (92,389,200)	\$ 30,250,400	\$ (62,138,800)
Total Reductions - Budget File	\$ (89,865,500)	\$ (504,600)	\$ (2,340,300)	\$ (92,710,400)	\$ 30,287,400	\$ (62,423,000)
Overappropriation						
300.00 State Agencies	\$ (39,984,000)	\$ -	\$ -	\$ (39,984,000)	\$ -	\$ (39,984,000)
300.05 Secretary of State @ 2% Additional	(500,000)	-	-	(500,000)	-	(500,000)
319.00 Comptroller of the Treasury @ 2% Added	(900,000)	-	-	(900,000)	-	(900,000)
300.05 State Treasurer @ 2% Additional	(16,000)	-	-	(16,000)	-	(16,000)
300.07 Human Resources - Internal Svc. Fund	(1,500,000)	-	-	(1,500,000)	-	(1,500,000)
300.09 State Agencies - Claims Premium	(1,000,000)	-	-	(1,000,000)	-	(1,000,000)
Sub-Total Overappropriation	\$ (43,900,000)	\$ -	\$ -	\$ (43,900,000)	\$ -	\$ (43,900,000)
Total Reductions	\$ (133,765,500)	\$ (504,600)	\$ (2,340,300)	\$ (136,610,400)	\$ 30,287,400	\$ (106,323,000)

2011-2012 Budget Overview
Preliminary Base Budget Adjustments
(Savings) / Cost

		<u>General Fund</u>		<u>Dedicated</u>	
		<u>Recurring</u>	<u>Non-Recurring</u>	<u>Funds</u>	<u>Total</u>
Secretary of State					
305.08	Economic Council on Women - Payroll and Operational	\$ 37,000	\$ -	\$ -	\$ 37,000
State Treasurer					
309.10	Interlock Ignition Fund - Annualize Cost	-	-	231,700	231,700
Finance and Administration					
317.10	State Architect Salary Adjustment	69,000	-	-	69,000
TennCare					
318.66	Medical Services - FY 10 & FY 11 Reduction Restored	\$ -	\$ 198,540,100	\$ -	\$ 198,540,100
318.70	Supplemental Payments - FY 10 & FY 11 Reduction Restored	-	239,255,600	-	239,255,600
318.72	Medicare Services - FY 10 & FY 11 Reduction Restored	-	12,004,300	-	12,004,300
318.65	Eligibility Determination - See also 345.00, Human Services	526,200	-	-	526,200
	Sub-Total TennCare	\$ 526,200	\$ 449,800,000	\$ -	\$ 450,326,200
Veterans Affairs					
323.00	Payroll Adjustment	66,000	-	-	66,000
Agriculture					
325.01	Agricultural Crime Unit (9 FT Positions Retained)	-	-	736,300	736,300
Environment and Conservation					
327.22	State Lands Compensation Fund @ \$100,000	-	-	25,000	25,000
Tennessee Wildlife Resources Agency					
328.01	Wildlife Resources - Department Revenue Decrease	\$ -	\$ -	\$ 1,921,500	\$ 1,921,500
328.02	Boating Safety - Department Revenue Increase	-	-	(486,400)	(486,400)
	Sub-Total Tennessee Wildlife Resources Agency	\$ -	\$ -	\$ 1,435,100	\$ 1,435,100
Economic and Community Development					
330.01	LAN/WAN fees	40,000	-	-	40,000
Higher Education					
332.00	Group Health Insurance Open Enrollment 1-1-11	\$ 6,872,900	\$ -	\$ -	\$ 6,872,900
332.19	Lottery for Education Account - Scholarship Growth	-	-	2,500,000	2,500,000
	Sub-Total Higher Education	\$ 6,872,900	\$ -	\$ 2,500,000	\$ 9,372,900
Mental Health					
339.10	Lakeshore Mental Health Institute	\$ 4,626,200	\$ -	\$ -	\$ 4,626,200
339.11	Middle Tennessee Mental Health Institute	4,265,400	-	-	4,265,400
339.12	Western Mental Health Institute	2,470,600	-	-	2,470,600
339.16	Moccasin Bend Mental Health Institute	1,867,200	-	-	1,867,200
339.17	Memphis Mental Health Institute	5,349,100	-	-	5,349,100
	Sub-Total Mental Health	\$ 18,578,500	\$ -	\$ -	\$ 18,578,500
Human Services					
345.30	Eligibility Determination - See also 318.65, TennCare	(526,200)	-	-	(526,200)
Revenue					
347.01	Administration - Revenue Estimate Decrease	\$ 64,800	\$ -	\$ -	\$ 64,800
347.02	Tax Enforcement - Revenue Estimate Decrease	64,800	-	-	64,800
347.11	Info. Tech. Resources - Revenue Estimate Decrease	86,400	-	-	86,400
347.13	Taxpayer and Vehicle Services - Revenue Estimate Decrease	64,800	-	-	64,800
347.14	Audit Division - Revenue Estimate Decrease	205,200	-	-	205,200
347.16	Processing Division - Revenue Estimate Decrease	54,000	-	-	54,000
	Sub-Total Revenue	\$ 540,000	\$ -	\$ -	\$ 540,000
Safety					
349.01	Rent - Tennessee Tower	336,800	-	-	336,800
Miscellaneous Appropriations					
Base Budget Reduction and Adjustment:					
351.00	Various Items - Base Reduction	\$ (352,800)	\$ -	\$ -	\$ (352,800)
351.00	State Agencies - Group Health Insurance Open Enrollment 1-1-11	4,100,000	-	-	4,100,000
	Sub-Total Miscellaneous Appropriations	\$ 3,747,200	\$ -	\$ -	\$ 3,747,200
Grand Total - Budget File		\$ 30,287,400	\$ 449,800,000	\$ 4,928,100	\$ 485,015,500

**Preliminary Base Budget Reductions
Fiscal Year 2011-2012
Savings / (Cost)**

	<u>General Fund</u>		<u>Dedicated Funds</u>	<u>Total</u>
	<u>Recurring</u>	<u>Non-Recurring</u>		
Tennessee Regulatory Authority				
316.11 Base Request - Federal Revenue Growth	\$ -	\$ -	\$ 139,500	\$ 139,500
Agriculture				
325.14 Cotton Growers Organization Fund	-	-	3,392,500	3,392,500
Correction				
329.99 Sentencing Act of 1986	1,459,100	-	-	1,459,100
Education				
331.19 After-School Programs	-	-	500,000	500,000
Commerce and Insurance				
335.10 Regulatory Boards	-	-	121,000	121,000
Cover Tennessee Health Care Programs				
350.30 CoverKids - Federal Match Gain	554,100	-	-	554,100
Children's Services				
359.30 Custody Services - Federal Match Gain	\$ 100,900	\$ -	\$ -	\$ 100,900
359.40 Adoption Services - Federal Match Gain	226,200	-	-	226,200
Sub-Total Children's Services	<u>\$ 327,100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 327,100</u>
Total Preliminary Reductions	<u>\$ 2,340,300</u>	<u>\$ -</u>	<u>\$ 4,153,000</u>	<u>\$ 6,493,300</u>

**Departmental Comparison of 2010-2011 Recurring Appropriations, 2011-2012 Discretionary Base,
and 2011-2012 Base Budget Reductions (State Appropriation)**

Program	2010-2011 Recurring Appropriation	2011-2012							
		General Fund				Dedicated Funds	Net Reduction	Pct. Of 2010-2011	Pct. Of 2011-2012
		Discretionary Base	Recurring Reduction	Pct. Of 2010-2011	Pct. Of 2011-2012				
301.00 Legislature	\$ 39,384,200	\$ 30,771,100	\$ (307,700)	(0.8%)	(1.0%)	\$ -	\$ (307,700)	(0.8%)	(1.0%)
301.50 Fiscal Review Committee	1,348,000	1,348,000	(13,500)	(1.0%)	(1.0%)	-	(13,500)	(1.0%)	(1.0%)
302.00 Court System	110,273,900	28,163,500	-	0.0%	0.0%	-	-	0.0%	0.0%
303.00 Attorney General and Reporter	23,304,900	20,334,300	-	0.0%	0.0%	-	-	0.0%	0.0%
304.00 District Attorneys General	68,446,900	62,715,200	-	0.0%	0.0%	-	-	0.0%	0.0%
305.00 Secretary of State	25,805,900	25,842,900	-	0.0%	0.0%	-	-	0.0%	0.0%
306.00 District Public Defenders	40,416,800	35,332,300	-	0.0%	0.0%	-	-	0.0%	0.0%
307.00 Comptroller of the Treasury	83,616,300	44,076,600	-	0.0%	0.0%	-	-	0.0%	0.0%
308.00 Post-Conviction Defender	1,999,700	-	-	0.0%	-	-	-	0.0%	-
309.00 Treasury Department	1,043,600	811,800	-	0.0%	0.0%	-	-	0.0%	0.0%
313.00 Claims and Compensation	10,500,000	-	-	0.0%	-	-	-	0.0%	-
Sub-Total Non-Executive	\$ 406,140,200	\$ 249,395,700	\$ (321,200)	(0.1%)	(0.1%)	\$ -	\$ (321,200)	(0.1%)	(0.1%)
315.00 Executive Department	\$ 5,185,400	\$ 5,185,400	\$ (155,200)	(3.0%)	(3.0%)	\$ -	\$ (155,200)	(3.0%)	(3.0%)
316.01 Children and Youth	2,107,100	2,107,100	(52,800)	(2.5%)	(2.5%)	-	(52,800)	(2.5%)	(2.5%)
316.02 Aging and Disability	12,492,900	12,492,900	(387,900)	(3.1%)	(3.1%)	-	(387,900)	(3.1%)	(3.1%)
316.03 Alcoholic Beverage Commission	385,800	385,800	(11,600)	(3.0%)	(3.0%)	-	(11,600)	(3.0%)	(3.0%)
316.04 Human Rights Commission	1,594,100	1,594,100	(12,000)	(0.8%)	(0.8%)	-	(12,000)	(0.8%)	(0.8%)
316.07 Health Services and Development Agency	1,145,700	1,145,700	(13,100)	(1.1%)	(1.1%)	-	(13,100)	(1.1%)	(1.1%)
316.09 Corrections Institute	898,200	898,200	(9,500)	(1.1%)	(1.1%)	-	(9,500)	(1.1%)	(1.1%)
316.11 Tennessee Regulatory Authority	8,074,000	-	-	0.0%	-	(678,200)	(678,200)	(8.4%)	-
316.12 TACIR	242,000	242,000	(7,300)	(3.0%)	(3.0%)	-	(7,300)	(3.0%)	(3.0%)
316.25 Arts Commission	5,230,900	1,333,700	(40,000)	(0.8%)	(3.0%)	40,000	-	0.0%	0.0%
316.27 State Museum	3,407,300	3,387,300	(34,100)	(1.0%)	(1.0%)	-	(34,100)	(1.0%)	(1.0%)
317.00 Finance and Administration	19,380,400	16,459,000	(536,300)	(2.8%)	(3.3%)	-	(536,300)	(2.8%)	(3.3%)
318.00 TennCare Programs	\$ 1,842,481,300	\$ 1,846,808,200	\$ (38,601,700)	(2.1%)	(2.1%)	\$ -	\$ (38,601,700)	(2.1%)	(2.1%)
TennCare for Children's Services	72,770,000	72,770,000	(285,600)	(0.4%)	(0.4%)	-	(285,600)	(0.4%)	(0.4%)
TennCare for Intellectual Disabilities	238,368,000	239,010,000	(725,900)	(0.3%)	(0.3%)	-	(725,900)	(0.3%)	(0.3%)
TennCare for Human Services	44,992,100	44,992,100	(296,900)	(0.7%)	(0.7%)	-	(296,900)	(0.7%)	(0.7%)
TennCare for Children's Care Coordination	4,442,700	-	-	0.0%	-	-	-	0.0%	-
Sub-total TennCare Programs	\$ 2,203,054,100	\$ 2,203,580,300	\$ (39,910,100)	(1.8%)	(1.8%)	\$ -	\$ (39,910,100)	(1.8%)	(1.8%)
319.00 Human Resources	4,487,100	4,487,100	-	0.0%	0.0%	-	-	0.0%	0.0%
321.00 General Services	2,530,500	2,230,800	(69,300)	(2.7%)	(3.1%)	-	(69,300)	(2.7%)	(3.1%)
323.00 Veterans Affairs	4,626,700	4,692,700	(36,900)	(0.8%)	(0.8%)	-	(36,900)	(0.8%)	(0.8%)
324.00 Board of Probation and Parole	87,580,900	81,850,500	(835,600)	(1.0%)	(1.0%)	-	(835,600)	(1.0%)	(1.0%)
325.00 Agriculture	60,599,700	38,560,300	(955,500)	(1.6%)	(2.5%)	-	(955,500)	(1.6%)	(2.5%)
326.00 Tourist Development	6,922,200	6,922,200	-	0.0%	0.0%	-	-	0.0%	0.0%
327.00 Environment and Conservation	157,884,000	77,213,300	(677,200)	(0.4%)	(0.9%)	(1,207,000)	(1,884,200)	(1.2%)	(2.4%)

**Departmental Comparison of 2010-2011 Recurring Appropriations, 2011-2012 Discretionary Base,
and 2011-2012 Base Budget Reductions (State Appropriation)**

Program	2010-2011 Recurring Appropriation	2011-2012								
		General Fund				Dedicated Funds	Net Reduction	Pct. Of 2010-2011	Pct. Of 2011-2012	
		Discretionary Base	Recurring Reduction	Pct. Of 2010-2011	Pct. Of 2011-2012					
328.00 TWRA	45,223,300	1,500,000	(1,500,000)	(3.3%)	(100.0%)	1,500,000	-	0.0%	0.0%	
329.00 Correction	644,149,400	594,507,900	(7,833,700)	(1.2%)	(1.3%)	-	(7,833,700)	(1.2%)	(1.3%)	
330.00 Economic and Community Development	27,002,200	27,042,200	(809,100)	(3.0%)	(3.0%)	-	(809,100)	(3.0%)	(3.0%)	
331.00 Education (K-12)	3,923,744,600	113,242,700	(3,397,300)	(0.1%)	(3.0%)	-	(3,397,300)	(0.1%)	(3.0%)	
332.00 Higher Education State-Admin. Programs	\$ 366,786,400	\$ 26,767,600	\$ (227,600)	(0.1%)	(0.9%)	\$ -	\$ (227,600)	(0.1%)	(0.9%)	
332.10 University of Tennessee System	408,882,600	410,112,600	(7,046,200)	(1.7%)	(1.7%)	-	(7,046,200)	(1.7%)	(1.7%)	
332.60 State Univ. and Comm. College System	579,557,900	581,764,300	(12,961,600)	(2.2%)	(2.2%)	-	(12,961,600)	(2.2%)	(2.2%)	
Sub-Total Higher Education	<u>\$ 1,355,226,900</u>	<u>\$ 1,018,644,500</u>	<u>\$ (20,235,400)</u>	<u>(1.5%)</u>	<u>(2.0%)</u>	<u>\$ -</u>	<u>\$ (20,235,400)</u>	<u>(1.5%)</u>	<u>(2.0%)</u>	
335.00 Commerce and Insurance	95,961,900	6,851,000	(205,700)	(0.2%)	(3.0%)	-	(205,700)	(0.2%)	(3.0%)	
336.00 Financial Institutions	8,634,300	-	-	0.0%	-	(102,700)	(102,700)	(1.2%)	-	
337.00 Labor and Workforce Development	42,170,800	21,047,500	(637,500)	(1.5%)	(3.0%)	-	(637,500)	(1.5%)	(3.0%)	
339.00 Mental Health	158,058,400	170,102,200	(1,515,200)	(1.0%)	(0.9%)	-	(1,515,200)	(1.0%)	(0.9%)	
341.00 Military	10,412,200	10,412,200	(151,700)	(1.5%)	(1.5%)	-	(151,700)	(1.5%)	(1.5%)	
343.00 Health	156,102,900	117,756,800	(1,994,100)	(1.3%)	(1.7%)	531,800	(1,462,300)	(0.9%)	(1.2%)	
344.00 Intellectual and Developmental Disabilities	21,473,200	21,473,200	(1,878,900)	(8.8%)	(8.8%)	-	(1,878,900)	(8.8%)	(8.8%)	
345.00 Human Services	167,735,900	76,015,700	(822,300)	(0.5%)	(1.1%)	-	(822,300)	(0.5%)	(1.1%)	
347.00 Revenue	78,788,800	68,752,500	(1,111,500)	(1.4%)	(1.6%)	-	(1,111,500)	(1.4%)	(1.6%)	
348.00 Tennessee Bureau of Investigation	35,601,000	29,839,100	(129,800)	(0.4%)	(0.4%)	-	(129,800)	(0.4%)	(0.4%)	
349.00 Safety	117,431,700	116,969,900	(670,500)	(0.6%)	(0.6%)	-	(670,500)	(0.6%)	(0.6%)	
350.00 Cover Tennessee Health Care Programs	96,416,000	18,311,900	(549,300)	(0.6%)	(3.0%)	-	(549,300)	(0.6%)	(3.0%)	
351.00 Miscellaneous Appropriations	49,471,500	-	-	0.0%	-	-	-	0.0%	-	
353.00 Emergency and Contingency	819,300	-	-	0.0%	-	-	-	0.0%	-	
355.00 State Building Commission	250,000	-	-	0.0%	-	-	-	0.0%	-	
359.00 Children's Services	304,205,500	291,778,700	(2,357,900)	(0.8%)	(0.8%)	-	(2,357,900)	(0.8%)	(0.8%)	
Sub-Total Executive	<u>\$ 9,926,708,800</u>	<u>\$ 5,169,016,400</u>	<u>\$ (89,544,300)</u>	<u>(0.9%)</u>	<u>(1.7%)</u>	<u>\$ 83,900</u>	<u>\$ (89,460,400)</u>	<u>(0.9%)</u>	<u>(1.7%)</u>	
Total	<u>\$ 10,332,849,000</u>	<u>\$ 5,418,412,100</u>	<u>\$ (89,865,500)</u>	<u>(0.9%)</u>	<u>(1.7%)</u>	<u>\$ 83,900</u>	<u>\$ (89,781,600)</u>	<u>(0.9%)</u>	<u>(1.7%)</u>	
Overappropriation :										
300.00 State Agencies	\$ -	\$ -	\$ (39,984,000)			\$ -	\$ (39,984,000)			
300.05 Secretary of State @ 2% Additional	-	-	(500,000)			-	(500,000)			
300.07 Comptroller of the Treasury @ 2% Added	-	-	(900,000)			-	(900,000)			
300.09 State Treasurer @ 2% Additional	-	-	(16,000)			-	(16,000)			
319.00 Human Resources - Internal Svc. Fund	-	-	(1,500,000)			-	(1,500,000)			
300.00 State Agencies - Claims Premium	-	-	(1,000,000)			-	(1,000,000)			
Sub-Total Overappropriation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (43,900,000)</u>			<u>\$ -</u>	<u>\$ (43,900,000)</u>			
Total Reductions	<u>\$ 10,332,849,000</u>	<u>\$ 5,418,412,100</u>	<u>\$ (133,765,500)</u>	<u>(1.3%)</u>	<u>(2.5%)</u>	<u>\$ 83,900</u>	<u>\$ (133,681,600)</u>	<u>(1.3%)</u>	<u>(2.5%)</u>	

**Base Budget Reallocations
General Fund
Fiscal Year 2011-2012
Increase/(Decrease)**

I. TennCare for Intellectual and Developmental Disabilities (DIDD):

1. Transfer from Greene Valley to East TN Resource Center	\$ (1,404,200)
2. Transfer from Greene Valley to East TN Homes	(1,656,900)
3. Reduce Case Management Positions	(501,300)
4. Transfer from Middle TN Office to Resource Center	(516,500)
5. Transfer West TN Staff to Community Homes	(62,100)
6. Regional Office Cost Allocation	(773,200)
7. Transfer Greene Valley Staff to Middle TN Homes	(443,300)
8. West TN Resource Center Cost Allocation Changes	(620,900)
9. Reduce West TN Regional Office Staff	(227,400)
10. Transfer from Greene Valley to Resource Center	274,000
11. Transfer from Greene Valley to East TN Homes	1,656,900
12. Additional Staffing for the Middle TN Homes	319,900
13. Staffing Middle Tennessee Resource Center	516,500
14. Transfer West TN Staff to Community Homes	74,700
15. Cost Allocation Changes	700,000
16. Funding Allocation Changes	932,600
17. West TN Community Homes Funding	277,900
18. Department-Wide Benefits Shortfall	811,300
Total TennCare for DIDD	\$ (642,000)

II. Intellectual and Developmental Disabilities:

1. Transfer from Greene Valley to East TN Resource Center (-45 FT)	\$ -
2. Transfer from Greene Valley to East TN Homes (-35 FT)	-
3. Reduce Case Management Positions (-23 FT)	(111,400)
4. Transfer from Middle TN Office to Resource Center (-17 FT)	(114,800)
5. Transfer West TN Staff to Community Homes (-6 FT)	(12,600)
6. Regional Office Cost Allocation	-
7. Transfer Greene Valley Staff to Middle TN Homes (-33 FT)	-
8. West TN Resource Center Cost Allocation Changes	155,200
9. Reduce West TN Regional Office Staff (-7 FT)	(50,500)
10. Transfer from Greene Valley to Resource Center (45 FT)	123,100
11. Transfer from Greene Valley to East TN Homes (35 FT)	-
12. Additional Staffing for the Middle TN Homes (23 FT)	-
13. Staffing Middle Tennessee Resource Center (17 FT)	114,800
14. Transfer West TN Staff to Community Homes (6 FT)	-
15. Cost Allocation Changes	-
16. Funding Allocation Changes	-
17. West TN Community Homes Funding	-
18. Department-Wide Benefits Shortfall	33,600
Total Intellectual and Developmental Disabilities	\$ 137,400

III. Education:

1. State Special Schools - Payroll Availability	\$ (149,200)
2. State Special Schools - Teacher Training and Experience	149,200
Total Education	\$ -

IV. Children's Services:

1. Youth Development Centers - Payroll Availability	\$ (35,800)
2. Youth Development Centers - Teacher Training and Experience	35,800
Total Children's Services	\$ -

V. Grand Total Reallocations

\$ (504,600)

**2008-2009 Through 2011-2012
U. S. Economic Recovery Act
State Fiscal Stabilization Funds
Federal Revenue Estimates**

	<u>Total</u>	<u>Actual 2008-2009</u>	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Estimated 2011-2012</u>
I. State Fiscal Stabilization:					
1. Education	\$ 775,135,000	\$ 21,854,700	\$ 322,358,500	\$ 430,921,800	\$ -
(a) Higher Education - Restore to 2007-08 Level	247,427,700	3,854,700	149,958,500	93,614,500 ¹	-
(b) K-12 Education - Basic Education Program	527,707,300	18,000,000	172,400,000	337,307,300	-
2. General Purpose - Restore Base Reductions	\$ 172,463,000	\$ -	\$ 90,331,100	\$ 82,131,900	\$ -
(a) K-12 Education	109,053,600	-	39,412,700	69,640,900	-
(b) Health Department	16,500,800	-	4,009,800	12,491,000	-
(c) Correction Department	46,908,600	-	46,908,600	-	-
3. Total State Fiscal Stabilization	\$ 947,598,000	\$ 21,854,700	\$ 412,689,600	\$ 513,053,700	\$ -

II. Higher Education Requirements and Availability:

Total Higher Education restoration	\$ 600,446,500	\$ 3,854,700	\$ 213,248,800	\$ 383,343,000	\$ -
General Fund - State MOE @ 2005-2006 level ²	189,885,100	-	63,290,300	126,594,800	-
U. S. Recovery Act Funds @ 2007-2008 level	247,427,700	3,854,700	149,958,500	93,614,500 ¹	-
General Fund - State MOE @ 2007-2008 level	163,133,700	-	-	163,133,700 ³	-

¹ FY 2010-2011 includes unexpended balance from previous years.

² State maintenance of effort (MOE). In 2010-2011, the state MOE is satisfied by appropriation increases for non-recurring operating support, TCRS (retirement) contribution rate increase, 401k state match, UTK-ORNL joint appointments initiative, and partial base budget reduction non-recurring add-back.

³ In FY 2010-2011, the 2007-2008 level of funding is achieved using an appropriation of non-recurring state funds.

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

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

I. Maintenance of Effort Requirement	\$ 289,728,500
II. Line-Item Appropriations:	
1. TCRS (Retirement) Contribution Rate Increase	\$ 11,222,300
2. 401(k) \$10 State Match @ \$50 - Non-Recurring	1,548,900
3. UTK-ORNL Joint Appointments - Non-Recurring	6,200,000
4. 2010-2011 Base Reductions Restored - Non-Recurring	59,024,200
5. Operating Budget Support - Non-Recurring Amendment	50,900,000
6. Operating Budget Support - Non-Recurring Amendment ¹	163,133,700
7. Group Health Insurance - Dependent Verification	(2,263,200)
Sub-Total 2010 Appropriations Act	\$ 289,765,900
III. 2011 Appropriations Act:	
8. Supplemental Appropriation - Health Insurance Open Enrollment 1-1-11	\$ 3,414,200
9. Overappropriation - Claims Premium Credit	(697,700)
Sub-Total 2011 Appropriations Act	\$ 2,716,500
Total 2010-2011 Appropriation Increase	\$ 292,482,400

¹ Amendment replaced federal SFSF funding with non-recurring state funds.

**2008-2009 Through 2013-2014
2009 and 2010 U.S. Economic Recovery Acts
Tennessee Allocations for Selected Grant Programs**

	<u>Multi-Year Total</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011 *</u>	<u>2011-2012</u>	<u>2012-2013 and 2013-2014</u>
State Fiscal Stabilization:						
Education	\$ 775,135,000	\$ 21,854,700	\$ 322,358,500	\$ 430,921,800	\$ -	\$ -
General Purpose	172,463,000	-	90,331,100	82,131,900	-	-
Sub-Total State Fiscal Stabilization	\$ 947,598,000	\$ 21,854,700	\$ 412,689,600	\$ 513,053,700	\$ -	\$ -
318.00 TennCare						
Medicaid - Enhanced Federal Match - Budgeted Estimate (BE)	1,580,487,600	316,000,000	719,599,600	544,888,000	-	-
359.00 Children's Services						
Foster Care and Adoption - Enhanced Federal Match - BE	10,500,000	3,500,000	4,400,000	2,600,000	-	-
Total Fiscal Stabilization, TennCare, and Children's Services	\$ 2,538,585,600	\$ 341,354,700	\$ 1,136,689,200	\$ 1,060,541,700	\$ -	\$ -
331.00 Education (K-12)						
Elementary and Secondary Education Act (ESEA) Title I						
Grants to LEAs	\$ 194,108,000	\$ 27,100	\$ 84,928,300	\$ 109,152,600	\$ -	\$ -
School Improvement	57,510,300	-	-	57,510,300	-	-
Sub-Total - ESEA Title I	\$ 251,618,300	\$ 27,100	\$ 84,928,300	\$ 166,662,900	\$ -	\$ -
Individuals with Disabilities Education Act (IDEA):						
IDEA - Part B - Special Education	\$ 229,613,400	\$ 3,423,700	\$ 104,404,700	\$ 121,785,000	\$ -	\$ -
IDEA - Part B - Special Education - Preschool	7,345,900	17,600	2,709,600	4,618,700	-	-
IDEA - Part C - Early Intervention	9,205,000	5,200	1,523,500	7,676,300	-	-
Sub-Total IDEA	\$ 246,164,300	\$ 3,446,500	\$ 108,637,800	\$ 134,080,000	\$ -	\$ -
Education Technology	12,292,400	-	4,648,900	7,643,500	-	-
Education for the Homeless	1,011,200	-	467,800	543,400	-	-
School Lunch Equipment	2,275,800	-	2,094,600	181,200	-	-
Ground Source Heat Pumps	4,255,400	-	-	3,000,000	1,255,400	-
State Incentive Grant - Race to the Top	500,741,200	-	-	119,820,100	125,321,400	255,599,700
Teacher Incentive Fund	15,260,700	-	-	6,000,000	9,260,700	-
2010 Education Jobs Fund Act	195,881,400	-	-	195,881,400	-	-
Total Education	\$ 1,229,500,700	\$ 3,473,600	\$ 200,777,400	\$ 633,812,500	\$ 135,837,500	\$ 255,599,700
309.00 Treasury Dept.						
Crime Victims Compensation	1,472,800	1,472,800	-	-	-	-

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**2008-2009 Through 2013-2014
2009 and 2010 U.S. Economic Recovery Acts
Tennessee Allocations for Selected Grant Programs**

	<u>Multi-Year Total</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011 *</u>	<u>2011-2012</u>	<u>2012-2013 and 2013-2014</u>
316.02 Commission on Aging and Disability						
Elderly Nutrition	\$ 2,178,500	\$ -	\$ 1,353,200	\$ 825,300	\$ -	\$ -
Chronic Disease Self-Management	1,798,000	-	-	998,000	800,000	-
Sub-Total Commission on Aging and Disability	\$ 3,976,500	\$ -	\$ 1,353,200	\$ 1,823,300	\$ 800,000	\$ -
316.11 Tennessee Regulatory Authority						
Energy Conservation	912,700	-	41,400	344,100	258,900	268,300
316.20 Tennessee Housing Development Agency						
HOME Investment Partnership Program (HUD estimate)	\$ 39,032,500	\$ -	\$ 7,448,000	\$ 31,584,500	\$ -	\$ -
Grants to States In Lieu of Low Income Tax Credit	156,135,200	-	31,260,800	124,874,400	-	-
Homelessness Prevention (HUD estimate) - State	13,467,400	-	3,213,700	10,253,700	-	-
Sub-Total THDA	\$ 208,635,100	\$ -	\$ 41,922,500	\$ 166,712,600	\$ -	\$ -
316.25 Arts Commission						
National Endowment for the Arts (NEA)	321,800	-	279,100	42,700	-	-
317.00 Finance and Administration						
Health Information Technology	\$ 11,664,600	\$ -	\$ 70,500	\$ 11,594,100	\$ -	\$ -
Byrne Justice Assistance Grant	30,827,700	-	14,742,500	16,085,200	-	-
Crime Victims Assistance	911,000	-	391,600	519,400	-	-
Violence Against Women	2,765,300	-	1,216,400	1,548,900	-	-
Americorps	422,800	-	312,400	110,400	-	-
Volunteer Tennessee	600,000	-	425,600	174,400	-	-
Sub-Total Finance and Administration	\$ 47,191,400	\$ -	\$ 17,159,000	\$ 30,032,400	\$ -	\$ -
318.00 TennCare						
Health Information and Technology	\$ 12,169,000	\$ -	\$ 1,369,000	\$ 2,700,000	\$ 2,700,000	\$ 5,400,000
Electronic Health Records	240,000,000	-	-	60,000,000	60,000,000	120,000,000
Early Childhood Advisory Council	2,418,400	-	-	426,300	1,034,900	957,200
Sub-Total TennCare	\$ 254,587,400	\$ -	\$ 1,369,000	\$ 63,126,300	\$ 63,734,900	\$ 126,357,200
325.00 Agriculture						
Temporary Emergency Food Assistance Program (TEFAP)	\$ 1,771,600	\$ -	\$ 551,400	\$ 1,220,200	\$ -	\$ -
Partners for Fish and Wildlife	250,000	-	-	250,000	-	-
Sub-Total Agriculture	\$ 2,021,600	\$ -	\$ 551,400	\$ 1,470,200	\$ -	\$ -

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**2008-2009 Through 2013-2014
2009 and 2010 U.S. Economic Recovery Acts
Tennessee Allocations for Selected Grant Programs**

	<u>Multi-Year Total</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011 *</u>	<u>2011-2012</u>	<u>2012-2013 and 2013-2014</u>
327.00 Environment and Conservation						
Clean Water State Revolving Fund	\$ 56,930,300	\$ -	\$ 5,041,200	\$ 51,889,100	\$ -	\$ -
Drinking Water State Revolving Fund	20,238,000	-	3,718,600	16,519,400	-	-
Underground Storage Tank Fund	5,042,000	-	1,504,200	3,537,800	-	-
Diesel Emission Reduction	1,700,000	-	15,200	1,684,800	-	-
Water Quality Management	575,100	-	11,000	564,100	-	-
Sub-Total Environment and Conservation	\$ 84,485,400	\$ -	\$ 10,290,200	\$ 74,195,200	\$ -	\$ -
330.00 Economic and Community Development						
Community Development Block Grant (CDBG) - Non-Entitlement	\$ 7,095,600	\$ -	\$ 1,466,900	\$ 5,628,700	\$ -	\$ -
State Energy Program	62,482,000	-	891,100	61,590,900	-	-
Energy Efficiency and Conservation Block Grant	13,818,200	-	77,100	13,741,100	-	-
Energy Star Rebate Program	5,963,000	-	-	5,963,000	-	-
Rural Business Enterprise Grant	100,000	-	-	100,000	-	-
Energy Assurance Capabilities and Planning	770,200	-	-	770,200	-	-
Sub-Total Economic and Community Development	\$ 90,229,000	\$ -	\$ 2,435,100	\$ 87,793,900	\$ -	\$ -
337.00 Labor and Workforce Development						
Workforce Investment Act - Adult	\$ 10,835,900	\$ 1,260,600	\$ 7,906,700	\$ 1,668,600	\$ -	\$ -
Workforce Investment Act - Youth	25,099,100	9,260,000	14,070,800	1,768,300	-	-
Dislocated Workers	28,372,200	1,744,400	17,917,100	8,710,700	-	-
Unemployment Insurance - State Administration Grants	10,129,100	-	3,742,000	6,387,100	-	-
Employment Service	7,426,000	50,800	2,712,500	4,662,700	-	-
Community Service for Older Americans	484,100	23,100	375,900	85,100	-	-
On the Job Training	1,170,700	-	-	1,170,700	-	-
Sub-Total Labor and Workforce Development	\$ 83,517,100	\$ 12,338,900	\$ 46,725,000	\$ 24,453,200	\$ -	\$ -
341.00 Military						
Armories Maintenance	720,000	-	720,000	-	-	-
343.00 Health						
¹ Healthy Communities - FQHC Modernization - State Centers in Putnam and Stewart Counties	\$ 787,000	\$ -	\$ 205,400	\$ 581,600	\$ -	\$ -
Federally Qualified Health Centers	1,760,500	-	1,659,700	100,800	-	-
Immunization	2,950,800	-	2,950,800	-	-	-
Healthcare Associated Infections (Infrastructure)	1,744,400	-	160,300	1,201,100	383,000	-

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**2008-2009 Through 2013-2014
2009 and 2010 U.S. Economic Recovery Acts
Tennessee Allocations for Selected Grant Programs**

	<u>Multi-Year Total</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011 *</u>	<u>2011-2012</u>	<u>2012-2013 and 2013-2014</u>
Healthcare Associated Infections (Surveillance and Prevention)	388,600	-	49,700	243,200	95,700	-
High Priority Vaccine - Preventable Disease	110,200	-	15,500	70,100	24,600	-
Vaccine Studies	684,500	-	82,700	438,400	163,400	-
Women, Infants and Children - Technology Projects	481,700	-	-	481,700	-	-
Primary Care Recruitment and Retention	137,700	-	29,900	61,900	45,900	-
Healthy Communities - Preschool Nutrition	921,500	-	12,500	640,300	268,700	-
Healthy Communities - Smoking Cessation	1,002,200	-	23,900	686,100	292,200	-
Behavioral Risk Factor Surveillance System	150,000	-	-	75,000	75,000	-
Sub-Total Health	\$ 11,119,100	\$ -	\$ 5,190,400	\$ 4,580,200	\$ 1,348,500	\$ -

¹ FQHC - Federally-qualified health center.

345.00 Human Services

Food Stamp Benefits	\$ 468,479,100	\$ 49,001,900	\$ 132,738,600	\$ 286,738,600	\$ -	\$ -
Food Stamp Administration	9,064,500	2,101,100	6,963,400	-	-	-
Temporary Assistance for Needy Families	119,702,200	-	84,970,000	34,732,200	-	-
Weatherization	102,460,000	-	44,664,700	57,795,300	-	-
Child Care and Development Block Grant	41,932,000	5,000,000	36,148,700	783,300	-	-
Community Services Block Grant (CSBG)	19,699,000	-	17,040,200	2,658,800	-	-
Vocational Rehabilitation	12,178,000	-	12,178,000	-	-	-
Vocational Rehabilitation - Independent Living	273,000	-	27,500	245,500	-	-
Vocational Rehabilitation - Older Blind Individuals	738,600	-	418,500	320,100	-	-
Sub-Total Human Services	\$ 774,526,400	\$ 56,103,000	\$ 335,149,600	\$ 383,273,800	\$ -	\$ -
Total General Fund	\$ 5,331,802,600	\$ 414,743,000	\$ 1,800,652,500	\$ 2,532,202,100	\$ 201,979,800	\$ 382,225,200

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	-	150,200	649,800	-	-

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**2008-2009 Through 2013-2014
2009 and 2010 U.S. Economic Recovery Acts
Tennessee Allocations for Selected Grant Programs**

	Multi-Year Total	2008-2009	2009-2010	2010-2011 *	2011-2012	2012-2013 and 2013-2014
Cumberland City Ferry	3,000,000	-	-	3,000,000	-	-
Appalachian Regional Short-Line Rail Project	2,800,000	-	-	2,800,000	-	-
Crescent Corridor Freight Rail Project	52,500,000	-	-	52,500,000	-	-
Sub-Total Transportation	\$ 727,048,000	\$ 665,948,000	\$ 150,200	\$ 60,949,800	\$ -	\$ -
Total Operating Budget	\$ 6,058,850,600	\$ 1,080,691,000	\$ 1,800,802,700	\$ 2,593,151,900	\$ 201,979,800	\$ 382,225,200
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	\$ 6,492,916,100	\$ 1,148,756,500	\$ 2,156,802,700	\$ 2,603,151,900	\$ 201,979,800	\$ 382,225,200

**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 \$ 6,624,103,800

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

* FY 2010-2011 includes unexpended federal funds from fiscal year 2009-2010 that have been carried over in addition to 2010-2011 revenue estimates.

Federal Aid Trends and Federal Mandate Costs

Recommended Budget, Fiscal Year 2011 – 2012

Since fiscal year 1979-80, federal aid to Tennessee excluding Food Stamps, Medicaid, and Temporary Assistance to Needy Families (TANF) grants, formerly Aid to Families with Dependent Children (AFDC), has declined from 27 cents of every dollar in the state budget to 21 cents in 2011-2012. If the state were still receiving 27 cents of every budgeted dollar as federal aid, an additional \$994.6 million would be available in federal funds.

In constant (2011-2012) dollars, federal aid has increased by 99.3 percent, or \$2.1 billion, from 1979-80 to 2011-2012 for state programs other than Food Stamps, Medicaid, and TANF/AFDC grants.

Figure 1 and Table 1 show the constant (2011-2012) dollar trend in federal aid in the state budget since 1979-80 for all programs,

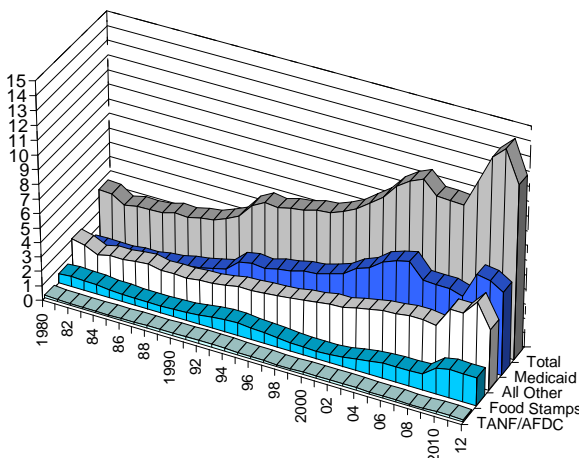
including transportation. Amounts for fiscal years 1979-80 through 2009-2010 are based on actual federal aid collections; amounts for 2010-2011 through 2011-2012 are based on estimates included in the recommended state budget.

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

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

From 1988-89 to 2011-2012, all the programs have had real growth, except the TANF/AFDC program, which is the result of key decisions by Congress. In the late 1980s, Congress moved to relax the earlier federal deficit-control statutes, which had restrained the growth of domestic discretionary programs during the 1980s. In addition, the U.S. economic recovery program was enacted in February 2009, which increased federal aid for Tennessee's operating budget by \$5.7 billion over four fiscal years, from 2008-2009 through 2011-2012. Tennessee will receive an estimated \$382.2 million in

Figure 1
Federal Aid Trend in State Programs
FY 1980 through FY 2012
in Billions of Constant (2011-2012) Dollars



economic recovery act funding during fiscal years 2012-2013 and 2013-2014.

Figure 1 shows that total federal aid will decline by an inflation adjusted \$2.2 billion in 2011-2012. Funding for Medicaid and all other federal aid programs will decline in 2011-2012, primarily as the result of

In 2011-2012, all other federal aid, excluding Food Stamps, Medicaid, and TANF/AFDC, shows a 27.7 percent constant-dollar decrease compared with 2010-2011. This is because of a decrease in non-recurring economic recovery aid.

Over the 32-year period, Medicaid, the major federal entitlement program in the state budget, has had real growth well above the rate of inflation. However, from fiscal year 2004-2005 through fiscal year 2008-2009, federal Medicaid funds declined by over \$1.3 billion. This is

because of state cost-containment reforms, federal actions on the Medicare drug program, and an decrease in the Medicaid match rate resulting from national and state personal income growth. Medicaid funds increased an inflation adjusted \$1.7 billion from fiscal year 2008-2009 to fiscal year 2009-2010. This additional funding is the result of an increase in the Medicaid match rate approved by the Centers for Medicare and Medicaid Services and an additional match rate adjustment included in the U.S. economic recovery act. However, because

decreased funding received through the federal economic recovery act. Federal funds from the TANF/AFDC program declined in 2010-2011 due to the state's Families First waiver expiring, resulting in more restrictive requirements for Tennesseans to receive TANF/AFDC benefits. The decline in federal funding for TANF/AFDC has continued in 2011-2012 due to a decrease in funding from the economic recovery act.

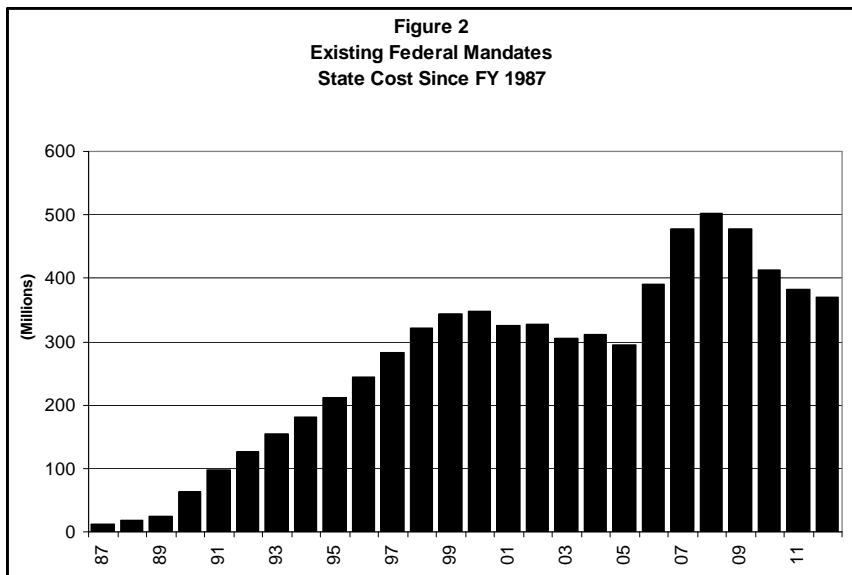
As shown in Figure 1, not until 1992-93 does "all other" federal aid, excluding Medicaid, TANF/AFDC grants, and Food Stamps, return to the real-dollar level available to the state in 1979-80. Reflecting recent domestic initiatives, the growth rate for this federal aid category had steadily increased through 2007-2008, in spite of federal budget-balancing efforts, and then spiked sharply upward through 2010-2011 because of the economic recovery aid.

Table 1
Comparison of Federal Aid in State Budget,
Actual 1979-80 through Estimated 2011-2012
In Millions of Constant (2011-2012) Dollars

	1979-80	1988-89	2011-2012	% Increase		
				1980-2012	Annual Average	
					1980-2012	1989-2012
Total Aid	\$ 3,541.1	\$ 3,673.2	\$ 11,889.2	235.8%	3.9%	5.2%
Medicaid	646.1	1,347.9	5,682.3	779.4%	7.0%	6.5%
Food Stamp Coupons	645.8	502.9	1,927.6	198.5%	3.5%	6.0%
TANF/AFDC	153.0	147.1	102.2	-33.2%	-1.3%	-1.6%
All Other	2,096.2	1,675.3	4,177.1	99.3%	2.2%	4.1%

because of state cost-containment reforms, federal actions on the Medicare drug program, and an decrease in the Medicaid match rate resulting from national and state personal income growth. Medicaid funds increased an inflation adjusted \$1.7 billion from fiscal year 2008-2009 to fiscal year 2009-2010. This additional funding is the result of an increase in the Medicaid match rate approved by the Centers for Medicare and Medicaid Services and an additional match rate adjustment included in the U.S. economic recovery act. However, because

Figure 2
Existing Federal Mandates
State Cost Since FY 1987



the additional Recovery Act funding for Medicaid will end on June 30, 2011, federal funding for Medicaid will decline by \$535 million from 2010-2011 to 2011-2012. Although total federal aid has increased in constant dollars by 235.8 percent from 1979-80 to 2011-2012, the 779.4 percent real growth in the Medicaid program is accompanied by real growth of only 99.3 percent in federal aid for all other state programs, excluding Food Stamps and TANF/AFDC. A constant dollar increase of 198.5 percent in federal aid for the Food Stamps program since 1979-80 is related to recent trends in caseload and inflation and additional funding received as a result of the U.S. economic recovery act. TANF/AFDC had a constant dollar decrease of 33.2 percent, primarily as a result of the expiration of the state's Families First waiver and the ending of economic recovery act programs.

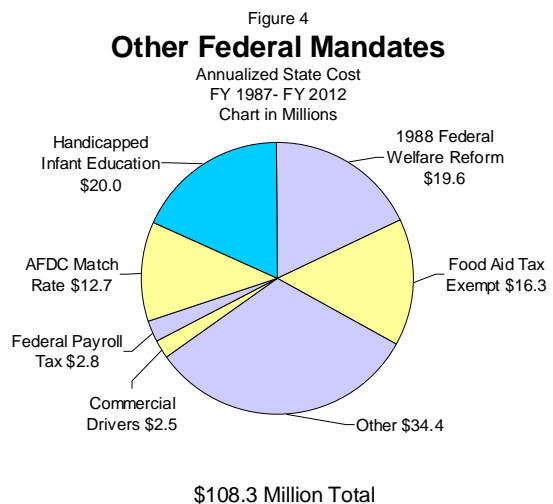
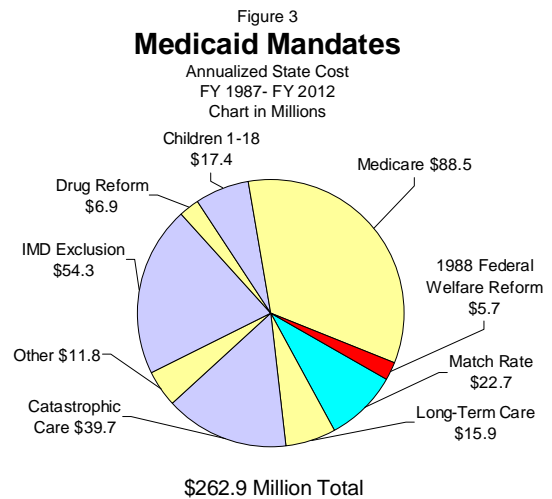
Over the 32 years, as shown in Table 1, real growth for all federal aid to state programs has averaged 3.9 percent per year. This growth above the rate of inflation has been led by the 7.0 percent annual-average real growth in the Medicaid program; Food Stamps increased 3.5 percent; all other federal aid, 2.2 percent; and TANF/AFDC decreased by 1.3 percent on an annual-average basis.

Over the last 23 years of the period, from 1988-89 through 2011-2012, real growth in total federal aid has increased above the longer-term growth rates. Total federal aid to state programs has grown at a 23-year annual-average rate of 5.2 percent. Real growth in this period has averaged 6.5 percent per year for Medicaid, 6.0 percent in Food Stamps, and TANF/AFDC decreased by 1.6 percent. All other federal aid has grown at a real-dollar rate of 4.1 percent per year.

The 2011-2012 increase in the Medicaid match rate will result in decreased state costs for federal mandates (Figure 2). Medicaid accounts for 70.8 percent of the \$371.2 million state mandate cost in the 2011-2012 fiscal year. The longer-term federal funding for mandated Medicaid

expansions is accompanied by significant state costs, which are identified in detail below.

While federal aid as a percentage of discretionary program funding has declined in the state budget since 1979-80, federal legislation in the late 1980s, early 1990s, and mid-2000s has imposed increasingly costly mandates on state government. By fiscal year 2011-2012, provisions imposed since 1986-87 will cost \$371.2 million per year in recurring state appropriations from general fund tax sources. The cumulative state cost in 2009-2010 is \$413.6 million and in 2010-2011 is \$382.6 million. Figure 2 illustrates the annual recurring state cost, from general fund tax sources, of new federal mandates beginning in fiscal year 1986-87.



Costly major Medicaid mandates imposed since 1986-87 (Figure 3) are expanded services under the 1988 catastrophic health care law; coverage of children aged one through 18 under 1989 and 1990 laws; payment of premiums and deductibles for poor Medicare clients under a 1990 law; Medicare premium increases beginning in 2002-2003; Medicare cost sharing affecting the state beginning in 2005-2006; the application of existing Medicaid long-term care eligibility criteria under the 2010 U.S. health reform law; Medicare drug formulary changes affecting state intellectual disabilities facilities; increases in the state Medicaid match rate as personal income increases; expansion of Medicaid eligibility under the 1988 federal welfare reform law; drug purchasing reform under a 1990 law; and the loss of federal funds matching institute for the mentally diseased (IMD) expenditures for acute inpatients aged 21 to 64. Other Medicaid mandates include the 1988 nursing home reform initiative and the expansion of the child disability standard under the 1990 "Zebley" court ruling on supplemental security income regulations; and increase in the minimum wage for the nursing home

program under a 1989 law.

Major federal mandates imposed in other programs since fiscal year 1986-87 (Figure 4) include expansion of AFDC eligibility and support services under the 1988 federal welfare reform law; exemption from the sales tax of food stamps and supplemental foods for women, infants, and children; increases in the state match rate for the former AFDC program; intervention services for handicapped infants and toddlers and academic testing in the K-12 education system; extensions of federal social security and Medicare payroll taxes under the 1990 federal budget act; national standards under the commercial drivers license law; and other items of lesser fiscal impact affecting several state agencies.

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

Tennessee Economic Overview

Recommended Budget, Fiscal Year 2011 – 2012

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

The state and national economies are finally showing broad-based signs of life after a long and deep recession. The private sector is creating jobs, the unemployment rate has begun its descent, and tax collections in Tennessee and other states are showing signs of growth. However, because of the severity of the recession, many barometers of economic and fiscal health are recovering slowly and will not be fully restored for several years. 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 Annual Report to the Governor of the State of Tennessee."*

Recent Economic Conditions

After falling 2.6 percent in 2009, the national economy saw inflation-adjusted gross domestic product (GDP) rise 3.7 percent in the first quarter of 2010. Economic conditions were fragile over much of the year and there were concerns that the economy would falter and slip into a double-dip recession. But the economic environment stabilized and the economy continued its expansion. Inflation-adjusted GDP was up 2.6 percent for the year and the rate of nonfarm job loss ebbed to 0.5 percent from a 4.3 percent setback in the prior year. December showed that the national economy had created well over 100 thousand private sector jobs for the month and the unemployment rate dipped to 9.4 percent. More progress is certainly needed, but 2010 was the best year since the onset of the recession.

The economic environment in Tennessee also experienced marked improvement in 2010. While nonfarm employment plummeted by 5.6 percent in 2009, job losses in 2010 totaled only 0.5 percent as with the nation. Tennessee's manufacturing sector suffered a 14.2 percent loss in employment in 2009, while only 1.8 percent of jobs were shed last year. The unemployment situation also showed some improvement over the course of the year. The state's unemployment rate averaged 10.5 percent in 2009 compared to a 9.3 percent rate for the nation. The state rate fell more quickly than its national counterpart and settled in at 9.4 percent in both November and December of 2010. December's employment data were especially encouraging with 1.2 percent year-over-year growth in private sector payrolls and a 0.8 percent rebound in manufacturing employment.

Short-Term Economic Outlook

The recession led to three consecutive years of employment losses, five quarters of inflation-adjusted GDP contraction, a sharp spike in the unemployment rate, and a near collapse in residential construction. The fledgling recovery that is now underway cannot quickly erase these losses. Employment will not fully rebound to pre-recessionary levels until 2013, unemployment rates will remain elevated for many years to come and even by 2020 housing starts may not have fully rebounded. While the economic environment is expected to steadily improve over the course of 2011 and 2012, the economy will undergo ongoing transformation for many years to come.

Inflation-adjusted GDP is expected to grow 3.2 percent in 2011, the strongest rate of expansion since 2004. Growth will be fueled by consumer purchases of durable goods, business investment in equipment and computer software, and exports. Imports, government spending and business investment in structures will be drags on economic growth. Further contraction in business investment in structures will sustain ongoing pressures on the construction and building material sectors. Housing starts will begin to show steady improvement and light vehicle sales will build further on the strong momentum created in 2010. Payroll employment will see its first gain

since 2007 with a 1.4 percent jump from 2010. The unemployment rate will remain stubbornly high and average 9.3 percent for the year. The large number of unemployed people, the backlog of discouraged and underemployed workers, and new entrants to the labor force will together sustain upward pressure on the unemployment rate.

Growth of the national economy will help lift Tennessee's growth prospects as the expansion solidifies. Tennessee will see nonfarm jobs expand 1.3 percent in 2011 with the creation of over 34,000 jobs. Employment growth will accelerate to 1.9 percent in 2012. The state's manufacturing sector will see jobs expand in 2011,

2012, and 2013, though these gains will not replace the jobs lost since the onset of the recession. Tennessee's unemployment rate will slowly edge down to 9.1 percent for the year and fall below the 9 percent threshold in 2012. On a fiscal year basis, expect personal income to be up 4.5 percent in 2010-11 and up 4.7 percent in 2011-12. Taxable sales were finally able to engineer a 2.6 percent gain in 2010 after plummeting 7.4 percent in 2009. Growth should mount to 5.2 percent in 2011; calendar-year taxable sales will fully rebound above pre-recession levels in 2012. On a fiscal year basis, taxable sales should advance 4.3 percent in 2010-11 and see a 4.7 percent gain in 2011-12.

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

Tennessee Characteristics

Demographic Characteristics¹

	<u>2000</u>	<u>2005</u>	<u>2009</u>
Total Population (April 1, July 1, July 1)	5,689,283	5,995,748	6,296,254
Percent of Population by Age Group			
Under Age 5	6.6%	6.7%	6.7%
Age 5 to 17	18.0%	17.1%	17.0%
Age 18 to 24	9.6%	9.0%	9.4%
Age 25 to 64	53.4%	55.0%	53.6%
Age 65 and Older	12.4%	12.2%	13.3%
Percent of Population by Race			
White	80.2%	79.6%	79.1%
Black or African American	16.4%	16.4%	16.5%
American Indian and Alaska Native	0.3%	0.3%	0.2%
Asian and Pacific Islander	1.0%	1.3%	1.4%
Other	2.1%	2.4%	2.8%
Hispanic Population (Percent of Total Population)	2.2%	3.0%	4.1%
Place of Birth of Tennessee Residents			
Born in Tennessee	64.7%	62.5%	61.8%
Born in Another State	31.9%	33.1%	33.3%
Born Outside the United States	0.6%	0.6%	0.7%
Born in a Foreign County	2.8%	3.8%	4.2%
Naturalized Citizen	0.9%	1.2%	1.5%
Not a Citizen	1.9%	2.6%	2.7%

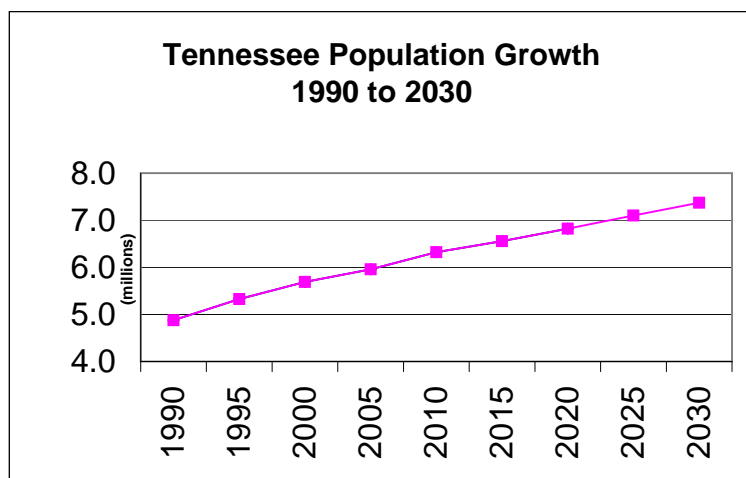
Tennessee Population by Grand Division

	<u>2000</u>	<u>2005</u>	<u>2009</u>
East Tennessee	2,108,135	2,212,065	2,313,937
Middle Tennessee	2,081,346	2,260,137	2,436,213
West Tennessee	1,499,802	1,523,546	1,546,104

Metropolitan Statistical Area Population

	<u>2000</u>	<u>2005</u>	<u>2009</u>
Chattanooga, TN-GA	476,531	502,842	524,303
Tennessee Portion	347,042	364,149	379,158
Georgia Portion	129,489	138,693	145,145
Clarksville, TN-KY	232,000	251,845	268,546
Tennessee Portion	147,138	160,659	174,318
Kentucky Portion	84,862	91,186	94,228
Cleveland, TN	104,015	108,013	113,358
Jackson, TN	107,377	110,772	113,629
Johnson City, TN	181,607	188,888	197,381
Kingsport-Bristol, TN - Bristol, VA	298,484	300,078	305,629
Tennessee Portion	206,611	207,941	212,336
Virginia Portion	91,873	92,137	93,293
Knoxville, TN	616,079	658,316	699,247
Memphis, TN-MS-AR	1,205,204	1,261,429	1,304,926
Tennessee Portion	977,549	1,001,613	1,018,512
Arkansas Portion	50,866	51,471	53,022
Mississippi Portion	176,789	208,345	233,392
Morristown, TN	123,081	130,104	137,612
Nashville-Davidson - Murfreesboro - Franklin, TN	1,311,789	1,450,538	1,582,264
Total Tennessee Metropolitan Statistical Area Population	4,122,288	4,380,993	4,627,815
Total Tennessee Non-Metropolitan Population	1,566,995	1,614,755	1,668,439

Tennessee Population 1990 to 2030²



Year	Population
1990	4,877,203
1995	5,326,936
2000	5,689,283
2005	5,962,959
2010	6,346,105
2015	6,553,970
2020	6,821,706
2025	7,098,566
2030	7,371,149

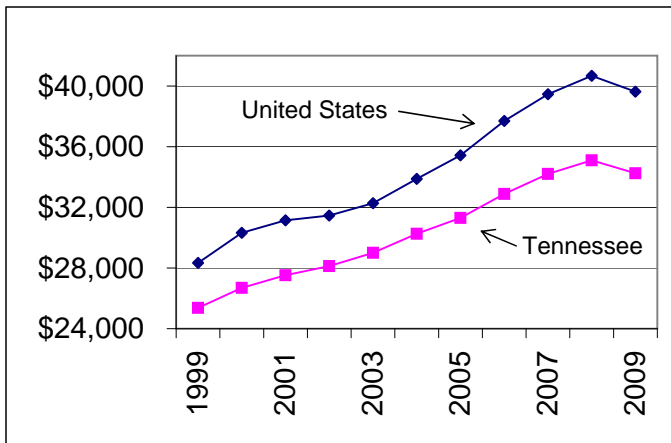
Education Characteristics

	1999-2000	2004-2005	2008-2009
Public School Enrollment and Expenditures³			
Total Number of Public Schools	1,611	1,693	1,728
Total K-12 Public School Average Daily Attendance (ADA)	842,733	867,134	893,976
Total Operating Expenditures (in thousands)	\$ 4,885,072	\$ 6,387,036	\$ 7,614,831
Public School Per Pupil Expenditures (based on ADA)	\$ 5,794	\$ 7,366	\$ 8,518
	2000	2005	2009
Educational Attainment⁴			
Population 25 years and over			
Less than 9th grade	9.6%	7.0%	6.5%
9th to 12th grade, no diploma	14.5%	11.8%	10.4%
High school graduate (includes equivalency)	31.6%	34.5%	32.9%
Some college, no degree	20.0%	19.3%	21.1%
Associate degree	4.7%	5.6%	6.1%
Bachelor's degree	12.8%	14.1%	15.1%
Graduate or professional degree	6.8%	7.7%	7.9%
Percent high school graduate or higher			
United States	80.4%	84.2%	85.3%
Tennessee	75.9%	81.2%	83.1%
Percent bachelor's degree or higher			
United States	24.4%	27.2%	27.9%
Tennessee	19.6%	21.8%	23.0%

Income and Poverty⁵

	2000	2005	2009
Tennessee's Per Capita Income as a Percent of the U.S.	88.0%	88.4%	86.4%
Tennessee's Rank in U.S. by Per Capita Income	35	37	38

Tennessee and United States Per Capita Income ⁵



Year	United States	Tennessee
1999	\$ 28,333	\$ 25,370
2000	30,318	26,691
2001	31,145	27,529
2002	31,461	28,127
2003	32,271	28,998
2004	33,881	30,255
2005	35,424	31,302
2006	37,698	32,881
2007	39,458	34,199
2008	40,673	35,098
2009	39,626	34,245

Percent Change
1999-2009

United States	Tennessee
39.9%	35.0%

Percent of Population Below Poverty ⁶

	1999	2005	2009
United States	12.4%	13.3%	14.3%
Tennessee	13.5%	15.5%	17.1%

Tennessee Gross Domestic Product ⁷

	2000	2005	2009
Gross Domestic Product - Percent by Industry			
Private industries	89.0%	88.5%	88.5%
Agriculture, forestry, fishing, and hunting	0.6%	0.6%	0.6%
Mining	0.3%	0.2%	0.1%
Utilities	0.6%	0.6%	0.7%
Construction	4.8%	4.1%	3.3%
Manufacturing	18.5%	17.5%	14.3%
Durable goods	10.6%	10.9%	8.2%
Nondurable goods	7.9%	6.6%	6.1%
Wholesale trade	7.1%	6.7%	6.5%
Retail trade	8.4%	8.1%	7.5%
Transportation and warehousing, excluding Postal Service	5.1%	5.2%	4.7%
Information	2.7%	3.3%	3.4%
Finance and insurance	6.0%	6.0%	7.1%
Real estate and rental and leasing	10.3%	9.5%	10.8%
Professional and technical services	4.5%	5.3%	6.1%
Management of companies and enterprises	0.9%	0.9%	1.1%
Administrative and waste services	3.8%	4.1%	4.2%
Educational services	0.8%	1.0%	1.0%
Health care and social assistance	7.2%	8.0%	9.5%
Arts, entertainment, and recreation	0.9%	1.0%	1.1%
Accommodation and food services	3.3%	3.4%	3.4%
Other services, except government	3.2%	3.0%	3.1%
Government	11.0%	11.5%	11.5%
Gross Domestic Product (millions)			
United States	\$ 9,884,171	\$ 12,554,538	\$ 14,027,659
Tennessee	\$ 177,582	\$ 224,522	\$ 241,907
Tennessee as a Percent of U.S.	1.80%	1.79%	1.72%
Tennessee's Rank in U.S.	20	18	20

Civilian Labor Force ⁸

	2000	2005	2009
Civilian Labor Force	2,871,500	2,942,300	3,020,000
Employment	2,756,500	2,778,500	2,703,000
Unemployment	115,000	163,800	317,000
Unemployment Rate	4.0%	5.6%	10.5%

Employment by Industry ⁸

	2000	2005	2009
Non-Farm Employment - Percent by Industry			
Goods Producing	22.7%	19.5%	16.0%
Natural Resources, Mining, & Construction	4.8%	4.6%	4.2%
Manufacturing	17.9%	14.9%	11.8%
Durable Goods	11.0%	9.3%	6.9%
Non-Durable Goods	6.9%	5.6%	4.9%
Service Providing	77.3%	80.5%	84.0%
Trade, Transportation, & Utilities	21.5%	21.8%	21.3%
Wholesale Trade	4.8%	4.8%	4.6%
Retail Trade	11.6%	11.8%	11.7%
Transportation, Warehousing, & Utilities	5.1%	5.2%	5.0%
Information	2.0%	1.8%	1.8%
Financial Activities	5.1%	5.2%	5.4%
Professional & Business Services	11.0%	11.4%	11.2%
Educational & Health Services	10.2%	12.0%	14.0%
Leisure & Hospitality	8.6%	9.5%	10.1%
Other Services	4.3%	3.7%	3.9%
Government	14.6%	15.1%	16.3%
Federal	2.0%	1.8%	1.9%
State & Local	12.6%	13.3%	14.4%

Physical Characteristics ⁹

Total Area	42,145 Square Miles
Land Area	41,235 Square Miles
Water Area	910 Square Miles
 Highest Elevation (Clingmans Dome)	 6,643 Feet

¹ Source: U.S. Bureau of the Census.

² Source: U.S. Bureau of the Census for 1990, 1995, 2000, 2005 and 2010; University of Tennessee, Center for Business and Economic Research for 2015 through 2030.

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

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

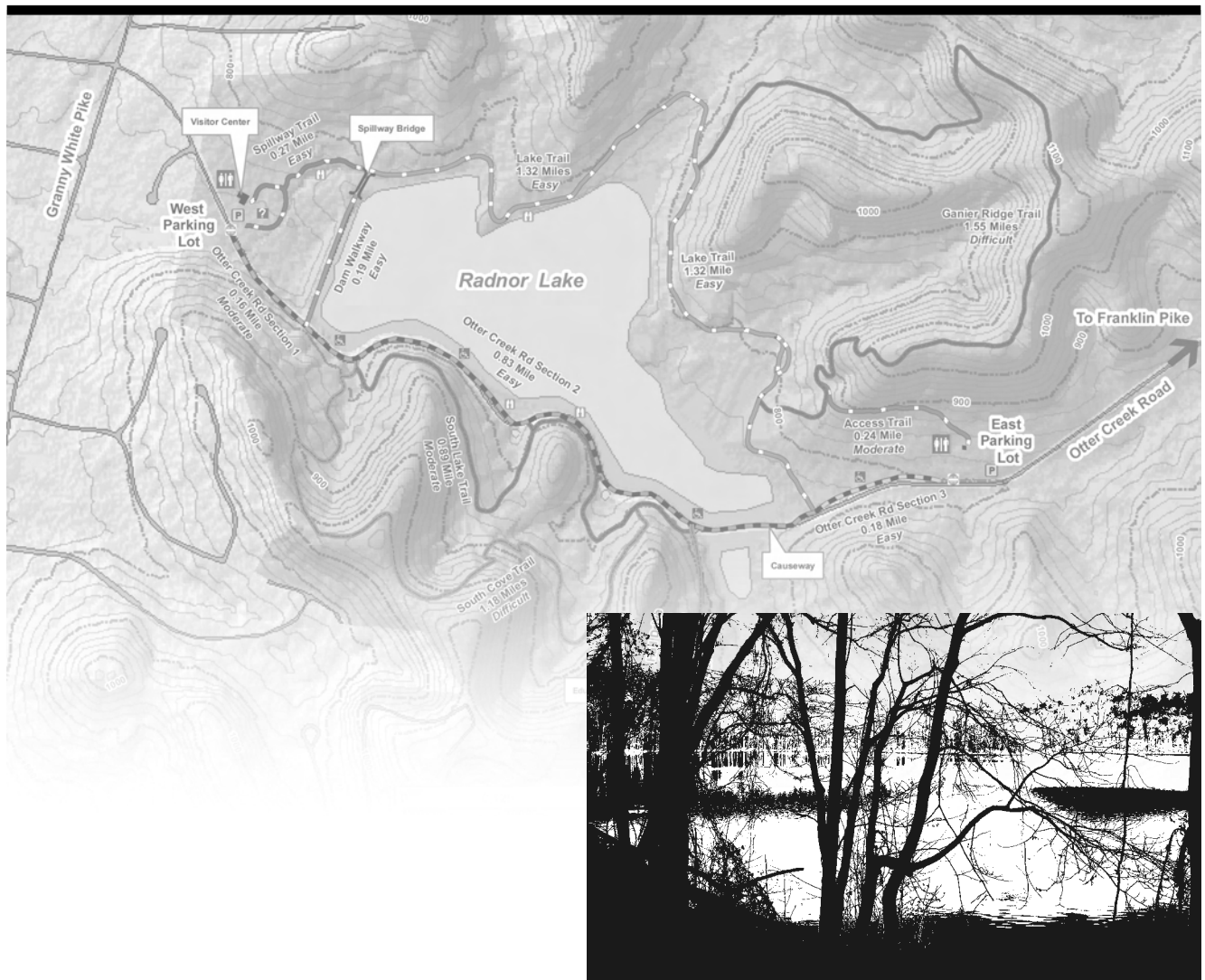
⁵ Source: U.S. Bureau of Economic Analysis.

⁶ Source: U.S. Bureau of the Census, 2000 Census and 2005 and 2009 American Community Survey.

⁷ Source: U.S. Bureau of Economic Analysis.

⁸ Source: Tennessee Department of Labor and Work Force Development.

⁹ Source: U.S. Bureau of the Census, *Statistical Abstract of the United States*.



State Revenues

State Revenues



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State Tax Revenues

Introduction

Recommended Budget, Fiscal Year 2011-2012

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 “Basis of Budgeting and Accounting” subsection of the section entitled “Budget Process and History.”)

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 2009-2010 actual revenue and as it exists currently for 2010-2011 and 2011-2012 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, 2009 – June 30, 2012**

Comparison Statement of State Revenues
Actual and Estimated July 1, 2009 - June 30, 2012

SOURCE OF REVENUE

Department of Revenue	Actual 2009-2010	Estimated 2010-2011	Estimated 2011-2012	Percent Required
Sales and Use Tax	\$ 6,158,131,500	\$ 6,406,800,000	\$ 6,632,700,000	3.53%
Gasoline Tax	606,802,200	619,600,000	625,100,000	0.89%
Motor Fuel Tax	154,082,800	158,700,000	163,000,000	2.71%
Gasoline Inspection Tax	62,442,200	63,100,000	64,400,000	2.06%
Motor Vehicle Registration Tax	236,810,400	243,200,000	246,000,000	1.15%
Income Tax	172,473,800	182,800,000	201,100,000	10.01%
Privilege Tax	224,252,100	230,000,000	245,300,000	6.65%
Gross Receipts Tax - TVA	320,393,200	321,100,000	331,100,000	3.11%
Gross Receipts Tax - Other	32,295,100	32,900,000	33,600,000	2.13%
Beer Tax	16,257,000	16,900,000	17,200,000	1.78%
Alcoholic Beverage Tax	45,587,700	47,200,000	49,100,000	4.03%
Franchise Tax	522,124,500	597,600,000	618,600,000	3.51%
Excise Tax	878,149,800	893,800,000	925,100,000	3.50%
Inheritance and Estate Tax	88,866,800	99,500,000	100,000,000	0.50%
Tobacco Tax	292,477,000	292,500,000	295,400,000	0.99%
Motor Vehicle Title Fees	10,400,900	10,800,000	11,200,000	3.70%
Mixed Drink Tax	55,124,100	56,800,000	59,600,000	4.93%
Business Tax	145,733,600	148,700,000	151,600,000	1.95%
Severance Tax	2,240,100	2,200,000	2,200,000	0.00%
Coin-operated Amusement Tax	241,400	200,000	200,000	0.00%
Unauthorized Substance Tax	(1,377,400)	0	0	NA
Sub-Total Department of Revenue	\$ 10,023,508,800	\$ 10,424,400,000	\$ 10,772,500,000	3.34%
Other State Revenue				
Dept. of Commerce and Insurance	\$ 589,295,000	\$ 648,400,000	\$ 661,900,000	2.08%
E-911 Emergency Communications	56,741,200	57,200,000	61,000,000	6.64%
Dept. of Financial Institutions	8,555,200	8,600,000	8,500,000	-1.16%
Wildlife Resources Agency	44,648,000	43,700,000	46,300,000	5.95%
Dept. of Agriculture	6,290,000	10,400,000	7,000,000	-32.69%
Regulatory Board Fees	35,644,000	36,500,000	36,800,000	0.82%
Tennessee Regulatory Authority	7,743,300	8,100,000	7,300,000	-9.88%
Secretary of State	29,349,800	29,500,000	29,500,000	0.00%
Dept. of Safety	34,447,700	36,300,000	36,300,000	0.00%
Dept. of Revenue	3,723,800	6,200,000	6,200,000	0.00%
State Treasurer	6,149,100	7,000,000	7,000,000	0.00%
Dept. of Education	1,528,600	1,700,000	1,700,000	0.00%
Dept. of Health	12,239,800	12,700,000	12,700,000	0.00%
Dept. of Environment and Conservation	56,392,600	64,500,000	63,300,000	-1.86%
Miscellaneous Revenue	66,176,900	58,000,000	58,100,000	0.17%
Nursing Home Tax	91,981,600	99,300,000	99,300,000	0.00%
Hospital Coverage Assessment	0	349,400,000	449,800,000	28.73%
Sub-Total Other State Revenue	\$ 1,050,906,600	\$ 1,477,500,000	\$ 1,592,700,000	7.80%
Total State Revenue	\$ 11,074,415,400	\$ 11,901,900,000	\$ 12,365,200,000	3.89%

**Distribution of Actual 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 *	\$ 6,158,131,500	\$2,265,297,700	\$3,550,160,000	\$ 37,203,300	\$ 43,794,000	\$ 261,676,500
Gasoline Tax	606,802,200	9,413,800	0	255,357,000	110,400,000	231,631,400
Motor Fuel Tax	154,082,800	2,921,400	0	110,766,600	0	40,394,800
Gasoline Inspection Tax	62,442,200	18,152,900	0	32,272,300	0	12,017,000
Motor Vehicle Registration Tax	236,810,400	41,597,600	98,700	195,114,100	0	0
Income Tax	172,473,800	111,785,400	0	0	0	60,688,400
Privilege Tax	224,252,100	220,906,900	122,700	0	0	3,222,500
Gross Receipts Tax - TVA	320,393,200	178,759,600	0	0	0	141,633,600
Gross Receipts Tax - Other	32,295,100	27,619,300	0	4,675,800	0	0
Beer Tax	16,257,000	10,863,200	0	2,048,900	0	3,344,900
Alcoholic Beverage Tax	45,587,700	37,650,100	0	0	0	7,937,600
Franchise Tax	522,124,500	504,124,500	0	0	18,000,000	0
Excise Tax	878,149,800	645,147,300	0	0	213,506,000	19,496,500
Inheritance and Estate Tax	88,866,800	88,866,800	0	0	0	0
Tobacco Tax	292,477,000	25,467,700	267,009,300	0	0	0
Motor Vehicle Title Fees	10,400,900	7,700,900	0	0	2,700,000	0
Mixed Drink Tax	55,124,100	0	27,561,400	0	0	27,562,700
Business Tax	145,733,600	145,733,600	0	0	0	0
Severance Tax	2,240,100	892,700	0	0	0	1,347,400
Coin-operated Amusement Tax	241,400	241,400	0	0	0	0
Unauthorized Substance Tax	(1,377,400)	(1,377,400)	0	0	0	0
Sub-Total Department of Revenue	\$ 10,023,508,800	\$4,341,765,400	\$3,844,952,100	\$ 637,438,000	\$ 388,400,000	\$ 810,953,300
Other State Revenue						
Dept. of Commerce and Insurance	\$ 589,295,000	\$ 589,295,000	\$ 0	\$ 0	\$ 0	\$ 0
E-911 Emergency Communications	56,741,200	56,741,200	0	0	0	0
Dept. of Financial Institutions	8,555,200	8,555,200	0	0	0	0
Wildlife Resources Agency	44,648,000	44,648,000	0	0	0	0
Dept. of Agriculture	6,290,000	6,290,000	0	0	0	0
Regulatory Board Fees	35,644,000	35,644,000	0	0	0	0
Tennessee Regulatory Authority	7,743,300	7,743,300	0	0	0	0
Secretary of State	29,349,800	29,349,800	0	0	0	0
Dept. of Safety	34,447,700	34,447,700	0	0	0	0
Dept. of Revenue	3,723,800	3,723,800	0	0	0	0
State Treasurer	6,149,100	6,149,100	0	0	0	0
Dept. of Education	1,528,600	0	1,528,600	0	0	0
Dept. of Health	12,239,800	12,239,800	0	0	0	0
Dept. of Environment and Conservation	56,392,600	56,392,600	0	0	0	0
Miscellaneous Revenue	66,176,900	66,176,900	0	0	0	0
Nursing Home Tax	91,981,600	91,981,600	0	0	0	0
Hospital Coverage Assessment	0	0	0	0	0	0
Sub-Total Other State Revenue	\$ 1,050,906,600	\$1,049,378,000	\$ 1,528,600	\$ 0	\$ 0	\$ 0
Total State Revenue	\$ 11,074,415,400	\$5,391,143,400	\$3,846,480,700	\$ 637,438,000	\$ 388,400,000	\$ 810,953,300

* 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 Revised 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 *	\$ 6,406,800,000	\$2,343,100,000	\$3,693,500,000	\$ 52,000,000	\$ 45,600,000	\$ 272,600,000
Gasoline Tax	619,600,000	9,200,000	0	265,700,000	108,200,000	236,500,000
Motor Fuel Tax	158,700,000	3,000,000	0	114,100,000	0	41,600,000
Gasoline Inspection Tax	63,100,000	18,300,000	0	32,800,000	0	12,000,000
Motor Vehicle Registration Tax	243,200,000	42,600,000	100,000	200,500,000	0	0
Income Tax	182,800,000	118,500,000	0	0	0	64,300,000
Privilege Tax	230,000,000	226,700,000	100,000	0	0	3,200,000
Gross Receipts Tax - TVA	321,100,000	180,000,000	0	0	0	141,100,000
Gross Receipts Tax - Other	32,900,000	28,100,000	0	4,800,000	0	0
Beer Tax	16,900,000	11,300,000	0	2,100,000	0	3,500,000
Alcoholic Beverage Tax	47,200,000	39,000,000	0	0	0	8,200,000
Franchise Tax	597,600,000	579,600,000	0	0	18,000,000	0
Excise Tax	893,800,000	667,900,000	0	0	206,400,000	19,500,000
Inheritance and Estate Tax	99,500,000	99,500,000	0	0	0	0
Tobacco Tax	292,500,000	25,500,000	267,000,000	0	0	0
Motor Vehicle Title Fees	10,800,000	8,100,000	0	0	2,700,000	0
Mixed Drink Tax	56,800,000	0	28,400,000	0	0	28,400,000
Business Tax	148,700,000	148,700,000	0	0	0	0
Severance Tax	2,200,000	900,000	0	0	0	1,300,000
Coin-operated Amusement Tax	200,000	200,000	0	0	0	0
Unauthorized Substance Tax	0	0	0	0	0	0
Sub-Total Department of Revenue	\$ 10,424,400,000	\$4,550,200,000	\$3,989,100,000	\$ 672,000,000	\$ 380,900,000	\$ 832,200,000
Other State Revenue						
Dept. of Commerce and Insurance	\$ 648,400,000	\$ 648,400,000	\$ 0	\$ 0	\$ 0	\$ 0
E-911 Emergency Communications	57,200,000	57,200,000	0	0	0	0
Dept. of Financial Institutions	8,600,000	8,600,000	0	0	0	0
Wildlife Resources Agency	43,700,000	43,700,000	0	0	0	0
Dept. of Agriculture	10,400,000	10,400,000	0	0	0	0
Regulatory Board Fees	36,500,000	36,500,000	0	0	0	0
Tennessee Regulatory Authority	8,100,000	8,100,000	0	0	0	0
Secretary of State	29,500,000	29,500,000	0	0	0	0
Dept. of Safety	36,300,000	36,300,000	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	64,500,000	64,500,000	0	0	0	0
Miscellaneous Revenue	58,000,000	58,000,000	0	0	0	0
Nursing Home Tax	99,300,000	99,300,000	0	0	0	0
Hospital Coverage Assessment	349,400,000	349,400,000	0	0	0	0
Sub-Total Other State Revenue	\$ 1,477,500,000	\$1,475,800,000	\$ 1,700,000	\$ 0	\$ 0	\$ 0
Total State Revenue	\$ 11,901,900,000	\$6,026,000,000	\$3,990,800,000	\$ 672,000,000	\$ 380,900,000	\$ 832,200,000

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

County Revenue Partnership Fund	\$	0	\$ (400,000)	\$	400,000
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**Distribution of Estimated Revenue by Fund
Fiscal Year 2011-2012**

SOURCE OF REVENUE

Department of Revenue	Total Revenue	General Fund	Education Fund	Highway Fund	Debt Service Fund	Cities & Counties *
Sales and Use Tax *	\$ 6,632,700,000	2,427,500,000	\$3,823,800,000	\$ 52,000,000	\$ 47,200,000	\$ 282,200,000
Gasoline Tax	625,100,000	9,300,000	0	270,200,000	107,000,000	238,600,000
Motor Fuel Tax	163,000,000	3,100,000	0	117,200,000	0	42,700,000
Gasoline Inspection Tax	64,400,000	18,800,000	0	33,600,000	0	12,000,000
Motor Vehicle Registration Tax	246,000,000	43,000,000	100,000	202,900,000	0	0
Income Tax	201,100,000	130,300,000	0	0	0	70,800,000
Privilege Tax	245,300,000	242,000,000	100,000	0	0	3,200,000
Gross Receipts Tax - TVA	331,100,000	184,800,000	0	0	0	146,300,000
Gross Receipts Tax - Other	33,600,000	28,700,000	0	4,900,000	0	0
Beer Tax	17,200,000	11,500,000	0	2,200,000	0	3,500,000
Alcoholic Beverage Tax	49,100,000	40,600,000	0	0	0	8,500,000
Franchise Tax	618,600,000	600,600,000	0	0	18,000,000	0
Excise Tax	925,100,000	702,200,000	0	0	203,400,000	19,500,000
Inheritance and Estate Tax	100,000,000	100,000,000	0	0	0	0
Tobacco Tax	295,400,000	25,500,000	269,900,000	0	0	0
Motor Vehicle Title Fees	11,200,000	8,500,000	0	0	2,700,000	0
Mixed Drink Tax	59,600,000	0	29,800,000	0	0	29,800,000
Business Tax	151,600,000	151,600,000	0	0	0	0
Severance Tax	2,200,000	900,000	0	0	0	1,300,000
Coin-operated Amusement Tax	200,000	200,000	0	0	0	0
Unauthorized Substance Tax	0	0	0	0	0	0
Sub-Total Department of Revenue	\$ 10,772,500,000	\$ 4,729,100,000	\$ 4,123,700,000	\$ 683,000,000	\$ 378,300,000	\$ 858,400,000
Other State Revenue						
Dept. of Commerce and Insurance	\$ 661,900,000	\$ 661,900,000	\$ 0	\$ 0	\$ 0	\$ 0
E-911 Emergency Communications	61,000,000	61,000,000	0	0	0	0
Dept. of Financial Institutions	8,500,000	8,500,000	0	0	0	0
Wildlife Resources Agency	46,300,000	46,300,000	0	0	0	0
Dept. of Agriculture	7,000,000	7,000,000	0	0	0	0
Regulatory Board Fees	36,800,000	36,800,000	0	0	0	0
Tennessee Regulatory Authority	7,300,000	7,300,000	0	0	0	0
Secretary of State	29,500,000	29,500,000	0	0	0	0
Dept. of Safety	36,300,000	36,300,000	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	63,300,000	63,300,000	0	0	0	0
Miscellaneous Revenue	58,100,000	58,100,000	0	0	0	0
Nursing Home Tax	99,300,000	99,300,000	0	0	0	0
Hospital Coverage Assessment	449,800,000	449,800,000	0	0	0	0
Sub-Total Other State Revenue	\$ 1,592,700,000	\$ 1,591,000,000	\$ 1,700,000	\$ 0	\$ 0	\$ 0
Total State Revenue	\$ 12,365,200,000	\$ 6,320,100,000	\$ 4,125,400,000	\$ 683,000,000	\$ 378,300,000	\$ 858,400,000

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

County Revenue Partnership Fund	\$	0	\$ (400,000)	\$	400,000
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Comparative Statement of Revenues of Regulatory Boards
Actual and Estimated July 1, 2009 - June 30, 2012
To Support Statement of State Revenues

SOURCE OF REVENUE	Actual 2009-2010	Estimated 2010-2011	Estimated 2011-2012
State Board of Accountancy	\$ 1,083,300	\$ 1,374,000	\$ 1,516,000
State Board of Examiners for Architects and Engineers	1,469,400	2,227,000	2,326,000
Tennessee Auctioneer Commission	326,000	337,000	251,000
Board of Barber Examiners	361,600	525,000	571,000
Tennessee Collection Service Board	203,900	223,000	294,000
Licensing Contractors, Home Improvement and Interior Designers	2,578,900	3,326,000	2,511,000
State Board of Cosmetology	1,520,800	1,807,000	2,035,000
Board of Funeral Directors and Embalmers	941,900	896,000	899,000
Board of Examiners for Land Surveyors	366,700	181,000	238,000
Board of Alarm Contractors	631,500	700,000	600,000
Private Investigators Licensing and Regulation	238,600	269,000	195,000
Private Protective Services Licensing and Regulation	1,081,500	1,098,000	1,524,000
Board of Polygraph Examiners	5,100	13,000	13,000
Real Estate Appraiser Commission	662,700	549,000	788,000
Registration of Geologists	127,600	88,000	118,000
Tennessee Real Estate Commission	2,437,500	3,797,100	3,222,500
Tennessee Motor Vehicle Commission	1,046,100	1,124,000	1,240,000
Employee Leasing	147,600	33,000	37,000
Race Track Licensing	7,300	0	10,000
Locksmith Licensing Board	20,200	19,000	9,000
Private Probation Registration	137,500	12,000	13,000
Home Inspectors License	41,600	79,000	81,000
Scrap Metal Dealers Registration	31,500	11,000	21,000
Sub-Total: Commerce and Insurance	\$ 15,468,800	\$ 18,688,100	\$ 18,512,500
Board of Chiropractic Examiners	\$ 243,300	\$ 214,500	\$ 214,500
Board of Dentistry	1,507,900	1,301,200	1,301,200
Board of Dietitian / Nutritionist Examiners	70,000	58,900	58,900
Board of Dispensing Opticians	103,300	89,700	89,700
State Board of Electrolysis Examiners	21,600	16,700	16,700
Council for Licensing Hearing Instrument Specialists	50,000	44,000	44,000
Board of Social Worker Certification and Licensure	350,400	237,400	237,400
Board of Medical Examiners	2,803,400	2,527,500	2,627,500
Tennessee Medical Laboratory Board	677,800	597,600	597,600
Board of Nursing and Certified Medication Aide Licensure	5,165,700	4,141,300	4,241,300
Board of Examiners for Nursing Home Administrators	87,600	77,400	77,400
Board of Occupational and Physical Therapy Examiners	353,500	294,700	294,700
State Board of Athletic Trainers	54,200	47,200	47,200
Board of Respiratory Care	364,700	266,400	266,400
State Board of Optometry	194,300	175,800	175,800
Board of Osteopathic Examination	174,300	149,500	149,500
Board of Pharmacy	1,848,300	1,649,800	1,713,800
Board of Registration for Podiatry	96,400	121,300	121,300
Board of Cert. for Prof. Counselors, and Marital and Family Therapists	200,300	162,700	162,700
Board of Examiners in Psychology	284,200	268,200	268,200
Board for Communication Disorders and Sciences	120,100	92,300	92,300
Committee on Physician Assistants	173,600	131,900	131,900
Massage Licensure Board	625,000	250,600	250,600
Board of Veterinary Medical Examiners	563,800	466,000	466,000
Alcohol and Drug Abuse Counselors	70,200	75,000	75,000
Board of Midwifery	14,100	14,100	14,100
Board of Acupuncture	29,000	33,000	33,000
Board of Clinical Perfusionists	24,800	24,200	24,200
Reflexologist License	12,900	10,600	10,600
Polysomnographic Professional Standards Board	44,400	42,800	42,800
Certified Medication Aide Licensure	0	0	0
Adjustment	0	0	234,800
Sub-Total: Health	\$ 16,329,100	\$ 13,582,300	\$ 14,081,100
State Regulatory Fee	\$ 2,413,300	\$ 2,400,000	\$ 2,400,000
State Board of Law Examiners	757,600	715,100	715,100
Health Services Development Agency	675,200	1,145,700	1,132,600
Adjustment	0	(31,200)	(41,300)
Total Regulatory Boards	\$ 35,644,000	\$ 36,500,000	\$ 36,800,000

Tax Expenditures

Recommended Budget, Fiscal Year 2011-2012

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 2011-2012. 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 2011-2012 Estimated Loss	
	State	Local *
Administrative and Support Services	\$ 362,900,000	\$ 124,400,000
Collection Agencies and Credit Bureaus	25,400,000	8,700,000
Employment Services	199,600,000	68,400,000
Investigation and Security Services	45,300,000	15,500,000
Mail, Document Reproduction, and Call Centers	16,600,000	5,700,000
Services to Buildings and Dwellings	76,000,000	26,100,000
Construction Services	\$ 764,800,000	\$ 262,200,000
Construction of Buildings	252,900,000	86,700,000
Heavy and Civil Engineering Construction	105,700,000	36,200,000
Specialty Trade Contractors	406,200,000	139,300,000
Educational Services	\$ 45,600,000	\$ 15,700,000
Educational Services (for-profit)	41,000,000	14,100,000
Educational Services (non-profit)	4,600,000	1,600,000
Finance, Insurance, and Real Estate	\$ 280,300,000	\$ 96,200,000
Investment Banking, Securities Brokerage, and Related	91,500,000	31,400,000
Insurance Agents and Related	71,000,000	24,400,000
Real Estate Agents and Brokers	117,800,000	40,400,000
Health Care and Social Services (For-profit)	\$ 779,200,000	\$ 267,100,000
Physicians and Dentists	450,300,000	154,400,000
Other Health Practitioners	53,400,000	18,300,000
Hospitals	89,900,000	30,800,000
Nursing and Residential Care Facilities	85,700,000	29,400,000
Outpatient Care Centers	32,700,000	11,200,000
Medical and Diagnostic Laboratories	25,700,000	8,800,000
Other Selected Health Services	10,900,000	3,700,000
Social and Community Services	30,600,000	10,500,000
Health Care and Social Services (Non-profit)	\$ 480,300,000	\$ 164,800,000
Hospitals	398,000,000	136,500,000
Nursing and Residential Care Facilities	27,900,000	9,600,000
Outpatient Care Centers	27,000,000	9,300,000
Other Selected Health Services	6,800,000	2,300,000
Social and Community Services	20,600,000	7,100,000
Information Services	\$ 59,000,000	\$ 18,400,000
Data Processing Services	24,500,000	8,400,000
Movie Production and Sound Recording Studios	6,900,000	2,400,000
Cable TV Subscriptions (exempt amount)	15,500,000	3,400,000
Newspaper Subscriptions and Sales	12,100,000	4,200,000
Media Advertising Sales	\$ 135,800,000	\$ 46,600,000
Newspaper Advertising	40,200,000	13,800,000
Radio Advertising	20,100,000	6,900,000
Television Advertising (Broadcast and Cable)	75,500,000	25,900,000
Personal Services	\$ 87,900,000	\$ 30,100,000
Coin-operated Laundry	2,900,000	1,000,000
Death Care Services	16,000,000	5,500,000
Diet and Weight Loss	1,800,000	600,000
Hair, Nail, and Skin Care Services	39,200,000	13,400,000
Non-Profit Amusement and Membership Organizations	28,000,000	9,600,000
Professional and Technical Services	\$ 728,800,000	\$ 249,700,000
Accounting, Tax Return Preparation, and Payroll	95,000,000	32,600,000
Advertising and Public Relations	33,000,000	11,300,000
Architectural Services	25,500,000	8,700,000
Engineering Services	154,600,000	53,000,000
All other Architectural, Engineering, and Related	14,800,000	5,100,000
Specialized Design Services	17,400,000	6,000,000
Computer Systems Design and Related Services	48,000,000	16,400,000
Legal Services (profit and non-profit)	166,400,000	57,000,000
Management, Scientific, and Technical Consulting	153,300,000	52,500,000
Scientific Research and Development (profit and non-profit)	20,800,000	7,100,000
Transportation Services (Local Trucking only)	\$ 60,800,000	\$ 20,900,000
Truck Transportation (Local)	60,800,000	20,900,000
Total Revenue Loss	\$ 3,785,400,000	\$ 1,296,100,000

* 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 2011-2012 Estimated Loss	
		State	Local
	Sales and Use Tax	\$ 2,705,800,000	\$ 871,000,000
67-6-329(a)(1)	Gasoline	587,700,000	201,500,000
67-6-329(a)(2)	Motor vehicle fuel (diesel fuel)	217,600,000	74,600,000
67-6-217	Aviation fuel (reduced rate)	37,400,000	35,900,000
67-6-207(a)(9)	Gasoline/diesel fuel for agriculture	11,800,000	4,100,000
67-6-314, 320	Prescription drugs, insulin, and related	425,200,000	145,800,000
67-6-319	Prescription drug samples	52,200,000	17,900,000
67-6-334	Energy fuels sold for residential use	307,400,000	105,400,000
67-6-206(b)(1-2), 702(b)	Energy and water sales to manufacturers (reduced rate)	162,700,000	71,000,000
67-6-206(b)(2-8)	Energy and water sales to manufacturers for direct processing (exempt)	46,900,000	16,100,000
67-6-102(47), 206(a), 207, 702(b)	Industrial and farm machinery and equipment	189,900,000	38,700,000
67-6-228(a)	Food sales (reduced rate)	131,100,000	2,200,000
67-6-329(a)(13)	Packaging sold for resale or use	110,800,000	38,000,000
67-6-329(a)(3), (18)	School books and lunches	22,600,000	7,800,000
67-6-330(a)(4-5)	Membership dues of civic organizations & business assoc.	15,400,000	5,300,000
67-6-316	Prescription eyewear and optical goods	15,200,000	5,200,000
67-6-103(f), 226, 714	Cable television (exempt portion)	14,700,000	9,300,000
67-6-329(a)(10)	Newspaper periodical sales	12,100,000	4,200,000
67-6-303	Motor vehicles sold to active-duty or non-resident military personnel	6,700,000	500,000
67-6-216	Non-material cost of manufactured homes (reduced rate)	4,300,000	-
67-6-336	Used factory-manufactured structures	1,200,000	-
67-6-219, 702(e)	Sales to common carriers (reduced rate)	7,200,000	2,800,000
67-6-330(a)(17)	Physical fitness facility fees	6,100,000	2,100,000
67-6-313(g), 321	Railroad rolling stock, materials, and repairs	4,900,000	1,100,000
67-6-309(a)	Film and transcription rentals	4,400,000	1,500,000
67-6-102(47)(H)(i)	Certain warehouse equipment	4,200,000	800,000
67-6-207(a)(10-17)	Fertilizers, pesticides, seeds, and related items to nurseries	3,200,000	1,100,000
67-6-329(a)(6)	Magazines and books - printers' nexus	2,900,000	1,000,000
	All other remaining exemptions	300,000,000	77,100,000
	Corporate Franchise and Excise Tax	\$ 234,900,000	\$ -
67-4-2109	Jobs credit (Franchise and Excise)	25,200,000	NA
67-4-2108	Cap on value of inventories (Franchise)	22,700,000	NA
67-4-2009	Industrial machinery credit (Excise)	33,000,000	NA
67-4-2012, 2111	Double-weighted sales factor (Franchise and Excise)	145,000,000	NA
67-4-2009, 2112	Hospital company tax credit (Franchise and Excise)	9,000,000	NA
	Motor Vehicle Registration Fees	\$ 4,600,000	\$ -
55-4-223	Government vehicles	1,500,000	NA
55-4-228(d)(1)(a)	Enlisted members of the Tennessee National Guard	100,000	NA
55-4-235,236,237	Former POWs, Medal of Honor recipients, and disabled veterans	400,000	NA
55-4-113(6)	Special zone tags - Class 1	600,000	NA
55-4-113(6), 124	Special zone tags - Class 2	1,800,000	NA
55-21-103(a)(1)	Disabled driver plate fee	100,000	NA
55-21-103(b)(2)	Disabled driver placard fees	100,000	NA
	Gross Receipts Taxes	\$ 240,200,000	\$ -
67-4-405(b)	Gas, Water, and Electric Companies - Govt. operations exempt	232,500,000	NA
67-4-405(d)	Gas, Water, and Electric Companies - Franchise and excise tax credit	4,200,000	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	3,400,000	NA
	Miscellaneous Taxes	\$ 251,300,000	\$ -
67-8-316(b)	Standard Exemption on the inheritance and gift tax	173,600,000	NA
67-8-315(a)(6)	Marital Deduction on the inheritance and gift tax	59,200,000	NA
67-2-104(a)	Standard Exemption on the income tax	18,000,000	NA
67-4-409(b)(4)	Mortgage Tax - \$2,000 exemption	500,000	NA
	Total Revenue Loss	\$ 3,436,800,000	\$ 871,000,000

Source: Tennessee Department of Revenue

Revenue Sources and 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) and 67-6-226); and from interstate telecommunication services sold to businesses (TCA 67-6-221(b)). In addition, amounts from the tax on

interstate telecommunication services sold to businesses are earmarked to the Telecommunication Ad Valorem Tax Reduction Fund (TCA 67-6-103(a) and 67-6-221(b)).

