

STATE OF TENNESSEE

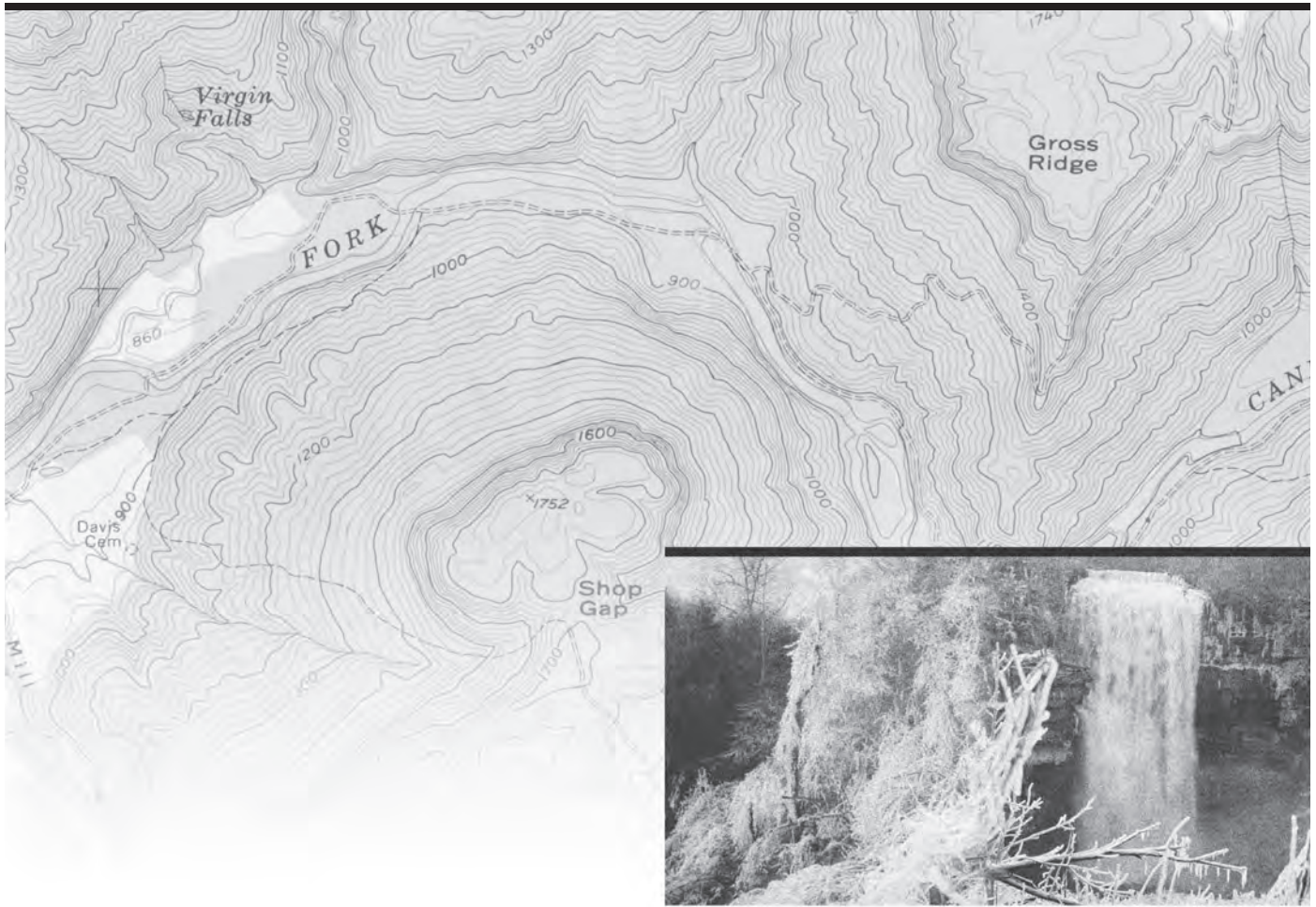


The Budget

FISCAL YEAR 2013-2014



Bill Haslam, Governor



Cover: Virgin Falls, December 26, 1977. Virgin Falls State Natural Area, about 20 miles southeast of Sparta, White County, Tennessee, at the western edge of the Cumberland Plateau. Minimum temperature at Sparta on that date was 9 degrees F, with a high of 26. The mist from the falls had coated nearby trees with ice. Cover design by Tenn. Dept. of General Services, Printing and Media Services Division.

Virgin Falls State Natural Area, state-owned and managed by the Tenn. Dept. of Environment and Conservation and the Tenn. Wildlife Resources Agency (TWRA), is a 1,551 acre natural-scientific area located adjacent to the Caney Fork River and the 10,000-acre Bridgestone/Firestone Centennial Wilderness, which conserves Scott's Gulf and also is managed by TWRA. The waterfall is on a stream which emerges from underground just above the falls, drops 110 feet, and immediately disappears underground. Hiking to Virgin Falls on a loop trail is a rugged five- to eight-hour walk; distance to the falls is four miles, one-way. The trail leading to Virgin Falls includes other waterfalls at Big Laurel, Sheep Cave, and Big Branch; and the Caney Fork overlook provides a dramatic view of Scott's Gulf and the Caney Fork, 900 feet below. The second-growth forest includes hemlock, maples, oaks, tulip poplar, hickories, buckeye, basswood, cherry, yellow birch, sycamore, and other species. Several caves and sinkholes are in the natural area, including the cave into which the Virgin Falls stream disappears. Cave closures are in effect now, in order to minimize the spread of the fungus causing white-nose syndrome, which has been observed in bats occupying the caves and can be carried between caves on clothing, footwear, and caving gear. The fungus, *Geomyces destructans*, is harmful or lethal to hibernating bats, killing 90 percent or more of some species of bats in caves where the fungus has lasted for a year or more, according to the U.S. Fish and Wildlife Service.

Designated as a state natural area in 1973, the Virgin Falls area had been a privately-owned, public-use Bowater Pocket Wilderness Area. The state acquired the land and eventually all timber rights in 2006 and 2012 transactions, using state and federal funds and private gifts raised by the Tennessee Parks and Greenways Foundation.

Section Dividers: Designed from the cover photographs and a topographic map prepared by the U.S. Department of the Interior, Geological Survey, in cooperation with the Tenn. Dept. of Conservation, State Geologist. **Lonewood Quadrangle [7.5 Minute Series], White County, Tennessee, 1954.**



Bill Haslam,
Governor





GOVERNMENT FINANCE OFFICERS ASSOCIATION

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July 1, 2012

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The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the State of Tennessee for the Annual Budget beginning July 1, 2012.

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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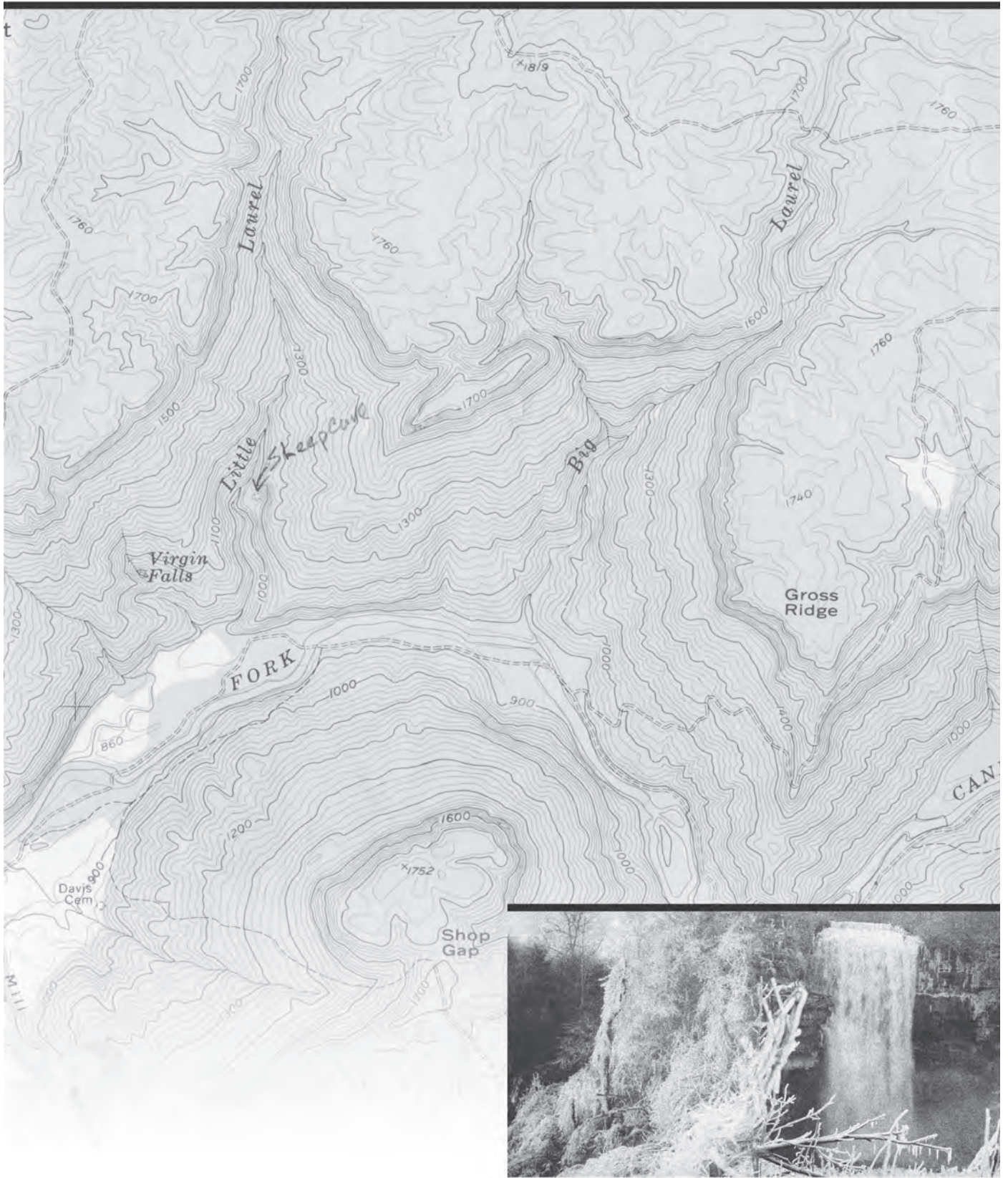
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BILL HASLAM
GOVERNOR
STATE OF TENNESSEE

January 28, 2013

To the Members of the 108th General Assembly:

I am pleased to submit to you the fiscal year 2013-2014 Budget for the State of Tennessee.