- Administration.....0.3674% of the remaining 5.5% after the allocation to the Transportation Equity Trust Fund (TCA 67-6-103).
- Education Fund65.0970% of the remaining 5.5% after the allocation to the Transportation Equity Trust Fund, and 100% of one-half of one percent of the gross tax (TCA 67-6-103 and 49-3-357). Also, amounts from interstate telecommunication services sold to businesses (TCA 67-6-221(b)).
- Highway Fund.....An amount equivalent to tax collections from air, rail, and barge fuel sales is earmarked for the Transportation Equity Trust Fund (TCA 67-6-103(b)).
- Debt Service Fund.....0.9185% of the remaining 5.5% after the allocation to the Transportation Equity Trust Fund, or whatever amount is necessary to meet debt service requirements (TCA 67-6-103 and 9-9-106, and Section 1 of the general appropriations bill).
- Municipalities.....4.5925% of the remaining 5.5% after the allocation to the Transportation Equity Trust Fund, less the MTAS grant (0.95% of the amount from the preceding calculation during FY 1998-99 and 1.0% thereafter) to the University of Tennessee. Premier resorts receive a portion of the tax collected by dealers within their boundaries. The collective amount distributed to premier resorts is limited to the amount distributed in the 1999-2000 fiscal year (TCA 67-6-103). A share of the tax on interstate telecommunication services sold to businesses is allocated to cities and counties and distributed based on population (TCA 67-6-221 (b)).

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

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

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

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

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

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

Counties..... Approximately 25.5% based ¼ on population, ¼ on area, and ½ divided equally (TCA 54-4-103 and 67-3-901).

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

General Fund Approximately 1.9% (TCA 67-3-905, 67-3-908, and 67-3-901(k)).

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)**

\$0.01 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).
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 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 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 (\$250 per conviction), an additional \$250 fee per conviction of any drug violation law, a \$40 ignition interlock fee upon conviction of driving under the influence of alcohol or drugs, a \$13.75 fee upon forfeiture of a cash bond or other surety entered as a result of a municipal traffic citation, a \$12 fee per bail bond, a maximum fine of \$200 for persons convicted of either assault, aggravated assault, or domestic assault, a maximum fine of \$5,000 for assault, \$15,000 for aggravated assault on a law enforcement officer. The tire tax, automotive oil fee, and a portion of the litigation taxes are reported under the "Other State Revenue" section of the revenue statement (TCA 16-15-5007, 16-22-109, 36-3-610, 36-6-413, 38-6-103, 39-13-101, 39-13-102, 39-13-111, 39-13-709, 39-17-420, 16-22-109, 55-10-403, 55-10-419, 67-4-409, 67-4-411, 67-4-602, 40-24-107, 67-4-1603, 67-4-1701 through 67-4-1703, 67-4-1901, 68-211-1006, 67-4-803, and 67-4-804).

General Fund 100% less certain litigation taxes earmarked for various retirement funds. Portions of litigation taxes are earmarked for the Corrections Institute, driver education and highway safety, criminal injuries compensation, victims of crime assistance, State Court Clerks Conference, General Sessions Judges Conference staffing expenses of the state administrative director of the courts, indigent defense attorneys' compensation, civil legal representation of indigents, drug court treatment programs, electronic fingerprint imaging systems for local law enforcement agencies, and the Statewide Automated Victim Information and Notification System Fund. The State's 95% share of the sex offender tax is earmarked for treatment programs. Civil penalties from violation of domestic protection orders are earmarked for domestic violence community education. Until June 30, 2012, 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, 36-3-610(b) and (c), 36-3-616, 39-13-709, 40-24-107, 67-4-409, 67-4-602, 67-4-606, 67-4-1701, and 67-4-1905). In addition, portions of the proceeds of the sale of various contraband items seized under alcoholic beverage laws are reported under the privilege tax and earmarked for criminal injuries compensation. These proceeds are explained below under the alcoholic beverage tax (TCA 40-24-107). From the automobile rental surcharge \$1.5 million is earmarked for the Department of Safety to train, equip, and pay members of the Tennessee highway patrol (TCA 67-4-1905). Of the bail bond tax 96% is earmarked for the civil legal representation of low-income persons as determined by the Tennessee Supreme Court and 4% is earmarked for development costs and continuing education for bail bonding agents (TCA 67-4-806). Revenue from the assault fines is directed to fund family violence shelters and services (TCA 39-13-101, 39-13-102, and 39-13-111). \$60 of the \$62.50 marriage license fee is earmarked for various departments and organizations concerned with family and children's issues (TCA 36-6-413). Of the \$75 fee for violators of the 2003 Drug Court Treatment Act, \$5 is earmarked for the drug court treatment program resources fund, and \$70 is deposited into dedicated county funds for the creation and maintenance of drug court treatment programs (TCA 16-22-101 – 114). All of the \$250 blood alcohol testing fee is earmarked for the Tennessee Bureau of Investigation Toxicology Unit Testing Fund (TCA 55-10-419) and all of the \$250 fee per conviction for violating drug laws is earmarked for the TBI drug chemistry unit, drug testing fund (TCA 39-17-420). Of the \$40 ignition interlock fee, \$30.50 is allocated to the interlock assistance fund; \$4.50 to the Tennessee Hospital Association; \$1.25 to the Department of Mental Health, alcohol and drug addiction treatment

fund; \$1.25 to the Department of Finance and Administration, Office of Criminal Justice Programs for funding grant awards to local law enforcement agencies; \$1.25 to the Department of Safety; and \$1.25 to the Department of Finance and Administration, Office of Criminal Justice Programs for funding grant awards to qualifying halfway houses who assist drug and alcohol offenders. Any surplus in the interlock assistance fund beginning fiscal year 2013-2014 will be allocated as follows: 60% to the Tennessee Hospital Association; 20% to the Department of Mental Health, alcohol and drug addiction treatment fund; and 20% to the Department of Finance and Administration, Office of Criminal Justice Programs (TCA 55-10-403). The \$13.75 cash bond forfeiture fee is allocated to the general fund (TCA 38-6-103(f)).

Cities 100% of the privilege tax on NBA and NHL players 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, 5% of covered electric current sales of non-TVA entities (TCA 67-4-3101), and an in lieu of tax payment by the Tennessee Valley Authority (TVA) (TCA 67-4-402, 67-4-405, 67-4-406, 67-4-410, and 16 USC 831(l)); and a \$10 per year firearms dealer permit fee (TCA 39-17-1316).

General Fund 79% of bottlers' gross receipts tax, plus 2% of gross highway litter amount from the Highway Fund, 100% of various other gross receipts taxes, and TVA in lieu of tax payments equal to FY 1977-78 payments and 48.5% of any TVA payments received by the

state which exceed the amount paid in FY 1977-78, less approximately \$4.1 million distributed to local governments and 48.5% of non-TVA entities tax payments (TCA 67-9-101 through 67-9-103, and 67-4-402, and 67-4-3101).

Highway Fund.....Approximately 21% of the bottlers' gross receipts tax is earmarked for litter control, less 2% to the general fund (TCA 67-4-402).

Cities and Counties.....51.5% of the TVA in lieu of tax payments which exceed state receipts in FY 1977-78, of which approximately 65.9% is designated for counties based ½ on population and ½ on area, 28.3% for municipalities based on population, and 5.8% for impacted local areas affected by TVA construction, plus an amount equal to that received by local governments in FY 1977-78 (\$4.1 million). Portions of this share are earmarked for TACIR and, under some circumstances, for CTAS and additional funds for TACIR. With no local areas impacted by TVA construction, the 5.8% impact fund is allocated as follows: 30% to CTAS, 40% to TACIR, and 30% is returned to be included in the amount distributed to cities and counties. Any funds remaining after other allocations provided for in TCA 67-9-102 are allocated to any regional development authorities created by TCA 64-5-201 that have acquired a former nuclear site from TVA (TCA 67-9-101 through 67-9-103). Non-TVA entity tax proceeds are to be distributed in a like manner as TVA proceeds (TCA 67-4-3101).

BEER EXCISE

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

General Fund 67.1% of privilege tax collections (4% of total tax earmarked for administration and 0.41% for alcohol and drug treatment programs); 100% of registration fees (earmarked 50% for the Department of Revenue and 50% for Highway Patrol) (TCA 57-5-102, 57-5-202, and 57-5-205).

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

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

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

**ALCOHOLIC
BEVERAGE**

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

General Fund 82.5% of distilled spirit and wine gallonage taxes, calculated on the total collections less 4 cents per liter of spirit tax (TCA 57-3-306); and the following shares of proceeds from sales of seized items, all earmarked for criminal injuries compensation and reported under the privilege tax collections (TCA 40-24-107): 100% from liquor seized by state agents (TCA 57-9-115); 50% from vehicles, aircraft, and boats seized by local law enforcement officers (TCA 57-9-201); and 50% from other contraband goods seized, less 15% retained for administration as departmental current services revenue by the Department of General Services (TCA 57-9-205, 12-2-207, and 12-2-209). In addition, 10% of proceeds of sale of liquor seized by local officers is retained for administration as departmental revenue by the Department of General Services (TCA 57-9-115, 12-2-207 and 12-2-209).

Counties \$.04 per liter of spirit tax, earmarked for any county in which a distillery is located, plus 17.5% of the balance of spirit and wine gallonage taxes, less \$192,000 earmarked for CTAS. In counties of 250,000 or more

population, 30% of their allocation is paid by the county to cities of 150,000 or more population (TCA 57-3-306). Also, 50% of the proceeds of sale of contraband goods, less 15% retained as departmental revenue by the Department of General Services (TCA 57-9-205, 12-2-207, and 12-2-209).

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

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

General Fund.....100% less an amount to the Debt Service Fund (TCA 67-4-2120).

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

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 FundAmount 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 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 8.6%. From the pre-2007 tax about, .06% of the \$.01 tax per cigarette (\$.20 per package of 20) (4% of taxes from tobacco other than cigarettes and proceeds from sale of confiscated tobacco products and 100% of the \$.0005 per pack enforcement fee, all earmarked for administration). From the 2007 cigarette tax increase of \$.021 per cigarette tax (\$.42 package of 20), \$.001 per cigarette (\$.02 per package) is earmarked for the Trauma System Fund and \$21 million annually is earmarked for the Department of Agriculture (except that, in 2009-2010 \$4.7 million, and in 2010-2011 \$11 million, was earmarked for the Education Fund) (TCA 67-4-1025).

Education Fund Approximately 91.4%. 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 \$4.7 million, and in 2010-2011 \$11 million, was earmarked for the Education Fund), 100% of license fees and penalties; and 96% of the 6% tax rate on other tobacco products and of proceeds from the sale of confiscated tobacco products (TCA 67-4-1025 and 49-3-357).

MOTOR VEHICLE

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

General Fund Approximately 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 Fund50% of the 15% gross receipts tax (TCA 57-4-306 and 49-3-357).

Cities and Counties.....50% of the 15% gross receipts tax, of which one-half is earmarked for education and one half is distributed to the city or county based on situs (TCA 57-4-306).

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

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

**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 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. However, 2010 Public Chapter 962 reestablished the tax as a tax on merchants, peddlers, or

privileges as authorized by the Tennessee Constitution. Negative collections are shown for this tax in the 2009-2010 fiscal year to reflect taxpayer refunds. The tax is imposed on various substances of any merchant 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, the Department of Revenue retains tax proceeds sufficient to cover the costs of storing and disposing of assets seized in payment and the costs due to implementation and enforcement of the tax. Of the remaining amount, 25% is allocated to the General Fund. The remaining 75% is allocated to the state or local law enforcement agencies conducting the investigation that led to a tax assessment (TCA 67-4-2809).

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

Department of Commerce and Insurance

INSURANCE

COMPANY

PREMIUM TAX.....Life, accident, and health companies are taxed at a rate of 1.75% on gross premiums received; health maintenance organizations and prepaid limited health service organizations are taxed 5.5% of the gross amount of all dollars collected from an enrollee or on an enrollee's behalf. Companies writing fire insurance and lines of business having fire coverage as a part of the risk rate pay a 0.75% tax on that

portion of the premium applicable to fire risk. All other companies pay a tax rate of 2.5% on gross premiums paid by or for policyholders residing in this state or on property located in the state, except captive insurance companies, which are taxed 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%.

WORKERS'

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

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

HEALTH CLUBS'

CERTIFICATES OF

REGISTRATION.....Fees for issuance of certificates of authority (TCA 47-18-302).

General Fund 100%.

**911 EMERGENCY
COMMUNICATIONS**

FUNDMonthly fee of \$1.00 charged to all users and subscribers of non-wireline service including but not limited to commercial mobile radio service (cellular phone) that is capable of connecting users to public safety answering points. Collected funds are used to support uniform statewide 911 service, to implement, operate, maintain, and enhance E-911 service 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 Fund100% (earmarked for the 911 Emergency Communications Fund) (TCA 7-86-303(d)).

Department of Financial Institutions

FINANCIAL

INSTITUTIONSAnnual 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 Fund100% (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 Fund100% (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).

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

FERTILIZER

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

General Fund 100%.

FEED

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

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

**RETAIL FOOD
STORE
INSPECTION ACT**

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

General Fund 100%.

**TENNESSEE
STATE PUBLIC
LIVESTOCK**

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

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

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

UTILITIESFees for applicable holders of certificates of public convenience and necessity. Annual fees for inspection, control, and supervision of utilities and their rates. For those telecommunications public utilities that have, as of July 1, 2009, over 1 million telephone access lines in the state and elects to operate under market regulation, the fee due shall be \$3.00 per \$1,000 for such gross receipts over \$5,000 up to \$1 million. The fee for gross receipts over \$1 million is \$2.73 per \$1,000. Minimum fee, \$100. For all other telecommunications public utilities, the fee due and payable on April 1, 2010, and each April 1 thereafter is based on the gross receipts of each public utility in excess of \$5,000 annually as follows: \$4.25 per \$1,000 for the first \$1 million or less of such gross receipts over \$5,000. The fee for gross receipts over \$1 million is \$3.25 per \$1,000. Minimum fee, \$100. A \$10 annual registration fee for each privately-owned public pay phone is also collected (TCA 65-4-301 through 65-4-308).

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

UNIVERSAL

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

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

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 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).

Secretary of State

FEES AND TAXESAll fees and taxes received from notary certifications, foreign characters, trademarks, construction service provider workers' compensation exemption registrations, and miscellaneous (TCA 3-17-104, 47-25-517, and 50-6-912).

General Fund 100% (TCA 8-22-118). Construction service provider workers' compensation exemption registration fees are earmarked for the Employee Misclassification Education and Enforcement Fund administered by the Department of Labor and Workforce Development (TCA 50-6-913).

Department of Safety

CLASSIFIED DRIVER'S 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 TAX.....A 25% share of 4.4430% of the proceeds of litigation taxes allocated to driver education and highway safety promotion (TCA 67-4-602 and 67-4-606).

General Fund100% (earmarked for driver education in public schools and for highway safety promotion) (TCA 67-4-606).

Department of Revenue

MOTOR

CARRIERSAnnual fees for inspection, control, supervision, and safety of motor carriers. A fee of 2.5% of vehicle registration fees paid by motor vehicles (TCA 55-4-113(b) and 65-15-116); and an \$8 annual fee per vehicle also is paid under the federal single state registration plan. Motor carriers and contract haulers must pay a \$50 application fee (TCA 65-15-109).

General Fund100% (earmarked for motor vehicle safety enforcement) (TCA 55-4-113(b) and 65-15-116).

State Treasurer

INTEREST

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

General Fund100%.

Department of Education

LITIGATION

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

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

Department of Health

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

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

General Fund 100%.

**TATTOO
PARLORS AND
ARTISTS**

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

General Fund 100%.

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

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

NURSING HOME

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

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

**TRAUMATIC
BRAIN INJURY**

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

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

**COMMERCIAL
BREEDER**

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

General Fund 100% (earmarked for the Commercial Breeder Act enforcement and recovery account) (TCA 44-17-715).

DOG AND CAT

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

General Fund 100%.

Department of Environment and Conservation

TENNESSEE ENVIRONMENTAL PROTECTION

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

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

SOLID WASTE MANAGEMENT

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

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

DRYCLEANER ENVIRONMENTAL RESPONSE 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).

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

Nursing Home Tax

NURSING HOME

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

General Fund.....100%.

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

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

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

Annual Hospital Coverage Assessment

**ANNUAL
HOSPITAL
COVERAGE**

ASSESSMENTAnnual assessment, payable in quarterly installments, equal to 3.52% of a covered hospital's net patient revenue as shown in its 2008 Medicare Cost Report. Also, a \$500 per day penalty for failure to pay a quarterly installment. Authorization for the

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Annual Hospital Coverage Assessment
expires on June 30, 2011 (TCA 71-5-
1002 and 71-5-1004).

General Fund..... 100% (earmarked for the Maintenance
of Coverage Trust Fund TCA 71-5-
1005).

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

PHONE (615) 741-2501

Justin P. Wilson
Comptroller

February 25, 2011

Memorandum

TO: Governor Bill Haslam

Chairman Randy McNally
Senate Finance, Ways, & Means Committee

Chairman Charles Sargent
House Finance, Ways, & Means Committee

FROM: Justin P. Wilson, Comptroller of the Treasury *Justin P. Wilson*

Tre Hargett, Secretary of State *Tre Hargett*

David H. Lillard Jr., State Treasurer *David H. Lillard Jr.*

Mark A. Emkes, Commissioner
Department of Finance & Administration *Mark A. Emkes*

SUBJECT: Revenue Estimates for FY 2010-11 and FY 2011-12

The State Funding Board met on December 8, 2010 and February 7, 2011, to hear updated revenue estimating presentations on the State's near-term economic outlook for the fiscal years 2010-11 and 2011-12. The Board also heard presentations from two additional experts on December 14, 2010. The presentations that were heard on December 14, 2010, provided additional insight on both the state and national economy, but did not include specific revenue projections. The Board reconvened on February 9, 2011, to discuss the revenue projections and to arrive at consensus estimates.

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 condition 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. Albert DePrince of Middle Tennessee State University; Mr. Jim White, Mr. Bojan Savic, Mr. Robert Currey, and Mr. Joseph Wegenka of the Fiscal Review Committee; and former Commissioner Charles Trost and current Commissioner Richard Roberts and Mr. Zhijie "Jack" Qi of the State Department of Revenue. The state tax revenue estimates provided by each of the presenters are summarized in two attachments to this memorandum.

The Board additionally heard commentary from Dr. Arthur Laffer, CEO of Laffer Associates and Mr. Lee Jones, Regional Executive with the Federal Reserve Bank of Atlanta. It should be noted that these commentators did not provide specific revenue estimates, but provided their insights on the national, regional and state economies.

The consensus of the presenters and commentators is that the economy both nationally and in Tennessee is experiencing its highest level of growth since the recession began in 2008. However, the presenters and commentators also acknowledged that the growth in the national and state economies has been shallow as compared to the depth of the recession. The presenters and commentators also noted that while deflation is unlikely to occur, the possibility remains a concern.

Tennessee's economy, as a microcosm of the larger U.S. economy, tends to track the nation's economy. Both the presenters and commentators noted that there has been moderate growth in the national economy, as well as the economy in Tennessee within recent months. Housing starts are beginning to show signs of positive growth and unemployment rates are decreasing both in Tennessee and on the national level. Several of the presenters and commentators noted that until such time as housing starts and the unemployment rate show significant improvement, the State and national economies are not likely to return to pre-recession levels of performance.

The unemployment rate and the depressed level of housing starts continue to be major contributors to Tennessee's current economic condition. Employment is experiencing positive growth; however the unemployment rate still remains high at 9%. The professional and business services sector is experiencing the highest level of job growth, with the majority of the growth being realized by temporary employment agencies. New

housing starts are beginning to experience positive growth, but at a very low level. However, the housing market is still weak and housing prices continue to decline. Many of the presenters commented that with a strong recovery, Tennessee could return to a pre-recession level of tax collections by 2013; however, if Tennessee experiences a weak recovery, it will not be possible to return to pre-recession levels until after 2014.

Consumer spending and retail sales have shown significant improvement despite the unemployment level. However, it was noted that there is still a substantial gap between consumer confidence levels and sales tax collections and this gap continues to impact Tennessee's current economic condition. Personal income levels have increased and the consumer savings rate has declined, but it remains at historically high levels.

Sales of light vehicles are currently experiencing significant positive growth; however sales remain far below peak levels experienced prior to the recession. Business investment is strong and manufacturing employment is expanding. For the first time in over a decade, there has been positive growth in manufacturing employment in Tennessee.

Though the Board acknowledged that tax collections have been better than expected in recent months, several members also commented that there is a concern about how the unemployment rate, the fluctuation of sales tax collections, and the decline in housing prices will impact revenue collections for the remainder of this fiscal year and next fiscal year.

There was also concern expressed about the sustainability of recent growth rates in sales tax revenues. Increased sales tax revenues began in April of 2010. This increase will create higher bases upon which future growth will be measured. Beginning in April 2011, the higher bases will make it more difficult to maintain the percentage growth rates that have been experienced fiscal year-to-date.

The Board developed the following summarized consensus estimates expressed in ranges of growth rates in State tax revenue collections:

	FY 2010-11		FY 2011-12	
	Low	High	Low	High
Total State Taxes	3.60%	4.00%	2.65%	3.35%
General Fund Only	3.95%	4.45%	2.90%	3.65%

While it is difficult to precisely predict revenue ranges due to the 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 2010 session of the General Assembly.

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 his March estimates. He observed that revenues for FY09-10 were better than expected due mainly to instant game growth and a slightly lower expense ratio. Mr. Currey revised his estimated forecast for fiscal year 2010-11, to reflect slight growth in Net Lottery Proceeds. He estimated that Net Lottery Proceeds available for deposit into the Lottery Education Account for fiscal years 2010-11 and 2011-12 will be 25.6% and 25.3%, respectively. Due to the high level of uncertainty, Mr. Currey projected the growth in annual sales and Net Lottery Proceeds for fiscal year 2012-13 through fiscal year 2014-15 to be 1.3% and 0.4% respectively.

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 projected 1% growth in Net Lottery Proceeds and 3% growth in annual sales for fiscal year 2010-11 through fiscal year 2014-15. Both Ms. Hargrove and Mr. Davis reviewed significant factors impacting TELC estimates. Mr. Davis commented that instant games account for approximately 80% of sales in the current fiscal year. This represents an increase of 8.2% over the same time period in FY09-10. Mr. Davis also commented on the fact that as of December 2010, Powerball had yet to experience a large jackpot cycle and as a result, the sale of Powerball tickets had decreased significantly.

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. Takeshi Yanagiura, Director of Research for Tennessee Higher Education Commission (THEC), and from Mr. Tim Phelps, Associate Executive Director for Grants and Scholarship Programs for TSAC. The Board was also presented a memorandum for consideration from Mr. Yanagiura, Mr. Phelps and Mr. David Wright, Associate Executive Director of Policy, Planning, and Research for THEC.

They presented revised projections for fiscal year 2010-11, which estimates the projected cost of awards to be \$308.7 million. Furthermore, estimates were presented for fiscal year 2011-12 with a projected cost of \$315.9 million. Additionally, it was estimated that awards in fiscal year 2012-13 will have a projected cost of \$316.1 million, the awards in fiscal year 2013-14 will have a projected cost of \$316.5 million, and the awards in 2014-15, will have a projected cost of \$316.5 million. These awards include all lottery-funded scholarship programs as authorized through the 2010 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	FY2010-11	FY2011-12	FY2012-13	FY2013-14	FY2014-15
Low	\$275,000,000	\$275,600,000	\$276,200,000	\$276,800,000	\$277,400,000
High	\$280,000,000	\$282,200,000	\$284,500,000	\$286,700,000	\$289,000,000

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. These estimates and projections assume no new legislative changes regarding the TELC and its authority or to the scholarship and grant programs. Based upon these projections, substantive changes to the lottery scholarship and grant programs are necessary to prevent the awards for these programs from exceeding Net Lottery Proceeds.

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

Attachments

Revenue Estimates (2)
Lottery Estimates
TSAC/THEC Report

cc. The Honorable Ron Ramsey
The Honorable Beth Harwell

**COMPARISON OF ESTIMATED STATE TAX REVENUE FOR
FISCAL YEAR 2011-2012**

(Accrual - Basis Estimates)

DEPARTMENT OF REVENUE	2011-2012							
	DR. FOX ESTIMATE	% CHANGE OVER 10-11 ESTIMATE	FISCAL REVIEW ESTIMATE	% CHANGE OVER 10-11 ESTIMATE	REVENUE DEPT. ESTIMATE	% CHANGE OVER 10-11 ESTIMATE	DR. DePRINCE ESTIMATE	% CHANGE OVER 10-11 ESTIMATE
Sales and use Tax	\$ 6,663,000,000	4.00%	\$ 6,565,020,000	2.90%	\$ 6,619,300,000	3.63%	\$ 6,497,300,000	2.55%
Gasoline Tax	625,100,000	1.00%	630,484,000	1.25%	628,800,000	1.19%	615,400,000	0.75%
Motor Fuel Tax	165,800,000	4.47%	162,955,000	1.50%	173,100,000	7.32%	158,000,000	1.09%
Gasoline Inspection Tax	64,400,000	2.06%	65,061,000	1.50%	66,900,000	3.08%		NA
Motor Vehicle Registration Tax	250,500,000	3.00%	246,100,000	1.50%	251,100,000	1.74%	253,800,000	2.96%
Income Tax	201,100,000	10.01%	195,520,000	4.00%	188,700,000	4.02%	191,400,000	6.45%
Privilege Tax - Less Earmarked Portion	254,300,000	7.98%	229,770,000	3.50%	245,900,000	6.82%	249,100,000 (1)	4.10%
Gross Receipts Tax - Total	364,700,000	2.91%	353,800,000	2.22%	340,600,000	-2.29%	341,500,000	1.67%
Gross Receipts Tax - TVA	331,100,000	2.99%	327,550,000	2.00%	312,500,000	-2.68%		NA
Gross Receipts Tax - Other	33,600,000	2.13%	26,250,000	5.00%	28,100,000	2.18%		NA
Beer Tax	17,200,000	1.78%	17,763,000	1.50%	18,200,000	3.41%		NA
Alcoholic Beverage Tax	49,100,000	4.03%	48,482,000	2.50%	48,500,000	2.97%		NA
Franchise & Excise Taxes	1,543,700,000	4.00%	1,545,000,000	3.00%	1,548,100,000	0.84%	1,679,600,000	8.53%
Inheritance and Estate Tax	90,000,000	-9.55%	101,430,000	3.50%	98,400,000	0.82%		NA
Tobacco Tax	295,400,000	0.99%	291,000,000	0.00%	299,000,000	1.70%		NA
Motor Vehicle Title Fees	11,200,000	3.70%	11,124,000	3.00%	11,200,000	4.67%		NA
Mixed Drink Tax	59,600,000	4.93%	57,273,000	2.00%	57,300,000	2.14%		NA
Business Tax	151,600,000	1.95%	136,475,000	3.00%	152,700,000	1.33%		NA
Severance Tax	2,200,000	0.00%	2,410,000	2.99%	2,700,000	22.73%		NA
Coin Operated Amusement Tax	200,000	0.00%	300,000	0.00%	300,000	0.00%		NA
Unauthorized Substance Tax	-	NA	200,000	NA	-	NA		NA
All Other Taxes	-	NA	-	NA	-	NA	756,800,000	2.95%
TOTAL DEPARTMENT OF REVENUE	\$10,809,100,000	3.71%	\$10,660,167,000	2.68%	\$10,750,800,000	2.84%	\$10,742,900,000	3.43%
GENERAL FUND ONLY (2)	\$ 8,891,800,000	4.00%	\$ 8,753,767,000	2.94%	\$ 8,837,900,000	3.08%	\$ 8,868,200,000	3.94%
Growth over FY 11 Budgeted Est. - Total	\$ 583,200,000		\$ 434,267,000		\$ 524,900,000		\$ 517,000,000	
Growth over FY 11 Budgeted Est. - Gen. Fund	\$ 502,100,000		\$ 364,067,000		\$ 448,200,000		\$ 478,500,000	
Revised Est. Compared to New Est. - Total	\$ 386,600,000		\$ 278,340,000		\$ 297,200,000		\$ 355,900,000	
Revised Est. Compared to New Est. - Gen. Fund	\$ 342,200,000		\$ 249,940,000		\$ 264,100,000		\$ 336,100,000	
SELECTED TAXES	DR. FOX	%	FISCAL REVIEW	%	REVENUE DEPT.	%	DR. DePRINCE	%
SALES AND USE TAX	\$ 6,663,000,000	4.00%	\$ 6,565,020,000	2.90%	\$ 6,619,300,000	3.63%	\$ 6,497,300,000	2.55%
FRANCHISE AND EXCISE TAXES	1,543,700,000	4.00%	1,545,000,000	3.00%	1,548,100,000	0.84%	1,679,600,000	8.53%
INCOME TAX	201,100,000	10.01%	195,520,000	4.00%	188,700,000	4.02%	191,400,000	6.45%
ROAD USER TAXES	1,105,800,000	2.02%	1,104,600,000	1.36%	1,119,900,000	2.33%		NA
ALL OTHER TAXES	1,295,500,000	2.44%	1,250,027,000	2.12%	1,274,800,000	1.57%		NA

(1) Privilege Tax estimates are reduced by \$24.6 million in FY 2010-2011 for the earmarked portion of the tax.

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

Net Lottery Proceeds Estimates

Staff Proposal

Actual 2009-2010 and Estimated 2010-2011 Through 2014-2015

February 7, 2011

	2009-2010		2010-2011		2011-2012		2012-2013		2013-2014		2014-2015	
	Actual	Revised	%	Estimated	%	Estimated	%	Estimated	%	Estimated	%	Estimated
Recommended Range												
Low	275,978,000	275,000,000	-0.35%	275,600,000	0.22%	276,200,000	0.22%	276,800,000	0.22%	276,800,000	0.22%	277,400,000
High	275,978,000	280,000,000	1.46%	282,200,000	0.79%	284,500,000	0.82%	286,700,000	0.82%	286,700,000	0.77%	289,000,000
Mid-Range Estimate	275,978,000	277,500,000	0.55%	278,900,000	0.50%	280,300,000	0.50%	281,700,000	0.50%	281,700,000	0.50%	283,200,000
Lottery Corporation												
Low	275,978,000	272,000,000	-1.44%	275,000,000	1.10%	278,000,000	1.09%	281,000,000	1.09%	281,000,000	1.08%	284,000,000
High	275,978,000	280,000,000	1.46%	283,000,000	1.07%	286,000,000	1.06%	288,000,000	1.06%	288,000,000	0.70%	292,000,000
Fiscal Review Staff												
Low	275,978,000	273,075,000	-1.05%	273,520,000	0.16%	279,114,008	0.40%	280,230,464	0.40%	281,351,386	0.40%	281,351,386
Mean	275,978,000	277,478,000	0.54%	278,002,000	0.19%							
High	275,978,000	281,830,000	2.12%	282,434,000	0.21%							



STATE OF TENNESSEE
TENNESSEE STUDENT ASSISTANCE CORPORATION
SUITE 1510, PARKWAY TOWERS
404 JAMES ROBERTSON PARKWAY
NASHVILLE, TENNESSEE 37243-0820
(615)741-1346 • 1-800-342-1663 • FAX (615)741-6101
www.TN.gov/collegepays

December 8, 2010

MEMORANDUM

TO: State Funding Board

FROM: David L. Wright, Tennessee Higher Education Commission
Tim Phelps, Tennessee Student Assistance Corporation
Takeshi Yanagiura, Tennessee Higher Education Commission

SUBJECT: Tennessee Education Lottery Scholarship Program Projections

Pursuant to T.C.A 4-51-111(c)(2)(A)(ii), the Tennessee Higher Education Commission (THEC) and Tennessee Student Assistance Corporation (TSAC) have collaborated with the University of Tennessee Center for Business and Economic Research (CBER) to project expenditures in lottery and scholarship grant programs for the 2010-11 fiscal year and the next four fiscal years. Attached is a copy of the forecast generated by CBER.

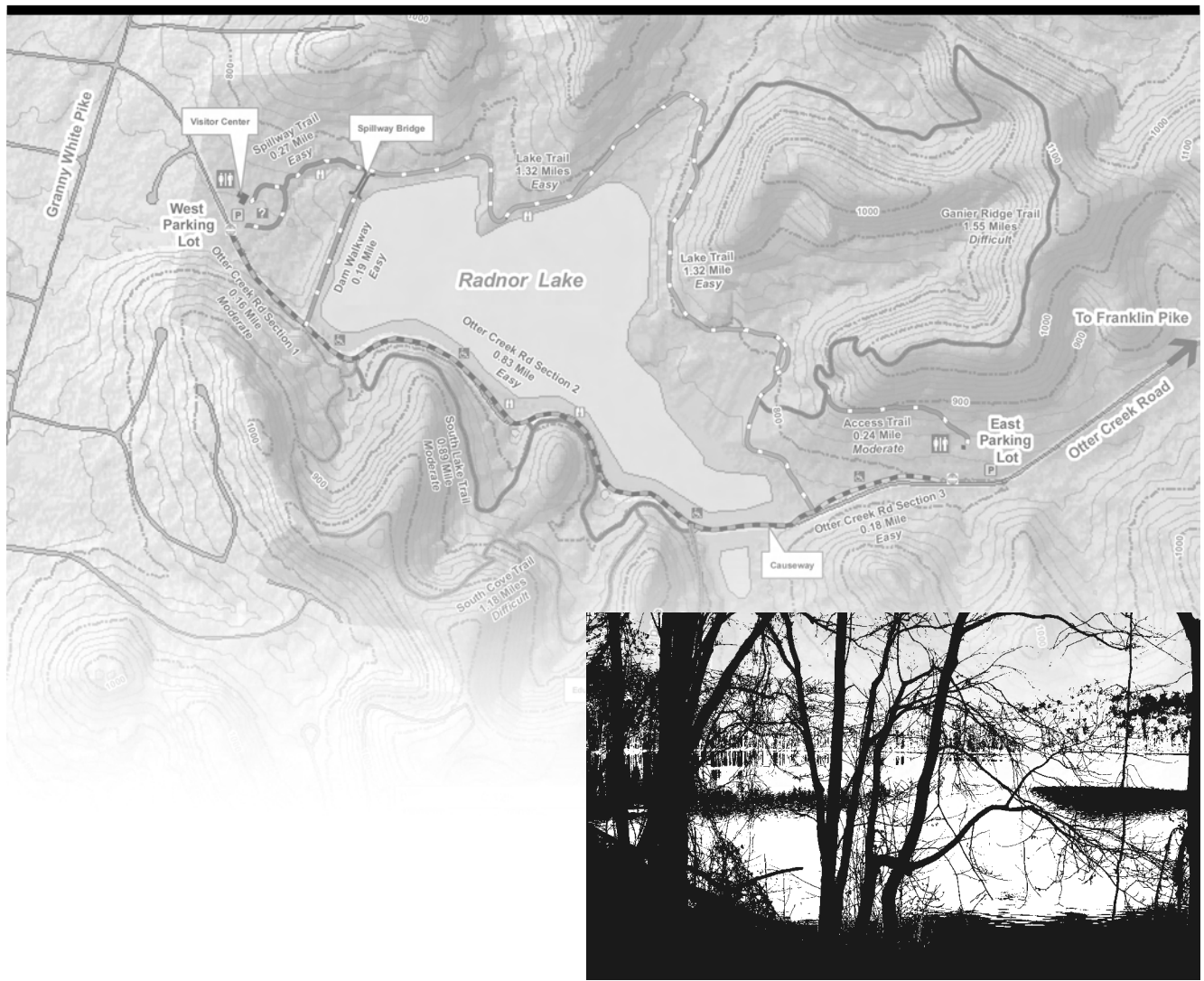
The figures below incorporate data for all lottery-funded programs, including the HOPE Scholarship, General Assembly Merit Scholarship, ASPIRE award, HOPE Access Grant, Wilder-Naifeh Technical Skills Grant, Nontraditional Student Grant, Dual Enrollment Grant, Helping Heroes Grant, Foster Child Tuition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

Fiscal Year	Total TELS Expenditures
2009-10 actual	\$290.6M
2010-11 estimated	\$308.7M
2011-12 projected	\$315.9M
2012-13 projected	\$316.1M
2013-14 projected	\$316.5M
2014-15 projected	\$316.5M

These projections are based on the size of the annual high school graduating class, the take-up rate of eligible students, and the retention rate of recipients. Without any structural changes to the program, the projected expenditures begin to level off in 2011-12 and remain fairly constant with no significant growth expected.

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

Attachment



Financial Statements

Financial Statements



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**General Fund
Comparative Balance Sheet
June 30, 2009, and June 30, 2010**

	Actual June 30, 2009	Estimated June 30, 2010
Assets		
Cash and Cash Equivalents	\$ 1,303,139,000	\$ 1,198,931,000
Receivables, net	1,489,911,000	2,095,775,000
Due from Other Funds	232,917,000	251,044,000
Due from Component Units	1,268,000	347,000
Inventories, at Cost	12,092,000	13,488,000
Prepayments	7,000	7,000
Deferred Charges	5,467,000	3,277,000
Loans Receivable, net	80,000	70,000
Leases Receivable	1,546,000	1,289,000
	\$ 3,046,427,000	\$ 3,564,228,000
Liabilities and Fund Balance		
Liabilities:		
Accounts Payable and Accruals	\$ 853,866,000	\$ 1,227,788,000
Due to Other Funds	13,516,000	10,898,000
Due to Component Units	2,739,000	2,037,000
Deferred Revenue	357,488,000	366,797,000
Advance from Federal Government	81,870,000	89,296,000
Other	430,000	419,000
	\$ 1,309,909,000	\$ 1,697,235,000
Fund Balance:		
Reserved for Related Assets	\$ 22,672,000	\$ 20,243,000
Reserved for Continuing Appropriations	946,041,000	950,235,000
Reserved for Other Specific Purposes	134,106,000	203,657,000
Unreserved:		
Designated for Revenue Fluctuations	556,500,000	453,100,000
Designated for Appropriations 2010-2011	0	239,400,000
Designated for Future Requirements	76,900,000	0
Undesignated	299,000	358,000
	\$ 1,736,518,000	\$ 1,866,993,000
Total Fund Balance	\$ 1,736,518,000	\$ 1,866,993,000
Total Liabilities and Fund Balance	\$ 3,046,427,000	\$ 3,564,228,000

**Education Fund
Comparative Balance Sheet
June 30, 2009, and June 30, 2010**

	<u>Actual</u> <u>June 30, 2009</u>	<u>Estimated</u> <u>June 30, 2010</u>
Assets		
Cash and Cash Equivalents	\$ 9,000	\$ 8,000
Investments	350,546,000	387,348,000
Receivables, net	521,569,000	609,157,000
Due from Other Funds	39,000	105,000
Due from Component Units	160,809,000	85,524,000
Inventories	89,000	78,000
	<hr/>	<hr/>
Total Assets	<u>\$ 1,033,061,000</u>	<u>\$ 1,082,220,000</u>
 Liabilities and Fund Balance		
Liabilities:		
Accounts Payable and Accruals	\$ 145,501,000	\$ 178,136,000
Due to Other Funds	195,163,000	234,797,000
Due to Component Units	0	22,756,000
Deferred Revenue	87,679,000	99,003,000
Advance from Federal Government	80,553,000	2,480,000
	<hr/>	<hr/>
Total Liabilities	<u>\$ 508,896,000</u>	<u>\$ 537,172,000</u>
 Fund Balance:		
Reserved for Continuing Appropriations	\$ 32,842,000	\$ 37,812,000
Reserved for Lottery Scholarships	381,425,000	401,957,000
Reserved for Energy Efficient Schools	91,449,000	86,656,000
Reserved for Other Specific Purposes	18,072,000	18,223,000
Reserved for Inventories	89,000	78,000
Unreserved	288,000	322,000
	<hr/>	<hr/>
Total Fund Balance	<u>\$ 524,165,000</u>	<u>\$ 545,048,000</u>
	<hr/>	<hr/>
Total Liabilities and Fund Balance	<u><u>\$ 1,033,061,000</u></u>	<u><u>\$ 1,082,220,000</u></u>

**Highway Fund
Comparative Balance Sheet
June 30, 2009, and June 30, 2010**

	Actual	Estimated
	June 30, 2009	June 30, 2010
Assets		
Cash and Cash Equivalents	\$ 414,958,000	\$ 292,817,000
Receivables, net	257,237,000	304,587,000
Inventories, at Cost	8,113,000	8,407,000
Loans Receivable, net	132,000	2,091,000
	<hr/>	<hr/>
Total Assets	\$ 680,440,000	\$ 607,902,000
	<hr/>	<hr/>
Liabilities and Fund Balance		
Liabilities:		
Accounts Payable and Accruals	\$ 51,309,000	\$ 100,934,000
Due to Other Funds	813,000	811,000
Due to Component Units	10,000	0
Deferred Revenue	12,519,000	562,000
Other	2,359,000	2,285,000
	<hr/>	<hr/>
Total Liabilities	\$ 67,010,000	\$ 104,592,000
	<hr/>	<hr/>
Fund Balances:		
Reserved for Related Assets	\$ 8,113,000	\$ 8,407,000
Reserved for Contracts	251,343,000	204,695,000
Reserved for Other Specific Purposes	2,434,000	4,339,000
Designated for Highway Construction	351,540,000	285,869,000
	<hr/>	<hr/>
Total Fund Balance	\$ 613,430,000	\$ 503,310,000
	<hr/>	<hr/>
Total Liabilities and Fund Balance	\$ 680,440,000	\$ 607,902,000
	<hr/> <hr/>	<hr/> <hr/>

Debt Management

Recommended Budget, Fiscal Year 2011-2012

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, 2010 the debt limit calculation produced a maximum annual debt service debt limit of \$533,336,600. The annual debt service requirement on the state's outstanding debt, authorized but unissued debt, and proposed bond authorizations in the fiscal year 2011-2012 budget total \$303,614,000, well below the maximum statutory debt limitation. The statutory debt limitation, therefore, provides for a substantial amount of additional debt capacity.

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

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

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

In the first six months of this fiscal year, the state sold \$186,505,000 in general obligation bonds. Included with this sale was \$29.4 million in Facility Revolving Fund bonds. As of June 30, 2010, Tennessee's total general obligation bonded indebtedness was \$1,424,842,000, excluding the Facilities Revolving Fund. This debt was issued entirely for institutional and building construction.

The second session of the 106th General Assembly approved new G.O. bond authorizations in the amount of \$194,100,000. Of this amount, institutional and building bonds accounted for \$13,200,000, highway and bridge bonds \$164,500,000, and \$16,400,000 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 \$104.6 million in highway bond authorizations and \$12.3 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 \$1,696,411,500, which includes \$641,011,000 in capital construction bonds, and \$893,800,000 in highway fund authorizations.

The recommended 2011-2012 Capital Budget is funded from proposed bond authorizations in the amount of \$103.6 million, \$45.0 million from surplus cash, and \$49.4 million from federal funds and other sources.

Debt Service Fund
Statement of Revenues, Expenditures, and Requirements
July 1, 2009 - June 30, 2012

	Actual 2009-2010	Estimated 2010-2011	Estimated 2011-2012
Unreserved Fund Balance, July 1	\$ 3,996,500.00	\$ 6,715,000.00	\$ 9,579,000.00
Tax Revenues:			
Sales Tax	\$ 43,794,000.00	\$ 45,600,000.00	\$ 47,200,000.00
Gasoline Tax	110,400,000.00	108,200,000.00	107,000,000.00
Franchise Tax	18,000,000.00	18,000,000.00	18,000,000.00
Excise Tax	213,506,000.00	206,400,000.00	203,400,000.00
Motor Vehicle Title Fees	2,700,000.00	2,700,000.00	2,700,000.00
Total Tax Revenues	\$ 388,400,000.00	\$ 380,900,000.00	\$ 378,300,000.00
Other Revenues:			
Sports Authority	\$ 3,422,600.00	\$ 3,644,000.00	\$ 3,641,000.00
Motlow State - Smyrna Center	133,100.00	129,000.00	125,000.00
University of Memphis - Land Bank	188,700.00	0.00	770,000.00
Middle Tennessee State University - Farm Project	0.00	0.00	407,000.00
State Veterans' Homes - Refinancing	586,000.00	582,000.00	571,000.00
Premium on Bond Sales	26,358,000.00	11,132,000.00	0.00
Federal Highway Bridge Funds (80% Match)	0.00	0.00	21,600,000.00
Total Other Revenues	\$ 30,688,400.00	\$ 15,487,000.00	\$ 27,114,000.00
Total Available Funds	\$ 423,084,900.00	\$ 403,102,000.00	\$ 414,993,000.00
Appropriations, Transfers, and Fund Balance			
Debt Service Appropriations for:			
Outstanding Bonds @ July 1	\$ 162,252,000.00	\$ 177,783,000.00	\$ 168,845,000.00
Bond Sale - December 2009	3,408,200.00	0.00	0.00
Bond Sale - October 2010	0.00	2,408,000.00	13,169,000.00
Capital Outlay - Unissued Bonds (\$640,831,000)	0.00	0.00	70,500,000.00
Proposed Capital Outlay Bonds:			
E&CD Capital Outlay Grants (\$106,400,000)	0.00	11,700,000.00	11,700,000.00
Other Capital Outlay (\$103,600,000)	0.00	0.00	11,400,000.00
Highway Bridges - Unissued Bonds (\$175,000,000)	0.00	0.00	18,000,000.00
Proposed Highway Bridge Bonds (\$87,500,000)	0.00	0.00	9,000,000.00
Short Term Interest	487,700.00	1,000,000.00	0.00
Debt Issuance Expense	4,836,200.00	2,501,000.00	1,000,000.00
Total Debt Service Appropriations	\$ 170,984,100.00	\$ 195,392,000.00	\$ 303,614,000.00
Transfers to Other Funds:			
Highway Fund	\$ 108,600,000.00	\$ 104,600,000.00	\$ 101,600,000.00
General Fund	109,000,000.00	81,200,000.00	0.00
Capital Projects Fund - Geier Desegregation Settlement	1,300,000.00	1,300,000.00	0.00
Capital Projects - West TN Mega-site	1,400,000.00	1,400,000.00	0.00
Capital Projects Fund - Premium on Bond Sales	25,085,800.00	9,631,000.00	0.00
Total Transfers to Other Funds	\$ 245,385,800.00	\$ 198,131,000.00	\$ 101,600,000.00
Total Appropriations and Transfers	\$ 416,369,900.00	\$ 393,523,000.00	\$ 405,214,000.00
Unreserved Fund Balance, June 30			
Net Receivables	\$ 3,620,600.00	\$ 3,600,000.00	\$ 3,600,000.00
Highway Bridge Bonds - Debt Service	1,800,000.00	5,400,000.00	5,400,000.00
Cash and Cash Equivalents	1,294,400.00	579,000.00	779,000.00
Total Unreserved Fund Balance, June 30	\$ 6,715,000.00	\$ 9,579,000.00	\$ 9,779,000.00

**Debt Service Fund
Comparative Balance Sheet
June 30, 2009, and June 30, 2010**

	<u>Actual June 30, 2009</u>	<u>Estimated June 30, 2010</u>
Assets		
Cash and Cash Equivalents	\$ 341,000	\$ 3,094,000
Taxes Receivable	5,082,000	5,342,000
Loans Receivable	10,911,000	12,779,000
Prepayments	19,000	0
	<hr/>	<hr/>
Total Assets	\$ 16,353,000	\$ 21,215,000
	<hr/>	<hr/>
Liabilities and Fund Balance		
Liabilities:		
Payables and Accruals	\$ 374,000	\$ 541,000
Deferred Revenue	11,982,000	13,959,000
	<hr/>	<hr/>
Total Liabilities	\$ 12,356,000	\$ 14,500,000
	<hr/>	<hr/>
Fund Balance:		
Highway Bridge Bonds - Debt Service	\$ 0	\$ 1,800,000
Unreserved	3,997,000	4,915,000
	<hr/>	<hr/>
Total Fund Balance	\$ 3,997,000	\$ 6,715,000
	<hr/>	<hr/>
Total Liabilities and Fund Balance	\$ 16,353,000	\$ 21,215,000
	<hr/> <hr/>	<hr/> <hr/>

Bond Fund
Statement of Bonds Authorized and Unissued
June 30, 2009 - June 30, 2011

Year	Authority	Description	June 30, 2009	June 30, 2010	June 30, 2011 *
1994	Chapter 1010	Facilities Revolving Fund	\$ 510,000.00	\$ 510,000.00	\$ 0.00
1996	Chapter 945	State Parks	77,365.99	77,365.99	77,365.99
1996	Chapter 952	Capital Outlay	941,216.63	608,922.36	608,922.36
1996	Chapter 952	Data Processing Equipment	20,000,000.00	20,000,000.00	20,000,000.00
1997	Chapter 535	Capital Outlay	1,325,055.22	1,289,088.70	1,289,088.70
1998	Chapter 1103	Capital Outlay	622,320.62	500,813.64	500,813.64
1998	Chapter 1103	Facilities Revolving Fund	74,840.70	74,840.70	74,840.70
1999	Chapter 401	Capital Outlay	1,392,940.02	758,214.73	758,214.73
1999	Chapter 401	Facilities Revolving Fund	740,085.41	740,085.41	740,085.41
2000	Chapter 984	Capital Outlay	2,276,397.20	1,899,674.81	1,899,674.81
2001	Chapter 462	Capital Outlay	2,825,687.21	1,279,591.08	1,279,591.08
2001	Chapter 462	Facilities Revolving Fund	28,172,794.85	28,172,794.85	28,172,794.85
2001	Chapter 462	Highway Construction	80,000,000.00	0.00	0.00
2002	Chapter 852	Higher Education - Geier Settlement	2,600,000.00	1,300,000.00	0.00
2002	Chapter 852	Capital Outlay	2,140,970.38	1,301,109.30	1,301,109.30
2002	Chapter 852	Facilities Revolving Fund	3,100,000.00	2,421,701.98	2,421,701.98
2002	Chapter 852	Highway Construction	77,000,000.00	77,000,000.00	0.00
2003	Chapter 296	Capital Outlay	2,067,159.43	745,917.88	709,890.16
2003	Chapter 296	Highway Construction	74,000,000.00	74,000,000.00	74,000,000.00
2003	Chapter 313	State Veterans' Homes - Refinancing	11,190,905.00	180,302.03	180,302.03
2003	Chapter 338	Capital Outlay	3,000,000.00	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	1,352,050.01	0.00	0.00
2004	Chapter 958	Capital Outlay	79,363,814.99	46,994,193.84	15,727,969.23
2004	Chapter 958	Facilities Revolving Fund	8,521,376.31	3,240,429.29	745,259.54
2004	Chapter 958	Equipment Revolving Fund	3,966,015.32	0.00	0.00
2004	Chapter 958	Highway Construction	75,000,000.00	74,000,000.00	74,000,000.00
2005	Chapter 501	Capital Outlay	105,765,911.77	18,382,446.29	6,159,333.01
2005	Chapter 501	Facilities Revolving Fund	3,249,087.01	3,240,451.44	3,240,451.44
2005	Chapter 501	Highway Construction	76,000,000.00	76,000,000.00	76,000,000.00
2005	Chapter 502	Higher Education	39,471,703.92	29,923,545.01	29,923,545.01
2006	Chapter 962	Capital Outlay	227,682,563.87	167,764,061.91	137,350,530.74
2006	Chapter 962	Facilities Revolving Fund	20,347,561.75	14,791,719.57	9,784,043.46
2006	Chapter 962	ERP Software	43,800,000.00	39,419,930.67	35,039,930.67
2006	Chapter 962	Highway Construction	83,500,000.00	83,500,000.00	83,500,000.00
2007	Chapter 591	Capital Outlay	133,909,168.28	104,519,708.78	73,152,645.88
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	41,090,556.30	21,557,114.80
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	5,307,507.78
2008	Chapter 1193	Highway Construction - State Route 840	138,000,000.00	110,400,000.00	82,800,000.00
2008	Chapter 1202	Capital Outlay	29,700,000.00	29,700,000.00	29,700,000.00
2008	Chapter 1202	Facilities Revolving Fund	23,250,000.00	23,250,000.00	20,524,277.49
2008	Chapter 1202	Highway Construction	87,700,000.00	87,700,000.00	87,700,000.00
2009	Chapter 3 ES	Capital Outlay - E&CD Grants	119,159,000.00	119,159,000.00	63,431,785.63
2009	Chapter 552	Capital Outlay	210,900,000.00	194,500,000.00	187,852,676.14
2009	Chapter 552	Capital Outlay - E&CD Grants	56,900,000.00	56,900,000.00	56,900,000.00
2009	Chapter 552	Facilities Revolving Fund	3,300,000.00	3,300,000.00	2,300,000.00
2009	Chapter 552	Highway Construction	80,000,000.00	80,000,000.00	80,000,000.00
2009	Chapter 552	Highway Construction - Bridges	87,500,000.00	87,500,000.00	87,500,000.00
2010	Chapter 1109	Capital Outlay	0.00	13,200,000.00	13,200,000.00
2010	Chapter 1109	Facilities Revolving Fund	0.00	16,400,000.00	16,400,000.00
2010	Chapter 1109	Highway Construction	0.00	77,000,000.00	77,000,000.00
2010	Chapter 1109	Highway Construction - Bridges	0.00	87,500,000.00	87,500,000.00
Total Bonds Authorized and Unissued			\$ 2,213,525,735.73	\$ 2,006,056,466.56	\$ 1,696,411,466.56
Summary by Purpose:					
	Capital Outlay		\$ 1,051,084,230.54	\$ 810,403,956.35	\$ 641,010,966.22
	Facilities Revolving Fund		152,175,489.87	137,832,579.54	106,560,569.67
	Highway Construction		717,000,000.00	713,000,000.00	636,000,000.00
	Highway Construction - State Route 840		138,000,000.00	110,400,000.00	82,800,000.00
	Highway Construction - Bridges		87,500,000.00	175,000,000.00	175,000,000.00
	Data Processing Equipment		20,000,000.00	20,000,000.00	20,000,000.00
	ERP Software		43,800,000.00	39,419,930.67	35,039,930.67
	Equipment Revolving Fund		3,966,015.32	0.00	0.00
Total Bonds Authorized and Unissued			\$ 2,213,525,735.73	\$ 2,006,056,466.56	\$ 1,696,411,466.56

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

Bond Fund
Statement of Bonds Sold
July 1, 2008 - June 30, 2011

<u>Year</u>	<u>Authority</u>	<u>Description</u>	<u>July 1, 2008 - June 30, 2009</u>	<u>July 1, 2009 - June 30, 2010</u>	<u>July 1, 2010 - June 30, 2011 *</u>
1994	Chapter 1010	Facilities Revolving Fund	\$ 6,085.86	\$ 0.00	\$ 510,000.00
1995	Chapter 461	Capital Outlay	75,000.00	0.00	0.00
1996	Chapter 952	Capital Outlay	94,200.00	332,294.27	0.00
1997	Chapter 535	Capital Outlay	109,662.01	35,966.52	0.00
1998	Chapter 1103	Capital Outlay	200.00	121,506.98	0.00
1999	Chapter 401	Capital Outlay	167,741.07	634,725.29	0.00
1999	Chapter 401	Facilities Revolving Fund	532,898.24	0.00	0.00
2000	Chapter 984	Capital Outlay	967,138.01	376,722.39	0.00
2001	Chapter 462	Capital Outlay	928,148.43	1,546,096.13	0.00
2001	Chapter 462	Facilities Revolving Fund	11,825,196.20	0.00	0.00
2002	Chapter 852	Capital Outlay	136,299.81	839,861.08	0.00
2002	Chapter 852	Facilities Revolving Fund	0.00	678,298.02	0.00
2003	Chapter 296	Capital Outlay	3,412,362.45	1,321,241.55	36,027.72
2003	Chapter 313	State Veterans' Homes - Refinancing	1,551,881.20	9,905.00	0.00
2003	Chapter 338	Capital Outlay	12,637,563.09	0.00	0.00
2004	Chapter 941	Higher Education	12,299,424.92	1,352,050.01	0.00
2004	Chapter 958	Capital Outlay	51,570,264.56	32,369,621.15	31,266,224.61
2004	Chapter 958	Facilities Revolving Fund	602,789.99	5,216,167.70	2,495,169.75
2005	Chapter 501	Capital Outlay	39,027,726.30	87,383,465.48	12,223,113.28
2005	Chapter 501	Facilities Revolving Fund	7,482,103.04	8,635.57	0.00
2005	Chapter 502	Capital Outlay	1,600,000.00	0.00	0.00
2005	Chapter 502	Higher Education	23,903,197.32	4,605,821.14	0.00
2006	Chapter 962	Capital Outlay	120,078,347.33	44,832,725.40	30,413,531.17
2006	Chapter 962	Facilities Revolving Fund	9,303,638.25	5,555,842.18	5,007,676.11
2007	Chapter 591	Capital Outlay	2,598,131.92	29,331,797.27	31,367,062.90
2007	Chapter 591	Facilities Revolving Fund	0.00	19,177,256.87	18,704,441.50
2008	Chapter 1119	Higher Education	0.00	0.00	412,492.22
2008	Chapter 1202	Facilities Revolving Fund	750,000.00	0.00	2,725,722.51
2009	Chapter 3 ES	Capital Outlay - E&CD Grants	131,000,000.00	0.00	46,096,214.37
2009	Chapter 552	Capital Outlay	0.00	10,000,000.00	5,247,323.86
Total Bonds Sold			<u>\$ 432,660,000.00</u>	<u>\$ 245,730,000.00</u>	<u>\$ 186,505,000.00</u>
Summary by Purpose:					
		Capital Outlay	\$ 402,157,288.42	\$ 215,093,799.66	\$ 157,061,990.13
		Facilities Revolving Fund	30,502,711.58	30,636,200.34	29,443,009.87
		Total Bonds Sold	<u>\$ 432,660,000.00</u>	<u>\$ 245,730,000.00</u>	<u>\$ 186,505,000.00</u>

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

Bond Fund
Statement of Appropriations in Lieu of Issuing Bonds
July 1, 2008 - June 30, 2011

Year	Authority	Description	July 1, 2008 - June 30, 2009	July 1, 2009 - June 30, 2010	July 1, 2010 - June 30, 2011 *
2000	Chapter 984	Highway Construction	\$ 87,700,000.00	\$ 0.00	\$ 0.00
2001	Chapter 462	Highway Construction	0.00	80,000,000.00	0.00
2002	Chapter 852	Higher Education - Geier Settlement	1,300,000.00	1,300,000.00	1,300,000.00
2002	Chapter 852	Highway Construction	0.00	0.00	77,000,000.00
2004	Chapter 958	Capital Outlay	16,540,345.22	0.00	0.00
2004	Chapter 958	Facilities Revolving Fund	612,000.00	64,779.32	0.00
2004	Chapter 958	Equipment Revolving Fund	3,401,000.00	2,607,154.98	0.00
2004	Chapter 958	Highway Construction	1,000,000.00	1,000,000.00	0.00
2005	Chapter 501	Capital Outlay	63,000.00	0.00	0.00
2005	Chapter 502	Higher Education	0.00	4,942,337.77	0.00
2006	Chapter 962	Capital Outlay	0.00	15,085,776.56	0.00
2006	Chapter 962	Facilities Revolving Fund	448,800.00	0.00	0.00
2006	Chapter 962	ERP Software	13,000,000.00	4,380,069.33	4,380,000.00
2007	Chapter 591	Capital Outlay	142,699.80	57,662.23	0.00
2007	Chapter 591	Facilities Revolving Fund	0.00	41,930.67	829,000.00
2008	Chapter 1193	Highway Construction - State Route 840	0.00	27,600,000.00	27,600,000.00
2009	Chapter 3 ES	Capital Outlay - E&CD Grants	11,841,000.00	0.00	9,631,000.00
2009	Chapter 552	Capital Outlay	0.00	6,400,000.00	1,400,000.00
2009	Chapter 552	Facilities Revolving Fund	0.00	0.00	1,000,000.00
Total Appropriations in Lieu of Issuing Bonds			<u>\$ 136,048,845.02</u>	<u>\$ 143,479,710.86</u>	<u>\$ 123,140,000.00</u>
Summary by Purpose:					
		Capital Outlay	\$ 29,887,045.02	\$ 27,785,776.56	\$ 12,331,000.00
		Facilities Revolving Fund	1,060,800.00	106,709.99	1,829,000.00
		Highway Construction	88,700,000.00	81,000,000.00	77,000,000.00
		Highway Construction - State Route 840	0.00	27,600,000.00	27,600,000.00
		ERP Software	13,000,000.00	4,380,069.33	4,380,000.00
		Equipment Revolving Fund	3,401,000.00	2,607,154.98	0.00
Total Appropriations in Lieu of Issuing Bonds			<u>\$ 136,048,845.02</u>	<u>\$ 143,479,710.86</u>	<u>\$ 123,140,000.00</u>

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

Note: Chapter 1203, Public Acts of 2008 (Section 6, Item 11), cancelled the following unissued highway bond authorization that was converted to federal financing:

2005 Chapter 501 Highway Construction - Pre-financing \$ 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

Chapter 1109, Public Acts of 2010 (Section 10) repealed the following bond authorization:

2004 Chapter 958 Equipment Revolving Fund \$ 1,358,860.34

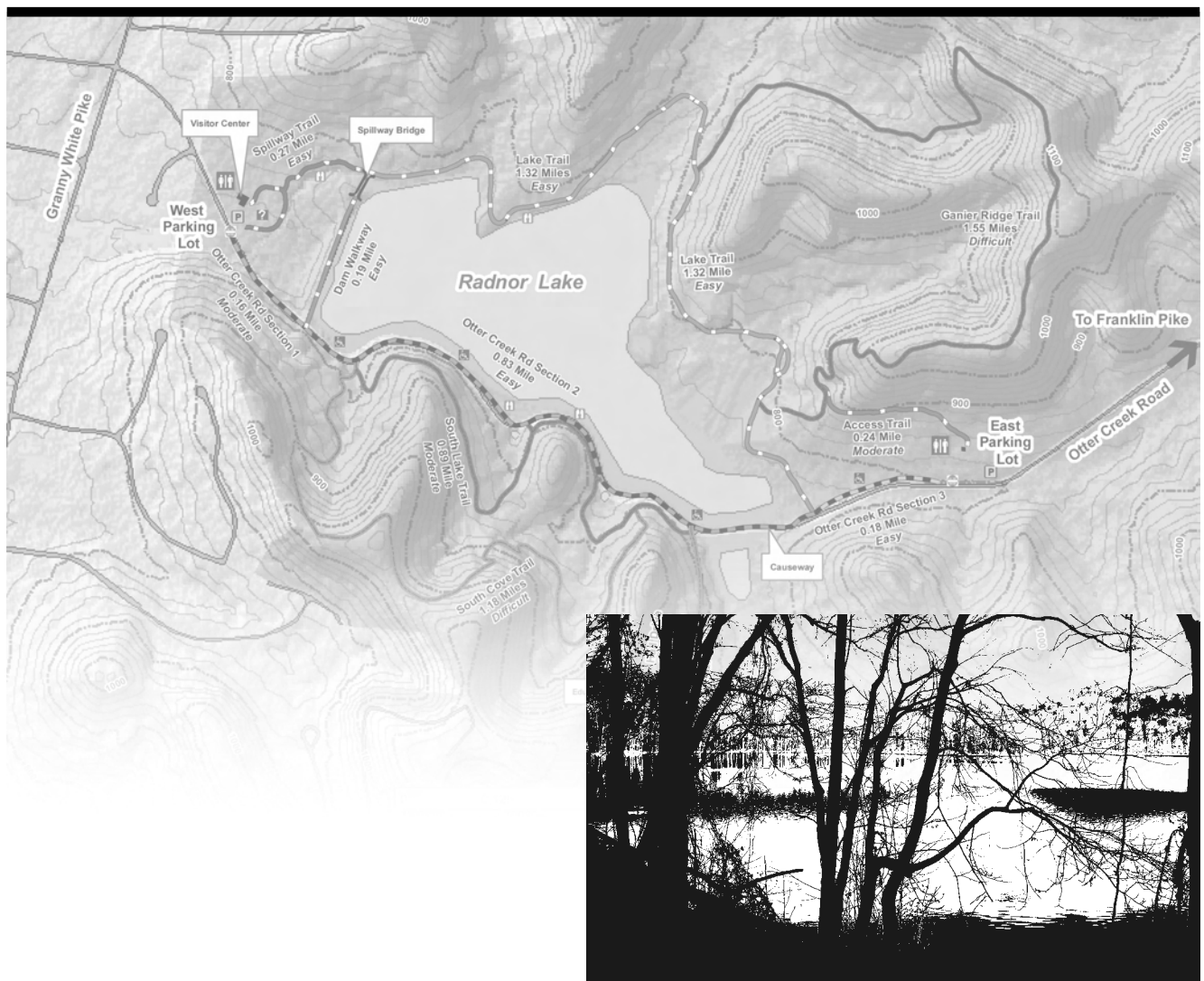
Chapter 1108, Public Acts of 2010 (Section 6, Item 10) repealed the following bond authorization:

2003 Chapter 313 State Veterans' Homes \$ 11,000,697.97

Bond Fund
Statement of Bonded Indebtedness
Principal and Interest on Bonded Debt
June 30, 2010

Fiscal Year	Outstanding Bonds		
	Principal	Interest	Total
2010 - 2011	\$ 112,198,000	\$ 65,585,000	\$ 177,783,000
2011 - 2012	108,079,000	60,766,000	168,845,000
2012 - 2013	108,695,000	55,559,000	164,254,000
2013 - 2014	102,997,000	50,578,000	153,575,000
2014 - 2015	98,471,000	45,500,000	143,971,000
2015 - 2016	94,250,000	40,876,000	135,126,000
2016 - 2017	89,823,000	36,512,000	126,335,000
2017 - 2018	82,849,000	32,275,000	115,124,000
2018 - 2019	75,161,000	28,668,000	103,829,000
2019 - 2020	72,104,000	25,193,000	97,297,000
2020 - 2021	65,573,000	21,912,000	87,485,000
2021 - 2022	65,638,000	18,871,000	84,509,000
2022 - 2023	58,516,000	15,924,000	74,440,000
2023 - 2024	58,542,000	13,167,000	71,709,000
2024 - 2025	50,518,000	10,588,000	61,106,000
2025 - 2026	50,693,000	8,175,000	58,868,000
2026 - 2027	45,248,000	5,869,000	51,117,000
2027 - 2028	40,625,000	3,777,000	44,402,000
2028 - 2029	34,599,000	2,024,000	36,623,000
2029 - 2030	10,263,000	513,000	10,776,000
Total	\$ 1,424,842,000	\$ 542,332,000	\$ 1,967,174,000

NOTE: 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, 2010, outstanding principal was \$192,663,000 and interest was \$65,861,000.



Capital Outlay and Facilities Program

Capital Outlay and Facilities Program

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Capital Budget

Recommended Budget, Fiscal Year 2011-2012

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 rejected or deferred to be included in future budgets.

The Administration intends for the needs of departmental programs to be the impetus for all capital outlay projects, supporting program and service requirements. Project funding is analyzed on priority of fiscal support for existing and new programs.

The management of facilities should be flexible enough to adjust to changing programs through renovation of existing assets. Attempts are made to minimize operational costs and future capital expenditures through better design and more flexible layouts, as with the state's new prisons. If a capital project creates additional operating costs, the costs are identified during the capital budget review and further reviewed in the development of the budget in the year when the new space is expected to be occupied.

Improvements to real property funded by public or private funds must be approved by the State Building Commission, comprised of seven ex-officio members: the Governor, the Secretary of State, the Comptroller of the Treasury, the

Commissioner of Finance and Administration, the Treasurer, and the Speakers of the Senate and House of Representatives. The State Building Commission, in addition to supervising improvements to real property, oversees leases by state agencies and the demolition of structures located on state property.

The capital items presented in this document as recommendations to the General Assembly consist of projects meeting the requirements and policy guidelines of the State Building Commission. The capital project recommendations are itemized by department.

Capital maintenance projects are defined as major, non-routine repairs and replacements unrelated to new construction and costing \$100,000 or more. Maintenance projects costing less than this amount are addressed within the departments' operational budget major maintenance programs. Capital maintenance projects include items that appreciably extend the life of the facility, such as alterations to rectify code deficiencies, modifications to improve utility systems, repaving, roof repairs, exterior fencing and lighting, and repair projects that restore a facility to its former condition and do not result in changes in facility use. Funding for these projects is included in the amount allocated to the Department of Finance and Administration, and projects are selected for completion according to the review process outlined above.

Capital 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.

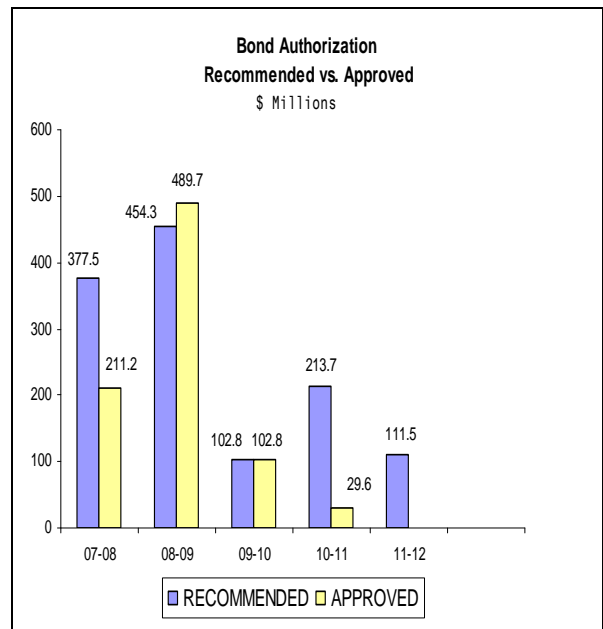
The 2011-2012 capital outlay budget recommends \$198,047,500 divided between capital improvement projects and capital maintenance requests. The recommendation includes \$50 mil-

lion for economic development projects, \$20 million for development of Cates Landing in Lake County, and various upgrades to the state's veterans cemeteries and state parks.

Capital Improvement Projects — Capital improvement projects recommended for fiscal year 2011-2012 total \$87,190,000, including \$18,247,500 from state appropriations and \$54,200,000 bonds. Other funding sources account for the remainder of the total amount. Projects from dedicated sources of revenue are also recommended for the Tennessee Wildlife Resources Agency in the amount of \$125,000.

Capital Maintenance — Capital maintenance projects are recommended at a level of \$110,857,500. This includes a state appropriation of \$26,752,500; other funding sources account for the remainder of the total. 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 \$106.4 million for infrastructure related to the Wacker Chemie AG and Electrolux projects for fiscal year 2010-2011, and \$103.6 million for capital outlay in fiscal year 2011-2012. This includes \$44 million for economic development projects, and \$59.6 million to renovate and update facilities. Total capital maintenance, capital improvements, and Facilities Revolving Fund requests require bond authorizations totaling \$217.9 million. The following chart compares the bond authorizations recommended with those approved by the General Assembly during the past four years. The fiscal year 2010-2011 and 2011-2012 recommended and approved amounts are further summarized below the chart.



Fiscal Year 2010-2011	Recommended	Approved
2010 Bond Acts	107.3	29.6
2011 Bond Acts – Econ. Dev.	106.4	
Total 2010-2011	213.7	29.6

Fiscal Year 2011-2012	Recommended	Approved
2011 Bond Acts – Econ. Dev.	44.0	
2011 Bond Acts – Other Projects	67.5	
Total 2011-2012	111.5	

Facilities Revolving Fund — Capital funding in the amount of \$23,320,000 is recommended for capital maintenance and capital improvement projects. Bonds in the amount of \$7.9 million and \$15,420,000 in departmental funds comprise the total recommended 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.

**Additional 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>
2010 Bond and Appropriations Acts		\$ 316,652,500	\$ 266,500,000	\$ 13,200,000	\$ 4,862,500	\$ 32,090,000
2011 Bond and Appropriations Acts - Additional Projects:						
Wacker Chemie AG Additional Funds	Bradley	\$ 34,600,000	\$ 5,200,000	\$ 29,400,000	\$ 0	\$ 0
Electrolux Project	Shelby	97,000,000	20,000,000	77,000,000	0	0
Sub-Total 2011 Legislation		\$ 131,600,000	\$ 25,200,000	\$ 106,400,000	\$ 0	\$ 0
Total 2010-2011 Capital Outlay		\$ 448,252,500	\$ 291,700,000	\$ 119,600,000	\$ 4,862,500	\$ 32,090,000
Sub-Total Higher Education		\$ 170,870,000	\$ 161,020,000	\$ 9,710,000	\$ 0	\$ 140,000
Sub-Total Other		\$ 277,382,500	\$ 130,680,000	\$ 109,890,000	\$ 4,862,500	\$ 31,950,000

**Proposed Capital Appropriations
from Bonds, Current Funds, and Other Revenues
Fiscal Year 2011-2012**

	<u>COUNTY</u>	<u>TOTAL</u>	<u>STATE</u>	<u>BONDS</u>	<u>FEDERAL</u>	<u>OTHER</u>
I. Economic Development Projects:						
Economic and Community Development						
Economic Development Project - Infrastructure		\$ 40,000,000	\$ 4,000,000	\$ 36,000,000	\$ 0	\$ 0
Economic Development Project - Infrastructure		10,000,000	2,000,000	8,000,000	0	0
Sub-Total Economic and Community Development		\$ 50,000,000	\$ 6,000,000	\$ 44,000,000	\$ 0	\$ 0
Transportation - General Fund						
Cates Landing Port - NW TN Reg. Port Authority	Lake	\$ 20,000,000	\$ 7,000,000	\$ 0	\$ 13,000,000	\$ 0
Total Economic Development Projects		\$ 70,000,000	\$ 13,000,000	\$ 44,000,000	\$ 13,000,000	\$ 0
II. Other Projects:						
Correction						
Maintenance	Statewide	\$ 32,480,000	\$ 0	\$ 0	\$ 0	\$ 32,480,000
Managed Cellular Access System - Lake & Davidson County		1,000,000	0	0	0	1,000,000
Sub-Total Correction		\$ 33,480,000	\$ 0	\$ 0	\$ 0	\$ 33,480,000
Education						
TN School for Deaf Cottage E Demolition	Knox	\$ 250,000	\$ 250,000	\$ 0	\$ 0	\$ 0
TN School for Deaf Infrastructure Upgrades	Knox	5,870,000	370,000	5,500,000	0	0
Sub-Total Education		\$ 6,120,000	\$ 620,000	\$ 5,500,000	\$ 0	\$ 0
Environment and Conservation						
Bicentennial Mall SP Lighting Retrofit	Davidson	\$ 510,000	\$ 60,000	\$ 450,000	\$ 0	\$ 0
Booker T. Washington SP Group Camp RNOV	Hamilton	1,960,000	210,000	1,750,000	0	0
Pickwick Landing SP Irrigation Sys. & Restrooms	Hardin	2,630,000	130,000	2,500,000	0	0
Tims Ford State Park Campground Upgrades	Franklin	1,870,000	1,870,000	0	0	0
State Parks Small Projects	Statewide	500,000	500,000	0	0	0
Sub-Total Environment and Conservation		\$ 7,470,000	\$ 2,770,000	\$ 4,700,000	\$ 0	\$ 0
Intellectual and Developmental Disabilities						
Greene Valley Storage Shed	Greene	\$ 250,000	\$ 250,000	\$ 0	\$ 0	\$ 0
Clover Bottom Harold Jordan Ctr. Preplanning	Davidson	100,000	100,000	0	0	0
Greene Valley Gym/Pool Air Handler Units	Greene	450,000	450,000	0	0	0
Sub-Total Intellectual and Developmental Disabilities		\$ 800,000	\$ 800,000	\$ 0	\$ 0	\$ 0
Military						
Russellville Readiness Center Training Workbay	Hamblen	\$ 440,000	\$ 132,500	\$ 0	\$ 307,500	\$ 0
Nashville HQ Cooling System Addition and Update	Davidson	580,000	145,000	0	435,000	0
Sub-Total Military		\$ 1,020,000	\$ 277,500	\$ 0	\$ 742,500	\$ 0
Veterans Affairs						
WTN Veterans Cemetery Paving	Shelby	\$ 175,000	\$ 175,000	\$ 0	\$ 0	\$ 0
ETN Cemetery Committal Chapel Modification	Knox	150,000	150,000	0	0	0
WTN Cemetery Addition to Admin. Building	Shelby	210,000	210,000	0	0	0
MTN Cemetery Addition to Admin. Building	Davidson	245,000	245,000	0	0	0
Sub-Total Veterans Affairs		\$ 780,000	\$ 780,000	\$ 0	\$ 0	\$ 0
Tennessee Board of Regents						
Maintenance	Statewide	\$ 30,780,000	\$ 6,580,000	\$ 24,200,000	\$ 0	\$ 0
University of Tennessee						
Maintenance	Statewide	\$ 23,920,000	\$ 2,520,000	\$ 21,400,000	\$ 0	\$ 0
Statewide Capital Maintenance						
Maintenance	Statewide	\$ 23,677,500	\$ 17,652,500	\$ 3,800,000	\$ 2,225,000	\$ 0
Total Other Projects		\$ 128,047,500	\$ 32,000,000	\$ 59,600,000	\$ 2,967,500	\$ 33,480,000
III. Grand Total						
		\$ 198,047,500	\$ 45,000,000	\$ 103,600,000	\$ 15,967,500	\$ 33,480,000
Sub-Total Higher Education		\$ 54,700,000	\$ 9,100,000	\$ 45,600,000	\$ 0	\$ 0
Sub-Total Other		\$ 143,347,500	\$ 35,900,000	\$ 58,000,000	\$ 15,967,500	\$ 33,480,000

**Proposed Capital Maintenance Appropriations
from Bonds, Current Funds, and Other Revenues
Fiscal Year 2011-2012**

	COUNTY	TOTAL	STATE	BONDS	FEDERAL	OTHER
Correction						
South Central Corr. Heating Sys. Replacement	Wayne	\$ 9,750,000	\$ 0	\$ 0	\$ 0	\$ 9,750,000
Charles Bass Geothermal Conversion Planning	Davidson	330,000	0	0	0	330,000
Southeast Regional Geothermal Conversion Planning	Bledsoe	330,000	0	0	0	330,000
Upgrade Perimeter Security Phase 1	Statewide	7,400,000	0	0	0	7,400,000
Mark Luttrell Correctional Ctr. Infrastructure Upgrade	Shelby	6,100,000	0	0	0	6,100,000
Various Facilities Upgrade Sallyports/Pedestrian Gates	Statewide	2,700,000	0	0	0	2,700,000
Various Facilities Upgrade Emergency Power Systems	Statewide	5,000,000	0	0	0	5,000,000
Various Facilities Fire Alarm Sys. Upgrades - Planning	Statewide	220,000	0	0	0	220,000
TN Corr. Academy Infrastructure Upgrade Planning	Coffee	650,000	0	0	0	650,000
Sub-Total Correction		\$ 32,480,000	\$ 0	\$ 0	\$ 0	\$ 32,480,000
Tennessee Board of Regents						
ETSU Accessibility and Code Corrections	Washington	\$ 1,500,000	\$ 200,000	\$ 1,300,000	\$ 0	\$ 0
TTC Roof Replacements Various Facilities	Statewide	1,330,000	1,330,000	0	0	0
UoM Various Facility Roof Replacements	Shelby	5,600,000	100,000	5,500,000	0	0
Dyersburg State CC Glover Bldg. Roof Replacement	Dyer	260,000	260,000	0	0	0
Pellissippi State CC Various Bldg. Elevator Updates	Knox	150,000	150,000	0	0	0
ETSU College of Medicine HVAC Corrections	Washington	1,500,000	150,000	1,350,000	0	0
APSU Underground Electrical Update	Montgomery	1,350,000	80,000	1,270,000	0	0
MTSU Physical Plant Updates	Rutherford	1,690,000	240,000	1,450,000	0	0
TSU Boswell Fume Hood Updates	Davidson	2,500,000	250,000	2,250,000	0	0
TTU Several Buildings Upgrades	Putnam	2,900,000	150,000	2,750,000	0	0
TTC Mechanical Systems Repairs Various Facilities	Statewide	380,000	380,000	0	0	0
JSCC Classroom Bldg. & Gym Plumbing Corrections	Madison	400,000	50,000	350,000	0	0
SW TN CC Union Campus Mechanical Sys. Updates	Shelby	1,020,000	120,000	900,000	0	0
Motlow State CC Underground Piping Replacement	Moore	310,000	60,000	250,000	0	0
Cleveland State CC HVAC and Controls Update	Bradley	490,000	90,000	400,000	0	0
Volunteer State CC Warf Bldg. HVAC Replacement	Sumner	600,000	90,000	510,000	0	0
Columbia State CC Library HVAC Updates	Mauzy	560,000	90,000	470,000	0	0
Roane State CC Several Buildings HVAC Corrections	Roane	460,000	60,000	400,000	0	0
Chattanooga St. CC Several Bldgs. Envelope Repairs	Hamilton	730,000	80,000	650,000	0	0
Walters State CC Greeneville Sewer Corrections	Greene	740,000	90,000	650,000	0	0
Northeast State CC Auditorium Update	Sullivan	210,000	210,000	0	0	0
ETSU HVAC System Repairs	Washington	2,000,000	2,000,000	0	0	0
ETSU CoM Drainage Systems Improvements	Washington	850,000	50,000	800,000	0	0
MTSU Domestic Water/Sewer System Updates	Rutherford	460,000	60,000	400,000	0	0
ETSU CoM Several Building Exterior Updates	Washington	1,500,000	150,000	1,350,000	0	0
MTSU Several Buildings Envelope Repairs	Rutherford	1,290,000	90,000	1,200,000	0	0
Sub-Total Tennessee Board of Regents		\$ 30,780,000	\$ 6,580,000	\$ 24,200,000	\$ 0	\$ 0
University of Tennessee						
UTHSC Alexander Building Improvements	Shelby	\$ 3,130,000	\$ 130,000	\$ 3,000,000	\$ 0	\$ 0
UTK Electrical Distribution Improvements Phase 4	Knox	3,500,000	0	3,500,000	0	0
UTIA Veterinary Medicine Building Improvements	Knox	4,840,000	140,000	4,700,000	0	0
UTM Campus Elevator Updates	Weakley	3,750,000	750,000	3,000,000	0	0
UTK Utilities Infrastructure Study	Knox	1,250,000	1,250,000	0	0	0
UTC Holt Hall Building Updates	Hamilton	7,450,000	250,000	7,200,000	0	0
Sub-Total University of Tennessee		\$ 23,920,000	\$ 2,520,000	\$ 21,400,000	\$ 0	\$ 0
STATEWIDE CAPITAL MAINTENANCE:						
Children's Services						
Taft YDC Replace Main Sewer Line	Bledsoe	\$ 1,000,000	\$ 100,000	\$ 900,000	\$ 0	\$ 0
Taft YDC Steam Line Repairs	Bledsoe	750,000	50,000	700,000	0	0
Various Facilities Telecomm Infrastructure Update	Areawide	250,000	250,000	0	0	0
Wilder YDC Various Roof Replacements	Fayette	430,000	70,000	360,000	0	0
Mountain View YDC Replace Security Lock System	Jefferson	280,000	80,000	200,000	0	0
Wilder YDC Secure Unit Door Replacements	Fayette	210,000	60,000	150,000	0	0
Woodland Hills YDC Wooden Door Replacements	Davidson	200,000	50,000	150,000	0	0
Mountain View YDC Warehouse Repairs	Jefferson	240,000	120,000	120,000	0	0
Sub-Total Children's Services		\$ 3,360,000	\$ 780,000	\$ 2,580,000	\$ 0	\$ 0

**Proposed Capital Maintenance Appropriations
from Bonds, Current Funds, and Other Revenues
Fiscal Year 2011-2012**

	COUNTY	TOTAL	STATE	BONDS	FEDERAL	OTHER
Education						
Camp Clements Code Upgrades Phase 1A	Van Buren	\$ 950,000	\$ 950,000	\$ 0	\$ 0	\$ 0
York Institute Campus Paving Repairs	Fentress	1,130,000	1,130,000	0	0	0
Sub-Total Education		\$ 2,080,000	\$ 2,080,000	\$ 0	\$ 0	\$ 0
Environment and Conservation						
Harrison Bay SP Marina Upgrades	Hamilton	\$ 3,740,000	\$ 3,740,000	\$ 0	\$ 0	\$ 0
Paint Water Tanks - Edgar Evins & Fall Creek Falls SP	Areawide	400,000	400,000	0	0	0
Sub-Total Environment and Conservation		\$ 4,140,000	\$ 4,140,000	\$ 0	\$ 0	\$ 0
Finance and Administration						
Emergency Maintenance and Contingency Funds	Statewide	\$ 1,757,500	\$ 1,757,500	\$ 0	\$ 0	\$ 0
ADA Compliance	Statewide	2,100,000	2,100,000	0	0	0
Management Support Services	Statewide	1,500,000	1,500,000	0	0	0
Environmental Consultants	Statewide	1,000,000	1,000,000	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
National Civil Rights Museum Maintenance Grant	Shelby	300,000	300,000	0	0	0
Sub-Total Finance and Administration		\$ 7,457,500	\$ 7,457,500	\$ 0	\$ 0	\$ 0
Human Services						
TRC Reroof Buildings C, F, and T	Rutherford	\$ 870,000	\$ 185,000	\$ 0	\$ 685,000	\$ 0
Intellectual and Developmental Disabilities						
Clover Bottom Essential Maintenance	Davidson	\$ 1,000,000	\$ 1,000,000	\$ 0	\$ 0	\$ 0
Arlington Facility Services Complex Exterior Updates	Shelby	500,000	100,000	400,000	0	0
Greene Valley Laundry Building Boiler Replacement	Greene	300,000	80,000	220,000	0	0
Sub-Total Intellectual and Developmental Disabilities		\$ 1,800,000	\$ 1,180,000	\$ 620,000	\$ 0	\$ 0
Mental Health						
Lakeshore MHI Reroof Central Services Building	Knox	\$ 490,000	\$ 90,000	\$ 400,000	\$ 0	\$ 0
Moccasin Bend MHI Replace Main Bldg. Flooring	Hamilton	400,000	200,000	200,000	0	0
Sub-Total Mental Health		\$ 890,000	\$ 290,000	\$ 600,000	\$ 0	\$ 0
Military Department						
Johnson City AFRC Reroof & Facility Update	Washington	\$ 1,100,000	\$ 550,000	\$ 0	\$ 550,000	\$ 0
Trenton Readiness Center Reroof & Facility Update	Gibson	660,000	330,000	0	330,000	0
Fayetteville RC Reroof & Exterior Repairs	Lincoln	140,000	70,000	0	70,000	0
Rockwood RC HVAC & Controls Upgrade	Roane	1,180,000	590,000	0	590,000	0
Sub-Total Military Department		\$ 3,080,000	\$ 1,540,000	\$ 0	\$ 1,540,000	\$ 0
Total Statewide Capital Maintenance		\$ 23,677,500	\$ 17,652,500	\$ 3,800,000	\$ 2,225,000	\$ 0
Grand Total		\$ 110,857,500	\$ 26,752,500	\$ 49,400,000	\$ 2,225,000	\$ 32,480,000

**Projects Funded from Dedicated Revenues
Fiscal Year 2011-2012**

	<u>COUNTY</u>	<u>TOTAL</u>	<u>STATE</u>	<u>BONDS</u>	<u>FEDERAL</u>	<u>OTHER</u>
Tennessee Wildlife Resources Agency						
Kentucky Lake Leatherwood Boating Access Area	Stewart	\$ 60,000	\$ 0	\$ 0	\$ 45,000	\$ 15,000
Red River Boating Access Area	Robertson	65,000	0	0	48,800	16,200
Total TWRA		\$ 125,000	\$ 0	\$ 0	\$ 93,800	\$ 31,200

Requested Capital Projects from School Bonds and Other Sources Fiscal Year 2011-2012

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

	TOTAL	TSSBA	INSTITUTIONAL/ AUXILIARY	OTHER
State University and Community College System (Tennessee Board of Regents)				
Austin Peay State University				
AP Bowl Renovation	\$ 1,500,000	\$ 0	\$ 1,500,000	\$ 0
Athletic Facilities Improvements	520,000	0	0	520,000
Baseball Field Lighting Replacements	550,000	0	550,000	0
Baseball Stadium Upgrades	420,000	0	0	420,000
IT Server Room Renovation	1,000,000	0	1,000,000	0
New Athletic Field House	9,000,000	0	0	9,000,000
Shasteen Storage Building	140,000	0	140,000	0
Football Stadium Skyboxes	5,800,000	5,800,000	0	0
New Intermodal Transportation Facility	19,000,000	17,000,000	0	2,000,000
Sevier Building HVAC Replacement	1,000,000	1,000,000	0	0
Total APSU	\$ 38,930,000	\$ 23,800,000	\$ 3,190,000	\$ 11,940,000
East Tennessee State University				
Recreation Facility Expansion	\$ 7,000,000	\$ 5,300,000	\$ 1,700,000	\$ 0
CoM Family Medicine Facility Construction	7,750,000	7,725,000	25,000	0
Total ETSU	\$ 14,750,000	\$ 13,025,000	\$ 1,725,000	\$ 0
Tennessee State University				
Boyd Hall Roof Replacement	\$ 300,000	\$ 0	\$ 300,000	\$ 0
Eppse Hall Roof Replacement	300,000	0	300,000	0
Neighborhood Public Improvements	3,000,000	0	0	3,000,000
Residential Complex Upgrades	1,200,000	0	1,200,000	0
Torrence Engineering Facade and Structural Repairs	400,000	0	0	400,000
Wilson Hall Window Replacements	700,000	0	700,000	0
Total TSU	\$ 5,900,000	\$ 0	\$ 2,500,000	\$ 3,400,000
University of Memphis				
Business Incubator Renovations	\$ 2,000,000	\$ 0	\$ 0	\$ 2,000,000
Finch Basketball Upgrade	2,000,000	0	0	2,000,000
Park Avenue Paving and Security	810,000	0	810,000	0
Energy Conservation Measures	15,000,000	15,000,000	0	0
Mynders Hall Renovation	4,600,000	4,600,000	0	0
Total UoM	\$ 24,410,000	\$ 19,600,000	\$ 810,000	\$ 4,000,000
Nashville State Community College				
Southeast Center Renovations	\$ 620,000	\$ 0	\$ 620,000	\$ 0
Total NASCC	\$ 620,000	\$ 0	\$ 620,000	\$ 0
Northeast State Community College				
Outdoor Amphitheater	\$ 300,000	\$ 0	\$ 300,000	\$ 0
Total NESCC	\$ 300,000	\$ 0	\$ 300,000	\$ 0
Roane State Community College				
Campus wide Paving	\$ 460,000	\$ 0	\$ 460,000	\$ 0
Gymnasium Roof Replacement	190,000	0	190,000	0
Gymnasium Seating Update	150,000	0	150,000	0
Total RSCC	\$ 800,000	\$ 0	\$ 800,000	\$ 0

Requested Capital Projects from School Bonds and Other Sources Fiscal Year 2011-2012

	TOTAL	TSSBA	INSTITUTIONAL/ AUXILIARY	OTHER
Volunteer State Community College				
Campus wide Paving Repairs	\$ 200,000	\$ 0	\$ 200,000	\$ 0
Library Emporium Renovations	920,000	0	920,000	0
Warf Parking Expansion	800,000	0	800,000	0
New Registration Building	8,100,000	8,100,000	0	0
Total VSCC	\$ 10,020,000	\$ 8,100,000	\$ 1,920,000	\$ 0
Walters State Community College				
Greenville Police Academy Renovation	\$ 2,000,000	\$ 0	\$ 0	\$ 2,000,000
Maples-Marshall Hall Library Renovation	80,000	0	0	80,000
Maples-Marshall Hall Student Services Renovation	80,000	0	0	80,000
Total WSCC	\$ 2,160,000	\$ 0	\$ 0	\$ 2,160,000
Total Tennessee Board of Regents	\$ 97,890,000	\$ 64,525,000	\$ 11,865,000	\$ 21,500,000
University of Tennessee System				
University of Tennessee Knoxville				
New University Center	\$ 127,400,000	\$ 117,500,000	\$ 9,900,000	\$ 0
Claxton Renovations Phase 2	1,000,000	0	1,000,000	0
Neyland Stadium Improvements Phase 4	25,000,000	25,000,000	0	0
Classroom Upgrades	2,000,000	0	500,000	1,500,000
Campus Beautification Projects	2,500,000	0	0	2,500,000
Environmental Initiatives	2,000,000	0	500,000	1,500,000
Governor's Chairs Renovations	1,200,000	0	1,200,000	0
Science Engineering Upgrades	850,000	0	850,000	0
Plant Sciences Biotechnology Upgrades	500,000	0	500,000	0
Dining Services Improvements	1,000,000	0	250,000	750,000
Parking Garage Repairs	500,000	0	500,000	0
Campus Street Paving	500,000	0	500,000	0
1818 Andy Holt Avenue Renovations	600,000	0	600,000	0
Panhellenic Building Renovations	1,500,000	0	1,500,000	0
Student Services Building - Financial Aid Offices	250,000	0	250,000	0
Todd Helton Drive Realignment	750,000	0	750,000	0
Hess Hall Improvements Phase 3	4,000,000	3,400,000	600,000	0
Nuclear Security Education Building	12,000,000	0	4,000,000	8,000,000
Greve Hall Renovations Phase 2	1,000,000	0	1,000,000	0
Transportation Services Relocation	5,000,000	4,000,000	1,000,000	0
Stokely Athletic Demolition	5,500,000	0	5,500,000	0
Alumni Memorial Building Renovations	250,000	0	250,000	0
Morgan Hall Programmatic Upgrades	1,000,000	0	1,000,000	0
Ferris Hall Phase 2	6,000,000	0	6,000,000	0
Perkins Hall Renovations	300,000	0	300,000	0
Total UT Knoxville	\$ 202,600,000	\$ 149,900,000	\$ 38,450,000	\$ 14,250,000
University of Tennessee Chattanooga				
Lupton Library Classroom Retrofit	\$ 3,500,000	\$ 0	\$ 3,500,000	\$ 0
Total UT Chattanooga	\$ 3,500,000	\$ 0	\$ 3,500,000	\$ 0
UT Health Science Center				
Pauline Garage Improvements	\$ 1,000,000	\$ 0	\$ 1,000,000	\$ 0
Total UTHSC	\$ 1,000,000	\$ 0	\$ 1,000,000	\$ 0
UT Martin				
Business Administration Addition	\$ 2,000,000	\$ 0	\$ 0	\$ 2,000,000
Sorority Lodges	2,800,000	2,600,000	0	200,000
Tennis Court Upgrades	970,000	0	970,000	0
Elam Center Bleacher Replacement	780,000	0	780,000	0
Total UT Martin	\$ 6,550,000	\$ 2,600,000	\$ 1,750,000	\$ 2,200,000
Total University of Tennessee	\$ 213,650,000	\$ 152,500,000	\$ 44,700,000	\$ 16,450,000
Grand Total	\$ 311,540,000	\$ 217,025,000	\$ 56,565,000	\$ 37,950,000

**Additional Proposed Capital Outlay Project Descriptions
Fiscal Year 2010-2011**

Total
Project Cost

I. Economic Development Projects

Economic and Community Development

Objective: Provide infrastructure and assistance for economic development.