This budget has been developed amidst a slowly recovering national economy. The recommendations contained in this document demonstrate my effort to be a good steward of every tax dollar.

Besides fully funding the program and inflationary costs in TennCare, the Basic Education Program, and Correction, I am also recommending additional investments in education, higher education, economic development, and capital outlay.

I also recommend lowering taxes. Last year, we successfully reduced the sales tax on food and I am again proposing an additional reduction of this rate from 5.25 percent to 5 percent. To provide relief to our seniors, I am proposing the income exemption level for the Hall tax be raised for individuals over the age of 65.

To remain balanced, it is again necessary to reduce funding to state programs. The budget reduces the base of state programs by an average of 0.8 percent. Although the level of reduction was less than recent years, they were still difficult and I assure you that all were carefully determined to minimize the impact on important government programs and services.

Lastly, I am recommending an additional deposit of \$100 million to the Rainy Day Fund. The recent economic downturn required a significant reduction of this reserve and it is imperative that it be replenished as much as possible.

Members of my staff and cabinet stand ready to work with the General Assembly on this budget as well as other issues of interest to you.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Haslam", written in a cursive style.

Bill Haslam



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

Mark A. Emkes
Commissioner

January 28, 2013

The Honorable Bill Haslam
State Capitol
Nashville, TN 37243

I am pleased to present to you the fiscal year 2013-2014 Budget Document.

Developing the budget was indeed a team effort with many groups and individuals providing input including the departments and divisions of State Government.

The total state budget for fiscal year 2013-2014 is \$32.6 billion. Of this amount, \$15 billion is state appropriations; \$12.9 billion is federal; and \$4.8 billion is from other departmental revenues, higher education tuition and fees, and bonds. The budget is based on a growth rate in total taxes of 3.42 percent.

Additional funding is recommended to address program and inflationary growth in the Basic Education Program (BEP), TennCare, Correction, and employee health insurance. Funding increases for higher education and economic development programs are also recommended. It is important to note that the 2013-2014 budget will require a significant amount of new funding to address the estimated first-year impact of the recently enacted federal health reform legislation.

To remain balanced within available revenues, reductions were again necessary. State programs were reduced by an average of 0.8 percent for a total of \$46 million.

The revenue fluctuation reserve (Rainy Day Fund) is estimated to be \$456 million on June 30, 2014. This represents an increase of \$100 million, or 28 percent, over the estimated June 30, 2013 balance of \$356 million. The recent economic downturn significantly reduced this reserve and it is a priority that it be replenished as we continue to face economic uncertainty.

In summary, this budget is balanced within available revenues. It does so with some program reductions while making very important strategic investments. Staff and I will be pleased to assist you in working with the General Assembly on this budget.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mark A. Emkes".

Mark A. Emkes
Commissioner of Finance and Administration

Budget Highlights

Recommended Budget, Fiscal Year 2013-2014

The total recommended state budget for 2013-2014 is \$32.7 billion, with \$15 billion from state appropriations, \$12.9 billion from federal funds, and \$4.8 billion from other departmental revenues, higher education student tuition and fees, and bonds for capital projects and facilities revolving fund capital outlay.

Mid-year review of state tax collections and advice from economists and the State Funding Board suggest that current-year estimates of taxes collected by the Department of Revenue should be adjusted upwards. In the general fund for fiscal year 2012-2013, the revenue estimate increased by \$305.9 million from the originally budgeted estimate. The revised current-year growth rate in the general fund is 2.85 percent compared with the actual 2011-20112 Department of Revenue collections. For 2013-2014, before inter-fund reallocations, general fund taxes are expected to grow by \$377.7 million above the revised current-year estimate. This is a 3.89 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 2013-2014 and beyond.

Plan for Balancing

Supplemental appropriations in 2012-2013 total \$150.1 million, including \$46.3 million for the Department of Correction, \$66.1 million for the Department of Economic and Community Development, and \$7.6 million for the Department of Safety.

In fiscal year 2013-2014, the budget is balanced, with recurring revenues fully supporting recurring appropriations. This is accomplished by additional budget reductions in fiscal year 2013-2014. Base budgets in general fund programs throughout state government have been reduced by \$48.8 million and certain programs have been decreased by \$13.3 million for a net recurring base reduction of \$62.1 million in the general fund. The average general fund reduction is 0.8 percent. Reductions in programs supporting public safety are minimal or non-existent. (The reductions are detailed in **Volume 2: Base Reductions**.)