Wacker Chemie AG Additional Funds

\$ 34,600,000

Funds will provide for additional infrastructure and site development for the future expansion of the Wacker Chemie AG project in Bradley County.

Electrolux Project

97,000,000

Funds will provide infrastructure, construction, and equipment to establish an appliance manufacturing and assembly facility, a warehouse and distribution center, and a regional headquarters.

Total Economic and Community Development

\$ 131,600,000

Capital Outlay Project Descriptions Fiscal Year 2011-2012

	Total Project Cost
I. Economic Development Projects	
Economic and Community Development	
Objective: Provide infrastructure and assistance for economic development.	
Economic Development Project - Infrastructure	\$ 40,000,000
Funds will provide for equipment needs for a planned economic development project.	
Economic Development Project - Infrastructure	10,000,000
Funds will provide for infrastructure for a planned economic development project.	
Sub-Total Economic and Community Development	\$ 50,000,000
Transportation	
Objective: Provide infrastructure and assistance for transportation initiatives.	
Cates Landing Port - Northwest Tennessee Regional Port Authority	\$ 20,000,000
Funds will provide for construction of a new port on the Mississippi River at Cates Landing in Lake County. This will be a public intermodal port facility, including warehousing, freight handling, barge tie-ups, and a small office area. Funding of the grant to Northwest Tennessee Regional Port Authority includes a \$7 million general fund appropriation and a matching \$13 million federal grant. The port authority and local government are providing additional funds.	
Total Economic Development Projects	\$ 70,000,000
II. Other Projects	
Correction	
Objective: Provide safe and secure facilities to house inmates.	
Maintenance	\$ 32,480,000
Funds to repair, maintain, and update facilities.	
Managed Cellular Access System	1,000,000
Funds for the implementation of cellular access systems at the Northwest Correctional Complex in Lake County. Riverbend Maximum Security Institution and DeBerry Special Needs Facility in Davidson County will share a system. The managed cellular access system will prevent unauthorized cellular devices from working within the perimeter of said facilities.	
Sub-Total Correction	\$ 33,480,000
Education	
Objective: Provide a safe and secure environment for learning.	
TN School for the Deaf Cottage E Demolition	\$ 250,000
Funds the demolition of Cottage E to begin implementation of the campus master plan.	
TN School for the Deaf Infrastructure Upgrades	5,870,000
Funds will be used to upgrade and replace various utility infrastructure throughout the campus that dates back to circa 1920. This will include plumbing, electrical, and storm water drainage upgrades.	
Sub-Total Education	\$ 6,120,000

Capital Outlay Project Descriptions Fiscal Year 2011-2012

	Total Project Cost
Environment and Conservation	
Objective: Increase visitation to the state's parks and historic areas.	
Bicentennial Mall State Park Lighting Retrofit	\$ 510,000
Funds will be used to replace the current high-temperature 175 Watt incandescent surface lighting and fixtures with 22 Watt LED electrical lighting and fixtures at the park.	
Booker T. Washington State Park Group Camp Renovation	1,960,000
Funds will be used to renovate 17 historic bunkhouses and provide for a new dining hall for visitors.	
Pickwick Landing State Park Irrigation System and Restrooms	2,630,000
Funds will be used to upgrade the golf course irrigation system and provide two new restroom facilities on the course.	
Tims Ford State Park Campground Upgrades	1,870,000
Project will upgrade 90 campsites at the Fairview Devil Step campground to include site leveling, upgraded utilities, parking, and pull-through access. Funds will also provide for a new dump station and bathhouse.	
State Parks Small Projects	500,000
Funds will provide for various projects at state parks facilities including playground equipment and other items to support public recreation.	
Sub-Total Environment and Conservation	\$ 7,470,000
Department of Intellectual and Developmental Disabilities	
Objective: Provide alternative residential settings for clients and plan for the future.	
Greene Valley Developmental Center Storage Shed	\$ 250,000
Funds will provide for a covered and secured storage facility to house lawn equipment, maintenance items, and heavy equipment used by the center.	
Clover Bottom Harold Jordan Center Preplanning	100,000
Funds will be used to develop a comprehensive plan to address maintenance needs and plan for the future use of this facility.	
Greene Valley Developmental Center Gymnasium and Pool Air Handler Units	450,000
Funds will provide for air handling units in the pool area and gymnasium to maintain appropriate temperature and humidity levels for medically fragile patients.	
Sub-Total Department of Intellectual and Developmental Disabilities	\$ 800,000
Military	
Objective: Expand and renovate military facilities.	
Russellville Readiness Center Training Workbay	\$ 440,000
Funds will be used to construct a pre-engineered metal workbay for the readiness center. Project includes \$307,500 federal National Guard Bureau funds.	

Capital Outlay Project Descriptions Fiscal Year 2011-2012

	Total Project Cost
<p>Nashville Headquarters Cooling System Addition and Update Funds will provide additional cooling capacity to meet the needs of the facility and update existing HVAC capabilities for more energy efficient usage. Project includes \$435,000 federal National Guard Bureau funds.</p>	580,000
Sub-Total Military	\$ 1,020,000
Veterans Affairs	
Objective: Expand and renovate state veteran cemetery facilities.	
<p>West Tennessee Veterans Cemetery Paving Funds will provide paving for the interior roads of the facility. Project will also address drainage issues to protect gravesites from the effects of poor drainage and erosion.</p>	\$ 175,000
<p>East Tennessee Cemetery Committal Chapel Modification Funds will enclose the open air committal area to provide a climate-controlled gathering area.</p>	150,000
<p>West Tennessee Cemetery Addition to Administration Building Funds will provide for additional space to facilitate improved operation of the facility.</p>	210,000
<p>Middle Tennessee Cemetery Addition to Administration Building Funds will provide for additional space to facilitate improved operation of the facility. This project includes some minor site and utility upgrades.</p>	245,000
Sub-Total Veterans Affairs	\$ 780,000
Tennessee Board of Regents	
Objective: Expand and enhance facilities to students and faculty needs.	
<p>Maintenance Funds to repair, maintain, and update higher education institution facilities. See Capital Maintenance Project Maintenance Descriptions for additional details.</p>	\$ 30,780,000
University of Tennessee	
Objective: Expand and enhance facilities to students and faculty needs.	
<p>Maintenance Funds to repair, maintain, and update higher education institution facilities. See Capital Maintenance Project Maintenance Descriptions for additional details.</p>	\$ 23,920,000
Statewide Capital Maintenance	
Objective: Funds to repair, maintain, and update general government facilities.	
<p>Maintenance Funds to repair, maintain, and update general government facilities. See Capital Maintenance Project Maintenance Descriptions for additional details.</p>	\$ 23,677,500
Total Other Projects	\$ 128,047,500
Grand Total	\$ 198,047,500

Capital Maintenance Project Descriptions Fiscal Year 2011-2012

	Total Project Cost
I. Correction	
Objective: Provide safe and secure facilities to house inmates.	
South Central Correctional Center Heating System Replacement	\$ 9,750,000
Project will replace the underground heating loop system to provide hot water to the complex. Work will include replacing the current energy management system and various pumps and controls.	
Charles Bass Geothermal Conversion Planning	330,000
Funds are provided to study the feasibility and plan for the facility's conversion from a closed loop heating and cooling system to a geothermal system.	
Southeast Regional Geothermal Conversion Planning	330,000
Funds are provided to study the feasibility and plan for the facility's conversion from a closed loop heating and cooling system to a geothermal system.	
Upgrade Perimeter Security Phase 1	7,400,000
Project will replace existing perimeter shaker systems at Riverbend, West TN State Prison, Northeast Correctional Complex, Northwest Correctional Complex, and Turney Center.	
Mark Luttrell Correctional Center Infrastructure Upgrade	6,100,000
Project will replace current utility infrastructure by upgrading the domestic water system, removal of two steam boilers and three hot water boilers, address flooring replacement in the kitchen, upgrade the clinic space, and install stand-alone gas pack HVAC units to several buildings at the center.	
Various Facilities Upgrade Sallyports/Pedestrian Gates	2,700,000
Project will replace the security sallyports and pedestrian gates as needed at Riverbend, Turney Center, DeBerry Special Needs Facility, Southeast Regional Correctional Facility, and Northwest and Northeast Correctional Complexes.	
Various Facilities Upgrade Emergency Power Systems	5,000,000
Project will provide emergency power capabilities for essential services at Northwest Correctional Complex, West TN State Prison, Mark Luttrell Correctional Complex, Tennessee Prison for Women, Charles Bass Correctional Complex, and Southeast and Northeast Correctional Complexes.	
Various Facilities Fire Alarm System Upgrades Planning	220,000
Funds will provide for review and planning to replace the fire suppression systems at all Tennessee Department of Correction facilities.	
TN Correction Academy Infrastructure Upgrade Planning	650,000
Project will plan for the utility infrastructure needs at the campus, including conversion of the existing steam distribution heating and water air conditioning systems, storm water drainage system, sewer system and electrical distribution system updates, and kitchen equipment.	
Sub-Total Correction Maintenance	\$ 32,480,000

Capital Maintenance Project Descriptions Fiscal Year 2011-2012

	Total Project Cost
II. Tennessee Board of Regents	
Objective: Expand and enhance facilities to student and faculty needs.	
ETSU Accessibility and Code Corrections	\$ 1,500,000
Project will address code and safety issues at various buildings on campus. Work will include door replacements, step and entryway repairs, and ADA compliance repairs.	
TTC Roof Replacements Various Facilities	1,330,000
Project will replace roofs at the Newbern, Pulaski, Hartsville, Jackson, and Jacksboro technology centers.	
University of Memphis Various Facility Roof Replacements	5,600,000
Funds will provide for reroofing out of warranty buildings at campus facilities.	
Dyersburg State Community College Glover Building Roof Replacement	260,000
Project will replace the 1987 roof at the Glover building with a new warranted roofing system.	
Pellissippi State Community College Various Building Elevator Updates	150,000
Project will update operating systems, controls, and fixtures for elevators in the Alexander, Goins, and McWherter buildings.	
ETSU College of Medicine HVAC Corrections	1,500,000
Funds will upgrade and replace various HVAC systems and controls at buildings 1, 4, 35, and 60 on the College of Medicine campus.	
APSU Underground Electrical Update	1,350,000
Project provides additional funds for the phased replacement of the campus electrical distribution system.	
MTSU Physical Plant Updates	1,690,000
Project will update the campus central steam plant and boiler feedwater system infrastructure. Project will also provide for improved steam distribution capabilities.	
TSU Boswell Fume Hood Updates	2,500,000
Update systems and HVAC components to meet safety and code standards.	
TTU Several Building Upgrades	2,900,000
Project will update various building systems and education and general space for Brown, Henderson, Kittrell, Pennebaker, South, and T.J. Farr buildings.	
Tennessee Technology Centers Mechanical Systems Repairs Various Facilities	380,000
Project will be phased to upgrade mechanical systems at all TTCs within the TBR system. This allocation will be focused at the Nashville, Paris, Morristown, Memphis, McMinnville, and Covington facilities.	
Jackson State CC Classroom Building and Gym Plumbing Corrections	400,000
Funds will provide for plumbing system repairs and updates for the Administration Building, Gymnasium, and classroom building.	

Capital Maintenance Project Descriptions Fiscal Year 2011-2012

	Total Project Cost
<p>Southwest TN Community College Union Campus Mechanical System Updates Funds will provide for the replacement of mechanical systems and controls at buildings A, B, C, D, E, F, G, H, M, and P.</p>	1,020,000
<p>Motlow State Community College Underground Piping Replacement Project will replace existing underground chilled/hot water piping for the campus.</p>	310,000
<p>Cleveland State Community College HVAC and Controls Update Project will continue the campus-wide HVAC upgrade project to include the Career Education, Humanities, and Johnson buildings.</p>	490,000
<p>Volunteer State Community College Warf Building HVAC Replacement Funds will provide for the replacement of the HVAC and laboratory ventilation systems at the Warf Math and Sciences Building.</p>	600,000
<p>Columbia State Community College Library HVAC Updates Project will update the circa 1970 HVAC system at the library.</p>	560,000
<p>Roane State Community College Several Buildings HVAC Corrections Project will provide various HVAC systems and controls upgrades for the library, O'Brien Building, and a portion of the Dunbar Building.</p>	460,000
<p>Chattanooga State Community College Several Buildings Envelope Repairs Project will include exterior cleaning, brick repair, caulking, and sealing work at ten campus buildings.</p>	730,000
<p>Walters State Community College Greeneville Sewer Corrections Funds will replace the corroded water piping system with new sanitary sewer system components.</p>	740,000
<p>Northeast State Community College Auditorium Update Funds will provide for various updates of the student services auditorium, including replacement of seating, providing an ADA compliant stair lift system, improved acoustical treatments to the walls, and various controls updates.</p>	210,000
<p>ETSU HVAC System Repairs Funds will address HVAC repairs and updates to various campus buildings including Gilbreath, Burgin Dossett, Nave Center, and others.</p>	2,000,000
<p>ETSU College of Medicine Drainage Systems Improvements Project will make various repairs and replacements to downspouts and gutters at various College of Medicine campus buildings. Funds will also be used to address underground drainage issues as needed.</p>	850,000
<p>MTSU Domestic Water/Sewer System Updates Project will continue the ongoing campus repairs the sewer and domestic water systems.</p>	460,000
<p>ETSU College of Medicine Several Building Exterior Updates Project will address exterior deficiencies to include various window replacements, building entrance repairs, and exterior door replacements.</p>	1,500,000

Capital Maintenance Project Descriptions Fiscal Year 2011-2012

	Total Project Cost
<p>MTSU Several Buildings Envelope Repairs Funds will provide for various exterior repairs and address water infiltration issues of several campus buildings.</p>	1,290,000
Sub-Total Tennessee Board of Regents Maintenance	\$ 30,780,000
III. University of Tennessee	
Objective: Expand and enhance facilities to student and faculty needs.	
<p>UT Health Science Center Alexander Building Improvements Funds will provide for HVAC systems and controls upgrades, the replacement of exterior glass with energy efficient windows, and updating of ceilings and flooring.</p>	\$ 3,130,000
<p>UT Knoxville Electrical Distribution Improvements Phase 4 Funds for the fourth phase of a multi-phase project to upgrade campus electrical distribution capabilities. Phase 4 includes new duct banks, vaults, and switching from the intersection of Volunteer Boulevard and Pat Head Summit Drive to the electrical substation at the intersection of Chamique Holdsclaw Drive and Pat Head Summitt Drive.</p>	3,500,000
<p>UT Institute of Agriculture Veterinary Medicine Building Improvements Funds will provide various building upgrades including, HVAC systems and controls, various animal holding gates and pen repairs, and exterior lighting replacements.</p>	4,840,000
<p>UT Martin Campus Elevator Updates Project will repair campus elevator systems for various campus buildings.</p>	3,750,000
<p>UT Knoxville Utilities Infrastructure Study Funds will provide for review and planning of current and future electrical needs for both short-term and future campus needs.</p>	1,250,000
<p>UT Chattanooga Holt Hall Building Updates Funds will provide for various lighting, electrical, and HVAC improvements; and will replace exterior doors with card access security measures.</p>	7,450,000
Sub-Total University of Tennessee Maintenance	\$ 23,920,000
IV. Statewide Maintenance	
Objective: Funds to repair, maintain, and update general government facilities.	
Children's Services	
<p>Taft Youth Development Center Replace Main Sewer Line Funds will be used to replace the current deteriorating sewer line and connect the facility to the new waste water treatment plant being built as part of the Southeast Regional Correctional Facility.</p>	\$ 1,000,000
<p>Taft Youth Development Center Steam Line Repairs Funds will be used to replace approximately 700 linear feet of deteriorating underground steam line.</p>	750,000

Capital Maintenance Project Descriptions Fiscal Year 2011-2012

	Total Project Cost
<p>Various Facilities Telecommunications Infrastructure Updates Funding will be used to replace aging telecommunications infrastructure and wiring at Woodland Hills and New Visions youth development centers.</p>	250,000
<p>Wilder Youth Development Center Various Roof Replacements Funds will be used to replace roofs on eight campus buildings at the Wilder Youth Development Center.</p>	430,000
<p>Mountain View Youth Development Center Replace Security Lock System Project will replace the security locking mechanisms in the campus doors due to replacement locking systems no longer available to allow single-keyed access.</p>	280,000
<p>Wilder Youth Development Center Secure Unit Door Replacements Funds will be used to replace 17 locking systems in the secure unit.</p>	210,000
<p>Woodland Hills Youth Development Center Wooden Door Replacements Funds will be used to replace 165 wood doors with secure metal doors at the Woodland Hills YDC. Existing locking mechanisms will be re-used.</p>	200,000
<p>Mountain View Youth Development Center Warehouse Repairs Funds will be used to provide various repairs to the facility warehouse, including leveling the loading dock, replacing the roll-up doors, and addressing paving needs.</p>	240,000
Sub-Total Children's Services	\$ 3,360,000
Education	
<p>Camp Clements Code Upgrades Phase 1A Project will provide phased funding to address various code and safety issues at Camp Clements.</p>	\$ 950,000
<p>York Institute Campus Paving Repairs Funds to repave the main and athletic campuses and resurface the track.</p>	1,130,000
Sub-Total Education	\$ 2,080,000
Environment and Conservation	
<p>Harrison Bay State Park Marina Upgrades Project will provide upgrades to marina docks A, B, C, D, and E; these include roof repairs, replacement of flotation devices, anchorage systems, and utility upgrades. The main walkway, office, and restaurant will also be updated to address various code issues.</p>	\$ 3,740,000
<p>Paint Water Tanks - Edgar Evins and Fall Creek Falls State Parks Project will repaint and sanitize the drinking water tanks/reservoirs at Edgar Evins and Fall Creek Falls state parks.</p>	400,000
Sub-Total Environment and Conservation	\$ 4,140,000
Finance and Administration	
<p>Emergency Maintenance and Contingency Funds Funds to handle unforeseen and emergency situations that arise during the fiscal year.</p>	\$ 1,757,500

Capital Maintenance Project Descriptions Fiscal Year 2011-2012

	Total Project Cost
<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) \$700,000 General Government; (b) \$700,000 Tennessee Board of Regents system; and (c) \$700,000 University of Tennessee System.</p>	2,100,000
<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 System.</p>	1,500,000
<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>	1,000,000
<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>National Civil Rights Museum Maintenance Grant Grant to provide maintenance support to the National Civil Rights Museum in Memphis.</p>	300,000
<p>Sub-Total Finance and Administration</p>	\$ 7,457,500
<p>Human Services</p>	
<p>Tennessee Rehabilitation Center Reroof Buildings C, F, and T Funds will be used to replace leaking roofs on buildings C, F, and T. Roofs were installed in 1998 for buildings C and F, and T was installed in 1999. All roofs are out of warranty.</p>	\$ 870,000
<p>Sub-Total Human Services</p>	\$ 870,000
<p>Intellectual and Developmental Disabilities</p>	
<p>Clover Bottom Essential Maintenance Project includes repair of systems and infrastructure for buildings at Clover Bottom Developmental Center.</p>	\$ 1,000,000
<p>Arlington Facility Services Exterior Updates Project will replace or repair existing doors and storefronts, walkways, and exterior lighting; and update the loading dock.</p>	500,000
<p>Greene Valley Laundry Building Boiler Replacement Funds will be used to replace current boilers to provide heated water to the laundry and central services kitchen.</p>	300,000
<p>Sub-Total Intellectual and Developmental Disabilities</p>	\$ 1,800,000

Capital Maintenance Project Descriptions Fiscal Year 2011-2012

	Total Project Cost
Mental Health	
Lakeshore Mental Health Institute Reroof Central Services Building	\$ 490,000
Replace the existing roof on the Central Services Building. The roof is original to the building, circa 1975.	
Moccasin Bend Mental Health Institute Replace Main Building Flooring	400,000
Funds will be used to replace worn and outdated carpeting and flooring systems as needed.	
Sub-Total Mental Health	\$ 890,000
Military	
Johnson City Armed Forces Readiness Center Reroof and Facility Update	\$ 1,100,000
Funds will be used to reroof the armed forces readiness center, provide exterior and interior repairs, and update building finishes. Project includes \$550,000 federal National Guard Bureau funds.	
Trenton Readiness Center Reroof and Facility Update	660,000
Funds will be used to reroof the readiness center, provide exterior and interior repairs, and update building finishes. Project includes \$330,000 federal National Guard Bureau funds.	
Fayetteville Readiness Center Reroof and Facility Repairs	140,000
Funds will be used to reroof the readiness center and address other exterior building repairs. Project includes \$70,000 of federal National Guard Bureau funds.	
Rockwood Readiness Center HVAC and Controls Upgrade	1,180,000
Project will replace the facility HVAC infrastructure and controls with new systems and energy management controls throughout the facility. Project includes \$590,000 federal National Guard Bureau funds.	
Sub-Total Military	\$ 3,080,000
Total Statewide Maintenance	\$ 23,677,500
Grand Total Capital Maintenance	\$ 110,857,500

**Projected First-Year Operating Costs for New Facilities
Recommended as Projects for Fiscal Year 2011-2012**

	<u>COUNTY</u>	<u>TOTAL</u>	<u>UTILITIES</u>	<u>MAINTENANCE</u>	<u>PROGRAM*</u>	<u>ADDITIONAL PERSONNEL</u>
Correction						
Managed Cellular Access System	Davidson / Lake	\$ 120,000	\$ 120,000	\$ 0	\$ 0	\$ 0
Environment and Conservation						
Tims Ford State Park Campground Upgrades	Franklin	\$ 6,000	\$ 4,800	\$ 1,200	\$ 0	\$ 0
Veterans Affairs						
West TN Cemetery Addition to Administration Building	Shelby	\$ 4,000	\$ 3,000	\$ 1,000	\$ 0	\$ 0
Middle TN Cemetery Addition to Administration Building	Davidson	4,000	3,000	1,000	0	0
Sub-Total Veterans Affairs		\$ 8,000	\$ 6,000	\$ 2,000	\$ 0	\$ 0
Grand Total		\$ 134,000	\$ 130,800	\$ 3,200	\$ 0	\$ 0

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

Capital Budget

Commonly Used Abbreviations

AASF	Army Aviation Support Facility	RNOV	Renovation
ADA	Americans with Disabilities Act	RSCC	Roane State Community College
AFRC	Armed Forces Reserve Center	SP	State Park
APSU	Austin Peay State University	SRCF	Southeast Regional Correctional Facility
ARRA	American Recovery and Reinvestment Act	STCC	Southwest Tennessee Community College
BLDG	Building	SYS	System
CC	Community College	TBR	Tennessee Board of Regents
CCC	Civilian Conservation Corps	TDOT	Tennessee Department of Transportation
CHSCC	Chattanooga State Community College	TEMA	Tennessee Emergency Management Agency
CLSCC	Cleveland State Community College	THEC	Tennessee Higher Education Commission
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	TPS	Tennessee Preparatory School
DEMO	Demolition	TPW	Tennessee Prison for Women
DOC	Department of Correction	TRC	Tennessee Rehabilitation Center
DSCC	Dyersburg State Community College	TSU	Tennessee State University
EMS	Energy Management System	TTCs	Tennessee Technology Centers
ETSU	East Tennessee State University	TTU	Tennessee Technological University
HVAC	Heating, Ventilation, & Air Conditioning	TWRA	Tennessee Wildlife Resources Agency
INFO	Information	UNIV	University
IT	Information Technology	UoM	University of Memphis
JSCC	Jackson State Community College	UTHSC	University of Tennessee Health Science Center
MHI	Mental Health Institute	UTC	University of Tennessee Chattanooga
MSCC	Motlow State Community College	UTIA	University of Tennessee Institute of Agriculture
MTSU	Middle Tennessee State University	UTK	University of Tennessee Knoxville
NESCC	Northeast State Community College	UTM	University of Tennessee Martin
NGB	National Guard Bureau	UT	University of Tennessee
NASCC	Nashville State Community College	VSCC	Volunteer State Community College
OSHA	Occupational Safety & Health Administration	WSCC	Walters State Community College
PSCC	Pellissippi State Community College	WTSP	West Tennessee State Penitentiary
RC	Readiness Center	YDC	Youth Development Center
REROOF	Replacement Roof		

Facilities Revolving Fund

Recommended Budget, Fiscal Year 2011-2012

The State Office Buildings and Support Facilities Revolving Fund (FRF) was established in 1988 to provide efficient management of the state office and warehousing facilities. State agencies are charged a fair market rate for the space they occupy. These revenues, along with any necessary current services revenue and reserve funds, constitute the operating funds for FRF.

The fund pays for facilities management costs of state-owned and leased office and warehouse space. These costs include debt service on buildings financed with bonds, routine and major maintenance, relocation expenses and furniture for state agencies, and payments for leased office space not

owned by the state but occupied by state agencies.

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

	<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</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	54,502,400	59,796,600	59,596,500
Total	\$54,502,400	\$59,796,600	\$59,596,500
State	7,517,200	7,517,200	7,517,200
Federal	0	0	0
Other	46,985,200	52,279,400	52,079,300

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	489,500	1,700,000	2,400,000
Total	\$489,500	\$1,700,000	\$2,400,000
State	0	0	0
Federal	0	0	0
Other	489,500	1,700,000	2,400,000

	<u>Actual</u> <u>2009-10</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</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	50,588,900	55,718,300	55,718,300
Total	\$50,588,900	\$55,718,300	\$55,718,300
State	0	5,547,600	5,547,600
Federal	0	0	0
Other	50,588,900	50,170,700	50,170,700

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	15,712,000	6,500,000	6,760,000
Total	\$15,712,000	\$6,500,000	\$6,760,000
State	0	0	0
Federal	0	0	0
Other	15,712,000	6,500,000	6,760,000

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	24,761,800	23,500,000	27,800,000
Total	\$24,761,800	\$23,500,000	\$27,800,000
State	0	0	0
Federal	0	0	0
Other	24,761,800	23,500,000	27,800,000

501.00 Total Facilities Revolving Fund

Payroll	0	0	0
Operational	146,054,600	147,214,900	152,274,800
Total	\$146,054,600	\$147,214,900	\$152,274,800
State	7,517,200	13,064,800	13,064,800
Federal	0	0	0
Other	138,537,400	134,150,100	139,210,000

**Facilities Revolving Fund
Proposed Capital Appropriations from Bonds and Current Funds
Fiscal Year 2011-2012**

	<u>COUNTY</u>	<u>TOTAL</u>	<u>FRF CURRENT</u>	<u>BONDS</u>	<u>OTHER *</u>
Capital Improvements:					
Motor Vehicle Management Relocation	Davidson	\$ 3,650,000	\$ 0	\$ 3,000,000	\$ 650,000
Citizens Plaza Renovation Phase 4	Davidson	1,500,000	400,000	1,100,000	0
Total Capital Improvements		\$ 5,150,000	\$ 400,000	\$ 4,100,000	\$ 650,000
Capital Maintenance:					
Capital Maintenance Contingency	Statewide	\$ 2,030,000	\$ 2,030,000	\$ 0	\$ 0
Old Data Center Building Systems Updates Phase 1	Davidson	2,400,000	200,000	2,200,000	0
South Central Regional Health Office Parking and Walkways Repair	Maury	350,000	350,000	0	0
Cordell Hull Bldg. Modernize Passenger Elevators	Davidson	1,670,000	70,000	1,600,000	0
R.S. Gass Bldg. Reroof & Exterior Updates	Davidson	950,000	0	0	950,000
James R. Mapp State Office Bldg. Structural Repair	Hamilton	350,000	0	0	350,000
TN Prep. School Campus Fire Alarm Upgrade	Davidson	970,000	0	0	970,000
John Sevier Building Modernize 3 Passenger Elevators	Davidson	600,000	0	0	600,000
Donnelley J. Hill Building Elevator Renovation	Shelby	190,000	0	0	190,000
Sub-Total Capital Maintenance		\$ 9,510,000	\$ 2,650,000	\$ 3,800,000	\$ 3,060,000
Capital Maintenance - Energy Funds:					
R.S. Gass Bldg. Mechanical Systems Update Phase 3	Davidson	\$ 5,300,000	\$ 0	\$ 0	\$ 5,300,000
Chattanooga State Office Bldg. Mechanical Systems Update	Hamilton	1,970,000	0	0	1,970,000
Cordell Hull Building Energy Management System Upgrade	Davidson	260,000	0	0	260,000
Donnelley J. Hill Building Boiler Replacement	Shelby	370,000	0	0	370,000
SWTN Regional Health Building Chiller Replacement	Madison	220,000	0	0	220,000
Knoxville State Plaza HVAC Upgrades	Knox	200,000	0	0	200,000
Ellington Center Holeman Bldg. Window Replacement	Davidson	170,000	0	0	170,000
Donnelley J. Hill Building Lighting Controls Upgrade	Shelby	170,000	0	0	170,000
Sub-Total Capital Maintenance - Energy Funds		\$ 8,660,000	\$ 0	\$ 0	\$ 8,660,000
Total Capital Maintenance		\$ 18,170,000	\$ 2,650,000	\$ 3,800,000	\$ 11,720,000
Grand Total		\$ 23,320,000	\$ 3,050,000	\$ 7,900,000	\$ 12,370,000

* Other - FRF Reserves

**Facilities Revolving Fund
Proposed Project Descriptions
Fiscal Year 2011-2012**

Objective: Provide efficient management of state facilities.

	<u>Total Project Cost</u>
Capital Improvements:	
Motor Vehicle Management Relocation	\$ 3,650,000
Project will continue renovations of the Piedmont Natural Gas Building and outbuildings to relocate the Motor Vehicle Management operations from Charlotte Avenue. Project will include secured parking for fleet and employee vehicle drop-off.	
Citizens Plaza Renovation Phase 4	1,500,000
Funds will be used to renovate one additional floor at Citizens Plaza State Office Building.	
Total Capital Improvements	<u>\$ 5,150,000</u>
Capital Maintenance:	
Capital Maintenance Contingency	\$ 2,030,000
Funds will be used to handle unforeseen and emergency situations that arise during the fiscal year.	
Old Data Center Building Systems Updates Phase 1	2,400,000
Funds will be used to replace the existing sprinkler and alarm systems and address power distribution needs to the facility to meet current industry standards.	
South Central Regional Health Office Parking and Walkways Repair	350,000
Funds will be used to repair parking and walkways and address drainage and flooding issues in the parking area.	
Cordell Hull Building Modernize Passenger Elevators	1,670,000
Funds will be used to upgrade elevator mechanical systems, controls, and finishes.	
R.S. Gass Building Reroof and Exterior Updates	950,000
Funds will be used to replace the roof and address various exterior sealing issues to prevent water intrusion.	
James R. Mapp State Office Building Structural Repair	350,000
Funds will be used to provide stabilization to building walls and parking areas due to settlement and erosion.	
Tennessee Preparatory School Campus Fire Alarm Upgrade	970,000
Funds will be used to upgrade the current emergency warning notification and sprinkler system at the campus.	
John Sevier Building Modernize Three Passenger Elevators	600,000
Funds will be used to replace the elevator mechanical systems and controls for the building elevators.	
Donnelley J. Hill Building Elevator Renovation	190,000
Funds will be used to replace the existing elevator finishes to bring them in line with current fire code requirements.	
Sub-Total Capital Maintenance	<u>\$ 9,510,000</u>

**Facilities Revolving Fund
Proposed Project Descriptions
Fiscal Year 2011-2012**

Capital Maintenance - Energy Funds:

R.S. Gass Building Mechanical Systems Update Phase 3 \$ 5,300,000

Project will replace the hot water equipment and boiler system, which is required to maintain proper temperatures for medical certifications.

Chattanooga State Office Building Mechanical Systems Update 1,970,000

Funds will be used to replace current HVAC cooling tower, steam boilers, pumps, motors, etc. with new energy efficient building systems.

Cordell Hull Building Energy Management System Upgrade 260,000

Funding will be used to replace the building energy management system and controls.

Donnelley J. Hill Building Boiler Replacement 370,000

Funds will be used to replace the current boiler to provide adequate heat and hot water to the building.

SWTN Regional Health Building Chiller Replacement 220,000

Funds will be used to replace chiller to properly maintain lab temperatures for certification.

Knoxville State Plaza HVAC Upgrades 200,000

Funds will be used to replace the rooftop HVAC units for the building.

Ellington Center Holeman Building Window Replacement 170,000

Funds will be used to replace the single-paned windows with energy efficient window systems.

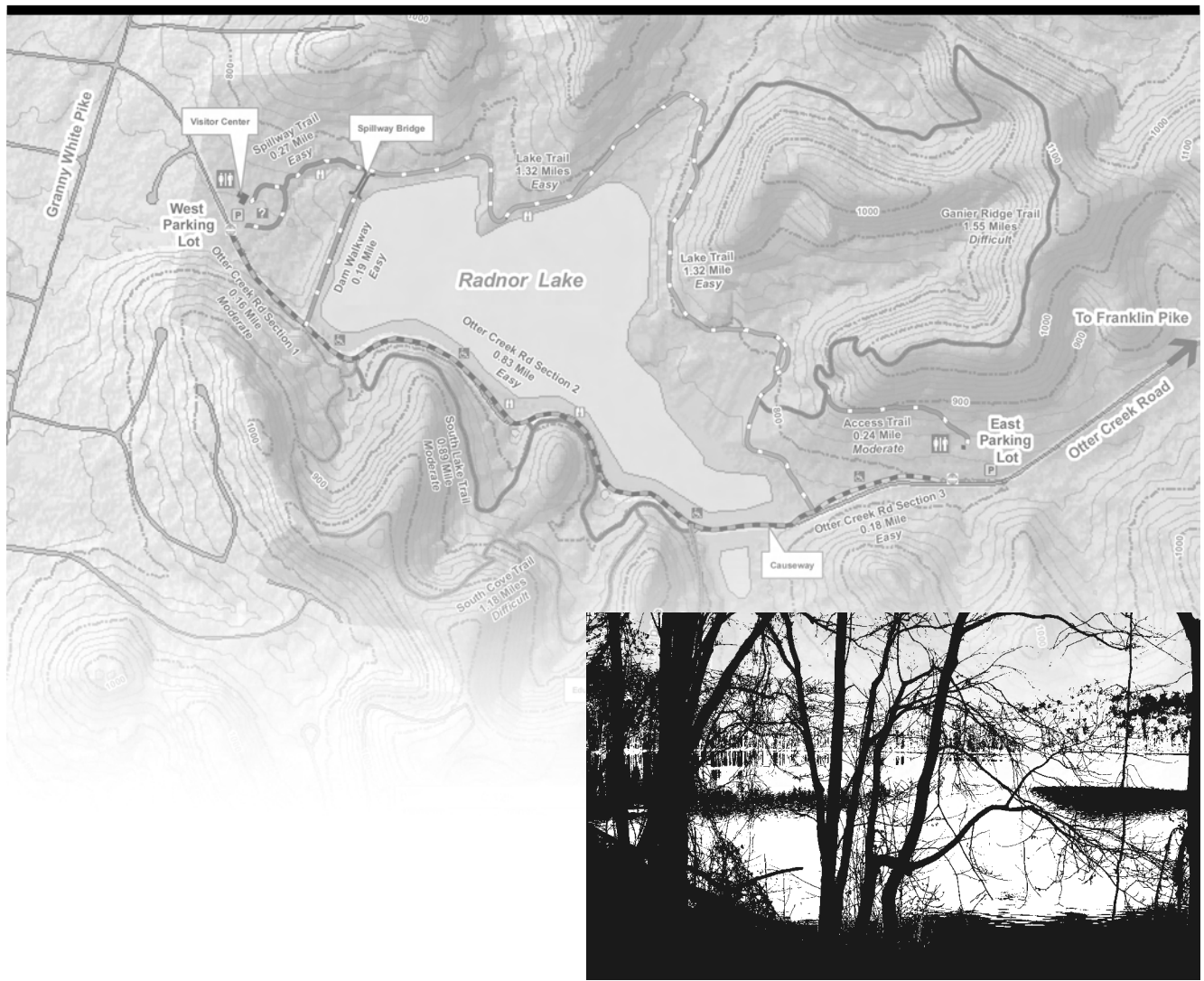
Donnelley J. Hill Building Lighting Controls Upgrade 170,000

Funds will provide for upgrades to the existing lighting system and controls.

Sub-Total Capital Maintenance - Energy Funds \$ 8,660,000

Total Capital Maintenance \$ 18,170,000

Grand Total \$ 23,320,000



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 2009-2010, 2010-2011, and 2011-2012

	Actual 2009-2010	Estimated 2010-2011	Recommended 2011-2012
General Fund and Education Fund			
301.00 Legislature	\$ 34,859,000	\$ 37,119,300	\$ 39,076,500
301.50 Fiscal Review Committee	1,222,300	1,240,500	1,334,500
302.00 Court System	108,841,300	106,306,500	109,833,300
303.00 Attorney General and Reporter	18,535,000	21,307,000	21,310,300
304.00 District Attorneys General Conference	66,107,400	68,471,700	69,441,700
305.00 Secretary of State	23,774,300	27,665,700	27,175,100
306.00 District Public Defenders Conference	36,944,400	40,416,800	40,997,600
307.00 Comptroller of the Treasury	64,465,000	68,176,600	69,749,600
308.00 Office of the Post-Conviction Defender	1,829,200	1,999,700	2,023,100
309.00 Treasury Department	752,100	15,811,800	1,061,800
315.00 Executive Department	3,901,300	5,089,400	5,030,200
316.00 Commissions	25,075,300	26,489,500	25,395,800
317.00 Finance and Administration	13,055,600	30,180,200	16,638,600
318.00 Fin. and Admin., Bureau of TennCare	1,632,337,800	1,830,693,300	2,297,294,900
319.00 Human Resources	1,941,400	4,487,100	4,487,100
321.00 General Services	6,069,900	2,539,200	2,461,200
323.00 Veterans Affairs	4,007,400	4,735,400	4,697,000
324.00 Board of Probation and Parole	75,865,600	82,236,600	83,124,900
325.00 Agriculture	35,401,400	47,077,300	39,217,200
326.00 Tourist Development	11,188,200	12,574,800	12,417,300
327.00 Environment and Conservation	78,392,800	92,037,400	87,362,200
328.00 Tennessee Wildlife Resources Agency	-	1,500,000	-
329.00 Correction	557,647,300	698,948,900	683,954,400
330.00 Economic and Community Development	44,527,000	145,554,300	46,565,700
331.00 Education (K-12)	3,646,759,100	3,629,243,000	4,079,009,900
332.00 Higher Education	1,188,181,100	1,358,487,900	1,109,331,000
335.00 Commerce and Insurance	17,785,100	19,160,900	19,272,100
337.00 Labor and Workforce Development	22,915,300	25,992,000	28,216,200
339.00 Mental Health	173,599,500	183,413,000	179,154,600
341.00 Military	11,771,600	12,767,000	10,509,000
343.00 Health	112,723,700	124,991,000	129,355,700
344.00 Intellectual and Developmental Disabilities	61,571,100	30,653,600	28,109,200
345.00 Human Services	136,071,000	176,863,400	175,449,200
347.00 Revenue	63,644,800	72,343,800	73,003,000
348.00 Tennessee Bureau of Investigation	29,504,500	29,841,100	29,709,300
349.00 Safety	98,909,300	157,369,900	117,101,100
350.00 Cover Tennessee Health Care Programs	82,579,700	96,416,000	103,596,900
351.00 Miscellaneous Appropriations	31,797,800	67,183,000	105,028,300
353.00 Emergency and Contingency Fund	-	819,300	819,300
355.00 State Building Commission	56,500	275,000	250,000
359.00 Children's Services	310,272,400	320,270,600	315,519,300
Sub-Total General Fund and Education Fund	\$ 8,834,883,500	\$ 9,678,749,500	\$ 10,194,084,100
Transportation *	871,073,600	703,500,000	712,800,000
Debt Service Requirements	416,369,900	393,523,000	405,214,000
Capital Outlay Program *	413,659,000	291,700,000	45,000,000
Facilities Revolving Fund	7,517,200	13,064,800	13,064,800
Cities and Counties - State Shared Taxes	810,953,300	832,200,000	858,400,000
Grand Total State Taxpayers Budget	\$ 11,354,456,500	\$ 11,912,737,300	\$ 12,228,562,900
Dedicated Tax Sources - Appropriation	615,703,400	1,005,294,400	1,147,936,500
Grand Total State Appropriation - Budget Document	\$ 11,970,159,900	\$ 12,918,031,700	\$ 13,376,499,400

* FY 2009-2010 - 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 2009-2010, 2010-2011, and 2011-2012**

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Recommended 2011-2012</u>
302.00 Court System	\$ 8,847,800	\$ 9,602,500	\$ 9,602,500
303.00 Attorney General and Reporter	2,462,400	2,462,400	2,462,400
307.00 Comptroller of the Treasury	9,095,500	15,439,700	15,439,700
309.00 Treasury Department	-	231,800	463,500
313.00 Claims and Compensation	8,846,400	10,500,000	10,500,000
316.11 Tennessee Regulatory Authority	6,376,200	8,074,000	7,256,300
316.25 Arts Commission	4,017,200	3,897,200	4,347,200
316.27 State Museum	20,000	20,000	20,000
317.00 Finance and Administration	2,505,700	2,990,400	2,990,400
318.00 TennCare	-	321,293,300	449,800,000
324.00 Board of Probation and Parole	4,568,800	5,730,400	5,730,400
325.00 Agriculture	21,627,800	21,879,400	29,486,900
327.00 Environment and Conservation	64,802,800	79,740,700	78,488,700
328.00 Tennessee Wildlife Resources Agency	39,727,100	45,495,100	48,088,700
329.00 Correction	86,100	86,300	86,300
331.00 Education (K-12)	14,448,200	15,628,800	15,128,800
332.00 Higher Education	292,925,500	295,700,000	298,200,000
335.00 Commerce and Insurance	65,146,600	77,324,500	80,995,300
336.00 Financial Institutions	5,652,200	8,634,300	8,531,600
337.00 Labor and Workforce Development	9,107,900	16,862,000	16,168,700
339.00 Mental Health	4,000,900	6,534,700	6,534,700
343.00 Health	35,835,300	38,430,400	38,877,900
347.00 Revenue	12,607,600	10,576,300	10,576,300
348.00 Tennessee Bureau of Investigation	1,455,100	5,761,900	5,761,900
349.00 Safety	504,000	798,600	798,600
359.00 Children's Services	1,036,300	1,599,700	1,599,700
Total Appropriations from Dedicated Sources	\$ 615,703,400	\$ 1,005,294,400	\$ 1,147,936,500

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2009-2010, 2010-2011, and 2011-2012

Program	Actual 2009-2010	Estimated 2010-2011	Recommended 2011-2012
Legislature			
301.01 Legislative Administration Services	\$ 3,326,200	\$ 4,089,300	\$ 4,403,200
301.07 House of Representatives	16,155,400	16,234,400	16,963,500
301.08 State Senate	7,985,700	8,755,000	9,245,900
301.13 General Assembly Committees	607,700	769,800	830,700
301.16 General Assembly Support Services	6,755,400	7,207,500	7,564,300
301.17 Tennessee Code Commission	28,600	63,300	68,900
Sub-Total - Legislature	\$ 34,859,000	\$ 37,119,300	\$ 39,076,500
301.50 Fiscal Review Committee	\$ 1,222,300	\$ 1,240,500	\$ 1,334,500
Court System			
302.01 Appellate and Trial Courts	\$ 56,199,500	\$ 55,867,900	\$ 56,444,700
302.05 Supreme Court Buildings	2,550,900	2,626,300	2,626,300
302.08 Child Support Referees	659,700	750,800	750,800
302.09 Guardian Ad Litem	5,576,200	5,047,500	6,047,500
302.10 Indigent Defendants' Counsel	29,018,000	29,463,000	31,463,000
302.12 Verbatim Transcripts	4,016,500	3,987,500	3,987,500
302.15 Tennessee State Law Libraries	105,400	74,500	74,500
302.16 Council of Juvenile and Family Court Judges	77,900	78,700	78,700
302.18 Judicial Conference	137,100	222,600	222,600
302.20 Judicial Programs and Commissions	392,200	429,900	429,900
302.27 Administrative Office of the Courts	9,862,400	7,258,400	7,208,400
302.30 Appellate Court Clerks	245,500	499,400	499,400
Sub-Total - Court System	\$ 108,841,300	\$ 106,306,500	\$ 109,833,300
Attorney General and Reporter			
303.01 Attorney General and Reporter	\$ 18,191,300	\$ 20,855,200	\$ 20,858,500
303.05 Publication of Tennessee Reports	134,800	162,100	162,100
303.08 Special Litigation	208,900	289,700	289,700
Sub-Total - Attorney General and Reporter	\$ 18,535,000	\$ 21,307,000	\$ 21,310,300
District Attorneys General Conference			
304.01 District Attorneys General	\$ 64,602,400	\$ 66,461,400	\$ 67,415,400
304.05 District Attorneys General Conference	194,600	435,500	435,500
304.10 Executive Director	1,310,400	1,574,800	1,590,800
Sub-Total - District Attorneys General Conference	\$ 66,107,400	\$ 68,471,700	\$ 69,441,700
Secretary of State			
305.01 Secretary of State	\$ 7,134,600	\$ 8,691,800	\$ 8,496,000
305.02 State Election Commission	1,630,500	1,584,000	1,584,000
305.03 Public Documents	341,000	396,300	396,300
305.04 State Library and Archives	6,897,100	8,688,100	8,356,300
305.05 Regional Library System	7,138,200	7,528,100	7,528,100
305.07 Bureau of Ethics and Campaign Finance	458,300	593,200	593,200
305.08 Economic Council on Women	174,600	166,800	203,800
305.09 Charitable Solicitations and Charitable Gaming	-	17,400	17,400
Sub-Total - Secretary of State	\$ 23,774,300	\$ 27,665,700	\$ 27,175,100

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2009-2010, 2010-2011, and 2011-2012

Program	Actual 2009-2010	Estimated 2010-2011	Recommended 2011-2012
District Public Defenders Conference			
306.01 District Public Defenders	\$ 31,139,300	\$ 34,183,700	\$ 34,764,500
306.03 Executive Director	1,239,500	1,538,500	1,538,500
306.10 Shelby County Public Defender	3,020,700	3,106,100	3,106,100
306.12 Davidson County Public Defender	1,544,900	1,588,500	1,588,500
Sub-Total - District Public Defenders Conference	\$ 36,944,400	\$ 40,416,800	\$ 40,997,600
Comptroller of the Treasury			
307.01 Division of Administration	\$ 1,477,700	\$ 1,644,400	\$ 1,644,400
307.02 Office of Management Services	9,777,000	9,990,500	9,990,500
307.03 Capitol Print Shop	250,000	-	-
307.04 Division of State Audit	9,540,200	11,749,700	11,749,700
307.05 Division of County Audit	6,941,500	7,536,900	7,536,900
307.06 Division of Municipal Audit	1,606,700	1,926,300	1,926,300
307.07 Office of State and Local Finance	676,600	722,600	795,600
307.08 Office of Local Government	999,900	1,072,500	1,072,500
307.09 Division of Property Assessments	6,858,200	7,129,300	7,129,300
307.10 Tax Relief	22,737,300	24,100,000	25,600,000
307.11 State Board of Equalization	2,350,100	888,600	888,600
307.14 Offices of Research and Education Accountability	1,249,800	1,415,800	1,415,800
Sub-Total - Comptroller of the Treasury	\$ 64,465,000	\$ 68,176,600	\$ 69,749,600
308.00 Office of the Post-Conviction Defender	\$ 1,829,200	\$ 1,999,700	\$ 2,023,100
Treasury Department			
309.01 Treasury Department	\$ 264,600	\$ 404,500	\$ 404,500
309.02 Certified Public Administrators	487,500	407,300	407,300
309.03 Baccalaureate Education System Trust	-	15,000,000	250,000
Sub-Total - Treasury Department	\$ 752,100	\$ 15,811,800	\$ 1,061,800
Executive Department			
315.01 Governor's Office	\$ 3,901,300	\$ 4,689,400	\$ 5,030,200
315.04 Gubernatorial Transition Office	-	400,000	-
Sub-Total - Executive Department	\$ 3,901,300	\$ 5,089,400	\$ 5,030,200
Commissions			
316.01 Commission on Children and Youth	\$ 2,034,200	\$ 2,169,900	\$ 2,072,300
316.02 Commission on Aging and Disability	13,969,500	14,038,100	13,314,500
316.03 Alcoholic Beverage Commission	-	385,800	374,200
316.04 Human Rights Commission	1,591,100	1,594,100	1,682,100
316.07 Health Services and Development Agency	1,029,000	1,145,700	1,132,600
316.09 Corrections Institute	885,800	898,200	888,700
316.12 Advisory Commission on Intergovernmental Relations	-	242,000	234,700
316.20 Tennessee Housing Development Agency	-	-	-
316.25 Arts Commission	2,155,700	2,293,500	2,008,600
316.27 State Museum	3,410,000	3,722,200	3,688,100
Sub-Total - Commissions	\$ 25,075,300	\$ 26,489,500	\$ 25,395,800

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2009-2010, 2010-2011, and 2011-2012

Program	Actual 2009-2010	Estimated 2010-2011	Recommended 2011-2012
Finance and Administration			
317.01 Division of Administration	\$ 1,178,400	\$ 1,715,100	\$ 1,381,100
317.02 Division of Budget	2,947,800	3,462,000	3,423,800
317.06 Criminal Justice Programs	3,361,900	5,594,000	5,408,500
317.07 Resource Development and Support	1,447,900	1,746,900	1,569,500
317.10 Real Property Administration	2,796,300	3,059,700	3,562,800
317.11 Volunteer Tennessee	204,300	241,800	241,800
317.15 State Health Planning Division	614,100	618,400	597,800
317.18 Shared Services Solutions	59,800	-	-
317.19 Electronic Health Initiative	445,100	13,742,300	453,300
Sub-Total - Finance and Administration	\$ 13,055,600	\$ 30,180,200	\$ 16,638,600
TennCare			
318.65 TennCare Administration	\$ 99,189,400	\$ 96,926,400	\$ 94,095,800
318.66 TennCare Medical Services	1,050,160,600	1,231,323,500	1,631,328,500
318.70 Supplemental Payments	89,854,100	25,822,500	4,628,300
318.71 Intellectual Disabilities Services	228,591,300	248,068,700	291,544,700
318.72 Medicare Services	164,065,200	227,941,600	275,697,600
318.80 Governor's Office of Children's Care Coordination	477,200	610,600	-
Sub-Total - TennCare	\$ 1,632,337,800	\$ 1,830,693,300	\$ 2,297,294,900
Human Resources			
319.01 Executive Administration	\$ 1,085,100	\$ 1,782,800	\$ 1,853,200
319.02 Human Resource Development	542,200	848,500	802,500
319.03 Technical Services	314,100	1,855,800	1,831,400
Sub-Total - Human Resources	\$ 1,941,400	\$ 4,487,100	\$ 4,487,100
General Services			
321.01 Administration	\$ 231,400	\$ 498,500	\$ 420,500
321.06 Motor Vehicle Management	4,096,400	-	-
321.07 Property Management	1,184,200	1,741,000	1,741,000
321.09 Printing and Media Services	39,600	299,700	299,700
321.18 Warehousing and Distribution	518,300	-	-
Sub-Total - General Services	\$ 6,069,900	\$ 2,539,200	\$ 2,461,200
323.00 Veterans Affairs	\$ 4,007,400	\$ 4,735,400	\$ 4,697,000
Board of Probation and Parole			
324.02 Probation and Parole Services	\$ 63,646,600	\$ 68,262,600	\$ 69,450,900
324.04 Community Corrections	12,219,000	13,974,000	13,674,000
Sub-Total - Board of Probation and Parole	\$ 75,865,600	\$ 82,236,600	\$ 83,124,900

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2009-2010, 2010-2011, and 2011-2012

Program	Actual 2009-2010	Estimated 2010-2011	Recommended 2011-2012
Agriculture			
325.01 Administration and Grants	\$ 4,468,800	\$ 5,288,400	\$ 4,688,800
325.05 Regulatory Services	7,143,800	8,588,900	8,306,300
325.06 Market Development	2,247,800	8,381,900	2,036,700
325.08 Agricultural Resources Conservation Fund	2,250,000	937,500	937,500
325.10 Forestry Operations	19,153,000	23,722,100	23,090,700
325.11 Forestry Maintenance	138,000	158,500	157,200
Sub-Total - Agriculture	\$ 35,401,400	\$ 47,077,300	\$ 39,217,200
Tourist Development			
326.01 Administration and Marketing	\$ 9,794,700	\$ 11,074,800	\$ 10,917,300
326.03 Welcome Centers	1,393,500	1,500,000	1,500,000
Sub-Total - Tourist Development	\$ 11,188,200	\$ 12,574,800	\$ 12,417,300
Environment and Conservation			
327.01 Administrative Services	\$ 5,430,700	\$ 6,296,500	\$ 5,689,500
327.03 Recreation Educational Services	995,900	774,000	774,000
327.04 Historical Commission	1,778,400	2,366,100	2,186,100
327.08 Archaeology	590,500	787,800	787,800
327.11 Geology	888,500	463,000	463,000
327.12 Tennessee State Parks	42,206,200	40,890,800	40,824,800
327.14 Natural Areas	557,400	494,100	494,100
327.15 State Parks Maintenance	2,046,700	2,214,100	2,214,100
327.18 Maintenance of Historic Sites	68,300	285,000	285,000
327.19 Local Parks Acquisition Fund	-	3,718,700	3,718,700
327.20 State Lands Acquisition Fund	-	3,112,500	3,087,500
327.24 West Tennessee River Basin Authority Maintenance	409,900	1,215,400	1,215,400
327.26 West Tennessee River Basin Authority	994,500	1,125,900	1,025,900
327.30 Environment Administration	1,582,000	1,461,000	1,349,700
327.31 Air Pollution Control	1,235,900	1,174,400	1,174,400
327.32 Radiological Health	530,200	605,100	605,100
327.33 Clean Water and Drinking Water State Revolving Fund	3,448,300	8,935,400	5,985,400
327.34 Water Pollution Control	7,999,200	9,284,500	9,214,500
327.35 Solid Waste Management	2,309,100	1,898,000	1,825,200
327.38 Hazardous Waste Remedial Action Fund	277,900	1,000,000	1,000,000
327.39 Water Supply	794,700	987,300	987,300
327.40 Groundwater Protection	3,668,800	2,387,700	1,894,600
327.44 Fleming Training Center	25,800	-	-
327.45 Office of Environmental Assistance	553,900	518,100	518,100
327.50 Tennessee Heritage Conservation Trust Fund	-	-	-
327.51 Conservation Compensation Fund	-	42,000	42,000
Sub-Total - Environment and Conservation	\$ 78,392,800	\$ 92,037,400	\$ 87,362,200
Tennessee Wildlife Resources Agency			
328.01 Wildlife Resources Agency	\$ -	\$ 1,500,000	\$ -

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2009-2010, 2010-2011, and 2011-2012

Program	Actual 2009-2010	Estimated 2010-2011	Recommended 2011-2012
Correction			
329.01 Administration	\$ 15,334,100	\$ 16,267,700	\$ 15,300,500
329.04 State Prosecutions	105,830,400	129,996,300	116,852,800
329.06 Correction Academy	4,556,800	5,234,000	5,025,600
329.13 Tennessee Prison for Women	21,565,400	22,034,000	22,032,700
329.14 Turney Center Industrial Complex	32,984,800	36,991,200	36,825,100
329.16 Mark Luttrell Correctional Facility	13,070,100	13,681,300	13,549,600
329.17 Charles B. Bass Correctional Complex	27,428,800	28,220,900	27,895,200
329.18 Southeastern Tennessee State Regional Correctional Facility	20,629,900	23,335,900	24,613,000
329.21 Hardeman County Incarceration Agreement	36,453,200	38,038,400	39,344,000
329.22 Hardeman County Agreement - Whiteville	216,000	28,727,000	31,112,800
329.28 Correction Release Centers	-	1,368,800	1,918,800
329.32 Major Maintenance	4,140,600	11,154,000	5,629,800
329.41 West Tennessee State Penitentiary	49,629,200	55,727,700	55,755,400
329.42 Riverbend Maximum Security Institution	23,479,900	25,169,200	25,448,000
329.43 Northeast Correctional Complex	36,709,000	39,836,400	39,631,900
329.44 South Central Correctional Center	25,427,700	27,077,200	27,874,600
329.45 Northwest Correctional Complex	46,019,000	49,461,100	49,660,100
329.46 Lois M. DeBerry Special Needs Facility	41,037,600	38,087,500	38,112,000
329.47 Morgan County Correctional Complex	52,799,800	58,927,800	58,919,100
329.50 Sex Offender Treatment Program	335,000	57,300	357,300
329.99 Sentencing Act of 1985	-	49,555,200	48,096,100
Sub-Total - Correction	\$ 557,647,300	\$ 698,948,900	\$ 683,954,400
Economic and Community Development			
330.01 Administrative Services	\$ 5,273,000	\$ 5,746,400	\$ 5,147,900
330.02 Business Development	10,854,100	31,916,800	4,205,800
330.04 Regional Grants Management	2,299,700	996,600	918,300
330.05 Business Services	212,900	257,900	257,900
330.06 FastTrack Infrastructure and Job Training Assistance	18,918,600	99,765,500	26,801,900
330.07 Community Development	5,220,300	5,336,200	5,199,000
330.08 Energy Division	278,000	34,800	34,800
330.15 Economic Development District Grants	1,470,400	1,500,100	1,500,100
330.17 Film and Television Incentive Fund	-	-	2,500,000
Sub-Total - Economic and Community Development	\$ 44,527,000	\$ 145,554,300	\$ 46,565,700
Education (K-12)			
331.01 Administration	\$ 6,991,100	\$ 7,592,600	\$ 6,789,200
331.02 Grants-In-Aid	400,000	1,850,000	4,165,100
331.03 ESEA No Child Left Behind	32,900	470,000	470,000
331.04 Technology, Infrastructure, and Support Systems	2,397,100	2,607,700	2,607,700
331.05 Training and Professional Development	5,200	1,715,800	4,547,800
331.06 Curriculum and Instruction	3,884,200	5,872,500	6,096,200
331.07 State Board of Education	663,900	841,900	838,900
331.09 Improving Schools Program	847,800	550,400	20,391,600

State Taxpayers Budget
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Fiscal Years 2009-2010, 2010-2011, and 2011-2012

Program	Actual 2009-2010	Estimated 2010-2011	Recommended 2011-2012
331.10 Career Ladder	38,766,300	35,500,000	50,500,000
331.11 Accountability and Assessment	24,690,800	28,320,200	33,995,200
331.19 After-School Programs Special Account	-	-	-
331.22 Governor's Books from Birth Fund	3,444,100	3,104,100	3,444,100
331.25 Basic Education Program	3,432,843,500	3,395,811,800	3,798,619,100
331.32 Early Childhood Education	80,282,600	86,352,900	90,545,100
331.34 Energy Efficient Schools Initiative	-	-	-
331.35 School Nutrition Program	4,660,900	4,806,700	4,806,700
331.36 Special Education Services	459,700	645,900	645,900
331.43 Driver Education	-	-	-
331.45 Career and Technical Education Programs	3,609,400	3,938,000	3,938,000
331.50 Race to the Top	-	-	-
331.90 Alvin C. York Institute	5,396,400	5,590,700	5,480,200
331.91 Tennessee School for the Blind	10,349,500	10,795,700	10,632,900
331.92 Tennessee School for the Deaf	14,124,900	14,408,800	14,966,600
331.93 West Tennessee School for the Deaf	2,145,100	2,537,600	2,536,300
331.95 Tennessee Early Intervention Services	8,721,600	14,101,600	12,754,200
331.96 Governor's Institute for Science and Math	1,956,300	1,589,000	-
331.97 Major Maintenance	85,800	239,100	239,100
Sub-Total - Education (K-12)	\$ 3,646,759,100	\$ 3,629,243,000	\$ 4,079,009,900
Higher Education - State Administered Programs			
332.01 Tennessee Higher Education Commission	\$ 1,498,500	\$ 2,160,300	\$ 2,141,900
332.02 Contract Education	2,094,800	2,217,000	2,198,200
332.03 Tennessee Student Assistance Awards	46,104,500	49,362,500	49,362,500
332.05 Tennessee Student Assistance Corporation	1,616,200	1,213,600	1,203,100
332.06 Academic Scholars Program	154,900	401,800	401,800
332.07 Loan/Scholarship Programs	1,010,600	1,191,000	1,191,000
332.08 Centers of Excellence	18,667,800	18,499,300	17,328,000
332.09 THEC Grants	2,484,200	2,359,200	2,339,200
332.11 Campus Centers of Emphasis	1,360,300	1,348,000	1,247,600
332.14 Foreign Language Institute	349,100	338,100	335,400
332.19 Lottery for Education Account	-	-	-
Sub-Total - Higher Education - State Administered Programs	\$ 75,340,900	\$ 79,090,800	\$ 77,748,700
University of Tennessee System			
332.10 UT University-Wide Administration	\$ 4,407,700	\$ 4,305,100	\$ 4,435,100
332.12 UT Research Initiatives	11,180,300	10,993,700	10,945,200
332.15 UT Institute for Public Service	4,785,700	4,791,400	4,355,100
332.16 UT Municipal Technical Advisory Service	2,642,800	2,790,900	2,569,700
332.17 UT County Technical Assistance Service	1,548,200	1,656,800	1,534,200
332.21 UT Access and Diversity Initiative	6,167,200	6,389,700	5,600,600
332.23 UT Space Institute	7,757,600	8,351,400	7,288,300
332.25 UT Agricultural Experiment Station	24,159,400	25,403,800	23,190,400
332.26 UT Agricultural Extension Service	29,002,000	30,495,500	27,964,000
332.28 UT Veterinary Medicine	15,227,900	16,833,000	14,508,400

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2009-2010, 2010-2011, and 2011-2012

Program	Actual 2009-2010	Estimated 2010-2011	Recommended 2011-2012
332.30 UT Health Science Center	66,737,000	72,381,100	63,332,300
332.32 UT Family Medicine	9,764,100	10,248,200	9,383,400
332.34 UT College of Medicine	45,736,000	49,411,400	43,005,300
332.40 UT Chattanooga	38,726,900	45,698,600	33,787,900
332.42 UT Knoxville	164,919,000	200,689,200	145,113,400
332.44 UT Martin	27,816,700	33,005,000	24,293,900
Sub-Total - University of Tennessee System	\$ 460,578,500	\$ 523,444,800	\$ 421,307,200
State University and Community College System			
332.53 Southwest Tennessee Community College	\$ 35,826,700	\$ 40,042,700	\$ 32,166,400
332.54 Nashville State Community College	14,020,800	16,417,900	13,943,800
332.55 Pellissippi State Community College	19,061,900	22,076,900	18,887,200
332.56 Northeast State Community College	11,523,200	13,343,500	12,193,000
332.59 Regents Access and Diversity Initiative	10,893,600	11,297,600	9,892,900
332.60 Tennessee Board of Regents	4,438,100	4,440,500	4,603,800
332.62 TSU McMinnville Center	534,400	570,600	528,800
332.63 TSU Institute of Agricultural and Environmental Research	2,179,200	2,324,700	2,145,700
332.64 TSU Cooperative Education	2,433,200	3,067,700	2,917,000
332.65 ETSU College of Medicine	27,174,900	29,194,600	25,848,800
332.67 ETSU Family Practice	5,503,900	5,754,300	5,319,200
332.68 TSU McIntire-Stennis Forestry Research	67,500	171,900	170,600
332.70 Austin Peay State University	29,789,900	35,930,000	26,265,200
332.72 East Tennessee State University	52,454,700	62,865,200	46,141,400
332.74 University of Memphis	105,228,600	122,893,800	102,340,000
332.75 Middle Tennessee State University	82,989,600	100,105,700	73,959,800
332.77 Tennessee State University	33,629,500	41,655,200	29,553,900
332.78 Tennessee Technological University	41,373,200	49,071,300	36,155,700
332.80 Chattanooga State Community College	22,124,700	25,245,400	20,291,500
332.81 Cleveland State Community College	9,734,100	10,996,800	9,098,500
332.82 Columbia State Community College	12,495,800	14,129,100	11,481,500
332.84 Dyersburg State Community College	6,748,300	7,668,600	6,547,100
332.86 Jackson State Community College	11,568,700	13,152,900	10,615,400
332.88 Motlow State Community College	9,559,400	10,946,500	9,640,100
332.90 Roane State Community College	17,100,700	19,203,300	15,655,500
332.94 Volunteer State Community College	16,947,200	19,301,900	15,462,500
332.96 Walters State Community College	17,240,500	19,708,800	16,147,500
332.98 Tennessee Technology Centers	49,619,400	54,374,900	52,302,300
Sub-Total - State University and Community College System	\$ 652,261,700	\$ 755,952,300	\$ 610,275,100
Sub-Total Higher Education	\$ 1,188,181,100	\$ 1,358,487,900	\$ 1,109,331,000
Commerce and Insurance			
335.01 Administration	\$ -	\$ -	\$ -
335.03 Fire Prevention	-	3,700	-
335.06 Consumer Affairs	589,800	998,700	893,500
335.07 Fire Service and Codes Enforcement Academy	2,497,700	3,019,100	2,900,000

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Fiscal Years 2009-2010, 2010-2011, and 2011-2012

Program	Actual 2009-2010	Estimated 2010-2011	Recommended 2011-2012
335.11 Tennessee Law Enforcement Training Academy	2,570,200	2,416,800	2,312,900
335.12 POST Commission	8,156,900	8,559,900	8,809,300
335.28 Fire Fighting Personnel Standards and Education	3,970,500	4,162,700	4,356,400
Sub-Total - Commerce and Insurance	\$ 17,785,100	\$ 19,160,900	\$ 19,272,100
Labor and Workforce Development			
337.01 Administration	\$ 3,236,900	\$ 3,041,900	\$ 2,969,800
337.02 Tennessee Occupational Safety and Health Administration (TOSHA)	-	-	-
337.03 Workers' Compensation	12,194,000	13,134,600	15,504,400
337.04 Mines	340,000	374,900	374,900
337.05 Boilers and Elevators	3,545,600	4,317,100	4,317,100
337.06 Labor Standards	941,600	1,206,300	1,206,300
337.07 Workforce Development	95,300	-	-
337.09 Adult Basic Education	2,561,900	3,917,200	3,843,700
Sub-Total - Labor and Workforce Development	\$ 22,915,300	\$ 25,992,000	\$ 28,216,200
Mental Health			
339.01 Administrative Services Division	\$ 11,801,700	\$ 12,759,600	\$ 11,783,900
339.03 Community Alcohol and Drug Abuse Services	11,898,700	9,048,200	8,305,900
339.08 Community Mental Health Services	60,920,400	76,260,100	59,070,500
339.10 Lakeshore Mental Health Institute	16,902,100	16,067,400	20,057,500
339.11 Middle Tennessee Mental Health Institute	26,124,300	20,578,600	26,628,800
339.12 Western Mental Health Institute	16,554,900	21,341,800	20,427,200
339.16 Moccasin Bend Mental Health Institute	12,832,300	13,587,600	14,136,000
339.17 Memphis Mental Health Institute	16,456,600	13,319,700	18,294,800
339.40 Major Maintenance	108,500	450,000	450,000
Sub-Total - Mental Health	\$ 173,599,500	\$ 183,413,000	\$ 179,154,600
Military			
341.01 Administration	\$ 3,265,300	\$ 2,349,200	\$ 2,220,100
341.02 Army National Guard	828,600	855,400	855,400
341.03 Air National Guard	967,600	2,402,800	2,332,500
341.04 Tennessee Emergency Management Agency	2,765,000	2,708,300	2,681,900
341.07 Armories Maintenance	1,059,300	588,200	588,200
341.09 TEMA Disaster Relief Grants	981,200	2,000,000	-
341.10 Armories Utilities	1,904,600	1,863,100	1,830,900
Sub-Total - Military	\$ 11,771,600	\$ 12,767,000	\$ 10,509,000
Health			
343.01 Executive Administration	\$ 3,820,500	\$ 4,816,100	\$ 5,199,800
343.03 Administrative Services	-	2,947,600	2,920,300
343.04 Office for Information Technology Services	4,674,800	5,312,300	5,183,600
343.05 Bureau of Health Licensure and Regulation	2,899,500	6,118,800	5,778,100
343.07 Emergency Medical Services	41,700	617,500	593,900
343.08 Laboratory Services	6,883,300	6,909,600	6,841,500
343.09 Division of Animal Welfare	14,400	14,300	14,300
343.20 Policy Planning and Assessment	2,713,200	4,275,300	4,158,100

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Program	Actual 2009-2010	Estimated 2010-2011	Recommended 2011-2012
343.39 General Environmental Health	1,102,500	4,416,700	4,369,300
343.45 Health Services Administration	13,037,600	7,485,100	7,485,100
343.47 Maternal and Child Health	3,566,600	2,490,600	2,412,400
343.49 Communicable and Environmental Disease Services	10,675,500	12,016,900	12,289,000
343.51 Diabetes Prevention and Health Improvement	-	143,500	5,143,500
343.52 Community and Medical Services	8,153,200	7,834,500	6,966,800
343.60 Local Health Services	55,140,900	59,592,200	60,000,000
Sub-Total - Health	\$ 112,723,700	\$ 124,991,000	\$ 129,355,700
Intellectual and Developmental Disabilities			
344.01 Intellectual Disabilities Services Administration	\$ 1,084,100	\$ 1,305,800	\$ 1,315,100
344.02 Community Intellectual Disabilities Services	45,638,700	16,155,200	14,202,800
344.04 Quality Assurance Program	198,800	844,400	838,500
344.10 Arlington Developmental Center (Abolished)	1,399,300	-	-
344.11 Clover Bottom Developmental Center	3,701,500	250,100	95,900
344.12 Greene Valley Developmental Center	-	242,700	648,900
344.15 Harold Jordan Center	4,664,500	7,104,700	5,375,800
344.20 West Tennessee Regional Office	901,900	1,761,700	1,558,700
344.21 Middle Tennessee Regional Office	1,961,300	1,187,400	1,043,900
344.22 East Tennessee Regional Office	1,117,900	1,126,500	1,063,900
344.30 West Tennessee Resource Center	591,300	-	155,200
344.31 Middle Tennessee Resource Center	-	-	140,800
344.32 East Tennessee Resource Center	-	-	123,100
344.41 Middle Tennessee Community Homes	-	-	810,000
344.42 East Tennessee Community Homes	133,100	354,500	416,000
344.50 Major Maintenance	132,500	100,000	100,000
344.81 Developmental Disabilities Council	46,200	220,600	220,600
Sub-Total - Intellectual and Developmental Disabilities	\$ 61,571,100	\$ 30,653,600	\$ 28,109,200
Human Services			
345.01 Administration	\$ 19,858,900	\$ 21,310,300	\$ 21,368,300
345.13 Child Support	10,415,700	17,825,400	17,806,200
345.16 Field Operations	5,154,800	5,544,500	5,630,100
345.17 County Rentals	6,392,600	6,246,100	6,466,600
345.20 Child Care Benefits	22,784,300	15,061,900	14,699,800
345.23 Temporary Cash Assistance	5,354,500	21,197,100	20,868,900
345.30 Family Assistance Services	53,364,400	73,693,300	70,717,900
345.31 Appeals and Hearings	2,241,700	3,920,200	3,435,500
345.49 Community Services	2,112,300	1,742,900	1,605,000
345.70 Vocational Rehabilitation	8,390,900	10,321,700	12,850,900
345.71 Disability Determination	900	-	-
Sub-Total - Human Services	\$ 136,071,000	\$ 176,863,400	\$ 175,449,200
Revenue			
347.01 Administration Division	\$ 6,480,300	\$ 6,757,100	\$ 6,587,100
347.02 Tax Enforcement Division	5,771,200	5,355,800	5,509,000
347.11 Information Technology Resources Division	7,607,800	13,464,100	14,172,300

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Program	Actual 2009-2010	Estimated 2010-2011	Recommended 2011-2012
347.13 Taxpayer and Vehicle Services Division	20,609,600	21,178,800	20,965,500
347.14 Audit Division	17,207,500	19,047,100	19,478,400
347.16 Processing Division	5,968,400	6,540,900	6,290,700
Sub-Total - Revenue	\$ 63,644,800	\$ 72,343,800	\$ 73,003,000
348.00 Tennessee Bureau of Investigation	\$ 29,504,500	\$ 29,841,100	\$ 29,709,300
Safety			
349.01 Administration	\$ 9,188,100	\$ 8,028,300	\$ 8,362,500
349.02 Driver License Issuance	1,296,100	39,288,500	9,232,400
349.03 Highway Patrol	77,470,700	87,470,200	86,777,600
349.07 Motor Vehicle Operations	9,143,500	10,156,300	10,156,300
349.12 Major Maintenance	7,800	9,710,100	10,100
349.13 Technical Services	417,900	921,600	881,600
349.15 Office of Homeland Security	1,385,200	1,794,900	1,680,600
Sub-Total - Safety	\$ 98,909,300	\$ 157,369,900	\$ 117,101,100
Cover Tennessee Health Care Programs			
350.30 CoverTN	\$ 17,304,000	\$ 18,311,900	\$ 17,762,600
350.40 AccessTN	23,049,200	23,049,200	23,049,200
350.50 CoverKids	33,267,500	41,866,400	49,596,600
350.60 CoverRX	8,959,000	13,188,500	13,188,500
Sub-Total - Cover Tennessee Health Care Programs	\$ 82,579,700	\$ 96,416,000	\$ 103,596,900
351.00 Miscellaneous Appropriations	\$ 31,797,800	\$ 67,183,000	\$ 105,028,300
353.00 Emergency and Contingency Fund	\$ -	\$ 819,300	\$ 819,300
State Building Commission			
355.02 Major Maintenance and Equipment	\$ 56,500	\$ 275,000	\$ 250,000
Children's Services			
359.10 Administration	\$ 31,103,100	\$ 28,779,500	\$ 27,646,600
359.20 Family Support Services	23,857,800	29,781,000	31,191,500
359.30 Custody Services	75,835,400	81,775,800	81,816,500
359.35 Needs Assessment	5,636,900	6,370,400	6,370,400
359.40 Adoption Services	39,887,600	35,504,900	37,078,700
359.50 Child and Family Management	81,193,100	84,885,200	81,867,300
359.60 John S. Wilder Youth Development Center	11,595,400	11,072,500	11,072,500
359.61 Taft Youth Development Center	12,228,800	11,839,800	11,749,600
359.62 Woodland Hills Youth Development Center	10,487,100	11,717,100	11,717,100
359.63 Mountain View Youth Development Center	10,769,900	11,175,300	10,988,000
359.64 New Visions Youth Development Center	3,580,300	4,121,000	3,601,000
359.65 Community Treatment Facilities	4,034,300	2,828,000	-
359.80 Major Maintenance	62,700	420,100	420,100
Sub-Total - Children's Services	\$ 310,272,400	\$ 320,270,600	\$ 315,519,300

**State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2009-2010, 2010-2011, and 2011-2012**

Program	Actual 2009-2010	Estimated 2010-2011	Recommended 2011-2012
Subtotal General Fund and Education Fund	\$ 8,834,883,500	\$ 9,678,749,500	\$ 10,194,084,100
Transportation *	871,073,600	703,500,000	712,800,000
Debt Service Requirements	416,369,900	393,523,000	405,214,000
Capital Outlay Program *	413,659,000	291,700,000	45,000,000
Facilities Revolving Fund	7,517,200	13,064,800	13,064,800
Cities and Counties - State Shared Taxes	810,953,300	832,200,000	858,400,000
Grand Total State Taxpayers Budget	\$ 11,354,456,500	\$ 11,912,737,300	\$ 12,228,562,900
Dedicated Tax Sources - Appropriation	615,703,400	1,005,294,400	1,147,936,500
Grand Total State Appropriation - Budget Document	\$ 11,970,159,900	\$ 12,918,031,700	\$ 13,376,499,400

* FY 2009-2010 - Transportation and Capital Outlay include appropriations from tax revenues and bonds.

State Taxpayers Budget
Comparison Statement of State Revenues
Actual and Estimated July 1, 2009 - June 30, 2012

SOURCE OF REVENUE

Department of Revenue	Actual 2009-2010	Estimated 2010-2011	Estimated 2011-2012	Percent Required
Sales and Use Tax	\$ 6,146,356,000	\$ 6,394,800,000	\$ 6,620,700,000	3.53%
Gasoline Tax	606,802,200	619,600,000	625,100,000	0.89%
Motor Fuel Tax	154,082,800	158,700,000	163,000,000	2.71%
Gasoline Inspection Tax	46,844,700	45,000,000	46,300,000	2.89%
Motor Vehicle Registration Tax	218,410,400	227,000,000	229,800,000	1.23%
Income Tax	172,473,800	182,800,000	201,100,000	10.01%
Privilege Tax	208,924,800	214,600,000	229,900,000	7.13%
Gross Receipts Tax - TVA	320,393,200	321,100,000	331,100,000	3.11%
Gross Receipts Tax - Other	32,295,100	32,900,000	33,600,000	2.13%
Beer Tax	16,257,000	16,900,000	17,200,000	1.78%
Alcoholic Beverage Tax	45,587,700	47,200,000	49,100,000	4.03%
Franchise Tax	522,124,500	597,600,000	618,600,000	3.51%
Excise Tax	878,149,800	893,800,000	925,100,000	3.50%
Inheritance and Estate Tax	88,866,800	99,500,000	100,000,000	0.50%
Tobacco Tax	267,707,600	267,500,000	270,400,000	1.08%
Motor Vehicle Title Fees	10,400,900	10,800,000	11,200,000	3.70%
Mixed Drink Tax	55,124,100	56,800,000	59,600,000	4.93%
Business Tax	145,733,600	148,700,000	151,600,000	1.95%
Severance Tax	2,240,100	2,200,000	2,200,000	0.00%
Coin-operated Amusement Tax	241,400	200,000	200,000	0.00%
Unauthorized Substance Tax	(1,377,400)	0	0	NA
Sub-Total Department of Revenue	\$ 9,937,639,100	\$ 10,337,700,000	\$ 10,685,800,000	3.37%
Other State Revenue				
Dept. of Commerce and Insurance	\$ 585,095,000	\$ 643,400,000	\$ 661,400,000	2.80%
Dept. of Agriculture	338,200	400,000	388,000	-3.00%
Secretary of State	29,349,800	29,500,000	29,500,000	0.00%
Dept. of Safety	33,652,900	35,421,000	35,421,000	0.00%
Dept. of Revenue	2,179,200	4,723,000	4,723,000	0.00%
State Treasurer	6,149,100	7,000,000	7,000,000	0.00%
Miscellaneous Revenue	56,158,400	47,988,000	48,055,000	0.14%
Nursing Home Tax	91,981,600	99,300,000	99,300,000	0.00%
Sub-Total Other State Revenue	\$ 804,904,200	\$ 867,732,000	\$ 885,787,000	2.08%
Total State Revenue	\$ 10,742,543,300	\$ 11,205,432,000	\$ 11,571,587,000	3.27%

**State Taxpayers Budget
Distribution of Actual 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 *	\$ 6,146,356,000	\$2,110,182,200	\$3,693,500,000	\$ 37,203,300	\$ 43,794,000	\$ 261,676,500
Gasoline Tax	606,802,200	9,413,800	0	255,357,000	110,400,000	231,631,400
Motor Fuel Tax	154,082,800	2,921,400	0	110,766,600	0	40,394,800
Gasoline Inspection Tax	46,844,700	2,555,400	0	32,272,300	0	12,017,000
Motor Vehicle Registration Tax	218,410,400	23,196,300	100,000	195,114,100	0	0
Income Tax	172,473,800	111,785,400	0	0	0	60,688,400
Privilege Tax	208,924,800	205,602,300	100,000	0	0	3,222,500
Gross Receipts Tax - TVA	320,393,200	178,759,600	0	0	0	141,633,600
Gross Receipts Tax - Other	32,295,100	27,619,300	0	4,675,800	0	0
Beer Tax	16,257,000	10,863,200	0	2,048,900	0	3,344,900
Alcoholic Beverage Tax	45,587,700	37,650,100	0	0	0	7,937,600
Franchise Tax	522,124,500	504,124,500	0	0	18,000,000	0
Excise Tax	878,149,800	645,147,300	0	0	213,506,000	19,496,500
Inheritance and Estate Tax	88,866,800	88,866,800	0	0	0	0
Tobacco Tax	267,707,600	707,600	267,000,000	0	0	0
Motor Vehicle Title Fees	10,400,900	7,700,900	0	0	2,700,000	0
Mixed Drink Tax	55,124,100	(838,600)	28,400,000	0	0	27,562,700
Business Tax	145,733,600	145,733,600	0	0	0	0
Severance Tax	2,240,100	892,700	0	0	0	1,347,400
Coin-operated Amusement Tax	241,400	241,400	0	0	0	0
Unauthorized Substance Tax	(1,377,400)	(1,377,400)	0	0	0	0
Sub-Total Department of Revenue	\$ 9,937,639,100	\$4,111,747,800	\$3,989,100,000	\$ 637,438,000	\$ 388,400,000	\$ 810,953,300
Other State Revenue						
Dept. of Commerce and Insurance	\$ 585,095,000	\$ 585,095,000	\$ 0	\$ 0	\$ 0	\$ 0
Dept. of Agriculture	338,200	338,200	0	0	0	0
Secretary of State	29,349,800	29,349,800	0	0	0	0
Dept. of Safety	33,652,900	33,652,900	0	0	0	0
Dept. of Revenue	2,179,200	2,179,200	0	0	0	0
State Treasurer	6,149,100	6,149,100	0	0	0	0
Miscellaneous Revenue	56,158,400	56,158,400	0	0	0	0
Nursing Home Tax	91,981,600	91,981,600	0	0	0	0
Sub-Total Other State Revenue	\$ 804,904,200	\$ 804,904,200	\$ 0	\$ 0	\$ 0	\$ 0
Total State Revenue	\$ 10,742,543,300	\$4,916,652,000	\$3,989,100,000	\$ 637,438,000	\$ 388,400,000	\$ 810,953,300

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

County Revenue Partnership Fund	\$	0	\$ (400,000)	\$	400,000
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State Taxpayers Budget
Distribution of Revised 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 *	\$ 6,394,800,000	\$2,331,100,000	\$3,693,500,000	\$ 52,000,000	\$ 45,600,000	\$ 272,600,000
Gasoline Tax	619,600,000	9,200,000	0	265,700,000	108,200,000	236,500,000
Motor Fuel Tax	158,700,000	3,000,000	0	114,100,000	0	41,600,000
Gasoline Inspection Tax	45,000,000	200,000	0	32,800,000	0	12,000,000
Motor Vehicle Registration Tax	227,000,000	26,400,000	100,000	200,500,000	0	0
Income Tax	182,800,000	118,500,000	0	0	0	64,300,000
Privilege Tax	214,600,000	211,300,000	100,000	0	0	3,200,000
Gross Receipts Tax - TVA	321,100,000	180,000,000	0	0	0	141,100,000
Gross Receipts Tax - Other	32,900,000	28,100,000	0	4,800,000	0	0
Beer Tax	16,900,000	11,300,000	0	2,100,000	0	3,500,000
Alcoholic Beverage Tax	47,200,000	39,000,000	0	0	0	8,200,000
Franchise Tax	597,600,000	579,600,000	0	0	18,000,000	0
Excise Tax	893,800,000	667,900,000	0	0	206,400,000	19,500,000
Inheritance and Estate Tax	99,500,000	99,500,000	0	0	0	0
Tobacco Tax	267,500,000	500,000	267,000,000	0	0	0
Motor Vehicle Title Fees	10,800,000	8,100,000	0	0	2,700,000	0
Mixed Drink Tax	56,800,000	0	28,400,000	0	0	28,400,000
Business Tax	148,700,000	148,700,000	0	0	0	0
Severance Tax	2,200,000	900,000	0	0	0	1,300,000
Coin-operated Amusement Tax	200,000	200,000	0	0	0	0
Unauthorized Substance Tax	0	0	0	0	0	0
Sub-Total Department of Revenue	\$ 10,337,700,000	\$4,463,500,000	\$3,989,100,000	\$ 672,000,000	\$ 380,900,000	\$ 832,200,000
Other State Revenue						
Dept. of Commerce and Insurance	\$ 643,400,000	\$ 643,400,000	\$ 0	\$ 0	\$ 0	\$ 0
Dept. of Agriculture	400,000	400,000	0	0	0	0
Secretary of State	29,500,000	29,500,000	0	0	0	0
Dept. of Safety	35,421,000	35,421,000	0	0	0	0
Dept. of Revenue	4,723,000	4,723,000	0	0	0	0
State Treasurer	7,000,000	7,000,000	0	0	0	0
Miscellaneous Revenue	47,988,000	47,988,000	0	0	0	0
Nursing Home Tax	99,300,000	99,300,000	0	0	0	0
Sub-Total Other State Revenue	\$ 867,732,000	\$ 867,732,000	\$ 0	\$ 0	\$ 0	\$ 0
Total State Revenue	\$ 11,205,432,000	\$5,331,232,000	\$3,989,100,000	\$ 672,000,000	\$ 380,900,000	\$ 832,200,000

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

County Revenue Partnership Fund	\$ 0	\$ (400,000)	\$ 400,000
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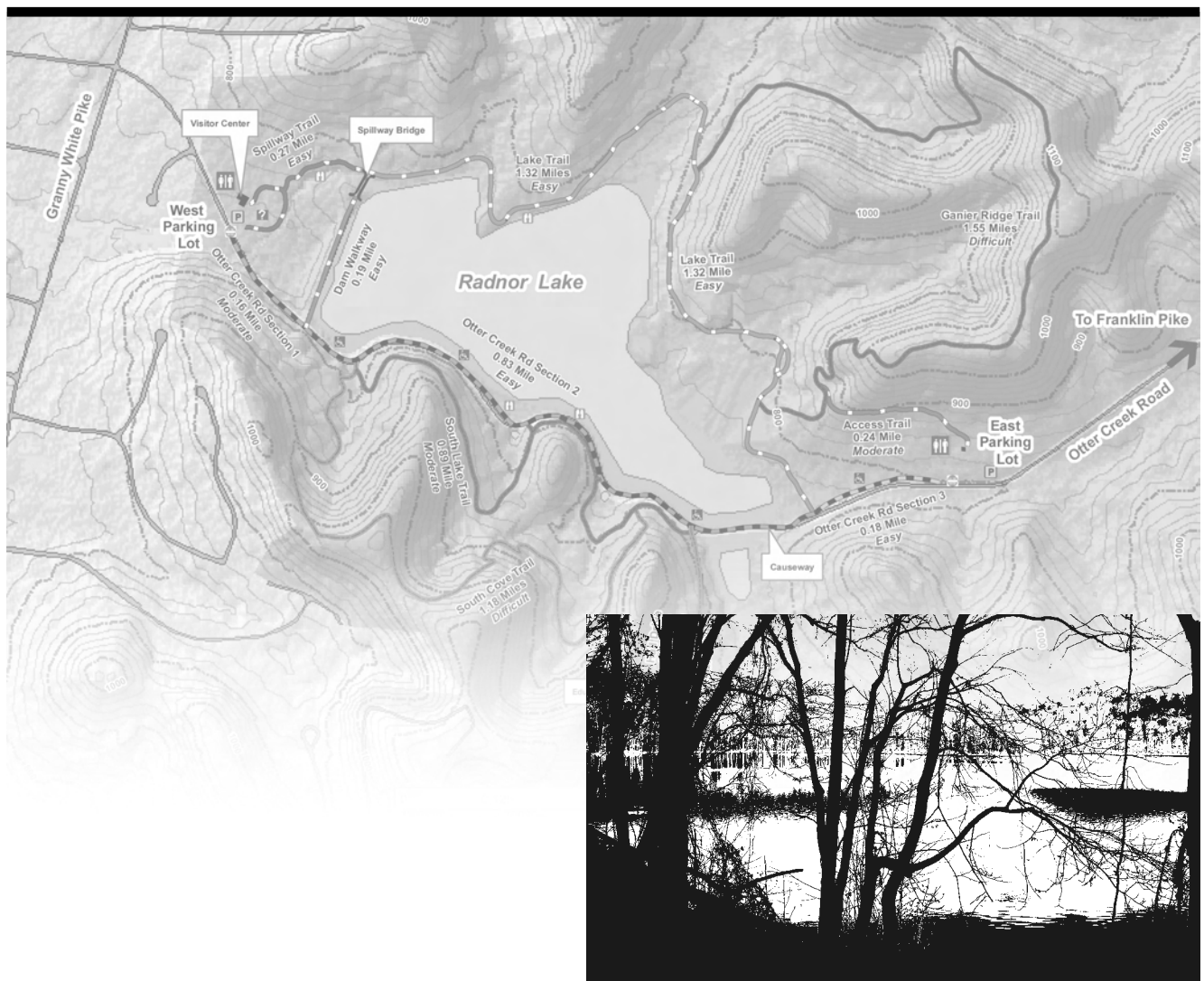
**State Taxpayers Budget
Distribution of Estimated Revenue by Fund
Fiscal Year 2011-2012**

SOURCE OF REVENUE

Department of Revenue	Total Revenue	General Fund	Education Fund	Highway Fund	Debt Service Fund	Cities & Counties *
Sales and Use Tax *	\$ 6,620,700,000	2,415,500,000	\$3,823,800,000	\$ 52,000,000	\$ 47,200,000	\$ 282,200,000
Gasoline Tax	625,100,000	9,300,000	0	270,200,000	107,000,000	238,600,000
Motor Fuel Tax	163,000,000	3,100,000	0	117,200,000	0	42,700,000
Gasoline Inspection Tax	46,300,000	700,000	0	33,600,000	0	12,000,000
Motor Vehicle Registration Tax	229,800,000	26,800,000	100,000	202,900,000	0	0
Income Tax	201,100,000	130,300,000	0	0	0	70,800,000
Privilege Tax	229,900,000	226,600,000	100,000	0	0	3,200,000
Gross Receipts Tax - TVA	331,100,000	184,800,000	0	0	0	146,300,000
Gross Receipts Tax - Other	33,600,000	28,700,000	0	4,900,000	0	0
Beer Tax	17,200,000	11,500,000	0	2,200,000	0	3,500,000
Alcoholic Beverage Tax	49,100,000	40,600,000	0	0	0	8,500,000
Franchise Tax	618,600,000	600,600,000	0	0	18,000,000	0
Excise Tax	925,100,000	702,200,000	0	0	203,400,000	19,500,000
Inheritance and Estate Tax	100,000,000	100,000,000	0	0	0	0
Tobacco Tax	270,400,000	500,000	269,900,000	0	0	0
Motor Vehicle Title Fees	11,200,000	8,500,000	0	0	2,700,000	0
Mixed Drink Tax	59,600,000	0	29,800,000	0	0	29,800,000
Business Tax	151,600,000	151,600,000	0	0	0	0
Severance Tax	2,200,000	900,000	0	0	0	1,300,000
Coin-operated Amusement Tax	200,000	200,000	0	0	0	0
Unauthorized Substance Tax	0	0	0	0	0	0
Sub-Total Department of Revenue	\$ 10,685,800,000	\$ 4,642,400,000	\$ 4,123,700,000	\$ 683,000,000	\$ 378,300,000	\$ 858,400,000
Other State Revenue						
Dept. of Commerce and Insurance	\$ 661,400,000	\$ 661,400,000	\$ 0	\$ 0	\$ 0	\$ 0
Dept. of Agriculture	388,000	388,000	0	0	0	0
Secretary of State	29,500,000	29,500,000	0	0	0	0
Dept. of Safety	35,421,000	35,421,000	0	0	0	0
Dept. of Revenue	4,723,000	4,723,000	0	0	0	0
State Treasurer	7,000,000	7,000,000	0	0	0	0
Miscellaneous Revenue	48,055,000	48,055,000	0	0	0	0
Nursing Home Tax	99,300,000	99,300,000	0	0	0	0
Sub-Total Other State Revenue	\$ 885,787,000	\$ 885,787,000	\$ 0	\$ 0	\$ 0	\$ 0
Total State Revenue	\$ 11,571,587,000	\$ 5,528,187,000	\$ 4,123,700,000	\$ 683,000,000	\$ 378,300,000	\$ 858,400,000

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

County Revenue Partnership Fund	\$ 0	\$ (400,000)	\$ 400,000
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Program Statements by Functional Area

Program Statements by Functional Area

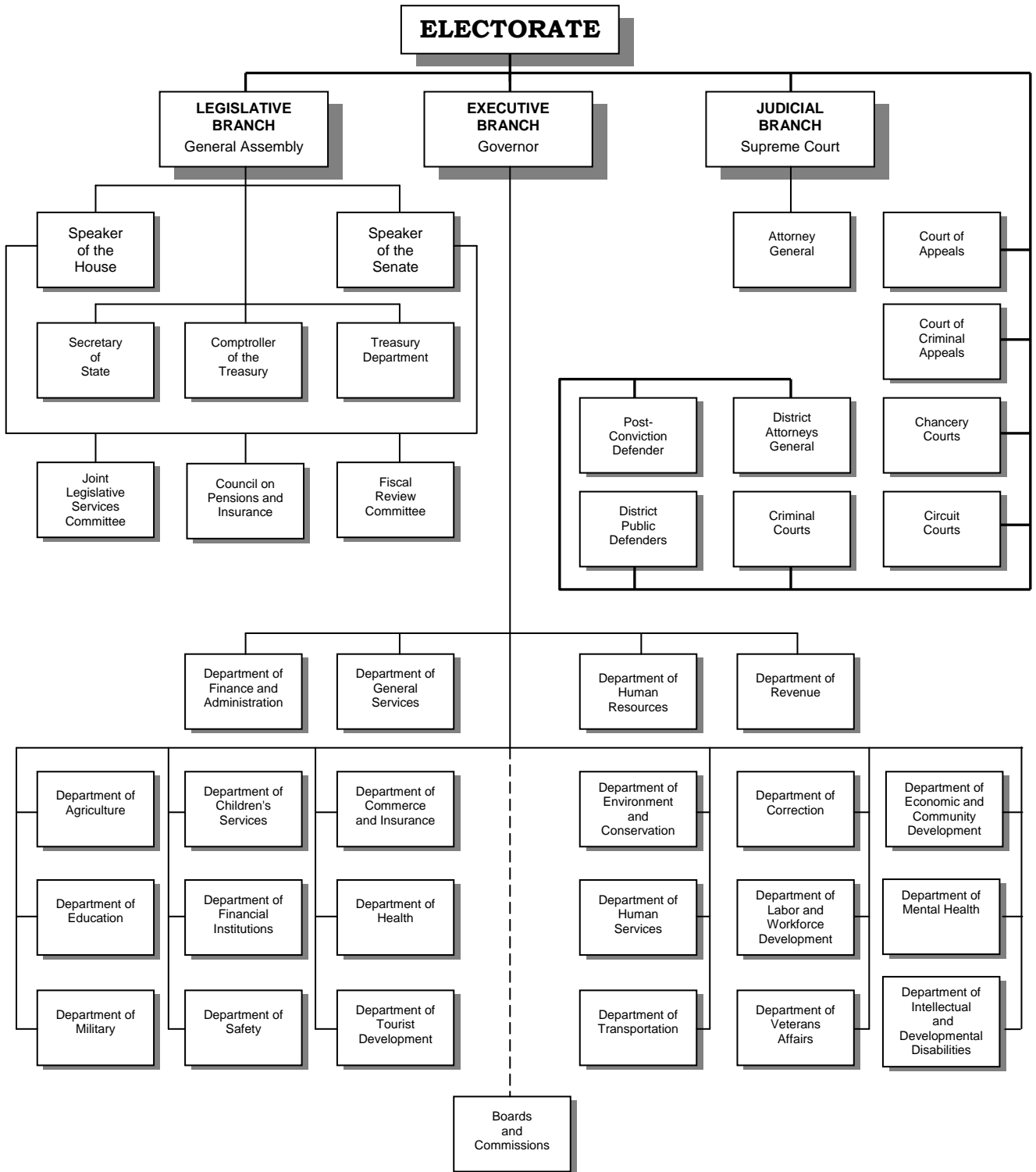
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TENNESSEE STATE GOVERNMENT ORGANIZATIONAL CHART

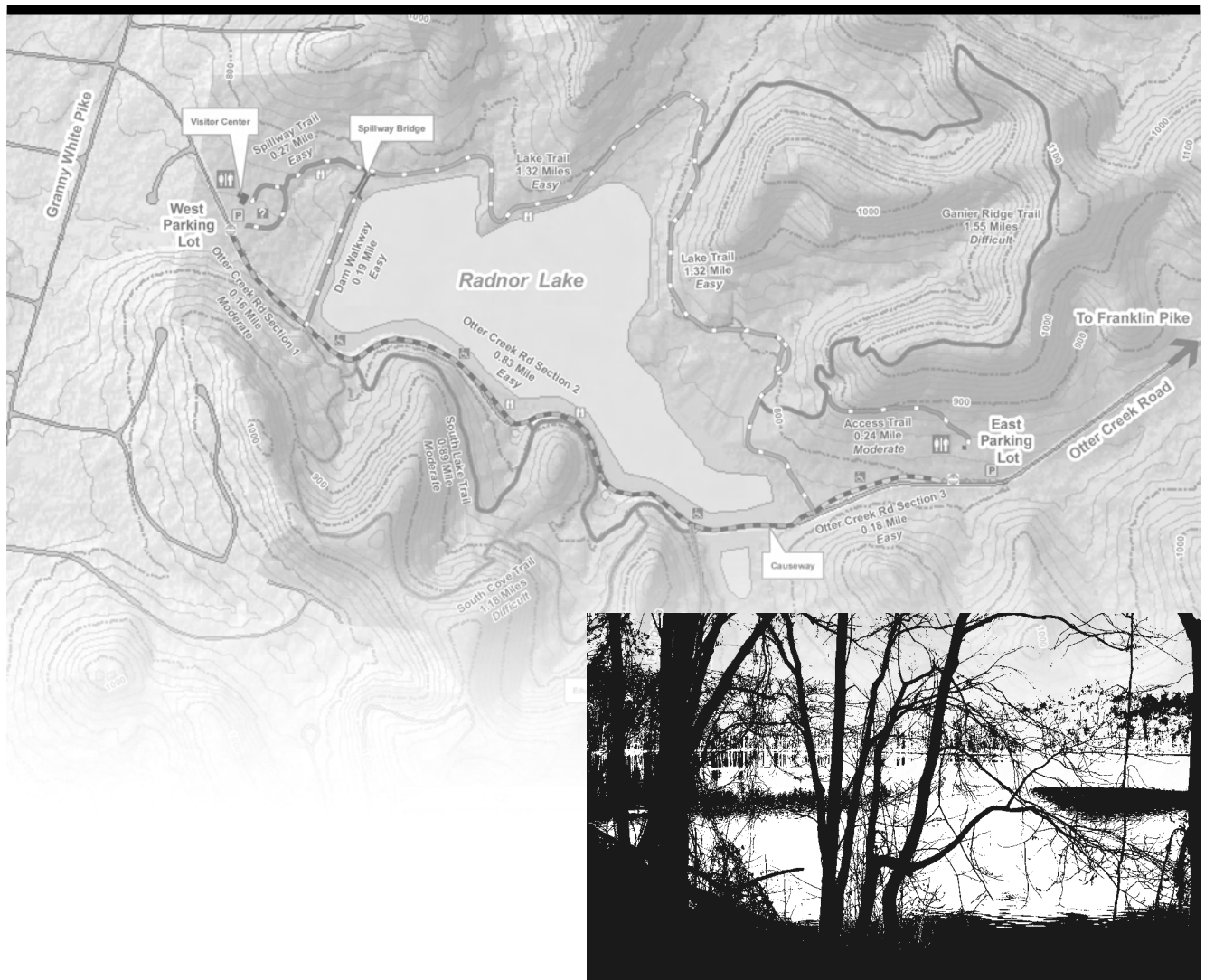
FISCAL YEAR 2011 - 2012



**Recommended Budget for Fiscal Year 2011-2012
By Functional Area**

Functional Area	State	Federal	Other	Total
General Government	399,955,200	62,191,800	464,660,000	926,807,000
Education	5,501,669,700	1,295,906,700	2,024,526,600 *	8,822,103,000
Health and Social Services	3,741,811,500	8,909,623,800	1,562,752,900	14,214,188,200
Law, Safety and Correction	1,193,709,700	125,339,900	165,780,200	1,484,829,800
Resources and Regulation	377,187,400	265,961,000	189,636,200	832,784,600
Transportation, Business and Economic Development	1,001,987,100	1,214,171,800	81,697,500	2,297,856,400
Total	\$12,216,320,600	\$11,873,195,000	\$4,489,053,400	\$28,578,569,000

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



General Government

General Government



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General Government

Recommended Budget, Fiscal Year 2011 – 2012

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

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

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

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

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

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

These departments facilitate the successful operation of state government by providing support for all departments. In addition, the Department of General Services and the Department of Finance and Administration are responsible for overseeing and administering the state office building and support facilities revolving fund (FRF), which provides funding for a self-perpetuating maintenance and renovation program for state-owned buildings. Budget information concerning FRF can be found in the Capital Outlay and Facilities program section. Capital improvements and

major maintenance projects are supported by this fund, as well as repair, upgrade, relocation, leased space, warehouse space, and facility management plans.

The Real Property Administration Division of the Department of Finance and Administration is responsible for capital improvements and maintenance projects and addressing the need for energy management in state-owned facilities. The Property Services Management Division of the Department of General Services is responsible for effectively managing, operating, and maintaining state office buildings. This department utilizes state employees and contracted services to effectively maintain these assets and deliver all appropriate services to the tenants.

This functional group also includes four agencies whose responsibilities affect many facets of government:

- Tennessee Regulatory Authority
- Human Rights Commission
- Advisory Commission on Intergovernmental Relations
- Veterans Affairs.

Improvements and Program Statements

The following section includes: (1) a table on personnel and funding for all agencies in this functional area of state government; (2) a table on recommended budget for each agency by funding source; (3) a statement of recommended improvements for the ensuing fiscal year; (4) departmental program statements, indicating recommended funding and staffing for the ensuing year, compared with actual amounts for the last year and the amounts budgeted for the current year; and (5) program performance measures.

General Government Total Personnel and Funding

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Recommended 2011-2012</u>
Personnel			
Full Time	4,800	4,626	4,572
Part Time	170	174	174
Seasonal	49	49	49
TOTAL	5,019	4,849	4,795
Expenditures			
Payroll	\$ 285,395,300	\$ 316,230,700	\$ 315,104,100
Operational	482,900,000	627,044,800	611,702,900
TOTAL	\$ 768,295,300	\$ 943,275,500	\$ 926,807,000
Funding			
State	\$ 290,569,900	\$ 387,314,600	\$ 399,955,200
Federal	54,111,900	84,911,200	62,191,800
Other	423,613,500	471,049,700	464,660,000

General Government
Recommended Budget for Fiscal Year 2011-2012
By Funding Source

Department	State	Federal	Other	Total
301.00 Legislature	39,076,500	0	137,500	39,214,000
301.50 Fiscal Review Committee	1,334,500	0	0	1,334,500
305.00 Secretary of State	27,175,100	30,396,700	10,657,500	68,229,300
307.00 Comptroller of the Treasury	85,189,300	0	9,583,000	94,772,300
309.00 Treasury Department	1,525,300	0	25,886,200	27,411,500
313.00 Claims and Compensation	10,500,000	5,020,000	86,913,200	102,433,200
315.00 Executive Department	5,030,200	0	0	5,030,200
316.04 Human Rights Commission	1,682,100	748,900	0	2,431,000
316.11 Tennessee Regulatory Authority	7,256,300	640,900	3,300	7,900,500
316.12 Advisory Commission on Intergovernmental Relations	234,700	0	2,640,900	2,875,600
317.00 Finance and Administration	19,629,000	24,970,600	207,213,200	251,812,800
319.00 Human Resources	4,487,100	0	7,012,600	11,499,700
321.00 General Services	2,461,200	0	89,737,600	92,198,800
323.00 Veterans Affairs	4,697,000	392,700	147,000	5,236,700
347.00 Revenue	83,579,300	22,000	24,578,000	108,179,300
351.00 Miscellaneous Appropriations	105,028,300	0	0	105,028,300
353.00 Emergency and Contingency Fund	819,300	0	0	819,300
355.00 State Building Commission	250,000	0	150,000	400,000
Total	\$399,955,200	\$62,191,800	\$464,660,000	\$926,807,000

General Government Improvements for Fiscal Year 2011-2012

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Comptroller of the Treasury					
• Property Tax Relief					
To provide funds for property tax relief. The tax relief program reimburses 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.					
307.10 Tax Relief	\$1,500,000	\$0	\$0	\$1,500,000	0
Sub-total	\$1,500,000	\$0	\$0	\$1,500,000	0
• Financial Staff					
To provide funds for a senior financial analyst position to review, analyze, and write bond offering statements, prepare State Funding Board minutes, and prepare other technical writings and remediation of various issues. Each of the procedures and analyses required in these transactions provides budgetary controls to prevent or identify financial distress in local governments and to minimize financial risks.					
307.07 Office of State and Local Finance	\$73,000	\$0	\$0	\$73,000	1
Sub-total	\$73,000	\$0	\$0	\$73,000	1
Total Comptroller of the Treasury	\$1,573,000	\$0	\$0	\$1,573,000	1
Treasury Department					
• Baccalaureate Education System Trust					
To provide non-recurring general fund support for an incentive program that will encourage Tennessee residents to participate in a college savings plan. A new college savings plan will be created by the Department of Treasury and approved by the Board of Trustees of the Baccalaureate Education System Trust.					
309.03 Baccalaureate Education System Trust	\$250,000	\$0	\$0	\$250,000	0
Sub-total	\$250,000	\$0	\$0	\$250,000	0
• Support Staff					
To provide three positions in the investments division of the Tennessee Consolidated Retirement System (TCRS). These positions include a mid-cap equity portfolio manager/analyst to improve portfolio management strategies, a real estate/private equity analyst to improve analysis to the real estate and private equity portfolios, and a senior real estate portfolio manager to work on the investment process for the real estate portfolio.					
309.01 Treasury Department	\$0	\$0	\$504,000	\$504,000	3
Sub-total	\$0	\$0	\$504,000	\$504,000	3
Total Treasury Department	\$250,000	\$0	\$504,000	\$754,000	3

General Government Improvements for Fiscal Year 2011-2012

	State	Federal	Other	Total	Positions
Human Rights Commission					
• Title VI Compliance					
To provide funds for support staff to assist in compliance with Title VI of the U.S. Civil Rights Act of 1964. Title VI prohibits discrimination in federal programs on the basis of race, color, or national origin. The position will audit compliance reports from more than 40 state entities receiving federal funding. The position also will allow the Human Rights Commission to ensure that proper action is taken to prevent violations of Title VI, which could result in the loss of federal revenue for the state.					
316.04 Human Rights Commission	\$100,000	\$0	\$0	\$100,000	1
Sub-total	\$100,000	\$0	\$0	\$100,000	1
Total Human Rights Commission	\$100,000	\$0	\$0	\$100,000	1

Finance and Administration

• State Building Commission Competitive Designer Procurement					
To provide funds for six positions to support the State Building Commission (SBC) designer selection process for capital outlay projects. A new process requires increasing levels of review of the designer candidates based on the magnitude of the project. The additional staff include four architects, one project scheduler, and one administrative support position.					
317.10 Real Property Administration	\$577,300	\$0	\$0	\$577,300	6
Sub-total	\$577,300	\$0	\$0	\$577,300	6
Total Finance and Administration	\$577,300	\$0	\$0	\$577,300	6

Revenue

• Wireless Emergency Telecommunication Service					
To provide funds for administration of a prepaid wireless emergency telephone service charge of 53 cents, as required by Public Acts of 2010, Public Chapter 774. Funding includes a non-recurring amount of \$61,900.					
347.11 Information Technology Resources Division	\$0	\$0	\$57,200	\$57,200	0
347.13 Taxpayer and Vehicle Services Division	\$0	\$0	\$58,900	\$58,900	1
Sub-total	\$0	\$0	\$116,100	\$116,100	1
• Cigarette Fusion Stamps					
To provide funds for cigarette fusion stamps applied to tobacco products sold or otherwise distributed in the State of Tennessee, as required by TCA 67-4-1006. The cost increase to manufacture the stamps has increased from 71 cents to 87 cents per unit.					
347.13 Taxpayer and Vehicle Services Division	\$68,400	\$0	\$0	\$68,400	0
Sub-total	\$68,400	\$0	\$0	\$68,400	0

General Government Improvements for Fiscal Year 2011-2012

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Information Technology Support					
To provide funds for the support of information technology requirements and software upgrades. From the appropriation, \$347,400 is non-recurring.					
347.11 Information Technology Resources Division	\$2,552,400	\$0	\$0	\$2,552,400	0
Sub-total	\$2,552,400	\$0	\$0	\$2,552,400	0
• Title and Registration					
To provide non-recurring funds for the development and implementation of the Title and Registration User System for Tennessee (TRUST). TRUST is an interface for the state and county clerks' offices to improve efficiency issuing and storing title and registration records, managing inventory, and providing information for law enforcement.					
347.11 Information Technology Resources Division	\$2,400,000	\$0	\$0	\$2,400,000	0
Sub-total	\$2,400,000	\$0	\$0	\$2,400,000	0
• Multistate Tax Commission					
To provide funds for the participation in the Multistate Tax Commission (MTC) joint audit program. This program is a cost-effective means to provide access to information about compliance of tax filings submitted by taxpayers in all states participating in the joint audit program.					
347.14 Audit Division	\$241,200	\$0	\$0	\$241,200	0
Sub-total	\$241,200	\$0	\$0	\$241,200	0
• Title Issuance					
To provide funds to allow additional county clerks' offices to issue certificates of titles.					
347.13 Taxpayer and Vehicle Services Division	\$100,000	\$0	\$0	\$100,000	0
Sub-total	\$100,000	\$0	\$0	\$100,000	0
Total Revenue	\$5,362,000	\$0	\$116,100	\$5,478,100	1

Miscellaneous Appropriations

- Salary Increase - State Employees**

To provide funds for a 1.6 percent salary increase for state employees, effective July 1, 2011. Additional funds are recommended in the Department of Education budget for teachers and other licensed K-12 education employees funded by the Basic Education Program (BEP) formula (\$36.3 million) and in the budget for higher education (\$18.4 million). The total general fund cost for state agencies, higher education, and the K-12 BEP is \$77.8 million.

351.00 Miscellaneous Appropriations	\$23,100,000	\$0	\$0	\$23,100,000	0
Sub-total	\$23,100,000	\$0	\$0	\$23,100,000	0

General Government Improvements for Fiscal Year 2011-2012

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Group Health Insurance - January 1, 2012					
To provide funds for the state share of 4 percent group health insurance premium increase. Additional funds are recommended in the Department of Education budget for teachers and other licensed K-12 employees funded by the BEP (\$5.7 million) and in the budget for higher education (\$4.1 million). The total general fund cost for state agencies, higher education, and the K-12 BEP is \$15 million.					
351.00 Miscellaneous Appropriations	\$5,200,000	\$0	\$0	\$5,200,000	0
Sub-total	\$5,200,000	\$0	\$0	\$5,200,000	0
• Retirees and Retired Teachers Health Insurance					
To provide additional funding for health insurance of retired state employees (\$700,000) and retired teachers (\$1,300,000).					
351.00 Miscellaneous Appropriations	\$2,000,000	\$0	\$0	\$2,000,000	0
Sub-total	\$2,000,000	\$0	\$0	\$2,000,000	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
• Property Insurance					
To provide funding for a property insurance premium increase effective July 1, 2010.					
351.00 Miscellaneous Appropriations	\$489,600	\$0	\$0	\$489,600	0
Sub-total	\$489,600	\$0	\$0	\$489,600	0
• Chief Procurement Office					
To provide funds to annualize the cost of creating a Chief Procurement Office, as required by Public Acts of 2010, Public Chapter 1098. From the appropriation, \$80,000 is non-recurring.					
351.00 Miscellaneous Appropriations	\$611,000	\$0	\$0	\$611,000	3
Sub-total	\$611,000	\$0	\$0	\$611,000	3
• Administration Legislation					
To provide recurring funds for the cost of legislation proposed by the Administration.					
351.00 Miscellaneous Appropriations	\$2,000,000	\$0	\$0	\$2,000,000	0
Sub-total	\$2,000,000	\$0	\$0	\$2,000,000	0

General Government Improvements for Fiscal Year 2011-2012

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Legislative Initiatives					
To provide funds for legislative initiatives. From the appropriation, \$2 million is recurring and \$3 million is non-recurring.					
351.00 Miscellaneous Appropriations	\$5,000,000	\$0	\$0	\$5,000,000	0
Sub-total	\$5,000,000	\$0	\$0	\$5,000,000	0
• Flood Relief - Nashville Symphony					
To provide non-recurring funds for May 2010 flood relief to the Nashville Symphony.					
351.00 Miscellaneous Appropriations	\$2,000,000	\$0	\$0	\$2,000,000	0
Sub-total	\$2,000,000	\$0	\$0	\$2,000,000	0
• Flood Relief - Hermitage - Ladies Hermitage Association					
To provide non-recurring funds to the Ladies Hermitage Association for operational and revenue losses at The Hermitage, home of President Andrew Jackson, resulting from the May 2010 flood.					
351.00 Miscellaneous Appropriations	\$710,000	\$0	\$0	\$710,000	0
Sub-total	\$710,000	\$0	\$0	\$710,000	0
• American Battle Monuments Commission					
To provide recurring funds to the American Battle Monuments Commission for maintenance of Tennessee World War I monuments in France.					
351.00 Miscellaneous Appropriations	\$2,000	\$0	\$0	\$2,000	0
Sub-total	\$2,000	\$0	\$0	\$2,000	0
Total Miscellaneous Appropriations	\$42,112,600	\$0	\$0	\$42,112,600	3
Total General Government	\$49,974,900	\$0	\$620,100	\$50,595,000	15

Legislature

As the legislative branch of Tennessee State Government, the General Assembly consists of the Senate and the House of Representatives. The primary powers vested in it by the Constitution of the state include the enactment of laws for all citizens and the financing of state government operations by levying taxes and appropriating state revenues. The upper house of Tennessee's General Assembly is the Senate. The state is divided into 33 senatorial districts, each electing one senator. Senators are elected to four-year terms, with those from even-numbered districts elected in the same general election, and those representing odd-numbered districts elected two years later. The lower house of the legislature is the House of Representatives. The state is divided into 99 House districts, each electing one representative. Representatives are elected to two-year terms, with all representatives standing for election at the same time.

<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</u>
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Administrative and Support Services

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

301.01 Legislative Administration Services

Legislative Administration Services provides administrative support to the General Assembly. The office's functions include administering the costs of the annual legislative sessions, preparing legislative budgets, purchasing supplies and equipment needed by the members, managing facilities, and coordinating the internship program.

Full-Time	22	22	22	0	22
Part-Time	3	3	3	0	3
Seasonal	28	28	28	0	28
Total	53	53	53	0	53
Payroll	1,445,900	1,875,700	1,875,700	0	1,875,700
Operational	3,397,100	2,230,600	2,544,500	0	2,544,500
Total	\$4,843,000	\$4,106,300	\$4,420,200	\$0	\$4,420,200
State	3,326,200	4,089,300	4,403,200	0	4,403,200
Federal	0	0	0	0	0
Other	1,516,800	17,000	17,000	0	17,000

301.16 General Assembly Support Services

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

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

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
Payroll	5,796,000	6,604,200	6,604,200	0	6,604,200
Operational	964,500	673,300	1,030,100	0	1,030,100
Total	\$6,760,500	\$7,277,500	\$7,634,300	\$0	\$7,634,300
State	6,755,400	7,207,500	7,564,300	0	7,564,300
Federal	0	0	0	0	0
Other	5,100	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	28,600	63,300	68,900	0	68,900
Total	\$28,600	\$63,300	\$68,900	\$0	\$68,900
State	28,600	63,300	68,900	0	68,900
Federal	0	0	0	0	0
Other	0	0	0	0	0

Legislative Services

Legislative Services provides financial and administrative support for the General Assembly. Funds are disbursed for the payment of Senate and House members' expenses, for the operating costs of the two speakers' offices, and for expenses incurred by the standing committees of the two houses. Select committees are created to focus on special needs that the General Assembly feels merit closer study. Committees to study specific subjects may be created by 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	12,982,800	13,251,000	13,251,000	0	13,251,000
Operational	3,188,000	3,011,900	3,741,000	0	3,741,000
Total	\$16,170,800	\$16,262,900	\$16,992,000	\$0	\$16,992,000
State	16,155,400	16,234,400	16,963,500	0	16,963,500
Federal	0	0	0	0	0
Other	15,400	28,500	28,500	0	28,500

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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301.08 State Senate

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

Full-Time	101	101	101	0	101
Part-Time	54	54	54	0	54
Seasonal	0	0	0	0	0
Total	155	155	155	0	155
Payroll	6,768,800	7,558,400	7,558,400	0	7,558,400
Operational	1,240,200	1,218,600	1,709,500	0	1,709,500
Total	\$8,009,000	\$8,777,000	\$9,267,900	\$0	\$9,267,900
State	7,985,700	8,755,000	9,245,900	0	9,245,900
Federal	0	0	0	0	0
Other	23,300	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, Health Equity Commission, 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	593,600	560,200	560,200	0	560,200
Operational	14,100	209,600	270,500	0	270,500
Total	\$607,700	\$769,800	\$830,700	\$0	\$830,700
State	607,700	769,800	830,700	0	830,700
Federal	0	0	0	0	0
Other	0	0	0	0	0

301.00 Total Legislature

Full-Time	403	403	403	0	403
Part-Time	126	126	126	0	126
Seasonal	28	28	28	0	28
Total	557	557	557	0	557
Payroll	27,587,100	29,849,500	29,849,500	0	29,849,500
Operational	8,832,500	7,407,300	9,364,500	0	9,364,500
Total	\$36,419,600	\$37,256,800	\$39,214,000	\$0	\$39,214,000
State	34,859,000	37,119,300	39,076,500	0	39,076,500
Federal	0	0	0	0	0
Other	1,560,600	137,500	137,500	0	137,500

Fiscal Review Committee

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

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

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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	1,194,200	1,217,300	1,203,800	0	1,203,800
Operational	28,100	68,200	130,700	0	130,700
Total	\$1,222,300	\$1,285,500	\$1,334,500	\$0	\$1,334,500
State	1,222,300	1,240,500	1,334,500	0	1,334,500
Federal	0	0	0	0	0
Other	0	45,000	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 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, Bureau of Ethics and Campaign Finance, and the Economic Council on Women are administratively attached to the Tennessee Department of State.

<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</u>
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Administrative and Support Services

Administrative and support services provide services essential to carrying out the responsibilities of the Secretary of State. This functional area consists of the Secretary of State, State Election Commission, Public Documents, Bureau of Ethics and Campaign Finance, Charitable Solicitations and Charitable Gaming, and the Help America Vote Act.

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	195	184	182	0	182
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	195	184	182	0	182
Payroll	11,375,800	12,894,900	12,699,100	0	12,699,100
Operational	3,064,400	3,189,800	2,980,200	0	2,980,200
Total	\$14,440,200	\$16,084,700	\$15,679,300	\$0	\$15,679,300
State	7,134,600	8,691,800	8,496,000	0	8,496,000
Federal	0	300,000	300,000	0	300,000
Other	7,305,600	7,092,900	6,883,300	0	6,883,300

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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305.02 State Election Commission

The State Election Commission, in conformity with Title 2 of Tennessee Code Annotated, ensures the uniformity of election laws. The commission is comprised of seven members, four from the political party holding a majority of seats in the General Assembly and three members from the minority party. Individuals are elected to four-year terms by the General Assembly. The commission works closely with the coordinator of elections toward the common goal of maintaining uniformity in elections as well as preserving the purity of the ballot.

Full-Time	0	0	0	0	0
Part-Time	5	7	7	0	7
Seasonal	0	0	0	0	0
Total	5	7	7	0	7
Payroll	102,100	112,400	112,400	0	112,400
Operational	1,528,400	1,471,600	1,471,600	0	1,471,600
Total	\$1,630,500	\$1,584,000	\$1,584,000	\$0	\$1,584,000
State	1,630,500	1,584,000	1,584,000	0	1,584,000
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	341,000	396,300	396,300	0	396,300
Total	\$341,000	\$396,300	\$396,300	\$0	\$396,300
State	341,000	396,300	396,300	0	396,300
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>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
Full-Time	13	13	13	0	13
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	13	13	13	0	13
Payroll	794,400	951,500	951,500	0	951,500
Operational	196,900	156,800	156,800	0	156,800
Total	\$991,300	\$1,108,300	\$1,108,300	\$0	\$1,108,300
State	458,300	593,200	593,200	0	593,200
Federal	0	0	0	0	0
Other	533,000	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	19	17	17	0	17
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	19	17	17	0	17
Payroll	1,028,500	1,172,500	1,172,500	0	1,172,500
Operational	214,400	243,900	243,900	0	243,900
Total	\$1,242,900	\$1,416,400	\$1,416,400	\$0	\$1,416,400
State	0	17,400	17,400	0	17,400
Federal	0	0	0	0	0
Other	1,242,900	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	417,000	20,500,000	27,500,000	0	27,500,000
Total	\$417,000	\$20,500,000	\$27,500,000	\$0	\$27,500,000
State	0	0	0	0	0
Federal	417,000	19,500,000	26,500,000	0	26,500,000
Other	0	1,000,000	1,000,000	0	1,000,000

Actual
2009-2010

Estimated
2010-2011

Base
2011-2012

Improvement
2011-2012

Recommended
2011-2012

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	101	94	0	94
Part-Time	3	3	3	0	3
Seasonal	0	0	0	0	0
Total	106	104	97	0	97
Payroll	5,786,000	6,230,700	5,898,900	0	5,898,900
Operational	4,657,800	6,091,700	6,091,700	0	6,091,700
Total	\$10,443,800	\$12,322,400	\$11,990,600	\$0	\$11,990,600
State	6,897,100	8,688,100	8,356,300	0	8,356,300
Federal	2,832,400	2,969,200	2,969,200	0	2,969,200
Other	714,300	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	87	87	0	87
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	92	87	87	0	87
Payroll	4,673,600	4,841,600	4,838,200	0	4,838,200
Operational	3,168,400	3,509,000	3,512,400	0	3,512,400
Total	\$7,842,000	\$8,350,600	\$8,350,600	\$0	\$8,350,600
State	7,138,200	7,528,100	7,528,100	0	7,528,100
Federal	513,400	627,500	627,500	0	627,500
Other	190,400	195,000	195,000	0	195,000

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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, health care, domestic relations, and federal and state laws on women.

Full-Time	3	3	3	0	3
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	3	3	3	0	3
Payroll	129,400	195,600	160,600	0	160,600
Operational	45,200	39,200	43,200	0	43,200
Total	\$174,600	\$234,800	\$203,800	\$0	\$203,800
State	174,600	166,800	203,800	0	203,800
Federal	0	10,000	0	0	0
Other	0	58,000	0	0	0

Community Enhancement Grants

305.12 Community Enhancement Grants

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

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	3,000	0	0	0	0
Total	\$3,000	\$0	\$0	\$0	\$0
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	3,000	0	0	0	0
305.00 Total Secretary of State					
Full-Time	425	405	396	0	396
Part-Time	8	10	10	0	10
Seasonal	0	0	0	0	0
Total	433	415	406	0	406
Payroll	23,889,800	26,399,200	25,833,200	0	25,833,200
Operational	13,636,500	35,598,300	42,396,100	0	42,396,100
Total	\$37,526,300	\$61,997,500	\$68,229,300	\$0	\$68,229,300
State	23,774,300	27,665,700	27,175,100	0	27,175,100
Federal	3,762,800	23,406,700	30,396,700	0	30,396,700
Other	9,989,200	10,925,100	10,657,500	0	10,657,500

Comptroller of the Treasury

The Comptroller of the Treasury is a constitutional officer elected by the General Assembly. Statutory duties of the Comptroller include the audit of state and local governments, management of the state debt, support of the General Assembly and its committees, participation in the general financial and administrative management of state government, administration of property assessment for tax purposes, and support of local governments. The Comptroller administers the following functional areas: administrative and support services; offices of Research and Education Accountability; audit services; services to local governments; property assessment oversight; and appraisal of public utility and transportation properties.

<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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	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	1,418,700	1,545,700	1,545,700	0	1,545,700
Operational	179,400	208,100	208,100	0	208,100
Total	\$1,598,100	\$1,753,800	\$1,753,800	\$0	\$1,753,800
State	1,477,700	1,644,400	1,644,400	0	1,644,400
Federal	0	0	0	0	0
Other	120,400	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	3,870,600	4,046,200	4,046,200	0	4,046,200
Operational	6,531,000	6,216,800	6,216,800	0	6,216,800
Total	\$10,401,600	\$10,263,000	\$10,263,000	\$0	\$10,263,000

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
State	9,777,000	9,990,500	9,990,500	0	9,990,500
Federal	0	0	0	0	0
Other	624,600	272,500	272,500	0	272,500

307.03 Capitol Print Shop

The Capitol Print Shop has been responsible for providing printing and duplicating services to the Legislature, constitutional offices, and other state agencies. Materials included budget and financial reports, memoranda, newsletters, legislative bills, public and private acts, House and Senate journals, and other miscellaneous materials. The Capitol Print Shop began its transfer to General Services Printing on July 1, 2010, and will be completed by June 30, 2011, where the program is operating on a limited capacity.

Full-Time	12	2	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	12	2	0	0	0
Payroll	469,600	187,400	0	0	0
Operational	308,000	240,500	0	0	0
Total	\$777,600	\$427,900	\$0	\$0	\$0
State	250,000	0	0	0	0
Federal	0	0	0	0	0
Other	527,600	427,900	0	0	0

Offices of Research and Education Accountability

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

307.14 Offices of Research and Education Accountability

The Office of Education Accountability monitors the performance of Tennessee elementary and public school systems and provides the General Assembly reports on a variety of education topics. The office assists the House and Senate Education committees as requested, and provides the Legislature an independent means to evaluate the financial impact of state policy on the public education system. The Office of Research conducts research projects on state and local government issues at the request of the Comptroller and the General Assembly. The office assists the State Funding Board in analyzing the annual economic forecast prepared by the Center for Business and Economic Research. In addition, the Office of Research prepares fiscal note support forms for the Fiscal Review Committee, monitors legislation, and analyzes the budget.

Full-Time	22	16	16	0	16
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	22	16	16	0	16

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
Payroll	1,117,100	1,152,700	1,152,700	0	1,152,700
Operational	180,000	815,700	815,700	0	815,700
Total	\$1,297,100	\$1,968,400	\$1,968,400	\$0	\$1,968,400
State	1,249,800	1,415,800	1,415,800	0	1,415,800
Federal	0	0	0	0	0
Other	47,300	552,600	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	205	206	206	0	206
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	205	206	206	0	206
Payroll	13,508,600	14,595,000	14,595,000	0	14,595,000
Operational	1,215,500	1,581,100	1,581,100	0	1,581,100
Total	\$14,724,100	\$16,176,100	\$16,176,100	\$0	\$16,176,100
State	9,540,200	11,749,700	11,749,700	0	11,749,700
Federal	0	0	0	0	0
Other	5,183,900	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	99	0	99
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	99	99	99	0	99
Payroll	7,490,500	7,747,100	7,747,100	0	7,747,100
Operational	635,000	1,043,000	1,043,000	0	1,043,000
Total	\$8,125,500	\$8,790,100	\$8,790,100	\$0	\$8,790,100
State	6,941,500	7,536,900	7,536,900	0	7,536,900
Federal	0	0	0	0	0
Other	1,184,000	1,253,200	1,253,200	0	1,253,200

	<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</u>
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307.06 Division of Municipal Audit

The Division of Municipal Audit is responsible for ensuring 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	23	23	23	0	23
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	23	23	23	0	23
Payroll	1,557,500	1,872,000	1,872,000	0	1,872,000
Operational	217,300	269,300	269,300	0	269,300
Total	\$1,774,800	\$2,141,300	\$2,141,300	\$0	\$2,141,300
State	1,606,700	1,926,300	1,926,300	0	1,926,300
Federal	0	0	0	0	0
Other	168,100	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.

307.08 Office of Local Government

The Office of Local Government is responsible for improving the operation of Tennessee's city and county governments by providing assistance and current information to the General Assembly, local governments, state agencies, and the public on issues that affect the state and local governments. Responsibilities include assisting local governments in redistricting, establishing precincts, and serving as a liaison 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	16	16	0	16
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	18	16	16	0	16
Payroll	910,200	1,005,800	1,005,800	0	1,005,800
Operational	132,500	166,700	166,700	0	166,700
Total	\$1,042,700	\$1,172,500	\$1,172,500	\$0	\$1,172,500
State	999,900	1,072,500	1,072,500	0	1,072,500
Federal	0	0	0	0	0
Other	42,800	100,000	100,000	0	100,000

	<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</u>
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307.07 Office of State and Local Finance

The Office of State and Local Finance is the merger of Bond Finance and Local Finance. This newly-created division provides services related to the issuance, management, compliance, arbitrage administration, maintenance of the state's general obligation debt, and services for the financial operation of local units of government. 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). Responsibilities also 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	13	13	13	1	14
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	13	13	13	1	14
Payroll	992,600	1,110,000	1,110,000	68,700	1,178,700
Operational	120,000	149,900	149,900	4,300	154,200
Total	\$1,112,600	\$1,259,900	\$1,259,900	\$73,000	\$1,332,900
State	676,600	722,600	722,600	73,000	795,600
Federal	0	0	0	0	0
Other	436,000	537,300	537,300	0	537,300

Property Assessment and Appraisal

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

307.09 Division of Property Assessments

The Division of Property Assessments is responsible for assisting local governments in assessment of property for tax purposes. Other duties include monitoring the statewide reassessment program, 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	148	117	117	0	117
Part-Time	0	0	0	0	0
Seasonal	21	21	21	0	21
Total	169	138	138	0	138
Payroll	6,830,900	6,842,800	6,842,800	0	6,842,800
Operational	1,737,400	2,006,000	2,006,000	0	2,006,000
Total	\$8,568,300	\$8,848,800	\$8,848,800	\$0	\$8,848,800
State	6,858,200	7,129,300	7,129,300	0	7,129,300
Federal	0	0	0	0	0
Other	1,710,100	1,719,500	1,719,500	0	1,719,500

	<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</u>
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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	8	0	8
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	16	16	16	0	16
Payroll	572,200	580,600	580,600	0	580,600
Operational	1,876,400	408,000	408,000	0	408,000
Total	\$2,448,600	\$988,600	\$988,600	\$0	\$988,600
State	2,350,100	888,600	888,600	0	888,600
Federal	0	0	0	0	0
Other	98,500	100,000	100,000	0	100,000

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	14	14	0	14
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	15	14	14	0	14
Payroll	1,087,400	1,070,000	1,070,000	0	1,070,000
Operational	130,800	166,900	166,900	0	166,900
Total	\$1,218,200	\$1,236,900	\$1,236,900	\$0	\$1,236,900
State	1,093,000	1,111,900	1,111,900	0	1,111,900
Federal	0	0	0	0	0
Other	125,200	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.

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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	22,737,300	24,100,000	24,100,000	1,500,000	25,600,000
Total	\$22,737,300	\$24,100,000	\$24,100,000	\$1,500,000	\$25,600,000
State	22,737,300	24,100,000	24,100,000	1,500,000	25,600,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

307.50 Telecommunications Ad Valorem Tax Equity Payments

The Telecommunications Ad Valorem Tax Equity Fund was established to reimburse local telecommunications companies for property tax liabilities that exceed assessment levels applicable to average commercial and industrial taxpayers. Payments to eligible telecommunications companies are formula-based as mandated by law. Funding provided to the Comptroller of the Treasury is exclusively for administrative expenses incurred by the Comptroller and for the required tax equity payments.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	8,013,400	14,499,900	14,499,900	0	14,499,900
Total	\$8,013,400	\$14,499,900	\$14,499,900	\$0	\$14,499,900
State	8,002,500	14,327,800	14,327,800	0	14,327,800
Federal	0	0	0	0	0
Other	10,900	172,100	172,100	0	172,100

307.00 Total Comptroller of the Treasury

Full-Time	632	583	581	1	582
Part-Time	8	8	8	0	8
Seasonal	21	21	21	0	21
Total	661	612	610	1	611
Payroll	39,825,900	41,755,300	41,567,900	68,700	41,636,600
Operational	44,014,000	51,871,900	51,631,400	1,504,300	53,135,700
Total	\$83,839,900	\$93,627,200	\$93,199,300	\$1,573,000	\$94,772,300
State	73,560,500	83,616,300	83,616,300	1,573,000	85,189,300
Federal	0	0	0	0	0
Other	10,279,400	10,010,900	9,583,000	0	9,583,000

Treasury Department

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

<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</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	232	245	245	3	248
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	232	245	245	3	248
Payroll	15,462,100	17,352,200	17,972,700	455,000	18,427,700
Operational	5,825,200	8,334,900	7,404,000	49,000	7,453,000
Total	\$21,287,300	\$25,687,100	\$25,376,700	\$504,000	\$25,880,700
State	264,600	404,500	404,500	0	404,500
Federal	0	0	0	0	0
Other	21,022,700	25,282,600	24,972,200	504,000	25,476,200

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	487,500	407,300	407,300	0	407,300
Total	\$487,500	\$407,300	\$407,300	\$0	\$407,300

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
State	487,500	407,300	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	15,000,000	0	250,000	250,000
Total	\$0	\$15,000,000	\$0	\$250,000	\$250,000
State	0	15,000,000	0	250,000	250,000
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	433,600	395,000	410,000	0	410,000
Total	\$433,600	\$395,000	\$410,000	\$0	\$410,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	433,600	395,000	410,000	0	410,000

309.10 Interlock Assistance Fund

The Interlock Assistance Fund will pay for the costs associated with the lease, purchase, installation, removal, and maintenance of an ignition interlock device or with any other cost or fee associated with with such a device for persons deemed by the court to be indigent.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
Payroll	0	0	0	0	0
Operational	0	231,800	463,500	0	463,500
Total	\$0	\$231,800	\$463,500	\$0	\$463,500
State	0	231,800	463,500	0	463,500
Federal	0	0	0	0	0
Other	0	0	0	0	0
309.00 Total Treasury Department					
Full-Time	232	245	245	3	248
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	232	245	245	3	248
Payroll	15,462,100	17,352,200	17,972,700	455,000	18,427,700
Operational	6,746,300	24,369,000	8,684,800	299,000	8,983,800
Total	\$22,208,400	\$41,721,200	\$26,657,500	\$754,000	\$27,411,500
State	752,100	16,043,600	1,275,300	250,000	1,525,300
Federal	0	0	0	0	0
Other	21,456,300	25,677,600	25,382,200	504,000	25,886,200

Claims and Compensation

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

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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313.03 Criminal Injuries Compensation

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

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	14,054,700	15,900,000	15,960,000	0	15,960,000
Total	\$14,054,700	\$15,900,000	\$15,960,000	\$0	\$15,960,000
State	8,846,400	10,500,000	10,500,000	0	10,500,000
Federal	5,181,000	3,700,000	5,020,000	0	5,020,000
Other	27,300	1,700,000	440,000	0	440,000

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	53,372,000	57,286,800	54,973,200	0	54,973,200
Total	\$53,372,000	\$57,286,800	\$54,973,200	\$0	\$54,973,200

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
State	0	0	0	0	0
Federal	5,850,000	0	0	0	0
Other	47,522,000	57,286,800	54,973,200	0	54,973,200

313.20 Unclaimed Property

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

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	24,623,100	31,500,000	31,500,000	0	31,500,000
Total	\$24,623,100	\$31,500,000	\$31,500,000	\$0	\$31,500,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	24,623,100	31,500,000	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	92,049,800	104,686,800	102,433,200	0	102,433,200
Total	\$92,049,800	\$104,686,800	\$102,433,200	\$0	\$102,433,200
State	8,846,400	10,500,000	10,500,000	0	10,500,000
Federal	11,031,000	3,700,000	5,020,000	0	5,020,000
Other	72,172,400	90,486,800	86,913,200	0	86,913,200

Executive Department

The Executive Department has responsibility for the overall operation of state government. In addition, the department is responsible for ensuring that state laws are enforced, taxes are collected, and public funds are spent wisely and for the general well-being of the state and its citizens. The Governor appoints commissioners and directors of executive branch agencies. The Governor is assisted in the administration of the executive branch by a cabinet comprised of the commissioners of the administrative departments of state government. The cabinet serves as an advisory staff to the Governor on all state matters and assists the Governor in accomplishing the goals of the administration. The Governor's staff works with state agencies and the Legislature to design and implement specific program priorities and provides policy research and recommendations for the effective operation of government. The Governor's staff also processes written and phone correspondence with Tennessee citizens. The allotment below is for staffing and operational expenses of the Governor's Office.

	<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</u>
315.01 Governor's Office					
Full-Time	40	44	44	0	44
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	40	44	44	0	44
Payroll	3,175,900	3,787,100	4,148,400	0	4,148,400
Operational	725,400	902,300	881,800	0	881,800
Total	\$3,901,300	\$4,689,400	\$5,030,200	\$0	\$5,030,200
State	3,901,300	4,689,400	5,030,200	0	5,030,200
Federal	0	0	0	0	0
Other	0	0	0	0	0

315.04 Gubernatorial Transition Office

The Gubernatorial Transition Office provides the Governor-elect with office space, supplies, and staff during the two and a half months between election day and inauguration day. This transition is necessary for the Governor-elect to make staffing decisions and be prepared for the office of Governor on inauguration day.

Full-Time	0	8	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	8	0	0	0
Payroll	0	267,000	0	0	0
Operational	0	133,000	0	0	0
Total	\$0	\$400,000	\$0	\$0	\$0
State	0	400,000	0	0	0
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</u>
315.00 Total Executive Department					
Full-Time	40	52	44	0	44
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	40	52	44	0	44
Payroll	3,175,900	4,054,100	4,148,400	0	4,148,400
Operational	725,400	1,035,300	881,800	0	881,800
Total	\$3,901,300	\$5,089,400	\$5,030,200	\$0	\$5,030,200
State	3,901,300	5,089,400	5,030,200	0	5,030,200
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>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
316.04 Human Rights Commission					
Full-Time	30	28	28	1	29
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	30	28	28	1	29
Payroll	1,581,500	1,813,900	1,801,900	51,700	1,853,600
Operational	567,400	529,100	529,100	48,300	577,400
Total	\$2,148,900	\$2,343,000	\$2,331,000	\$100,000	\$2,431,000
State	1,591,100	1,594,100	1,582,100	100,000	1,682,100
Federal	542,200	748,900	748,900	0	748,900
Other	15,600	0	0	0	0

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

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

426	500	500	0	500
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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.

141	105	115	0	115
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Tennessee Regulatory Authority

Performance-Based Budget

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

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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316.11 Tennessee Regulatory Authority

Full-Time	76	70	66	0	66
Part-Time	0	2	2	0	2
Seasonal	0	0	0	0	0
Total	76	72	68	0	68
Payroll	5,573,600	6,306,500	5,820,500	0	5,820,500
Operational	1,650,300	2,357,400	2,080,000	0	2,080,000
Total	\$7,223,900	\$8,663,900	\$7,900,500	\$0	\$7,900,500
State	6,376,200	8,074,000	7,256,300	0	7,256,300
Federal	844,400	587,900	640,900	0	640,900
Other	3,300	2,000	3,300	0	3,300

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.

	60%	70%	75%	0	75%
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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>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
316.12 Advisory Commission on Intergovernmental Relations					
Full-Time	17	18	18	0	18
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
Total	19	20	20	0	20
Payroll	1,591,100	1,939,800	1,939,800	0	1,939,800
Operational	1,136,200	943,100	935,800	0	935,800
Total	\$2,727,300	\$2,882,900	\$2,875,600	\$0	\$2,875,600
State	0	242,000	234,700	0	234,700
Federal	0	0	0	0	0
Other	2,727,300	2,640,900	2,640,900	0	2,640,900

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

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

97%	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 and Cover Tennessee Health Care Programs are divisions of this department. These programs are separately presented in the Health and Social Services section of the Budget.

<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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	122	103	101	0	101
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	122	103	101	0	101
Payroll	7,155,500	7,485,500	7,298,100	0	7,298,100
Operational	1,718,500	3,314,200	3,167,600	0	3,167,600
Total	\$8,874,000	\$10,799,700	\$10,465,700	\$0	\$10,465,700
State	1,178,400	1,715,100	1,381,100	0	1,381,100
Federal	0	0	0	0	0
Other	7,695,600	9,084,600	9,084,600	0	9,084,600

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

Measure: Information Technology Management's percent of tickets resolved within five days.

85%	90%	85%	0	85%
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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	396	361	361	0	361
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	396	361	361	0	361
Payroll	29,604,300	31,831,900	31,831,900	0	31,831,900
Operational	110,706,500	107,126,600	106,816,600	0	106,816,600
Total	\$140,310,800	\$138,958,500	\$138,648,500	\$0	\$138,648,500
State	0	0	0	0	0
Federal	125,000	0	0	0	0
Other	140,185,800	138,958,500	138,648,500	0	138,648,500

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

Measure: Mainframe and distributed system availability for key infrastructure systems (industry standard is 98%).

99.9%	99.0%	98.0%	0	98.0%
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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%.

99%	99%	98%	0	98%
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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, Preferred Provider Organizations (PPO). Additionally, Benefits Administration administers the four Cover Tennessee Health Care Programs: CoverTN, AccessTN, CoverKids, and CoverRX.

Full-Time	116	107	107	0	107
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	116	107	107	0	107
Payroll	5,800,100	7,103,900	7,056,700	0	7,056,700
Operational	5,458,600	6,106,800	5,154,000	0	5,154,000
Total	\$11,258,700	\$13,210,700	\$12,210,700	\$0	\$12,210,700

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
State	0	0	0	0	0
Federal	0	1,000,000	0	0	0
Other	11,258,700	12,210,700	12,210,700	0	12,210,700

Standard: In order to minimize plan administrative cost, 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.

0.50%	0.50%	0.52%	0	0.52%
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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	22	22	0	22
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	20	22	22	0	22
Payroll	1,379,800	1,643,100	1,643,100	0	1,643,100
Operational	36,064,000	45,849,100	27,510,100	0	27,510,100
Total	\$37,443,800	\$47,492,200	\$29,153,200	\$0	\$29,153,200
State	5,763,100	8,439,200	8,253,700	0	8,253,700
Federal	31,244,500	38,947,200	20,793,700	0	20,793,700
Other	436,200	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.

11,780	13,500	12,500	0	12,500
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Standard: Train drug court managers in how to effectively initiate and implement drug courts across the state.

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

292	325	300	0	300
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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 contract, 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	16	0	16
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	18	18	16	0	16
Payroll	1,463,000	1,491,400	1,356,000	0	1,356,000
Operational	438,300	426,500	413,300	0	413,300
Total	\$1,901,300	\$1,917,900	\$1,769,300	\$0	\$1,769,300
State	1,447,900	1,746,900	1,569,500	0	1,569,500
Federal	0	0	0	0	0
Other	453,400	171,000	199,800	0	199,800

Standard: Complete Office of Contracts Review's (OCR) review of approved contracts.

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

	8	8	8	0	8
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Standard: Complete OCR review of approved requests for proposal.

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

	8	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	417,200	546,600	546,600	0	546,600
Operational	4,137,300	4,354,000	4,069,200	0	4,069,200
Total	\$4,554,500	\$4,900,600	\$4,615,800	\$0	\$4,615,800

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
State	204,300	241,800	241,800	0	241,800
Federal	4,169,500	4,461,700	4,176,900	0	4,176,900
Other	180,700	197,100	197,100	0	197,100

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.

	600,000	350,000	400,000	0	400,000
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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.

	880	500	750	0	750
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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	3	3	0	3
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	4	3	3	0	3
Payroll	267,400	369,800	358,300	0	358,300
Operational	547,700	993,800	384,700	0	384,700
Total	\$815,100	\$1,363,600	\$743,000	\$0	\$743,000
State	718,600	763,600	743,000	0	743,000
Federal	0	0	0	0	0
Other	96,500	600,000	0	0	0

Standard: Update Certificate of Need program area standards and criteria.

Measure: Number of of Certificate of Need program areas updated in a fiscal year.

	2	2	2	0	2
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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, payroll, personnel, financial management, and procurement.

Full-Time	95	95	95	0	95
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	95	95	95	0	95

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
Payroll	7,810,100	7,911,400	7,911,400	0	7,911,400
Operational	5,642,700	15,857,600	15,760,600	0	15,760,600
Total	\$13,452,800	\$23,769,000	\$23,672,000	\$0	\$23,672,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	13,452,800	23,769,000	23,672,000	0	23,672,000

Standard: Successfully test and implement all Human Capital Management (HCM), Financial Supply Chain Management (FSCM), and Enterprise Learning Management (ELM) PeopleSoft software bundles and patches within six months of their release.

Measure: The percent of software bundles and patches released within the fiscal year and implemented within six months of the release.

Not Applicable 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	537,700	708,300	708,300	0	708,300
Operational	85,000	190,800	190,800	0	190,800
Total	\$622,700	\$899,100	\$899,100	\$0	\$899,100
State	59,800	0	0	0	0
Federal	0	0	0	0	0
Other	562,900	899,100	899,100	0	899,100

Standard: Meet or exceed 90% average of overall customer satisfaction for fiscal, human resource, and procurement services as measured by quarterly customer surveys.

Measure: Average percent of overall customer satisfaction with fiscal, human resource, and procurement services.

91% 90% 90% 0 90%

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

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
Payroll	349,400	970,500	970,500	0	970,500
Operational	7,606,400	25,032,000	98,900	0	98,900
Total	\$7,955,800	\$26,002,500	\$1,069,400	\$0	\$1,069,400
State	445,100	13,742,300	453,300	0	453,300
Federal	1,920,800	11,644,100	0	0	0
Other	5,589,900	616,100	616,100	0	616,100

Standard: Develop capacity for Health Information Exchange to demonstrate progress across five essential domains: governance, finance, technical infrastructure, business and technical operations, and legal/policy.

Measure: Percent of eligible professionals and hospitals that meaningfully use certified electronic health record technology.

Not Applicable	10%	20%	0	20%
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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, and accounting.

317.02 Division of Budget

In accordance with budget recommendations of the Governor and the Commissioner of Finance and Administration, the Division of Budget prepares the annual Budget Document and general appropriations bill for transmittal to the General Assembly. The division also is responsible for preparing the annual Work Program (enacted budget allotments) by adjusting the proposed budget to reflect final legislative action on the appropriations act and bond authorization act. The Budget includes both operational allotments and the capital outlay program. Throughout the year, the Division of Budget monitors spending by and state revenue collections of all state agencies. 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	30	0	30
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	31	31	30	0	30
Payroll	2,550,900	2,915,100	2,883,500	0	2,883,500
Operational	396,900	546,900	540,300	0	540,300
Total	\$2,947,800	\$3,462,000	\$3,423,800	\$0	\$3,423,800
State	2,947,800	3,462,000	3,423,800	0	3,423,800
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	Will Apply	Will Apply	0	Will Apply
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<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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.

65.1%	70.0%	65.0%	0	65.0%
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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	112	112	112	0	112
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	112	112	112	0	112
Payroll	5,285,800	7,548,000	7,720,000	0	7,720,000
Operational	3,638,000	4,499,100	4,086,300	0	4,086,300
Total	\$8,923,800	\$12,047,100	\$11,806,300	\$0	\$11,806,300
State	0	0	0	0	0
Federal	7,200	0	0	0	0
Other	8,916,600	12,047,100	11,806,300	0	11,806,300

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.

218	0	0	0	0
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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.

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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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	62	62	60	6	66
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	62	62	60	6	66
Payroll	3,918,700	4,571,400	4,542,100	519,300	5,061,400
Operational	2,684,100	3,652,200	3,607,300	58,000	3,665,300
Total	\$6,602,800	\$8,223,600	\$8,149,400	\$577,300	\$8,726,700
State	2,796,300	3,059,700	2,985,500	577,300	3,562,800
Federal	0	0	0	0	0
Other	3,806,500	5,163,900	5,163,900	0	5,163,900

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

Measure: Percent of projects designed within original design schedule.

74%	80%	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.

70%	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	56	50	50	0	50
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	56	50	50	0	50
Payroll	3,226,300	3,476,100	3,476,100	0	3,476,100
Operational	788,100	1,133,200	1,133,200	0	1,133,200
Total	\$4,014,400	\$4,609,300	\$4,609,300	\$0	\$4,609,300
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	4,014,400	4,609,300	4,609,300	0	4,609,300

<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</u>
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Standard: Pursue criminal arrests for TennCare fraud.

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

250	250	240	0	240
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317.00 Total Finance and Administration

Full-Time	1,059	992	985	6	991
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,059	992	985	6	991
Payroll	69,766,200	78,573,000	78,302,600	519,300	78,821,900
Operational	179,912,100	219,082,800	172,932,900	58,000	172,990,900
Total	\$249,678,300	\$297,655,800	\$251,235,500	\$577,300	\$251,812,800
State	15,561,300	33,170,600	19,051,700	577,300	19,629,000
Federal	37,467,000	56,053,000	24,970,600	0	24,970,600
Other	196,650,000	208,432,200	207,213,200	0	207,213,200

Department of Human Resources

Performance-Based Budget

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

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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	16	17	0	17
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	17	16	17	0	17
Payroll	1,111,500	1,353,100	1,423,100	0	1,423,100
Operational	1,178,400	1,289,600	1,290,000	0	1,290,000
Total	\$2,289,900	\$2,642,700	\$2,713,100	\$0	\$2,713,100
State	1,085,100	1,782,800	1,853,200	0	1,853,200
Federal	0	0	0	0	0
Other	1,204,800	859,900	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%	97%	0	97%
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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>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
Full-Time	26	26	25	0	25
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
Total	35	35	34	0	34
Payroll	1,199,100	1,759,300	1,713,700	0	1,713,700
Operational	825,500	1,761,900	1,761,500	0	1,761,500
Total	\$2,024,600	\$3,521,200	\$3,475,200	\$0	\$3,475,200
State	542,200	848,500	802,500	0	802,500
Federal	0	0	0	0	0
Other	1,482,400	2,672,700	2,672,700	0	2,672,700

Standard: Maintain an evaluation of 4.0 on a 5.0 scale for 95% of all professional skills courses.

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

94%	95%	96%	0	96%
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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	84	81	81	0	81
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	84	81	81	0	81
Payroll	3,785,700	5,015,100	4,990,700	0	4,990,700
Operational	87,100	320,700	320,700	0	320,700
Total	\$3,872,800	\$5,335,800	\$5,311,400	\$0	\$5,311,400
State	314,100	1,855,800	1,831,400	0	1,831,400
Federal	0	0	0	0	0
Other	3,558,700	3,480,000	3,480,000	0	3,480,000

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.

100%	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.

100%	100%	100%	0	100%
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
319.00 Total Human Resources					
Full-Time	127	123	123	0	123
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
Total	136	132	132	0	132
Payroll	6,096,300	8,127,500	8,127,500	0	8,127,500
Operational	2,091,000	3,372,200	3,372,200	0	3,372,200
Total	\$8,187,300	\$11,499,700	\$11,499,700	\$0	\$11,499,700
State	1,941,400	4,487,100	4,487,100	0	4,487,100
Federal	0	0	0	0	0
Other	6,245,900	7,012,600	7,012,600	0	7,012,600

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 services, and interdepartmental support services.

<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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	67	66	0	66
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	68	67	66	0	66
Payroll	3,855,000	4,318,500	4,291,400	0	4,291,400
Operational	1,070,200	2,063,300	1,994,000	0	1,994,000
Total	\$4,925,200	\$6,381,800	\$6,285,400	\$0	\$6,285,400
State	231,400	498,500	420,500	0	420,500
Federal	0	0	0	0	0
Other	4,693,800	5,883,300	5,864,900	0	5,864,900

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.

83.44%	81.00%	82.00%	0	82.00%
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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.

8.9%	49.0%	17.0%	0	17.0%
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	<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</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	17	17	0	17
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	21	17	17	0	17
Payroll	1,020,000	1,314,100	1,319,100	0	1,319,100
Operational	356,600	658,600	658,600	0	658,600
Total	\$1,376,600	\$1,972,700	\$1,977,700	\$0	\$1,977,700
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,376,600	1,972,700	1,977,700	0	1,977,700

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.

70%	80%	80%	0	80%
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Property Management Services

The department's Property Management Services manage and maintain the state's motor vehicles and state-owned facilities and grounds.

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	33	33	0	33
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	36	33	33	0	33
Payroll	1,500,600	1,591,400	1,601,900	0	1,601,900
Operational	26,401,600	30,898,600	30,898,600	0	30,898,600
Total	\$27,902,200	\$32,490,000	\$32,500,500	\$0	\$32,500,500
State	4,096,400	0	0	0	0
Federal	0	0	0	0	0
Other	23,805,800	32,490,000	32,500,500	0	32,500,500

<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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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 annual June rates.

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

73.55%	46.00%	45.00%	0	45.00%
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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	205	196	189	0	189
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	206	197	190	0	190
Payroll	8,139,600	9,944,000	9,605,700	0	9,605,700
Operational	3,040,400	4,882,900	4,882,900	0	4,882,900
Total	\$11,180,000	\$14,826,900	\$14,488,600	\$0	\$14,488,600
State	1,184,200	1,741,000	1,741,000	0	1,741,000
Federal	0	0	0	0	0
Other	9,995,800	13,085,900	12,747,600	0	12,747,600

Standard: Property Services Management (PSM) 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 PSM total cost versus the BOMA standard rate per square foot.

65.23%	61.00%	60.75%	0	60.75%
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Standard: Total cost of maintenance per square foot for buildings will be less than 65% of the latest published comparable BOMA industry standards per square foot rate.

Measure: Percent of PSM total cost versus the BOMA maintenance rate per square foot.

60.75%	60.75%	60.75%	0	60.75%
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Interdepartmental Support Services

Interdepartmental Support Services functions are postal, printing, purchasing, records management, the disposal of state surplus property, the distribution of surplus of federal property, 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 (USPS) branch in a Nashville state office building.

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
Full-Time	56	55	55	0	55
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	56	55	55	0	55
Payroll	1,726,800	2,123,500	2,131,000	0	2,131,000
Operational	20,082,700	19,402,000	19,402,000	0	19,402,000
Total	\$21,809,500	\$21,525,500	\$21,533,000	\$0	\$21,533,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	21,809,500	21,525,500	21,533,000	0	21,533,000

Standard: Retain a cost per piece of mail that is less than 80% of standard USPS first class rates.

Measure: Percent of cost versus USPS average annual cost per piece of first class mail.

80.80% 79.08% 79.07% 0 79.07%

Standard: Increase the pre-sort percentage of outgoing U.S. Postal Service letter mail to maximize pre-sort with barcode discount rate for postage savings.

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

98% / \$3,682,595 96% / \$3,687,972 98% / \$3,756,247 0 98% / \$3,756,247

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	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	2,008,000	2,528,600	2,509,600	0	2,509,600
Operational	1,787,800	2,323,100	2,323,100	0	2,323,100
Total	\$3,795,800	\$4,851,700	\$4,832,700	\$0	\$4,832,700
State	39,600	299,700	299,700	0	299,700
Federal	0	0	0	0	0
Other	3,756,200	4,552,000	4,533,000	0	4,533,000

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.

95.8% 95.0% 95.0% 0 95.0%

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.

8.4 days 8.5 days 8.5 days 0 8.5 days

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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321.10 Purchasing

The Purchasing Division is the centralized procurement office for goods and services to state government. The division is responsible for the competitive bidding and administration of statewide and agency term contracts; processing agency one-time purchase orders exceeding \$5,000; and training state personnel in purchasing procedures.

Full-Time	57	56	56	0	56
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	57	56	56	0	56
Payroll	2,177,000	2,716,000	2,767,000	0	2,767,000
Operational	1,983,900	1,680,100	1,680,100	0	1,680,100
Total	\$4,160,900	\$4,396,100	\$4,447,100	\$0	\$4,447,100
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	4,160,900	4,396,100	4,447,100	0	4,447,100

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.

40.6%	80.0%	81.0%	0	81.0%
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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 procurement requisitions over \$25,000 processed within 30 days of request receipt.

77.6%	50.0%	65.0%	0	65.0%
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321.18 Warehousing and Distribution

Warehousing and Distribution is responsible for central warehousing for state supplies, primary records management for state government, and disposing of state and local surplus property deemed no longer usable or needed by state and federal agencies.

The division is also a centralized supply distribution operation; 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; transfers historical records to the State Library and Archives and provides administrative support to the State Publications Committee.

Full-Time	57	44	37	0	37
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	57	44	37	0	37
Payroll	2,178,700	1,992,900	1,855,600	0	1,855,600
Operational	2,967,500	4,481,800	4,278,200	0	4,278,200
Total	\$5,146,200	\$6,474,700	\$6,133,800	\$0	\$6,133,800

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
State	518,300	0	0	0	0
Federal	0	0	0	0	0
Other	4,627,900	6,474,700	6,133,800	0	6,133,800

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.

3.00	4.25	3.50	0	3.50
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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.

99%	90%	92%	0	92%
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321.00 Total General Services

Full-Time	554	522	507	0	507
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	555	523	508	0	508
Payroll	22,605,700	26,529,000	26,081,300	0	26,081,300
Operational	57,690,700	66,390,400	66,117,500	0	66,117,500
Total	\$80,296,400	\$92,919,400	\$92,198,800	\$0	\$92,198,800
State	6,069,900	2,539,200	2,461,200	0	2,461,200
Federal	0	0	0	0	0
Other	74,226,500	90,380,200	89,737,600	0	89,737,600

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>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
323.00 Veterans Affairs					
Full-Time	92	94	93	0	93
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	92	94	93	0	93
Payroll	3,539,100	4,145,600	4,180,500	0	4,180,500
Operational	1,060,800	1,129,500	1,056,200	0	1,056,200
Total	\$4,599,900	\$5,275,100	\$5,236,700	\$0	\$5,236,700
State	4,007,400	4,735,400	4,697,000	0	4,697,000
Federal	459,900	392,700	392,700	0	392,700
Other	132,600	147,000	147,000	0	147,000

Standard: Increase the number of outreach events from 260 to 271.

Measure: Number of outreach events conducted.

260	270	271	0	271
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Standard: Increase the number of claims processed that are ready to rate from 35,000 to 37,950.

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

35,000	38,100	37,950	0	37,950
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Department of Revenue

Performance-Based Budget

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

<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</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	110	112	106	0	106
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	110	112	106	0	106
Payroll	7,414,200	8,063,000	7,818,200	0	7,818,200
Operational	1,961,700	1,735,700	1,745,700	0	1,745,700
Total	\$9,375,900	\$9,798,700	\$9,563,900	\$0	\$9,563,900
State	6,480,300	6,757,100	6,587,100	0	6,587,100
Federal	0	0	0	0	0
Other	2,895,600	3,041,600	2,976,800	0	2,976,800

Standard: Investigate and prosecute tax fraud timely.

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.

97.62%	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.

88.1%	81.0%	82.0%	0	82.0%
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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	100	97	91	0	91
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	100	97	91	0	91
Payroll	6,670,700	7,679,700	7,351,900	0	7,351,900
Operational	15,207,000	14,923,800	10,921,000	5,009,600	15,930,600
Total	\$21,877,700	\$22,603,500	\$18,272,900	\$5,009,600	\$23,282,500
State	15,372,200	18,464,100	14,219,900	4,952,400	19,172,300
Federal	3,100	0	0	0	0
Other	6,502,400	4,139,400	4,053,000	57,200	4,110,200

Standard: Availability of the Revenue Integrated Tax System.

Measure: Availability of the Revenue Integrated Tax System from 6:00 a.m. to 5:00 p.m., Monday through Friday.

99.54%	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	242	238	229	1	230
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	242	238	229	1	230
Payroll	10,886,400	11,717,400	11,403,400	46,900	11,450,300
Operational	16,632,400	16,486,600	16,354,100	180,400	16,534,500
Total	\$27,518,800	\$28,204,000	\$27,757,500	\$227,300	\$27,984,800
State	24,229,600	25,278,800	24,897,100	168,400	25,065,500
Federal	0	0	0	0	0
Other	3,289,200	2,925,200	2,860,400	58,900	2,919,300

<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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Standard: Complete new monthly applications for tax registration, including applicable licenses and bonds, in a timely manner.

Measure: Percent of new registration applications completed within 15 work days.

95.39%	97.00%	87.00%	0	87.00%
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Standard: Serve callers through the general information call center and tax practitioner hotlines in a timely manner.

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

95.97%	97.00%	86.00%	0	86.00%
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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	157	149	147	0	147
Part-Time	16	16	16	0	16
Seasonal	0	0	0	0	0
Total	173	165	163	0	163
Payroll	6,586,800	7,143,100	6,944,500	0	6,944,500
Operational	1,677,200	1,979,900	1,874,300	0	1,874,300
Total	\$8,264,000	\$9,123,000	\$8,818,800	\$0	\$8,818,800
State	5,968,400	6,540,900	6,290,700	0	6,290,700
Federal	0	0	0	0	0
Other	2,295,600	2,582,100	2,528,100	0	2,528,100

Standard: Timely deposit of all state funds collected.

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

100.00%	99.00%	97.20%	0	97.20%
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Standard: Timely posting of tax documents.

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

0.64 days	4.75 days	4.75 days	0	4.75 days
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Revenue Collection Services

Revenue Collection Services programs collect taxes and fees and ensure proper compliance by taxpayers. The responsibilities associated with these services include administering all state taxes for corporations doing business in Tennessee; enforcing laws and regulations regarding the inspection and taxation of petroleum products; administering the provisions of specific laws regarding the taxation of tobacco products, gifts, inheritances, estates, firearms, gross receipts, liquor by the drink, beer, and other taxes; administering the Hall income tax on stocks and bonds; administering the provisions of the Tennessee sales and use tax laws; and collecting delinquent taxes owed to the State of Tennessee.

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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	129	118	118	0	118
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	129	118	118	0	118
Payroll	7,077,400	7,194,500	7,208,400	0	7,208,400
Operational	1,183,000	906,900	981,400	0	981,400
Total	\$8,260,400	\$8,101,400	\$8,189,800	\$0	\$8,189,800
State	5,771,200	5,355,800	5,509,000	0	5,509,000
Federal	0	0	0	0	0
Other	2,489,200	2,745,600	2,680,800	0	2,680,800

Standard: Collect delinquent taxes due.

Measure: Percent of delinquent taxes collected.

17.43%	14.00%	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 13%.

7.19%	13.00%	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	343	344	344	0	344
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	343	344	344	0	344
Payroll	23,826,500	25,137,800	25,168,300	0	25,168,300
Operational	3,032,200	3,499,300	3,453,700	241,200	3,694,900
Total	\$26,858,700	\$28,637,100	\$28,622,000	\$241,200	\$28,863,200

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
State	17,207,500	19,047,100	19,237,200	241,200	19,478,400
Federal	1,500	22,000	22,000	0	22,000
Other	9,649,700	9,568,000	9,362,800	0	9,362,800

Standard: Audit taxpayers subject to Tennessee tax law.

Measure: Percent of taxpayer population audited.

3.23%	2.70%	2.38%	0	2.38%
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Standard: Process claims for refund timely.

Measure: Percent of claims for refund processed within 45 days.

89.9%	92.0%	91.0%	0	91.0%
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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	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	1,044,800	1,232,300	1,238,200	0	1,238,200
Operational	178,400	244,000	238,100	0	238,100
Total	\$1,223,200	\$1,476,300	\$1,476,300	\$0	\$1,476,300
State	1,223,200	1,476,300	1,476,300	0	1,476,300
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.

93.11%	93.00%	93.00%	0	93.00%
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
347.00 Total Revenue					
Full-Time	1,099	1,076	1,053	1	1,054
Part-Time	16	16	16	0	16
Seasonal	0	0	0	0	0
Total	1,115	1,092	1,069	1	1,070
Payroll	63,506,800	68,167,800	67,132,900	46,900	67,179,800
Operational	39,871,900	39,776,200	35,568,300	5,431,200	40,999,500
Total	\$103,378,700	\$107,944,000	\$102,701,200	\$5,478,100	\$108,179,300
State	76,252,400	82,920,100	78,217,300	5,362,000	83,579,300
Federal	4,600	22,000	22,000	0	22,000
Other	27,121,700	25,001,900	24,461,900	116,100	24,578,000

Miscellaneous Appropriations

The Miscellaneous Appropriations allotment includes funding for personal services, benefits rate adjustments, operational rate adjustments affecting all state agencies, and other state obligations not addressed elsewhere in the budget. The Miscellaneous Appropriations are line-item appropriations in Section 1 of the general appropriations bill.

	<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</u>
351.00 Miscellaneous Appropriations					
Full-Time	0	1	1	3	4
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	1	1	3	4
Payroll	0	0	0	0	0
Operational	32,780,400	67,183,000	62,915,700	42,112,600	105,028,300
Total	\$32,780,400	\$67,183,000	\$62,915,700	\$42,112,600	\$105,028,300
State	31,797,800	67,183,000	62,915,700	42,112,600	105,028,300
Federal	0	0	0	0	0
Other	982,600	0	0	0	0

Emergency and Contingency Fund

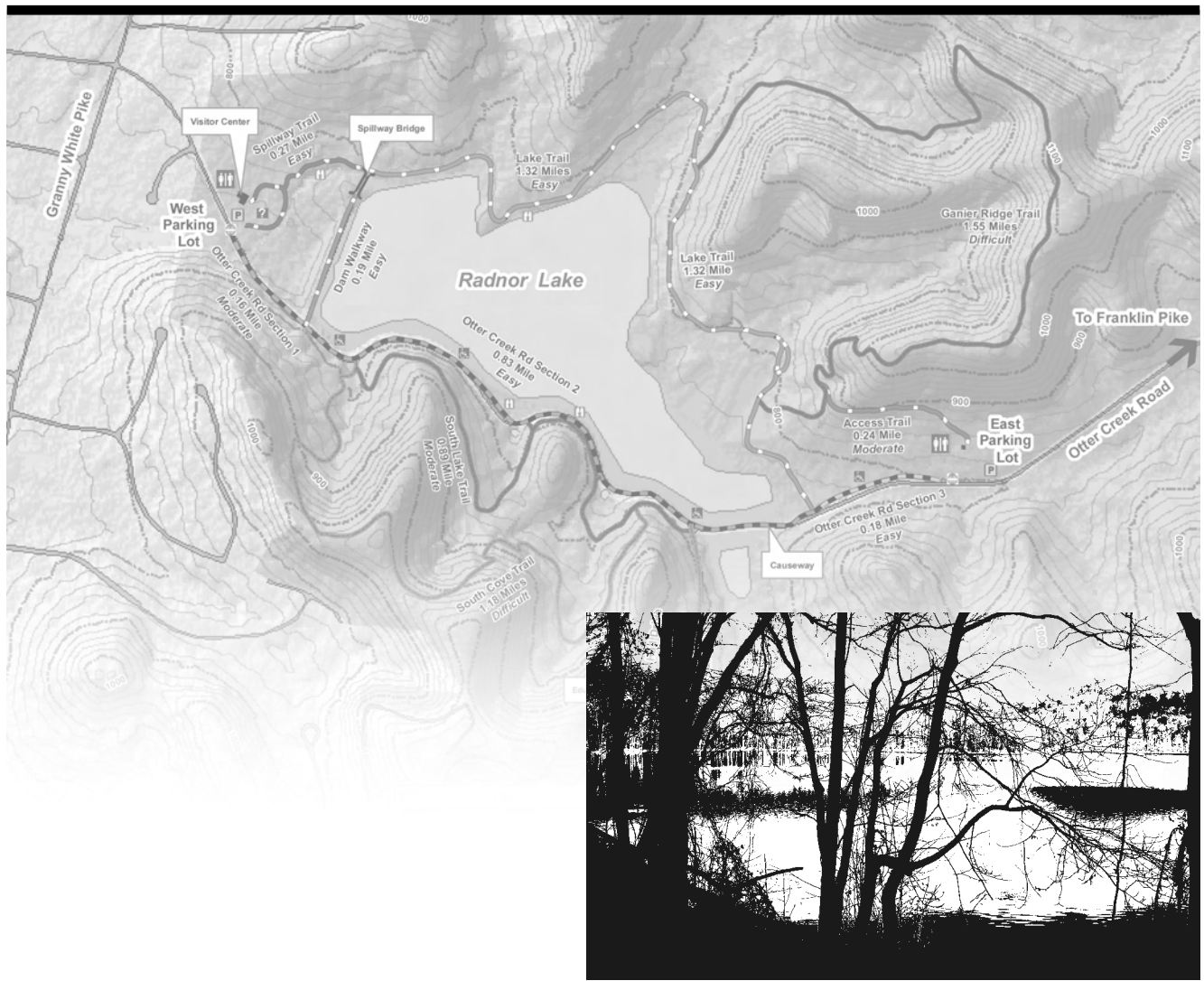
The Emergency and Contingency Fund is a special fund for any purpose authorized or implied by law for which no appropriation is made or for which insufficient appropriation is inadvertently made. This fund may not be used to fund any law requiring the expenditure of state funds unless an appropriation is made elsewhere in the general appropriations act for the estimated first-year cost. Expenditures from this fund are authorized only by Executive Order of the Governor.

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
353.00 Emergency and Contingency Fund					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	0	819,300	819,300	0	819,300
Total	\$0	\$819,300	\$819,300	\$0	\$819,300
State	0	819,300	819,300	0	819,300
Federal	0	0	0	0	0
Other	0	0	0	0	0

State Building Commission

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

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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	106,600	425,000	400,000	0	400,000
Total	\$106,600	\$425,000	\$400,000	\$0	\$400,000
State	56,500	275,000	250,000	0	250,000
Federal	0	0	0	0	0
Other	50,100	150,000	150,000	0	150,000



Education

Education



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Education

Recommended Budget, Fiscal Year 2011 – 2012

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 primarily from general tax revenues. TSAA grants provide non-repayable financial assistance to financially needy undergraduate students who are residents of Tennessee and are enrolled at a public or an eligible non-public post-secondary educational institution in Tennessee.

The lottery scholarships are funded through the Lottery for Education Account. The majority of these funds are made available for post-secondary scholarships, which include the Tennessee HOPE Scholarship, the General Assembly Merit Scholarship, the Need-Based Supplemental Award, the Tennessee HOPE Access Grant, and the Wilder-Naifeh Technical Skills Grant. In the event that net lottery proceeds exceed scholarship needs, excess lottery funds may be appropriated to pre-kindergarten and early childhood education programs.

Improvements and Program Statements

The following section includes: (1) a table on personnel and funding for all agencies in this functional area of state government; (2) a table on recommended budget for each agency by funding source; (3) a statement of recommended improvements for the ensuing fiscal year; (4) departmental program statements, indicating recommended funding and staffing for the ensuing year, compared with actual amounts for the last year and the amounts budgeted for the current year; and (5) program performance measures.

Education Total Personnel and Funding

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Recommended 2011-2012</u>
Personnel			
Full Time *	25,207	25,185	25,161
Part Time	565	141	108
Seasonal	0	0	0
TOTAL	25,772	25,326	25,269
Expenditures			
Payroll	\$ 78,465,300	\$ 91,853,500	\$ 88,849,300
Operational	8,671,107,700	9,553,328,900	8,733,253,700
TOTAL	\$ 8,749,573,000	\$ 9,645,182,400	\$ 8,822,103,000
Funding			
State **	\$ 5,142,313,900	\$ 5,299,059,700	\$ 5,501,669,700
Federal	1,717,592,100	2,316,558,200	1,295,906,700
Other	639,990,700	685,132,700	680,094,800
Tuition/Fees	1,249,676,300	1,344,431,800	1,344,431,800

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

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

\$ 305,890,800	\$ 309,400,000	\$ 311,400,000
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Education
Recommended Budget for Fiscal Year 2011-2012
By Funding Source

Department	State	Federal	Other	Total
331.00 Education (K-12)	4,094,138,700	1,037,731,700	60,741,800	5,192,612,200
332.00 Higher Education	1,407,531,000	258,175,000	1,963,784,800 *	3,629,490,800
Total	\$5,501,669,700	\$1,295,906,700	\$2,024,526,600	\$8,822,103,000

* 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**

Components	TOTAL	2010-2011 Estimated	2011-2012 Base	2012-2013 Estimated	2013-2014 Estimated
	\$ 500,741,200	\$ 119,820,100	\$ 125,321,400	\$ 124,253,400	\$ 131,346,300
1. Implementation Costs	3,507,700	1,170,300	1,033,400	645,100	658,900
2. Standards and Assessments	2,933,200	420,800	1,670,800	420,800	420,800
3. Data Systems	53,677,600	16,131,200	15,833,500	15,806,800	5,906,100
4. Teachers and Leaders	57,569,000	15,098,700	16,113,400	13,162,100	13,194,800
5. School Turnaround	109,977,700	17,976,700	21,655,900	26,700,700	43,644,400
6. Competitive Priorities	22,705,400	6,429,700	6,421,800	4,925,200	4,928,700
7. Subgrants to LEAs*	250,370,600	62,592,700	62,592,600	62,592,700	62,592,600

* 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.

**Higher Education
Outcomes-Based Funding Formula
First-Year Implementation
Fiscal Year 2011-2012**

Academic Formula Units	Year 1 Recurring Formula Change			Non-Recurring	Total
	Hold Harmless Phase-Out	Formula Phase-In	Total	Transition Funds	
332.40 UT Chattanooga	\$ (212,200)	\$ 11,000	\$ (201,200)	\$ 205,100	\$ 3,900
332.42 UT Knoxville	198,300	323,300	521,600	-	521,600
332.44 UT Martin	(596,100)	(21,000)	(617,100)	576,200	(40,900)
332.53 Southwest State	(3,537,000)	(358,300)	(3,895,300)	3,419,100	(476,200)
332.54 Nashville State	1,125,800	56,600	1,182,400	-	1,182,400
332.55 Pellissippi State	1,562,300	(20,600)	1,541,700	-	1,541,700
332.56 Northeast State	1,576,600	(88,500)	1,488,100	-	1,488,100
332.70 Austin Peay	288,600	174,500	463,100	-	463,100
332.72 East Tennessee	(1,604,500)	75,400	(1,529,100)	1,551,000	21,900
332.74 University of Memphis	(6,743,100)	235,400	(6,507,700)	6,518,200	10,500
332.75 Middle Tennessee	2,289,500	(267,600)	2,021,900	-	2,021,900
332.77 Tennessee State	799,800	(106,100)	693,700	-	693,700
332.78 Tennessee Tech	(645,100)	43,900	(601,200)	623,600	22,400
332.80 Chattanooga State	(329,200)	18,000	(311,200)	318,200	7,000
332.81 Cleveland State	(531,400)	22,000	(509,400)	513,700	4,300
332.82 Columbia State	(305,800)	21,100	(284,700)	295,600	10,900
332.84 Dyersburg State	353,900	(21,400)	332,500	-	332,500
332.86 Jackson State	62,700	19,000	81,700	-	81,700
332.88 Motlow State	1,026,000	12,400	1,038,400	-	1,038,400
332.90 Roane State	(840,100)	(70,300)	(910,400)	812,100	(98,300)
332.94 Volunteer State	(90,900)	(55,300)	(146,200)	88,000	(58,200)
332.96 Walters State	(81,900)	(3,500)	(85,400)	79,200	(6,200)
332.98 Technology Centers	6,233,800	-	6,233,800	-	6,233,800
TOTAL	\$ -	\$ -	\$ -	\$ 15,000,000	\$ 15,000,000
Sub-Total UT System	\$ (610,000)	\$ 313,300	\$ (296,700)	\$ 781,300	\$ 484,600
Sub-Total TBR System	\$ 610,000	\$ (313,300)	\$ 296,700	\$ 14,218,700	\$ 14,515,400

Hold Harmless Phase-Out - The hold harmless associated with the previous enrollment-based formula will be phased out 65% in the first year and an additional 20% and 15% in the second and third years, respectively.

Formula Phase-In - The new outcomes-based formula will be phased in 20% in the first year and an additional 30% and 50% in the second and third years, respectively.

Non-Recurring Transition Funds - An additional non-recurring \$10 million and \$5 million over the next two years will continue this support.

Education Improvements for Fiscal Year 2011-2012

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Education (K-12)					
• Basic Education Program (BEP)					
To maintain full funding of the Basic Education Program (BEP) formula, which provides an equitable state share of K-12 public education funding to local education agencies (LEAs).					
331.25 Basic Education Program	\$53,500,000	\$0	\$0	\$53,500,000	0
Sub-total	\$53,500,000	\$0	\$0	\$53,500,000	0
• BEP Growth Factor					
To fund the student enrollment growth factor of the Basic Education Program on a current-year student census basis. These funds allow for additional support to local education agencies experiencing growth in student enrollment over the previous year.					
331.25 Basic Education Program	\$8,700,000	\$0	\$0	\$8,700,000	0
Sub-total	\$8,700,000	\$0	\$0	\$8,700,000	0
• Pre-K Program - Existing Classrooms					
To maintain full funding of existing pre-kindergarten and early childhood education classrooms. Funding for these classrooms is based on the cost per component within the Basic Education Program funding formula.					
331.32 Early Childhood Education	\$1,200,000	\$0	\$0	\$1,200,000	0
Sub-total	\$1,200,000	\$0	\$0	\$1,200,000	0
• Teachers' Salary Increase					
To fund the state share of a 1.6 percent salary increase on July 1, 2011, for teachers and other positions funded through the Basic Education Program formula.					
331.25 Basic Education Program	\$36,300,000	\$0	\$0	\$36,300,000	0
Sub-total	\$36,300,000	\$0	\$0	\$36,300,000	0
• Group Health Insurance - January 1, 2011					
To provide funding to annualize the state share of the January 1, 2011, group health insurance increase for local education agencies, which was funded for six months in the current-year 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
• Group Health Insurance - January 1, 2012					
To fund the state share of a January 1, 2012, group health insurance increase for local education agencies. This is funded for six months in the recommended budget.					
331.25 Basic Education Program	\$5,700,000	\$0	\$0	\$5,700,000	0
Sub-total	\$5,700,000	\$0	\$0	\$5,700,000	0

Education Improvements for Fiscal Year 2011-2012

	State	Federal	Other	Total	Positions
• K-4 Math and Science Teachers Professional Development – Year 5 of 5					
To provide fifth-year non-recurring funding to Tennessee State University for professional development of K-4 math and science teachers.					
331.06 Curriculum and Instruction	\$2,000,000	\$0	\$0	\$2,000,000	0
Sub-total	\$2,000,000	\$0	\$0	\$2,000,000	0
• Literacy – Year 6					
To provide a sixth-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	\$500,000	\$0	\$0	\$500,000	0
Sub-total	\$500,000	\$0	\$0	\$500,000	0
Total Education (K-12)	\$110,700,000	\$0	\$0	\$110,700,000	0

Higher Education - State Administered Programs

• Salary Increase					
To fund a 1.6 percent salary increase for higher education employees effective July 1, 2011. This funds the state appropriation share through the higher education academic funding formula. The salary increase for non-academic formula units is funded completely by state appropriations.					
332.08 Centers of Excellence	\$235,800	\$0	\$0	\$235,800	0
332.11 Campus Centers of Emphasis	\$17,600	\$0	\$0	\$17,600	0
Sub-total	\$253,400	\$0	\$0	\$253,400	0
Total Higher Education - State Administered Programs	\$253,400	\$0	\$0	\$253,400	0

University of Tennessee System

• UT Biofuels Initiative – Year 5 of 5					
To provide fifth-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, Monroe 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

Education Improvements for Fiscal Year 2011-2012

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Funding Formula – Hold-Harmless Phase-Out – Year 1 of 3 Non-Recurring					
To provide non-recurring funds for support of higher education institutions. The Complete College Tennessee Act of 2010 includes a provision for a new outcomes-based funding formula for higher education to be implemented in fiscal year 2011-2012. The new formula is being phased in over three years along with the phase-out of a hold harmless provision associated with the previous enrollment-based funding formula. This appropriation, along with \$14,218,700 to the State University and Community College System, provides a total of \$15 million to institutions that are losing recurring funding because of the hold harmless phase-out, allowing an opportunity to transition to a lower level of funding. An additional non-recurring \$10 million and \$5 million for the two university systems will continue this support over the two following years.					
332.40 UT Chattanooga	\$205,100	\$0	\$0	\$205,100	0
332.44 UT Martin	\$576,200	\$0	\$0	\$576,200	0
Sub-total	\$781,300	\$0	\$0	\$781,300	0
• Salary Increase					
To fund a 1.6 percent salary increase for higher education employees effective July 1, 2011. This funds the state appropriation share through the higher education academic funding formula. The salary increase for non-academic formula units is funded completely by state appropriations.					
332.10 UT University-Wide Administration	\$44,800	\$0	\$0	\$44,800	0
332.15 UT Institute for Public Service	\$51,200	\$0	\$0	\$51,200	0
332.16 UT Municipal Technical Advisory Service	\$67,200	\$0	\$0	\$67,200	0
332.17 UT County Technical Assistance Service	\$46,400	\$0	\$0	\$46,400	0
332.23 UT Space Institute	\$109,800	\$0	\$0	\$109,800	0
332.25 UT Agricultural Experiment Station	\$382,700	\$0	\$0	\$382,700	0
332.26 UT Agricultural Extension Service	\$488,300	\$0	\$0	\$488,300	0
332.28 UT Veterinary Medicine	\$399,000	\$0	\$0	\$399,000	0
332.30 UT Health Science Center	\$1,401,600	\$0	\$0	\$1,401,600	0
332.32 UT Family Medicine	\$201,300	\$0	\$0	\$201,300	0
332.34 UT College of Medicine	\$797,400	\$0	\$0	\$797,400	0
332.40 UT Chattanooga	\$605,000	\$0	\$0	\$605,000	0
332.42 UT Knoxville	\$2,565,400	\$0	\$0	\$2,565,400	0
332.44 UT Martin	\$449,400	\$0	\$0	\$449,400	0
Sub-total	\$7,609,500	\$0	\$0	\$7,609,500	0

Education Improvements for Fiscal Year 2011-2012

	State	Federal	Other	Total	Positions
• Group Health Insurance - January 1, 2012					
To provide funding for the state share of the January 1, 2012, group health insurance premium increase. This is funded for six months in the recommended budget.					
332.10 UT University-Wide Administration	\$68,300	\$0	\$0	\$68,300	0
332.15 UT Institute for Public Service	\$13,700	\$0	\$0	\$13,700	0
332.16 UT Municipal Technical Advisory Service	\$9,200	\$0	\$0	\$9,200	0
332.17 UT County Technical Assistance Service	\$6,600	\$0	\$0	\$6,600	0
332.23 UT Space Institute	\$10,600	\$0	\$0	\$10,600	0
332.25 UT Agricultural Experiment Station	\$75,600	\$0	\$0	\$75,600	0
332.26 UT Agricultural Extension Service	\$129,600	\$0	\$0	\$129,600	0
332.28 UT Veterinary Medicine	\$55,400	\$0	\$0	\$55,400	0
332.30 UT Health Science Center	\$381,100	\$0	\$0	\$381,100	0
332.32 UT Family Medicine	\$27,000	\$0	\$0	\$27,000	0
332.40 UT Chattanooga	\$173,100	\$0	\$0	\$173,100	0
332.42 UT Knoxville	\$631,000	\$0	\$0	\$631,000	0
332.44 UT Martin	\$130,700	\$0	\$0	\$130,700	0
Sub-total	\$1,711,900	\$0	\$0	\$1,711,900	0
Total University of Tennessee System	\$15,402,700	\$0	\$0	\$15,402,700	0

State University and Community College System

• Memphis Research Consortium

To provide non-recurring funds for the Memphis Research Consortium. This consortium is designed to facilitate collaboration in research, education, institutional strategy, and other activities in the medical field and includes research and leadership staff from the University of Memphis, the University of Tennessee Health Science Center, and other private health-care entities. The consortium will recruit senior scientists whose work in genomics, population health, and regenerative medicine, which will allow Memphis to tackle two of the state's great health challenges: catastrophic injuries and pediatric obesity and diabetes. By adding the direct and indirect employment and business activity generated by research and creating new ventures, the consortium will improve the state's economy and competitive position.