Federal and State Mandates

State expenditures in the TennCare program are matched according to a rate set by the federal government known as the Federal Medical Assistance Percentage (FMAP). The federal government determines this rate for all states based on changes in per-capita income. For fiscal year 2013-2014, federal participation in health care programs is decreasing from 66.188% to 65.500%. This means an increase of \$46.3 million in state funding to TennCare and \$511,400 to

Budget Highlights

the Department of Children's Services for foster care and adoption assistance to maintain the existing level of service in those programs. A similar change in what is known as the Enhanced FMAP that covers health services provided to children will require \$447,700 in state funding to maintain the existing level of service.

The Federal Communications Commission has required that all states conform to new narrow banding requirements for radios by January 1, 2017. To make the Department of Corrections compliant with this mandate, \$6.3 million is recommended.

A total of \$5.3 million in state funding is required to pay salary increases mandated by state law for certain job classifications within state government. These jobs and the state dollars necessary to fund the required increase include: judges (\$758,500), the Attorney General (\$4,600), assistant district attorneys and criminal investigators (\$1,101,800), assistant public defenders and criminal investigators (\$588,900), assistant post-conviction defenders (\$31,200), trooper step increases (\$776,600) and border-state survey (\$864,200), and wildlife officer step increases (\$678,100) and survey (\$451,800).

State law requires annual payments of \$600 to local police officers after they complete at least 40 hours of in-service training and an increase in the number of officers eligible for the payments under this state mandate is funded with \$34,400.

State statutes mandate that teachers at the state's youth development center schools must be compensated based on their training and experience. To fund this state mandate, \$36,900 is provided to the Department of Children's Services.

Customer Focused Government

This recommended budget funds several projects to make state government more customer-friendly, efficient, and effective. These projects are part of the Customer Focused Government initiative. In the Department of Finance and Administration, \$2.5 million recurring and \$8.3 million non-recurring are provided to standardize all state agency information technology operations through third party assessments and new training opportunities. Also in Finance and Administration, \$1.8 million is recommended to create a centralized accounting unit that will provide accounting services to 13 small agencies.

In the Department of Mental Health and Substance Abuse Services, \$1.6 million recurring is provided to fund eight additional drug courts and four juvenile drug courts in judicial districts across the state. Contract employees will be hired to reduce wait times at certain high volume driver license stations with \$1 million recurring provided to the Department of Safety.

Education

For K-12 education, the cost 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), is \$43.2 million. The capital outlay component of the BEP, which was reduced in fiscal year 2010-2011, is restored with \$33.7 million recurring. In total, the state funding for the operations of local school systems will increase by \$137.5 million after salary and insurance adjustments.

Upgrades to the technology infrastructure of the LEAs are funded with a non-recurring appropriation of \$51 million. These upgrades will improve educational and instructional opportunities for students with new hardware and software and with expanded connectivity.

The Department of Education estimates that an additional 12 schools will be operated by the department as part of the Achievement School District and \$40.1 million from BEP funds and 154 teachers and support staff positions are recommended to operate those schools.

For higher education, \$35.5 million recurring is requested to reflect greater institutional productivity, such as increases in student progression, degree production, research and service, efficiency metrics, and other outcome measures related to institutional mission.

A total of \$5 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. Fiscal year 2013-2014 is the last year that these hold harmless funds will be recommended.

Need-based student financial aid through the Tennessee Student Assistance Awards program is increased with an additional \$5 million. The third year of what is anticipated to be a five-year project to expand the University of Memphis to the campus of what was formerly Lambuth University is funded with a recommendation of \$3 million.

Technology Centers and Community Colleges will receive \$16.5 million non-recurring funds to upgrade or replace equipment used in programs such as service delivery, allied health, health informatics, and advanced manufacturing. A Western Governors University program designed to assist adults with previous academic credits to complete their degrees on-line is funded with \$5 million non-recurring. Medical programs at the University of Tennessee and the Board of Regents will receive a total of \$5.9 million. A joint effort between the University of Tennessee Health Science Center and St. Jude's Hospital to recruit pediatric physician scientists is funded with \$3 million non-recurring. This is the first year of what is expected to be a five-year commitment to this recruiting effort. An additional \$3 million recurring is recommended to the University of Tennessee for a pilot program to increase the number of College of Engineering graduates. Six million dollars in existing University of Tennessee funds will be matched with \$5 million non-recurring from the general fund to compete for a National Science Foundation grant to build a Cray supercomputer.

Health Care

An additional \$94 million in recurring state funding is recommended for the TennCare program to off-set the costs of medical utilization and inflation. Increasing pharmacy costs are funded with a recurring \$22.6 million. The cost of Medicare dual-eligible TennCare enrollees is funded with \$29 million in recurring funds and the Standard Spend Down Program is funded with \$11.1 million recurring. These general fund amounts total to \$156.7 million and are matched with \$296.8 million in federal funds for a total of \$453.5 million provided for existing TennCare enrollees.

Similar enrollment and inflation increases in the CoverKids program are funded with \$8.2 million recurring and \$21 million federal for a total of \$29.2 million.

Enrollment in the TennCare program is expected to increase by 46,700 people beginning January 1, 2014, as people currently eligible but not enrolled in the program attempt to get insured. To cover the cost of serving these new individuals and the associated changes to drug rebates, pharmacy expenditures, and the coverage of foster children, \$121 million is recommended as well as \$230 million in federal funds for a total of \$351 million.

An additional 96 enrollees in the Home and Community-Based Services waiver programs are funded with a recurring \$4.4 million. Services provided to clients of the Departments of Intellectual and Developmental Disabilities and Children's Services are funded with \$12.4 million and \$1.8 million respectively. Reductions to programs funded by TennCare in the past are restored with \$7.6 million recurring. These programs include: Meharry Medical College (\$2.3 million), Nashville Metro General Hospital and The Med Regional Medical Center in Memphis (\$2.8 million), and emergency room physician reimbursement (\$2.6 million).

Contingent on sufficient funds being received from Tobacco Master Settlement Agreement (MSA) arbitration, an estimated \$67.6 million will be available in fiscal year 2012-2013. From that settlement, the first \$5.7 million is appropriated in fiscal year 2012-2013 to support the Tobacco MSA revenue estimate. The next \$24 million is appropriated for capital outlay to convert the UT Knoxville coal-fired steam plant to natural gas and the balance, estimated at \$37.9 million, will be used for other health and wellness initiatives.

The Administration intends to introduce legislation that changes the evaluation and inpatient treatment of mentally ill individuals; and to off-set the loss of revenue to the mental health institutes as a result of that legislation, \$4.4 million recurring is recommended to the Department of Mental Health and Substance Abuse Services. Two existing crisis stabilization units previously funded with federal funds will be funded with a total of \$2.1 million in general fund appropriation to strengthen access to community treatment and decrease the need for institutionalization. Non-recurring funds of \$525,000 will be provided to the Department of Mental Health and Substance Abuse Services for Lifeline programs to help individuals in recovery locate support and recovery services and will be used to establish group programs in communities that do not have them. A new health and wellness initiative is funded with a non-recurring appropriation of \$1.2 million to the Department of Health.

Budget Highlights

Child Welfare

To provide recurring funds for expenditures related to the Brian A. Settlement Agreement, \$6.7 million in recurring appropriation is recommended. With this amount and \$3.6 million in federal revenue and \$5.2 million in TennCare reimbursement, the Department of Children's Services will: upgrade the salaries of child protective services case managers, add 29 positions for investigation and assessments, add 20 family social worker case manager positions, increase the number of attorneys by 13 to terminate parental rights, increase reimbursement rates for residential and foster care, and address the growth in the adoption assistance caseload.

Also in Children's Services, funding for the statewide Child Advocacy Centers is restored with \$250,000. Recurring funding in the amount of \$95,000 for the Council on Children's Mental Health is recommended. Mentoring services for the children of state inmates is provided for with \$250,000 to the Department of Correction.

Safe Communities

To fund an increasing number of felons in local jails, \$48.1 million is recommended. Contracts with non-state service providers are funded with \$21.9 million. These contract increases include Hardeman County – Whiteville (\$742,800), South Central Correctional Center (\$599,300), health and mental health contract services (\$20.1 million), and the Hardeman County agreement (\$482,800). The Southeastern Tennessee State Regional Correctional Facility is expanded with an appropriation of \$9.6 million that is off-set by a corresponding reduction in the Sentencing Act of 1985 allotment.

Proposed legislation to change the funding of the Davidson and Shelby County Public Defender offices is funded with \$1.8 million recurring.

Business Development

An appropriation of \$30 million is recommended for the Jobs4TN program 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 traditional jobs base. Of that amount, \$5 million is recurring funding and \$25 million is non-recurring. A non-recurring supplemental of \$35 million is recommended for the current year for Fast Track infrastructure and job training assistance. Efforts to recruit new projects and develop Tennessee's film and television industries are funded with \$11.4 million non-recurring and \$2 million recurring for a total of \$13.4 million.

A new Tourism marketing task force is funded with \$8 million and the new Interstate 40 welcome center in Haywood County will be staffed with ten positions in the Department of Tourist Development and \$518,400 provided by the Department of Transportation.

Budget Highlights

The Department of Labor and Workforce Development will receive \$4 million from the general fund to off-set temporarily the impact of declining federal revenue in the unemployment insurance program. The department will provide a plan to operate within recurring federal revenues beyond fiscal year 2013-2014. Administration legislation that proposes to shift adjudication of claims from the courts to an administrative system is funded with \$1.8 million. Of that amount, \$1.2 million is from workers' compensation fees paid by employers and \$600,000 is from the general fund.

State Employee Workforce Development

A 1.5 percent salary increase for state employees is recommended and funded with a \$22.1 million appropriation. Additional funds are recommended to fund the state's portion of increases for teachers through the Basic Education Program formula (\$35.8 million) and higher education (\$18.6 million). The total cost of the 1.5 percent salary increase is \$76.5 million.

A market salary study of state employees was funded in the fiscal year 2012-2013 budget and a recurring \$30 million was provided to fund the results. An additional \$27.9 million is recommended in fiscal year 2013-2014, bringing the total amount available to fund the salary study to \$57.9 million.