332.74 University of Memphis	\$10,000,000	\$0	\$0	\$10,000,000	0
Sub-total	\$10,000,000	\$0	\$0	\$10,000,000	0

Education Improvements for Fiscal Year 2011-2012

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Funding Formula – Hold-Harmless Phase-Out – Year 1 of 3 Non-Recurring					
To provide non-recurring funds for support of higher education institutions. The Complete College Tennessee Act of 2010 includes a provision for a new outcomes-based funding formula for higher education to be implemented in fiscal year 2011-2012. The new formula is being phased in over three years along with the phase-out of a hold harmless provision associated with the previous enrollment-based funding formula. This appropriation, along with \$781,300 to the University of Tennessee System, provides a total of \$15 million to institutions that are losing recurring funding because of the hold harmless phase-out, allowing an opportunity to transition to a lower level of funding. An additional non-recurring \$10 million and \$5 million for the two university systems will continue this support over the two following years.					
332.53 Southwest Tennessee Community College	\$3,419,100	\$0	\$0	\$3,419,100	0
332.72 East Tennessee State University	\$1,551,000	\$0	\$0	\$1,551,000	0
332.74 University of Memphis	\$6,518,200	\$0	\$0	\$6,518,200	0
332.78 Tennessee Technological University	\$623,600	\$0	\$0	\$623,600	0
332.80 Chattanooga State Community College	\$318,200	\$0	\$0	\$318,200	0
332.81 Cleveland State Community College	\$513,700	\$0	\$0	\$513,700	0
332.82 Columbia State Community College	\$295,600	\$0	\$0	\$295,600	0
332.90 Roane State Community College	\$812,100	\$0	\$0	\$812,100	0
332.94 Volunteer State Community College	\$88,000	\$0	\$0	\$88,000	0
332.96 Walters State Community College	\$79,200	\$0	\$0	\$79,200	0
Sub-total	<u>\$14,218,700</u>	<u>\$0</u>	<u>\$0</u>	<u>\$14,218,700</u>	<u>0</u>

Education Improvements for Fiscal Year 2011-2012

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Salary Increase					
To fund a 1.6 percent salary increase for higher education employees effective July 1, 2011. This funds the state appropriation share through the higher education academic funding formula. The salary increase for non-academic formula units is funded completely by state appropriations.					
332.53 Southwest Tennessee Community College	\$495,000	\$0	\$0	\$495,000	0
332.54 Nashville State Community College	\$265,100	\$0	\$0	\$265,100	0
332.55 Pellissippi State Community College	\$363,400	\$0	\$0	\$363,400	0
332.56 Northeast State Community College	\$221,000	\$0	\$0	\$221,000	0
332.60 Tennessee Board of Regents	\$175,000	\$0	\$0	\$175,000	0
332.62 TSU McMinnville Center	\$3,700	\$0	\$0	\$3,700	0
332.63 TSU Institute of Agricultural and Environmental Research	\$8,000	\$0	\$0	\$8,000	0
332.64 TSU Cooperative Education	\$23,500	\$0	\$0	\$23,500	0
332.65 ETSU College of Medicine	\$575,000	\$0	\$0	\$575,000	0
332.67 ETSU Family Practice	\$165,400	\$0	\$0	\$165,400	0
332.70 Austin Peay State University	\$524,600	\$0	\$0	\$524,600	0
332.72 East Tennessee State University	\$829,800	\$0	\$0	\$829,800	0
332.74 University of Memphis	\$1,718,300	\$0	\$0	\$1,718,300	0
332.75 Middle Tennessee State University	\$1,369,400	\$0	\$0	\$1,369,400	0
332.77 Tennessee State University	\$606,600	\$0	\$0	\$606,600	0
332.78 Tennessee Technological University	\$585,400	\$0	\$0	\$585,400	0
332.80 Chattanooga State Community College	\$382,200	\$0	\$0	\$382,200	0
332.81 Cleveland State Community College	\$130,100	\$0	\$0	\$130,100	0
332.82 Columbia State Community College	\$180,300	\$0	\$0	\$180,300	0
332.84 Dyersburg State Community College	\$110,400	\$0	\$0	\$110,400	0
332.86 Jackson State Community College	\$171,700	\$0	\$0	\$171,700	0
332.88 Motlow State Community College	\$154,900	\$0	\$0	\$154,900	0
332.90 Roane State Community College	\$239,700	\$0	\$0	\$239,700	0
332.94 Volunteer State Community College	\$281,000	\$0	\$0	\$281,000	0
332.96 Walters State Community College	\$273,400	\$0	\$0	\$273,400	0
332.98 Tennessee Technology Centers	\$684,200	\$0	\$0	\$684,200	0
Sub-total	\$10,537,100	\$0	\$0	\$10,537,100	0

Education Improvements for Fiscal Year 2011-2012

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Group Health Insurance - January 1, 2012					
To provide funding for the state share of the January 1, 2012, group health insurance premium increase. This is funded for six months in the recommended budget.					
332.53 Southwest Tennessee Community College	\$92,600	\$0	\$0	\$92,600	0
332.54 Nashville State Community College	\$55,600	\$0	\$0	\$55,600	0
332.55 Pellissippi State Community College	\$78,400	\$0	\$0	\$78,400	0
332.56 Northeast State Community College	\$51,700	\$0	\$0	\$51,700	0
332.60 Tennessee Board of Regents	\$18,100	\$0	\$0	\$18,100	0
332.65 ETSU College of Medicine	\$60,900	\$0	\$0	\$60,900	0
332.67 ETSU Family Practice	\$17,500	\$0	\$0	\$17,500	0
332.70 Austin Peay State University	\$125,500	\$0	\$0	\$125,500	0
332.72 East Tennessee State University	\$264,600	\$0	\$0	\$264,600	0
332.74 University of Memphis	\$357,300	\$0	\$0	\$357,300	0
332.75 Middle Tennessee State University	\$347,800	\$0	\$0	\$347,800	0
332.77 Tennessee State University	\$159,100	\$0	\$0	\$159,100	0
332.78 Tennessee Technological University	\$170,200	\$0	\$0	\$170,200	0
332.80 Chattanooga State Community College	\$85,900	\$0	\$0	\$85,900	0
332.81 Cleveland State Community College	\$34,200	\$0	\$0	\$34,200	0
332.82 Columbia State Community College	\$36,000	\$0	\$0	\$36,000	0
332.84 Dyersburg State Community College	\$29,600	\$0	\$0	\$29,600	0
332.86 Jackson State Community College	\$46,400	\$0	\$0	\$46,400	0
332.88 Motlow State Community College	\$28,300	\$0	\$0	\$28,300	0
332.90 Roane State Community College	\$49,800	\$0	\$0	\$49,800	0
332.94 Volunteer State Community College	\$65,500	\$0	\$0	\$65,500	0
332.96 Walters State Community College	\$73,400	\$0	\$0	\$73,400	0
332.98 Tennessee Technology Centers	\$139,700	\$0	\$0	\$139,700	0
Sub-total	\$2,388,100	\$0	\$0	\$2,388,100	0
Total State University and Community College System	\$37,143,900	\$0	\$0	\$37,143,900	0
Total Higher Education	\$52,800,000	\$0	\$0	\$52,800,000	0

**Education
Improvements for Fiscal Year 2011-2012**

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Total Education	\$163,500,000	\$0	\$0	\$163,500,000	0

Department of Education (K-12)

Performance-Based Budget

The Department of Education is responsible for ensuring that the children of Tennessee have the opportunity for intellectual development commensurate with their abilities. The department coordinates and supervises the educational programs provided by the 136 local school districts, or local education agencies (LEAs). LEAs operate the state's kindergarten, elementary, secondary, and vocational schools.

<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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	108	95	87	0	87
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	108	95	87	0	87
Payroll	6,274,100	6,853,200	5,992,200	0	5,992,200
Operational	1,732,400	2,379,600	2,353,400	0	2,353,400
Total	\$8,006,500	\$9,232,800	\$8,345,600	\$0	\$8,345,600
State	6,991,100	7,592,600	6,789,200	0	6,789,200
Federal	939,000	1,563,800	1,480,000	0	1,480,000
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.

2	1	1	0	1
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Standard: Introduce educator ability to apply for teacher license transactions online by means of developing document scanning and electronic storage capabilities, including capability to receive electronic transcripts from colleges and universities.

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

100%	100%	100%	0	100%
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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	3,444,100	3,444,100	3,444,100	0	3,444,100
Total	\$3,444,100	\$3,444,100	\$3,444,100	\$0	\$3,444,100
State	3,444,100	3,104,100	3,444,100	0	3,444,100
Federal	0	340,000	0	0	0
Other	0	0	0	0	0

Standard: Maintain an Imagination Library in every county in Tennessee.

Measure: Number of counties with an Imagination Library.

	95	95	95	0	95
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Standard: Enroll eligible children in the Imagination Library.

Measure: Percent of eligible children enrolled.

	57%	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	6	6	0	6
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	8	6	6	0	6
Payroll	540,300	635,300	635,300	0	635,300
Operational	126,100	206,600	203,600	0	203,600
Total	\$666,400	\$841,900	\$838,900	\$0	\$838,900
State	663,900	841,900	838,900	0	838,900
Federal	0	0	0	0	0
Other	2,500	0	0	0	0

<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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.

60%	58%	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%	19%	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	3,605,243,500	3,733,119,100	3,691,619,100	107,000,000	3,798,619,100
Total	\$3,605,243,500	\$3,733,119,100	\$3,691,619,100	\$107,000,000	\$3,798,619,100
State	3,432,843,500	3,395,811,800	3,691,619,100	107,000,000	3,798,619,100
Federal	172,400,000	337,307,300	0	0	0
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>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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).

	86.10%	84.74%	84.88%	0	84.88%
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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	36	36	36	0	36
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	36	36	36	0	36
Payroll	2,189,300	2,853,100	2,695,300	0	2,695,300
Operational	82,332,300	90,333,200	88,283,500	1,200,000	89,483,500
Total	\$84,521,600	\$93,186,300	\$90,978,800	\$1,200,000	\$92,178,800
State	80,282,600	86,352,900	89,345,100	1,200,000	90,545,100
Federal	4,239,000	6,833,400	1,633,700	0	1,633,700
Other	0	0	0	0	0

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.

	53%	54%	54%	0	54%
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Standard: Develop comprehensive voluntary early childhood education programs to address the educational, health, and social service needs of at-risk four-year-old children.

Measure: Percent of at-risk four-year-old children enrolled in comprehensive early childhood education programs; potential growth is based on increase in funding availability.

	42%	38%	38%	0	38%
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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

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
Payroll	109,100	181,200	181,200	0	181,200
Operational	12,856,200	14,318,800	13,318,800	0	13,318,800
Total	\$12,965,300	\$14,500,000	\$13,500,000	\$0	\$13,500,000
State	12,965,300	13,700,000	13,200,000	0	13,200,000
Federal	0	0	0	0	0
Other	0	800,000	300,000	0	300,000

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.

	23,959	19,500	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.

	79%	80%	80%	0	80%
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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	193,600	214,100	214,100	0	214,100
Operational	4,922,700	38,203,800	36,459,200	0	36,459,200
Total	\$5,116,300	\$38,417,900	\$36,673,300	\$0	\$36,673,300
State	0	0	0	0	0
Federal	0	3,000,000	1,255,400	0	1,255,400
Other	5,116,300	35,417,900	35,417,900	0	35,417,900

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.

	60%	80%	80%	0	80%
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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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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331.10 Career Ladder

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

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	44,039,200	60,227,100	50,500,000	0	50,500,000
Total	\$44,039,200	\$60,227,100	\$50,500,000	\$0	\$50,500,000
State	38,766,300	35,500,000	50,500,000	0	50,500,000
Federal	5,272,900	24,727,100	0	0	0
Other	0	0	0	0	0

Standard: All Career Ladder educators will receive their supplements as prescribed by law.

Measure: Percent of eligible Career Ladder educators receiving supplements.

	100%	100%	100%	0	100%
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331.02 Grants-In-Aid

Grants-In-Aid provides funding to enhance educational opportunities for students through 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	5,376,200	5,752,900	3,893,900	500,000	4,393,900
Total	\$5,376,200	\$5,752,900	\$3,893,900	\$500,000	\$4,393,900
State	470,000	2,078,800	3,893,900	500,000	4,393,900
Federal	4,906,200	3,674,100	0	0	0
Other	0	0	0	0	0

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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Standard: Increase the current level of service and students served through the Science Alliance Consortium.

Measure: Number of children participating in Science Alliance programs.

	301,511	415,000	400,000	0	400,000
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331.43 Driver Education

Driver Education utilizes earmarked funds from a portion of the privilege taxes on litigation to support a driver education program for the purpose of teaching highway safety and good driving skills to teenage drivers.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	1,412,900	1,700,000	1,700,000	0	1,700,000
Total	\$1,412,900	\$1,700,000	\$1,700,000	\$0	\$1,700,000
State	1,412,900	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.

	23,015	25,000	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	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	1,342,600	1,807,500	1,807,500	0	1,807,500
Operational	1,346,000	1,573,600	1,573,600	0	1,573,600
Total	\$2,688,600	\$3,381,100	\$3,381,100	\$0	\$3,381,100
State	2,397,100	2,607,700	2,607,700	0	2,607,700
Federal	200,000	200,000	200,000	0	200,000
Other	91,500	573,400	573,400	0	573,400

Standard: Provide software applications and support for the department and reporting requirements.

Measure: Percent of software application requests completed.

	80%	80%	90%	0	90%
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<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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Standard: Provide a secure and reliable infrastructure for electronic delivery of data between the Department of Education and the local education agencies (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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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	40	40	0	40
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	50	40	40	0	40
Payroll	2,870,000	2,933,100	2,908,100	0	2,908,100
Operational	35,385,700	39,559,600	36,518,800	0	36,518,800
Total	\$38,255,700	\$42,492,700	\$39,426,900	\$0	\$39,426,900
State	24,690,800	28,320,200	33,995,200	0	33,995,200
Federal	4,436,200	10,588,800	1,848,000	0	1,848,000
Other	9,128,700	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.

14.5%	38.0%	38.0%	0	38.0%
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Standard: Increase the percent of 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.

4% (Estimate)	4%	5%	0	5%
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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 up to five weeks of summer programs for gifted and talented high school juniors and seniors. The 12 Governor's Schools are: arts, humanities, sciences, international studies, agricultural sciences, prospective teachers, information technology leadership, emerging technologies, scientific models and data analysis, computational physics, scientific exploration of Tennessee heritage, and engineering fundamentals.

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
Full-Time	27	22	15	0	15
Part-Time	10	10	10	0	10
Seasonal	0	0	0	0	0
Total	37	32	25	0	25
Payroll	1,661,300	1,807,700	1,174,500	0	1,174,500
Operational	12,234,000	14,667,900	3,054,800	2,000,000	5,054,800
Total	\$13,895,300	\$16,475,600	\$4,229,300	\$2,000,000	\$6,229,300
State	3,884,200	5,872,500	4,096,200	2,000,000	6,096,200
Federal	9,927,200	10,470,000	0	0	0
Other	83,900	133,100	133,100	0	133,100

Standard: Maintain yearly progress of 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.

51%	47%	47%	0	47%
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Standard: Maintain yearly progress of high school students in reading/language arts as demonstrated by TCAP scores.

Measure: Percent of high school students performing at or above the proficient level in reading/language arts.

70%	48%	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, directors of schools, 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	694,800	903,600	903,600	0	903,600
Operational	2,587,600	5,526,200	4,261,700	0	4,261,700
Total	\$3,282,400	\$6,429,800	\$5,165,300	\$0	\$5,165,300
State	5,200	1,715,800	4,547,800	0	4,547,800
Federal	2,305,000	3,389,200	0	0	0
Other	972,200	1,324,800	617,500	0	617,500

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.

97.65%	98.00%	100%	0	100%
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<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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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.

99.3%	100%	100%	0	100%
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Federally-Funded and Supported LEA Programs

Various federally-funded programs, including funding for the No Child Left Behind Act, are designed to enhance the learning environment of disadvantaged and disabled students. Other programs support teacher training in core academic subjects, as well as drug awareness and AIDS education. Titles I, II, and V of the Elementary and Secondary Education Act (ESEA) are entirely federally-funded and administered by the state. Child nutrition programs, services to students with disabilities, and career and technical 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	53	47	47	0	47
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	53	47	47	0	47
Payroll	3,042,600	4,102,700	4,102,700	0	4,102,700
Operational	450,792,200	487,504,900	315,915,800	0	315,915,800
Total	\$453,834,800	\$491,607,600	\$320,018,500	\$0	\$320,018,500
State	32,900	470,000	470,000	0	470,000
Federal	453,758,000	491,137,600	319,548,500	0	319,548,500
Other	43,900	0	0	0	0

Standard: All elementary and middle school students in the public schools will attain proficiency level in mathematics.

Measure: Percent of elementary and middle school students at or above the proficient level in mathematics.

34%	45%	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.

49%	39%	39%	0	39%
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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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 has asked states to advance reforms around four specific areas: adopt standards and assessments that prepare students to succeed in college and the workplace and to compete in the global economy; build data systems that measure student growth and success and inform teachers and principals about how they can improve instruction; recruit, develop, reward, and retain effective teachers and principals, especially where they are needed most; and turn around lowest-achieving schools.

Tennessee was awarded \$500 million over four years to implement the innovative activities put forward in the grant application. Critical to Tennessee’s success was the passage by the Tennessee General Assembly of First Extraordinary Session Public Chapter 2, the “First to the Top Act of 2010”. This legislation significantly changed the requirements for teacher evaluations, allows school systems to develop alternative salary schedules, and created the Achievement School District to allow state takeover of chronically failing schools in Tennessee.

Full-Time	0	16	16	0	16
Part-Time	0	1	1	0	1
Seasonal	0	0	0	0	0
Total	0	17	17	0	17
Payroll	7,000	1,816,800	1,816,800	0	1,816,800
Operational	135,100	118,300,500	123,504,600	0	123,504,600
Total	\$142,100	\$120,117,300	\$125,321,400	\$0	\$125,321,400
State	0	0	0	0	0
Federal	142,100	120,117,300	125,321,400	0	125,321,400
Other	0	0	0	0	0

Standard: Adopt and implement common assessments based on common core state standards and college- and career-ready expectations for student performance.

Measure: Percent of statewide assessments in mathematics and English/language arts that are aligned to the common core state standards and reflect college- and career-ready expectations for student performance.

Not Applicable	Not Applicable	100%	0	100%
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Standard: Tennessee's lowest achieving schools that have implemented a strong turnaround plan will make progress on student performance.

Measure: Percent of state's lowest-achieving schools that have implemented a turnaround plan and are making progress on student performance.

Not Applicable	30%	70%	0	70%
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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331.09 Improving Schools Program

The Improving Schools Program funds a variety of initiatives designed to provide support for local efforts. The Safe and Drug-Free Schools and Communities program provides financial and technical support to schools and communities to reduce adolescent drug use and violence. The Tobacco Prevention program addresses smoking among young children. The 21st Century Learning Centers administer grants to serve students 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	19	18	18	0	18
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	20	19	19	0	19
Payroll	992,700	1,846,300	1,846,300	0	1,846,300
Operational	40,032,500	254,173,700	49,010,900	0	49,010,900
Total	\$41,025,200	\$256,020,000	\$50,857,200	\$0	\$50,857,200
State	847,800	550,400	20,391,600	0	20,391,600
Federal	39,984,200	243,589,600	26,685,600	0	26,685,600
Other	193,200	11,880,000	3,780,000	0	3,780,000

Standard: 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.

	27	26	25	0	25
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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%	27%	30%	0	30%
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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	71	72	72	0	72
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	71	72	72	0	72

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
Payroll	4,310,300	5,090,600	5,090,600	0	5,090,600
Operational	324,609,100	357,854,000	231,404,900	0	231,404,900
Total	\$328,919,400	\$362,944,600	\$236,495,500	\$0	\$236,495,500
State	459,700	645,900	645,900	0	645,900
Federal	328,454,700	362,298,700	235,849,600	0	235,849,600
Other	5,000	0	0	0	0

Standard: Increase the percentage of special education children with disabilities testing at the proficient level in reading/language arts in grades three through eight as described in the No Child Left Behind (NCLB) accountability workbook.

Measure: Percent of special education students scoring at or above proficient in reading/language arts.

24.7%	76.0%	80.2%	0	80.2%
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Standard: Increase the percentage of special education children with disabilities testing at the proficient level in mathematics in grades three through eight as described in the NCLB accountability workbook.

Measure: Percent of special education students scoring at or above proficient in mathematics.

18.9%	71.0%	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	255	247	0	247
Part-Time	491	71	38	0	38
Seasonal	0	0	0	0	0
Total	747	326	285	0	285
Payroll	13,761,600	16,349,400	15,472,000	0	15,472,000
Operational	16,833,900	30,888,700	20,532,200	0	20,532,200
Total	\$30,595,500	\$47,238,100	\$36,004,200	\$0	\$36,004,200
State	8,721,600	14,101,600	12,754,200	0	12,754,200
Federal	8,705,600	20,553,500	10,667,000	0	10,667,000
Other	13,168,300	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.

8,055	8,225	8,225	0	8,225
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Standard: Meet or exceed the State Interagency Coordinating Council's goal of 94% in providing support to families in helping their children develop and learn.

Measure: Percent of participating families who reported TEIS helped their children develop and learn.

96%	94%	94%	0	94%
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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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 participating in the School Lunch and School Breakfast programs. Student eligibility is based on federal income poverty guidelines.

Full-Time	25	25	25	0	25
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	25	25	25	0	25
Payroll	1,475,200	1,989,000	1,989,000	0	1,989,000
Operational	280,050,400	289,261,400	289,080,200	0	289,080,200
Total	\$281,525,600	\$291,250,400	\$291,069,200	\$0	\$291,069,200
State	4,660,900	4,806,700	4,806,700	0	4,806,700
Federal	276,864,700	286,438,700	286,257,500	0	286,257,500
Other	0	5,000	5,000	0	5,000

Standard: Schools will successfully meet national nutritional standards.

Measure: Percent of schools meeting national nutritional standards.

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

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

96%	97%	97%	0	97%
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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	51	51	51	0	51
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	51	51	51	0	51
Payroll	3,464,100	3,642,400	3,642,400	0	3,642,400
Operational	25,798,400	37,562,200	28,217,600	0	28,217,600
Total	\$29,262,500	\$41,204,600	\$31,860,000	\$0	\$31,860,000
State	3,609,400	3,938,000	3,938,000	0	3,938,000
Federal	24,678,500	36,269,600	26,925,000	0	26,925,000
Other	974,600	997,000	997,000	0	997,000

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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Standard: Meet or exceed baseline levels of performance in reading/language arts as required by the Carl D. Perkins Career and Technical Education (CTE) Act of 2006.

Measure: Percent of CTE concentrators who scored proficient or advanced in reading/language arts as defined by NCLB.

	92.58%	89.37%	89.87%	0	89.87%
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Standard: Meet or exceed baseline levels of performance in mathematics as required by the Carl D. Perkins Career and Technical Education (CTE) Act of 2006.

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

	93.88%	85.00%	85.50%	0	85.50%
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Special Schools

The department operates three schools across the state in order to provide academic, vocational, and special instruction in residential settings for legally blind, deaf, and multi-disabled children, ages preschool to 21. These schools are the Tennessee School for the Blind, the Tennessee School for the Deaf, and the West Tennessee School for the Deaf. The programs offered include academic instruction, self-care skills, counseling, pre-vocational training, child health and safety, independent living skills, consultation services to LEAs, and diagnosis and identification of learning problems.

The department also operates the Alvin C. York Institute in Jamestown and the Governor's Institute for Science and Math in Knoxville.

331.91 Tennessee School for the Blind

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

Full-Time	183	182	181	0	181
Part-Time	20	20	20	0	20
Seasonal	0	0	0	0	0
Total	203	202	201	0	201
Payroll	9,422,300	9,913,800	9,754,500	0	9,754,500
Operational	1,897,900	1,797,600	1,791,400	0	1,791,400
Total	\$11,320,200	\$11,711,400	\$11,545,900	\$0	\$11,545,900
State	10,349,500	10,795,700	10,632,900	0	10,632,900
Federal	0	0	0	0	0
Other	970,700	915,700	913,000	0	913,000

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.

	95%	100%	100%	0	100%
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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Standard: Maintain the percentage of TSB graduating seniors from the Life Skills or Pre-Vocational programs successfully completing their individualized education 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 education 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	241	241	0	241
Part-Time	21	21	21	0	21
Seasonal	0	0	0	0	0
Total	263	262	262	0	262
Payroll	11,044,000	12,033,700	11,938,700	0	11,938,700
Operational	3,973,700	3,971,300	3,571,300	0	3,571,300
Total	\$15,017,700	\$16,005,000	\$15,510,000	\$0	\$15,510,000
State	14,124,900	14,408,800	14,966,600	0	14,966,600
Federal	0	800,000	0	0	0
Other	892,800	796,200	543,400	0	543,400

Standard: Increase the percentage of students scoring at or above the national average (50th percentile) on the Stanford Achievement Test, Hearing Impaired version (SAT-HI).

Measure: Percent of TSD students scoring at or above the SAT-HI national average.

	41%	70%	70%	0	70%
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Standard: Maintain 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 educational programs for students, ages two through 13, with multiple disabilities (primarily hearing impaired).

Full-Time	40	39	39	0	39
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
Total	49	48	48	0	48
Payroll	1,879,400	2,387,000	2,387,000	0	2,387,000
Operational	499,800	413,400	372,000	0	372,000
Total	\$2,379,200	\$2,800,400	\$2,759,000	\$0	\$2,759,000
State	2,145,100	2,537,600	2,536,300	0	2,536,300
Federal	0	0	0	0	0
Other	234,100	262,800	222,700	0	222,700

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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Standard: Increase the percentage of WTSD students, grades three and above, scoring at least proficient in reading/language arts on the Tennessee Comprehensive Assessment Program (TCAP).

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

	26%	63%	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.

	30%	48%	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 is designated as a state natural area, consists of over 400 acres, and supports a working farm.

Full-Time	78	76	76	0	76
Part-Time	11	8	8	0	8
Seasonal	0	0	0	0	0
Total	89	84	84	0	84
Payroll	5,265,800	5,530,900	5,420,400	0	5,420,400
Operational	1,188,500	1,115,500	1,115,500	0	1,115,500
Total	\$6,454,300	\$6,646,400	\$6,535,900	\$0	\$6,535,900
State	5,396,400	5,590,700	5,480,200	0	5,480,200
Federal	56,000	60,000	60,000	0	60,000
Other	1,001,900	995,700	995,700	0	995,700

Standard: Increase the percentage of York students scoring proficient or above on the state administered Gateway/End of Course mathematics examination.

Measure: Percent of students with a proficient score or above on the Gateway/End of Course mathematics examination.

	96.02%	96.50%	96.50%	0	96.50%
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Standard: Maintain the percentage of York students scoring proficient or above on the state administered Gateway/End of Course science examination.

Measure: Percent of students with a proficient score or above on the Gateway/End of Course science examination.

	96.67%	98.00%	97.00%	0	97.00%
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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331.96 Governor's Institute for Science and Math

In August 2007, the state opened the Governor's Institute for Science and Math, a residential high school for top high school math and science upper-class students from across the state. The school is located at the Tennessee School for the Deaf campus in Knoxville, and the University of Tennessee provides staff and oversight. The school is operating in the 2010-2011 school year with only graduating seniors. Then the school will close, but the concept and notable ideas will translate to the new science, technology, engineering, and mathematics (STEM) schools that will open under the First to the Top 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	1,956,300	1,589,000	0	0	0
Total	\$1,956,300	\$1,589,000	\$0	\$0	\$0
State	1,956,300	1,589,000	0	0	0
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Provide 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.

45	24	Not Applicable	0	Not Applicable
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Standard: Graduate students.

Measure: Percent of seniors graduating from the Governor's Institute for Math and Science.

100%	90%	Not Applicable	0	Not Applicable
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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
Payroll	0	0	0	0	0
Operational	85,800	239,100	239,100	0	239,100
Total	\$85,800	\$239,100	\$239,100	\$0	\$239,100
State	85,800	239,100	239,100	0	239,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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Standard: Utilize allocated funds on planned, regularly scheduled maintenance projects.

Measure: Percent of allocated funds expended for maintenance projects.

90%	100%	100%	0	100%
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331.00 Total Education (K-12)

Full-Time	1,282	1,256	1,232	0	1,232
Part-Time	563	141	108	0	108
Seasonal	0	0	0	0	0
Total	1,845	1,397	1,340	0	1,340
Payroll	70,540,100	82,891,400	79,972,200	0	79,972,200
Operational	4,960,892,500	5,595,683,800	5,001,940,000	110,700,000	5,112,640,000
Total	\$5,031,432,600	\$5,678,575,200	\$5,081,912,200	\$110,700,000	\$5,192,612,200
State	3,661,207,300	3,644,871,800	3,983,438,700	110,700,000	4,094,138,700
Federal	1,337,269,300	1,963,358,700	1,037,731,700	0	1,037,731,700
Other	32,956,000	70,344,700	60,741,800	0	60,741,800

Statistical Data

State Special Schools

	York Institute <u>331.90</u>	TN School for the Blind <u>331.91</u>	TN School for the Deaf <u>331.92</u>	West TN School for the Deaf <u>331.93</u>
Annual Admissions				
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	11	37	60
2010-2011	770	13	50	58
2011-2012	770	14	78	58
Annual Releases				
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	8	24	10
2010-2011	180	6	25	5
2011-2012	180	6	17	6
Average Daily Census				
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	689	208	165	44
2010-2011	690	210	190	45
2011-2012	690	210	190	45
Cost Per Occupancy Day				
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	\$52.04	\$302.36	\$505.65	\$300.40
2010-2011	\$53.51	\$309.83	\$467.98	\$345.73
2011-2012	\$52.62	\$305.45	\$453.51	\$340.62

Higher Education

Performance-Based Budget

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

<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</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	61	61	0	61
Part-Time	2	0	0	0	0
Seasonal	0	0	0	0	0
Total	56	61	61	0	61
Payroll	4,862,300	5,275,800	5,175,800	0	5,175,800
Operational	6,144,400	13,087,900	11,724,500	0	11,724,500
Total	\$11,006,700	\$18,363,700	\$16,900,300	\$0	\$16,900,300

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
State	1,498,500	2,160,300	2,141,900	0	2,141,900
Federal	5,596,100	7,963,700	6,553,700	0	6,553,700
Other	3,912,100	8,239,700	8,204,700	0	8,204,700

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: Number of 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	2,094,800	2,217,000	2,198,200	0	2,198,200
Total	\$2,094,800	\$2,217,000	\$2,198,200	\$0	\$2,198,200
State	2,094,800	2,217,000	2,198,200	0	2,198,200
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 Tennessee teachers.

Measure: Number of students trained through the Teacher Diversity Program that intend to become teachers.

33	35	33	0	33
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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	3,767,600	3,646,100	3,626,100	0	3,626,100
Total	\$3,767,600	\$3,646,100	\$3,626,100	\$0	\$3,626,100

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
State	2,484,200	2,359,200	2,339,200	0	2,339,200
Federal	1,283,400	1,286,900	1,286,900	0	1,286,900
Other	0	0	0	0	0

Standard: Execute the Improving Teacher Quality Grant contracts with colleges, universities, and local education agencies to conduct workshops for teachers.

Measure: Number of teachers and principals trained through the Improving Teacher Quality Grants.

490	500	Not Applicable	0	Not Applicable
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Standard: Maintain the number of Harold Love Service Awards given to faculty or students in higher education who provide outstanding public service to the community.

Measure: Number of Harold Love Service Awards given.

10	10	10	0	10
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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 deemed excellent or demonstrate the potential for excellence. There are 26 Centers of Excellence based on the following principles: expansion of research and economic development, attainment of regional and national recognition, enhancement of institutional strengths, and differentiation of missions among institutions.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	18,667,800	18,499,300	17,092,200	235,800	17,328,000
Total	\$18,667,800	\$18,499,300	\$17,092,200	\$235,800	\$17,328,000
State	18,667,800	18,499,300	17,092,200	235,800	17,328,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Distribute funds provided for the Centers of Excellence.

Measure: Number of 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

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
Payroll	0	0	0	0	0
Operational	1,360,300	1,348,000	1,230,000	17,600	1,247,600
Total	\$1,360,300	\$1,348,000	\$1,230,000	\$17,600	\$1,247,600
State	1,360,300	1,348,000	1,230,000	17,600	1,247,600
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Distribute funds provided for the Centers of Emphasis.

Measure: Number of days after the beginning of the quarter Centers of Emphasis funds are distributed.

30	30	30	0	30
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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 post-secondary educational institution in Tennessee.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	54,061,700	57,724,900	57,724,900	0	57,724,900
Total	\$54,061,700	\$57,724,900	\$57,724,900	\$0	\$57,724,900
State	46,104,500	49,362,500	49,362,500	0	49,362,500
Federal	1,157,200	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: Fund the maximum number of student awards.

Measure: Number of student awards.

24,600	30,800	30,800	0	30,800
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Higher Education

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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332.04 Federal Family Education Loan Program (FFELP)

The Federal Family Education Loan Program services 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 have made the loans. The loans are guaranteed by the federal government through TSAC.

The Health Care and Reconciliation Act of 2010, which includes the Student Aid and Fiscal Responsibility Act, called for the termination of any new loans or consolidations under FFELP after June 30, 2010. Subsequent disbursements on loans with a first disbursement prior to July 1, 2010, are allowed. Existing portfolios will remain in the program and will be serviced by the holding guarantee agency.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	154,946,300	190,002,500	190,002,500	0	190,002,500
Total	\$154,946,300	\$190,002,500	\$190,002,500	\$0	\$190,002,500
State	0	0	0	0	0
Federal	146,700,200	181,102,500	181,102,500	0	181,102,500
Other	8,246,100	8,900,000	8,900,000	0	8,900,000

Standard: Lower the TSAC cohort default rate. The cohort default rate is the percentage of a guarantor's student borrowers who enter repayment on FFELP loans during a federal fiscal year and default before the end of the next fiscal year.

Measure: TSAC cohort default rate.

9.4% (Estimate)	8.7%	8.0%	0	8.0%
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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	54	54	54	0	54
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	54	54	54	0	54
Payroll	3,062,900	3,686,300	3,701,300	0	3,701,300
Operational	22,176,500	21,704,000	21,678,500	0	21,678,500
Total	\$25,239,400	\$25,390,300	\$25,379,800	\$0	\$25,379,800
State	1,616,200	1,213,600	1,203,100	0	1,203,100
Federal	9,398,400	9,420,100	9,420,100	0	9,420,100
Other	14,224,800	14,756,600	14,756,600	0	14,756,600

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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Standard: Inform Tennesseans of the various financial aid programs available for higher education students and application procedures.

Measure: Number of College Goal Sunday participants.

	2,811	3,400	3,400	0	3,400
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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	542,000	780,500	780,500	0	780,500
Total	\$542,000	\$780,500	\$780,500	\$0	\$780,500
State	154,900	401,800	401,800	0	401,800
Federal	0	0	0	0	0
Other	387,100	378,700	378,700	0	378,700

Standard: Increase the total number of students awarded the Ned McWherter Scholarship to 200 (50 students awarded per cohort per year).

Measure: Number of students awarded.

	188	182	200	0	200
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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	3,180,900	4,565,100	4,565,100	0	4,565,100
Total	\$3,180,900	\$4,565,100	\$4,565,100	\$0	\$4,565,100
State	1,010,600	1,191,000	1,191,000	0	1,191,000
Federal	0	178,200	178,200	0	178,200
Other	2,170,300	3,195,900	3,195,900	0	3,195,900

<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</u>
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Standard: Increase the total number of students awarded in an academic year to 170 in the Tennessee Teaching Scholars Program.

Measure: Number of students awarded in the Tennessee Teaching Scholars Program.

145	180	170	0	170
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Standard: Maintain the success rate in the Minority Teaching Fellows Program.

Measure: Success rate in the Minority Teaching Fellows Program.

45%	50%	45%	0	45%
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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	292,925,500	312,600,000	319,700,000	0	319,700,000
Total	\$292,925,500	\$312,600,000	\$319,700,000	\$0	\$319,700,000
State	292,925,500	295,700,000	298,200,000	0	298,200,000
Federal	0	0	0	0	0
Other	0	16,900,000	21,500,000	0	21,500,000

Standard: Increase the number of participants in the Tennessee Education Lottery Scholarship program.

Measure: Number of students paid a lottery-related award.

101,400	109,000	117,700	0	117,700
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Standard: Maintain the HOPE scholarship award amount.

Measure: HOPE Scholarship award amount.

\$4,000	\$4,000	\$4,000	0	\$4,000
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Actual
2009-2010

Estimated
2010-2011

Base
2011-2012

Improvement
2011-2012

Recommended
2011-2012

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	1,526,600	1,829,000	1,826,300	0	1,826,300
Total	\$1,526,600	\$1,829,000	\$1,826,300	\$0	\$1,826,300
State	349,100	338,100	335,400	0	335,400
Federal	0	0	0	0	0
Other	1,177,500	1,490,900	1,490,900	0	1,490,900

Standard: Increase the number of translations provided to non-state entities.

Measure: Number of translations provided to non-state entities.

454	486	520	0	520
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332.00 Total Higher Education - State Administered Programs

Full-Time	122	129	129	0	129
Part-Time	2	0	0	0	0
Seasonal	0	0	0	0	0
Total	124	129	129	0	129
Payroll	7,925,200	8,962,100	8,877,100	0	8,877,100
Operational	561,394,400	628,004,300	632,148,800	253,400	632,402,200
Total	\$569,319,600	\$636,966,400	\$641,025,900	\$253,400	\$641,279,300
State	368,266,400	374,790,800	375,695,300	253,400	375,948,700
Federal	164,135,300	201,513,800	200,103,800	0	200,103,800
Other	36,917,900	60,661,800	65,226,800	0	65,226,800

University of Tennessee

Performance-Based Budget

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 2009 and 2010. Federal revenues, tuition and fees, and other revenues are unrestricted current funds derived from education and general sources and auxiliary enterprise sources.

<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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	80	69	69	0	69
Professional	216	146	146	0	146
Faculty	0	1	1	0	1
Clerical/Support	212	122	122	0	122
Total	508	338	338	0	338
FTE Enrollment	0	0	0	0	0
State	4,407,700	4,305,100	4,322,000	113,100	4,435,100
Federal	0	0	0	0	0
Other	19,535,300	17,033,600	17,033,600	0	17,033,600
Tuition/Fees	0	0	0	0	0
Total	\$23,943,000	\$21,338,700	\$21,355,600	\$113,100	\$21,468,700

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.

85%	100%	100%	0	100%
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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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.

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	6,167,200	6,389,700	5,600,600	0	5,600,600
Federal	217,300	328,500	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$6,384,500	\$6,718,200	\$5,600,600	\$0	\$5,600,600

Standard: Increase fall term enrollment of underrepresented groups.

Measure: Percent of underrepresented groups enrolled.

24.1%	24.5%	25.6%	0	25.6%
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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	6	6	6	0	6
Professional	20	15	15	0	15
Faculty	0	0	0	0	0
Clerical/Support	12	12	12	0	12
Total	38	33	33	0	33
FTE Enrollment	0	0	0	0	0

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
State	4,785,700	4,791,400	4,290,200	64,900	4,355,100
Federal	699,900	463,500	350,000	0	350,000
Other	525,200	619,100	619,100	0	619,100
Tuition/Fees	0	0	0	0	0
Total	\$6,010,800	\$5,874,000	\$5,259,300	\$64,900	\$5,324,200

Standard: Increase the economic impact on business services' sales, expenses, and investments.

Measure: Amount of economic impact.

\$251 million \$815 million \$700 million 0 \$700 million

332.16 UT Municipal Technical Advisory Service

The Municipal Technical Advisory Service provides technical assistance to the incorporated cities of the state. Assistance is offered in fields of finance and accounting, human resources, legal issues, and public safety.

Full-Time					
Administrative	2	2	2	0	2
Professional	39	39	39	0	39
Faculty	0	0	0	0	0
Clerical/Support	13	11	11	0	11
Total	54	52	52	0	52
FTE Enrollment	0	0	0	0	0
State	2,642,800	2,790,900	2,493,300	76,400	2,569,700
Federal	151,200	132,300	0	0	0
Other	2,730,000	2,602,100	2,602,100	0	2,602,100
Tuition/Fees	0	0	0	0	0
Total	\$5,524,000	\$5,525,300	\$5,095,400	\$76,400	\$5,171,800

Standard: Increase the economic impact to cities' services on revenues and expenses.

Measure: Amount of economic impact.

\$31.9 million \$25.0 million \$27.0 million 0 \$27.0 million

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	27	26	26	0	26
Faculty	0	0	0	0	0
Clerical/Support	7	6	6	0	6
Total	35	33	33	0	33
FTE Enrollment	0	0	0	0	0

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
State	1,548,200	1,656,800	1,481,200	53,000	1,534,200
Federal	118,700	49,100	0	0	0
Other	2,929,400	2,833,600	2,833,600	0	2,833,600
Tuition/Fees	0	0	0	0	0
Total	\$4,596,300	\$4,539,500	\$4,314,800	\$53,000	\$4,367,800

Standard: Maintain the economic impact to counties' services on revenues and expenses.

Measure: Amount of economic impact.

\$57.4 million	\$37.0 million	\$37.0 million	0	\$37.0 million
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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	19	19	0	19
Professional	85	82	82	0	82
Faculty	91	92	92	0	92
Clerical/Support	141	131	131	0	131
Total	332	324	324	0	324
FTE Enrollment	0	0	0	0	0
State	24,159,400	25,403,800	22,732,100	458,300	23,190,400
Federal	9,509,800	7,116,800	7,021,000	0	7,021,000
Other	3,799,900	3,685,500	3,685,500	0	3,685,500
Tuition/Fees	0	0	0	0	0
Total	\$37,469,100	\$36,206,100	\$33,438,600	\$458,300	\$33,896,900

Standard: Increase the level of research funding to meet mission-directed outcomes.

Measure: Expenditure of funds derived from sponsored projects.

\$16.1 million	\$18.4 million	\$19.8 million	0	\$19.8 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.

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
Full-Time					
Administrative	11	11	11	0	11
Professional	268	270	270	0	270
Faculty	56	56	56	0	56
Clerical/Support	151	149	149	0	149
Total	486	486	486	0	486
FTE Enrollment	0	0	0	0	0
State	29,002,000	30,495,500	27,346,100	617,900	27,964,000
Federal	11,114,400	9,883,200	9,361,000	0	9,361,000
Other	4,298,100	4,001,400	4,001,400	0	4,001,400
Tuition/Fees	0	0	0	0	0
Total	\$44,414,500	\$44,380,100	\$40,708,500	\$617,900	\$41,326,400

Standard: UT Extension will increase the economic value of its programs by \$10 million annually.

Measure: Economic value of program delivery.

\$386 million	\$396 million	\$406 million	0	\$406 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	37	35	35	0	35
Faculty	100	97	97	0	97
Clerical/Support	167	161	161	0	161
Total	312	301	301	0	301
FTE Enrollment	484	510	510	0	510
State	15,227,900	16,833,000	14,054,000	454,400	14,508,400
Federal	1,926,300	2,899,700	1,155,100	0	1,155,100
Other	10,324,800	10,570,700	10,570,700	0	10,570,700
Tuition/Fees	8,429,300	9,353,600	9,353,600	0	9,353,600
Total	\$35,908,300	\$39,657,000	\$35,133,400	\$454,400	\$35,587,800

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.

98.4%	92.0%	92.5%	0	92.5%
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Standard: Maintain the second-attempt NAVLE pass rate at the time of graduation.

Measure: Second-attempt pass rate on NAVLE at the time of graduation.

100%	100%	100%	0	100%
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Actual
2009-2010

Estimated
2010-2011

Base
2011-2012

Improvement
2011-2012

Recommended
2011-2012

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.

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	75	74	74	0	74
Professional	217	209	209	0	209
Faculty	231	249	249	0	249
Clerical/Support	565	535	535	0	535
Total	1,088	1,067	1,067	0	1,067
FTE Enrollment	4,004	2,798	2,798	0	2,798
State	66,737,000	72,381,100	61,549,600	1,782,700	63,332,300
Federal	16,254,100	16,773,900	10,296,000	0	10,296,000
Other	15,860,000	17,294,900	17,294,900	0	17,294,900
Tuition/Fees	36,963,100	38,765,100	38,765,100	0	38,765,100
Total	\$135,814,200	\$145,215,000	\$127,905,600	\$1,782,700	\$129,688,300

Standard: UTHSC will increase the amount of expenditure dollars each year.

Measure: Sponsored research program expenditures.

\$54.4 million	\$70.0 million	\$49.5 million	0	\$49.5 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	12	12	12	0	12
Faculty	34	33	33	0	33
Clerical/Support	111	108	108	0	108
Total	158	154	154	0	154
FTE Enrollment	0	0	0	0	0
State	9,764,100	10,248,200	9,155,100	228,300	9,383,400
Federal	165,300	875,500	0	0	0
Other	10,016,800	10,070,200	10,070,200	0	10,070,200
Tuition/Fees	0	0	0	0	0
Total	\$19,946,200	\$21,193,900	\$19,225,300	\$228,300	\$19,453,600

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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Standard: UT Family Medicine will serve patients in the Memphis community.

Measure: Number of patients served.

	36,300	36,500	36,500	0	36,500
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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	25	20	20	0	20
Professional	61	39	39	0	39
Faculty	366	311	311	0	311
Clerical/Support	159	112	112	0	112
Total	611	482	482	0	482
FTE Enrollment	0	0	0	0	0
State	45,736,000	49,411,400	42,207,900	797,400	43,005,300
Federal	664,300	5,866,200	0	0	0
Other	11,681,600	5,627,400	5,627,400	0	5,627,400
Tuition/Fees	15,153,900	17,721,100	17,721,100	0	17,721,100
Total	\$73,235,800	\$78,626,100	\$65,556,400	\$797,400	\$66,353,800

Standard: Increase the number of graduates from the College of Medicine to 165.

Measure: Number of graduates from the College of Medicine.

	150	165	165	0	165
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University and Research Campuses

The University of Tennessee provides comprehensive undergraduate and graduate study at each of its three major campuses at Knoxville, Chattanooga, and Martin. These campuses provide services to citizens in all areas of the state through education, research, and public service activities. Graduate studies in aerospace and related fields are provided at the UT Space Institute in Tullahoma.

332.12 UT Research Initiatives

All technical and research-related improvements are reflected in this program. Funds are transferred to the appropriate institutional program.

Full-Time					
Administrative	0	0	0	0	0
Professional	0	0	0	0	0
Faculty	0	0	0	0	0
Clerical/Support	0	0	0	0	0
Total	0	0	0	0	0
FTE Enrollment	0	0	0	0	0

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
State	11,180,300	10,993,700	5,645,200	5,300,000	10,945,200
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$11,180,300	\$10,993,700	\$5,645,200	\$5,300,000	\$10,945,200

Standard: Increase research and sponsored program expenditures.

Measure: Annual research and sponsored program expenditures.

\$341 million	\$375 million	\$375 million	0	\$375 million
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332.23 UT Space Institute

The UT Space Institute, located in Tullahoma, provides graduate study and research in aerospace engineering and related fields and hosts a center of excellence in laser applications. The institute also provides assistance to private companies involved in aerospace engineering.

Full-Time					
Administrative	10	7	7	0	7
Professional	10	9	9	0	9
Faculty	25	26	26	0	26
Clerical/Support	40	40	40	0	40
Total	85	82	82	0	82
FTE Enrollment	88	86	86	0	86
State	7,757,600	8,351,400	7,167,900	120,400	7,288,300
Federal	1,003,200	1,206,600	612,800	0	612,800
Other	344,700	448,500	448,500	0	448,500
Tuition/Fees	1,610,700	1,723,900	1,723,900	0	1,723,900
Total	\$10,716,200	\$11,730,400	\$9,953,100	\$120,400	\$10,073,500

Standard: Increase externally funded research to \$4.4 million by 2011-2012.

Measure: Annual research expenditures.

\$3.7 million	\$4.2 million	\$4.4 million	0	\$4.4 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	94	94	0	94
Professional	157	158	158	0	158
Faculty	407	397	397	0	397
Clerical/Support	308	307	307	0	307
Total	957	956	956	0	956
FTE Enrollment	9,116	9,331	9,331	0	9,331

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
State	38,726,900	45,698,600	32,804,700	983,200	33,787,900
Federal	7,183,300	4,921,200	317,100	0	317,100
Other	16,440,000	13,108,700	13,108,700	0	13,108,700
Tuition/Fees	62,270,100	62,138,400	62,138,400	0	62,138,400
Total	\$124,620,300	\$125,866,900	\$108,368,900	\$983,200	\$109,352,100

Standard: Increase the percent of first-time, full-time freshmen that graduate within six years.

Measure: Graduation rate (cohort of full-time, first-time degree-seeking students that entered in the fall term and completed the academic program within six years).

38.0% (Estimate)	43.5%	43.5%	0	43.5%
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Standard: Increase the total number of college graduates in a given academic year.

Measure: Total number of college graduates in a given academic year.

564	593	775	0	775
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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	242	260	260	0	260
Professional	476	567	567	0	567
Faculty	1,274	1,302	1,302	0	1,302
Clerical/Support	1,480	1,573	1,573	0	1,573
Total	3,472	3,702	3,702	0	3,702
FTE Enrollment	24,214	24,774	24,774	0	24,774
State	164,919,000	200,689,200	141,917,000	3,196,400	145,113,400
Federal	39,797,100	37,904,900	15,220,000	0	15,220,000
Other	191,164,100	185,982,900	185,982,900	0	185,982,900
Tuition/Fees	234,649,900	254,361,300	254,361,300	0	254,361,300
Total	\$630,530,100	\$678,938,300	\$597,481,200	\$3,196,400	\$600,677,600

Standard: Increase the percent of first-time, full-time freshmen that graduate within six years.

Measure: Graduation rate (cohort of full-time, first-time degree-seeking students that entered in the fall term and completed the academic program within six years).

59.8% (Estimate)	60.6%	61.0%	0	61.0%
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Standard: Increase the total number of college graduates in a given academic year.

Measure: Total number of college graduates in a given academic year.

2,655	2,135	2,620	0	2,620
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	<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</u>
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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	60	61	61	0	61
Professional	94	105	105	0	105
Faculty	293	305	305	0	305
Clerical/Support	280	287	287	0	287
Total	727	758	758	0	758
FTE Enrollment	6,714	6,953	6,953	0	6,953
State	27,816,700	33,005,000	23,137,600	1,156,300	24,293,900
Federal	5,077,200	3,066,000	88,000	0	88,000
Other	16,250,300	16,215,700	16,215,700	0	16,215,700
Tuition/Fees	45,415,700	48,293,900	48,293,900	0	48,293,900
Total	\$94,559,900	\$100,580,600	\$87,735,200	\$1,156,300	\$88,891,500

Standard: Increase the percent of first-time, full-time freshmen that graduate within six years.

Measure: Graduation rate (cohort of full-time, first-time degree-seeking students that entered in the fall term and completed the academic program within six years).

44.9% (Estimate)	46.1%	46.2%	0	46.2%
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Standard: Increase the total number of college graduates in a given academic year.

Measure: Total number of college graduates in a given academic year.

534	563	570	0	570
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Total University of Tennessee System

Full-Time					
Administrative	621	633	633	0	633
Professional	1,719	1,712	1,712	0	1,712
Faculty	2,877	2,869	2,869	0	2,869
Clerical/Support	3,646	3,554	3,554	0	3,554
Total	8,863	8,768	8,768	0	8,768
FTE Enrollment	44,620	44,452	44,452	0	44,452
State	460,578,500	523,444,800	405,904,500	15,402,700	421,307,200
Federal	93,882,100	91,487,400	44,421,000	0	44,421,000
Other	305,900,200	290,094,300	290,094,300	0	290,094,300
Tuition/Fees	404,492,700	432,357,300	432,357,300	0	432,357,300
Total	\$1,264,853,500	\$1,337,383,800	\$1,172,777,100	\$15,402,700	\$1,188,179,800

State University and Community College System

Performance-Based Budget

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 2009 and 2010. Federal revenues, tuition and fees, and other revenues are unrestricted current funds derived from education and general sources and from auxiliary enterprise sources.

<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</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	20	26	26	0	26
Professional	80	81	81	0	81
Faculty	0	0	0	0	0
Clerical/Support	6	5	5	0	5
Total	106	112	112	0	112
FTE Enrollment	0	0	0	0	0
State	4,438,100	4,440,500	4,410,700	193,100	4,603,800
Federal	0	0	0	0	0
Other	14,295,700	16,241,900	16,241,900	0	16,241,900
Tuition/Fees	0	0	0	0	0
Total	\$18,733,800	\$20,682,400	\$20,652,600	\$193,100	\$20,845,700

Standard: Continue reviews of all Board of Regents policies for streamlining and efficiency of operation.

Measure: Percent of Board of Regents policies reviewed.

100%	100%	100%	0	100%
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332.59 Regents Access and Diversity Initiative

The Regents Access and Diversity Initiative program provides financial support to the Tennessee Board of Regents for the continuance of higher education access and diversity initiatives after the September 2006 dismissal of the 1968 Geier desegregation lawsuit. The success of a five-year settlement agreement, implemented in 2001, led to the dismissal. The initiative includes efforts that proved to be the most effective in the settlement program. The initiative includes financial aid and stipends, student and faculty recruitment and retention programs, continuing support of the TSU Avon Williams Campus in downtown Nashville, and statewide oversight.

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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	10,893,600	11,297,600	9,892,900	0	9,892,900
Federal	82,400	1,257,800	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$10,976,000	\$12,555,400	\$9,892,900	\$0	\$9,892,900

Standard: Increase access to aid and scholarships for diverse students.

Measure: Implementation of mechanisms for awarding and tracking aid.

Created report on aid used for diversity efforts.	100% of institutions will report on use of aid.	100% of institutions will report on use of aid.	0	100% of institutions will report on use of aid.
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Agricultural Units

Agricultural units are an important part of Tennessee State University (TSU) in its capacity as a land grant institution. As a land grant institution, TSU receives federal funds from the U.S. Department of Agriculture (USDA) to help finance agricultural research and extension at the Institute of Agricultural and Environmental Research (IAgER) and the TSU Cooperative Extension Program. The state appropriations match federal grant funds.

332.63 TSU Institute of Agricultural and Environmental Research

The TSU Institute of Agricultural and Environmental Research is the principal agricultural and environmental research division of TSU. The institute's multi-disciplinary research efforts are in the areas of animal and alternative livestock; economics and policy; nursery, medicinal, and alternative food crops; environmental protection and enhancement; and food safety, nutrition, and family well-being.

Full-Time					
Administrative	2	2	2	0	2
Professional	2	1	1	0	1
Faculty	0	1	1	0	1
Clerical/Support	1	1	1	0	1
Total	5	5	5	0	5
FTE Enrollment	0	0	0	0	0
State	2,179,200	2,324,700	2,137,700	8,000	2,145,700
Federal	49,900	177,800	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$2,229,100	\$2,502,500	\$2,137,700	\$8,000	\$2,145,700

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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Standard: Maintain 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.

	27	57	32	0	32
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Standard: Maintain 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.

	120	132	130	0	130
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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	2	2	2	0	2
Faculty	1	1	1	0	1
Clerical/Support	2	2	2	0	2
Total	5	5	5	0	5
FTE Enrollment	0	0	0	0	0
State	534,400	570,600	525,100	3,700	528,800
Federal	21,700	33,600	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$556,100	\$604,200	\$525,100	\$3,700	\$528,800

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.

	31	32	32	0	32
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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.

	24	26	26	0	26
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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332.64 TSU Cooperative Education

The TSU Cooperative Education Program, through 14 county offices, offers educational programs and research-based information in the areas of agriculture and natural resources, community and rural development, 4-H and youth development, and family and consumer sciences to local governments and the general public.

Full-Time					
Administrative	0	0	0	0	0
Professional	10	12	12	0	12
Faculty	1	1	1	0	1
Clerical/Support	3	3	3	0	3
Total	14	16	16	0	16
FTE Enrollment	0	0	0	0	0
State	2,433,200	3,067,700	2,893,500	23,500	2,917,000
Federal	0	201,900	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$2,433,200	\$3,269,600	\$2,893,500	\$23,500	\$2,917,000

Standard: Maintain the number of clientele contacts.

Measure: Number of clientele contacts.

1,829,951	1,504,627	1,388,433	0	1,388,433
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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.

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	67,500	171,900	170,600	0	170,600
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$67,500	\$171,900	\$170,600	\$0	\$170,600

<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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Standard: Increase the number of scientific publications (full-length refereed) in forestry research by research scientists.

Measure: Number of scientific publications (full-length refereed) in forestry research by research scientists.

Not Applicable	0	1	0	1
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Standard: Increase the number of presentations/dissemination of scientific discoveries in the area of forestry made at scientific conferences, forums, workshops, and trainings (domestic and international) by research scientists.

Measure: Number of presentations/dissemination of scientific discoveries in the area of forestry made at scientific conferences, forums, workshops, and trainings (domestic and international) by research scientists.

Not Applicable	1	2	0	2
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Medical Education Units

To help meet the health needs of the citizens of eastern Tennessee, the East Tennessee State University (ETSU) Quillen College of Medicine provides medical study and training for students who wish to become physicians or other health-care professionals. Through family medicine residency programs, the college encourages its students to enter into family health practice in the rural communities of East Tennessee. The College of Pharmacy trains pharmacists for placement in community pharmacies and rural hospital settings.

332.65 ETSU College of Medicine

The ETSU Quillen College of Medicine provides medical study and training for students interested in primary care as physicians or health care professionals. The college's focus is on practice in under-served rural communities. The college also is committed to biomedical research and to improving health care in northeast Tennessee and the surrounding Appalachia region.

Full-Time					
Administrative	7	7	7	0	7
Professional	83	80	80	0	80
Faculty	154	148	148	0	148
Clerical/Support	110	107	107	0	107
Total	354	342	342	0	342
FTE Enrollment	253	258	258	0	258
State	27,174,900	29,194,600	25,212,900	635,900	25,848,800
Federal	4,483,800	1,683,100	1,300,000	0	1,300,000
Other	14,756,300	14,503,700	14,503,700	0	14,503,700
Tuition/Fees	6,912,500	7,794,600	7,794,600	0	7,794,600
Total	\$53,327,500	\$53,176,000	\$48,811,200	\$635,900	\$49,447,100

Standard: Maintain 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.

223	221	221	0	221
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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	2	2	2	0	2
Professional	12	15	15	0	15
Faculty	30	30	30	0	30
Clerical/Support	15	15	15	0	15
Total	59	62	62	0	62
FTE Enrollment	298	312	312	0	312
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	12,900	2,117,700	2,117,700	0	2,117,700
Tuition/Fees	7,593,100	8,679,100	8,679,100	0	8,679,100
Total	\$7,606,000	\$10,796,800	\$10,796,800	\$0	\$10,796,800

Standard: Increase applications to the Gatton College of Pharmacy from individuals residing in the Southern Appalachian region.

Measure: Percent of applicants from the Southern Appalachian region who complete applications for admission.

81%	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	16	18	18	0	18
Faculty	24	21	21	0	21
Clerical/Support	53	52	52	0	52
Total	93	91	91	0	91
FTE Enrollment	0	0	0	0	0
State	5,503,900	5,754,300	5,136,300	182,900	5,319,200
Federal	413,100	124,000	0	0	0
Other	7,410,100	7,373,700	7,373,700	0	7,373,700
Tuition/Fees	0	0	0	0	0
Total	\$13,327,100	\$13,252,000	\$12,510,000	\$182,900	\$12,692,900

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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.

	450	452	460	0	460
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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	33	38	38	0	38
Professional	172	174	174	0	174
Faculty	334	349	349	0	349
Clerical/Support	269	271	271	0	271
Total	808	832	832	0	832
FTE Enrollment	7,566	7,869	7,869	0	7,869
State	29,789,900	35,930,000	25,615,100	650,100	26,265,200
Federal	7,471,400	2,342,900	250,000	0	250,000
Other	11,614,000	12,287,400	12,287,400	0	12,287,400
Tuition/Fees	58,222,100	64,103,800	64,103,800	0	64,103,800
Total	\$107,097,400	\$114,664,100	\$102,256,300	\$650,100	\$102,906,400

Standard: Increase the percentage of first-time, full-time freshmen that graduate within six years.

Measure: Graduation rate (cohort of full-time, first-time degree-seeking students that entered in the fall term and completed the academic program within six years).

	36.5% (Estimate)	38.7%	37.6%	0	37.6%
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Standard: Increase the total number of college graduates in a given academic year.

Measure: Total number of college graduates in a given academic year.

	1,565	1,539	1,608	0	1,608
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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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	50	50	50	0	50
Professional	331	345	345	0	345
Faculty	587	595	595	0	595
Clerical/Support	504	503	503	0	503
Total	1,472	1,493	1,493	0	1,493
FTE Enrollment	11,727	12,197	12,197	0	12,197
State	52,454,700	62,865,200	43,496,000	2,645,400	46,141,400
Federal	11,702,500	6,565,200	1,800,000	0	1,800,000
Other	34,517,300	29,639,000	29,639,000	0	29,639,000
Tuition/Fees	85,502,900	93,606,200	93,606,200	0	93,606,200
Total	\$184,177,400	\$192,675,600	\$168,541,200	\$2,645,400	\$171,186,600

Standard: Increase the percentage of first-time, full-time freshmen that graduate within six years.

Measure: Graduation rate (cohort of full-time, first-time degree-seeking students that entered in the fall term and completed the academic program within six years).

47.8% (Estimate)	49.7%	49.8%	0	49.8%
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Standard: Increase the total number of college graduates in a given academic year.

Measure: Total number of college graduates in a given academic year.

2,790	2,827	2,862	0	2,862
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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	78	78	0	78
Professional	597	619	619	0	619
Faculty	942	918	918	0	918
Clerical/Support	873	860	860	0	860
Total	2,488	2,475	2,475	0	2,475
FTE Enrollment	16,792	17,448	17,448	0	17,448
State	105,228,600	122,893,800	83,746,200	18,593,800	102,340,000
Federal	20,938,400	14,967,900	4,065,600	0	4,065,600
Other	66,482,400	67,380,700	67,380,700	0	67,380,700
Tuition/Fees	143,662,700	152,757,700	152,757,700	0	152,757,700
Total	\$336,312,100	\$358,000,100	\$307,950,200	\$18,593,800	\$326,544,000

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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Standard: Increase the percentage of first-time, full-time freshmen that graduate within six years.

Measure: Graduation rate (cohort of full-time, first-time degree-seeking students that entered in the fall term and completed the academic program within six years).

40.9% (Estimate)	43.8%	42.9%	0	42.9%
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Standard: Increase the total number of college graduates in a given academic year.

Measure: Total number of college graduates in a given academic year.

3,749	3,701	3,775	0	3,775
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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.

Full-Time					
Administrative	83	81	81	0	81
Professional	467	471	471	0	471
Faculty	979	970	970	0	970
Clerical/Support	532	510	510	0	510
Total	2,061	2,032	2,032	0	2,032
FTE Enrollment	21,049	21,941	21,941	0	21,941
State	82,989,600	100,105,700	72,242,600	1,717,200	73,959,800
Federal	16,758,300	12,642,400	2,000,000	0	2,000,000
Other	51,318,300	51,015,400	51,015,400	0	51,015,400
Tuition/Fees	146,120,800	159,954,500	159,954,500	0	159,954,500
Total	\$297,187,000	\$323,718,000	\$285,212,500	\$1,717,200	\$286,929,700

Standard: Increase the percent of first-time freshmen that graduate within six years.

Measure: Graduation rate (cohort of full-time, first-time degree-seeking students that entered in the fall term and completed the academic program within six years).

51.8% (Estimate)	52.0%	51.7%	0	51.7%
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Standard: Increase the total number of college graduates in a given academic year.

Measure: Total number of college graduates in a given academic year.

4,507	4,500	4,522	0	4,522
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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332.77 Tennessee State University

Tennessee State University (TSU) is a comprehensive, land-grant university located in Nashville. TSU offers numerous bachelor and master degrees and offers doctoral programs in biological sciences, psychology, public administration, physical therapy, computer information systems, educational administration and supervision, and curriculum and instruction. TSU's two centers of excellence are learning sciences and information systems.

Full-Time					
Administrative	57	58	58	0	58
Professional	272	271	271	0	271
Faculty	409	413	413	0	413
Clerical/Support	298	300	300	0	300
Total	1,036	1,042	1,042	0	1,042
FTE Enrollment	7,025	7,121	7,121	0	7,121
State	33,629,500	41,655,200	28,788,200	765,700	29,553,900
Federal	12,565,500	2,718,800	1,700,000	0	1,700,000
Other	20,809,600	21,123,800	21,123,800	0	21,123,800
Tuition/Fees	63,100,300	63,364,800	63,364,800	0	63,364,800
Total	\$130,104,900	\$128,862,600	\$114,976,800	\$765,700	\$115,742,500

Standard: Increase the percent of first-time freshmen that graduate within six years.

Measure: Graduation rate (cohort of full-time, first-time degree-seeking students that entered in the fall term and completed the academic program within six years).

42.2% (Estimate)	44.5%	45.4%	0	45.4%
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Standard: Increase the total number of college graduates in a given academic year.

Measure: Total number of college graduates in a given academic year.

1,600	1,434	1,491	0	1,491
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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	41	41	41	0	41
Professional	212	210	210	0	210
Faculty	405	409	409	0	409
Clerical/Support	364	362	362	0	362
Total	1,022	1,022	1,022	0	1,022
FTE Enrollment	9,057	9,361	9,361	0	9,361
State	41,373,200	49,071,300	34,776,500	1,379,200	36,155,700
Federal	10,292,000	3,268,900	890,400	0	890,400
Other	19,913,300	21,468,400	21,468,400	0	21,468,400
Tuition/Fees	60,292,800	65,890,400	65,890,400	0	65,890,400
Total	\$131,871,300	\$139,699,000	\$123,025,700	\$1,379,200	\$124,404,900

Higher Education

<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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Standard: Increase the percent of first-time freshmen that graduate within six years.

Measure: Graduation rate (cohort of full-time, first-time degree-seeking students that entered in the fall term and completed the academic program within six years).

56.9% (Estimate)	53.0%	54.3%	0	54.3%
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Standard: Increase the total number of college graduates in a given academic year.

Measure: Total number of college graduates in a given academic year.

2,187	2,233	2,289	0	2,289
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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	40	28	28	0	28
Professional	159	174	174	0	174
Faculty	274	243	243	0	243
Clerical/Support	283	278	278	0	278
Total	756	723	723	0	723
FTE Enrollment	8,465	8,366	8,366	0	8,366
State	35,826,700	40,042,700	28,159,700	4,006,700	32,166,400
Federal	6,331,400	31,400	0	0	0
Other	1,779,200	2,341,100	2,341,100	0	2,341,100
Tuition/Fees	37,766,800	36,851,700	36,851,700	0	36,851,700
Total	\$81,704,100	\$79,266,900	\$67,352,500	\$4,006,700	\$71,359,200

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).

15.0% (Estimate)	19.2%	16.2%	0	16.2%
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Standard: Increase the total number of college graduates in a given academic year.

Measure: Total number of college graduates in a given academic year.

1,124	1,043	1,085	0	1,085
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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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	26	26	0	26
Professional	51	48	48	0	48
Faculty	163	164	164	0	164
Clerical/Support	129	128	128	0	128
Total	368	366	366	0	366
FTE Enrollment	5,154	5,612	5,612	0	5,612
State	14,020,800	16,417,900	13,623,100	320,700	13,943,800
Federal	607,100	2,843,900	123,500	0	123,500
Other	1,975,700	1,630,700	1,630,700	0	1,630,700
Tuition/Fees	22,889,800	24,637,600	24,637,600	0	24,637,600
Total	\$39,493,400	\$45,530,100	\$40,014,900	\$320,700	\$40,335,600

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).

25.0% (Estimate)	26.2%	27.4%	0	27.4%
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Standard: Increase the total number of college graduates in a given academic year.

Measure: Total number of college graduates in a given academic year.

636	658	690	0	690
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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	99	102	102	0	102
Faculty	211	229	229	0	229
Clerical/Support	167	169	169	0	169
Total	489	512	512	0	512
FTE Enrollment	6,695	7,217	7,217	0	7,217
State	19,061,900	22,076,900	18,445,400	441,800	18,887,200
Federal	5,370,100	1,097,100	85,000	0	85,000
Other	1,406,400	1,648,000	1,648,000	0	1,648,000
Tuition/Fees	28,116,200	32,419,000	32,419,000	0	32,419,000
Total	\$53,954,600	\$57,241,000	\$52,597,400	\$441,800	\$53,039,200

<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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).

39.9% (Estimate)	42.4%	44.9%	0	44.9%
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Standard: Increase the total number of college graduates in a given academic year.

Measure: Total number of college graduates in a given academic year.

793	773	800	0	800
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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	11	11	0	11
Professional	61	76	76	0	76
Faculty	113	126	126	0	126
Clerical/Support	123	141	141	0	141
Total	306	354	354	0	354
FTE Enrollment	4,231	4,614	4,614	0	4,614
State	11,523,200	13,343,500	11,920,300	272,700	12,193,000
Federal	1,155,800	1,737,000	354,500	0	354,500
Other	722,100	526,000	526,000	0	526,000
Tuition/Fees	15,894,600	17,488,600	17,488,600	0	17,488,600
Total	\$29,295,700	\$33,095,100	\$30,289,400	\$272,700	\$30,562,100

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).

35.4% (Estimate)	36.3%	35.8%	0	35.8%
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Standard: Increase the total number of college graduates in a given academic year.

Measure: Total number of college graduates in a given academic year.

917	927	963	0	963
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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.

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
Full-Time					
Administrative	23	23	23	0	23
Professional	132	136	136	0	136
Faculty	181	184	184	0	184
Clerical/Support	157	167	167	0	167
Total	493	510	510	0	510
FTE Enrollment	5,987	6,698	6,698	0	6,698
State	22,124,700	25,245,400	19,505,200	786,300	20,291,500
Federal	2,815,700	1,756,300	116,700	0	116,700
Other	1,949,700	1,610,000	1,610,000	0	1,610,000
Tuition/Fees	27,498,600	32,368,500	32,368,500	0	32,368,500
Total	\$54,388,700	\$60,980,200	\$53,600,400	\$786,300	\$54,386,700

Standard: Increase the percent of first-time freshmen that graduate within six years.

Measure: Graduation rate (cohort of full-time, first-time degree-seeking students that entered in the fall term and completed the academic program within six years).

25.5% (Estimate)	25.6%	25.7%	0	25.7%
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Standard: Increase the total number of college graduates in a given academic year.

Measure: Total number of college graduates in a given academic year.

930	932	938	0	938
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332.81 Cleveland State Community College

Cleveland State Community College (CSCC) is a comprehensive community college serving southeast Tennessee. CSCC focuses on development education, university transfer programs, workforce training, and community service by offering a variety of degree and certificate programs.

Full-Time					
Administrative	8	8	8	0	8
Professional	46	45	45	0	45
Faculty	70	72	72	0	72
Clerical/Support	68	67	67	0	67
Total	192	192	192	0	192
FTE Enrollment	2,504	2,601	2,601	0	2,601
State	9,734,100	10,996,800	8,420,500	678,000	9,098,500
Federal	1,263,200	531,300	12,300	0	12,300
Other	333,100	295,900	295,900	0	295,900
Tuition/Fees	9,598,000	10,442,600	10,442,600	0	10,442,600
Total	\$20,928,400	\$22,266,600	\$19,171,300	\$678,000	\$19,849,300

Standard: Increase the percent of first-time freshmen that graduate within six years.

Measure: Graduation rate (cohort of full-time, first-time degree-seeking students that entered in the fall term and completed the academic program within six years).

30.9% (Estimate)	34.2%	35.0%	0	35.0%
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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Standard: Increase the total number of college graduates in a given academic year.

Measure: Total number of college graduates in a given academic year.

	503	465	480	0	480
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332.82 Columbia State Community College

Columbia State Community College, located in southern Middle Tennessee, is a comprehensive community college providing general transfer degree programs, career degree programs, academic and technical certificates, developmental studies, and continuing education opportunities.

Full-Time					
Administrative	8	8	8	0	8
Professional	62	64	64	0	64
Faculty	104	104	104	0	104
Clerical/Support	75	75	75	0	75
Total	249	251	251	0	251
FTE Enrollment	3,569	3,556	3,556	0	3,556
State	12,495,800	14,129,100	10,969,600	511,900	11,481,500
Federal	2,265,000	33,500	15,000	0	15,000
Other	621,000	453,300	453,300	0	453,300
Tuition/Fees	13,764,100	14,517,900	14,517,900	0	14,517,900
Total	\$29,145,900	\$29,133,800	\$25,955,800	\$511,900	\$26,467,700

Standard: Increase the percent of first-time freshmen that graduate within six years.

Measure: Graduation rate (cohort of full-time, first-time degree-seeking students that entered in the fall term and completed the academic program within six years).

	43.6% (Estimate)	44.0%	45.0%	0	45.0%
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Standard: Increase the total number of college graduates in a given academic year.

Measure: Total number of college graduates in a given academic year.

	606	576	598	0	598
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332.84 Dyersburg State Community College

Located in northwest Tennessee, Dyersburg State Community College (DSCC) is a comprehensive community college providing liberal arts, technical, professional, and developmental credit and non-credit programs. DSCC provides its students with programs affiliated with employers, community agencies, and volunteer organizations.

Full-Time					
Administrative	12	14	14	0	14
Professional	34	29	29	0	29
Faculty	52	53	53	0	53
Clerical/Support	57	63	63	0	63
Total	155	159	159	0	159
FTE Enrollment	2,213	2,414	2,414	0	2,414

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
State	6,748,300	7,668,600	6,407,100	140,000	6,547,100
Federal	1,167,500	457,400	160,000	0	160,000
Other	245,000	217,800	217,800	0	217,800
Tuition/Fees	8,610,700	9,673,700	9,673,700	0	9,673,700
Total	\$16,771,500	\$18,017,500	\$16,458,600	\$140,000	\$16,598,600

Standard: Increase the percent of first-time freshmen that graduate within six years.

Measure: Graduation rate (cohort of full-time, first-time degree-seeking students that entered in the fall term and completed the academic program within six years).

25.0% (Estimate)	29.2%	27.4%	0	27.4%
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Standard: Increase the total number of college graduates in a given academic year.

Measure: Total number of college graduates in a given academic year.

227	226	235	0	235
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332.86 Jackson State Community College

Jackson State Community College (JSCC) is a comprehensive institution which meets the educational, career training, personal enrichment, and economic development needs of a 14-county service area in West Tennessee. JSCC offers certificate and associate degree programs intended for transfer to a four-year university or for direct entry into the job market.

Full-Time					
Administrative	21	21	21	0	21
Professional	52	54	54	0	54
Faculty	95	95	95	0	95
Clerical/Support	85	88	88	0	88
Total	253	258	258	0	258
FTE Enrollment	3,313	3,405	3,405	0	3,405
State	11,568,700	13,152,900	10,397,300	218,100	10,615,400
Federal	165,100	1,549,700	30,100	0	30,100
Other	883,100	858,000	858,000	0	858,000
Tuition/Fees	13,799,700	14,444,400	14,444,400	0	14,444,400
Total	\$26,416,600	\$30,005,000	\$25,729,800	\$218,100	\$25,947,900

Standard: Increase the percent of first-time freshmen that graduate within six years.

Measure: Graduation rate (cohort of full-time, first-time degree-seeking students that entered in the fall term and completed the academic program within six years).

28.5% (Estimate)	33.8%	30.6%	0	30.6%
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Standard: Increase the total number of college graduates in a given academic year.

Measure: Total number of college graduates in a given academic year.

569	515	525	0	525
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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332.88 Motlow State Community College

Motlow State Community College (MSCC) is a comprehensive institution located in Lynchburg, in southern Middle Tennessee. MSCC awards associate degrees in the arts, sciences, and applied sciences. Other offerings include non-degree programs in business, industry, government, early childhood education, health professions, public service, lifelong learning, and workforce development.

Full-Time					
Administrative	22	22	22	0	22
Professional	27	29	29	0	29
Faculty	81	82	82	0	82
Clerical/Support	65	61	61	0	61
Total	195	194	194	0	194
FTE Enrollment	3,353	3,333	3,333	0	3,333
State	9,559,400	10,946,500	9,456,900	183,200	9,640,100
Federal	1,913,800	14,900	12,000	0	12,000
Other	462,600	439,200	439,200	0	439,200
Tuition/Fees	12,640,700	13,352,200	13,352,200	0	13,352,200
Total	\$24,576,500	\$24,752,800	\$23,260,300	\$183,200	\$23,443,500

Standard: Increase the percent of first-time freshmen that graduate within six years.

Measure: Graduation rate (cohort of full-time, first-time degree-seeking students that entered in the fall term and completed the academic program within six years).

40.7% (Estimate)	42.3%	43.9%	0	43.9%
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Standard: Increase the total number of college graduates in a given academic year.

Measure: Total number of college graduates in a given academic year.

556	588	611	0	611
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332.90 Roane State Community College

Roane State Community College is a comprehensive institution located in Harriman. Roane State's transfer programs include instruction in the humanities, mathematics, natural sciences, and social sciences. Career preparation programs include business management, health science, office administration, police science, and other fields. Continuing education and developmental education classes also are offered.

Full-Time					
Administrative	12	12	12	0	12
Professional	63	67	67	0	67
Faculty	136	137	137	0	137
Clerical/Support	118	118	118	0	118
Total	329	334	334	0	334
FTE Enrollment	4,227	4,376	4,376	0	4,376
State	17,100,700	19,203,300	14,553,900	1,101,600	15,655,500
Federal	3,167,300	228,200	216,800	0	216,800
Other	939,500	984,500	984,500	0	984,500
Tuition/Fees	17,410,300	19,120,800	19,120,800	0	19,120,800
Total	\$38,617,800	\$39,536,800	\$34,876,000	\$1,101,600	\$35,977,600

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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Standard: Increase the percent of first-time freshmen that graduate within six years.

Measure: Graduation rate (cohort of full-time, first-time degree-seeking students that entered in the fall term and completed the academic program within six years).

40.0% (Estimate)	44.0%	40.6%	0	40.6%
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Standard: Increase the total number of college graduates in a given academic year.

Measure: Total number of college graduates in a given academic year.

778	775	726	0	726
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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	91	97	97	0	97
Faculty	158	157	157	0	157
Clerical/Support	132	132	132	0	132
Total	387	392	392	0	392
FTE Enrollment	5,501	5,758	5,758	0	5,758
State	16,947,200	19,301,900	15,028,000	434,500	15,462,500
Federal	1,892,200	1,545,700	25,000	0	25,000
Other	766,700	682,300	682,300	0	682,300
Tuition/Fees	21,420,500	23,636,600	23,636,600	0	23,636,600
Total	\$41,026,600	\$45,166,500	\$39,371,900	\$434,500	\$39,806,400

Standard: Increase the percent of first-time freshmen that graduate within six years.

Measure: Graduation rate (cohort of full-time, first-time degree-seeking students that entered in the fall term and completed the academic program within six years).

31.2% (Estimate)	32.1%	33.1%	0	33.1%
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Standard: Increase the total number of college graduates in a given academic year.

Measure: Total number of college graduates in a given academic year.

1,033	1,006	1,066	0	1,066
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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.

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
Full-Time					
Administrative	9	9	9	0	9
Professional	79	82	82	0	82
Faculty	148	155	155	0	155
Clerical/Support	148	151	151	0	151
Total	384	397	397	0	397
FTE Enrollment	4,780	4,808	4,808	0	4,808
State	17,240,500	19,708,800	15,721,500	426,000	16,147,500
Federal	2,114,700	548,800	182,000	0	182,000
Other	1,915,700	1,118,600	1,118,600	0	1,118,600
Tuition/Fees	19,295,300	20,998,500	20,998,500	0	20,998,500
Total	\$40,566,200	\$42,374,700	\$38,020,600	\$426,000	\$38,446,600

Standard: Increase the percent of first-time freshmen that graduate within six years.

Measure: Graduation rate (cohort of full-time, first-time degree-seeking students that entered in the fall term and completed the academic program within six years).

35.6% (Estimate)	37.0%	38.4%	0	38.4%
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Standard: Increase the total number of college graduates in a given academic year.

Measure: Total number of college graduates in a given academic year.

1,029	1,000	1,040	0	1,040
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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	52	52	52	0	52
Professional	120	117	117	0	117
Faculty	522	524	524	0	524
Clerical/Support	167	168	168	0	168
Total	861	861	861	0	861
FTE Enrollment	12,112	13,570	13,570	0	13,570
State	49,619,400	54,374,900	51,478,400	823,900	52,302,300
Federal	7,297,500	1,838,800	311,300	0	311,300
Other	9,086,900	8,074,800	8,074,800	0	8,074,800
Tuition/Fees	25,071,100	25,971,300	25,971,300	0	25,971,300
Total	\$91,074,900	\$90,259,800	\$85,835,800	\$823,900	\$86,659,700

<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</u>
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Standard: Increase the percentage of completers at the technology centers.

Measure: Percent of completers based on Council of Occupational Education standards.

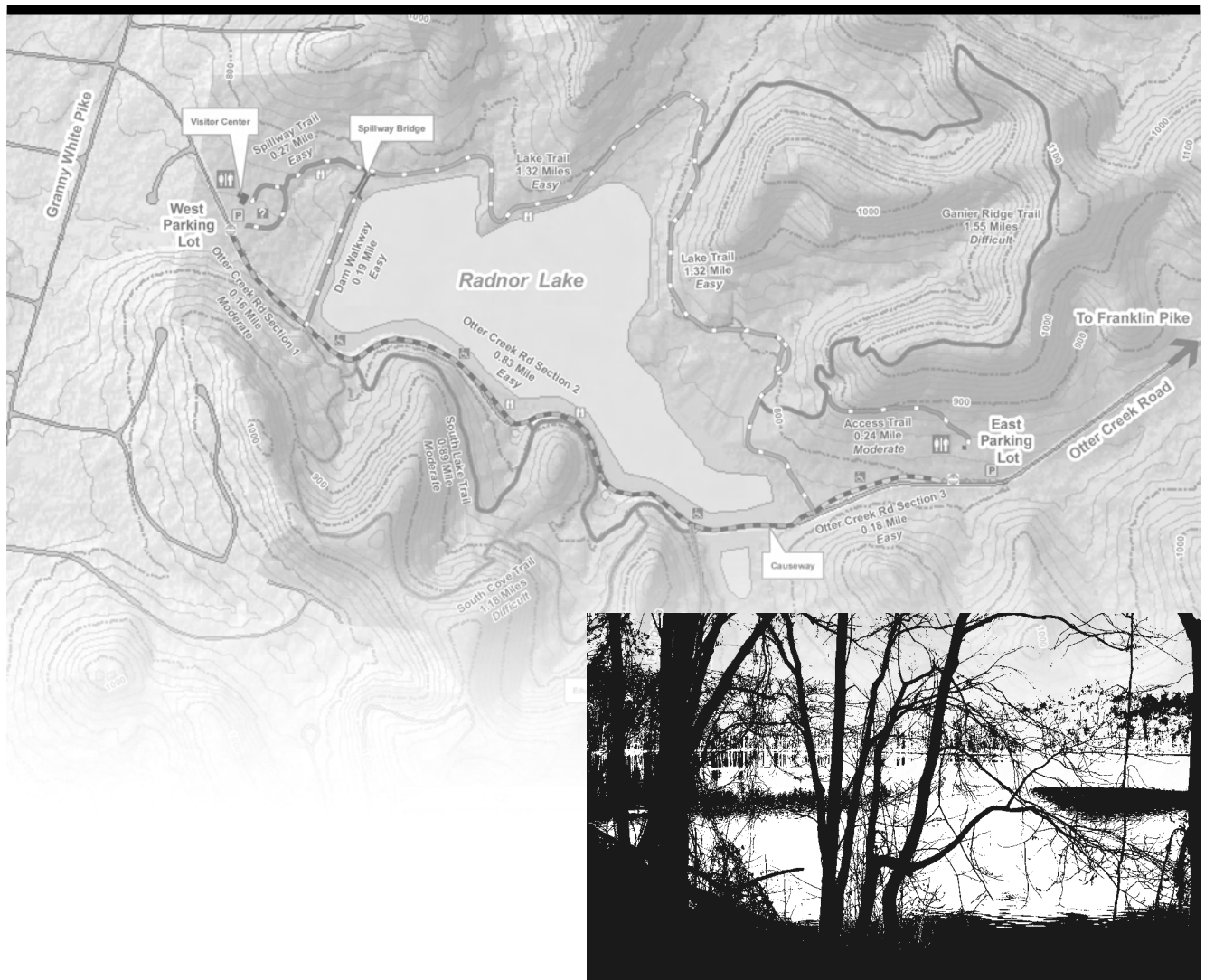
74.7%	75.7%	76.7%	0	76.7%
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Total State University and Community College System

Full-Time					
Administrative	630	635	635	0	635
Professional	3,332	3,419	3,419	0	3,419
Faculty	6,174	6,181	6,181	0	6,181
Clerical/Support	4,804	4,797	4,797	0	4,797
Total	14,940	15,032	15,032	0	15,032
FTE Enrollment	145,871	152,835	152,835	0	152,835
State	652,261,700	755,952,300	573,131,200	37,143,900	610,275,100
Federal	122,305,400	60,198,300	13,650,200	0	13,650,200
Other	264,216,600	264,031,900	264,031,900	0	264,031,900
Tuition/Fees	845,183,600	912,074,500	912,074,500	0	912,074,500
Total	\$1,883,967,300	\$1,992,257,000	\$1,762,887,800	\$37,143,900	\$1,800,031,700

Grand Total Higher Education

Full-Time					
Administrative	1,373	1,397	1,397	0	1,397
Professional	5,051	5,131	5,131	0	5,131
Faculty	9,051	9,050	9,050	0	9,050
Clerical/Support	8,450	8,351	8,351	0	8,351
Part-Time	2	0	0	0	0
Total	23,927	23,929	23,929	0	23,929
FTE Enrollment	190,491	197,287	197,287	0	197,287
State	1,481,106,600	1,654,187,900	1,354,731,000	52,800,000	1,407,531,000
Federal	380,322,800	353,199,500	258,175,000	0	258,175,000
Other	607,034,700	614,788,000	619,353,000	0	619,353,000
Tuition/Fees	1,249,676,300	1,344,431,800	1,344,431,800	0	1,344,431,800
Total	\$3,718,140,400	\$3,966,607,200	\$3,576,690,800	\$52,800,000	\$3,629,490,800



Health and Social Services

Health and Social Services



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Health and Social Services

Recommended Budget, Fiscal Year 2011 – 2012

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
- Department of Intellectual and Developmental Disabilities
- 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 who are placed in the state's custody. These programs range from the provision of a structured environment for troubled youth to a safe home setting for foster care children. Services for children in state care are based on professional assessments of each child and family.

This functional group also is charged with ensuring quality treatment and habilitation services for the mentally ill and intellectually disabled citizens of Tennessee. This includes institutional and community programs for the mentally ill and the intellectually disabled.

In addition to programs for special-needs citizens, general health-care services are provided through local and regional health-care facilities. These programs range from immunization of school children to ensuring quality care for the elderly.

Health-care programs for Medicaid-eligible and Medicaid waiver-eligible citizens also are the responsibility of this functional group. These services are provided by TennCare, a comprehensive health-care delivery system.

These agencies also are charged with helping disadvantaged Tennesseans achieve or maintain self-sufficiency. Other assistance programs include food stamp benefits to qualified applicants, protective services to abused and neglected children, and legal services to establish, enforce, and administer child support obligations for citizens.

Families First, a time-limited assistance program, emphasizes job skills development. Support services, such as child care and transportation, also are provided to Families First recipients. This is a temporary assistance program with lifetime eligibility limitations.

Cover Tennessee provides comprehensive health coverage to uninsured children, seriously ill adults who can afford health coverage but who have been turned down by insurance companies, and basic health-care coverage to uninsured working Tennesseans. Cover Tennessee also provides affordable medication to low-income citizens 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 the recommended budget for each agency by funding source; (3) a statement of recommended improvements for the ensuing fiscal year; (4) departmental program statements, indicating recommended funding and staffing for the ensuing year, compared with actual amounts for the last year and the amounts budgeted for the current year; and (5) program performance measures.

Health and Social Services Total Personnel and Funding

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Recommended 2011-2012</u>
Personnel			
Full Time	19,850	19,043	18,179
Part Time	250	225	225
Seasonal	0	0	0
TOTAL	20,100	19,268	18,404
Expenditures			
Payroll	\$ 995,590,500	\$ 1,037,751,000	\$ 995,615,200
Operational	12,818,236,900	13,314,683,400	13,218,573,000
TOTAL	\$ 13,813,827,400	\$ 14,352,434,400	\$ 14,214,188,200
Funding			
State	\$ 2,567,060,400	\$ 3,148,512,700	\$ 3,741,811,500
Federal	9,529,747,100	9,530,957,500	8,909,623,800
Other	1,717,019,900	1,672,964,200	1,562,752,900

Health and Social Services
Recommended Budget for Fiscal Year 2011-2012
By Funding Source

Department	State	Federal	Other	Total
316.01 Commission on Children and Youth	2,072,300	2,787,000	2,972,800	7,832,100
316.02 Commission on Aging and Disability	13,314,500	30,748,400	255,000	44,317,900
316.07 Health Services and Development Agency	1,132,600	0	16,400	1,149,000
318.00 Finance and Administration, Bureau of TennCare	2,747,094,900	5,682,276,600	264,227,200	8,693,598,700
339.00 Mental Health	185,689,300	58,756,200	50,652,900	295,098,400
343.00 Health	168,233,600	253,342,500	151,354,600	572,930,700
344.00 Intellectual and Developmental Disabilities	28,109,200	1,768,900	743,272,400	773,150,500
345.00 Human Services	175,449,200	2,599,862,300	135,062,000	2,910,373,500
350.00 Cover Tennessee Health Care Programs	103,596,900	160,229,400	400,000	264,226,300
359.00 Children's Services	317,119,000	119,852,500	214,539,600	651,511,100
Total	\$3,741,811,500	\$8,909,623,800	\$1,562,752,900	\$14,214,188,200

Health and Social Services Improvements for Fiscal Year 2011-2012

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Finance and Administration, Bureau of TennCare					
• Medical Utilization and Inflation					
To provide recurring funds for increased medical utilization and cost inflation in the TennCare program. This constitutes a 3.89 percent increase for the program, which is below the national average of 8.26 percent.					
318.66 TennCare Medical Services	\$99,892,000	\$195,935,200	\$0	\$295,827,200	0
Sub-total	\$99,892,000	\$195,935,200	\$0	\$295,827,200	0
• Long Term Care Eligibility Criteria					
To provide funds to restore fiscal year 2009-2010 TennCare Base Reduction #11 on a recurring basis. The reduction would have required four deficiencies in activities of daily living (ADL) to qualify for nursing home and home and community-based services (HCBS) programs, instead of one ADL deficiency. The U.S. Centers for Medicare and Medicaid Services has informed the state that this proposed change in enrollment status is not allowable under the 2010 federal Affordable Care Act.					
318.66 TennCare Medical Services	\$15,912,400	\$31,211,600	\$0	\$47,124,000	0
Sub-total	\$15,912,400	\$31,211,600	\$0	\$47,124,000	0
• Intellectual Disabilities Services					
To provide funds for the TennCare share of improvements recommended for the Department of Intellectual and Developmental Disabilities. Of these funds, \$622,100 in state appropriation and \$1,220,200 in federal funds are non-recurring.					
318.71 Intellectual Disabilities Services	\$18,036,100	\$34,746,100	\$0	\$52,782,200	0
Sub-total	\$18,036,100	\$34,746,100	\$0	\$52,782,200	0
Total Finance and Administration, Bureau of TennCare	\$133,840,500	\$261,892,900	\$0	\$395,733,400	0

Health

• Health-Care Facility Plan Review					
To provide funds to establish two full-time health-care plan reviewer positions that will review construction and renovation plans for both new and existing health-care facilities. These positions will aid the department in meeting statutory requirements to review plans within 30 days. The other funding is from dedicated fees paid by licensed facilities.					
343.05 Bureau of Health Licensure and Regulation	\$0	\$0	\$169,300	\$169,300	2
Sub-total	\$0	\$0	\$169,300	\$169,300	2
Total Health	\$0	\$0	\$169,300	\$169,300	2

Health and Social Services Improvements for Fiscal Year 2011-2012

	State	Federal	Other	Total	Positions
Intellectual and Developmental Disabilities					
• Home and Community-Based Services					
To provide funds for the projected increase in the number of enrollees and cost per day in the home and community-based services programs. The other funding is interdepartmental revenue from the TennCare program and includes \$26,651,800 on a recurring basis to fund services at a cost of \$223 per day in the main waiver. The funding also includes \$21,922,900 on a recurring basis to fund a net increase of 258 enrollees by June 30, 2012. Non-recurring funds in the amount of \$1,582,300 are provided to fund the additional one-day costs associated with the 2012 leap year.					
344.02 Community Intellectual Disabilities Services	\$0	\$0	\$50,157,000	\$50,157,000	0
Sub-total	\$0	\$0	\$50,157,000	\$50,157,000	0
• Middle Tennessee Community Homes					
To provide operational funds and positions for one additional four-bed community home in Middle Tennessee for residents transitioning from the Clover Bottom Developmental Center. This will increase the number of community homes in Middle Tennessee to nine. The other funding is from the TennCare program. The funding includes \$990,000 for non-recurring start-up costs at all nine homes, of which \$810,000 is state appropriation and \$180,000 is interdepartmental revenue from the TennCare program.					
344.41 Middle Tennessee Community Homes	\$810,000	\$0	\$1,232,400	\$2,042,400	19
Sub-total	\$810,000	\$0	\$1,232,400	\$2,042,400	19
• East Tennessee Community Homes					
To provide non-recurring funds for start-up costs of 16 new four-bed homes in East Tennessee for residents transitioning from the Greene Valley Developmental Center. The other funding is interdepartmental revenue from the TennCare program.					
344.42 East Tennessee Community Homes	\$360,000	\$0	\$80,000	\$440,000	0
Sub-total	\$360,000	\$0	\$80,000	\$440,000	0
• Middle Tennessee Resource Center					
To provide funds for creation of a resource center in Middle Tennessee. The resource center will provide specialized services to clients who live in community settings. The other funding is interdepartmental revenue from the TennCare program.					
344.31 Middle Tennessee Resource Center	\$26,000	\$0	\$3,517,800	\$3,543,800	25
Sub-total	\$26,000	\$0	\$3,517,800	\$3,543,800	25
Total Intellectual and Developmental Disabilities	\$1,196,000	\$0	\$54,987,200	\$56,183,200	44

Health and Social Services Improvements for Fiscal Year 2011-2012

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Human Services					
• Disability Determination					
To provide funding for 30 additional full-time positions in the federally-funded disability determination program to address the number of applications, which have increased 36 percent from 2007 to 2010. The disability determination program determines eligibility for Social Security disability benefits.					
345.71 Disability Determination	\$0	\$1,592,900	\$0	\$1,592,900	30
Sub-total	\$0	\$1,592,900	\$0	\$1,592,900	30
• Child Support - Assistant DAs Step Raises					
To provide funding for the mandated salary increase required by TCA 8-7-201 for the assistant district attorneys in the IV-D Child Support Enforcement program.					
345.13 Child Support	\$42,000	\$81,600	\$0	\$123,600	0
Sub-total	\$42,000	\$81,600	\$0	\$123,600	0
Total Human Services	\$42,000	\$1,674,500	\$0	\$1,716,500	30
Cover Tennessee Health Care Programs					
• CoverKids Cost Increases					
To provide recurring funds for cost increases in the CoverKids program. The medical utilization and inflation rate has increased by 10.04 percent and the maternity costs have increased by 14.27 percent.					
350.50 CoverKids	\$8,284,300	\$26,763,700	\$0	\$35,048,000	0
Sub-total	\$8,284,300	\$26,763,700	\$0	\$35,048,000	0
Total Cover Tennessee Health Care Programs	\$8,284,300	\$26,763,700	\$0	\$35,048,000	0
Total Health and Social Services	\$143,362,800	\$290,331,100	\$55,156,500	\$488,850,400	76

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 on children's issues; tracking legislation and making recommendations to the Governor and Legislature; evaluating the delivery of services to children in state custody and their families through the Children's Program Outcome Review Team (CPORT); and evaluating selected state programs and services for children.

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
316.01 Commission on Children and Youth					
Full-Time	49	50	48	0	48
Part-Time	2	0	0	0	0
Seasonal	0	0	0	0	0
Total	51	50	48	0	48
Payroll	2,899,700	3,249,600	3,184,800	0	3,184,800
Operational	4,658,600	4,790,100	4,647,300	0	4,647,300
Total	\$7,558,300	\$8,039,700	\$7,832,100	\$0	\$7,832,100
State	2,034,200	2,169,900	2,072,300	0	2,072,300
Federal	2,542,100	2,787,000	2,787,000	0	2,787,000
Other	2,982,000	3,082,800	2,972,800	0	2,972,800

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.

	103	108	107	0	107
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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.

	364	364	364	0	364
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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, 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 home and community based program for the elderly and disabled who are not eligible for Medicaid; collects statistics on the elderly, family caregivers, and adults with disabilities needing in-home services; publishes information on aging and adults with disabilities; makes recommendations on program improvements; and assists in developing needed services.

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
316.02 Commission on Aging and Disability					
Full-Time	53	33	33	0	33
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	53	33	33	0	33
Payroll	2,327,500	2,055,300	2,055,300	0	2,055,300
Operational	41,546,500	44,490,100	42,262,600	0	42,262,600
Total	\$43,874,000	\$46,545,400	\$44,317,900	\$0	\$44,317,900
State	13,969,500	14,038,100	13,314,500	0	13,314,500
Federal	29,073,900	32,252,300	30,748,400	0	30,748,400
Other	830,600	255,000	255,000	0	255,000

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: The 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 using the State Reporting Tool (SRT).