A 5.5 percent increase in the cost of the state's group health insurance program beginning January 1, 2014 is funded with a total appropriation of \$24.4 million. This cost increase includes funds for state employees (\$7.1 million), teachers and other licensed K-12 employees (\$11.3 million), and higher education employees (\$6 million). The state portion of the January 1, 2013 group health insurance rate increase is annualized with \$2.6 million for state employees and \$13.5 million for teachers. Medicare supplement costs for both teachers and state employees are funded with \$1.6 million. Increases in membership and claims in the retired teachers' insurance plan are funded with \$2.1 million. Increases in postage are funded with \$1 million and increased risk management premiums are funded with \$2 million.

Non-recurring funds of \$2.4 million are recommended for severance packages for state employees consisting of a base payment of \$3,200 and college tuition assistance for two years to be capped at the average of the highest four-year public Tennessee college undergraduate level.

Information Technology

The Office of Information Resources requires a rate increase to support its current operations and a recurring \$4.9 million is recommended to fund that rate increase. The Enterprise Resource Planning system needs \$3.4 million recurring for data growth, software maintenance, storage, business intelligence, and management. A new Enterprise Resource Planning financial module for budget planning, modeling, reporting, and publishing is funded with \$1.8 million, of which \$1.6 million is non-recurring. Additional security for the state's computer systems is provided with \$1.4 million and two additional positions in the Office of Information Resources. Non-

Budget Highlights

recurring funds of \$1.3 million are provided to implement a data repository system for General Sessions Court cases. Non-recurring funds in the amount of \$3 million are provided for higher education initiatives that will combine on-line coursework and research how students learn.

Capital Outlay

Capital outlay in fiscal year 2013-2014 totals \$443.250 million, including \$160.8 million in non-recurring current funds and \$97.5 million from federal and other sources. A bond authorization of \$185 million is also requested. An appropriation of \$35.8 million is recommended for statewide capital maintenance, including \$13 million for general government, \$15.9 million for the Board of Regents, \$7 million for the University of Tennessee, and \$28.5 million for the Department of Correction from Sentencing Act funds.

The facilities revolving fund (FRF) capital budget provides an additional \$133.9 million for projects and maintenance of state office buildings and similar facilities maintained through agency rent payments. This is funded by a transfer of \$133 million in state appropriation from the general fund and \$930,000 from FRF current funds, provided from FRF 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 \$306 million on June 30, 2012. The 2012 appropriations act set the reserve at \$356 million. A recommended deposit to the fund of \$100 million in fiscal year 2013-2014 will have the total revenue fluctuation reserve at \$456 million on June 30, 2014.

TennCare Reserve

The TennCare reserve consists of prior-year unspent funds appropriated to the TennCare program. The unobligated reserve as of June 30, 2012, is estimated at \$115.6 million. A deposit of \$123.7 million is expected on June 30, 2013. No transfers from the TennCare reserve are anticipated in fiscal year 2013-2014, so the balance is projected to be \$239.3 million on June 30, 2014.

Conclusion

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 cost increases. **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 cost increases 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

The Budget Document

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 include demographic and other information on the state.

Two charts in the overview summarize base budget reductions and base budget adjustments (increases). The charts reflect 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 and Facilities 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

The Budget Document

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 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 cost increases that are recommended for that area of state government. The cost increase 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.

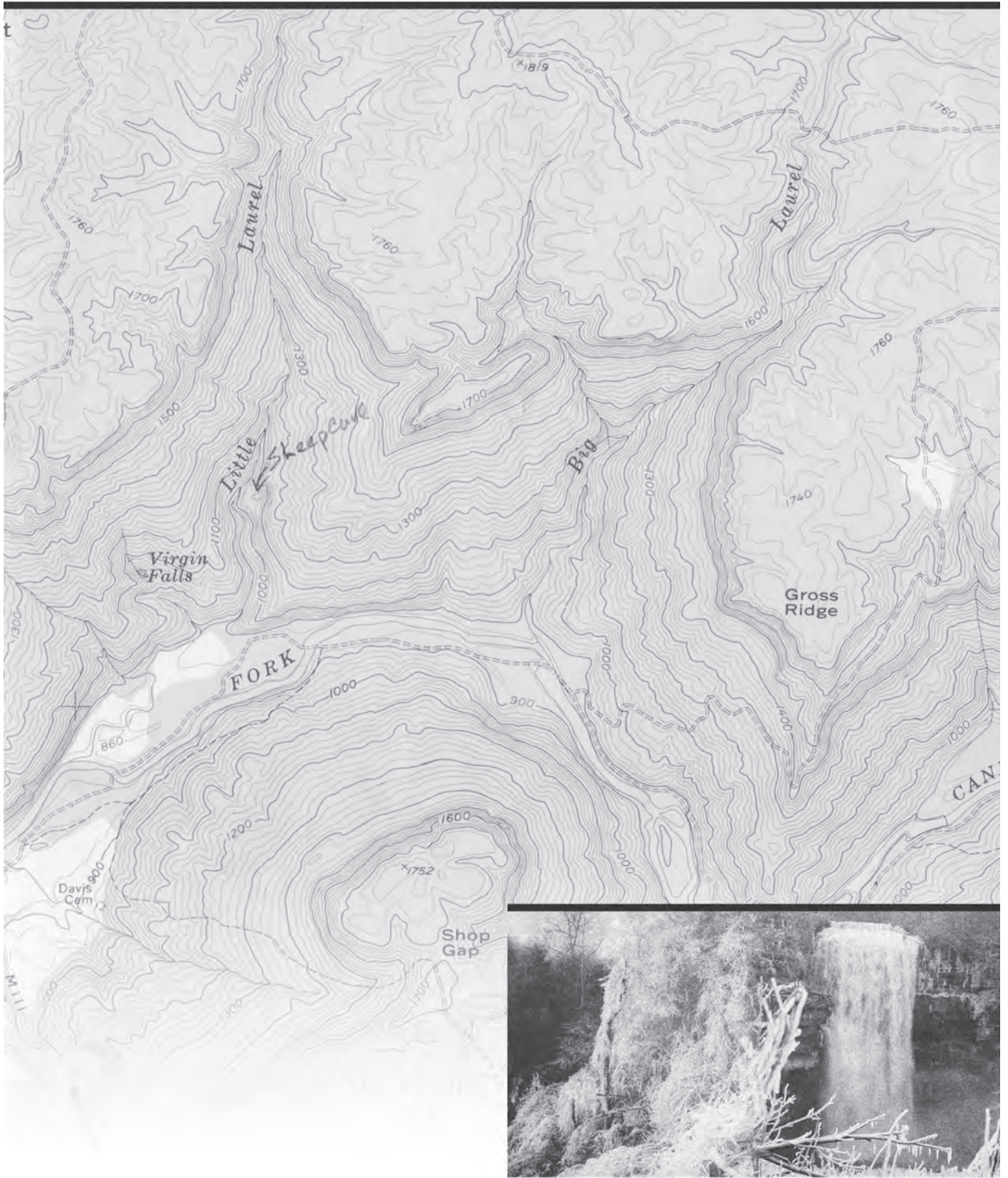
Following this narrative, fiscal and personnel data are provided for the last completed year, the current year, and the next year.

The next-year estimates include the level of funding and number of positions for the recommended base budget, program cost increases, and the total recommended. Program performance measures also are provided for executive branch programs, operating under the performance-based budget law.

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." This section includes explanatory sections entitled "The Budget Process," "Performance-Based Budget," "Basis of Budgeting and Accounting."

The final section is the "Glossary and Index."



Budget Overview

Budget Overview

Summary Statements and Charts



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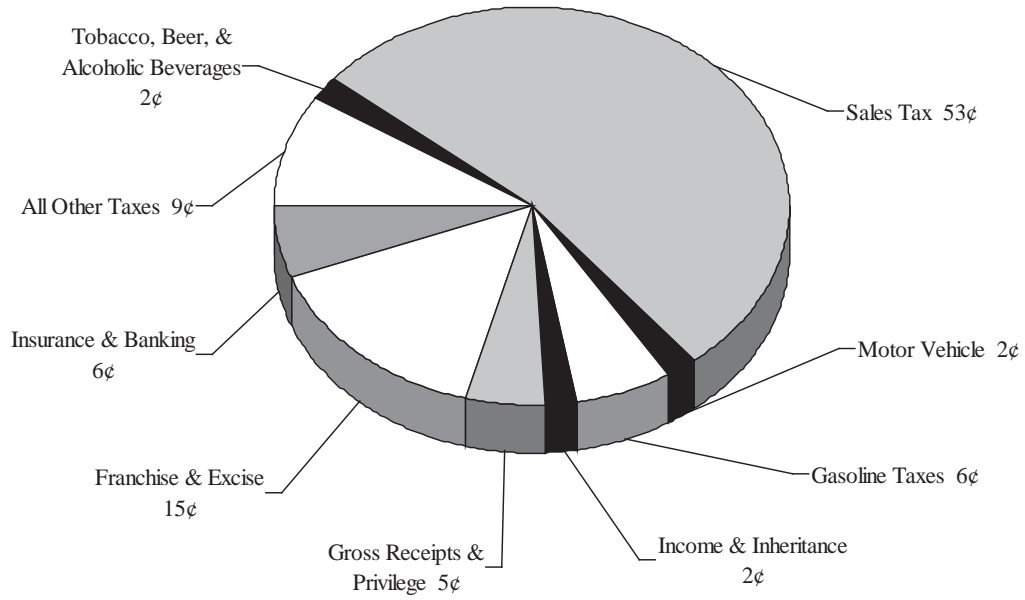
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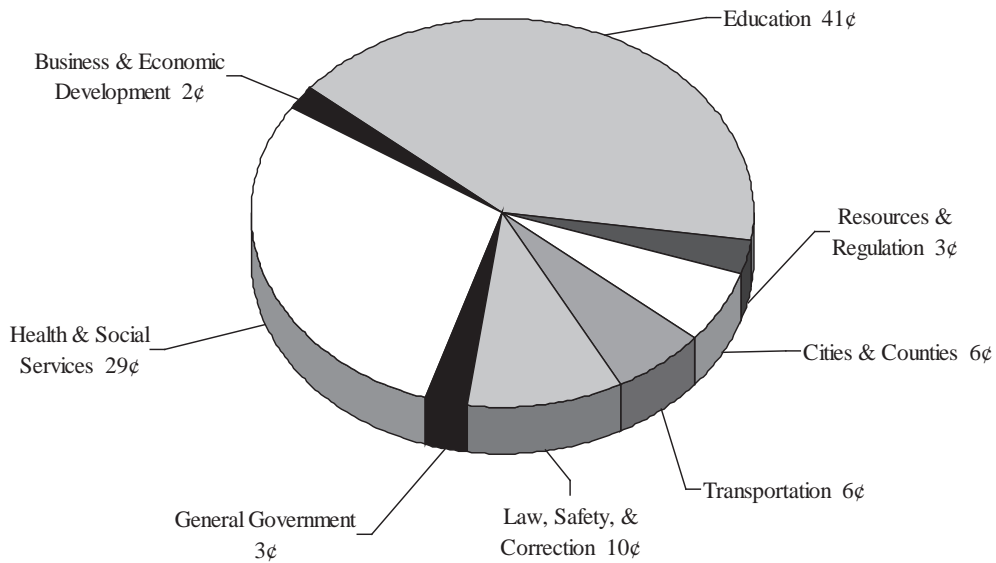
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Total State Budget