159,023	175,820	159,850	0	159,850
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Standard: Expand the self-directed care component within the Options for Community Living Program from one pilot site to the other eight Area Agencies on Aging and Disability.

Measure: The number of Area Agencies on Aging and Disability implementing the self-directed care component for consumers enrolled in the Options for Community Living Program.

1	3	5	0	5
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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 ten-member board. The Governor appoints five members. The Comptroller of the Treasury, the Commissioner of Commerce and Insurance, and the Director of TennCare are ex-officio members; the speakers of the Senate and House of Representatives appoint one member each. The board acts as a regulatory body in the certificate-of-need process and appoints an executive director to administer the agency.

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
316.07 Health Services and Development Agency					
Full-Time	12	11	11	0	11
Part-Time	7	8	8	0	8
Seasonal	0	0	0	0	0
Total	19	19	19	0	19
Payroll	760,700	862,500	862,500	0	862,500
Operational	315,400	299,600	286,500	0	286,500
Total	\$1,076,100	\$1,162,100	\$1,149,000	\$0	\$1,149,000
State	1,029,000	1,145,700	1,132,600	0	1,132,600
Federal	0	0	0	0	0
Other	47,100	16,400	16,400	0	16,400

Standard: Medical equipment registrations will be current.

Measure: The percent of registrations that are current.

	97.5%	97.6%	97.8%	0	97.8%
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Standard: Medical equipment utilizations will be reported.

Measure: The percent of medical equipment utilizations reported.

	100%	97.4%	97.6%	0	97.6%
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Department of Finance and Administration, Bureau of TennCare

Performance-Based Budget

TennCare is responsible for administering Tennessee's Medicaid waiver program. TennCare provides basic health care and mental health services to people who meet program eligibility requirements.

<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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	469	482	482	0	482
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	469	482	482	0	482
Payroll	26,111,100	32,426,500	32,426,500	0	32,426,500
Operational	204,300,400	187,195,600	180,174,200	0	180,174,200
Total	\$230,411,500	\$219,622,100	\$212,600,700	\$0	\$212,600,700
State	99,189,400	96,996,400	94,095,800	0	94,095,800
Federal	130,494,600	120,853,800	117,117,300	0	117,117,300
Other	727,500	1,771,900	1,387,600	0	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 Medical Services

TennCare Services provides funding for traditional basic health care, mental health services, and long-term care under the Medicaid waiver program. The program provides funding to managed care organizations that provide basic medical, mental health services, and long-term care, and to other state agencies that provide medical care. The state agencies with programs funded from this allotment include the Department of Children's Services and the Department of Health.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
Payroll	0	0	0	0	0
Operational	6,396,203,600	6,173,918,400	5,943,566,100	342,951,200	6,286,517,300
Total	\$6,396,203,600	\$6,173,918,400	\$5,943,566,100	\$342,951,200	\$6,286,517,300
State	1,050,160,600	1,359,649,600	1,714,064,200	115,804,400	1,829,868,600
Federal	5,024,775,100	4,558,322,200	3,990,299,200	227,146,800	4,217,446,000
Other	321,267,900	255,946,600	239,202,700	0	239,202,700

Standard: Maintain the number of Managed Care Organizations (MCOs) that demonstrate significant improvement in one or more of the quality indicators 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.

4 4 4 0 4

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.

4 4 4 0 4

Standard: Work with the Commission on Aging and Disability and other community providers to improve enrollment in the Home and Community Based Services (HCBS) component of the new CHOICES program.

Measure: The number of unduplicated participants in HCBS program for the elderly and/or physically disabled.

7,500 8,500 9,750 0 9,750

Standard: Rebalance the long-term care system by implementing the Community Choices Act and tracking expenditure balances between institutional and community services.

Measure: The percent of long-term care funding spent on home and community services for persons who meet the criteria for institutional placement.

41% 46% 47% 0 47%

318.70 Supplemental Payments

Supplemental Payments include funding for Essential Access Hospitals, Critical Access Hospitals, Federally Qualified Health Clinics, Disproportionate Share Hospitals (DSH), as well as payments for Graduate Medical Education and Meharry Medical College. This program also houses the Health Information Technology incentive payments for qualified providers and hospitals under the American Recovery and Reinvestment Act (ARRA).

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	258,828,300	802,749,900	840,529,600	0	840,529,600
Total	\$258,828,300	\$802,749,900	\$840,529,600	\$0	\$840,529,600

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
State	89,854,100	209,096,000	243,883,900	0	243,883,900
Federal	168,974,200	576,486,400	573,008,800	0	573,008,800
Other	0	17,167,500	23,636,900	0	23,636,900

Standard: Supplemental payments are made timely and accurately, based on the particular requirements of the payment type (i.e., quarterly, invoiced, cost settlement, one time, or other).

Measure: Percent of supplemental payments made accurately and timely.

100%	100%	100%	0	100%
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318.71 Intellectual Disabilities Services

Intellectual Disabilities Services provides administrative oversight and funding for three home and community based services waivers for persons with intellectual disabilities. The Department of Intellectual and Developmental Disabilities is the administrative lead agency for these waiver programs. This program also provides funding for individuals who require long-term institutional care in intermediate care facilities.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	854,587,500	884,442,600	781,236,500	52,782,200	834,018,700
Total	\$854,587,500	\$884,442,600	\$781,236,500	\$52,782,200	\$834,018,700
State	228,591,300	248,332,000	273,508,600	18,036,100	291,544,700
Federal	625,996,200	636,110,600	507,727,900	34,746,100	542,474,000
Other	0	0	0	0	0

Standard: Increase participation in the HCBS programs for the intellectually disabled.

Measure: The number of clients in HCBS programs for people with intellectual disabilities.

7,550	7,821	7,821	0	7,821
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318.72 Medicare Services

Medicare Services provides funding for Medicare premiums and co-payments for certain individuals who are dually eligible for Medicare and Medicaid, as well as low-income Medicare beneficiaries who are not eligible for TennCare. Funding for these premiums and co-payments allows the TennCare recipients the ability to receive medical services that would otherwise be unavailable due to financial constraints.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	440,717,800	496,681,100	519,932,400	0	519,932,400
Total	\$440,717,800	\$496,681,100	\$519,932,400	\$0	\$519,932,400
State	164,065,200	237,302,000	287,701,900	0	287,701,900
Federal	276,652,600	259,379,100	232,230,500	0	232,230,500
Other	0	0	0	0	0

<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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Standard: Maximize Medicare coverage for TennCare enrollees.

Measure: The number of TennCare enrollees identified as having Medicare as primary payer.

145,000	132,000	135,000	0	135,000
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318.80 Governor's Office of Children's Care Coordination

The Governor's Office of Children's Care Coordination provides program and policy coordination for statewide initiatives that benefit children. The goal of the office is to improve the delivery of appropriate, effective, and coordinated health-care services to children in the state. Ongoing initiatives within the office include improving preventive health services, such as early and periodic screening, diagnosis, and treatment (EPSDT), improving maternal health in underserved areas, and reducing infant mortality rates.

Full-Time	11	9	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	11	9	0	0	0
Payroll	457,100	919,600	0	0	0
Operational	159,000	497,400	0	0	0
Total	\$616,100	\$1,417,000	\$0	\$0	\$0
State	477,200	610,600	0	0	0
Federal	138,900	806,400	0	0	0
Other	0	0	0	0	0

318.00 Total Finance and Administration, Bureau of TennCare

Full-Time	480	491	482	0	482
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	480	491	482	0	482
Payroll	26,568,200	33,346,100	32,426,500	0	32,426,500
Operational	8,154,796,600	8,545,485,000	8,265,438,800	395,733,400	8,661,172,200
Total	\$8,181,364,800	\$8,578,831,100	\$8,297,865,300	\$395,733,400	\$8,693,598,700
State	1,632,337,800	2,151,986,600	2,613,254,400	133,840,500	2,747,094,900
Federal	6,227,031,600	6,151,958,500	5,420,383,700	261,892,900	5,682,276,600
Other	321,995,400	274,886,000	264,227,200	0	264,227,200

Department of Mental Health

Performance-Based Budget

The Department of Mental Health is responsible for ensuring the provision of services to children, youth, and adults with or at risk of serious and persistent mental illness, serious emotional disturbance, and substance-related disorders. This is accomplished through a system of community service providers and five state-operated inpatient facilities. The primary focus of the department is to provide a comprehensive system of care that includes adequate resources, safeguard the rights of consumers, match services to the consumer and family members in the least restrictive setting, promote consumer integration into the community, and educate the community regarding mental health and substance abuse disorders.

The department is divided into two functional areas: Administrative Services and Mental Health and Substance Abuse Services.

<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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 and licensing functions, and support services in the recruitment and retention of the workforce, as well as develop and implement 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	216	197	177	0	177
Part-Time	7	7	7	0	7
Seasonal	0	0	0	0	0
Total	223	204	184	0	184
Payroll	13,320,700	14,359,000	13,543,200	0	13,543,200
Operational	3,122,100	3,737,200	3,761,400	0	3,761,400
Total	\$16,442,800	\$18,096,200	\$17,304,600	\$0	\$17,304,600
State	11,801,700	12,759,600	11,783,900	0	11,783,900
Federal	2,002,200	2,554,000	2,731,400	0	2,731,400
Other	2,638,900	2,782,600	2,789,300	0	2,789,300

Standard: The costs of administrative services as a percentage of total department costs will not exceed 7.00%.

Measure: The costs of administrative services as a percentage of total department costs.

5.57%	5.75%	7.00%	0	7.00%
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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

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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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	55,021,100	53,535,700	50,096,400	0	50,096,400
Total	\$55,021,100	\$53,535,700	\$50,096,400	\$0	\$50,096,400
State	15,899,600	15,582,900	14,840,600	0	14,840,600
Federal	37,564,200	33,086,400	30,957,200	0	30,957,200
Other	1,557,300	4,866,400	4,298,600	0	4,298,600

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.

62.0%	65.0%	66.0%	0	66.0%
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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 substance abuse treatment services as compared to persons arrested prior to receiving treatment services.

90.0%	91.0%	91.0%	0	91.0%
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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, which 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	76,250,900	97,323,000	77,043,500	0	77,043,500
Total	\$76,250,900	\$97,323,000	\$77,043,500	\$0	\$77,043,500
State	60,920,400	76,260,100	59,070,500	0	59,070,500
Federal	13,172,300	17,340,800	16,174,000	0	16,174,000
Other	2,158,200	3,722,100	1,799,000	0	1,799,000

Standard: Increase the percentage of grantees meeting all program criteria on first review.

Measure: The percent of grantees achieving contract compliance on initial review.

91.7%	92.0%	92.0%	0	92.0%
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Standard: Reduce hospitalization length of stay for persons receiving services in the Community Supportive Housing programs.

Measure: Percent reduction of the average number of days hospitalized for mental health treatment after receiving services through the Community Supportive Housing programs as compared to the average number of days hospitalized before receiving these services.

80.0%	80.5%	81.0%	0	81.0%
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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	452	375	375	0	375
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	452	375	375	0	375
Payroll	21,031,800	20,665,500	20,665,500	0	20,665,500
Operational	5,075,200	9,948,000	6,121,000	0	6,121,000
Total	\$26,107,000	\$30,613,500	\$26,786,500	\$0	\$26,786,500
State	16,902,100	16,067,400	20,057,500	0	20,057,500
Federal	908,200	958,100	804,100	0	804,100
Other	8,296,700	13,588,000	5,924,900	0	5,924,900

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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Standard: Manage patient census capacity through effective clinical practices relative to admission and discharge decisions.

Measure: Percent of beds occupied.

86.56%	95.00%	87.00%	0	87.00%
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Standard: Decrease the percentage of persons readmitted to a RMHI within seven days of discharge.

Measure: Percent of persons readmitted to a RMHI within seven days of discharge.

2.95%	2.90%	2.85%	0	2.85%
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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 195 beds. The hospital provides forensic evaluation and treatment services in a secure setting.

Full-Time	693	596	597	0	597
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	694	597	598	0	598
Payroll	35,826,800	34,062,700	34,131,200	0	34,131,200
Operational	8,860,800	11,749,100	7,434,100	0	7,434,100
Total	\$44,687,600	\$45,811,800	\$41,565,300	\$0	\$41,565,300
State	26,124,300	20,578,600	26,628,800	0	26,628,800
Federal	2,402,700	2,121,800	1,901,000	0	1,901,000
Other	16,160,600	23,111,400	13,035,500	0	13,035,500

Standard: Manage patient census capacity through effective clinical practices relative to admission and discharge decisions.

Measure: Percent of beds occupied.

94.78%	95.00%	90.00%	0	90.00%
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Standard: Decrease the percentage of persons readmitted to a RMHI within seven days of discharge.

Measure: Percent of persons readmitted to a RMHI within seven days of discharge.

3.00%	2.95%	2.90%	0	2.90%
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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 150 beds.

Full-Time	562	485	474	0	474
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	562	485	474	0	474
Payroll	27,402,500	28,445,600	27,747,800	0	27,747,800
Operational	4,913,900	12,460,900	6,502,900	0	6,502,900
Total	\$32,316,400	\$40,906,500	\$34,250,700	\$0	\$34,250,700

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
State	16,554,900	21,341,800	20,427,200	0	20,427,200
Federal	3,152,200	2,108,500	2,108,500	0	2,108,500
Other	12,609,300	17,456,200	11,715,000	0	11,715,000

Standard: Manage patient census capacity through effective clinical practices relative to admission and discharge decisions.

Measure: Percent of beds occupied.

77.17%	95.00%	85.00%	0	85.00%
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Standard: Decrease the percentage of persons readmitted to a RMHI within seven days of discharge.

Measure: Percent of persons readmitted to a RMHI within seven days of discharge.

2.86%	2.80%	2.75%	0	2.75%
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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	408	365	365	0	365
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	408	365	365	0	365
Payroll	19,383,400	19,972,200	19,972,200	0	19,972,200
Operational	4,340,700	7,634,900	5,200,900	0	5,200,900
Total	\$23,724,100	\$27,607,100	\$25,173,100	\$0	\$25,173,100
State	12,832,300	13,587,600	14,136,000	0	14,136,000
Federal	3,006,500	3,220,000	2,980,000	0	2,980,000
Other	7,885,300	10,799,500	8,057,100	0	8,057,100

Standard: Manage patient census capacity through effective clinical practices relative to admission and discharge decisions.

Measure: Percent of beds occupied.

85.14%	95.00%	85.00%	0	85.00%
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Standard: Decrease the percentage of persons readmitted to a RMHI within seven days of discharge.

Measure: Percent of persons readmitted to a RMHI within seven days of discharge.

2.02%	2.10%	2.10%	0	2.10%
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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	302	249	249	0	249
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	303	250	250	0	250
Payroll	16,266,900	15,761,100	15,761,100	0	15,761,100
Operational	4,253,300	9,093,200	6,667,200	0	6,667,200
Total	\$20,520,200	\$24,854,300	\$22,428,300	\$0	\$22,428,300

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
State	16,456,600	13,319,700	18,294,800	0	18,294,800
Federal	1,796,200	2,154,700	1,100,000	0	1,100,000
Other	2,267,400	9,379,900	3,033,500	0	3,033,500

Standard: Manage patient census capacity through effective clinical practices relative to admission and discharge decisions.

Measure: Percent of beds occupied.

81.02%	95.00%	85.00%	0	85.00%
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Standard: Decrease the percentage of persons readmitted to a RMHI within seven days of discharge.

Measure: Percent of persons readmitted to a RMHI within seven days of discharge.

4.53%	4.45%	4.40%	0	4.40%
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339.40 Major Maintenance

Major Maintenance provides maintenance funds for the state's mental health institutes in the event of an emergency, as well as assisting with facility maintenance projects that do not meet the criteria for capital maintenance.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	108,500	450,000	450,000	0	450,000
Total	\$108,500	\$450,000	\$450,000	\$0	\$450,000
State	108,500	450,000	450,000	0	450,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Cost of major maintenance will be no more than \$0.33 per square foot.

Measure: Major maintenance cost per square foot.

\$0.12	\$0.33	\$0.33	0	\$0.33
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339.00 Total Mental Health

Full-Time	2,633	2,267	2,237	0	2,237
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
Total	2,642	2,276	2,246	0	2,246
Payroll	133,232,100	133,266,100	131,821,000	0	131,821,000
Operational	161,946,500	205,932,000	163,277,400	0	163,277,400
Total	\$295,178,600	\$339,198,100	\$295,098,400	\$0	\$295,098,400
State	177,600,400	189,947,700	185,689,300	0	185,689,300
Federal	64,004,500	63,544,300	58,756,200	0	58,756,200
Other	53,573,700	85,706,100	50,652,900	0	50,652,900

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						
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	2,217	3,102	1,341	1,866	1,901	10,427
2010-2011	2,400	3,150	1,350	1,875	1,901	10,676
2011-2012	2,400	3,150	1,350	1,882	1,901	10,683
Annual Releases						
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	2,239	3,110	1,353	1,885	1,903	10,490
2010-2011	2,400	3,150	1,350	1,898	1,903	10,701
2011-2012	2,400	3,150	1,350	1,905	1,903	10,708
Average Daily Census						
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	98	172	121	102	60	553
2010-2011	105	180	132	108	60	585
2011-2012	105	180	132	115	60	592
Cost Per Occupancy Day*						
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	\$727.09	\$688.93	\$728.93	\$636.77	\$937.47	\$721.44
2010-2011	\$798.79	\$704.80	\$849.03	\$700.33	\$1,135.47	\$797.85
2011-2012	\$698.93	\$639.47	\$710.89	\$599.72	\$1,024.64	\$697.43

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

**Memphis MHI - 2005-2006 excludes \$12.5 million non-operating costs for capital outlay for new facility.

Department of Health

Performance-Based Budget

The Department of Health is responsible for protecting and improving the health of Tennessee's citizens and visitors. In order to carry out this responsibility, the department is organized into the following three bureaus: Administrative and Support Services, Health Licensure and Regulation, and Health Services.

<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</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	83	90	86	0	86
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	83	90	86	0	86
Payroll	5,621,900	6,325,500	6,083,900	0	6,083,900
Operational	1,235,100	2,445,000	2,235,600	0	2,235,600
Total	\$6,857,000	\$8,770,500	\$8,319,500	\$0	\$8,319,500
State	5,655,300	6,416,100	7,034,600	0	7,034,600
Federal	862,900	1,994,400	924,900	0	924,900
Other	338,800	360,000	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.

1.34%	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	64	64	63	0	63
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	64	64	63	0	63
Payroll	3,337,400	3,599,500	3,576,200	0	3,576,200
Operational	485,400	553,600	549,600	0	549,600
Total	\$3,822,800	\$4,153,100	\$4,125,800	\$0	\$4,125,800

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
State	0	2,947,600	2,920,300	0	2,920,300
Federal	3,783,200	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.

0.67%	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	66	67	65	0	65
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	66	67	65	0	65
Payroll	4,084,600	4,849,700	4,721,000	0	4,721,000
Operational	590,200	588,600	588,600	0	588,600
Total	\$4,674,800	\$5,438,300	\$5,309,600	\$0	\$5,309,600
State	4,674,800	5,312,300	5,183,600	0	5,183,600
Federal	0	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.

4.8	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	167	167	167	0	167
Part-Time	0	1	1	0	1
Seasonal	0	0	0	0	0
Total	167	168	168	0	168
Payroll	8,447,500	10,073,300	10,066,400	0	10,066,400
Operational	9,160,000	9,527,100	9,453,200	0	9,453,200
Total	\$17,607,500	\$19,600,400	\$19,519,600	\$0	\$19,519,600

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
State	6,883,300	6,909,600	6,841,500	0	6,841,500
Federal	1,275,700	1,619,000	1,606,300	0	1,606,300
Other	9,448,500	11,071,800	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.

98.3%	95.4%	96.0%	0	96.0%
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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	126	129	127	0	127
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	126	129	127	0	127
Payroll	6,317,100	7,676,000	7,643,000	0	7,643,000
Operational	1,885,300	3,785,600	3,700,000	0	3,700,000
Total	\$8,202,400	\$11,461,600	\$11,343,000	\$0	\$11,343,000
State	2,844,100	4,422,800	4,305,600	0	4,305,600
Federal	1,635,600	3,152,500	3,151,100	0	3,151,100
Other	3,722,700	3,886,300	3,886,300	0	3,886,300

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.

85%	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>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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	181	187	187	2	189
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	181	187	187	2	189
Payroll	9,625,200	11,847,000	11,847,000	139,000	11,986,000
Operational	3,301,100	5,043,500	5,043,500	30,300	5,073,800
Total	\$12,926,300	\$16,890,500	\$16,890,500	\$169,300	\$17,059,800
State	5,360,000	8,663,800	8,234,800	0	8,234,800
Federal	6,960,800	6,698,400	6,698,400	0	6,698,400
Other	605,500	1,528,300	1,957,300	169,300	2,126,600

Standard: Through maintenance of inspection protocols, protect the health and safety of the public by surveying healthcare 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 Medicare and Medicaid Services according to facility type.

78%	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 healthcare facilities' compliance with state and federal regulations.

Measure: Percent of complaints and unusual incidents investigated within timeframes mandated by priority designation.

71%	100%	60%	0	60%
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343.06 Trauma System Fund

The Trauma System Fund provides payments and grants to all levels of trauma centers and comprehensive regional pediatric centers based on the recommendations of the Tennessee Trauma Care Advisory Council. In accordance with TCA 68-59, grants and payments are made to trauma care centers for the costs of maintaining required standards for designation and uncompensated care costs associated with trauma care patients.

Full-Time	1	1	1	0	1
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1	1	1	0	1
Payroll	0	52,300	61,800	0	61,800
Operational	9,233,900	15,698,400	8,938,900	0	8,938,900
Total	\$9,233,900	\$15,750,700	\$9,000,700	\$0	\$9,000,700

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
State	9,000,100	9,000,700	9,000,700	0	9,000,700
Federal	0	0	0	0	0
Other	233,800	6,750,000	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.

14%	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	1,239,200	1,361,300	1,361,300	0	1,361,300
Operational	420,700	515,300	647,300	0	647,300
Total	\$1,659,900	\$1,876,600	\$2,008,600	\$0	\$2,008,600
State	41,700	617,500	593,900	0	593,900
Federal	92,500	162,400	162,400	0	162,400
Other	1,525,700	1,096,700	1,252,300	0	1,252,300

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 receipt of completed application 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.

99%	100%	100%	0	100%
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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343.09 Division of Animal Welfare

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

Full-Time	7	7	7	0	7
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	7	7	7	0	7
Payroll	62,100	390,300	400,500	0	400,500
Operational	108,700	292,800	285,700	0	285,700
Total	\$170,800	\$683,100	\$686,200	\$0	\$686,200
State	71,600	653,200	686,200	0	686,200
Federal	99,200	29,900	0	0	0
Other	0	0	0	0	0

Standard: Through maintenance of inspection protocols, protect the public health and safety by ensuring that complaints against licensed and unlicensed commercial breeders are brought to a conclusion in a timely fashion.

Measure: Percent of complaints resolved within established category timeframes.

Not Applicable	75%	100%	0	100%
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343.10 Health Related Boards

The Health Related Boards certify and license health-care professionals; enforce statutes and rules setting standards of practice and professional conduct; and assist in administration, investigation, enforcement, and peer assistance.

Full-Time	145	135	135	0	135
Part-Time	190	185	185	0	185
Seasonal	0	0	0	0	0
Total	335	320	320	0	320
Payroll	6,861,200	7,803,800	7,784,100	0	7,784,100
Operational	3,964,800	5,907,500	6,191,200	0	6,191,200
Total	\$10,826,000	\$13,711,300	\$13,975,300	\$0	\$13,975,300
State	10,687,900	13,582,300	13,846,300	0	13,846,300
Federal	4,300	0	0	0	0
Other	133,800	129,000	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 processed within 100 calendar days from receipt of completed application to licensure approval or denial for initial applications and within 14 calendar days for renewals.

99%	99%	100%	0	100%
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<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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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.

85%	85%	85%	0	85%
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Bureau of Health Services

The Bureau of Health Services delivers public health services through a system of 13 regional health offices responsible for the oversight of services provided in 89 rural county health departments and six metropolitan health departments. These services encompass both primary care and prevention services, with an emphasis on health promotion, disease prevention, and health access. Services are provided through the following programs: Health Services Administration, General Environmental Health, Maternal and Child Health, Communicable and Environmental Disease Services, Community and Medical Services, Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), and Local Health Services.

343.45 Health Services Administration

Health Services Administration (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	79	79	0	79
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	83	79	79	0	79
Payroll	3,676,900	4,544,000	4,586,300	0	4,586,300
Operational	16,392,300	8,019,500	6,677,200	0	6,677,200
Total	\$20,069,200	\$12,563,500	\$11,263,500	\$0	\$11,263,500
State	13,037,600	7,485,100	7,485,100	0	7,485,100
Federal	4,800	1,377,600	1,377,600	0	1,377,600
Other	7,026,800	3,700,800	2,400,800	0	2,400,800

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.

1.0%	1.0%	1.0%	0	1.0%
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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343.39 General Environmental Health

General Environmental Health enforces sanitation and safety standards in hotels, food service establishments, bed and breakfast establishments, campgrounds, swimming pools, tattoo studios, and body piercing establishments through field inspections. In addition, the program is responsible for rabies control activities, administration of the Animal Friendly grant program, West Nile Virus surveillance, lead investigations, and environmental surveys that are conducted in schools, child care facilities, and state correctional institutions.

Full-Time	109	111	113	0	113
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	109	111	113	0	113
Payroll	6,083,500	7,189,700	7,189,700	0	7,189,700
Operational	3,854,400	4,801,600	4,758,200	0	4,758,200
Total	\$9,937,900	\$11,991,300	\$11,947,900	\$0	\$11,947,900
State	9,872,800	11,812,700	11,769,300	0	11,769,300
Federal	0	150,000	150,000	0	150,000
Other	65,100	28,600	28,600	0	28,600

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.

	12.9/100,000	13.0/100,000	12.0/100,000	0	12.0/100,000
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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	39	37	0	37
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	40	39	37	0	37
Payroll	1,856,400	2,559,900	2,559,900	0	2,559,900
Operational	17,429,400	27,811,800	27,433,400	0	27,433,400
Total	\$19,285,800	\$30,371,700	\$29,993,300	\$0	\$29,993,300
State	3,566,600	2,490,600	2,412,400	0	2,412,400
Federal	4,399,200	12,079,100	12,079,100	0	12,079,100
Other	11,320,000	15,802,000	15,501,800	0	15,501,800

<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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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.

33.6/1,000	33.3/1,000	33.0/1,000	0	33.0/1,000
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343.49 Communicable and Environmental Disease Services

The Communicable and Environmental Disease Services program works with staff in regional and local health departments to provide epidemiological services. These activities include epidemiological investigations of acute communicable diseases, tuberculosis control services, administration of immunizations against vaccine-preventable diseases, as well as investigation, diagnosis, and treatment of persons with sexually transmitted diseases, including HIV/AIDS. Environmental epidemiology services include educational services relative to chemical or physical pollution, disease cluster investigations, and toxicological at-risk assessment consultations with environmental regulatory programs in the Department of Environment and Conservation. Staff also maintains surveillance systems for early detection of bioterrorism and provides emergency support to local health departments and emergency responders.

Full-Time	162	165	165	0	165
Part-Time	3	2	2	0	2
Seasonal	0	0	0	0	0
Total	165	167	167	0	167
Payroll	7,561,900	10,410,700	10,473,200	0	10,473,200
Operational	49,110,000	59,131,200	53,533,700	0	53,533,700
Total	\$56,671,900	\$69,541,900	\$64,006,900	\$0	\$64,006,900
State	10,675,500	12,016,900	12,289,000	0	12,289,000
Federal	38,580,800	54,286,500	48,479,400	0	48,479,400
Other	7,415,600	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.

16.0/100,000	15.8/100,000	15.5/100,000	0	15.5/100,000
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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.

80.8%	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).

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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	49,500	143,600	143,500	0	143,500
Operational	2,165,000	7,652,000	5,000,000	0	5,000,000
Total	\$2,214,500	\$7,795,600	\$5,143,500	\$0	\$5,143,500
State	0	143,500	5,143,500	0	5,143,500
Federal	0	7,652,100	0	0	0
Other	2,214,500	0	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.

Measure: Percent of adults surveyed who have ever been told by a doctor that they have diabetes.

10.0%	9.8%	9.7%	0	9.7%
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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	74	74	0	74
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	77	74	74	0	74
Payroll	3,798,900	4,681,000	4,633,400	0	4,633,400
Operational	22,155,500	19,215,500	15,758,400	0	15,758,400
Total	\$25,954,400	\$23,896,500	\$20,391,800	\$0	\$20,391,800
State	11,046,800	11,354,500	10,486,800	0	10,486,800
Federal	14,487,900	11,155,600	8,518,600	0	8,518,600
Other	419,700	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.

4.5%	4.4%	4.3%	0	4.3%
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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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.

	2,556	4,100	4,200	0	4,200
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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
Payroll	1,133,100	1,238,900	1,238,900	0	1,238,900
Operational	123,383,200	142,056,300	141,574,600	0	141,574,600
Total	\$124,516,300	\$143,295,200	\$142,813,500	\$0	\$142,813,500
State	0	0	0	0	0
Federal	80,336,200	98,162,200	97,680,500	0	97,680,500
Other	44,180,100	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.

	40%	40%	42%	0	42%
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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	1,641	1,642	1,632	0	1,632
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	1,642	1,643	1,633	0	1,633
Payroll	86,111,000	96,395,900	95,945,500	0	95,945,500
Operational	93,578,200	119,523,900	100,076,700	0	100,076,700
Total	\$179,689,200	\$215,919,800	\$196,022,200	\$0	\$196,022,200

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
State	55,140,900	59,592,200	60,000,000	0	60,000,000
Federal	61,075,200	91,527,700	71,222,300	0	71,222,300
Other	63,473,100	64,799,900	64,799,900	0	64,799,900

Standard: Assure availability and accessibility of public health services at county health departments.

Measure: Number of encounters/visits to county health departments.

	2,195,103	2,200,000	2,200,000	0	2,200,000
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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.

	22.0%	21.9%	21.7%	0	21.7%
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343.00 Total Health

Full-Time	2,996	3,001	2,982	2	2,984
Part-Time	207	202	202	0	202
Seasonal	0	0	0	0	0
Total	3,203	3,203	3,184	2	3,186
Payroll	155,867,400	181,142,400	180,315,600	139,000	180,454,600
Operational	358,453,200	432,569,200	392,445,800	30,300	392,476,100
Total	\$514,320,600	\$613,711,600	\$572,761,400	\$169,300	\$572,930,700
State	148,559,000	163,421,400	168,233,600	0	168,233,600
Federal	213,598,300	291,339,300	253,342,500	0	253,342,500
Other	152,163,300	158,950,900	151,185,300	169,300	151,354,600

Department of Intellectual and Developmental Disabilities

Performance-Based Budget

The Department of Intellectual and Developmental Disabilities was established as a separate department of state government effective January 15, 2011, by Chapter 1100 of the Public Acts of 2010. The department was previously a division of the Department of Finance and Administration. The department provides services in a variety of settings, ranging from supported living in the community to institutional care, with an emphasis on providing services to individuals in home and community-based settings where possible. The department also provides administrative support to the Developmental Disabilities Council.

	<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</u>
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Administration and Policy

344.01 Intellectual Disabilities Services Administration

Intellectual Disabilities Services Administration is responsible for oversight of the two developmental centers and the state-operated community homes; administration of the home and community-based Medicaid waiver program; policy development and implementation; approval of statewide programs and provider development; budget and personnel functions; and training, technical assistance, and consultation in specialty areas.

Full-Time	136	135	135	0	135
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	136	135	135	0	135
Payroll	9,805,500	10,102,900	10,195,700	0	10,195,700
Operational	4,536,200	6,885,200	3,269,200	0	3,269,200
Total	\$14,341,700	\$16,988,100	\$13,464,900	\$0	\$13,464,900
State	1,084,100	1,305,800	1,315,100	0	1,315,100
Federal	0	0	0	0	0
Other	13,257,600	15,682,300	12,149,800	0	12,149,800

Standard: Administrative costs to total services costs will not exceed 2.0%.

Measure: Percent of administrative costs to total services cost.

1.7%	2.0%	2.0%	0	2.0%
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344.81 Developmental Disabilities Council

The Developmental Disabilities Council works for public policies and service systems that promote the inclusion of individuals with developmental disabilities in their communities. The council consists of 21 members appointed by the Governor and represents a broad range of disabilities, as well as the cultural and geographic diversity of the state. The council is administratively attached to the Department of Intellectual and Developmental Disabilities.

Full-Time	9	9	9	0	9
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	9	9	9	0	9

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
Payroll	584,500	713,900	713,900	0	713,900
Operational	1,522,800	1,469,000	1,469,000	0	1,469,000
Total	\$2,107,300	\$2,182,900	\$2,182,900	\$0	\$2,182,900
State	46,200	220,600	220,600	0	220,600
Federal	1,898,200	1,768,900	1,768,900	0	1,768,900
Other	162,900	193,400	193,400	0	193,400

Standard: Utilize council federal funding to support priority areas: education, housing, employment, child care, community supports, quality assurance, health, and transportation.

Measure: Percent of actual federal expenditures spent to support federal priority areas.

75%	80%	72%	0	72%
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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.

12,775	29,000	13,461	0	13,461
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Community Services

Three regional offices coordinate services for individuals in the community and for individuals transitioning from institutional settings to the community. Resource centers exist in the three Grand Divisions of the state to provide medical services that enable successful placement of individuals in the community. Additional alternatives to institutional residential settings are provided at state-operated intermediate care facilities for the intellectually disabled at community homes serving West, Middle, and East Tennessee.

344.02 Community Intellectual Disabilities Services

The Community Intellectual Disabilities Services division provides community-based intellectual disabilities services to persons with intellectual disabilities and other developmental disabilities. The division contracts with community agencies across the state to provide the following comprehensive system of support services: residential services, family support, adult day services, therapy services, nursing services, dental services, respite, diagnostic and evaluation, supported employment, and support coordination.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	630,240,900	605,487,600	548,099,700	50,157,000	598,256,700
Total	\$630,240,900	\$605,487,600	\$548,099,700	\$50,157,000	\$598,256,700
State	45,638,700	16,155,200	14,202,800	0	14,202,800
Federal	0	0	0	0	0
Other	584,602,200	589,332,400	533,896,900	50,157,000	584,053,900

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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Standard: Provide medically necessary services to individuals in the HCBS waivers.

Measure: Number of individuals served in the community.

	7,580	7,838	7,574	258	7,832
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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	118	119	117	0	117
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	118	119	117	0	117
Payroll	7,497,400	7,794,100	7,736,000	0	7,736,000
Operational	149,200	659,800	659,800	0	659,800
Total	\$7,646,600	\$8,453,900	\$8,395,800	\$0	\$8,395,800
State	198,800	844,400	838,500	0	838,500
Federal	0	0	0	0	0
Other	7,447,800	7,609,500	7,557,300	0	7,557,300

Standard: Resolve and close complaint cases within 30 days of receipt.

Measure: Percent of complaint cases resolved and closed within 30 days of receipt.

	100%	99%	99%	0	99%
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Standard: Increase the number of investigations closed within 30 days.

Measure: Percent of investigations closed within 30 days.

	94%	98%	98%	0	98%
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344.20 West Tennessee Regional Office

This office coordinates services and support to individuals with intellectual disabilities living in the community in West Tennessee.

Full-Time	197	206	184	0	184
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	197	206	184	0	184
Payroll	10,230,000	11,803,100	11,238,100	0	11,238,100
Operational	3,996,000	6,412,900	4,947,400	0	4,947,400
Total	\$14,226,000	\$18,216,000	\$16,185,500	\$0	\$16,185,500
State	901,900	1,761,700	1,558,700	0	1,558,700
Federal	0	0	0	0	0
Other	13,324,100	16,454,300	14,626,800	0	14,626,800

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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Standard: Maximize percentage of waiver participants surveyed who have had an annual re-evaluation completed within 12 months of their initial evaluation or last annual re-evaluation.

Measure: Percent of waiver participants surveyed who had an annual re-evaluation completed within 12 months of their initial evaluation or last annual re-evaluation.

	100%	100%	100%	0	100%
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344.21 Middle Tennessee Regional Office

This office coordinates services and support to individuals with intellectual disabilities living in the community in Middle Tennessee.

Full-Time	140	168	143	0	143
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	140	168	143	0	143
Payroll	8,043,800	10,230,100	8,795,200	0	8,795,200
Operational	2,152,700	1,625,300	1,625,300	0	1,625,300
Total	\$10,196,500	\$11,855,400	\$10,420,500	\$0	\$10,420,500
State	1,961,300	1,187,400	1,043,900	0	1,043,900
Federal	0	0	0	0	0
Other	8,235,200	10,668,000	9,376,600	0	9,376,600

Standard: Maximize percentage of waiver participants surveyed who have had an annual re-evaluation completed within 12 months of their initial evaluation or last annual re-evaluation.

Measure: Percent of waiver participants surveyed who had an annual re-evaluation completed within 12 months of their initial evaluation or last annual re-evaluation.

	100%	100%	100%	0	100%
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344.22 East Tennessee Regional Office

This office coordinates services and support to individuals with intellectual disabilities living in the community in East Tennessee.

Full-Time	150	153	144	0	144
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	150	153	144	0	144
Payroll	8,036,900	9,237,200	8,611,000	0	8,611,000
Operational	2,060,600	2,047,000	2,047,000	0	2,047,000
Total	\$10,097,500	\$11,284,200	\$10,658,000	\$0	\$10,658,000
State	1,117,900	1,126,500	1,063,900	0	1,063,900
Federal	0	0	0	0	0
Other	8,979,600	10,157,700	9,594,100	0	9,594,100

Standard: Maximize percentage of waiver participants surveyed who have had an annual re-evaluation completed within 12 months of their initial evaluation or last annual re-evaluation.

Measure: Percent of waiver participants surveyed who had an annual re-evaluation completed within 12 months of their initial evaluation or last annual re-evaluation.

	100%	100%	100%	0	100%
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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344.30 West Tennessee Resource Center

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

Full-Time	45	45	44	0	44
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	45	45	44	0	44
Payroll	1,321,800	3,577,900	3,613,500	0	3,613,500
Operational	1,326,600	1,789,800	1,653,100	0	1,653,100
Total	\$2,648,400	\$5,367,700	\$5,266,600	\$0	\$5,266,600
State	591,300	0	155,200	0	155,200
Federal	0	0	0	0	0
Other	2,057,100	5,367,700	5,111,400	0	5,111,400

Standard: Provide clinical and medical services through the West Tennessee Resource Center (WTRC).

Measure: Number of individuals receiving services at the WTRC.

	173	225	225	0	225
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344.31 Middle Tennessee Resource Center

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

Full-Time	0	0	17	25	42
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	17	25	42
Payroll	0	0	1,147,900	1,753,800	2,901,700
Operational	0	0	0	1,790,000	1,790,000
Total	\$0	\$0	\$1,147,900	\$3,543,800	\$4,691,700
State	0	0	114,800	26,000	140,800
Federal	0	0	0	0	0
Other	0	0	1,033,100	3,517,800	4,550,900

Standard: Provide clinical and medical services through the Middle Tennessee Resource Center (MTRC).

Measure: Number of individuals receiving services at the MTRC.

	Not Applicable	Not Applicable	172	253	425
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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344.32 East Tennessee Resource Center

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

Full-Time	0	0	45	0	45
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	45	0	45
Payroll	0	0	2,729,600	0	2,729,600
Operational	0	0	1,428,800	0	1,428,800
Total	\$0	\$0	\$4,158,400	\$0	\$4,158,400
State	0	0	123,100	0	123,100
Federal	0	0	0	0	0
Other	0	0	4,035,300	0	4,035,300

Standard: Provide clinical and medical services through the East Tennessee Resource Center (ETRC).

Measure: Number of individuals receiving services at the ETRC.

Not Applicable	Not Applicable	290	0	290
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344.40 West Tennessee Community Homes

West Tennessee Community Homes are intermediate-care facilities for individuals with severe to profound intellectual, physical, and medical challenges and who have spent more than one-half of their lives in large, institutional settings.

Full-Time	282	205	211	0	211
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	282	205	211	0	211
Payroll	9,214,200	9,714,400	10,783,700	0	10,783,700
Operational	3,111,500	3,876,900	5,110,800	0	5,110,800
Total	\$12,325,700	\$13,591,300	\$15,894,500	\$0	\$15,894,500
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	12,325,700	13,591,300	15,894,500	0	15,894,500

Standard: Reduce serious injuries to consumers each year.

Measure: The number of serious injuries to consumers.

0	5	5	0	5
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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344.41 Middle Tennessee Community Homes

Middle Tennessee Community Homes are intermediate care facilities for individuals with severe to profound intellectual, physical, and medical challenges and who have spent more than one-half of their lives in large, institutional settings.

Full-Time	0	0	23	19	42
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	23	19	42
Payroll	0	0	947,400	800,800	1,748,200
Operational	0	0	0	1,241,600	1,241,600
Total	\$0	\$0	\$947,400	\$2,042,400	\$2,989,800
State	0	0	0	810,000	810,000
Federal	0	0	0	0	0
Other	0	0	947,400	1,232,400	2,179,800

Standard: Reduce serious injuries to consumers each year.

Measure: The number of serious injuries to consumers.

Not Applicable	Not Applicable	6	6	12
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344.42 East Tennessee Community Homes

East Tennessee Community Homes are intermediate care facilities for individuals with severe to profound intellectual, physical, and medical challenges and who have spent more than one-half of their lives in large, institutional settings.

Full-Time	112	207	242	0	242
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	112	207	242	0	242
Payroll	0	8,626,100	10,237,700	0	10,237,700
Operational	133,100	2,737,200	5,733,900	440,000	6,173,900
Total	\$133,100	\$11,363,300	\$15,971,600	\$440,000	\$16,411,600
State	133,100	354,500	56,000	360,000	416,000
Federal	0	0	0	0	0
Other	0	11,008,800	15,915,600	80,000	15,995,600

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 Department of Intellectual and Developmental Disabilities currently operates two developmental centers, which provide residential support and services to adults and children who have intellectual disabilities and who require facility-based long-term care. The 24-hour care is to improve the physical, intellectual, social, and emotional capabilities of adults and children with severe intellectual disabilities. High personal care provides total care and training opportunities in self-help, ambulation, communication, and socialization skills. Intensive care

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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provides individualized habilitation training in self-help, language development, and motor skills for residents with severe intellectual disabilities. Medical treatment also is provided.

344.10 Arlington Developmental Center (Abolished)

Arlington Developmental Center was established in Arlington in 1969 as a congregate living facility for those with intellectual disabilities in West Tennessee. This facility was closed to residents in November 2010.

Full-Time	103	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	103	0	0	0	0
Payroll	13,125,100	0	0	0	0
Operational	8,906,900	0	0	0	0
Total	\$22,032,000	\$0	\$0	\$0	\$0
State	1,399,300	0	0	0	0
Federal	0	0	0	0	0
Other	20,632,700	0	0	0	0

344.11 Clover Bottom Developmental Center

Clover Bottom Developmental Center was established in Nashville in 1923 and is licensed for 260 beds.

Full-Time	612	410	128	0	128
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	612	410	128	0	128
Payroll	30,766,600	19,221,600	6,068,800	0	6,068,800
Operational	21,898,200	14,041,000	4,199,200	0	4,199,200
Total	\$52,664,800	\$33,262,600	\$10,268,000	\$0	\$10,268,000
State	3,701,500	250,100	95,900	0	95,900
Federal	0	0	0	0	0
Other	48,963,300	33,012,500	10,172,100	0	10,172,100

Standard: Reduce serious injuries to consumers each year.

Measure: The number of serious injuries to consumers.

37	14	12	0	12
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344.12 Greene Valley Developmental Center

Greene Valley Developmental Center was established in Greeneville in 1960 and is licensed for 384 beds. A facility group home provides transitional residential services for clients to prepare for a successful community placement.

Full-Time	1,179	1,109	691	0	691
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,179	1,109	691	0	691

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
Payroll	60,320,400	56,517,300	34,381,500	0	34,381,500
Operational	13,660,200	13,963,600	14,048,300	0	14,048,300
Total	\$73,980,600	\$70,480,900	\$48,429,800	\$0	\$48,429,800
State	0	242,700	648,900	0	648,900
Federal	0	0	0	0	0
Other	73,980,600	70,238,200	47,780,900	0	47,780,900

Standard: Reduce serious injuries to consumers each year.

Measure: The number of serious injuries to consumers.

	48	41	43	0	43
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344.15 Harold Jordan Center

The Harold Jordan Center is a secure, forensic habilitation facility providing residential care to adolescent and adult offenders with intellectual disabilities. This program provides treatment services, competency evaluations, and competency training. This facility is staffed for 19 residents.

Full-Time	94	94	72	0	72
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	94	94	72	0	72
Payroll	2,454,000	4,403,400	3,589,900	0	3,589,900
Operational	2,210,500	2,701,300	1,785,900	0	1,785,900
Total	\$4,664,500	\$7,104,700	\$5,375,800	\$0	\$5,375,800
State	4,664,500	7,104,700	5,375,800	0	5,375,800
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Reduce serious injuries to consumers each year.

Measure: The number of serious injuries to consumers.

	738	730	720	0	720
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344.50 Major Maintenance

Major Maintenance provides institutional maintenance funds to the state's developmental centers and state-owned community homes in the event of an emergency and provides funds for maintenance projects that do not meet the criteria for capital maintenance.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	132,500	100,000	100,000	0	100,000
Total	\$132,500	\$100,000	\$100,000	\$0	\$100,000
State	132,500	100,000	100,000	0	100,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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Standard: Reduce percentage of major maintenance funds disbursed for emergency maintenance of the facilities each year.

Measure: Percent of funds disbursed for emergency maintenance.

72%	70%	75%	0	75%
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344.00 Total Intellectual and Developmental Disabilities

Full-Time	3,177	2,860	2,205	44	2,249
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	3,177	2,860	2,205	44	2,249
Payroll	161,400,200	151,942,000	120,789,900	2,554,600	123,344,500
Operational	696,037,900	663,796,600	596,177,400	53,628,600	649,806,000
Total	\$857,438,100	\$815,738,600	\$716,967,300	\$56,183,200	\$773,150,500
State	61,571,100	30,653,600	26,913,200	1,196,000	28,109,200
Federal	1,898,200	1,768,900	1,768,900	0	1,768,900
Other	793,968,800	783,316,100	688,285,200	54,987,200	743,272,400

Statistical Data

Intellectual Disabilities Developmental Centers

	Arlington <u>344.10</u>	Clover Bottom <u>344.11*</u>	Greene Valley <u>344.12</u>	<u>Total</u>
Annual Admissions				
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	2	2
2010-2011	0	0	2	2
2011-2012	0	0	2	2
Annual Releases				
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	51	13	13	77
2010-2011	0	73	48	121
2011-2012	0	36	43	79
Average Daily Census				
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	51	114	249	414
2010-2011	0	73	202	275
2011-2012	0	37	159	196
Cost Per Occupancy Day**				
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	\$1,183.56	\$1,377.78	\$814.00	\$1,125.11
2010-2011	\$0.00	\$1,515.00	\$955.93	\$1,235.47
2011-2012	\$0.00	\$1,155.21	\$832.21	\$993.71

* Clover Bottom data includes the Harold Jordan Center.

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

Department of Human Services

Performance-Based Budget

The mission of the Department of Human Services is to improve quality of life by providing an effective system of services for disadvantaged, disabled, and vulnerable Tennesseans. The departmental structure is: Administration, Adult and Family Services, Child Support, and Rehabilitation Services.

<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</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	538	549	558	0	558
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	538	549	558	0	558
Payroll	31,685,900	36,396,700	36,221,900	0	36,221,900
Operational	38,800,800	33,187,300	33,755,200	0	33,755,200
Total	\$70,486,700	\$69,584,000	\$69,977,100	\$0	\$69,977,100
State	19,858,900	21,310,300	21,368,300	0	21,368,300
Federal	30,582,900	29,475,400	31,849,100	0	31,849,100
Other	20,044,900	18,798,300	16,759,700	0	16,759,700

Standard: Availability of the Child Support Enforcement computer system shall exceed 98%.

Measure: Percent of time Child Support Enforcement System is available.

97.18%	98.00%	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.

96.48%	97.80%	97.80%	0	97.80%
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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	412	412	412	0	412
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	412	412	412	0	412

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
Payroll	15,339,800	16,371,100	16,541,100	0	16,541,100
Operational	1,015,200	1,755,700	1,126,000	0	1,126,000
Total	\$16,355,000	\$18,126,800	\$17,667,100	\$0	\$17,667,100
State	5,154,800	5,544,500	5,630,100	0	5,630,100
Federal	5,215,700	5,447,300	5,486,900	0	5,486,900
Other	5,984,500	7,135,000	6,550,100	0	6,550,100

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	18,082,800	17,278,100	17,664,100	0	17,664,100
Total	\$18,082,800	\$17,278,100	\$17,664,100	\$0	\$17,664,100
State	6,392,600	6,246,100	6,466,600	0	6,466,600
Federal	6,243,400	6,022,700	6,138,100	0	6,138,100
Other	5,446,800	5,009,300	5,059,400	0	5,059,400

Standard: Ensure functional office space for department employees is available each day the state is open for business. Active leases must be in place for each DHS office during the fiscal year.

Measure: Number of active leases.

133	133	133	0	133
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345.31 Appeals and Hearings

Appeals and Hearings provides a mechanism for appeals and hearings requested by applicants for and recipients of financial benefits or services provided by the department, including appeals related to TennCare program eligibility.

Full-Time	199	202	202	0	202
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	199	202	202	0	202
Payroll	13,708,000	11,624,600	11,635,700	0	11,635,700
Operational	5,620,600	1,412,900	1,124,200	0	1,124,200
Total	\$19,328,600	\$13,037,500	\$12,759,900	\$0	\$12,759,900
State	2,241,700	3,920,200	3,435,500	0	3,435,500
Federal	3,638,600	5,226,500	4,647,800	0	4,647,800
Other	13,448,300	3,890,800	4,676,600	0	4,676,600

<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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Standard: Process Food Stamps appeals within a 60-day timeframe.

Measure: Average monthly percent of Food Stamps appeals completed within 60 days.

83%	90%	87%	0	87%
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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.

87%	92%	90%	0	90%
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Adult and Family Services

Adult and Family services include family assistance, TANF (Temporary Assistance to Needy Families), child care benefits, Food Stamp benefits, and community services.

The Family Assistance program provides temporary cash assistance, child care, and other services to low-income families to enable them to become self-sufficient. Clients are served in the department's 95 county offices and through service centers strategically located throughout the state. The Family Assistance section consists of three programs: Families First, Food Stamp benefits, and eligibility determination.

Families First is the state's TANF 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 (Supplemental Nutrition Assistance Program) program helps ensure that eligible low-income families and individuals are able to obtain a nutritious diet. The program is the cornerstone of the federal food assistance programs and provides crucial support to needy households and to those making the transition from welfare to work. The goal of the program is to eliminate hunger and reduce the incidence of food insecurity.

The eligibility determination unit determines eligibility for the Families First-TANF program, Food Stamps, and TennCare, which is the state's Medicaid waiver medical assistance program. Clients are assisted through the department's county offices. Special accommodations are made for the elderly, disabled, those with limited English proficiency, and others who need assistance with the application process.

The Community Services program provides regulatory and protective services, social services, and economic assistance in the areas of child and adult care, adult protective services, and community contract services.

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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345.20 Child Care Benefits

The Child Care Benefits program provides assistance for child care services to qualifying participants in programs such as Families First, foster care, child protective services, transitional Families First, and Department of Children's Services relative care.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	218,870,100	193,200,900	188,795,600	0	188,795,600
Total	\$218,870,100	\$193,200,900	\$188,795,600	\$0	\$188,795,600
State	22,784,300	15,061,900	14,699,800	0	14,699,800
Federal	189,149,000	168,139,000	167,695,800	0	167,695,800
Other	6,936,800	10,000,000	6,400,000	0	6,400,000

Standard: Maintain Child Care rates at the 45th percentile of the market rate.

Measure: Average percentile rate at which child care assistance is paid.

37th	45th	45th	0	45th
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345.23 Temporary Cash Assistance

The Temporary Cash Assistance program provides cash payments to low-income families to enable them to become self-sufficient. Qualified applicants are issued a cash benefit based on household size and income. Benefits are distributed to individuals through the use of an electronic benefits card.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	135,737,400	159,987,500	126,712,900	0	126,712,900
Total	\$135,737,400	\$159,987,500	\$126,712,900	\$0	\$126,712,900
State	5,354,500	21,197,100	20,868,900	0	20,868,900
Federal	126,765,700	135,173,200	102,226,800	0	102,226,800
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.

62,075	62,500	62,000	0	62,000
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	<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</u>
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345.25 Food Stamp Benefits

The Food Stamp Benefits program is the cornerstone of the federal food assistance programs and provides crucial support to needy households and to those making the transition from welfare to work. The amount of assistance to which any person, household, or family is entitled is determined by measuring the income and resources of such person, household, or family. Benefits are distributed to individuals through an electronic benefits card.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	1,926,728,100	1,927,600,000	1,927,600,000	0	1,927,600,000
Total	\$1,926,728,100	\$1,927,600,000	\$1,927,600,000	\$0	\$1,927,600,000
State	0	0	0	0	0
Federal	1,926,728,100	1,927,600,000	1,927,600,000	0	1,927,600,000
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.

1,192,900	1,220,000	1,200,000	0	1,200,000
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345.30 Family Assistance Services

The Family Assistance Services program provides eligibility determination for the Families First, Food Stamp, and TennCare programs. In addition, Food Stamp recipients receive nutrition education and outreach services. Families First clients receive job training, employment career services, and counseling.

Full-Time	2,519	2,527	2,530	0	2,530
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2,519	2,527	2,530	0	2,530
Payroll	124,370,800	119,909,700	120,113,200	0	120,113,200
Operational	103,350,300	64,691,400	68,320,700	0	68,320,700
Total	\$227,721,100	\$184,601,100	\$188,433,900	\$0	\$188,433,900
State	53,364,400	73,693,300	70,717,900	0	70,717,900
Federal	121,527,200	58,679,500	63,971,600	0	63,971,600
Other	52,829,500	52,228,300	53,744,400	0	53,744,400

Standard: Meet or exceed the Federal Work Participation Rate for TANF clients.

Measure: Families First's Work Participation Rate (WPR).

50%	50%	50%	0	50%
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Standard: Maintain Food Stamp payment accuracy rate at 95%.

Measure: Food Stamp payment accuracy rate.

97%	95%	95%	0	95%
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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345.49 Community Services

The Community Services program provides a range of social services, including child care, child care provider licensing, adult protective services (APS), child and adult nutrition, summer food service, child care facilities loan fund, homemaker, refugee assistance, low-income home energy and weatherization assistance, and emergency and support services. Services are provided through a mix of state employees, quasi-governmental entities, and private entities. These services are funded by a combination of state appropriations, the federal Social Services and Community Services block grants, other federal programs, and other sources, including funding from the Department of Children's Services, the Department of Health, and the Bureau of TennCare.

Full-Time	413	415	414	0	414
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	413	415	414	0	414
Payroll	20,543,800	22,043,200	21,802,700	0	21,802,700
Operational	221,113,300	227,532,000	126,075,400	0	126,075,400
Total	\$241,657,100	\$249,575,200	\$147,878,100	\$0	\$147,878,100
State	2,112,300	1,742,900	1,605,000	0	1,605,000
Federal	232,895,000	241,643,000	140,779,000	0	140,779,000
Other	6,649,800	6,189,300	5,494,100	0	5,494,100

Standard: Monitor the percentage of child care complaints investigated and resolved within 30 days.

Measure: Percent of child care complaints investigated and resolved within 30 days.

97%	97%	97%	0	97%
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Standard: Increase the percentage of vulnerable adults with reduced risk.

Measure: Percent of valid Adult Protective Services cases with risk reduced.

82%	88%	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

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
Payroll	6,938,400	7,693,700	7,746,800	0	7,746,800
Operational	62,160,000	68,231,200	64,728,400	123,600	64,852,000
Total	\$69,098,400	\$75,924,900	\$72,475,200	\$123,600	\$72,598,800
State	10,415,700	17,825,400	17,764,200	42,000	17,806,200
Federal	35,851,300	31,897,500	29,601,200	81,600	29,682,800
Other	22,831,400	26,202,000	25,109,800	0	25,109,800

Standard: Increase the percentage of child support cases with court orders.

Measure: Percent of cases with child support orders.

67%	70%	70%	0	70%
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Standard: Increase the percentage of current support collected.

Measure: Percent of current support collected.

52.0%	53.5%	54.0%	0	54.0%
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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. The program's primary goal is to place disabled individuals into employment. Vocational rehabilitation services include any services described in an individual plan for employment which are necessary to assist an individual with a disability in preparing for, securing, retaining, or regaining an employment outcome that is consistent with the strengths and abilities of the individual. The program includes the Tennessee Rehabilitation Center in Smyrna and other locations throughout the state.

Full-Time	643	643	643	0	643
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	643	643	643	0	643
Payroll	28,228,000	31,569,700	31,286,300	0	31,286,300
Operational	46,399,300	52,913,500	48,136,600	0	48,136,600
Total	\$74,627,300	\$84,483,200	\$79,422,900	\$0	\$79,422,900
State	8,390,900	10,321,700	12,850,900	0	12,850,900
Federal	60,068,200	63,435,100	60,639,600	0	60,639,600
Other	6,168,200	10,726,400	5,932,400	0	5,932,400

Standard: Maintain or exceed the federal standard for individuals who exit the Vocational Rehabilitation program after receiving services that achieve employment outcomes.

Measure: Percent of individuals who exit the VR program after receiving services that achieve employment outcomes.

51.3%	55.8%	55.8%	0	55.8%
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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Standard: Maintain at 90 percent the percentage of individuals who exit the VR program into employment with hourly earnings equivalent to at least the minimum wage.

Measure: Of all individuals achieving employment outcomes, the percent whose earnings are equivalent to at least the minimum wage.

	93.5%	90.0%	90.0%	0	90.0%
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345.71 Disability Determination

The Disability Determination program, in partnership with the U.S. Social Security Administration (SSA), ascertains whether an individual is qualified for disability insurance benefits or supplemental security income benefits from the U.S. Social Security Administration.

Full-Time	627	627	627	30	657
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	627	627	627	30	657
Payroll	24,657,200	29,896,400	29,819,800	1,252,100	31,071,900
Operational	33,207,500	29,731,100	29,450,400	340,800	29,791,200
Total	\$57,864,700	\$59,627,500	\$59,270,200	\$1,592,900	\$60,863,100
State	900	0	0	0	0
Federal	57,863,800	57,909,200	57,551,900	1,592,900	59,144,800
Other	0	1,718,300	1,718,300	0	1,718,300

Standard: Provide accurate SSA services, based on randomly selected case reviews.

Measure: Quality assurance based on performance reviews of determination accuracy.

	97.46%	97.00%	97.00%	0	97.00%
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345.00 Total Human Services

Full-Time	5,500	5,524	5,535	30	5,565
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	5,500	5,524	5,535	30	5,565
Payroll	265,471,900	275,505,100	275,167,500	1,252,100	276,419,600
Operational	2,811,085,400	2,777,521,600	2,633,489,500	464,400	2,633,953,900
Total	\$3,076,557,300	\$3,053,026,700	\$2,908,657,000	\$1,716,500	\$2,910,373,500
State	136,071,000	176,863,400	175,407,200	42,000	175,449,200
Federal	2,796,528,900	2,730,648,400	2,598,187,800	1,674,500	2,599,862,300
Other	143,957,400	145,514,900	135,062,000	0	135,062,000

Department of Finance and Administration, Cover Tennessee Health Care Programs

Performance-Based Budget

Cover Tennessee, enacted in 2006, was developed to create health insurance options that are affordable and portable for the uninsured through four programs. CoverTN, AccessTN, and CoverKids provide health insurance to adults and children who are uninsured or uninsurable. CoverRx is a pharmacy assistance program for low-income adults without pharmacy coverage. A health awareness and outreach program, called Project Diabetes and Health Improvement, is administered by the Department of Health and is included in its budget.

Cover Tennessee Health Care Programs is a division of the Department of Finance and Administration, whose Benefits Administration Division staffs and administers the programs.

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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	17,304,000	18,311,900	17,762,600	0	17,762,600
Total	\$17,304,000	\$18,311,900	\$17,762,600	\$0	\$17,762,600
State	17,304,000	18,311,900	17,762,600	0	17,762,600
Federal	0	0	0	0	0
Other	0	0	0	0	0

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.

	20,906	20,600	20,300	0	20,300
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Standard: Assure all carriers or insurers are accredited by either the Utilization Review Accreditation Committee (URAC) or the National Committee for Quality Assurance (NCQA).

Measure: Percent of carriers or insurers that meet URAC or NCQA accreditation standards.

	100%	100%	100%	0	100%
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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.

	3,872	6,000	4,000	0	4,000
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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.

	93.2%	75.0%	90.0%	0	90.0%
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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	125,765,300	174,778,000	174,778,000	35,048,000	209,826,000
Total	\$125,765,300	\$174,778,000	\$174,778,000	\$35,048,000	\$209,826,000
State	33,267,500	41,866,400	41,312,300	8,284,300	49,596,600
Federal	92,497,800	132,911,600	133,465,700	26,763,700	160,229,400
Other	0	0	0	0	0

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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.

	43,364	58,471	58,471	0	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	9,547,500	13,588,500	13,588,500	0	13,588,500
Total	\$9,547,500	\$13,588,500	\$13,588,500	\$0	\$13,588,500
State	8,959,000	13,188,500	13,188,500	0	13,188,500
Federal	0	0	0	0	0
Other	588,500	400,000	400,000	0	400,000

Standard: Facilitate access to basic and affordable medications for low-income Tennesseans without prescription drug coverage.

Measure: Number of enrollees in the CoverRX program.

	42,951	56,004	56,004	0	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>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</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	175,666,000	229,727,600	229,178,300	35,048,000	264,226,300
Total	\$175,666,000	\$229,727,600	\$229,178,300	\$35,048,000	\$264,226,300
State	82,579,700	96,416,000	95,312,600	8,284,300	103,596,900
Federal	92,497,800	132,911,600	133,465,700	26,763,700	160,229,400
Other	588,500	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 (DCS) provides timely, appropriate, and cost-effective services for children in state custody or at risk of entering state custody in order to enable these children to reach their full potential as productive, competent, and healthy adults. The department is organized into three functional areas: Administration, Child Welfare, and Juvenile Justice.

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
359.10 Administration					
This allotment provides funds for staffing and other operating costs necessary for administration of the department. Administration provides internal support, leadership, and direction that leads to improved program performance and success in the ultimate goal of re-integration of children into the community. This program also assists in compliance with state law, departmental policies, and American Correctional Association standards.					
Full-Time	508	518	490	0	490
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	508	518	490	0	490
Payroll	31,513,800	34,260,200	32,690,700	0	32,690,700
Operational	38,175,400	17,262,800	16,834,400	0	16,834,400
Total	\$69,689,200	\$51,523,000	\$49,525,100	\$0	\$49,525,100
State	31,103,100	28,779,500	27,646,600	0	27,646,600
Federal	16,313,700	6,397,500	6,227,600	0	6,227,600
Other	22,272,400	16,346,000	15,650,900	0	15,650,900

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.

88.6%	80.0%	80.0%	0	80.0%
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Standard: Decrease the state dollar proportion of total actual expenditures by 0.5% per year.

Measure: Percent of DCS budget that is state's portion.

46.0%	46.5%	44.5%	0	44.5%
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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Child Welfare

Child Welfare provides a variety of services that support families with children that 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 entering state custody. Crisis intervention services are provided both to parents with difficulty raising their children and to unruly children on a path to youth detention. The goal of these services is to assist children to successfully remain in their homes. If children can not be raised by their parents, a relative caregiver program attempts to support placement of children in the homes of other family members.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	34,486,900	41,806,100	44,107,200	0	44,107,200
Total	\$34,486,900	\$41,806,100	\$44,107,200	\$0	\$44,107,200
State	24,861,600	31,194,200	32,604,700	0	32,604,700
Federal	0	8,111,900	9,002,500	0	9,002,500
Other	9,625,300	2,500,000	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.

88.9%	91.0%	91.2%	0	91.2%
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359.30 Custody Services

The Custody Services program purchases residential care in safe, state-monitored homes to ensure children in state custody receive treatment and housing until the state can make a permanent placement. Included services are mental, behavioral, and physical treatment services to prepare youth to live independently at adulthood.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	15,000	15,000	0	15,000
Operational	203,664,700	208,428,100	207,806,500	0	207,806,500
Total	\$203,664,700	\$208,443,100	\$207,821,500	\$0	\$207,821,500
State	75,835,400	81,775,800	81,816,500	0	81,816,500
Federal	21,791,400	22,769,000	20,378,300	0	20,378,300
Other	106,037,900	103,898,300	105,626,700	0	105,626,700

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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Standard: Reduce the number of dependent/neglected, unruly children entering out-of-home care.

Measure: Number of dependent/neglected, unruly children entering out-of-home care.

	5,228	3,767	3,750	0	3,750
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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	7,728,700	7,870,400	6,370,400	0	6,370,400
Total	\$7,728,700	\$7,870,400	\$6,370,400	\$0	\$6,370,400
State	5,636,900	6,370,400	6,370,400	0	6,370,400
Federal	170,300	0	0	0	0
Other	1,921,500	1,500,000	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.

	60.1%	65.0%	66.0%	0	66.0%
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359.40 Adoption Services

The Adoption Services program provides financial support payments to adoptive parents and treatment and counseling services for families to meet the needs of adopted children. Post-adoption records services are provided to adults who were adopted as youth in Tennessee.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	1,600	15,000	15,000	0	15,000
Operational	74,220,000	72,787,800	72,421,400	0	72,421,400
Total	\$74,221,600	\$72,802,800	\$72,436,400	\$0	\$72,436,400
State	39,887,600	35,504,900	37,078,700	0	37,078,700
Federal	34,334,000	37,221,400	35,281,200	0	35,281,200
Other	0	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 who have a finalized adoption within 12 months.

	70.6%	84.0%	84.0%	0	84.0%
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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. Case managers make visits to a child's home, school, and service providers as well as work with local courts to assess the child's treatment and care needs while the child is in or has recently exited the custody of the state.

Full-Time	3,327	3,326	3,231	0	3,231
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	3,327	3,326	3,231	0	3,231
Payroll	168,526,100	175,621,800	170,732,000	0	170,732,000
Operational	45,064,700	50,609,800	49,348,000	0	49,348,000
Total	\$213,590,800	\$226,231,600	\$220,080,000	\$0	\$220,080,000
State	81,225,600	85,071,700	82,053,800	0	82,053,800
Federal	29,962,400	49,247,400	48,962,900	0	48,962,900
Other	102,402,800	91,912,500	89,063,300	0	89,063,300

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.

86.9%	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 after-care who have re-entered state custody.

23.1%	9.9%	9.7%	0	9.7%
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Juvenile Justice

The Department of Children's Services operates five youth development 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. Services provided to students at these centers include parental responsibility counseling, academic education, general educational development, work-study programs, special education, abuse victimization counseling, family counseling, medical care, remedial reading and math, adult basic education, and vocational training. Some specialized services provided include drug and alcohol abuse treatment, sex-abuse and sex-offender treatment, violent-offender treatment, gang-activity awareness, speech therapy, dental care, and behavioral management.

	<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</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	215	187	187	0	187
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
Total	217	189	189	0	189
Payroll	9,711,700	9,359,800	9,359,800	0	9,359,800
Operational	2,110,900	2,001,500	1,982,500	0	1,982,500
Total	\$11,822,600	\$11,361,300	\$11,342,300	\$0	\$11,342,300
State	11,595,400	11,072,500	11,072,500	0	11,072,500
Federal	0	0	0	0	0
Other	227,200	288,800	269,800	0	269,800

Standard: Maintain at least 90% of youth released from the youth development center that remain in a community setting.

Measure: Percent of youth, ages 13-17, who exited 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.

74.8%	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	233	201	201	0	201
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	234	202	202	0	202
Payroll	10,692,600	10,404,500	10,314,500	0	10,314,500
Operational	2,098,800	2,002,300	2,014,000	0	2,014,000
Total	\$12,791,400	\$12,406,800	\$12,328,500	\$0	\$12,328,500
State	12,228,800	11,839,800	11,749,600	0	11,749,600
Federal	0	0	0	0	0
Other	562,600	567,000	578,900	0	578,900

Standard: Maintain at least 90% of youth released from the youth development center that remain in a community setting.

Measure: Percent of youth, ages 13-17, who exited 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.

84.0%	90.0%	90.0%	0	90.0%
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	<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</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	216	203	203	0	203
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
Total	218	205	205	0	205
Payroll	9,223,800	9,683,900	9,683,900	0	9,683,900
Operational	1,724,900	2,445,800	2,464,500	0	2,464,500
Total	\$10,948,700	\$12,129,700	\$12,148,400	\$0	\$12,148,400
State	10,487,100	11,717,100	11,717,100	0	11,717,100
Federal	0	0	0	0	0
Other	461,600	412,600	431,300	0	431,300

Standard: Maintain at least 90% of youth released from the youth development center that remain in a community setting.

Measure: Percent of youth, ages 13-17, who exited 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.

81.5%	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	211	194	192	0	192
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	212	195	193	0	193
Payroll	9,200,000	9,489,200	9,329,500	0	9,329,500
Operational	1,819,600	2,004,900	1,958,200	0	1,958,200
Total	\$11,019,600	\$11,494,100	\$11,287,700	\$0	\$11,287,700
State	10,769,900	11,175,300	10,988,000	0	10,988,000
Federal	0	0	0	0	0
Other	249,700	318,800	299,700	0	299,700

Standard: Maintain at least 90% of youth released from the youth development center that remain in a community setting.

Measure: Percent of youth, ages 13-17, who exited 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.

69.3%	90.0%	90.0%	0	90.0%
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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359.64 New Visions Youth Development Center

New Visions Youth Development Center, located in Nashville, is a 50-bed secure facility for delinquent and violent-offender female youth ages 13 to 17.

Full-Time	86	78	66	0	66
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	86	78	66	0	66
Payroll	2,998,700	3,299,300	2,906,000	0	2,906,000
Operational	615,000	891,900	737,500	0	737,500
Total	\$3,613,700	\$4,191,200	\$3,643,500	\$0	\$3,643,500
State	3,580,300	4,121,000	3,601,000	0	3,601,000
Federal	0	0	0	0	0
Other	33,400	70,200	42,500	0	42,500

Standard: Maintain at least 90% of youth released from the youth development center that remain in a community setting.

Measure: Percent of youth, ages 13-17, who exited to their home community and did not return to the custody of the department as the result of a delinquent offense within 12 months of their exit from custody.

82.8%	90.0%	92.0%	0	92.0%
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359.65 Community Treatment Facilities

Seven residential minimum-security group homes serving 8 to 12 residents per facility provided a program including community involvement, counseling services, and work experience for juvenile offenders who are appropriate for community placement. These residential treatment services will be provided through community placements with private providers.

Full-Time	154	99	0	0	0
Part-Time	19	0	0	0	0
Seasonal	0	0	0	0	0
Total	173	99	0	0	0
Payroll	5,194,500	4,233,200	0	0	0
Operational	1,958,500	1,540,100	0	0	0
Total	\$7,153,000	\$5,773,300	\$0	\$0	\$0
State	4,034,300	2,828,000	0	0	0
Federal	0	0	0	0	0
Other	3,118,700	2,945,300	0	0	0

Standard: Increase the percentage of youth released from DCS group homes that remain in a community setting.

Measure: Percent of youth between the 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 act within 12 months of discharge.

71.8%	92.3%	92.5%	0	92.5%
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	<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</u>
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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	62,700	420,100	420,100	0	420,100
Total	\$62,700	\$420,100	\$420,100	\$0	\$420,100
State	62,700	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 major maintenance projects completed.

90%	95%	95%	0	95%
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359.00 Total Children's Services

Full-Time	4,950	4,806	4,570	0	4,570
Part-Time	25	6	6	0	6
Seasonal	0	0	0	0	0
Total	4,975	4,812	4,576	0	4,576
Payroll	247,062,800	256,381,900	245,046,400	0	245,046,400
Operational	413,730,800	410,071,600	406,464,700	0	406,464,700
Total	\$660,793,600	\$666,453,500	\$651,511,100	\$0	\$651,511,100
State	311,308,700	321,870,300	317,119,000	0	317,119,000
Federal	102,571,800	123,747,200	119,852,500	0	119,852,500
Other	246,913,100	220,836,000	214,539,600	0	214,539,600

Statistical Data Youth Development Centers

	Wilder 359.60	Taft 359.61	Woodland Hills 359.62	Mountain View 359.63	New Visions 359.64	Total
Annual Admissions						
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	192	136	196	139	45	708
2010-2011	200	120	199	150	55	724
2011-2012	200	120	199	150	55	724
Annual Releases						
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	185	121	193	149	38	686
2010-2011	200	120	195	160	50	725
2011-2012	200	120	195	160	50	725
Average Daily Census						
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	104	88	103	102	21	418
2010-2011	108	90	104	103	24	429
2011-2012	108	90	104	103	20	425
Cost Per Occupancy Day *						
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	\$311.45	\$398.24	\$291.23	\$295.99	\$471.45	\$329.00
2011-2012	\$288.21	\$377.68	\$319.54	\$305.73	\$478.45	\$329.43
2003-2004	\$286.94	\$374.27	\$319.16	\$299.42	\$497.75	\$326.26

* 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 2011 – 2012

The agencies and departments which comprise this functional group are responsible for the interpretation and enforcement of the state's laws.

The judicial branch of state government ensures the proper administration of justice within the state and consists of the following agencies:

- The Court System
- Attorney General and Reporter
- District Attorneys General Conference
- District Public Defenders Conference
- Office of the Post-Conviction Defender.

The public's welfare and safety are protected through confinement and control of the state's convicted adult criminal offenders. These activities are executed in the executive branch of government by the following agencies:

- Tennessee Rehabilitative Initiative in Correction (TRICOR)
- Tennessee Corrections Institute
- Board of Probation and Parole
- Department of Correction.

The state agencies responsible for regulation and enforcement of the law make up the remainder of the functional group. Law and order, public safety, and security are maintained through the efforts of the following agencies:

- Alcoholic Beverage Commission
- Military Department
- Tennessee Bureau of Investigation
- Department of Safety.

Improvements and Program Statements

The following section includes: (1) a table on personnel and funding for all agencies in this functional area of state government; (2) a table on recommended budget for each agency by funding source; (3) a statement of recommended improvements for the ensuing fiscal year; (4) departmental program statements, indicating recommended funding and staffing for the ensuing year, compared with actual amounts for the last year and the amounts budgeted for the current year; and (5) program performance measures.

Law, Safety, and Correction Total Personnel and Funding

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Recommended 2011-2012</u>
Personnel			
Full Time	12,048	12,098	11,940
Part Time	52	54	53
Seasonal	5	5	5
TOTAL	12,105	12,157	11,998
Expenditures			
Payroll	\$ 675,871,900	\$ 733,529,700	\$ 730,249,700
Operational	660,760,600	809,667,700	754,580,100
TOTAL	\$ 1,336,632,500	\$ 1,543,197,400	\$ 1,484,829,800
Funding			
State	\$ 1,024,765,600	\$ 1,245,391,300	\$ 1,193,709,700
Federal	145,866,100	126,307,100	125,339,900
Other	166,000,800	171,499,000	165,780,200

Law, Safety and Correction
Recommended Budget for Fiscal Year 2011-2012
By Funding Source

Department	State	Federal	Other	Total
302.00 Court System	119,435,800	400,000	5,426,900	125,262,700
303.00 Attorney General and Reporter	23,772,700	0	12,660,300	36,433,000
304.00 District Attorneys General Conference	69,441,700	0	26,775,100	96,216,800
306.00 District Public Defenders Conference	40,997,600	0	1,609,100	42,606,700
308.00 Office of the Post-Conviction Defender	2,023,100	0	0	2,023,100
316.03 Alcoholic Beverage Commission	374,200	0	5,237,300	5,611,500
316.08 TRICOR	0	0	31,316,600	31,316,600
316.09 Corrections Institute	888,700	0	60,000	948,700
324.00 Board of Probation and Parole	88,855,300	0	758,700	89,614,000
329.00 Correction	684,040,700	1,114,500	17,035,000	702,190,200
341.00 Military	10,509,000	99,587,000	2,017,700	112,113,700
348.00 Tennessee Bureau of Investigation	35,471,200	14,962,000	14,407,600	64,840,800
349.00 Safety	117,899,700	9,276,400	48,475,900	175,652,000
Total	\$1,193,709,700	\$125,339,900	\$165,780,200	\$1,484,829,800

Law, Safety and Correction Improvements for Fiscal Year 2011-2012

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Court System					
• Mandated Salary Increase					
To provide funding for the judges' consumer price index (CPI) salary adjustment required by TCA 8-23-103, effective July 1, 2011.					
302.01 Appellate and Trial Courts	\$576,800	\$0	\$0	\$576,800	0
Sub-total	\$576,800	\$0	\$0	\$576,800	0
• 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	\$7,000,000	\$0	\$0	\$7,000,000	0
Sub-total	\$8,000,000	\$0	\$0	\$8,000,000	0
Total Court System	\$8,576,800	\$0	\$0	\$8,576,800	0
Attorney General and Reporter					
• Statutory Salary Increase					
To provide funds for the Attorney General's CPI salary adjustment required by TCA 8-6-104; the salary is linked by law to the salary of an associate justice of the Supreme Court.					
303.01 Attorney General and Reporter	\$3,300	\$0	\$0	\$3,300	0
Sub-total	\$3,300	\$0	\$0	\$3,300	0
Total Attorney General and Reporter	\$3,300	\$0	\$0	\$3,300	0
District Attorneys General Conference					
• Statutory Salary Step Raises					
To provide funds for the assistant district attorneys' and criminal investigators' salary increase required by TCA 8-7-226 and 8-7-230. These step raises are based on employees' service anniversary dates. The recommended appropriation annualizes the fiscal year 2010-2011 step raise (\$372,900 state appropriations and \$107,200 other funding) and funds the 2011-2012 step raise (\$621,900 state appropriations and \$167,700 other funding).					
304.01 District Attorneys General	\$994,800	\$0	\$146,800	\$1,141,600	0
304.10 Executive Director	\$0	\$0	\$4,500	\$4,500	0
304.15 IV-D Child Support Enforcement	\$0	\$0	\$123,600	\$123,600	0
Sub-total	\$994,800	\$0	\$274,900	\$1,269,700	0
Total District Attorneys General Conference	\$994,800	\$0	\$274,900	\$1,269,700	0

Law, Safety and Correction Improvements for Fiscal Year 2011-2012

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
District Public Defenders Conference					
• Statutory Salary Step Raises					
To provide funds for the assistant district public defenders' and criminal investigators' salary increase required by TCA 8-14-207. These step raises are based on employees' service anniversary date. The recommended appropriation annualizes the fiscal year 2010-2011 step raise (\$254,700) and funds the 2011-2012 step raise (\$326,100).					
306.01 District Public Defenders	\$580,800	\$0	\$0	\$580,800	0
Sub-total	\$580,800	\$0	\$0	\$580,800	0
Total District Public Defenders Conference	\$580,800	\$0	\$0	\$580,800	0

Office of the Post-Conviction Defender

• Statutory Salary Step Raises					
To provide funding for step raises for assistant post-conviction defenders pursuant to TCA 40-30-209(b) and 8-14-207, effective July 1, 2011.					
308.00 Office of the Post-Conviction Defender	\$23,400	\$0	\$0	\$23,400	0
Sub-total	\$23,400	\$0	\$0	\$23,400	0
Total Office of the Post-Conviction Defender	\$23,400	\$0	\$0	\$23,400	0

Board of Probation and Parole

• Mental Health and Substance Abuse Treatment Network					
To provide additional funding for a mental health and substance abuse treatment network for probationers and parolees. When funded in fiscal year 2009-2010, this portion of the joint offender management plan (reduction of revoked offenders) assumed a lower cost and population than is actually being served.					
324.02 Probation and Parole Services	\$2,000,000	\$0	\$0	\$2,000,000	0
Sub-total	\$2,000,000	\$0	\$0	\$2,000,000	0
• Operation Safe Community - Shelby County - Year 1 of 2					
To provide first of two years of non-recurring grant funding for a pilot project, Operation Safe Community, in Shelby County. The project will track 200 felons through various coordinated existing programs to target risks and needs of the offenders while addressing housing, employment preparation, and substance abuse. The grant will be used by Shelby County in conjunction with local funding to purchase supplies, provide training, manage databases, and fund an administrative assistant position for the project.					
324.02 Probation and Parole Services	\$110,000	\$0	\$0	\$110,000	0
Sub-total	\$110,000	\$0	\$0	\$110,000	0

**Law, Safety and Correction
Improvements for Fiscal Year 2011-2012**

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Total Board of Probation and Parole	\$2,110,000	\$0	\$0	\$2,110,000	0

Correction

• **Operational Increase**

To provide funding for increased operational costs of the sex offender treatment program (\$300,000) and correctional release centers (\$550,000); eight correctional officers at Riverbend Maximum Security Institution (\$350,000); Hardeman County Agreement contract inflator (\$1,038,200); South Central Correctional Center contract inflator (\$576,900); and health and mental health contract services (\$2,899,600).

329.13 Tennessee Prison for Women	\$113,500	\$0	\$0	\$113,500	0
329.14 Turney Center Industrial Complex	\$228,600	\$0	\$0	\$228,600	0
329.16 Mark Luttrell Correctional Facility	\$62,200	\$0	\$0	\$62,200	0
329.17 Charles B. Bass Correctional Complex	\$145,700	\$0	\$0	\$145,700	0
329.18 Southeastern Tennessee State Regional Correctional Facility	\$138,400	\$0	\$0	\$138,400	0
329.21 Hardeman County Incarceration Agreement	\$1,305,600	\$0	\$0	\$1,305,600	0
329.22 Hardeman County Agreement - Whiteville	\$202,500	\$0	\$0	\$202,500	0
329.28 Correction Release Centers	\$550,000	\$0	\$0	\$550,000	0
329.41 West Tennessee State Penitentiary	\$369,200	\$0	\$0	\$369,200	0
329.42 Riverbend Maximum Security Institution	\$454,800	\$0	\$0	\$454,800	8
329.43 Northeast Correctional Complex	\$269,100	\$0	\$0	\$269,100	0
329.44 South Central Correctional Center	\$797,400	\$0	\$0	\$797,400	0
329.45 Northwest Correctional Complex	\$349,400	\$0	\$0	\$349,400	0
329.46 Lois M. DeBerry Special Needs Facility	\$104,400	\$0	\$0	\$104,400	0
329.47 Morgan County Correctional Complex	\$323,900	\$0	\$0	\$323,900	0
329.50 Sex Offender Treatment Program	\$300,000	\$0	\$0	\$300,000	0
Sub-total	\$5,714,700	\$0	\$0	\$5,714,700	8

• **Hardeman County Agreement - Whiteville**

To provide recurring funding for housing felons at Hardeman County Correctional Facility at Whiteville.

329.22 Hardeman County Agreement - Whiteville	\$30,910,300	\$0	\$18,700	\$30,929,000	2
Sub-total	\$30,910,300	\$0	\$18,700	\$30,929,000	2

Law, Safety and Correction Improvements for Fiscal Year 2011-2012

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Local Jails					
To provide funding to accommodate an increased felon population in local jails. The appropriation includes \$3.7 million of non-recurring funds.					
329.04 State Prosecutions	\$11,100,000	\$0	\$0	\$11,100,000	0
Sub-total	\$11,100,000	\$0	\$0	\$11,100,000	0
• Prison Expansion - Southeastern Tennessee State Regional Correctional Facility					
To provide funding for 16 positions and related operational expenses required during the expansion of the Southeastern Tennessee State Regional Correctional Facility. The 16 positions at the prison site will include correctional officers and building maintenance positions. The prison positions are required for security, maintenance, and training during construction. The state appropriation increase for the additional prison operating cost is offset by a recurring base reduction of \$1,459,100 in the Sentencing Act of 1985 allotment, as authorized by law.					
329.18 Southeastern Tennessee State Regional Correctional Facility	\$1,459,100	\$0	\$0	\$1,459,100	16
Sub-total	\$1,459,100	\$0	\$0	\$1,459,100	16
Total Correction	\$49,184,100	\$0	\$18,700	\$49,202,800	26
Safety					
• Statutory Salary Step Increase					
To fund the mandated annual trooper salary step increase pursuant to TCA 4-7-200 et al, effective July 1, 2011.					
349.03 Highway Patrol	\$801,700	\$0	\$0	\$801,700	0
Sub-total	\$801,700	\$0	\$0	\$801,700	0
• Driver License Issuance System Project Management					
To provide interdepartmental funding from the systems development fund for eight positions to manage the development and implementation of a new driver license issuance system. The 2010 Appropriations Act provided \$30 million to the Department of Safety for development of a new driver license issuance.					
349.02 Driver License Issuance	\$0	\$0	\$362,500	\$362,500	1
349.13 Technical Services	\$0	\$0	\$706,200	\$706,200	7
Sub-total	\$0	\$0	\$1,068,700	\$1,068,700	8
Total Safety	\$801,700	\$0	\$1,068,700	\$1,870,400	8
Total Law, Safety and Correction	\$62,274,900	\$0	\$1,362,300	\$63,637,200	34

Court System

The judicial branch is one of three basic divisions of state government and serves as a check on the powers of the legislative and executive branches. Judicial power is vested in trial courts and two levels of appeals courts that comprise the state's court system.

The Supreme Court is comprised of five justices elected to eight-year terms. The workload of the court consists of cases appealed from lower courts. Supreme Court decisions act to resolve controversies arising out of Tennessee law and to establish guidelines for the lower courts to use in future decisions.

The intermediate appellate courts are the Court of Appeals and the Court of Criminal Appeals. The Court of Appeals hears appeals only in civil cases from the lower courts. The Court of Criminal Appeals has jurisdiction to hear most felony and misdemeanor appeals from general trial courts, as well as post-conviction petitions.

The state's trial courts include Chancery, Criminal, Circuit, and Probate courts. Chancery courts are the traditional equity courts used when common law or statutory law proves inadequate for cases. Circuit courts, which sometime overlap with the jurisdiction of Chancery courts, have jurisdiction to hear civil and criminal cases. Criminal courts have jurisdiction over criminal cases and hearing misdemeanor appeals from lower courts. Probate courts primarily have jurisdiction over probate of wills and administration of estates.

Courts of limited jurisdiction are funded locally and include general sessions, juvenile, and municipal courts. Jurisdiction of general sessions courts vary from county to county based on state laws and private acts; they hear civil, criminal, and juvenile cases, except in counties in which the Legislature has established separate juvenile courts. Municipal courts have jurisdiction in cases involving violations of city ordinances.

The court system is grouped into the following functions: judicial services, support services, and professional standards.

<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</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	432	432	432	0	432
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	432	432	432	0	432

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
Payroll	54,097,700	53,634,100	53,634,100	576,800	54,210,900
Operational	2,154,400	2,261,100	2,261,100	0	2,261,100
Total	\$56,252,100	\$55,895,200	\$55,895,200	\$576,800	\$56,472,000
State	56,199,500	55,867,900	55,867,900	576,800	56,444,700
Federal	0	0	0	0	0
Other	52,600	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	2,033,300	2,080,700	2,088,800	0	2,088,800
Operational	120,400	258,000	249,900	0	249,900
Total	\$2,153,700	\$2,338,700	\$2,338,700	\$0	\$2,338,700
State	659,700	750,800	750,800	0	750,800
Federal	0	0	0	0	0
Other	1,494,000	1,587,900	1,587,900	0	1,587,900

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	5,576,200	5,047,500	5,047,500	1,000,000	6,047,500
Total	\$5,576,200	\$5,047,500	\$5,047,500	\$1,000,000	\$6,047,500
State	5,576,200	5,047,500	5,047,500	1,000,000	6,047,500
Federal	0	0	0	0	0
Other	0	0	0	0	0

302.10 Indigent Defendants' Counsel

The Indigent Defendants' Counsel program provides funding for court-appointed counsel, experts, investigators, and other support services for indigents in criminal cases.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	29,035,500	29,468,000	24,468,000	7,000,000	31,468,000
Total	\$29,035,500	\$29,468,000	\$24,468,000	\$7,000,000	\$31,468,000

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
State	29,018,000	29,463,000	24,463,000	7,000,000	31,463,000
Federal	0	0	0	0	0
Other	17,500	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	3,393,400	3,327,900	3,327,900	0	3,327,900
Total	\$3,393,400	\$3,327,900	\$3,327,900	\$0	\$3,327,900
State	3,393,400	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	49	49	49	0	49
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	49	49	49	0	49
Payroll	2,990,600	2,936,800	2,936,800	0	2,936,800
Operational	1,025,900	1,050,700	1,050,700	0	1,050,700
Total	\$4,016,500	\$3,987,500	\$3,987,500	\$0	\$3,987,500
State	4,016,500	3,987,500	3,987,500	0	3,987,500
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	134,300	249,700	199,700	0	199,700
Total	\$134,300	\$249,700	\$199,700	\$0	\$199,700

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
State	77,900	78,700	78,700	0	78,700
Federal	0	0	0	0	0
Other	56,400	171,000	121,000	0	121,000

Support Services

Support services consist of the Administrative Office of the Courts, Supreme Court Buildings, Tennessee State Law Libraries, Judicial Conference, Judicial Programs and Commissions, State Court Clerks' Conference, and Appellate Court Clerks.

302.27 Administrative Office of the Courts

The Administrative Office of the Courts provides services and support to the entire state court system. The office is responsible for preparation and oversight of the court system's budget, administration of the court automation fund and Tennessee court information system, and support services to the courts.

Full-Time	83	83	78	0	78
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	84	84	79	0	79
Payroll	6,099,500	6,094,700	5,900,900	0	5,900,900
Operational	6,945,200	3,627,100	3,310,900	0	3,310,900
Total	\$13,044,700	\$9,721,800	\$9,211,800	\$0	\$9,211,800
State	10,529,500	7,954,400	7,904,400	0	7,904,400
Federal	747,800	400,000	400,000	0	400,000
Other	1,767,400	1,367,400	907,400	0	907,400

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	458,800	691,500	691,500	0	691,500
Operational	2,643,400	2,547,800	2,547,800	0	2,547,800
Total	\$3,102,200	\$3,239,300	\$3,239,300	\$0	\$3,239,300
State	2,550,900	2,626,300	2,626,300	0	2,626,300
Federal	0	0	0	0	0
Other	551,300	613,000	613,000	0	613,000

302.15 Tennessee State Law Libraries

The three state law libraries provide legal resources to the state judiciary. The libraries are located in Nashville, Knoxville, and Jackson.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
Payroll	1,700	0	0	0	0
Operational	107,900	74,500	74,500	0	74,500
Total	\$109,600	\$74,500	\$74,500	\$0	\$74,500
State	105,400	74,500	74,500	0	74,500
Federal	0	0	0	0	0
Other	4,200	0	0	0	0

302.18 Judicial Conference

The Judicial Conference provides continuing legal education and legal updates to judges.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	179,600	262,600	262,600	0	262,600
Total	\$179,600	\$262,600	\$262,600	\$0	\$262,600
State	137,100	222,600	222,600	0	222,600
Federal	0	0	0	0	0
Other	42,500	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	709,600	928,100	928,100	0	928,100
Total	\$709,600	\$928,100	\$928,100	\$0	\$928,100
State	392,200	429,900	429,900	0	429,900
Federal	0	0	0	0	0
Other	317,400	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	174,600	259,100	259,100	0	259,100
Total	\$174,600	\$259,100	\$259,100	\$0	\$259,100

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
State	174,600	259,100	259,100	0	259,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

302.30 Appellate Court Clerks

The Appellate Court Clerks offices are located at the Supreme Court buildings in Nashville, Knoxville, and Jackson and are responsible for administrative matters of the Supreme Court, Court of Appeals, and Court of Criminal Appeals.

Full-Time	30	30	30	0	30
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	30	30	30	0	30
Payroll	1,648,900	1,829,000	1,829,000	0	1,829,000
Operational	311,000	297,500	297,500	0	297,500
Total	\$1,959,900	\$2,126,500	\$2,126,500	\$0	\$2,126,500
State	245,500	499,400	499,400	0	499,400
Federal	0	0	0	0	0
Other	1,714,400	1,627,100	1,627,100	0	1,627,100

Professional Standards

This functional area is responsible for maintaining professional standards of licensed court reporters and attorneys; it includes the Board of Court Reporting, Board of Law Examiners, Board of Professional Responsibility, Tennessee Lawyers Assistance Program, Continuing Legal Education, and Client Protection Fund.

302.34 Board of Court Reporting

The Board of Court Reporting is responsible for the licensing of court reporters working in the state. In addition, the board investigates complaints against licensees, establishes and maintains requirements for continuing education, and oversees ethical standards. The board is funded from a dedicated biennial licensure fee paid by court reporters.

Full-Time	0	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	2	2	0	2
Payroll	0	104,000	104,000	0	104,000
Operational	0	60,500	60,500	0	60,500
Total	\$0	\$164,500	\$164,500	\$0	\$164,500
State	0	164,500	164,500	0	164,500
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</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	409,100	413,000	413,000	0	413,000
Operational	201,200	302,000	302,000	0	302,000
Total	\$610,300	\$715,000	\$715,000	\$0	\$715,000
State	610,200	715,000	715,000	0	715,000
Federal	0	0	0	0	0
Other	100	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	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	1,969,900	2,213,500	2,213,500	0	2,213,500
Operational	895,800	786,500	786,500	0	786,500
Total	\$2,865,700	\$3,000,000	\$3,000,000	\$0	\$3,000,000
State	2,613,600	3,000,000	3,000,000	0	3,000,000
Federal	0	0	0	0	0
Other	252,100	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	314,800	274,300	274,300	0	274,300
Operational	158,900	141,600	141,600	0	141,600
Total	\$473,700	\$415,900	\$415,900	\$0	\$415,900
State	458,100	415,900	415,900	0	415,900
Federal	0	0	0	0	0
Other	15,600	0	0	0	0

	<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</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	396,100	446,500	446,500	0	446,500
Operational	528,100	369,100	369,100	0	369,100
Total	\$924,200	\$815,600	\$815,600	\$0	\$815,600
State	921,400	815,600	815,600	0	815,600
Federal	0	0	0	0	0
Other	2,800	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	17,500	208,500	208,500	0	208,500
Total	\$17,500	\$208,500	\$208,500	\$0	\$208,500
State	9,400	208,500	208,500	0	208,500
Federal	0	0	0	0	0
Other	8,100	0	0	0	0

302.00 Total Court System

Full-Time	683	685	680	0	680
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	691	693	688	0	688
Payroll	70,420,400	70,718,100	70,532,400	576,800	71,109,200
Operational	54,312,900	51,527,800	46,153,500	8,000,000	54,153,500
Total	\$124,733,300	\$122,245,900	\$116,685,900	\$8,576,800	\$125,262,700
State	117,689,100	115,909,000	110,859,000	8,576,800	119,435,800
Federal	747,800	400,000	400,000	0	400,000
Other	6,296,400	5,936,900	5,426,900	0	5,426,900

Attorney General and Reporter

The Attorney General and Reporter is the state's chief legal officer and is appointed by the Tennessee Supreme Court for a term of eight years. The Attorney General has the following responsibilities: represents state officers and agencies in all litigation in state and federal courts; prosecutes criminal cases in the appellate courts; prosecutes securities and state contract fraud cases; represents the interests of Tennessee consumers; institutes proceedings relating to antitrust violations, consumer fraud, and environmental enforcement; provides departments, agencies, and the General Assembly with legal advice; approves all administrative regulations and leases as to form and legality; issues legal opinions to state officials; and reports opinions of the Tennessee Supreme Court, Court of Appeals, and Court of Criminal Appeals.

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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303.01 Attorney General and Reporter

This allotment provides funds for the staffing and operational costs of the office of the Attorney General and Reporter.

Full-Time	338	342	342	0	342
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	338	342	342	0	342
Payroll	23,553,000	27,722,800	27,635,500	3,300	27,638,800
Operational	5,971,700	7,466,400	7,553,700	0	7,553,700
Total	\$29,524,700	\$35,189,200	\$35,189,200	\$3,300	\$35,192,500
State	20,653,700	23,317,600	23,317,600	3,300	23,320,900
Federal	0	0	0	0	0
Other	8,871,000	11,871,600	11,871,600	0	11,871,600

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	93,700	100,000	100,000	0	100,000
Operational	41,100	62,100	62,100	0	62,100
Total	\$134,800	\$162,100	\$162,100	\$0	\$162,100
State	134,800	162,100	162,100	0	162,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</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	2,292,200	1,078,600	1,078,400	0	1,078,400
Total	\$2,292,200	\$1,078,600	\$1,078,400	\$0	\$1,078,400
State	208,900	289,700	289,700	0	289,700
Federal	0	0	0	0	0
Other	2,083,300	788,900	788,700	0	788,700

303.00 Total Attorney General and Reporter

Full-Time	340	344	344	0	344
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	340	344	344	0	344
Payroll	23,646,700	27,822,800	27,735,500	3,300	27,738,800
Operational	8,305,000	8,607,100	8,694,200	0	8,694,200
Total	\$31,951,700	\$36,429,900	\$36,429,700	\$3,300	\$36,433,000
State	20,997,400	23,769,400	23,769,400	3,300	23,772,700
Federal	0	0	0	0	0
Other	10,954,300	12,660,500	12,660,300	0	12,660,300

District Attorneys General Conference

District Attorneys General are elected for each of the state's 31 judicial districts and serve terms of eight years. They are the state's prosecutors for all violations of state criminal statutes. In addition, they prosecute all criminal cases in the federal courts that are removed from a state court and give opinions to county officials on criminal law relating to their office. Further, district attorneys and their assistants consult with and advise law enforcement agencies on cases or investigations within their district. Some of the district attorneys enforce court-ordered child support obligations through agreement with the Department of Human Services.

<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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	747	737	720	0	720
Part-Time	4	4	4	0	4
Seasonal	0	0	0	0	0
Total	751	741	724	0	724
Payroll	65,046,700	67,405,900	66,166,000	1,141,600	67,307,600
Operational	5,324,400	6,494,200	6,418,500	0	6,418,500
Total	\$70,371,100	\$73,900,100	\$72,584,500	\$1,141,600	\$73,726,100
State	64,602,400	66,461,400	66,420,600	994,800	67,415,400
Federal	0	0	0	0	0
Other	5,768,700	7,438,700	6,163,900	146,800	6,310,700

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	400,900	669,400	596,500	0	596,500
Total	\$400,900	\$669,400	\$596,500	\$0	\$596,500
State	194,600	435,500	435,500	0	435,500
Federal	0	0	0	0	0
Other	206,300	233,900	161,000	0	161,000

	<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</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	2,244,300	2,309,400	2,325,400	4,500	2,329,900
Operational	443,100	511,400	511,400	0	511,400
Total	\$2,687,400	\$2,820,800	\$2,836,800	\$4,500	\$2,841,300
State	1,310,400	1,574,800	1,590,800	0	1,590,800
Federal	0	0	0	0	0
Other	1,377,000	1,246,000	1,246,000	4,500	1,250,500

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	16,196,700	16,501,200	16,501,200	123,600	16,624,800
Operational	2,216,200	2,428,100	2,428,100	0	2,428,100
Total	\$18,412,900	\$18,929,300	\$18,929,300	\$123,600	\$19,052,900
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	18,412,900	18,929,300	18,929,300	123,600	19,052,900

304.00 Total District Attorneys General Conference

Full-Time	1,100	1,090	1,073	0	1,073
Part-Time	5	5	5	0	5
Seasonal	0	0	0	0	0
Total	1,105	1,095	1,078	0	1,078
Payroll	83,487,700	86,216,500	84,992,600	1,269,700	86,262,300
Operational	8,384,600	10,103,100	9,954,500	0	9,954,500
Total	\$91,872,300	\$96,319,600	\$94,947,100	\$1,269,700	\$96,216,800
State	66,107,400	68,471,700	68,446,900	994,800	69,441,700
Federal	0	0	0	0	0
Other	25,764,900	27,847,900	26,500,200	274,900	26,775,100

District Public Defenders Conference

As required by the United States Constitution, district public defenders and their staffs provide legal representation at trial and through the state appellate process for indigent persons charged with the commission of a crime. In Tennessee, a statewide system of public defenders was created by the General Assembly in 1989. Public defenders may be appointed in any criminal prosecution or juvenile delinquency proceeding involving the possible deprivation of liberty or in any habeas corpus or other post-conviction proceeding. Twenty-nine judicial districts participate directly in the District Public Defenders Conference (DPDC); the public defenders for Shelby and Davidson counties receive direct appropriations with no administrative support or control from the conference.

<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</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	29,898,700	32,059,100	32,059,100	580,800	32,639,900
Operational	3,161,000	4,071,200	3,733,700	0	3,733,700
Total	\$33,059,700	\$36,130,300	\$35,792,800	\$580,800	\$36,373,600
State	31,139,300	34,183,700	34,183,700	580,800	34,764,500
Federal	0	0	0	0	0
Other	1,920,400	1,946,600	1,609,100	0	1,609,100

306.03 Executive Director

The executive director of the Public Defenders Conference is elected by the District Public Defenders Conference and serves a four-year term. This office provides administrative support to the conference, such as training, fiscal services, coordination of multi-district cases, legal research, and information technology support.

Full-Time	15	15	15	0	15
Part-Time	0	1	1	0	1
Seasonal	0	0	0	0	0
Total	15	16	16	0	16
Payroll	1,056,200	1,290,600	1,290,600	0	1,290,600
Operational	183,300	247,900	247,900	0	247,900
Total	\$1,239,500	\$1,538,500	\$1,538,500	\$0	\$1,538,500
State	1,239,500	1,538,500	1,538,500	0	1,538,500
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</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	3,020,700	3,106,100	3,106,100	0	3,106,100
Total	\$3,020,700	\$3,106,100	\$3,106,100	\$0	\$3,106,100
State	3,020,700	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	1,544,900	1,588,500	1,588,500	0	1,588,500
Total	\$1,544,900	\$1,588,500	\$1,588,500	\$0	\$1,588,500
State	1,544,900	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	14	14	0	14
Seasonal	1	1	1	0	1
Total	368	369	369	0	369
Payroll	30,954,900	33,349,700	33,349,700	580,800	33,930,500
Operational	7,909,900	9,013,700	8,676,200	0	8,676,200
Total	\$38,864,800	\$42,363,400	\$42,025,900	\$580,800	\$42,606,700
State	36,944,400	40,416,800	40,416,800	580,800	40,997,600
Federal	0	0	0	0	0
Other	1,920,400	1,946,600	1,609,100	0	1,609,100

Office of the Post-Conviction Defender

The Office of the Post-Conviction Defender was created in 1995 in order to provide for the representation of any person convicted and sentenced to death who is unable to secure counsel due to indigence. This office also provides continuing legal education and consulting services to attorneys representing indigents in capital cases and recruits qualified members of the private bar who are willing to provide representation in state death penalty proceedings.

The Post-Conviction Defender Commission appoints the Post-Conviction Defender and has oversight of the office. The commission is comprised of nine members: two appointed by the Governor, two by the Speaker of the Senate, two by the Speaker of the House of Representatives, and three by the Supreme Court.

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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	1,487,500	1,581,000	1,582,800	23,400	1,606,200
Operational	341,700	418,700	416,900	0	416,900
Total	\$1,829,200	\$1,999,700	\$1,999,700	\$23,400	\$2,023,100
State	1,829,200	1,999,700	1,999,700	23,400	2,023,100
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>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</u>
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316.03 Alcoholic Beverage Commission

Full-Time	68	66	66	0	66
Part-Time	3	3	3	0	3
Seasonal	0	0	0	0	0
Total	71	69	69	0	69
Payroll	3,191,300	4,160,900	4,160,900	0	4,160,900
Operational	1,352,900	1,463,200	1,450,600	0	1,450,600
Total	\$4,544,200	\$5,624,100	\$5,611,500	\$0	\$5,611,500
State	0	385,800	374,200	0	374,200
Federal	0	0	0	0	0
Other	4,544,200	5,238,300	5,237,300	0	5,237,300

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%	99%	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>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
316.08 TRICOR					
Full-Time	222	218	217	0	217
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	222	218	217	0	217
Payroll	7,068,300	11,511,200	11,370,600	0	11,370,600
Operational	22,640,900	20,032,700	19,946,000	0	19,946,000
Total	\$29,709,200	\$31,543,900	\$31,316,600	\$0	\$31,316,600
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	29,709,200	31,543,900	31,316,600	0	31,316,600

<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</u>
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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.

1,625	1,552	1,607	0	1,607
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Standard: Increase the three-year successful transition 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 successful transition rate among eligible offenders.

65.8%	68.5%	69.5%	0	69.5%
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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>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
316.09 Corrections Institute					
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	672,300	713,200	703,700	0	703,700
Operational	275,800	245,000	245,000	0	245,000
Total	\$948,100	\$958,200	\$948,700	\$0	\$948,700
State	885,800	898,200	888,700	0	888,700
Federal	0	0	0	0	0
Other	62,300	60,000	60,000	0	60,000

Standard: Inspect and re-inspect all local facilities within the mandated timeframe to ensure compliance of all standards for the purpose of certification. Facilities are given 60 days from the initial annual inspection to comply with any deficiencies.

Measure: Number of facilities inspected by November 1st each year. By completing all inspections by November 1st each year, all facilities are inspected and re-inspected by December 31st, as mandated.

131	131	131	0	131
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Standard: Train and monitor local correctional officers 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 correctional officers trained or monitored in a calendar year.

5,874	6,168	6,476	0	6,476
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Board of Probation and Parole

Performance-Based Budget

The Board of Probation and Parole manages the orderly release and supervision of adult felons in such a manner as to promote lawful behavior and minimize risk to the general public. The board conducts parole hearings at state and local prisons and jails and makes recommendations to the Governor regarding executive clemency. The board also administers the Community Corrections grant program, which diverts non-violent felony offenders from incarceration by placing them in locally-operated programs with intensive supervision, community service work, and victim restitution.

Probation and Parole Field Services supervises parolees and offenders placed on probation by the state criminal and circuit courts. Probation and parole officers also collect supervision and criminal injuries fees and write pre-sentence investigation reports for use by the court system, the Department of Correction, and the Board of Probation and Parole.

The Board of Probation and Parole is comprised of seven full-time members appointed by the Governor. Members serve six-year terms and are eligible for reappointment.

<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</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	1,171	1,166	1,147	0	1,147
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,171	1,166	1,147	0	1,147
Payroll	54,710,300	59,551,700	58,681,800	0	58,681,800
Operational	13,655,500	17,764,100	15,148,200	2,110,000	17,258,200
Total	\$68,365,800	\$77,315,800	\$73,830,000	\$2,110,000	\$75,940,000
State	68,215,400	73,993,000	73,071,300	2,110,000	75,181,300
Federal	0	0	0	0	0
Other	150,400	3,322,800	758,700	0	758,700

Standard: Improve the offender success rate by decreasing the percentage of probation offenders who are revoked to 5.2%.

Measure: Percent of total probation population served during the year whose community supervision status is revoked during the fiscal year.

6.7%	5.2%	5.2%	0	5.2%
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	<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</u>
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Standard: Improve the offender success rate by decreasing the percentage of parolees who are revoked to 6.8%.

Measure: Percent of total parole population served during the year whose community supervision status is revoked during the fiscal year.

	7.6%	6.8%	6.8%	0	6.8%
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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	12,224,500	13,974,000	13,674,000	0	13,674,000
Total	\$12,224,500	\$13,974,000	\$13,674,000	\$0	\$13,674,000
State	12,219,000	13,974,000	13,674,000	0	13,674,000
Federal	0	0	0	0	0
Other	5,500	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 to 8.9%.

Measure: Percent of total offender population who are revoked from the program prior to successful discharge.

	14.9% (previous calculation method)	8.9%	8.9%	0	8.9%
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324.00 Total Board of Probation and Parole

Full-Time	1,171	1,166	1,147	0	1,147
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,171	1,166	1,147	0	1,147
Payroll	54,710,300	59,551,700	58,681,800	0	58,681,800
Operational	25,880,000	31,738,100	28,822,200	2,110,000	30,932,200
Total	\$80,590,300	\$91,289,800	\$87,504,000	\$2,110,000	\$89,614,000
State	80,434,400	87,967,000	86,745,300	2,110,000	88,855,300
Federal	0	0	0	0	0
Other	155,900	3,322,800	758,700	0	758,700

Department of Correction

Performance-Based Budget

The Tennessee Department of Correction (TDOC) supervises convicted felons during their period of confinement in state prisons. The department fulfills its obligations to the courts through the incarceration of inmates in a variety of secured institutional settings. All individuals are assigned to the department by the criminal courts of Tennessee and managed in accordance with laws and departmental policy and procedure.

The Department of Correction carries out its responsibilities through four major functional areas: administrative and other services, institutional operations, special purpose facilities, and contract management facilities.

<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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	208	213	198	0	198
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	208	213	198	0	198
Payroll	13,549,200	14,110,800	13,479,800	0	13,479,800
Operational	7,274,400	8,260,400	7,501,700	0	7,501,700
Total	\$20,823,600	\$22,371,200	\$20,981,500	\$0	\$20,981,500
State	15,334,100	16,267,700	15,300,500	0	15,300,500
Federal	1,280,100	1,114,500	1,114,500	0	1,114,500
Other	4,209,400	4,989,000	4,566,500	0	4,566,500

Standard: Reduce the average length of hospital stay.

Measure: Hospital average length of stay (days).

3.8	3.6	3.6	0	3.6
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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Standard: Limit the number of substantiated incidents of sexual violence in TDOC managed facilities (excludes Corrections Corporation of America facilities).

Measure: The number of substantiated incidents of sexual violence in TDOC managed facilities (excludes Corrections Corporation of America facilities).

	8	14	12	0	12
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329.04 State Prosecutions

State Prosecutions reimburses counties for the expense of housing state felons in local jails and for other statutorily authorized felony expenses. The state is liable for county reimbursement when felons are sentenced to serve their time in the local jail; when counties contract with the state to house felons sentenced to the Department of Correction; and when counties house felons who have been sentenced to the Department of Correction and are awaiting transfer. Certain other expenses are paid from the allotment, including court costs associated with felony charges, inmate transportation costs, extradition costs, witness fees, jury boarding costs, and emergency medical expenses.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	125,513,400	130,796,300	106,552,800	11,100,000	117,652,800
Total	\$125,513,400	\$130,796,300	\$106,552,800	\$11,100,000	\$117,652,800
State	105,830,400	129,996,300	105,752,800	11,100,000	116,852,800
Federal	18,731,600	0	0	0	0
Other	951,400	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).

	95%	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	74	70	0	70
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	79	74	70	0	70
Payroll	3,352,700	3,807,500	3,599,100	0	3,599,100
Operational	1,339,500	1,491,400	1,491,400	0	1,491,400
Total	\$4,692,200	\$5,298,900	\$5,090,500	\$0	\$5,090,500

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
State	4,556,800	5,234,000	5,025,600	0	5,025,600
Federal	0	0	0	0	0
Other	135,400	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.

	15,300	15,300	25,000	0	25,000
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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.

	65%	85%	75%	0	75%
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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	1,368,800	1,368,800	550,000	1,918,800
Total	\$0	\$1,368,800	\$1,368,800	\$550,000	\$1,918,800
State	0	1,368,800	1,368,800	550,000	1,918,800
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Create the availability of release center beds.

Measure: The number of TDOC Correctional Release Center beds.

	Not applicable	30	120	0	120
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329.32 Major Maintenance

The Major Maintenance program is responsible for maintenance of the state's prison facilities and the Tennessee Correction Academy whenever costs exceed routine daily maintenance requirements. Also, this program provides information systems services and technology. This includes repair and preventive maintenance of security electronic systems, including fence detection systems, locking-control panels, alarm annunciation panels, closed-circuit TV, paging and intercom systems, mobile mapping systems, and installation and maintenance of the department's computer systems.

Full-Time	25	51	51	0	51
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	25	51	51	0	51

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
Payroll	1,583,400	3,069,500	3,069,500	0	3,069,500
Operational	2,640,600	8,084,500	2,560,300	0	2,560,300
Total	\$4,224,000	\$11,154,000	\$5,629,800	\$0	\$5,629,800
State	4,140,600	11,154,000	5,629,800	0	5,629,800
Federal	0	0	0	0	0
Other	83,400	0	0	0	0

Standard: Resolve security system calls within 48 hours.

Measure: The percent of security system calls resolved within 48 hours.

98.5%	99.9%	99.9%	0	99.9%
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Standard: Respond on-site to emergency electronic problems within four hours.

Measure: Percent of emergency electronic problems responded to on-site within four hours.

99%	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	499,800	203,600	203,600	300,000	503,600
Total	\$499,800	\$203,600	\$203,600	\$300,000	\$503,600
State	421,100	143,600	143,600	300,000	443,600
Federal	0	0	0	0	0
Other	78,700	60,000	60,000	0	60,000

Standard: Provide annual training to at least 200 treatment providers.

Measure: The number of treatment providers receiving annual training.

245	215	240	0	240
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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.

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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	49,562,700	48,103,600	0	48,103,600
Total	\$0	\$49,562,700	\$48,103,600	\$0	\$48,103,600
State	0	49,555,200	48,096,100	0	48,096,100
Federal	0	0	0	0	0
Other	0	7,500	7,500	0	7,500

Standard: The Tennessee Department of Correction (TDOC) Budget Office will appropriately estimate the operating costs of the proposed laws or amendments affecting revenue.

Measure: The percent of fiscal notes attached to proposed laws or amendments affecting revenue or funding for the Department of Correction.

100%	100%	100%	0	100%
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Institutional Operations

Institutional Operations manages the inmate population in state prisons, including classification centers and time-building institutions.

Classification centers evaluate inmates entering the correctional system, including physical and mental health, work and training experience, educational background, religious affiliation, and family background. Decisions are made about institutional placement or special program requirements. Classification centers are located at the Tennessee Prison for Women, Charles B. Bass Correctional Complex, West Tennessee State Penitentiary, and Morgan County Correctional Complex.

Time-building prisons range in security levels from death-row and maximum-security to minimum-security and work-release. These institutions provide educational, counseling, and treatment programs.

329.13 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	248	245	0	245
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	252	248	245	0	245
Payroll	11,136,500	11,430,300	11,325,000	0	11,325,000
Operational	11,170,100	11,446,800	11,437,300	113,500	11,550,800
Total	\$22,306,600	\$22,877,100	\$22,762,300	\$113,500	\$22,875,800
State	21,565,400	22,034,000	21,919,200	113,500	22,032,700
Federal	0	0	0	0	0
Other	741,200	843,100	843,100	0	843,100

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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Standard: Increase or maintain General Education Diploma (GED) and vocational completions.

Measure: The number of GED and vocational recipients.

	55	105	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).

	8.64	10.00	6.50	0	6.50
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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	436	449	442	0	442
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	436	449	442	0	442
Payroll	18,837,200	20,857,800	20,611,000	0	20,611,000
Operational	15,443,500	17,460,400	17,312,500	228,600	17,541,100
Total	\$34,280,700	\$38,318,200	\$37,923,500	\$228,600	\$38,152,100
State	32,984,800	36,991,200	36,596,500	228,600	36,825,100
Federal	0	0	0	0	0
Other	1,295,900	1,327,000	1,327,000	0	1,327,000

Standard: Increase or maintain GED and vocational completions.

Measure: The number of GED and vocational recipients.

	197	190	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).

	5.55	5.00	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	190	186	0	186
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	192	190	186	0	186
Payroll	8,486,900	9,454,700	9,305,800	0	9,305,800
Operational	5,004,400	4,768,600	4,723,600	62,200	4,785,800
Total	\$13,491,300	\$14,223,300	\$14,029,400	\$62,200	\$14,091,600

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
State	13,070,100	13,681,300	13,487,400	62,200	13,549,600
Federal	0	0	0	0	0
Other	421,200	542,000	542,000	0	542,000

Standard: Increase or maintain GED and vocational completions.

Measure: The number of GED and vocational recipients.

	35	48	48	0	48
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Standard: Limit the rate of violent institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

	13.81	10.00	8.00	0	8.00
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329.17 Charles B. Bass Correctional Complex

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

Full-Time	378	355	344	0	344
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	378	355	344	0	344
Payroll	16,884,500	16,691,500	16,269,200	0	16,269,200
Operational	11,338,300	12,661,200	12,612,100	145,700	12,757,800
Total	\$28,222,800	\$29,352,700	\$28,881,300	\$145,700	\$29,027,000
State	27,428,800	28,220,900	27,749,500	145,700	27,895,200
Federal	0	0	0	0	0
Other	794,000	1,131,800	1,131,800	0	1,131,800

Standard: Increase or maintain GED completions.

Measure: The number of GED recipients.

	20	30	30	0	30
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Standard: Limit the rate of violent institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

	2.38	2.02	2.30	0	2.30
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329.18 Southeastern Tennessee State Regional Correctional Facility

Southeastern Tennessee State Regional Correctional Facility, in Bledsoe County, is a time-building facility housing male inmates with a close security designation. The facility has academic, substance abuse, and vocational programs.

Full-Time	311	319	313	16	329
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	311	319	313	16	329

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
Payroll	14,465,900	16,078,100	15,767,200	566,100	16,333,300
Operational	7,054,000	8,045,900	8,036,400	1,031,400	9,067,800
Total	\$21,519,900	\$24,124,000	\$23,803,600	\$1,597,500	\$25,401,100
State	20,629,900	23,335,900	23,015,500	1,597,500	24,613,000
Federal	0	0	0	0	0
Other	890,000	788,100	788,100	0	788,100

Standard: Increase or maintain GED and vocational completions.

Measure: The number of GED and vocational recipients.

116	115	125	0	125
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Standard: Limit the rate of violent institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

2.29	1.15	2.20	0	2.20
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329.41 West Tennessee State Penitentiary

West Tennessee State Penitentiary (WTSP), located near Henning, is the largest state prison for male felons and is a time-building facility. A reception and classification center housing all custody levels, WTSP provides educational and vocational programs.

Full-Time	761	776	773	0	773
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	761	776	773	0	773
Payroll	30,633,700	35,428,300	35,151,300	0	35,151,300
Operational	20,393,800	21,619,600	21,555,100	369,200	21,924,300
Total	\$51,027,500	\$57,047,900	\$56,706,400	\$369,200	\$57,075,600
State	49,629,200	55,727,700	55,386,200	369,200	55,755,400
Federal	0	0	0	0	0
Other	1,398,300	1,320,200	1,320,200	0	1,320,200

Standard: Increase or maintain GED and vocational completions.

Measure: The number of GED and vocational recipients.

231	300	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).

8.39	7.45	8.07	0	8.07
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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329.42 Riverbend Maximum Security Institution

Riverbend Maximum Security Institution (RMSI), in Nashville, is a time-building maximum-security facility. Inmates not assigned to educational, vocational, or industry programs are required to work in support service roles throughout the facility. RMSI houses high-risk male felons, including those sentenced to death. This facility carries out all executions in the state.

Full-Time	325	324	319	8	327
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	325	324	319	8	327
Payroll	14,756,400	15,232,800	15,056,800	350,000	15,406,800
Operational	9,140,800	10,363,300	10,363,300	104,800	10,468,100
Total	\$23,897,200	\$25,596,100	\$25,420,100	\$454,800	\$25,874,900
State	23,479,900	25,169,200	24,993,200	454,800	25,448,000
Federal	0	0	0	0	0
Other	417,300	426,900	426,900	0	426,900

Standard: Increase or maintain GED and vocational completions.

Measure: The number of GED and vocational recipients.

	58	54	59	0	59
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Standard: Limit the rate of violent institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

	18.12	14.00	16.56	0	16.56
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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	526	515	0	515
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	527	526	515	0	515
Payroll	23,666,100	24,857,000	24,403,400	0	24,403,400
Operational	14,526,200	16,295,900	16,275,900	269,100	16,545,000
Total	\$38,192,300	\$41,152,900	\$40,679,300	\$269,100	\$40,948,400
State	36,709,000	39,836,400	39,362,800	269,100	39,631,900
Federal	0	0	0	0	0
Other	1,483,300	1,316,500	1,316,500	0	1,316,500

Standard: Increase or maintain GED and vocational completions.

Measure: The number of GED and vocational recipients.

	116	95	110	0	110
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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Standard: Limit the rate of violent institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

	3.20	2.60	2.92	0	2.92
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329.45 Northwest Correctional Complex

Northwest Correctional Complex, in Lake County, houses male inmates with a custody level of minimum-trustee to close. The annex houses minimum restricted-custody inmates and youthful offenders. Inmates are assigned to educational or vocational programs or community service crews.

Full-Time	690	683	679	0	679
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	690	683	679	0	679
Payroll	28,418,900	32,276,400	32,136,000	0	32,136,000
Operational	19,224,000	18,917,100	18,907,100	349,400	19,256,500
Total	\$47,642,900	\$51,193,500	\$51,043,100	\$349,400	\$51,392,500
State	46,019,000	49,461,100	49,310,700	349,400	49,660,100
Federal	0	0	0	0	0
Other	1,623,900	1,732,400	1,732,400	0	1,732,400

Standard: Increase or maintain GED and vocational completions.

Measure: The number of GED and vocational recipients.

	367	245	290	0	290
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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	6.20	5.71	0	5.71
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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 educational, vocational, and substance abuse programs, and community service crews.

Full-Time	758	755	744	0	744
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	758	755	744	0	744
Payroll	33,661,700	35,402,800	35,155,200	0	35,155,200
Operational	20,342,100	25,179,400	25,094,400	323,900	25,418,300
Total	\$54,003,800	\$60,582,200	\$60,249,600	\$323,900	\$60,573,500
State	52,799,800	58,927,800	58,595,200	323,900	58,919,100
Federal	0	0	0	0	0
Other	1,204,000	1,654,400	1,654,400	0	1,654,400

<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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Standard: Increase or maintain GED and vocational completions.

Measure: The number of GED and vocational recipients.

153	195	220	0	220
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Standard: Limit the rate of violent institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

8.38	5.00	7.93	0	7.93
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Special Purpose Facilities

329.46 Lois M. DeBerry Special Needs Facility

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

Full-Time	478	471	470	0	470
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	478	471	470	0	470
Payroll	24,967,200	24,226,300	24,146,400	0	24,146,400
Operational	16,401,600	14,258,600	14,258,600	104,400	14,363,000
Total	\$41,368,800	\$38,484,900	\$38,405,000	\$104,400	\$38,509,400
State	41,037,600	38,087,500	38,007,600	104,400	38,112,000
Federal	0	0	0	0	0
Other	331,200	397,400	397,400	0	397,400

Standard: Increase the number of GED recipients.

Measure: The number of GED recipients.

6	9	9	0	9
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Standard: Limit the rate of violent institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

39.5	25.0	25.0	0	25.0
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	<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</u>
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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	152,100	160,800	160,800	0	160,800
Operational	36,307,900	37,896,500	37,896,500	1,305,600	39,202,100
Total	\$36,460,000	\$38,057,300	\$38,057,300	\$1,305,600	\$39,362,900
State	36,453,200	38,038,400	38,038,400	1,305,600	39,344,000
Federal	0	0	0	0	0
Other	6,800	18,900	18,900	0	18,900

Standard: Increase the number of GED and vocational completions.

Measure: The number of GED and vocational recipients.

257	275	285	0	285
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Standard: Reduce the rate of institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

4.74	6.00	5.30	0	5.30
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329.22 Hardeman County Agreement - Whiteville

The Hardeman County Correctional Facility at Whiteville is a time-building medium-security prison and offers educational, vocational, substance abuse, anger management, and family and pre-release counseling programs. The prison is privately owned and operated for the state's benefit under contract between the state and Hardeman County.

Full-Time	2	2	0	2	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2	2	0	2	2
Payroll	125,800	148,200	0	146,400	146,400
Operational	28,279,300	28,597,500	0	30,985,100	30,985,100
Total	\$28,405,100	\$28,745,700	\$0	\$31,131,500	\$31,131,500
State	216,000	28,727,000	0	31,112,800	31,112,800
Federal	28,177,000	0	0	0	0
Other	12,100	18,700	0	18,700	18,700

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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Standard: Increase the number of GED and vocational completions.

Measure: The number of GED and vocational recipients.

	228	234	234	0	234
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Standard: Reduce the rate of institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

	9.69	6.80	7.40	0	7.40
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329.44 South Central Correctional Center

The South Central Correctional Center is a time-building prison in Wayne County. The facility houses men of minimum, medium, and close custody levels and offers educational, vocational, mental health, and pre-release programs. The prison is state-owned but operated by a private contractor for the state's benefit.

Full-Time	2	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2	2	2	0	2
Payroll	140,800	156,700	156,700	0	156,700
Operational	25,298,800	26,939,200	26,939,200	797,400	27,736,600
Total	\$25,439,600	\$27,095,900	\$27,095,900	\$797,400	\$27,893,300
State	25,427,700	27,077,200	27,077,200	797,400	27,874,600
Federal	0	0	0	0	0
Other	11,900	18,700	18,700	0	18,700

Standard: Increase the number of GED and vocational completions.

Measure: The number of GED and vocational recipients.

	222	247	249	0	249
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Standard: Reduce the rate of institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

	6.86	7.20	6.60	0	6.60
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329.00 Total Correction

Full-Time	5,426	5,440	5,353	26	5,379
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	5,426	5,440	5,353	26	5,379
Payroll	244,819,000	263,389,500	259,793,200	1,062,500	260,855,700
Operational	377,192,500	454,217,700	393,194,200	48,140,300	441,334,500
Total	\$622,011,500	\$717,607,200	\$652,987,400	\$49,202,800	\$702,190,200
State	557,733,400	699,035,200	634,856,600	49,184,100	684,040,700
Federal	48,188,700	1,114,500	1,114,500	0	1,114,500
Other	16,089,400	17,457,500	17,016,300	18,700	17,035,000

Statistical Data Correctional Institutions

	<u>TPW</u> 329.13	<u>TCIC</u> 329.14	<u>MLCF</u> 329.16	<u>CBCC</u> 329.17	<u>STRCF</u> 329.18
Annual Admissions					
2004-2005	556	1,079	205	2,248	395
2005-2006	559	1,282	159	2,222	345
2006-2007	668	1,011	114	5,467	470
2007-2008	668	1,046	242	2,079	394
2008-2009	700	746	240	2,400	400
2009-2010	664	1,073	230	1,650	475
2010-2011	700	1,100	245	2,000	475
2011-2012	700	1,100	245	2,000	475
Annual Releases					
2004-2005	421	1,087	204	2,557	385
2005-2006	548	1,285	158	2,210	343
2006-2007	665	1,014	135	5,670	475
2007-2008	458	1,046	204	2,463	399
2008-2009	475	746	200	2,400	400
2009-2010	414	438	200	1,950	484
2010-2011	475	400	200	2,000	484
2011-2012	475	400	200	2,000	484
Average Daily Census					
2004-2005	722	1,500	415	1,014	942
2005-2006	733	1,497	416	1,026	944
2006-2007	735	1,494	410	1,031	943
2007-2008	731	1,601	403	1,014	938
2008-2009	736	1,536	403	1,025	929
2009-2010	752	1,515	413	964	917
2010-2011	775	1,572	440	1,110	981
2011-2012	775	1,572	440	1,110	981
Cost Per Occupancy Day (Total Expenditures)*					
2004-2005	\$63.51	\$55.36	\$82.48	\$65.70	\$57.72
2005-2006	\$66.00	\$59.37	\$79.89	\$69.71	\$60.30
2006-2007	\$76.96	\$63.44	\$84.43	\$75.03	\$63.00
2007-2008	\$79.06	\$63.55	\$86.98	\$78.61	\$67.95
2008-2009	\$81.27	\$64.67	\$89.84	\$78.00	\$66.97
2009-2010	\$81.27	\$61.99	\$89.50	\$80.21	\$64.30
2010-2011	\$80.87	\$66.78	\$88.56	\$72.45	\$67.37
2011-2012	\$80.65	\$66.31	\$87.50	\$71.45	\$70.75

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

CBCC: Charles B. Bass Correctional Complex
 STRCF: Southeastern TN State Regional
 Correctional Facility

N/A: Indicates the facility was not in existence during the reporting period.

*FY 2004-2005 to 2009-2010 are actual expenditures from all sources; 2010-11 to 2011-12 are estimates.

Statistical Data Correctional Institutions

	WTSP 329.41	RMSI 329.42	NECC 329.43	NWCC 329.45	MCCC 329.47
Annual Admissions					
2004-2005	3,112	415	694	1,036	N/A
2005-2006	3,075	364	653	1,160	N/A
2006-2007	3,164	337	781	1,070	1,200
2007-2008	3,307	363	679	1,059	1,200
2008-2009	2,600	390	690	1,059	1,800
2009-2010	3,435	390	846	1,122	1,800
2010-2011	2,600	390	850	1,122	2,600
2011-2012	2,600	390	850	1,122	2,600
Annual Releases					
2004-2005	3,069	421	641	1,044	N/A
2005-2006	3,073	369	655	1,154	N/A
2006-2007	3,256	325	785	1,062	1,200
2007-2008	3,361	356	439	1,067	1,200
2008-2009	2,600	380	450	1,067	1,800
2009-2010	3,434	380	596	1,079	2,400
2010-2011	2,600	380	600	1,079	2,400
2011-2012	2,600	380	600	1,079	2,400
Average Daily Census					
2004-2005	2,474	700	1,803	2,280	N/A
2005-2006	2,476	695	1,801	2,286	N/A
2006-2007	2,434	698	1,787	2,293	972
2007-2008	2,444	702	1,780	2,294	971
2008-2009	2,461	694	1,762	2,300	1,069
2009-2010	2,446	695	1,783	2,316	2,147
2010-2011	2,582	736	1,856	2,425	2,441
2011-2012	2,582	736	1,856	2,425	2,441
Cost Per Occupancy Day (Total Expenditures)*					
2004-2005	\$51.17	\$77.85	\$51.02	\$50.02	N/A
2005-2006	\$53.74	\$83.68	\$54.25	\$52.42	N/A
2006-2007	\$55.99	\$91.78	\$57.24	\$54.64	\$63.74
2007-2008	\$58.36	\$94.81	\$61.59	\$58.20	\$78.03
2008-2009	\$57.96	\$94.37	\$60.02	\$57.75	\$82.03
2009-2010	\$57.16	\$94.20	\$58.69	\$56.36	\$68.91
2010-2011	\$60.53	\$95.28	\$60.75	\$57.84	\$68.00
2011-2012	\$60.40	\$96.05	\$60.28	\$57.90	\$67.80

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 the facility was not in existence during the reporting period.

*FY 2004-2005 to 2009-2010 are actual expenditures from all sources; 2010-11 to 2011-12 are estimates.

Statistical Data Correctional Institutions

	DSNF 329.46	HCCF 329.21	HCCF-W 329.22	SCCC 329.44	Total**
Annual Admissions					
2004-2005	336	869	754	790	9,842
2005-2006	356	869	754	790	10,180
2006-2007	438	855	750	700	10,540
2007-2008	431	875	755	725	11,069
2008-2009	400	900	800	730	11,087
2009-2010	389	827	699	663	10,939
2010-2011	400	900	800	730	11,985
2011-2012	400	900	800	730	11,985
Annual Releases					
2004-2005	385	863	752	783	9,591
2005-2006	429	858	740	777	10,513
2006-2007	355	858	745	700	10,777
2007-2008	435	879	750	720	11,062
2008-2009	400	900	800	730	11,130
2009-2010	433	880	745	710	11,168
2010-2011	400	900	800	730	11,400
2011-2012	400	900	800	730	11,400
Average Daily Census					
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	714	1,963	1,490	1,631	19,102
2009-2010	692	1,964	1,487	1,619	19,710
2010-2011	800	2,016	1,536	1,676	20,946
2011-2012	800	2,016	1,536	1,676	20,946
Cost Per Occupancy Day (Total Expenditures)*					
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	\$151.15	\$49.52	\$51.16	\$42.26	\$66.18
2009-2010	\$163.78	\$50.86	\$52.34	\$43.05	\$64.81
2010-2011	\$131.80	\$51.72	\$51.27	\$44.29	\$64.99
2011-2012	\$131.52	\$53.35	\$55.38	\$45.47	\$65.52

DSNF: Lois DeBerry Special Needs Facility

HCCF: Hardeman Co. Correctional Facility

HCCF-W: Hardeman Co. Correctional Facility - Whiteville

SCCC: South Central Correctional Center

*FY 2004-2005 to 2009-2010 are actual expenditures from all sources; 2010-11 to 2011-12 are estimates.

** Total admissions and releases are department-wide and will not equal the sum of the columns due to double counting caused by movement of inmates among the facilities.

Military Department

Performance-Based Budget

The Military Department provides leadership, direction, and organization for the state's Army and Air National Guard and the Tennessee Emergency Management Agency. The Adjutant General, a constitutional officer of the state appointed by the Governor, is responsible for the leadership and command of the Tennessee Army and Air National Guard, the Tennessee Emergency Management Agency, and the Bureau of War Records. The department is organized into three functional areas: Administration, National Guard, and Emergency Management.

	<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</u>
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Administration

Administration performs all fiscal and administrative duties for the Military Department, maintains war records of all soldiers from Tennessee, and oversees the maintenance of Tennessee Army National Guard armories. The Office of the Adjutant General and the Tennessee State Guard also are funded from this allotment.

341.01 Administration

Full-Time	43	43	39	0	39
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	43	43	39	0	39
Payroll	2,560,800	2,760,000	2,619,700	0	2,619,700
Operational	1,253,000	611,500	608,300	0	608,300
Total	\$3,813,800	\$3,371,500	\$3,228,000	\$0	\$3,228,000
State	3,265,300	2,349,200	2,220,100	0	2,220,100
Federal	490,800	1,019,300	1,004,900	0	1,004,900
Other	57,700	3,000	3,000	0	3,000

Standard: Monitor sub-recipient contracts for compliance.

Measure: Percent of sub-recipient grant contracts monitored and in compliance.

72%	75%	80%	0	80%
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National Guard

The National Guard's primary objective is to be prepared as a first-line reserve for the active duty Army and Air Force. The National Guard is comprised of full-time and part-time personnel. At the request of the Governor, the National Guard can be called upon to assist in emergency situations such as riots, rescues, and disasters.

	<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</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	71	76	75	0	75
Part-Time	0	0	0	0	0
Seasonal	4	4	4	0	4
Total	75	80	79	0	79
Payroll	3,554,200	5,577,600	5,545,600	0	5,545,600
Operational	2,071,000	1,679,400	1,711,400	0	1,711,400
Total	\$5,625,200	\$7,257,000	\$7,257,000	\$0	\$7,257,000
State	828,600	855,400	855,400	0	855,400
Federal	4,796,600	5,779,600	5,779,600	0	5,779,600
Other	0	622,000	622,000	0	622,000

Standard: Process and complete 97% of all maintenance requests.

Measure: Percent of processed and completed maintenance requests.

97%	97%	98%	0	98%
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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	233	200	0	200
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	216	233	200	0	200
Payroll	7,875,700	10,445,000	9,183,200	0	9,183,200
Operational	4,003,900	5,287,500	6,479,000	0	6,479,000
Total	\$11,879,600	\$15,732,500	\$15,662,200	\$0	\$15,662,200
State	967,600	2,402,800	2,332,500	0	2,332,500
Federal	10,912,000	13,325,000	13,325,000	0	13,325,000
Other	0	4,700	4,700	0	4,700

Standard: Maintaining a rate of 92% or more for completed work orders in support of the facilities and equipment used by full-time work force.

Measure: Percent of work orders completed.

95%	95%	96%	0	96%
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	<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</u>
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341.07 Armories Maintenance

Armories Maintenance provides funding for the maintenance of armories, training sites, and aircraft maintenance facilities.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	3,759,600	7,778,400	7,778,400	0	7,778,400
Total	\$3,759,600	\$7,778,400	\$7,778,400	\$0	\$7,778,400
State	1,059,300	588,200	588,200	0	588,200
Federal	2,691,300	6,845,600	6,845,600	0	6,845,600
Other	9,000	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%	87%	0	87%
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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	4,546,200	5,699,700	5,667,500	0	5,667,500
Total	\$4,546,200	\$5,699,700	\$5,667,500	\$0	\$5,667,500
State	1,904,600	1,863,100	1,830,900	0	1,830,900
Federal	2,634,400	3,722,300	3,722,300	0	3,722,300
Other	7,200	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.

\$0.99	\$1.01	\$1.03	0	\$1.03
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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	94	107	107	0	107
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	94	107	107	0	107
Payroll	5,417,900	6,852,500	6,852,500	0	6,852,500
Operational	4,864,700	5,650,600	5,624,200	0	5,624,200
Total	\$10,282,600	\$12,503,100	\$12,476,700	\$0	\$12,476,700
State	2,765,000	2,708,300	2,681,900	0	2,681,900
Federal	6,983,500	8,865,700	8,865,700	0	8,865,700
Other	534,100	929,100	929,100	0	929,100

Standard: Increase the number of students trained overall by TEMA in each of the four specific program areas: hazardous materials, incident management, search and rescue, and professional development.

Measure: The number of students trained overall in our specific program areas: hazardous materials, incident management, search and rescue, and professional development.

	7,488	8,600	8,800	0	8,800
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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	411,500	306,600	306,600	0	306,600
Operational	27,144,000	54,737,300	54,737,300	0	54,737,300
Total	\$27,555,500	\$55,043,900	\$55,043,900	\$0	\$55,043,900
State	0	0	0	0	0
Federal	26,694,900	55,043,900	55,043,900	0	55,043,900
Other	860,600	0	0	0	0

<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</u>
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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: The percent of state and local responders able to demonstrate response-level emergency communications within three hours of a significant event.

55%	65%	70%	0	70%
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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	530,700	0	0	0	0
Operational	23,772,900	7,000,000	5,000,000	0	5,000,000
Total	\$24,303,600	\$7,000,000	\$5,000,000	\$0	\$5,000,000
State	981,200	2,000,000	0	0	0
Federal	23,322,400	5,000,000	5,000,000	0	5,000,000
Other	0	0	0	0	0

Standard: Manage public assistance grants to those affected by disasters.

Measure: Number of applicants' grants finalized.

70	70	56	0	56
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341.00 Total Military

Full-Time	429	464	426	0	426
Part-Time	0	0	0	0	0
Seasonal	4	4	4	0	4
Total	433	468	430	0	430
Payroll	20,350,800	25,941,700	24,507,600	0	24,507,600
Operational	71,415,300	88,444,400	87,606,100	0	87,606,100
Total	\$91,766,100	\$114,386,100	\$112,113,700	\$0	\$112,113,700
State	11,771,600	12,767,000	10,509,000	0	10,509,000
Federal	78,525,900	99,601,400	99,587,000	0	99,587,000
Other	1,468,600	2,017,700	2,017,700	0	2,017,700

Tennessee Bureau of Investigation

Performance-Based Budget

The Tennessee Bureau of Investigation (TBI) is responsible for assisting the District Attorneys General and local law enforcement agencies in the investigation and prosecution of criminal offenses. The bureau's operations are organized into five divisions: Criminal Investigations, Drug Investigations, Forensic Services, Information Systems, and Administrative Services.

The Administrative Services Division provides overall direction and support for the bureau, including legal, personnel, payroll, and fiscal services for the agency. The Criminal Investigation Division gathers and disseminates intelligence on criminal activity, terrorism, fugitives, and drug trafficking. TBI also investigates corruption and misconduct at all levels of government, as well as provider fraud and patient abuse within the TennCare system. The Drug Investigations Division has original jurisdiction to investigate violations of Tennessee's drug control laws. Special agents are assigned to one of four regional investigative units, which initiate and investigate cases, targeting upper- and mid-level drug violators and drug distribution organizations. In addition, the division works cooperatively with state and local government agencies, the U.S. Drug Enforcement Administration, and the Federal Bureau of Investigation. The Forensic Services Division provides forensic examinations for the law enforcement community and medical examiners statewide. These examinations are performed at laboratories in Nashville, Knoxville, and Memphis. All three laboratories perform DNA and serology, drug chemistry, and toxicology, which includes blood alcohol analysis. The Memphis and Nashville laboratories perform firearms identification analysis. Additionally, the main laboratory in Nashville specializes in latent fingerprint examination and microanalysis testing. The Information Systems Division provides support to investigative activities through records management, systems operations, fingerprint identification, and uniform crime reporting.

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
348.00 Tennessee Bureau of Investigation					
Full-Time	493	500	493	0	493
Part-Time	0	1	0	0	0
Seasonal	0	0	0	0	0
Total	493	501	493	0	493
Payroll	33,216,000	35,336,000	35,252,700	0	35,252,700
Operational	30,011,800	31,505,500	29,588,100	0	29,588,100
Total	\$63,227,800	\$66,841,500	\$64,840,800	\$0	\$64,840,800
State	30,959,600	35,603,000	35,471,200	0	35,471,200
Federal	12,617,500	15,610,400	14,962,000	0	14,962,000
Other	19,650,700	15,628,100	14,407,600	0	14,407,600

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.

67%	60%	62%	0	62%
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<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</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%	4%	4%	0	4%
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Department of Safety

Performance-Based Budget

The Department of Safety works to provide safe highways for Tennessee’s citizens and visitors by enforcing the laws governing the use of state and federal roads. Development and management of a comprehensive state homeland security strategy also is a function of the department. The department also provides services to motorists, including drivers license issuance, public safety education, and training assistance to local law enforcement officers. Responsibilities of the department focus on the following areas: administrative and support services, public services, investigation and enforcement, and education.

<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</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	94	95	95	0	95
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	94	95	95	0	95
Payroll	5,348,500	6,013,500	6,022,700	0	6,022,700
Operational	4,395,600	2,560,800	2,885,800	0	2,885,800
Total	\$9,744,100	\$8,574,300	\$8,908,500	\$0	\$8,908,500
State	9,188,100	8,028,300	8,362,500	0	8,362,500
Federal	2,600	0	0	0	0
Other	553,400	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.

4%	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 Department of Safety employees resolved within 60 days.

84%	80%	80%	0	80%
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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349.07 Motor Vehicle Operations

Motor Vehicle Operations provides all commissioned officers with a vehicle to enforce traffic laws on state roads. The program also provides pool cars for other departmental staff to carry out services, such as school bus inspections, driver training, and repair of communication towers and radio repeater sites.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	9,143,500	10,156,300	10,156,300	0	10,156,300
Total	\$9,143,500	\$10,156,300	\$10,156,300	\$0	\$10,156,300
State	9,143,500	10,156,300	10,156,300	0	10,156,300
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Replace pursuit vehicles at 110,00 miles.

Measure: Percent of pursuit vehicles operating with mileage in excess of 110,000 miles.

40%	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	7,800	9,710,100	10,100	0	10,100
Total	\$7,800	\$9,710,100	\$10,100	\$0	\$10,100
State	7,800	9,710,100	10,100	0	10,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Maintain communication sites so that reliable radio coverage is provided for Department of Safety law enforcement personnel.

Measure: Percent of communications sites inspected a minimum of three times per year.

100%	75%	75%	0	75%
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Standard: Maintain communication sites so that reliable radio coverage is provided for Department of Safety law enforcement personnel.

Measure: Number of communication sites maintained and managed by TDOS.

42	42	42	0	42
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	<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</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	84	84	80	7	87
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	84	84	80	7	87
Payroll	4,378,500	4,544,200	4,284,800	585,700	4,870,500
Operational	2,303,200	2,843,500	2,803,500	120,500	2,924,000
Total	\$6,681,700	\$7,387,700	\$7,088,300	\$706,200	\$7,794,500
State	417,900	921,600	881,600	0	881,600
Federal	247,000	433,100	173,700	0	173,700
Other	6,016,800	6,033,000	6,033,000	706,200	6,739,200

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.

54%	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.

43%	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	433	436	436	1	437
Part-Time	23	23	23	0	23
Seasonal	0	0	0	0	0
Total	456	459	459	1	460
Payroll	16,661,800	18,550,600	18,550,600	347,500	18,898,100
Operational	17,118,200	53,668,200	23,567,100	15,000	23,582,100
Total	\$33,780,000	\$72,218,800	\$42,117,700	\$362,500	\$42,480,200
State	1,296,100	39,288,500	9,232,400	0	9,232,400
Federal	866,300	2,373,100	2,328,100	0	2,328,100
Other	31,617,600	30,557,200	30,557,200	362,500	30,919,700

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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Standard: Provide service to customers in a professional, efficient, and timely manner.

Measure: Percent of stations that processed applicants within 30 minutes of issuing a ticket from the queuing system.

	40%	40%	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.

	44%	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	1,086	1,092	1,080	0	1,080
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,086	1,092	1,080	0	1,080
Payroll	73,460,200	81,538,000	80,999,900	801,700	81,801,600
Operational	17,769,300	18,908,000	17,520,200	0	17,520,200
Total	\$91,229,500	\$100,446,000	\$98,520,100	\$801,700	\$99,321,800
State	77,470,700	87,470,200	85,975,900	801,700	86,777,600
Federal	4,670,300	6,774,600	6,774,600	0	6,774,600
Other	9,088,500	6,201,200	5,769,600	0	5,769,600

Standard: Reduce highway fatalities in Tennessee.

Measure: Number of fatalities per 100 million vehicular miles traveled.

	1.41	1.38	1.35	0	1.35
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Standard: Reduce highway fatalities in Tennessee.

Measure: Percent of time that the Tennessee Highway Patrol is able to respond to fatal/injury crashes within 15 minutes.

	50%	50%	50%	0	50%
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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	16,700	350,100	350,100	0	350,100
Total	\$16,700	\$350,100	\$350,100	\$0	\$350,100
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	16,700	350,100	350,100	0	350,100

Standard: Offset operational expenses for auto theft investigations through proceeds obtained as the result of selling seized property.

Measure: Percent of operational expenses for auto theft investigations funded through the sale of seized property.

35%	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	26	0	26
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	28	28	26	0	26
Payroll	1,768,100	2,295,100	2,180,800	0	2,180,800
Operational	1,708,600	3,651,100	3,651,100	0	3,651,100
Total	\$3,476,700	\$5,946,200	\$5,831,900	\$0	\$5,831,900
State	1,385,200	1,794,900	1,680,600	0	1,680,600
Federal	0	0	0	0	0
Other	2,091,500	4,151,300	4,151,300	0	4,151,300

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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.

	7,549	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	90,600	120,900	120,900	0	120,900
Operational	233,900	404,900	404,900	0	404,900
Total	\$324,500	\$525,800	\$525,800	\$0	\$525,800
State	324,500	525,800	525,800	0	525,800
Federal	0	0	0	0	0
Other	0	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.

	6,534	8,250	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 training sites inspected a minimum of three times per fiscal year.

	41%	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	139,000	175,100	175,100	0	175,100
Operational	40,500	97,700	97,700	0	97,700
Total	\$179,500	\$272,800	\$272,800	\$0	\$272,800

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
State	179,500	272,800	272,800	0	272,800
Federal	0	0	0	0	0
Other	0	0	0	0	0

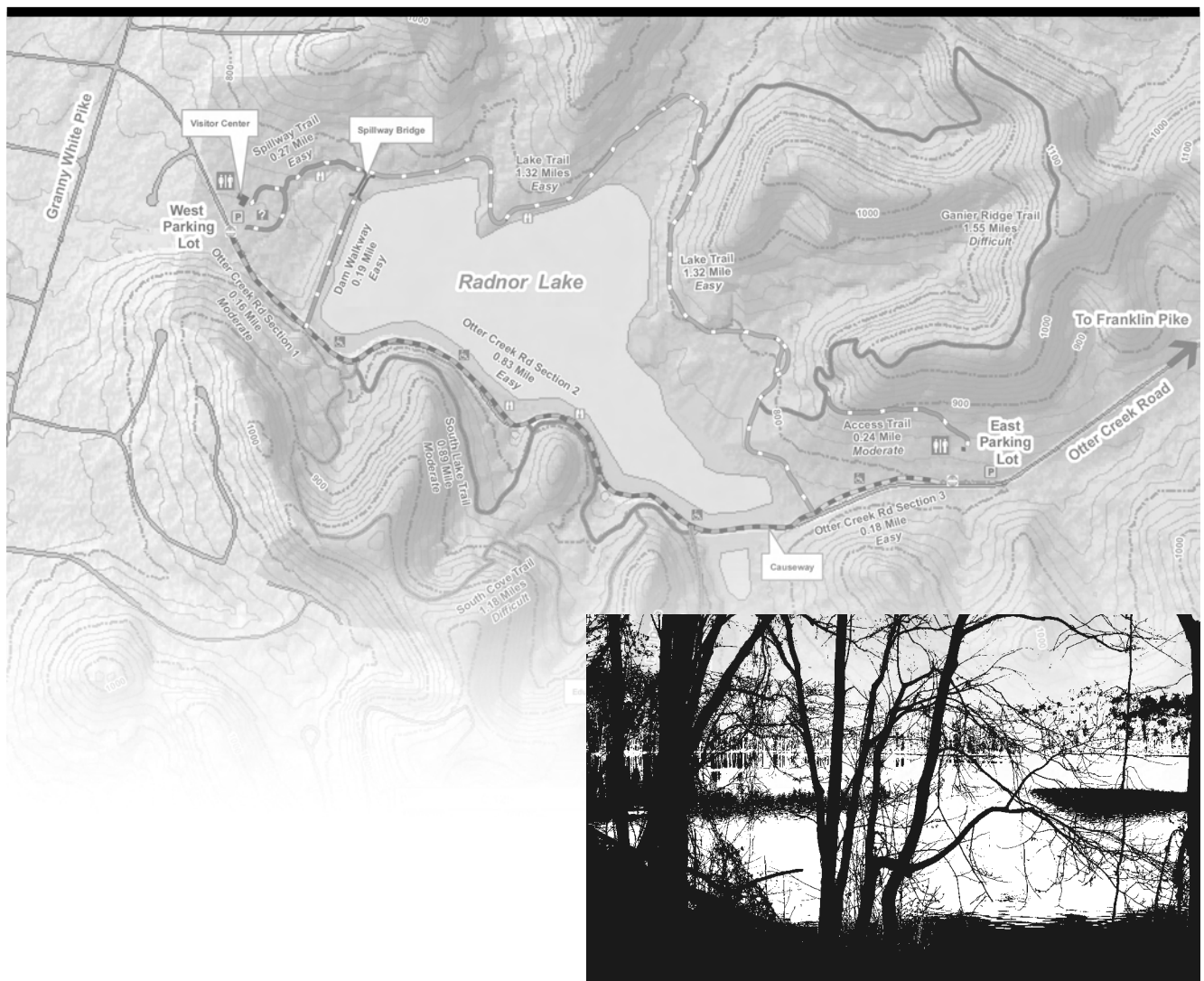
Standard: Increase public awareness of safe driving principles.

Measure: Number of safety education presentations held to promote safe highways.

	3,825	3,000	3,500	0	3,500
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349.00 Total Safety

Full-Time	1,729	1,739	1,721	8	1,729
Part-Time	23	23	23	0	23
Seasonal	0	0	0	0	0
Total	1,752	1,762	1,744	8	1,752
Payroll	101,846,700	113,237,400	112,334,800	1,734,900	114,069,700
Operational	52,737,300	102,350,700	61,446,800	135,500	61,582,300
Total	\$154,584,000	\$215,588,100	\$173,781,600	\$1,870,400	\$175,652,000
State	99,413,300	158,168,500	117,098,000	801,700	117,899,700
Federal	5,786,200	9,580,800	9,276,400	0	9,276,400
Other	49,384,500	47,838,800	47,407,200	1,068,700	48,475,900



Resources and Regulation

Resources and Regulation



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Resources and Regulation

Recommended Budget, Fiscal Year 2011 – 2012

The Resources and Regulation functional group includes eight agencies that promote and protect the state's natural, historical, and cultural resources and its consumers and workers.

Three departments promote consumer protection and safety in the work place:

- Department of Commerce and Insurance
- Department of Financial Institutions
- Department of Labor and Workforce Development.

These departments regulate and promote education in businesses and occupations to ensure professionalism and consumer safety; regulate insurance, commercial banking, and money-lending industries to ensure soundness and protect the interests of depositors and policy-holders; and regulate the work place to ensure worker health and safety, fair wages, and compensation for work-related injuries. In addition to these activities, the Department of Commerce and Insurance is responsible for law enforcement personnel training duties.

Three agencies promote and protect cultural and historical resources:

- Tennessee Arts Commission
- Tennessee State Museum
- Tennessee Historical Commission.

Together, these agencies promote interest, education, and participation in the arts through financial support to artists and supporters of the arts; protect and preserve artifacts that are significant to our natural and cultural history; and promote the preservation of and public

access to historical sites across the state through purchase and financial support.

The following two agencies promote and ensure the conservation of Tennessee's agricultural, environmental, and natural resources:

- Department of Environment and Conservation
- Tennessee Wildlife Resources Agency.

These agencies promote preservation of the state's environmental resources, protection from hazardous waste and radiation exposure, and reclamation of abandoned lands; promote recreation on public and private lands, including the state's geological, archaeological, and park resources; protect and conserve all species of wildlife native to the state; administer hunting and boating safety laws; enforce the litter control laws; stabilize river banks; and maintain drainage patterns to conserve agricultural land in West Tennessee.

Improvements and Program Statements

The following section includes: (1) a table on personnel and funding for all agencies in this functional area of state government; (2) a table on recommended budget for each agency by funding source; (3) a statement of recommended improvements for the ensuing fiscal year; (4) departmental program statements, indicating recommended funding and staffing for the ensuing year, compared with actual amounts for the last year and the amounts budgeted for the current year; and (5) program performance measures.

Resources and Regulation Total Personnel and Funding

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Recommended 2011-2012</u>
Personnel			
Full Time	5,579	5,590	5,545
Part Time	1,036	1,020	1,020
Seasonal	339	329	329
TOTAL	6,954	6,939	6,894
Expenditures			
Payroll	\$ 299,606,900	\$ 340,582,800	\$ 338,043,300
Operational	470,764,200	632,426,900	494,741,300
TOTAL	\$ 770,371,100	\$ 973,009,700	\$ 832,784,600
Funding			
State	\$ 313,132,700	\$ 376,679,800	\$ 377,187,400
Federal	285,365,100	355,733,200	265,961,000
Other	171,873,300	240,596,700	189,636,200

Resources and Regulation
Recommended Budget for Fiscal Year 2011-2012
By Funding Source

Department	State	Federal	Other	Total
316.25 Arts Commission	6,355,800	1,043,800	1,979,300	9,378,900
316.27 State Museum	3,708,100	0	5,000	3,713,100
327.00 Environment and Conservation	165,850,900	71,774,800	104,157,500	341,783,200
328.00 Tennessee Wildlife Resources Agency	48,088,700	21,117,000	7,600,000	76,805,700
335.00 Commerce and Insurance	100,267,400	235,000	63,493,900	163,996,300
336.00 Financial Institutions	8,531,600	0	8,166,500	16,698,100
337.00 Labor and Workforce Development	44,384,900	171,790,400	4,234,000	220,409,300
Total	\$377,187,400	\$265,961,000	\$189,636,200	\$832,784,600

Resources and Regulation

Improvements for Fiscal Year 2011-2012

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Arts Commission					
• Arts Grants					
To provide funding for arts education, community enrichment, and other arts grants and program activities. Grant programs are intended to promote interest and participation in the performing, visual, and literary arts by developing cultural resources across the state. Funding is from dedicated license plate fees, of which \$1,341,500 is non-recurring from the Arts license plate reserve and \$450,000 is recurring.					
316.25 Arts Commission	\$450,000	\$0	\$1,341,500	\$1,791,500	0
Sub-total	\$450,000	\$0	\$1,341,500	\$1,791,500	0
• Creativity in Education Academy					
To provide non-recurring funding to plan and coordinate a three-day Creativity in Education Academy. The academy is designed for approximately 415 attendees, including arts specialists, teachers, and teaching artists. The purpose of the academy is to strengthen teacher practice, improve student achievement, and improve school performance. Other funding is from the Tennessee Department of Education.					
316.25 Arts Commission	\$0	\$0	\$100,000	\$100,000	0
Sub-total	\$0	\$0	\$100,000	\$100,000	0
Total Arts Commission	\$450,000	\$0	\$1,441,500	\$1,891,500	0
Environment and Conservation					
• Henry Horton State Park Restaurant					
To provide 13 positions and operational funding for the full operation of the Henry Horton state park restaurant. As part of fiscal year 2010-2011 budget reductions, funding for the restaurant was eliminated. This improvement will restore the funding and help maintain the overall profitability of Henry Horton state park by providing an on-site eating establishment for visitors.					
327.12 Tennessee State Parks	\$245,000	\$0	\$420,000	\$665,000	13
Sub-total	\$245,000	\$0	\$420,000	\$665,000	13
• May 2010 Flood - Stream Debris Removal and Repair					
To provide non-recurring funding for the removal of stream debris and to repair stream damage effected by the May 2010 flood. This funding will be used to match federal grant dollars available through the U.S. Department of Agriculture, Natural Resources Conservation Services program. Grants will be made to local governments to accomplish stream clean-up in a number of the 49 counties that were designated disaster areas. Waterways targeted for clean-up include areas of the Cumberland, Harpeth, and Buffalo rivers, as well as smaller tributaries in affected areas.					
327.33 Clean Water and Drinking Water State Revolving Fund	\$750,000	\$0	\$0	\$750,000	0
Sub-total	\$750,000	\$0	\$0	\$750,000	0
Total Environment and Conservation	\$995,000	\$0	\$420,000	\$1,415,000	13

Resources and Regulation Improvements for Fiscal Year 2011-2012

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Tennessee Wildlife Resources Agency					
• Statutory Step Raises					
To provide funds for salary step increases for the agency's officers, biologists, and other unique positions, as authorized by TCA 70-1-309.					
328.01 Wildlife Resources Agency	\$453,800	\$0	\$0	\$453,800	0
328.02 Boating Safety	\$70,200	\$0	\$0	\$70,200	0
Sub-total	\$524,000	\$0	\$0	\$524,000	0
Total Tennessee Wildlife Resources Agency	\$524,000	\$0	\$0	\$524,000	0
Commerce and Insurance					
• E-911 Infrastructure Modernization Program					
To continue the state's investment in the modernization of Tennessee's E- 911 system. Funds will be used to upgrade the state's E-911 system infrastructure from analog to digital to take advantage of widespread improvements in telecommunications technology. The Next Generation 911 (NG911) system will enhance inter-operability and increase the ease of communication between the state's 100 emergency communication districts, allowing immediate transfer of 911 calls, maps, photos, caller information, and other data. Funding is from dedicated fees, with \$7,208,400 non-recurring from the E-911 reserve.					
335.08 911 Emergency Communications Fund	\$3,846,400	\$0	\$7,208,400	\$11,054,800	0
Sub-total	\$3,846,400	\$0	\$7,208,400	\$11,054,800	0
• Police and Firefighter Pay Supplement					
To provide funding for police pay supplement [TCA 38-8-111(a)] and firefighter pay supplement programs [TCA 4-24-202(a)]. Local police officers and firefighters are eligible for the annual \$600 pay supplement upon successful completion of at least 40 hours of in-service training.					
335.12 POST Commission	\$319,800	\$0	\$0	\$319,800	0
335.28 Fire Fighting Personnel Standards and Education	\$210,000	\$0	\$0	\$210,000	0
Sub-total	\$529,800	\$0	\$0	\$529,800	0
• Statutory Salary Step Increase					
To fund the mandated annual trooper salary step increase pursuant to TCA 4-7-206.					
335.11 Tennessee Law Enforcement Training Academy	\$18,000	\$0	\$0	\$18,000	0
Sub-total	\$18,000	\$0	\$0	\$18,000	0
Total Commerce and Insurance	\$4,394,200	\$0	\$7,208,400	\$11,602,600	0

**Resources and Regulation
Improvements for Fiscal Year 2011-2012**

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Labor and Workforce Development					
• Workers' Compensation Computer System					
To provide funding for replacement of the workers' compensation computer system. The current system is aging and lacks the functionality to keep up with program demands. A failure of the system could lead to disruption or stoppage of workers' compensation payments to eligible claimants. An amount of \$2,169,800 is non-recurring.					
337.03 Workers' Compensation	\$2,369,800	\$0	\$0	\$2,369,800	2
Sub-total	\$2,369,800	\$0	\$0	\$2,369,800	2
• Workers' Classification Enforcement					
To annualize funding from dedicated fees for the workers' compensation employee misclassification education and enforcement program created by Acts of 2010, Public Chapter 1149. The legislation creates a procedure for eligible businesses in the construction industry to file for an exemption from obtaining workers' compensation insurance.					
337.15 Workers' Compensation Employee Misclassification Education and Enforcement Fund (WCEMEEF)	\$181,800	\$0	\$0	\$181,800	0
Sub-total	\$181,800	\$0	\$0	\$181,800	0
Total Labor and Workforce Development	\$2,551,600	\$0	\$0	\$2,551,600	2
Total Resources and Regulation	\$8,914,800	\$0	\$9,069,900	\$17,984,700	15

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>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
316.25 Arts Commission					
Full-Time	20	20	20	0	20
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	20	20	20	0	20
Payroll	1,124,700	1,228,000	1,228,000	0	1,228,000
Operational	7,626,300	6,587,000	6,259,400	1,891,500	8,150,900
Total	\$8,751,000	\$7,815,000	\$7,487,400	\$1,891,500	\$9,378,900
State	6,172,900	6,190,700	5,905,800	450,000	6,355,800
Federal	1,300,900	1,086,500	1,043,800	0	1,043,800
Other	1,277,200	537,800	537,800	1,441,500	1,979,300

Standard: Support a full spectrum of arts activities across Tennessee.

Measure: Percent of national standard arts disciplines receiving support.

100%	100%	100%	0	100%
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Standard: Facilitate successful completion of grant projects to benefit Tennessee communities.

Measure: Percent of grantees successfully completing arts projects that benefit their communities.

97%	95%	95%	0	95%
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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>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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	2,149,600	2,405,600	2,405,600	0	2,405,600
Operational	1,322,300	1,705,100	1,307,500	0	1,307,500
Total	\$3,471,900	\$4,110,700	\$3,713,100	\$0	\$3,713,100
State	3,430,000	3,742,200	3,708,100	0	3,708,100
Federal	36,500	363,500	0	0	0
Other	5,400	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.

80,052	100,000	95,000	0	95,000
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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.

11	4	3	0	3
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Department of Environment and Conservation

Performance-Based Budget

The Department of Environment and Conservation enhances the quality of life for all Tennesseans by protecting, preserving, and improving the quality of Tennessee's air, land, and water; providing an understandable and responsive regulatory system; conserving and promoting Tennessee's natural and cultural resources; and providing a variety of quality recreational experiences. The department has three bureaus: Administration, Tennessee State Parks and Conservation Services, and Environment.

<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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	202	202	194	0	194
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	202	202	194	0	194
Payroll	11,515,100	13,323,400	12,728,200	0	12,728,200
Operational	3,125,600	3,184,100	3,172,300	0	3,172,300
Total	\$14,640,700	\$16,507,500	\$15,900,500	\$0	\$15,900,500
State	5,430,700	6,296,500	5,689,500	0	5,689,500
Federal	2,957,400	2,500,400	2,500,400	0	2,500,400
Other	6,252,600	7,710,600	7,710,600	0	7,710,600

Standard: Maintain the percentage of Administration's actual expenditures as compared to department's total expenditures.

Measure: Percent increase in Administration's expenditures as compared to department's total expenditures.

0%	0%	0%	0	0%
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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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 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	735,500	890,200	890,200	0	890,200
Operational	6,186,300	4,359,600	4,359,600	0	4,359,600
Total	\$6,921,800	\$5,249,800	\$5,249,800	\$0	\$5,249,800
State	995,900	774,000	774,000	0	774,000
Federal	1,923,000	2,291,300	2,291,300	0	2,291,300
Other	4,002,900	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.

	138	146	150	0	150
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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.

	78	79	81	0	81
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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	860,000	898,200	898,200	0	898,200
Operational	2,718,100	3,872,500	1,792,500	0	1,792,500
Total	\$3,578,100	\$4,770,700	\$2,690,700	\$0	\$2,690,700

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
State	1,778,400	2,366,100	2,186,100	0	2,186,100
Federal	1,796,600	2,399,600	499,600	0	499,600
Other	3,100	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.

	41	250	250	0	250
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Standard: Review projects to ensure they are in compliance with the National Historic Preservation Act of 1966 as amended. (The U.S. National Park Service requires 95% or greater response within 30 calendar days.)

Measure: Percent of review and compliance projects reviewed within 30 calendar days from date of formal receipt.

	99.65%	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	41,300	750,000	750,000	0	750,000
Total	\$41,300	\$750,000	\$750,000	\$0	\$750,000
State	0	0	0	0	0
Federal	41,300	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.

	100%	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>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
Payroll	0	0	0	0	0
Operational	68,300	285,000	285,000	0	285,000
Total	\$68,300	\$285,000	\$285,000	\$0	\$285,000
State	68,300	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 educational programs. The program is a primary source of information and advice on archaeological matters for the public, professional archaeologists, museums, state agencies, law enforcement agencies, and the private development community. The state reviews all federal undertakings to determine their effect on archaeological sites.

Full-Time	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	567,500	698,200	698,200	0	698,200
Operational	105,700	187,600	187,600	0	187,600
Total	\$673,200	\$885,800	\$885,800	\$0	\$885,800
State	590,500	787,800	787,800	0	787,800
Federal	0	0	0	0	0
Other	82,700	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.

100% 99% 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 geological 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>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
ginseng.					
Full-Time	6	6	6	0	6
Part-Time	0	0	0	0	0
Seasonal	1	1	1	0	1
Total	7	7	7	0	7
Payroll	387,800	415,500	415,500	0	415,500
Operational	263,000	328,300	328,300	0	328,300
Total	\$650,800	\$743,800	\$743,800	\$0	\$743,800
State	557,400	494,100	494,100	0	494,100
Federal	48,600	142,000	142,000	0	142,000
Other	44,800	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.

37%	39%	41%	0	41%
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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.

17%	19%	21%	0	21%
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327.12 Tennessee State Parks

The Tennessee State Parks program protects, conserves, and manages natural, cultural, and historic resources in 54 state parks located throughout Tennessee. State parks provide opportunities for the public to enjoy outdoor recreation through a variety of activities in rustic, day-use, and resort parks. Rustic and day-use parks provide recreation through swimming, fishing, rafting, camping, and hiking. Resort parks provide inns, restaurants, golf courses, marinas, camping, and other recreational activities.

Full-Time	1,050	1,049	1,037	12	1,049
Part-Time	249	246	246	0	246
Seasonal	333	323	322	1	323
Total	1,632	1,618	1,605	13	1,618
Payroll	47,322,300	48,944,800	48,286,400	278,700	48,565,100
Operational	29,169,100	28,657,200	28,137,400	386,300	28,523,700
Total	\$76,491,400	\$77,602,000	\$76,423,800	\$665,000	\$77,088,800
State	42,506,200	41,190,800	40,879,800	245,000	41,124,800
Federal	259,600	1,000	1,000	0	1,000
Other	33,725,600	36,410,200	35,543,000	420,000	35,963,000

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% (estimate)	100%	100%	0	100%
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<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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Standard: Increase 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.

-16%	5%	3%	0	3%
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327.15 State Parks Maintenance

The State Parks Maintenance program provides funds for maintenance projects at state parks. These projects, because of cost or duration, do not meet the criteria for capital maintenance, for which funds are separately provided in the capital budget.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	2,118,700	2,498,700	2,498,700	0	2,498,700
Total	\$2,118,700	\$2,498,700	\$2,498,700	\$0	\$2,498,700
State	2,046,700	2,214,100	2,214,100	0	2,214,100
Federal	13,100	169,600	169,600	0	169,600
Other	58,900	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.

98%	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	85,900	828,000	0	0	0
Total	\$85,900	\$828,000	\$0	\$0	\$0
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	85,900	828,000	0	0	0

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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 recreational facilities. Funding for these grants comes from the real estate transfer tax. Local governments must match the grant on a one-to-one basis.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	5,623,000	3,718,700	3,718,700	0	3,718,700
Total	\$5,623,000	\$3,718,700	\$3,718,700	\$0	\$3,718,700
State	0	3,718,700	3,718,700	0	3,718,700
Federal	0	0	0	0	0
Other	5,623,000	0	0	0	0

Standard: Effectively and efficiently distribute grants to local governments.

Measure: Percent of funds awarded in biennial grant cycle.

Not Applicable	97%	Not Applicable	0	Not Applicable
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327.20 State Lands Acquisition Fund

The State Lands Acquisition Fund, administered in conjunction with the Department of Agriculture and the Tennessee Wildlife Resources Agency, provides funds for the acquisition of land for state parks, forests, natural areas, boundary areas along scenic rivers, and easement protection for these areas. Funding also supports trail construction at these sites and historic preservation of old theatres. Funding for these grants comes from the real estate transfer tax.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	1,146,200	3,112,500	3,087,500	0	3,087,500
Total	\$1,146,200	\$3,112,500	\$3,087,500	\$0	\$3,087,500
State	0	3,112,500	3,087,500	0	3,087,500
Federal	2,000	0	0	0	0
Other	1,144,200	0	0	0	0

Standard: Complete by canceling or closing State Building Commission approved acquisitions within one year of approval.

Measure: Percent of State Building Commission approved projects where the acquisition is completed or cancelled within one year.

35%	85%	85%	0	85%
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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	86,900	75,000	100,000	0	100,000
Total	\$86,900	\$75,000	\$100,000	\$0	\$100,000
State	74,900	75,000	100,000	0	100,000
Federal	0	0	0	0	0
Other	12,000	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	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	3,392,200	1,000,000	1,000,000	0	1,000,000
Total	\$3,392,200	\$1,000,000	\$1,000,000	\$0	\$1,000,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	3,392,200	1,000,000	1,000,000	0	1,000,000

Standard: Preserve undeveloped open spaces, undeveloped natural areas, and the state's heritage because of their importance to citizens' physical and mental health.

Measure: Acres conserved (obligations).

3,244	1,240	1,000	0	1,000
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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Standard: Use state dollars to leverage funds from partners to support projects that preserve open spaces and the state's heritage.

Measure: Partner dollars leveraged with state funds (obligations).

	\$7,680,000	\$3,500,000	\$1,250,000	0	\$1,250,000
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327.51 Conservation Compensation Fund

The Conservation Compensation Fund provides in-lieu-of-tax payments to local governments to offset the loss of local property taxes on land acquired by the state through the Heritage Conservation Trust Fund.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	0	42,000	42,000	0	42,000
Total	\$0	\$42,000	\$42,000	\$0	\$42,000
State	0	42,000	42,000	0	42,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Make in-lieu-of-tax payments to local governments within a 90-day period of time upon receipt of notification from the Department of Finance and Administration.

Measure: Percent of funds released to local governments within 30 days of notification from the Department of Finance and Administration. Current policy requires this within a 90-day period.

	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	85	82	81	0	81
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	85	82	81	0	81
Payroll	4,950,800	4,765,000	4,653,700	0	4,653,700
Operational	741,200	755,300	755,300	0	755,300
Total	\$5,692,000	\$5,520,300	\$5,409,000	\$0	\$5,409,000
State	1,582,000	1,461,000	1,349,700	0	1,349,700
Federal	159,500	0	0	0	0
Other	3,950,500	4,059,300	4,059,300	0	4,059,300

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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Standard: Maintain and coordinate issuance of enforcement orders to achieve accurate and prompt issuance and deter noncompliance within the regulated community.

Measure: Number of enforcement orders issued to achieve accurate and prompt issuance and deter noncompliance within the regulated community.

	757	800	700	0	700
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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	13	13	13	0	13
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	13	13	13	0	13
Payroll	785,500	875,900	875,900	0	875,900
Operational	205,900	282,600	282,600	0	282,600
Total	\$991,400	\$1,158,500	\$1,158,500	\$0	\$1,158,500
State	888,500	463,000	463,000	0	463,000
Federal	56,800	92,400	92,400	0	92,400
Other	46,100	603,100	603,100	0	603,100

Standard: Complete four geologic maps and reports for public distribution.

Measure: Number of geologic maps and reports completed.

	3	4	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>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
Payroll	217,300	252,600	252,600	0	252,600
Operational	339,100	1,301,800	1,301,800	0	1,301,800
Total	\$556,400	\$1,554,400	\$1,554,400	\$0	\$1,554,400
State	553,300	1,320,500	1,320,500	0	1,320,500
Federal	0	0	0	0	0
Other	3,100	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 annual increase of used oil collected for reuse and/or recycling.

10% 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	17	0	17
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	18	18	17	0	17
Payroll	803,300	1,038,500	971,100	0	971,100
Operational	507,700	439,600	407,000	0	407,000
Total	\$1,311,000	\$1,478,100	\$1,378,100	\$0	\$1,378,100
State	994,500	1,125,900	1,025,900	0	1,025,900
Federal	0	0	0	0	0
Other	316,500	352,200	352,200	0	352,200

Standard: Perform environmentally sensitive stream maintenance and continue routine maintenance on infrastructure.

Measure: Number of flood control/sediment retention minor maintenance projects (mowing, resolving annual inspection issues, and beaver management) completed.

82 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>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
Payroll	0	0	0	0	0
Operational	409,900	1,215,400	1,215,400	0	1,215,400
Total	\$409,900	\$1,215,400	\$1,215,400	\$0	\$1,215,400
State	409,900	1,215,400	1,215,400	0	1,215,400
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 (WTRBA) infrastructure and watersheds.

Measure: Number of major maintenance projects completed.

	2	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 former 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	225,500	466,500	466,500	0	466,500
Operational	715,400	2,056,200	2,056,200	0	2,056,200
Total	\$940,900	\$2,522,700	\$2,522,700	\$0	\$2,522,700
State	935,600	2,522,700	2,522,700	0	2,522,700
Federal	0	0	0	0	0
Other	5,300	0	0	0	0

Standard: Oversee the cleanup of dry cleaning solvent impacted sites that are progressing toward cleanup through ongoing environmental response activities.

Measure: Percent of identified dry cleaning remediation sites at which clean-up has been initiated.

	59%	40%	35%	0	35%
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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 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>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
Payroll	8,307,700	10,158,800	10,158,800	0	10,158,800
Operational	2,211,500	4,965,700	3,017,300	0	3,017,300
Total	\$10,519,200	\$15,124,500	\$13,176,100	\$0	\$13,176,100
State	1,235,900	1,174,400	1,174,400	0	1,174,400
Federal	1,492,000	2,924,300	1,239,500	0	1,239,500
Other	7,791,300	11,025,800	10,762,200	0	10,762,200

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).

0.075 ppm	0.078 ppm	0.077 ppm	0	0.077 ppm
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Standard: Attain the new, more restrictive federal ambient air quality standard for fine particulate matter at all monitors in the state prior to federal deadlines.

Measure: Average annual values of all particulate matter 2.5 fine particulates (in ug/m3) monitoring sites.

12.1	12.8	12.7	0	12.7
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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	3,695,000	4,297,200	4,297,200	0	4,297,200
Operational	3,773,300	1,612,600	1,612,600	0	1,612,600
Total	\$7,468,300	\$5,909,800	\$5,909,800	\$0	\$5,909,800
State	530,200	605,100	605,100	0	605,100
Federal	82,100	70,700	70,700	0	70,700
Other	6,856,000	5,234,000	5,234,000	0	5,234,000

Standard: Meet the required percentage of registered inspectors' follow-up inspections in fiscal year 2011-2012.

Measure: Percent of inspections performed by registered inspectors that are verified for quality assurance purposes.

10%	10%	10%	0	10%
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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	20	20	0	20
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	16	20	20	0	20
Payroll	1,032,500	1,508,100	1,508,100	0	1,508,100
Operational	34,589,400	119,236,800	48,342,600	750,000	49,092,600
Total	\$35,621,900	\$120,744,900	\$49,850,700	\$750,000	\$50,600,700
State	3,448,300	8,935,400	5,235,400	750,000	5,985,400
Federal	32,173,600	111,809,500	44,615,300	0	44,615,300
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	229	227	225	0	225
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	237	235	233	0	233
Payroll	12,421,400	15,114,500	15,004,900	0	15,004,900
Operational	8,630,500	7,877,400	7,282,900	0	7,282,900
Total	\$21,051,900	\$22,991,900	\$22,287,800	\$0	\$22,287,800
State	7,999,200	9,284,500	9,214,500	0	9,214,500
Federal	4,073,300	3,873,100	3,309,000	0	3,309,000
Other	8,979,400	9,834,300	9,764,300	0	9,764,300

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.

94%	90%	90%	0	90%
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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327.35 Solid Waste Management

The Solid Waste Management division protects public health and the environment through the regulation, management, and remediation of solid and hazardous wastes. The division regulates and monitors both solid and hazardous wastes through landfill permits, used oil permits, hazardous waste permits, and lead-based paint abatement.

Full-Time	132	132	131	0	131
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	140	140	139	0	139
Payroll	8,446,600	9,541,300	9,468,500	0	9,468,500
Operational	1,838,100	2,057,300	2,057,300	0	2,057,300
Total	\$10,284,700	\$11,598,600	\$11,525,800	\$0	\$11,525,800
State	2,309,100	1,898,000	1,825,200	0	1,825,200
Federal	2,266,800	2,279,600	2,279,600	0	2,279,600
Other	5,708,800	7,421,000	7,421,000	0	7,421,000

Standard: Increase the percentage of landfill/solid waste facilities in significant operational compliance.

Measure: Percent of landfill/solid waste facilities in significant operational compliance.

	96%	97%	97%	0	97%
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Standard: Increase the percentage of in-progress remediation sites released for reuse.

Measure: Percent of total active remediation sites annually cleaned up and released from the program.

	16.2%	10.0%	10.0%	0	10.0%
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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	3,010,300	3,654,700	3,654,700	0	3,654,700
Operational	906,900	3,212,600	3,212,600	0	3,212,600
Total	\$3,917,200	\$6,867,300	\$6,867,300	\$0	\$6,867,300
State	0	0	0	0	0
Federal	3,778,900	6,867,300	6,867,300	0	6,867,300
Other	138,300	0	0	0	0

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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 annual increase 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	112,200	500,000	500,000	0	500,000
Total	\$112,200	\$500,000	\$500,000	\$0	\$500,000
State	33,200	500,000	500,000	0	500,000
Federal	25,000	0	0	0	0
Other	54,000	0	0	0	0

Standard: Fund reclamation projects in order to eliminate the safety hazards that are posed by abandoned mine sites.

Measure: Percent of emergency reclamation projects for abandoned mine sites that are stabilized or restricted from public access.

	100%	100%	100%	0	100%
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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	2,879,300	4,213,300	4,213,300	0	4,213,300
Operational	2,209,000	7,599,300	7,599,300	0	7,599,300
Total	\$5,088,300	\$11,812,600	\$11,812,600	\$0	\$11,812,600
State	277,900	1,000,000	1,000,000	0	1,000,000
Federal	1,905,700	1,989,900	1,989,900	0	1,989,900
Other	2,904,700	8,822,700	8,822,700	0	8,822,700

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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.

	60%	50%	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	4,703,400	5,274,200	5,274,200	0	5,274,200
Operational	1,253,900	2,993,800	1,865,600	0	1,865,600
Total	\$5,957,300	\$8,268,000	\$7,139,800	\$0	\$7,139,800
State	794,700	987,300	987,300	0	987,300
Federal	1,822,000	3,386,500	2,374,600	0	2,374,600
Other	3,340,600	3,894,200	3,777,900	0	3,777,900

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%	98%	100%	0	100%
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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 public health.

Measure: Percent of the Public Water Systems that have been inspected through the sanitary survey process.

	106%	99%	100%	0	100%
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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	102	102	74	0	74
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	102	102	74	0	74

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
Payroll	6,342,600	6,887,300	5,350,200	0	5,350,200
Operational	1,295,000	1,271,200	1,108,200	0	1,108,200
Total	\$7,637,600	\$8,158,500	\$6,458,400	\$0	\$6,458,400
State	3,668,800	2,387,700	1,894,600	0	1,894,600
Federal	54,100	0	0	0	0
Other	3,914,700	5,770,800	4,563,800	0	4,563,800

Standard: Issue construction permits for subsurface sewage disposal systems where suitable soil conditions exist.

Measure: Number of subsurface sewage disposal system permits issued.

	7,007	8,000	8,000	0	8,000
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327.41 Underground Storage Tanks

The Underground Storage Tanks program regulates the installation of underground petroleum storage tanks and 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	84	84	0	84
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	89	92	92	0	92
Payroll	4,429,700	5,366,400	5,435,200	0	5,435,200
Operational	18,433,800	19,710,500	16,103,900	0	16,103,900
Total	\$22,863,500	\$25,076,900	\$21,539,100	\$0	\$21,539,100
State	19,220,900	19,461,800	19,461,800	0	19,461,800
Federal	3,232,000	5,615,100	2,077,300	0	2,077,300
Other	410,600	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.

	36%	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	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	956,700	1,321,900	1,321,900	0	1,321,900
Operational	4,705,800	5,665,800	5,665,800	0	5,665,800
Total	\$5,662,500	\$6,987,700	\$6,987,700	\$0	\$6,987,700

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
State	5,541,200	6,987,700	6,987,700	0	6,987,700
Federal	0	0	0	0	0
Other	121,300	0	0	0	0

Standard: Increase the percentage of electronic waste collected annually at public collection sites for reuse and/or recycling.

Measure: Percent increase of electronic waste collected annually for reuse and/or recycling.

10%	10%	10%	0	10%
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327.43 Environmental Protection Fund

The Environmental Protection Fund (EPF) collects fees from environmental permits, inspections, and fines. Funds are dispersed from the EPF to other divisions of the department to reimburse expenses of permitting, monitoring, compliance investigating, enforcement, and administration. The divisions of Air Pollution Control, Radiological Health, Water Pollution Control, Ground Water Protection, Solid Waste Management, Administrative Services, and Environment Administration receive funding from the Environmental Protection Fund.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	38,177,400	48,573,000	47,296,000	0	47,296,000
Total	\$38,177,400	\$48,573,000	\$47,296,000	\$0	\$47,296,000
State	38,143,700	48,573,000	47,296,000	0	47,296,000
Federal	0	0	0	0	0
Other	33,700	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	413,000	557,100	557,100	0	557,100
Operational	654,500	612,200	409,800	0	409,800
Total	\$1,067,500	\$1,169,300	\$966,900	\$0	\$966,900
State	25,800	0	0	0	0
Federal	470,500	435,700	233,300	0	233,300
Other	571,200	733,600	733,600	0	733,600

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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.

	560	350	350	0	350
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Standard: Ensure that the renewal operator certification process is conducted in compliance with applicable laws and regulations.

Measure: Number of renewal certificates issued to water treatment, wastewater treatment, distribution system, and collection system operators.

	5,106	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	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	1,107,100	1,312,100	1,312,100	0	1,312,100
Operational	432,300	123,700	123,700	0	123,700
Total	\$1,539,400	\$1,435,800	\$1,435,800	\$0	\$1,435,800
State	553,900	518,100	518,100	0	518,100
Federal	334,300	272,000	272,000	0	272,000
Other	651,200	645,700	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.

	9,330	3,750	5,000	0	5,000
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	<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</u>
327.00 Total Environment and Conservation					
Full-Time	2,430	2,431	2,378	12	2,390
Part-Time	289	286	286	0	286
Seasonal	339	329	328	1	329
Total	3,058	3,046	2,992	13	3,005
Payroll	126,115,900	141,775,700	138,692,700	278,700	138,971,400
Operational	176,273,100	284,962,000	201,675,500	1,136,300	202,811,800
Total	\$302,389,000	\$426,737,700	\$340,368,200	\$1,415,000	\$341,783,200
State	143,195,600	171,778,100	164,855,900	995,000	165,850,900
Federal	58,968,200	147,870,000	71,774,800	0	71,774,800
Other	100,225,200	107,089,600	103,737,500	420,000	104,157,500

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, levees, and forestry logging roads on agency property; and investigating, reporting, and testifying on environmental issues.

Regional office responsibilities include sponsoring hunting and boating safety workshops and classes; providing technical assistance to farm pond and small lake owners; and developing, maintaining, and operating the wildlife management areas, state lakes, and fish hatcheries.

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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	632	632	632	0	632
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
Total	641	641	641	0	641
Payroll	37,378,200	40,022,900	40,008,700	453,800	40,462,500
Operational	20,800,000	29,539,000	19,803,800	0	19,803,800
Total	\$58,178,200	\$69,561,900	\$59,812,500	\$453,800	\$60,266,300
State	29,765,900	33,832,800	34,913,800	453,800	35,367,600
Federal	20,317,900	20,518,500	17,392,000	0	17,392,000
Other	8,094,400	15,210,600	7,506,700	0	7,506,700

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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Standard: Provide recreational opportunities for the sportsmen in Tennessee.

Measure: Annual harvest of white-tailed deer by hunters.

	156,590	170,000	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	35	35	0	35
Part-Time	59	45	45	0	45
Seasonal	0	0	0	0	0
Total	92	80	80	0	80
Payroll	4,042,100	5,074,000	5,096,300	70,200	5,166,500
Operational	3,593,200	7,359,900	4,451,600	0	4,451,600
Total	\$7,635,300	\$12,433,900	\$9,547,900	\$70,200	\$9,618,100
State	4,079,800	6,256,000	5,744,600	70,200	5,814,800
Federal	3,506,500	5,487,500	3,725,000	0	3,725,000
Other	49,000	690,400	78,300	0	78,300

Standard: Reduce the number of boating related fatalities by enforcing boating safety laws.

Measure: Number of boating fatalities per 100,000 boats.

	6.0	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	5,578,100	6,576,300	6,521,300	0	6,521,300
Total	\$5,578,100	\$6,576,300	\$6,521,300	\$0	\$6,521,300
State	5,517,900	6,506,300	6,506,300	0	6,506,300
Federal	50,700	0	0	0	0
Other	9,500	70,000	15,000	0	15,000

Standard: Preserve and expand wetlands in Tennessee.

Measure: Total acres protected for public use and benefit through the Wetlands Acquisition Fund.

	206,673	208,000	209,000	0	209,000
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	<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</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	364,500	400,000	400,000	0	400,000
Total	\$364,500	\$400,000	\$400,000	\$0	\$400,000
State	363,500	400,000	400,000	0	400,000
Federal	0	0	0	0	0
Other	1,000	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	665	667	667	0	667
Part-Time	68	54	54	0	54
Seasonal	0	0	0	0	0
Total	733	721	721	0	721
Payroll	41,420,300	45,096,900	45,105,000	524,000	45,629,000
Operational	30,335,800	43,875,200	31,176,700	0	31,176,700
Total	\$71,756,100	\$88,972,100	\$76,281,700	\$524,000	\$76,805,700
State	39,727,100	46,995,100	47,564,700	524,000	48,088,700
Federal	23,875,100	26,006,000	21,117,000	0	21,117,000
Other	8,153,900	15,971,000	7,600,000	0	7,600,000

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>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</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	104	110	109	0	109
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	104	110	109	0	109
Payroll	5,747,800	7,326,600	7,388,700	0	7,388,700
Operational	1,451,900	1,579,000	1,569,400	0	1,569,400
Total	\$7,199,700	\$8,905,600	\$8,958,100	\$0	\$8,958,100
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	7,199,700	8,905,600	8,958,100	0	8,958,100

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.

91.6%	90.0%	90.0%	0	90.0%
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Consumer Protection

The Department of Commerce and Insurance strives to ensure Tennesseans' safety in the marketplace and supports education and awareness programs. Services include regulating insurance companies and agents and approving individual and group self-insurance proposals; regulating the securities market; enforcing the Tennessee Consumer Protection Act; promoting fair consumer practices and consumer education; regulating health clubs; and granting payments to consumers who are awarded judgments against real estate and auctioneer licensees.

	<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</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	119	120	120	0	120
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	119	120	120	0	120
Payroll	6,161,700	7,538,100	7,553,100	0	7,553,100
Operational	3,659,900	7,377,500	5,782,500	0	5,782,500
Total	\$9,821,600	\$14,915,600	\$13,335,600	\$0	\$13,335,600
State	0	0	0	0	0
Federal	0	1,580,000	0	0	0
Other	9,821,600	13,335,600	13,335,600	0	13,335,600

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.

92.5%	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	1,061,300	1,285,300	1,280,300	0	1,280,300
Operational	809,000	715,700	720,700	0	720,700
Total	\$1,870,300	\$2,001,000	\$2,001,000	\$0	\$2,001,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,870,300	2,001,000	2,001,000	0	2,001,000

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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	14	17	16	0	16
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	14	17	16	0	16
Payroll	542,700	939,800	903,200	0	903,200
Operational	326,600	401,600	333,000	0	333,000
Total	\$869,300	\$1,341,400	\$1,236,200	\$0	\$1,236,200
State	589,800	1,259,400	1,154,200	0	1,154,200
Federal	0	0	0	0	0
Other	279,500	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%	100%	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%	100%	100%	0	100%
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335.15 Real Estate Education and Recovery Fund

The Real Estate Education and Recovery Fund is available for paying court-awarded claims to consumers. Interest earned by the fund is used to further the education of real estate licensees and consumers.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
Payroll	0	0	0	0	0
Operational	8,600	291,000	291,000	0	291,000
Total	\$8,600	\$291,000	\$291,000	\$0	\$291,000
State	0	291,000	291,000	0	291,000
Federal	0	0	0	0	0
Other	8,600	0	0	0	0

Standard: Conduct a minimum of eight educational seminars for licensees annually.

Measure: Number of seminars conducted annually.

	10	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	42,100	81,800	81,800	0	81,800
Total	\$42,100	\$81,800	\$81,800	\$0	\$81,800
State	41,500	81,800	81,800	0	81,800
Federal	0	0	0	0	0
Other	600	0	0	0	0

Standard: Conduct one educational seminar for licensees in each grand division of the state annually.

Measure: Number of seminars conducted annually.

	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	168,200	365,100	365,100	0	365,100
Total	\$168,200	\$365,100	\$365,100	\$0	\$365,100
State	167,900	365,100	365,100	0	365,100
Federal	0	0	0	0	0
Other	300	0	0	0	0

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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Standard: Reduce the Burial Services reserve deficit.

Measure: Percent by which the reserve deficit is reduced.

	7%	10%	5%	0	5%
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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

Standard: Reduce the Burial Services reserve deficit.

Measure: Percent the reserve deficit is reduced.

	11%	10%	5%	0	5%
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335.04 TennCare Oversight

The TennCare Oversight division provides financial and systems oversight of the managed care organizations (MCOs) participating in the TennCare program, which is the state's Medicaid-waiver health-care program. The division promulgates rules and performs examinations of MCOs that provide TennCare services. Oversight includes the review of contracts, reports, competitive bids, and medical-loss ratios.

Full-Time	19	19	19	0	19
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	19	19	19	0	19
Payroll	1,154,800	1,686,300	1,684,000	0	1,684,000
Operational	342,800	915,200	839,500	0	839,500
Total	\$1,497,600	\$2,601,500	\$2,523,500	\$0	\$2,523,500
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,497,600	2,601,500	2,523,500	0	2,523,500

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.

	98%	93%	95%	0	95%
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<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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 and private investigators; real estate agents and brokers; accountants; alarm contractors; interior designers; barbers; general contractors; collection services; home inspectors; real estate appraisers; private protective services; automotive manufacturers, dealers, and salesmen; geologists; auctioneers; locksmiths; architects and landscape architects; scrap metal dealers; and employee leasing.

Full-Time	182	178	178	0	178
Part-Time	115	115	115	0	115
Seasonal	0	0	0	0	0
Total	297	293	293	0	293
Payroll	7,519,000	9,329,800	9,153,200	0	9,153,200
Operational	6,697,000	9,969,900	9,958,000	0	9,958,000
Total	\$14,216,000	\$19,299,700	\$19,111,200	\$0	\$19,111,200
State	13,452,700	18,688,100	18,512,500	0	18,512,500
Federal	0	0	0	0	0
Other	763,300	611,600	598,700	0	598,700

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.

60%	70%	70%	0	70%
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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335.21 Tennessee Athletic Commission

The Tennessee Athletic Commission, created in 2008, licenses and regulates professional boxing and mixed martial arts participants and events in the state. Administratively attached to the Department of Commerce and Insurance, the commission is funded by dedicated licensing fees, gross receipts taxes, contest permits, and penalty fines. The commission's board is comprised of nine members appointed by the Governor, the Speaker of the Senate, and the Speaker of the House.

Full-Time	1	1	1	0	1
Part-Time	49	49	49	0	49
Seasonal	0	0	0	0	0
Total	50	50	50	0	50
Payroll	91,000	147,000	145,200	0	145,200
Operational	126,000	199,900	201,700	0	201,700
Total	\$217,000	\$346,900	\$346,900	\$0	\$346,900
State	217,000	346,900	346,900	0	346,900
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.

311 licenses, 25 event permits	500 licenses, 25 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.

25 events	25 events	25 events	0	25 events
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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	658,400	858,000	833,900	0	833,900
Operational	54,095,400	84,218,800	62,167,500	11,054,800	73,222,300
Total	\$54,753,800	\$85,076,800	\$63,001,400	\$11,054,800	\$74,056,200

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
State	51,267,500	57,190,900	57,190,900	3,846,400	61,037,300
Federal	0	1,499,600	0	0	0
Other	3,486,300	26,386,300	5,810,500	7,208,400	13,018,900

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 that Tennessee's 911 infrastructure is Internet Protocol (IP) capable.

Measure: Number of ECDs connected to the next generation 911 IP infrastructure.

Not Applicable	6	50	0	50
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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	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	7,484,800	8,606,900	8,559,800	0	8,559,800
Operational	7,952,200	12,254,400	11,944,800	0	11,944,800
Total	\$15,437,000	\$20,861,300	\$20,504,600	\$0	\$20,504,600
State	0	3,700	0	0	0
Federal	271,600	451,800	210,000	0	210,000
Other	15,165,400	20,405,800	20,294,600	0	20,294,600

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.

99%	95%	95%	0	95%
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Standard: Provide acknowledgement of receipt of initial plans submittals for review within 48 hours of receipt in the plans review section.

Measure: Percent of initial plans submittals acknowledged within 48 hours of receipt.

65%	80%	80%	0	80%
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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335.07 Fire Service and Codes Enforcement Academy

The Fire Service and Codes Enforcement Academy's objective is to provide effective training to all volunteer and career fire fighters, fire and building code enforcement personnel, and other related service professionals. The academy develops and teaches current methods and practices in fire fighting, fire and building code enforcement, fire prevention, public safety, fire investigation, and related subjects. The academy's curriculum offers advanced training techniques in realistic fire simulations.

Full-Time	27	26	26	0	26
Part-Time	100	100	100	0	100
Seasonal	0	0	0	0	0
Total	127	126	126	0	126
Payroll	1,822,600	2,164,700	2,164,700	0	2,164,700
Operational	1,635,900	1,785,000	1,665,900	0	1,665,900
Total	\$3,458,500	\$3,949,700	\$3,830,600	\$0	\$3,830,600
State	2,497,700	3,019,100	2,900,000	0	2,900,000
Federal	49,700	25,000	25,000	0	25,000
Other	911,100	905,600	905,600	0	905,600

Standard: Provide training to fire service and other emergency first responders.

Measure: Percent of basic recruit trainees certified following completion of basic training course.

100%	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	2	0	2
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
Total	12	12	11	0	11
Payroll	162,400	168,700	126,600	0	126,600
Operational	3,808,100	3,994,000	4,019,800	210,000	4,229,800
Total	\$3,970,500	\$4,162,700	\$4,146,400	\$210,000	\$4,356,400
State	3,970,500	4,162,700	4,146,400	210,000	4,356,400
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Increase the number of written certification examinations administered to Tennessee firefighters each year.

Measure: The number of written certification examinations administered.

3,835	2,800	2,850	0	2,850
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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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	25	25	0	25
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
Total	28	27	27	0	27
Payroll	1,485,800	1,736,200	1,729,900	18,000	1,747,900
Operational	1,900,100	2,341,300	2,339,400	0	2,339,400
Total	\$3,385,900	\$4,077,500	\$4,069,300	\$18,000	\$4,087,300
State	2,570,200	2,416,800	2,294,900	18,000	2,312,900
Federal	0	0	0	0	0
Other	815,700	1,660,700	1,774,400	0	1,774,400

Standard: Provide effective training of new law enforcement recruits hired by agencies served by Tennessee Law Enforcement Training Academy.

Measure: Average number of points gained by class on pre- and post-tests, using the Peace Officers Standards and Training (POST) certified Basic Police School knowledge test.

30.4	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.

51	45	45	0	45
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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	6	6	6	0	6
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	6	6	6	0	6
Payroll	273,000	406,100	335,700	0	335,700
Operational	7,883,900	8,155,300	8,155,300	319,800	8,475,100
Total	\$8,156,900	\$8,561,400	\$8,491,000	\$319,800	\$8,810,800
State	8,156,900	8,559,900	8,489,500	319,800	8,809,300
Federal	0	0	0	0	0
Other	0	1,500	1,500	0	1,500

	<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</u>
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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.

	12,978	13,353	13,740	0	13,740
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335.00 Total Commerce and Insurance

Full-Time	693	697	694	0	694
Part-Time	275	275	275	0	275
Seasonal	0	0	0	0	0
Total	968	972	969	0	969
Payroll	34,165,300	42,193,500	41,858,300	18,000	41,876,300
Operational	90,907,700	134,745,500	110,535,400	11,584,600	122,120,000
Total	\$125,073,000	\$176,939,000	\$152,393,700	\$11,602,600	\$163,996,300
State	82,931,700	96,485,400	95,873,200	4,394,200	100,267,400
Federal	321,300	3,556,400	235,000	0	235,000
Other	41,820,000	76,897,200	56,285,500	7,208,400	63,493,900

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 are funded with general state tax dollars. Revenue is derived solely from supervision, examination, and license fees assessed to those financial institutions regulated by the department.

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
336.00 Financial Institutions					
Full-Time	173	173	171	0	171
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	173	173	171	0	171
Payroll	10,693,300	12,767,900	12,631,000	0	12,631,000
Operational	3,451,100	4,067,100	4,067,100	0	4,067,100
Total	\$14,144,400	\$16,835,000	\$16,698,100	\$0	\$16,698,100
State	5,652,200	8,634,300	8,531,600	0	8,531,600
Federal	0	0	0	0	0
Other	8,492,200	8,200,700	8,166,500	0	8,166,500

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.

151	172	155	0	155
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Standard: Regulate institutions licensed or registered for compliance with governing acts.

Measure: Number of non-depository financial institutions examined by the department in relation to the number of licenses.

4,130/4,374	4,194/4,458	4,207/4,473	0	4,207/4,473
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Department of Labor and Workforce Development

Performance-Based Budget

The Department of Labor and Workforce Development protects the rights of workers and assists employers in maintaining those rights throughout Tennessee. The department has six functional areas: administration, safety and health, workers' compensation, labor standards, employment and workforce development, and employment security.

<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</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	99	99	98	0	98
Part-Time	3	3	3	0	3
Seasonal	0	0	0	0	0
Total	102	102	101	0	101
Payroll	6,817,200	6,632,200	6,560,100	0	6,560,100
Operational	2,261,400	3,189,400	3,189,400	0	3,189,400
Total	\$9,078,600	\$9,821,600	\$9,749,500	\$0	\$9,749,500
State	3,236,900	3,041,900	2,969,800	0	2,969,800
Federal	5,765,200	6,745,700	6,745,700	0	6,745,700
Other	76,500	34,000	34,000	0	34,000

Standard: The total administrative cost for the department will not exceed 5% of departmental budget.

Measure: Administrative costs for the department as percentage of total budget.

3.7%	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	95	94	94	0	94
Part-Time	3	3	3	0	3
Seasonal	0	0	0	0	0
Total	98	97	97	0	97

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
Payroll	6,047,500	7,072,800	7,072,800	0	7,072,800
Operational	1,250,200	1,997,100	1,997,100	0	1,997,100
Total	\$7,297,700	\$9,069,900	\$9,069,900	\$0	\$9,069,900
State	3,664,200	4,890,800	4,890,800	0	4,890,800
Federal	3,625,600	4,144,500	4,144,500	0	4,144,500
Other	7,900	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.

	7,028	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.

	10,888	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	378,900	400,600	400,600	0	400,600
Operational	152,500	215,900	215,900	0	215,900
Total	\$531,400	\$616,500	\$616,500	\$0	\$616,500
State	340,000	374,900	374,900	0	374,900
Federal	133,200	124,600	124,600	0	124,600
Other	58,200	117,000	117,000	0	117,000

Standard: Increase the number of persons trained in mine safety to reduce the number of non-fatal accidents/injuries across the state.

Measure: Number of persons trained in mine safety.

	1,748	2,500	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	56	56	56	0	56
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	56	56	56	0	56
Payroll	3,142,400	3,390,800	3,390,800	0	3,390,800
Operational	1,062,400	1,125,600	986,300	0	986,300
Total	\$4,204,800	\$4,516,400	\$4,377,100	\$0	\$4,377,100

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
State	3,545,600	4,317,100	4,317,100	0	4,317,100
Federal	0	0	0	0	0
Other	659,200	199,300	60,000	0	60,000

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.

	1,900	200	1,000	0	1,000
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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.

	71	40	40	0	40
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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	164	164	164	2	166
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	164	164	164	2	166
Payroll	10,254,100	10,797,700	10,797,700	115,000	10,912,700
Operational	2,106,200	2,368,900	2,368,900	2,254,800	4,623,700
Total	\$12,360,300	\$13,166,600	\$13,166,600	\$2,369,800	\$15,536,400
State	12,194,000	13,134,600	13,134,600	2,369,800	15,504,400
Federal	0	0	0	0	0
Other	166,300	32,000	32,000	0	32,000

Standard: Maintain the percentage of cases settled.

Measure: Number/percent of cases settled.

	3,252 (66.33%)	3,000 (67.00%)	3,000 (67.00%)	0	3,000 (67.00%)
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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.

	\$1,039,389	\$1,300,000	\$1,300,000	0	\$1,300,000
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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337.15 Workers' Compensation Employee Misclassification Education and Enforcement Fund (WCEMEEF)

Public Acts of 2010, Chapter 1149 created the Workers' Compensation Employee Misclassification Education and Enforcement Fund (WCEMEEF). It authorizes a procedure for sole proprietors, partners in limited (or limited liability) partnership, officers of corporations, and members of limited liability companies engaged in the construction industry to file for an exemption from obtaining workers' compensation insurance to cover themselves.

Full-Time	0	5	5	0	5
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	5	5	0	5
Payroll	0	119,400	119,400	151,500	270,900
Operational	0	255,400	17,800	30,300	48,100
Total	\$0	\$374,800	\$137,200	\$181,800	\$319,000
State	0	374,800	137,200	181,800	319,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

337.08 Second Injury Fund

The Second Injury Fund appropriation provides funding to pay the disability claims of previously injured employees that suffer additional injury on the job, resulting in permanent and total disability. In addition, the fund also encourages employers to hire workers with disabilities. Funding is provided from the workers' compensation premium tax.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	5,798,600	11,871,400	11,233,900	0	11,233,900
Total	\$5,798,600	\$11,871,400	\$11,233,900	\$0	\$11,233,900
State	5,443,700	11,596,400	10,958,900	0	10,958,900
Federal	0	0	0	0	0
Other	354,900	275,000	275,000	0	275,000

Standard: Pay awards from the Second Injury Fund.

Measure: Awards paid from Second Injury Fund.

	\$4,241,379	\$11,900,000	\$11,900,000	0	\$11,900,000
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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Labor Standards

337.06 Labor Standards

The Labor Standards division enforces labor laws, protecting wage earners from unfair practices through the Wage Regulation Act, protecting children through the Child Labor Act, and protecting state-funded construction work through the Prevailing Wage Act. This program also conducts statistical research on work-related injuries, illnesses, and fatalities. The program also provides an employee assistance professional program that assists employees with personal concerns that might hinder job performance.

Full-Time	22	22	22	0	22
Part-Time	5	0	0	0	0
Seasonal	0	0	0	0	0
Total	27	22	22	0	22
Payroll	865,000	1,059,700	1,052,100	0	1,052,100
Operational	222,100	360,800	357,400	0	357,400
Total	\$1,087,100	\$1,420,500	\$1,409,500	\$0	\$1,409,500
State	941,600	1,206,300	1,206,300	0	1,206,300
Federal	145,400	203,200	203,200	0	203,200
Other	100	11,000	0	0	0

Standard: Conduct at least 50 lectures per year to promote child labor safety education and awareness.

Measure: Number of lectures delivered.

	117	50	50	0	50
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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.

	8.76%	20.00%	20.00%	0	20.00%
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Employment and Workforce Development

337.07 Workforce Development

The Workforce Development division administers the Workforce Investment Act (WIA), Tennessee career centers, Families First welfare-to-work services, veterans' services, and job service programs. WIA creates a seamless system that addresses employer needs for skilled workers, while assisting job seekers needing training. The Tennessee career centers are used by employers seeking workers and anyone seeking job training, job placement, Families First welfare-to-work services, unemployment insurance, and other employment and training services. The senior community service employment program serves persons with low incomes who are 55 years or older and have poor employment prospects.

Full-Time	37	40	40	0	40
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	37	40	40	0	40

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
Payroll	2,580,800	3,613,000	3,613,000	0	3,613,000
Operational	104,106,000	83,278,300	64,968,700	0	64,968,700
Total	\$106,686,800	\$86,891,300	\$68,581,700	\$0	\$68,581,700
State	95,300	0	0	0	0
Federal	106,590,000	86,813,300	68,503,700	0	68,503,700
Other	1,500	78,000	78,000	0	78,000

Standard: Maintain the Workforce Investment Act (WIA) Adult Entered Employment Rate.

Measure: WIA Adult Entered Employment Rate.

81.73%	83.00%	83.00%	0	83.00%
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Standard: Maintain the WIA Adult Retention Rate.

Measure: WIA Adult Retention Rate.

86%	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
Payroll	854,700	896,500	896,500	0	896,500
Operational	12,447,900	17,939,800	14,654,200	0	14,654,200
Total	\$13,302,600	\$18,836,300	\$15,550,700	\$0	\$15,550,700
State	2,561,900	3,917,200	3,843,700	0	3,843,700
Federal	10,740,700	14,919,100	11,707,000	0	11,707,000
Other	0	0	0	0	0

Standard: Raise the number of General Educational Development (GED) diplomas issued.

Measure: Number of GED diplomas issued.

11,461	13,310	13,310	0	13,310
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Standard: Assist students in completing a level of education in the Adult Education program.

Measure: Percent of students completing a level of education.

65%	53%	53%	0	53%
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Actual
2009-2010

Estimated
2010-2011

Base
2011-2012

Improvement
2011-2012

Recommended
2011-2012

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	1,060	1,057	1,057	0	1,057
Part-Time	375	381	381	0	381
Seasonal	0	0	0	0	0
Total	1,435	1,438	1,438	0	1,438
Payroll	52,997,200	61,132,500	61,132,500	0	61,132,500
Operational	31,440,600	33,882,400	22,832,600	0	22,832,600
Total	\$84,437,800	\$95,014,900	\$83,965,100	\$0	\$83,965,100
State	0	0	0	0	0
Federal	73,863,000	63,900,400	80,361,700	0	80,361,700
Other	10,574,800	31,114,500	3,603,400	0	3,603,400

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.

82.30%	94.00%	92.00%	0	92.00%
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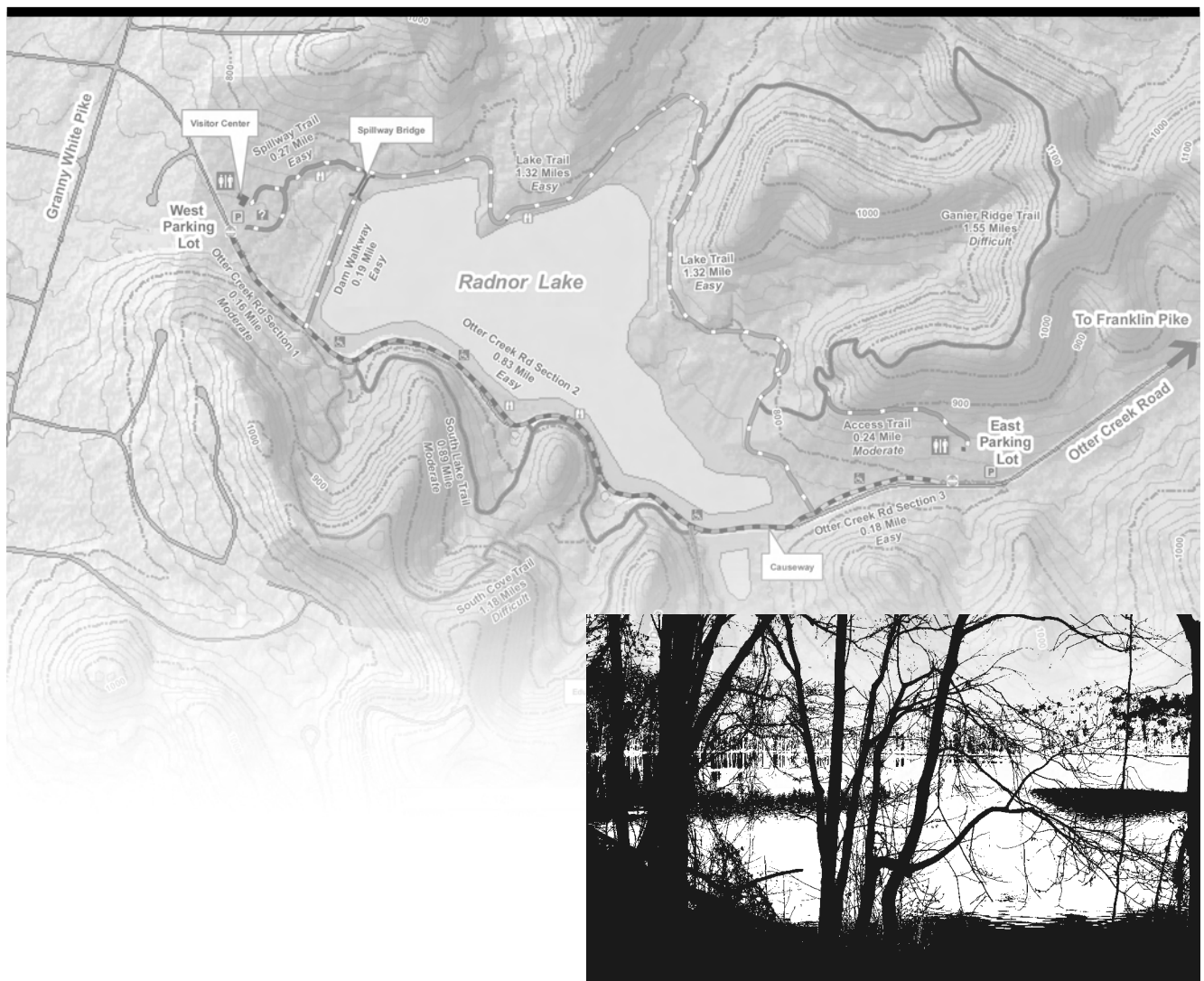
Standard: Exceed the negotiated standard for Wagner-Peyser Entered Employment Rate.

Measure: Entered employment rate for Job Service participants.

47%	68%	68%	0	68%
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337.00 Total Labor and Workforce Development

Full-Time	1,551	1,555	1,554	2	1,556
Part-Time	404	405	405	0	405
Seasonal	0	0	0	0	0
Total	1,955	1,960	1,959	2	1,961
Payroll	83,937,800	95,115,200	95,035,500	266,500	95,302,000
Operational	160,847,900	156,485,000	122,822,200	2,285,100	125,107,300
Total	\$244,785,700	\$251,600,200	\$217,857,700	\$2,551,600	\$220,409,300
State	32,023,200	42,854,000	41,833,300	2,551,600	44,384,900
Federal	200,863,100	176,850,800	171,790,400	0	171,790,400
Other	11,899,400	31,895,400	4,234,000	0	4,234,000



Transportation, Business, and Economic Development

Transportation, Business, and Economic Development



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Transportation, Business, and Economic Development

Recommended Budget, Fiscal Year 2011 – 2012

The Transportation, Business, and Economic Development functional group is a diverse collection of agencies responsible for the development of economic activity in Tennessee. This group consists of the following agencies and departments:

- Tennessee Housing Development Agency
- Department of Agriculture
- Department of Tourist Development
- Department of Economic and Community Development
- Department of Transportation.

The common goal among these agencies is the development and promotion of economic activity and improvement of the livelihood of all Tennesseans. This is accomplished through various programs and activities, including creating an environment conducive to the operation of business and industry and the construction and maintenance of sound public infrastructure.

In addition to the above general activities,

this functional group also concentrates on promotion of job growth through development of industrial infrastructure and job training investments; regulation and maintenance of the state agricultural and forest industries; and marketing of the state as a vacation destination.

The Housing Development Agency helps low- and moderate-income Tennesseans secure affordable housing.

Improvements and Program Statements

The following section includes: (1) a table on personnel and funding for all agencies in this functional area of state government; (2) a table on recommended budget for each agency by funding source; (3) a statement of recommended improvements for the ensuing fiscal year; (4) departmental program statements, indicating recommended funding and staffing for the ensuing year, compared with actual amounts for the last year and the amounts budgeted for the current year; and (5) program performance measures.

Transportation, Business, and Economic Development Total Personnel and Funding

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Recommended 2011-2012</u>
Personnel			
Full Time	6,097	5,910	5,904
Part Time	5	5	10
Seasonal	215	215	215
TOTAL	<u>6,317</u>	<u>6,130</u>	<u>6,129</u>
Expenditures			
Payroll	\$ 295,613,900	\$ 324,658,500	\$ 330,350,900
Operational	1,978,518,900	2,380,494,400	1,967,505,500
TOTAL	<u>\$ 2,274,132,800</u>	<u>\$ 2,705,152,900</u>	<u>\$ 2,297,856,400</u>
Funding			
State	\$ 983,818,000	\$ 1,095,085,800	\$ 1,001,987,100
Federal	1,216,206,500	1,510,645,900	1,214,171,800
Other	74,108,300	99,421,200	81,697,500

**Transportation, Business and Economic Development
Recommended Budget for Fiscal Year 2011-2012
By Funding Source**

Department	State	Federal	Other	Total
316.20 Tennessee Housing Development Agency	0	207,703,800	18,781,900	226,485,700
325.00 Agriculture	68,704,100	10,282,000	8,762,500	87,748,600
326.00 Tourist Development	12,417,300	0	7,498,500	19,915,800
330.00 Economic and Community Development	46,565,700	92,155,000	8,390,600	147,111,300
400.00 Transportation	874,300,000	904,031,000	38,264,000	1,816,595,000
Total	\$1,001,987,100	\$1,214,171,800	\$81,697,500	\$2,297,856,400

Transportation, Business and Economic Development Improvements for Fiscal Year 2011-2012

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Tennessee Housing Development Agency					
• Community Programs					
To provide federal funding for one housing program coordinator position. The federal Homeless Emergency and Rapid Transition to Housing Act of 2009 provides for the consolidation of the Department of Housing and Urban Development (HUD) competitive grant programs. This position will be responsible for administering the grants.					
316.20 Tennessee Housing Development Agency	\$0	\$68,200	\$0	\$68,200	1
Sub-total	\$0	\$68,200	\$0	\$68,200	1
• Section 8 Contract Administration					
To provide federal funding for one contract operations coordinator position in the Section 8 project-based housing assistance program, which serves about 400 HUD properties. The Section 8 program provides rental subsidies to low-income families. Services performed by the coordinator will include review and payment of housing assistance vouchers, processing of contract renewals and rent adjustments, and investigation of resident complaints.					
316.20 Tennessee Housing Development Agency	\$0	\$78,200	\$0	\$78,200	1
Sub-total	\$0	\$78,200	\$0	\$78,200	1
• Housing Choice Vouchers					
To provide federal funding for one senior rental assistance specialist in the rental assistance division to rotate among the nine field offices and central office to assist during peak application in-take and special projects. Rental assistance specialists' duties include conducting applicant interviews, recertifying participant eligibility, conducting housing inspections, facilitating tenant relocations, and eligibility determination. The rental assistance division administers approximately 6,000 housing choice vouchers, averaging 150 vouchers per specialist.					
316.20 Tennessee Housing Development Agency	\$0	\$63,400	\$0	\$63,400	1
Sub-total	\$0	\$63,400	\$0	\$63,400	1
• Financial Reporting and Administrative Operations					
To provide funding for four positions to address increased responsibilities associated with new accounting and reporting requirements and administration. One staff accountant and one accounting specialist position will assist with meeting the reporting and compliance requirements of the U.S. Treasury's new issuance bond program and other federal programs, in addition to increasing accounting review and reconciliation. One administrative specialist position will assist with procurement, contracting, facilities, and miscellaneous functions. An administrative technician position will allow the agency to centralize some activities.					
316.20 Tennessee Housing Development Agency	\$0	\$0	\$251,800	\$251,800	4
Sub-total	\$0	\$0	\$251,800	\$251,800	4

Transportation, Business and Economic Development Improvements for Fiscal Year 2011-2012

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Information Technology and Records Management					
To provide funding for five positions to support information technology and records management systems. A systems engineer position will meet THDA's growing need for information technology systems support and maintenance. A business analyst position will support the new information systems initiatives in the multifamily low-income housing tax credit program. Three records management positions will perform all records management functions associated with the new agency-wide enterprise content management (ECM) system.					
316.20 Tennessee Housing Development Agency	\$0	\$0	\$343,200	\$343,200	5
Sub-total	\$0	\$0	\$343,200	\$343,200	5
Total Tennessee Housing Development Agency	\$0	\$209,800	\$595,000	\$804,800	12

Agriculture

• Agricultural Enhancement Program

To restore full funding at \$21 million on a recurring basis to the Tennessee agricultural enhancement program from the dedicated cigarette tax, pursuant to TCA 67-4-1025(d). The base budget includes \$10,736,300 from the dedicated tax for this program. These funds will provide programs to improve cattle breeding, cattle-handling facilities, and hay storage facilities (through producer incentive grants); encourage diversification of crops; promote Tennessee products; assist with development of a viticulture association of wineries and grape producers; and support farmers markets and other agribusiness initiatives.

325.06 Market Development	\$10,263,700	\$0	\$0	\$10,263,700	0
Sub-total	\$10,263,700	\$0	\$0	\$10,263,700	0
Total Agriculture	\$10,263,700	\$0	\$0	\$10,263,700	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 2011-2012

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Economic and Community Development					
• Jobs Package					
To continue the state's investment in creating new opportunities for Tennessee's workforce and to support the growth and retention of the state's base of traditional jobs. Non-recurring funding of \$10,544,500 million is necessary for the recruitment of new businesses, including support for workforce training, marketing, and education initiatives. Additional non-recurring funds for training are provided for the Electrolux project in Shelby County (\$3.1 million) and for phase 2 of the Wacker Chemie project in Bradley County (\$3 million).					
330.06 FastTrack Infrastructure and Job Training Assistance	\$16,644,500	\$0	\$0	\$16,644,500	0
Sub-total	<u>\$16,644,500</u>	<u>\$0</u>	<u>\$0</u>	<u>\$16,644,500</u>	<u>0</u>
• Film and Television Incentive Funds					
To provide non-recurring funds to the Film and Television Incentive Fund to offer incentive grants that will encourage the production of films, movies, television pilots, or shows in Tennessee. Eligible productions must meet spending criteria established by the Tennessee Film, Entertainment, and Music Commission by hiring Tennessee residents, using local businesses, and promoting state tourism. The Film and Television Incentive Fund provides the opportunity to develop and maintain a long-term film and television industry that integrates successfully with the theatrical, musical, and talent industries already established within the state.					
330.17 Film and Television Incentive Fund	\$2,500,000	\$0	\$0	\$2,500,000	0
Sub-total	<u>\$2,500,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,500,000</u>	<u>0</u>
Total Economic and Community Development	<u>\$19,144,500</u>	<u>\$0</u>	<u>\$0</u>	<u>\$19,144,500</u>	<u>0</u>
Total Transportation, Business and Economic Development	<u>\$32,908,200</u>	<u>\$209,800</u>	<u>\$595,000</u>	<u>\$33,713,000</u>	<u>12</u>

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 buy foreclosed homes, rehabilitate, and rent or resell the homes to low- to middle-income families in order to help stabilize the housing market.

Activities of THDA include the rehabilitation and construction of rental and homeowner housing. The low income housing tax credit program, administered by THDA, supports acquisition, rehabilitation, and new construction of rental units for low-income tenants. THDA has a governing board composed of state officials and gubernatorial and legislative appointees who are active and knowledgeable in their respective industries.

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
316.20 Tennessee Housing Development Agency					
Full-Time	210	230	230	12	242
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	210	230	230	12	242
Payroll	13,738,600	15,406,100	15,515,700	724,400	16,240,100
Operational	260,405,400	404,938,200	210,165,200	80,400	210,245,600
Total	\$274,144,000	\$420,344,300	\$225,680,900	\$804,800	\$226,485,700
State	0	0	0	0	0
Federal	265,539,900	401,857,400	207,494,000	209,800	207,703,800
Other	8,604,100	18,486,900	18,186,900	595,000	18,781,900

Standard: Annually achieve a performance rating of "High" in management of the Housing Choice Voucher Program ensuring eligible families have safe, sound, affordable rental housing at a reasonable subsidy level.

Measure: Annual performance rating for management of the Housing Choice Voucher Program.

High	High	High	0	High
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Standard: Preserve affordable housing stock in Tennessee by annually rehabilitating at least 300 units with HOME funds.

Measure: The number of units rehabilitated with HOME funds.

300	300	300	0	300
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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 natural resources. The department's mission is performed within the following four major areas: administration and grants, market development, regulatory services, and forestry.

<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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 Nonpoint 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	72	72	71	0	71
Part-Time	0	0	0	0	0
Seasonal	1	1	1	0	1
Total	73	73	72	0	72
Payroll	4,847,700	5,117,900	5,045,800	0	5,045,800
Operational	5,606,300	6,509,100	5,263,900	0	5,263,900
Total	\$10,454,000	\$11,627,000	\$10,309,700	\$0	\$10,309,700
State	4,468,800	5,288,400	5,425,100	0	5,425,100
Federal	5,627,600	5,898,200	4,678,000	0	4,678,000
Other	357,600	440,400	206,600	0	206,600

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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Standard: Improve water quality in Tennessee with federal funds made available by the EPA and approved in the 319 Management Program Document.

Measure: Number of Best Management Practices installed within watersheds identified as impaired or threatened by nonpoint pollution, defined as water quality limited in the 2004/2006/2008 303(d) list published by the Department of Environment and Conservation.

	154	125	125	0	125
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Standard: Maximize use of commodities allocated from 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	2,554,300	3,437,500	3,187,500	0	3,187,500
Total	\$2,554,300	\$3,437,500	\$3,187,500	\$0	\$3,187,500
State	2,250,000	3,187,500	3,187,500	0	3,187,500
Federal	3,100	250,000	0	0	0
Other	301,200	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.

	439	500	550	0	550
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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.

	939	850	900	0	900
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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	111,000	126,700	126,700	0	126,700
Total	\$111,000	\$126,700	\$126,700	\$0	\$126,700
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	111,000	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	141,100	4,000,000	607,500	0	607,500
Total	\$141,100	\$4,000,000	\$607,500	\$0	\$607,500
State	141,100	4,000,000	607,500	0	607,500
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Maintain collection of assessments.

Measure: Percent of assessments collected.

99%	100%	100%	0	100%
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Standard: Maintain boll weevil free status.

Measure: Percent of Tennessee cotton fields that are boll weevil free.

100%	100%	100%	0	100%
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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Market Development

325.06 Market Development

The Market Development division works to maximize economic opportunities for Tennessee agriculture through innovative marketing programs and promotional services. The division works to develop domestic and foreign markets for Tennessee agricultural and forest products and to attract agriculture and forest industry to the state. Marketing efforts promote a variety of products, including horticultural material, livestock, fruits and vegetables, value-added products, aquaculture, Tennessee wines, and other products. Grants promote market development initiatives and non-profit agricultural fairs and livestock shows throughout the state.

Full-Time	35	35	35	0	35
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
Total	37	37	37	0	37
Payroll	1,987,000	2,121,100	2,121,100	0	2,121,100
Operational	16,218,300	15,773,100	9,077,900	10,263,700	19,341,600
Total	\$18,205,300	\$17,894,200	\$11,199,000	\$10,263,700	\$21,462,700
State	17,246,300	17,101,400	10,756,200	10,263,700	21,019,900
Federal	111,000	657,800	307,800	0	307,800
Other	848,000	135,000	135,000	0	135,000

Standard: Increase production improvement opportunities for Tennessee farmers.

Measure: Number of projects approved for agricultural enhancement core programs.

	4,349	4,000	5,200	0	5,200
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Standard: Increase investments in Tennessee's agri-economy.

Measure: Amount of agri-industry investments facilitated by division's activities.

	\$56,956,000	\$25,500,000	\$26,000,000	0	\$26,000,000
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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>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
Full-Time	220	218	214	0	214
Part-Time	1	1	1	0	1
Seasonal	3	3	3	0	3
Total	224	222	218	0	218
Payroll	12,106,900	12,885,000	12,747,300	0	12,747,300
Operational	5,688,900	7,125,100	6,947,600	0	6,947,600
Total	\$17,795,800	\$20,010,100	\$19,694,900	\$0	\$19,694,900
State	11,277,600	13,144,400	12,861,800	0	12,861,800
Federal	1,516,900	1,509,600	1,509,600	0	1,509,600
Other	5,001,300	5,356,100	5,323,500	0	5,323,500

Standard: Complete pesticide complaint investigations on target.

Measure: Percent of pesticide-related consumer complaint investigations completed within the established guideline of 90 days.

61%	90%	85%	0	85%
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Standard: Maintain the number of retail food stores passing sanitation 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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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	2,908,000	2,474,400	2,474,400	0	2,474,400
Total	\$2,908,000	\$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	553,600	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.

87%	100%	100%	0	100%
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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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	318	318	317	0	317
Part-Time	2	2	2	0	2
Seasonal	211	211	211	0	211
Total	531	531	530	0	530
Payroll	16,887,100	17,944,300	17,887,900	0	17,887,900
Operational	7,797,900	16,860,100	11,840,100	0	11,840,100
Total	\$24,685,000	\$34,804,400	\$29,728,000	\$0	\$29,728,000
State	19,153,000	23,722,100	23,090,700	0	23,090,700
Federal	2,373,000	7,946,600	3,786,600	0	3,786,600
Other	3,159,000	3,135,700	2,850,700	0	2,850,700

Standard: Reduce annual losses of forest resources and other assets due to wildfires.

Measure: Average size of fires, in acres.

	14.3	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.

	495	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	138,000	158,500	157,200	0	157,200
Total	\$138,000	\$158,500	\$157,200	\$0	\$157,200
State	138,000	158,500	157,200	0	157,200
Federal	0	0	0	0	0
Other	0	0	0	0	0

<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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Standard: Utilize available funds for needed maintenance.

Measure: Percent of available funding used for facilities and communications maintenance.

79.3%	100%	95%	0	95%
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325.00 Total Agriculture

Full-Time	645	643	637	0	637
Part-Time	5	5	5	0	5
Seasonal	215	215	215	0	215
Total	865	863	857	0	857
Payroll	35,828,700	38,068,300	37,802,100	0	37,802,100
Operational	41,163,800	56,464,500	39,682,800	10,263,700	49,946,500
Total	\$76,992,500	\$94,532,800	\$77,484,900	\$10,263,700	\$87,748,600
State	57,029,200	68,956,700	58,440,400	10,263,700	68,704,100
Federal	9,631,600	16,262,200	10,282,000	0	10,282,000
Other	10,331,700	9,313,900	8,762,500	0	8,762,500

Department of Tourist Development

Performance-Based Budget

The Department of Tourist Development is responsible for planning and implementing marketing and service programs that increase the economic impact of tourism. These programs are designed to enhance Tennessee's image as a primary tourist destination in order to increase the number of travelers and tourists coming to Tennessee. The department assists smaller communities in developing new tourism programs to positively impact local economic development. In addition, the department provides visitors to Tennessee's welcome centers with a safe, positive impression of Tennessee. The department is organized into two divisions: Administration and Marketing and Welcome Centers.

<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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	1,950,500	2,087,400	2,087,400	0	2,087,400
Operational	8,387,800	10,034,600	6,377,100	3,500,000	9,877,100
Total	\$10,338,300	\$12,122,000	\$8,464,500	\$3,500,000	\$11,964,500
State	9,794,700	11,074,800	7,417,300	3,500,000	10,917,300
Federal	0	0	0	0	0
Other	543,600	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 of tourism on Tennessee's economy.

\$6,958,639,000	\$7,163,141,000	\$6,710,215,000	\$519,365,000	\$7,229,580,000
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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 14 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	4,661,400	5,239,700	5,239,700	0	5,239,700
Operational	2,492,800	2,711,600	2,711,600	0	2,711,600
Total	\$7,154,200	\$7,951,300	\$7,951,300	\$0	\$7,951,300
State	1,393,500	1,500,000	1,500,000	0	1,500,000
Federal	0	0	0	0	0
Other	5,760,700	6,451,300	6,451,300	0	6,451,300

Standard: Encourage travelers to extend their stay in Tennessee by providing free reservation service and increase the annual number of reservations.

Measure: Number of reservations.

	9,087	15,600	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	6,611,900	7,327,100	7,327,100	0	7,327,100
Operational	10,880,600	12,746,200	9,088,700	3,500,000	12,588,700
Total	\$17,492,500	\$20,073,300	\$16,415,800	\$3,500,000	\$19,915,800
State	11,188,200	12,574,800	8,917,300	3,500,000	12,417,300
Federal	0	0	0	0	0
Other	6,304,300	7,498,500	7,498,500	0	7,498,500

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 Tennessee in an effort to improve the economic growth within the state. The philosophy of the Department of Economic and Community Development is to invest in Tennessee's greatest resources – the state's communities and people – through assistance in community-based infrastructure and training investments. The department's top priorities are to prepare local communities for economic development opportunities, train Tennessee's workers, recruit new industries, and assist existing firms. The department's programs are presented in five groupings: administrative services, business development and services, job training, job skills, and energy assistance.

The Tennessee Film, Entertainment, and Music Commission is administratively attached to the department. The commission attracts television, commercial, movie, and video projects to Tennessee and promotes the use of Tennessee locations and artists in those productions.

<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</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	61	56	0	56
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	60	61	56	0	56
Payroll	4,109,300	4,513,000	4,208,500	0	4,208,500
Operational	1,786,400	1,966,700	1,672,700	0	1,672,700
Total	\$5,895,700	\$6,479,700	\$5,881,200	\$0	\$5,881,200
State	5,273,000	5,746,400	5,147,900	0	5,147,900
Federal	189,000	135,500	135,500	0	135,500
Other	433,700	597,800	597,800	0	597,800

Standard: Process contracts within 30 days of initiation to the time the contract is submitted to Finance and Administration Office of Contract Review.

Measure: Percent of contracts processed within 30 days.

Not Applicable	50%	60%	0	60%
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<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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	34	34	0	34
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	37	34	34	0	34
Payroll	2,471,700	2,510,900	2,510,900	0	2,510,900
Operational	12,153,500	29,425,900	1,714,900	0	1,714,900
Total	\$14,625,200	\$31,936,800	\$4,225,800	\$0	\$4,225,800
State	10,854,100	31,916,800	4,205,800	0	4,205,800
Federal	0	0	0	0	0
Other	3,771,100	20,000	20,000	0	20,000

Standard: Attract and recruit new jobs by assisting existing business and industry and through the recruitment of new business and industry to the state.

Measure: Number of jobs created as a result of recruitment and expansion projects.

12,585	13,000	13,250	0	13,250
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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.

\$3,717,061,627	\$1,800,000,000	\$1,900,000,000	0	\$1,900,000,000
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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. The Business Enterprise Resource Office (BERO), within Business Development, also provides these businesses access to capital through the management of a micro-loan program.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
Payroll	0	0	0	0	0
Operational	343,200	482,900	382,900	0	382,900
Total	\$343,200	\$482,900	\$382,900	\$0	\$382,900
State	212,900	257,900	257,900	0	257,900
Federal	51,500	225,000	125,000	0	125,000
Other	78,800	0	0	0	0

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.

7	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	5,639,600	5,285,200	5,285,200	0	5,285,200
Total	\$5,639,600	\$5,285,200	\$5,285,200	\$0	\$5,285,200
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	5,639,600	5,285,200	5,285,200	0	5,285,200

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.

1,461	600	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>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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. 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	24	22	21	0	21
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	24	22	21	0	21
Payroll	1,455,800	1,380,100	1,324,100	0	1,324,100
Operational	24,901,300	72,981,400	82,234,800	0	82,234,800
Total	\$26,357,100	\$74,361,500	\$83,558,900	\$0	\$83,558,900
State	2,299,700	996,600	918,300	0	918,300
Federal	24,057,400	72,977,200	82,244,900	0	82,244,900
Other	0	387,700	395,700	0	395,700

Standard: The CDBG projects ensure at least 62% of those served will be persons of low- to moderate-income.

Measure: Percent of low- to moderate-income persons served.

70%	62%	70%	0	70%
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Standard: Within the CDBG program, target areas of economic distress.

Measure: Percent of CDBG projects awarded in distressed areas.

40%	40%	42%	0	42%
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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	1,470,400	1,500,100	1,500,100	0	1,500,100
Total	\$1,470,400	\$1,500,100	\$1,500,100	\$0	\$1,500,100

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
State	1,470,400	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	19,325,900	100,106,000	10,497,900	16,644,500	27,142,400
Total	\$19,325,900	\$100,106,000	\$10,497,900	\$16,644,500	\$27,142,400
State	18,918,600	99,765,500	10,157,400	16,644,500	26,801,900
Federal	0	0	0	0	0
Other	407,300	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.

	5,854	14,000	11,700	4,150	15,850
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Standard: Promote new investment in the state through the provision of infrastructure development and training assistance.

Measure: Private capital investment leveraged as a result of infrastructure development and training assistance.

	\$2,613,220,845	\$1,220,000,000	\$1,155,000,000	\$1,100,000,000	\$2,255,000,000
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330.17 Film and Television Incentive Fund

The Film and Television Incentive Fund, established by a 2006 law, provides incentive grants that encourage the production of films, movies, television pilots, or shows in Tennessee. To be eligible, such productions must meet criteria established by the Tennessee Film, Entertainment, and Music Commission.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
Payroll	0	0	0	0	0
Operational	3,840,600	15,748,600	48,600	2,500,000	2,548,600
Total	\$3,840,600	\$15,748,600	\$48,600	\$2,500,000	\$2,548,600
State	0	0	0	2,500,000	2,500,000
Federal	0	0	0	0	0
Other	3,840,600	15,748,600	48,600	0	48,600

Standard: In order to be eligible to receive the incentive, productions must be state certified and be in total compliance with the incentive criteria.

Measure: Number of films, movies, television pilots or shows produced.

17	0	15	5	20
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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	82	81	0	81
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	85	82	81	0	81
Payroll	4,594,200	5,041,300	4,974,300	0	4,974,300
Operational	2,617,400	5,497,100	2,211,600	0	2,211,600
Total	\$7,211,600	\$10,538,400	\$7,185,900	\$0	\$7,185,900
State	5,220,300	5,336,200	5,199,000	0	5,199,000
Federal	201,800	224,100	284,100	0	284,100
Other	1,789,500	4,978,100	1,702,800	0	1,702,800

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.

9	15	17	0	17
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Standard: Through the provision of the Main Street Program and related principles, assist cities in development of a plan to revitalize downtown districts.

Measure: Number of certified Main Street communities and those pursuing Main Street principles.

24	40	40	0	40
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Actual
2009-2010

Estimated
2010-2011

Base
2011-2012

Improvement
2011-2012

Recommended
2011-2012

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	9	11	11	0	11
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	9	11	11	0	11
Payroll	513,600	1,012,200	1,012,200	0	1,012,200
Operational	4,403,200	113,069,100	3,188,100	0	3,188,100
Total	\$4,916,800	\$114,081,300	\$4,200,300	\$0	\$4,200,300
State	278,000	34,800	34,800	0	34,800
Federal	4,638,300	114,046,500	4,165,500	0	4,165,500
Other	500	0	0	0	0

Standard: Promote energy cost and dollar savings.

Measure: Projected energy costs savings to homeowners, businesses, and local governments as a result of energy programs.

Not Applicable	\$2,400,000	\$2,400,000	0	\$2,400,000
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Standard: Increase the amount of renewable energy produced in Tennessee.

Measure: Installed nameplate capacity of distributed renewable energy systems as a result of ECD programs (in kilowatts).

436 kW	9,200 kW	4,000 kW	1,300kW	5,300kW
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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 receive low interest loans 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	181,700	100,000	100,000	0	100,000
Total	\$181,700	\$100,000	\$100,000	\$0	\$100,000
State	0	0	0	0	0
Federal	500	100,000	100,000	0	100,000
Other	181,200	0	0	0	0

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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330.11 Local Government Energy Loan Program

The Local Government Energy Loan Program provides loans to local government facilities for energy efficiency retrofits. This program also provides free energy savings assessments to identify needed energy efficiency measures.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	0	100,000	100,000	0	100,000
Total	\$0	\$100,000	\$100,000	\$0	\$100,000
State	0	0	0	0	0
Federal	0	100,000	100,000	0	100,000
Other	0	0	0	0	0

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.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	0	5,000,000	5,000,000	0	5,000,000
Total	\$0	\$5,000,000	\$5,000,000	\$0	\$5,000,000
State	0	0	0	0	0
Federal	0	5,000,000	5,000,000	0	5,000,000
Other	0	0	0	0	0

Standard: Promote energy cost and dollar savings in for-profit businesses, non-profit organizations, private institutions of higher education, and units of local governments in Tennessee.

Measure: Projected energy costs 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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	<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</u>
330.00 Total Economic and Community Development					
Full-Time	215	210	203	0	203
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	215	210	203	0	203
Payroll	13,144,600	14,457,500	14,030,000	0	14,030,000
Operational	76,663,200	351,263,000	113,936,800	19,144,500	133,081,300
Total	\$89,807,800	\$365,720,500	\$127,966,800	\$19,144,500	\$147,111,300
State	44,527,000	145,554,300	27,421,200	19,144,500	46,565,700
Federal	29,138,500	192,808,300	92,155,000	0	92,155,000
Other	16,142,300	27,357,900	8,390,600	0	8,390,600

Department of Transportation

Performance-Based Budget

The Department of Transportation (TDOT) plans, designs, constructs, and maintains the state's highway network. The department also is responsible for other modes of transportation, such as aeronautics, public transit, railroads, and waterways. The Department of Transportation consists of four major program areas: Headquarters, Bureau of Administration, Bureau of Environment and Planning, and Bureau of Engineering.

<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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	131	126	0	126
Part-Time	0	0	5	0	5
Seasonal	0	0	0	0	0
Total	159	131	131	0	131
Payroll	8,781,900	7,141,200	8,586,500	0	8,586,500
Operational	6,394,400	10,742,800	9,522,700	0	9,522,700
Reallocated	(2,905,900)	(4,813,000)	(5,301,000)	0	(5,301,000)
Total	\$12,270,400	\$13,071,000	\$12,808,200	\$0	\$12,808,200
State	12,270,400	13,071,000	12,808,200	0	12,808,200
Federal	0	0	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 2% a year.

Measure: Percent of short line track miles with a capacity over 286,000 pounds.

39%	41%	43%	0	43%
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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.

2.0%	2.0%	2.5%	0	2.5%
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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	3,938,800	9,000,000	8,400,000	0	8,400,000
Reallocated	0	0	0	0	0
Total	\$3,938,800	\$9,000,000	\$8,400,000	\$0	\$8,400,000
State	3,938,800	9,000,000	8,400,000	0	8,400,000
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	292	285	285	0	285
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	292	285	285	0	285
Payroll	15,744,200	17,563,300	17,986,600	0	17,986,600
Operational	18,738,000	25,268,000	24,327,200	0	24,327,200
Reallocated	(398,800)	(608,300)	(823,900)	0	(823,900)
Total	\$34,083,400	\$42,223,000	\$41,489,900	\$0	\$41,489,900
State	34,083,400	42,223,000	41,489,900	0	41,489,900
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Increase seat belt usage in Tennessee.

Measure: Percent of usage of seat belts in Tennessee.

87%	84%	85%	0	85%
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Bureau of Environment and Planning

The Bureau of Environment and Planning functions include environmental compliance, environmental planning and permitting, transportation planning, mapping and statistics, functional design, highway beautification, public transit, waterways, and rail and railroad safety.

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</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	279	279	0	279
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	274	279	279	0	279
Payroll	13,821,300	19,705,800	18,484,800	0	18,484,800
Operational	854,000	1,145,200	2,002,700	0	2,002,700
Reallocated	(9,439,600)	(14,010,000)	(14,250,500)	0	(14,250,500)
Total	\$5,235,700	\$6,841,000	\$6,237,000	\$0	\$6,237,000
State	5,235,700	6,841,000	6,237,000	0	6,237,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: To increase the number of publicly accessible biofuels (B20 and /or E85) refueling pumps in Tennessee through funding, education, and marketing efforts of the state refueling infrastructure development program.

Measure: Number of publicly accessible biofuels (B20 and/or E85) refueling pumps in Tennessee's Biofuel Green Island Corridor System.

	65	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 and its citizens.

Measure: Percent of funded research projects that align with the agency strategic emphasis areas.

	100%	90%	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	76,789,400	143,094,000	143,401,000	0	143,401,000
Reallocated	400	0	0	0	0
Total	\$76,789,800	\$143,094,000	\$143,401,000	\$0	\$143,401,000
State	42,250,300	44,624,000	44,931,000	0	44,931,000
Federal	33,395,500	98,470,000	98,470,000	0	98,470,000
Other	1,144,000	0	0	0	0

	<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</u>
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440.00 Planning and Research

The Planning and Research Division provides funds for studies, surveys, and 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	13,561,500	13,200,000	12,256,000	0	12,256,000
Reallocated	6,028,200	6,300,000	7,990,000	0	7,990,000
Total	\$19,589,700	\$19,500,000	\$20,246,000	\$0	\$20,246,000
State	8,028,300	5,500,000	5,746,000	0	5,746,000
Federal	11,516,800	14,000,000	14,500,000	0	14,500,000
Other	44,600	0	0	0	0

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 is funded primarily 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	75,839,100	125,849,100	68,900,000	0	68,900,000
Reallocated	1,167,700	1,350,900	1,100,000	0	1,100,000
Total	\$77,006,800	\$127,200,000	\$70,000,000	\$0	\$70,000,000
State	63,560,700	55,000,000	52,000,000	0	52,000,000
Federal	10,242,600	68,700,000	14,500,000	0	14,500,000
Other	3,203,500	3,500,000	3,500,000	0	3,500,000

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.

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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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	488	488	0	488
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	542	488	488	0	488
Payroll	31,729,400	31,098,600	33,967,600	0	33,967,600
Operational	1,696,600	500,200	1,743,000	0	1,743,000
Reallocated	(15,780,500)	(14,600,800)	(19,053,600)	0	(19,053,600)
Total	\$17,645,500	\$16,998,000	\$16,657,000	\$0	\$16,657,000
State	17,645,500	16,998,000	16,657,000	0	16,657,000
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%	95%	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.

5%	2%	2%	0	2%
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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	910	910	0	910
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	954	910	910	0	910
Payroll	47,333,600	53,523,400	53,788,800	0	53,788,800
Operational	5,604,700	6,610,400	9,174,200	0	9,174,200
Reallocated	(13,524,400)	(16,914,800)	(22,548,100)	0	(22,548,100)
Total	\$39,413,900	\$43,219,000	\$40,414,900	\$0	\$40,414,900
State	39,413,900	43,219,000	40,414,900	0	40,414,900
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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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 International Roughness Index (IRI) pavement rating of good or very good.

95%	94%	95%	0	95%
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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.

95%	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	722	722	0	722
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	797	722	722	0	722
Payroll	32,268,800	42,651,600	41,894,500	0	41,894,500
Operational	190,000	1,200,000	1,100,000	0	1,100,000
Reallocated	(32,458,800)	(43,851,600)	(42,994,500)	0	(42,994,500)
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: The percent of contracts completed by original contract completion date will be 78%.

Measure: Percent of contracts completed by original contract completion date.

77%	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.

90%	92%	92%	0	92%
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	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
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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	1,583	1,583	0	1,583
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,578	1,583	1,583	0	1,583
Payroll	65,334,900	65,050,700	66,649,700	0	66,649,700
Operational	2,313,200	2,200,000	1,800,000	0	1,800,000
Reallocated	(67,648,100)	(67,250,700)	(68,449,700)	0	(68,449,700)
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 (MRI) 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.

89.4	90.0	90.0	0	90.0
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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, 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	269	269	0	269
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	271	269	269	0	269
Payroll	11,276,000	12,664,900	13,593,100	0	13,593,100
Operational	38,359,400	40,013,300	42,769,100	0	42,769,100
Reallocated	(30,534,400)	(24,025,200)	(26,637,200)	0	(26,637,200)
Total	\$19,101,000	\$28,653,000	\$29,725,000	\$0	\$29,725,000
State	16,008,800	28,653,000	29,725,000	0	29,725,000
Federal	0	0	0	0	0
Other	3,092,200	0	0	0	0

Standard: Seventy-five percent of total mechanic available work hours will be charged to work orders.

Measure: Percent of total mechanic available work hours charged to garage work orders for the maintenance, service, or repair of vehicles in the state system.

71%	73%	75%	0	75%
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	<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</u>
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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	148,031,900	210,956,400	190,298,000	0	190,298,000
Reallocated	91,152,500	80,562,600	109,000,000	0	109,000,000
Total	\$239,184,400	\$291,519,000	\$299,298,000	\$0	\$299,298,000
State	235,422,700	290,419,000	298,198,000	0	298,198,000
Federal	5,600	0	0	0	0
Other	3,756,100	1,100,000	1,100,000	0	1,100,000

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	3,311,500	8,534,800	8,534,800	0	8,534,800
Reallocated	488,700	565,200	565,200	0	565,200
Total	\$3,800,200	\$9,100,000	\$9,100,000	\$0	\$9,100,000
State	3,663,800	9,000,000	9,000,000	0	9,000,000
Federal	0	0	0	0	0
Other	136,400	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	25,144,300	39,739,600	39,739,600	0	39,739,600
Reallocated	225,500	296,400	296,400	0	296,400
Total	\$25,369,800	\$40,036,000	\$40,036,000	\$0	\$40,036,000
State	25,369,800	30,622,000	30,622,000	0	30,622,000
Federal	0	0	0	0	0
Other	0	9,414,000	9,414,000	0	9,414,000

	<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</u>
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470.00 State Industrial Access

The State Industrial Access program constructs and maintains industrial highways and industrial access roads under contract agreements with local governments. In addition, the program facilitates the development and expansion of industry and provides access to industrial areas.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	18,427,700	19,075,800	17,080,000	0	17,080,000
Reallocated	1,345,900	1,304,200	1,300,000	0	1,300,000
Total	\$19,773,600	\$20,380,000	\$18,380,000	\$0	\$18,380,000
State	19,682,300	20,180,000	18,180,000	0	18,180,000
Federal	0	0	0	0	0
Other	91,300	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	91,915,100	142,553,600	172,076,100	0	172,076,100
Reallocated	4,367,100	6,766,400	6,823,900	0	6,823,900
Total	\$96,282,200	\$149,320,000	\$178,900,000	\$0	\$178,900,000
State	15,876,300	14,800,000	14,800,000	0	14,800,000
Federal	77,216,800	133,020,000	162,600,000	0	162,600,000
Other	3,189,100	1,500,000	1,500,000	0	1,500,000

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	149,600	727,600	727,600	0	727,600
Reallocated	93,600	172,400	172,400	0	172,400
Total	\$243,200	\$900,000	\$900,000	\$0	\$900,000
State	55,100	200,000	200,000	0	200,000
Federal	188,100	700,000	700,000	0	700,000
Other	0	0	0	0	0

	<u>Actual</u> <u>2009-2010</u>	<u>Estimated</u> <u>2010-2011</u>	<u>Base</u> <u>2011-2012</u>	<u>Improvement</u> <u>2011-2012</u>	<u>Recommended</u> <u>2011-2012</u>
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478.00 Local Interstate Connectors

The Local Interstate Connectors program provides funds for construction of connector routes to the interstate system from existing arterial routes, with a 50 percent match required from county and city sources.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	4,586,300	5,805,300	5,805,300	0	5,805,300
Reallocated	106,600	194,700	194,700	0	194,700
Total	\$4,692,900	\$6,000,000	\$6,000,000	\$0	\$6,000,000
State	2,580,700	3,000,000	3,000,000	0	3,000,000
Federal	0	0	0	0	0
Other	2,112,200	3,000,000	3,000,000	0	3,000,000

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	977,700,400	619,976,700	656,465,000	0	656,465,000
Reallocated	52,705,700	67,495,300	51,500,000	0	51,500,000
Total	\$1,030,406,100	\$687,472,000	\$707,965,000	\$0	\$707,965,000
State	287,506,400	138,154,000	142,654,000	0	142,654,000
Federal	727,368,800	534,368,000	549,361,000	0	549,361,000
Other	15,530,900	14,950,000	15,950,000	0	15,950,000

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

	<u>Actual 2009-2010</u>	<u>Estimated 2010-2011</u>	<u>Base 2011-2012</u>	<u>Improvement 2011-2012</u>	<u>Recommended 2011-2012</u>
Payroll	0	0	0	0	0
Operational	7,978,100	3,196,000	5,937,000	0	5,937,000
Reallocated	150,300	400,000	400,000	0	400,000
Total	\$8,128,400	\$3,596,000	\$6,337,000	\$0	\$6,337,000
State	8,128,400	3,596,000	6,337,000	0	6,337,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

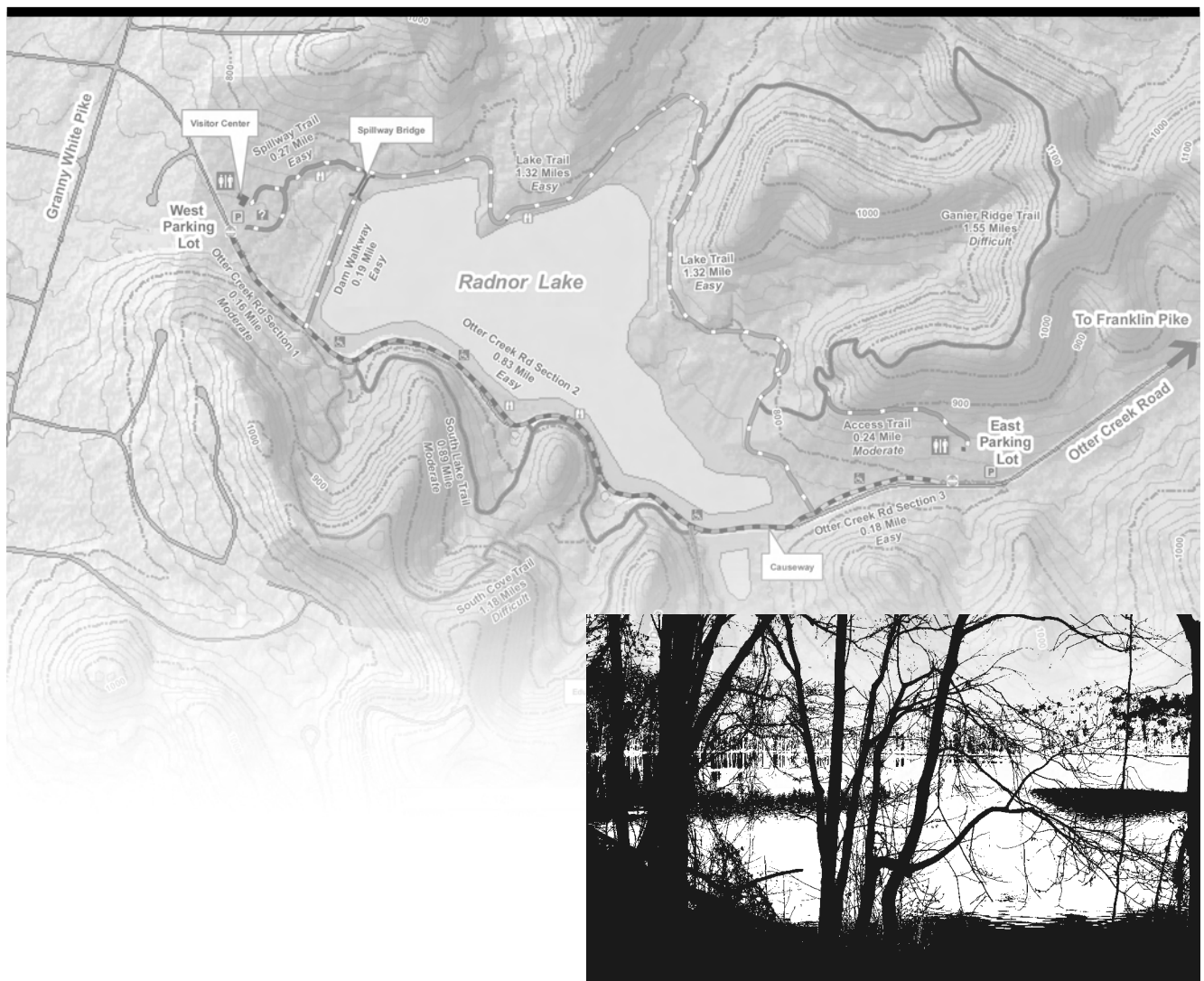
488.00 Bridge Replacements

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
Payroll	0	0	0	0	0
Operational	67,881,900	125,693,700	139,584,100	0	139,584,100
Reallocated	14,858,300	20,666,300	20,715,900	0	20,715,900
Total	\$82,740,200	\$146,360,000	\$160,300,000	\$0	\$160,300,000
State	30,352,300	92,900,000	92,900,000	0	92,900,000
Federal	51,962,300	50,460,000	63,900,000	0	63,900,000
Other	425,600	3,000,000	3,500,000	0	3,500,000

400.00 Total Transportation

Full-Time	4,867	4,667	4,662	0	4,662
Part-Time	0	0	5	0	5
Seasonal	0	0	0	0	0
Total	4,867	4,667	4,667	0	4,667
Payroll	226,290,100	249,399,500	254,951,600	0	254,951,600
Operational	1,589,405,900	1,555,082,500	1,561,643,400	0	1,561,643,400
Reallocated	0	0	0	0	0
Total	\$1,815,696,000	\$1,804,482,000	\$1,816,595,000	\$0	\$1,816,595,000
State	871,073,600	868,000,000	874,300,000	0	874,300,000
Federal	911,896,500	899,718,000	904,031,000	0	904,031,000
Other	32,725,900	36,764,000	38,264,000	0	38,264,000



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 Accountability Act requires the phase-in of strategic planning and performance-based budgeting by 2011-2012. Three executive branch agencies, Higher Education, TennCare and Cover Tennessee will conclude the phase-in to performance-based budgeting with this Budget Document.

The Budget Process

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 and three executive branch agencies will conclude the phase-in to performance-based budgeting with this Budget Document.

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
Warehousing and Distribution.

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

Tennessee Housing Development Agency
Grain Indemnity Fund
Client Protection Fund.

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

The programs in the Education Trust Fund are: (1) Department of Education (K-12), including general-source programs and the dedicated-source After-School Programs Special Account, funded by 100% of unclaimed lottery prizes; (2) Higher Education, including state appropriations for the University of Tennessee, the State University and Community College System (Board of Regents), 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 goods or services provided to other departments or agencies of the state or other governments, on a cost reimbursement basis. These funds are reported in a single column.

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

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

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

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

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

Private-Purpose Trust Funds – used to report trust arrangements under which the principal and income benefit individuals,

private organizations, or other governments; and,

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

Fiduciary fund types are used to account for resources 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 \$2.54 billion in new recurring funds will have been invested in the BEP as of 2011-2012.

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 \$38,100. 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 2009-2010, average expenditures per student grew from \$3,732 to \$8,773, an increase of 135.08 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 initial changes made infused \$290.1 million new recurring dollars into K-12 education. There have been no further infusions of BEP 2.0 since fiscal year 2007-2008. 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 two systems of higher education: the University of Tennessee institutions governed by the University of Tennessee Board of Trustees, and the state universities, community colleges, and technology centers governed by the Tennessee Board of Regents. There are currently nine public universities, 13 community colleges, and 27 technology centers in Tennessee that served over 256,000 students collectively in fall 2010. During the academic year 2009-2010, public institutions awarded 36,000 undergraduate degrees and certificates as well as 7,500 graduate and professional degrees.

The Higher Education Public Agenda

In January 2010, Tennessee passed the Complete College Tennessee Act (CCTA), a comprehensive reform agenda that seeks to transform public higher education through changes in academic, fiscal, and administrative policies at the state and institutional level. At the center of these reforms is the need for more Tennesseans to be better educated and trained, while also acknowledging the state's diminished fiscal capacity to support higher education.

Amongst other charges, the CCTA directed the Tennessee Higher Education Commission to develop a master plan that directs higher education to be accountable for increasing the educational attainment level of Tennesseans. As instructed by TCA 49-7-202(c)(1) this plan must: address the state's economic development, workforce development and research needs; ensure increased degree production within the state's capacity to support higher education; and use institutional mission differentiation to realize statewide efficiencies through institutional collaboration and minimized redundancy in degree offerings, instructional locations and competitive research. A conscious attempt is made to substitute the language of "Public Agenda" for "Master Plan" in order to reflect the shared, collaborative process which is required to develop this public policy agenda. As a result, the 2010-2015 Higher Education Public Agenda targets full implementation of the letter and spirit of the CCTA.

The overarching goal of the Public Agenda is to have Tennessee meet the projected national average in educational attainment by 2025. The primary state policy levers for addressing the state's educational needs include promoting: productivity and efficiency through an outcomes-based funding formula; quality assurance through revised performance funding standards; economic and workforce development through responses to a study of labor market supply and demand; efficiency and effectiveness through purposeful reporting; efficiencies through mission and sector differentiation; efficiencies through inter-institutional collaboration and reduced duplication; and efficiencies through incentives for extramural support.

It is recognized that this mandate to increase educational attainment within currently available or declining resources and with no decrease in instructional quality comes during an era of significant state government divestment in higher education in Tennessee. In 2000, Tennessee public

universities received approximately 60 percent of total operating revenues from state appropriations. By 2009, that portion had fallen to 45 percent as public universities were more reliant on student tuition revenue than taxpayer appropriations. Similarly, community colleges in 2000 received approximately 70 percent of their operating revenue from state appropriations, a number that had fallen to just over 50 percent by 2009. In 2010, approximately 65 percent of unrestricted educational and general expenditures were allocated to core functional areas: instruction, research, public service and academic support. The remaining 35 percent of expenditures were allocated to student services, scholarships, and institutional operations.

Higher Education Lottery Scholarship

The Tennessee Education Lottery Scholarship (TELS) program was designed to meet the unique needs of the State of Tennessee by incorporating the hallmark elements of existing merit-based aid programs in other states. The TELS program aims to address the following broad public policy objectives: improve academic achievement in high school through scholarship incentive; provide financial assistance as a means of promoting access to higher education; retain the state's "best and brightest" students in Tennessee colleges and universities; and enhance and

promote economic and community development through workforce training.

The TELS program has grown steadily since its inception in 2004-2005, reaching maturity with five classes of students in 2007-2008. The program grew from expending \$93.4 million in its initial year to \$292 million in 2009-2010. Over 68,000 students received HOPE, ASPIRE, General Assembly Merit Scholarship, or non-traditional grant awards in the 2009-2010 academic year. These five programs accounted for more than 90 percent of the entire expenditure for TELS programs. Currently, a shortfall exists between the scholarship program expenditures and revenues. It is estimated that the program will expend \$309 million in 2010-2011; the long-range projection for 2014-2015 is \$317 million. The Lottery Scholarship Stabilization Task Force has appointed a higher education working group to provide the task force with possible ways to align program costs with projected revenues and to align scholarship policy with the college completion agenda.

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 one 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 2009 study by the Research Department of the Travel Industry Association of America, domestic and international travelers to Tennessee annually spend more than \$13.2 billion. As a result of spending by travelers, tourism provides jobs for over 175,100 Tennesseans, and tax revenues for state and local governments totaling over \$1.0 billion. More than 76.3 million people visited Tennessee in 2009, maintaining Tennessee's position in the top ten states for day-stays and overnight 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 such as the Tennessee Civil War Sesquicentennial and the Sustainable Tourism Initiative; 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 14 welcome centers, which provide literature, information, and reservations to the millions of travelers who visit Tennessee.

Children

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

the state or at risk of entering custody, as well as their families. In January 2010, the department received notification of its

accreditation from the Council on Accreditation. DCS is now one of only seven accredited state public child welfare agencies in the nation.

The services provided by the department 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 — This office 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:

The Multiple Response System (MRS) is a service delivery model with early family and community engagement at its core. By leveraging community strengths and supports to effectively serve children and families earlier, MRS provides the potential for pre-empting abuse by intervening before family and caretaker issues escalate to a more serious level. Where abuse or neglect has occurred, MRS bolsters the department's ability to work with families in minimally intrusive ways that strengthens family functioning, increases supportive resources, and reduces the likelihood of out-of-home placement, without sacrificing child safety. MRS has three tracks: Investigations, Assessments, and Resource Linkage.

Investigations addressing allegations of severe abuse and neglect are concluded within 60 days, unless there are extenuating circumstances where an exception has been granted because families with reduced risks have other service options.

Assessments covers allegations of harm not covered by statutory requirements for investigations that are typically lower risk allegations. When the family assessment identifies a need affecting the safety, stability, or well-being of the children, the family is offered assistance. Because of the complexity of this approach, CPS assessment workers are given up to 120 days to work and close a case.

Resource Linkage provides the opportunity for staff to work with community stakeholders to develop and connect available resources with children and families to improve and enhance the quality

of their lives. Every region has a Community Advisory Board developed to assist the agency and community in addressing the needs of the children and the families within their community. This is the least invasive option in MRS and is typically reserved for families without significant safety concerns or need for ongoing in-home department supervision. It also allows families to access support on a voluntary basis and directly articulate their needs.

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

The Family Crisis Intervention Program (FCIP) serves 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) giving youth 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.

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.

The Relative Caregiver Program supports children who are in the care of relatives outside the formal child welfare system when appropriate and supports efforts to prevent entry and re-entry into foster care. Services include support groups, short term case management, respite/enrichment services, information and referral, educational workshops, children/teen groups, emergency one-time financial or start-up assistance, material assistance, whole family enrichment and community service learning opportunities for youth and teens.

Child Advocacy Centers (CACs) provide mental health services, forensic interviews, forensic medical exams on and off site, and multi-disciplinary team case reviews for child abuse victims and their family members. CACs provide victim advocacy services, plan public awareness events focused on child sex abuse, educate the public through prevention programs and partner with over 800 organizations to provide prevention programs in their communities.

Child Abuse Prevention 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 — The mission of the Office of Child Permanency is 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 Office of Child Permanency has five primary divisions: Centralized Permanency Services, Child Placement and Private Providers, Community Partnerships and Support Services, Foster Care and Adoptions, and Permanency Planning.

Centralized Permanency Services is responsible for assuring high quality performance through individual case management in program areas that have statewide impact on permanency for children and families served by the department and community partners, as well as impact on persons who have secured adoptions in Tennessee. These programs include the Interstate Compact on the Placement of Children, the Adoption

Registry, the Putative Father Registry, and the Post-Adoption Services.

Child Placement and Private Providers oversees the provision of technical assistance and support to the regions in developing a collaborative system of care between private contract agencies and the department. This division is a conduit through which residential services are coordinated and supported in a manner that improves outcomes for children in the care of DCS. The division also manages contracts with public and private agencies to provide out-of-home care and services to families with children in DCS custody.

Community Partnerships and Support Services is responsible for developing partnerships and collaborations with consumers, stakeholders, and private providers in an effort to deliver high quality services. The division is tasked to develop and implement a standardized approach for building and maintaining Faith-Based Roundtables as a result of the Permanency Convenings. This division continues to align with the Office of Child Safety in an effort to provide leadership and training to regional Community Advisory Boards.

Foster Care and Adoptions develops policy and oversees services aimed at providing training and ongoing support for resource parents (relatives or non-relatives), custodial caregivers, and regional staff to assist them in meeting the unique needs of children and youth in state custody. Permanency and support for children and caretakers is its primary focus. 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. This division will soon expand its human resources to take on the eligibility and certification for all

adoption assistance and Subsidized Permanent Guardianship subsidies.

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's mission is to model, coach, and employ collaborative 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 as well as a high quality permanency planning process. The CFTM is to be the primary tool for making all placement-related and planning decisions for and with children and their families. This division is also responsible for supporting timely permanence for children in the custody of the state and those at risk of state custody.

Office of Child Well-Being — This office has three divisions: Education, Interdependent Living, and Medical and Behavioral Health. Well-being provides support and specific focus for addressing the educational, health, and interdependent living needs for children at risk of custody, in custody, and receiving post custody services. The department has successfully integrated its Well-Being teams into the core functions of the agency. This successful organizational approach of supporting permanency goals by addressing the well-being needs for children is unique, and sited as one of the best initiatives in child welfare by the accrediting organization Council on Accreditation.

Education oversees education services for students in state custody who reside in Youth Development Centers (YDCs) or DCS group homes, and is recognized by the

Tennessee Department of Education as a Local Education Agency (LEA) for the schools in these facilities. In addition, Education, primarily through its regional education specialists, provides technical assistance to contract facilities with on-site schools. The division staff also advocates for students in state custody who attend public school.

Interdependent Living builds 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. Additionally, Interdependent Living is responsible for developing statewide programs in concert with the provisions of the Chafee Foster Care Independent Living Program and the Education and Training Voucher Program. These programs allow the state to increase its capacity to engage the community and provide culturally sensitive and developmentally age appropriate services.

Medical and Behavioral Health, created in 2002, is responsible for reviewing and overseeing practice and policy change concerning protection from harm issues. This includes the use of psychotropic medication, as well as the use of seclusion and restraint methods for children in care. The divisions' primary mission is to ensure that all children in the care of DCS and their families have appropriate access to all needed services to promote quality of life and achieve permanency. 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. Additionally, this division serves as a liaison

for other state agencies and TennCare Managed Care Organizations.

Juvenile Justice

The Division of Juvenile Justice (DJJ) was created by the Legislature during the 2006 legislative session to coordinate statewide services to adjudicated delinquent youth and their families. The division's programs consist of probation and aftercare services, five YDCs serving youth with more serious delinquent offenses, seven community group homes serving youth with less serious offenses, a residential treatment facility for developmentally challenged youth, and an observation and assessment center. The DJJ, including staff in all 12 DCS regions and its residential facilities, serves approximately 9,000 youth annually. Non-custodial services include probation and aftercare supervision and monitoring, family engagement, and resource linkage.

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.

Intensive Aftercare Program – DJJ contracts with private agencies to provide intensive aftercare supervision programs. The program begins while a youth is incarcerated in a YDC. Services continue to support the youth upon their return home. Agency staff members act as liaisons with educational programs and employment programs, and facilitate the delivery of other services including mental health services. The primary goal of the intensive aftercare program is to decrease the number of youth re-entering the juvenile justice system.

Youth Development Centers – Each YDC is a hardware secure residential facility that provides treatment for delinquent youth ages 13 through 18. Upon admission each youth receives a comprehensive assessment from which an individualized program plan is developed. Within the context of a behavioral management program, each YDC provides special and regular education, GED preparation, pre-vocational education, medical and dental services, recreational programs, and programs to help youth develop independent living skills. Specialty services include therapy for a broad range of needs, alcohol and drug treatment, and speech therapy.

Community Residential Programs – DJJ operates seven community group homes located throughout the state. The three programs for females can serve up to 32 students and the four programs for males can serve up to 52 students. The community residential programs are designed as minimum security facilities and youth are carefully assessed and evaluated prior to placement. The programs provide a structured environment of education, work experience, counseling, and community service. Each youth has an Individual Program Plan intended to help guide the youth toward total re-integration into their home community and family.

The Special Populations Unit monitors placements at the First Hospital Corporation in Chattanooga. The unit also monitors placements at Taft YDC 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 intellectually disabled juvenile justice population.

DJJ also provides funding for 21 juvenile court based grant programs. These programs address youth that are at high risk of entering the juvenile justice system. Funding is in three major areas: custody prevention, truancy prevention, and the provision of child and family intervention services.

Administration and Training

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

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

Public Health

TennCare

TennCare is the state's Medicaid program that provides health insurance through a

managed care system to low-income children, pregnant women, and people with disabilities.

1994 – The State of Tennessee submits a federal demonstration waiver to launch an innovative health care plan known as TennCare. The initiative is designed to expand Tennessee’s Medicaid program by using managed care principles to deliver health care to a larger number of people for the same amount of money. At the time of its launch in January 1994, TennCare has 12 Managed Care Organizations (MCOs) and more than 800,000 enrollees who are eligible for Medicaid. Within the first 12 months, the program enrolls an additional 400,000 uninsured and uninsurable residents. By the end of the year, however, TennCare is struggling to manage financial commitments, enrollee volume, and information systems. Enrollment to the uninsured closes in December.

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

1999 – TennCare is seriously ill: financially, legally, and administratively. An actuarial study reveals the program is underfunded by as much as \$290 million. Separately, revisions to the Grier Consent Decree effectively prevent the state from placing reasonable limits on the use of prescription drugs. At the same time, the managed care component of TennCare is collapsing. The total number of MCOs falls to nine. One MCO, 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 Access MedPlus, Universal Care is placed under administrative supervision; TennCare later terminates its contract as well.

2003 – From January through May, a new administration works to balance the budget amid an economic recession. 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. The administration is clear that if changes are not sufficient to bring TennCare into balance, it will seek further modification of the decrees. That summer, the state 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, the state 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. The administration 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, the state meets with the attorney for enrollees to ask for his cooperation. He declines, citing an unbridgeable philosophical difference. As a result, in November the state announces that it 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. The threat of ongoing litigation makes reductions unavoidable.

2005 – In January, the state announces an intent to move 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 administration 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 administration'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. 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 – On January 1, 2009, TennCare begins to return a portion of eligible members in East Tennessee to a full risk capitated model and completes the model phase in in September.

In July 2009, TennCare receives approval from CMS to move to a fully integrated program. Full integration means a single managed care entity can provide all the services a TennCare enrollee needs, including medical, behavioral, and long-term care services.

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.

2010 – The Long-Term Care CHOICES program was launched in the Middle Tennessee region on March 1, 2010.

TennCare's recipient satisfaction level remains high for 2010 with 94% satisfied with the program according to a satisfaction survey performed by the Center for Business and Economic Research at the University of Tennessee.

Health Care Safety Net

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

approximately 177,000 adults losing coverage.

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

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

Moving quickly to implement the recommendations of the Safety Net Task Force and requirements of the Safety Net legislation, an inter-departmental team from the departments of Health, Mental Health and Developmental Disabilities, Commerce and Insurance, and Finance and Administration developed and implemented the Safety Net programs. Referral access hotlines, mail order and retail pharmacy assistance programs, and mental health services were in place by the end of July 2005. Within a few months, the pharmacy program had been expanded to include additional pharmaceutical assistance for insulin-dependent diabetics and those with Severe and Persistent Mental Illness (SPMI). Additionally, grants had been disbursed to Federally-Qualified Health Centers (FQHCs) and faith-based clinics to augment primary care resources for the uninsured.

As funds became available, the Safety Net established programs for special needs populations among the disenrolled. In December 2005, the administration 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, 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 were established with recurring funds as a cornerstone for longer-term solutions. However, due to a decline in state revenues, grant funds for the FQHCs and community health clinics and faith-based clinics have been appropriated on a non-recurring basis. Programs for special populations, such as chemotherapy and solid organ transplants, have been discontinued. 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 coverage option for adults and children with chronic conditions or who are seriously ill. Applicants can afford health coverage but have 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 Tennessee children that are ineligible for TennCare Medicaid coverage and cannot afford private insurance.

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

Cover Tennessee health care programs have 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 Use Disorders

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

DMH 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 use disorders and seeks to erase the stigma associated with these illnesses. The department assures that policy and programmatic management is science-based, 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 through established collaborative partnerships with a variety of health, mental health, and substance use disorder 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 use disorders services and providers statewide for those who may need mental health and substance use services along the full continuum from 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 use 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 use 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 use problems so as to reduce or eliminate their impact;
- Providing mental health evaluations for both juvenile and criminal courts;
- Promoting community crisis services as diversion options and/or treatment options for persons diagnosed with mental illnesses and substance use as an alternative to hospitalization at Regional Mental Health Institutes;

- Promoting integration among mental health, substance use, and physical health services in order to increase timely access and appropriate service utilization;
- Expanding recovery opportunities across the state by increasing evidence-based wrap-around options in employment, supportive housing, education, support services, and transportation services for persons diagnosed with mental illness, co-occurring disorders, and substance use disorders;
- Expanding and improving mental health and substance use services in Tennessee by increasing partnerships with community and faith-based organizations as providers of recovery services; and
- Ensuring that mental health and substance use prevention activities are evidence-based and aimed at assisting communities develop 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 2010, the department effectively managed through a variety of challenges, including the continued comprehensive response to the extraordinary 5.4 million cubic yard coal ash spill at TVA's Kingston Fossil plant in Roane County; implementation of the unprecedented federal stimulus package delivered through the American Recovery and Reinvestment Act of 2009; and exceptional response and recovery activities related to the historic May 1-2, 2010 flooding events in West and Middle Tennessee.

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 \$135 million to local governments from the Clean Water State Revolving Fund in fiscal year 2010.

Water Resource Management – 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 2010, TDEC issued five inter-basin transfer permits, reflecting an upgrade for three grandfathered activities to regulated activities and issuance of two new permits. TDEC received annual reports from utilities whose water transfers required permit decisions from the department. Carefully considering the average flows in Tennessee's water bodies, current inter-basin transfers are assisting communities in meeting water demand while redistributing manageable and sustainable amounts of water.

Also related to water resource management, 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.

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.

Tennessee awarded more than \$37 million in funds from the Drinking Water State Revolving Fund in fiscal year 2010 to

improve local drinking water treatment facilities.

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 9 county-administered programs.

GWP also evaluates property subdivision proposals and provides soil-mapping services to the public. GWP permits subsurface sewage disposal system installers, septic tank pumpers, and maintenance providers for advanced treatment systems.

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.

The most recent data for ground-level ozone shows that ozone levels decreased in Tennessee in 2009, but increased in 2010. The likely explanation for this was a combination of weather conducive to the formation of ozone, decreased availability of hydroelectric power production as opposed to coal fired power production, and the recovering economy. The continued progression of air pollution control measures that are being implemented would tend to offset some of the rising trends observed. However, the federal government is expected to promulgate an even more stringent ground level ozone standard and is anticipated to make final announcement of this standard in July 2011. New National Ambient Air Quality Standards for lead, nitrogen dioxide, and sulfur dioxide have recently been promulgated, and the division is assessing Tennessee's status related to these new standards.

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. Additionally, the division responds to citizen concerns and questions about radiation issues.

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 2010, the Division of Solid Waste Management (SWM) continued to regulate more than 800 permitted nonhazardous waste facilities including Class I, II, and III/IV landfills, coal ash fills, county convenience centers, land application operations, transfer facilities, and tire storage facilities, as well as solid waste processors. SWM also conducted more than 2,100 inspections of facilities that generate and manage hazardous waste, universal waste, and used oil. Staff reviewed approximately 2,400 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 more than 600 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 provided a range of solid waste financial and technical assistance to local governments and businesses. Since 2003, nearly \$55 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 35 events and provided 5 milk runs serving 11,784 households. Approximately 832,000 pounds of household hazardous waste were collected preventing their disposal at local landfills. SWM has provided training and consulting services for counties to conduct electronic scrap recycling collection events. Counties reported recycling approximately 1,350 tons of electronic scrap in fiscal year 2010.

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 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: acquiring EPA grant funding for local governments to assess and cleanup brownfields; supporting housing developments in Memphis; completing mixed use development in the Nashville Gulch; expanding parks, “rails to trails,” and greenway reuse in several areas; and

reducing pollution to North Potato Creek and the Ocoee River.

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 2010, TDEC was able to close 28 percent of the active UST remediation cases, representing 138 case closures. The number of active cases was reduced from 505 in fiscal year 2009 to 486 in fiscal year 2010. TDEC inspected 48 percent of the open facilities in the state in fiscal year 2010, representing 2,532 inspections of 5,295 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 850 enforcement orders and assessed more than \$10.1 million in penalties plus \$123,761 in damages for fiscal year 2010. Natural Resource Damages Assessments included a total of \$599,145 for 2010.

In addition, the department is working with the Office of the Attorney General on a joint enforcement initiative focusing on the petroleum 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, including system access improvements, service enhancements, effective conservation practices, and promoting parks professionalism among staff.

In fiscal year 2010, Tennessee State Parks and Natural Areas added more than 3,880 acres of total parklands and hosted more

than 28 million visits. Park staff presented 17,900 interpretive programs to more than 650,000 participants.

Demand for State Parks' inn rooms, cabins, and dining tends to mirror broad economic trends and consumer confidence. In fiscal year 2010, guest volumes and revenues for State Parks' hospitality services demonstrated slight improvement over prior year but still reflected a slow economic recovery. Meanwhile, State Parks' hospitality services continued their aggressive expense control programs in order to improve overall efficiency and reduce waste. These management efforts produced results for State Parks' hospitality facilities that moved the system toward achieving operational self-sufficiency targets.

Two significant capital projects were completed with the opening of eight new villas at Montgomery Bell and seven new cabins at David Crockett State Parks. The environmentally friendly cabins at David Crockett are the first U.S. Green Building Council LEED Silver certified vacation homes in any state park in the nation.

Targeted capital improvements for turf, equipment and facilities on the Tennessee Golf Trail produced increased rounds played and higher revenues, as well as greater operational efficiencies and improved player experiences.

In fiscal year 2010, researchers from the University of Tennessee released *Economic Impacts of Tennessee State Parks* that projected \$725.2 million in annual direct expenditures by state park visitors supported almost 12,000 jobs across Tennessee. Combining direct and indirect expenditures, the impact of Tennessee State Parks to the state's economy was \$1.5 billion in total industry output. Researchers noted State Parks has a significant impact on Tennessee's economy and creates thousands of jobs in many rural areas of the state where jobs are needed most. The direct

benefits visitors gain also have significant economic benefits to Tennessee by reducing physical and mental health costs and increasing overall productivity. Tennessee's economic well-being is also improved by State Parks increasing the state's attractiveness to outside industries, retirees, and people seeking to relocate in areas rich in natural amenities.

Natural Areas and Scenic Rivers – State Natural Areas feature 81 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. For fiscal year 2010, the Trust Fund acted to protect acreages valued at more than \$10.3 million. State contribution to this total valuation was \$1.6 million; \$4.3 million came from federal funds; and \$4.4 came from private sector or donated funds.

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 2010, the department processed 102 grants for the Recreation Trail Program, Local Parks and Recreation Fund, and Land and Water Conservation Fund programs, totaling more than \$15.2 million. In addition, land acquisitions of 3,880 acres through the State Land Acquisition Fund and other fund programs were completed, totaling approximately \$5.8 million.

Other milestone accomplishments include the release of the ten-year state recreation plan, *Tennessee 2020: 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. The division has also developed a parks and recreation benchmarking tool for local governments to compare their performance against peer entities. There are 28 benchmarked communities in Tennessee using this system to value the quality and effectiveness of their recreation services.

Archaeology - The Division of Archaeology added 325 new sites to the total statewide database of more than 24,500 known archaeological sites in 2010. The division also issued 30 permits for archaeological investigations on state lands while reviewing and commenting on 750 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 prevention capabilities.

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

Families First

Families First is Tennessee's Temporary Assistance to Needy Families (TANF) program. The program emphasizes personal

responsibility, work requirements, and time limits on assistance.

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

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

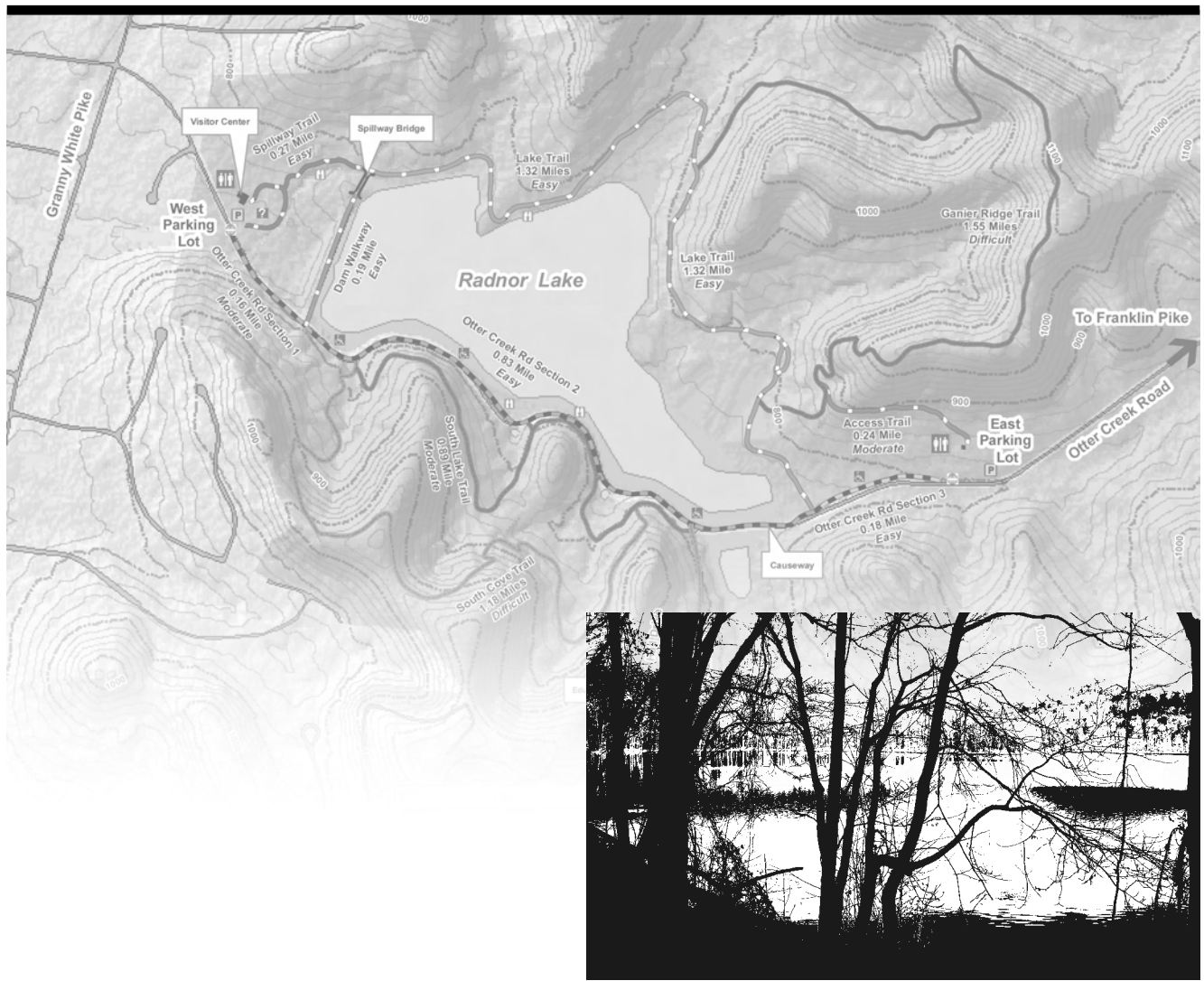
Failure to comply with these program requirements results in the reduction or termination of Families First benefits.

Work Requirements — Families First participants who do not meet exemption criteria are required to participate in work activities totaling 30 hours per week. Failure to comply with this program requirement results in the termination of Families First benefits.

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

Time Limited Benefits — Families First is a time-limited program. Benefits are limited to five years over the course of a lifetime. Families meeting certain criteria such as disability or incapacity of the caretaker, caretaker over the age of 65, etc. may receive additional months of assistance at the end of the five-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.



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 purposes of the judges' salary adjustment, state law requires use of the CPI. A year-to-year comparison of the average CPI (For All Urban Consumers: All Items) is used to index the statutory adjustment.

Current Services Revenue - Program funds generated by a specific activity to support that activity. This includes fees and assessments, gifts, and interest from reserves or endowments (e.g., licenses, permit and certificate fees, and inspection fees).

D

Debt Rating - A measure of a governmental entity's ability to pay debt on bonds, etc.

Debt Service - 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.

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Performance Measure - A quantitative or qualitative indicator that is used to assess performance.

Performance Standard - A desired level of performance of a program, measured by outcome or output.

PLHSO - Prepaid Limited Health Service Organizations arrange limited health care services, such as vision or dental services, for enrollees on a prepaid basis. The TennCare Oversight program in 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 electronically 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.

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's 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 2011-2012

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