Where Your State Tax Dollar Comes From



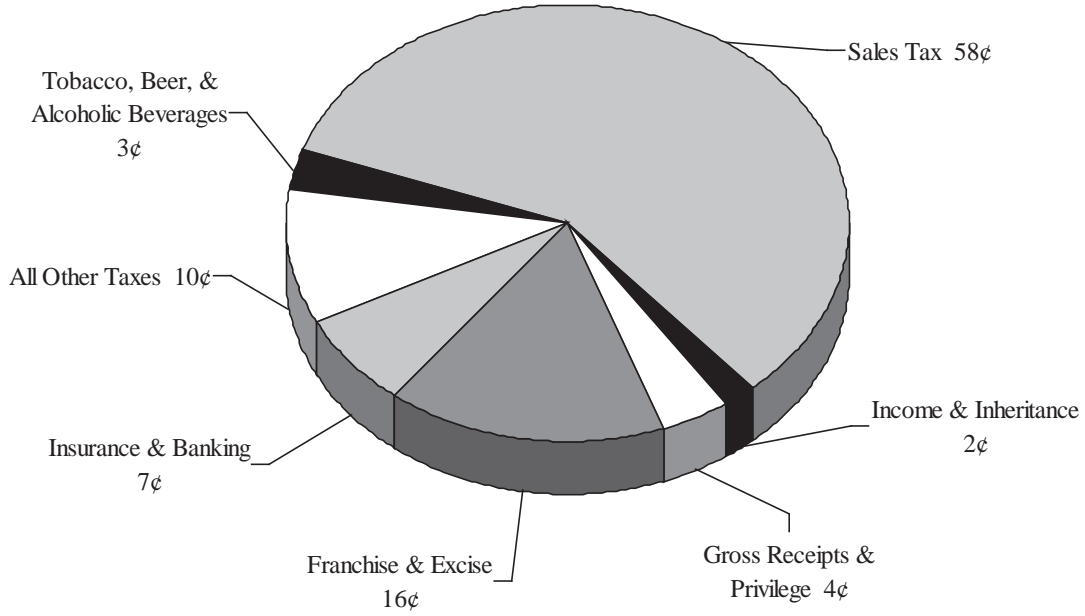
Where Your State Tax Dollar Goes



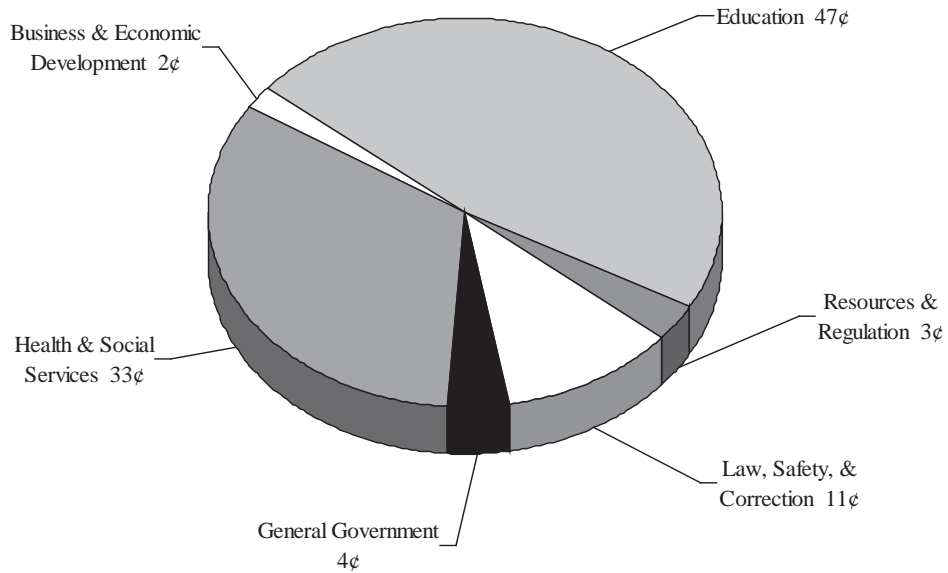
Fiscal Year 2013 - 2014

General Fund Budget

Where Your State Tax Dollar Comes From



Where Your State Tax Dollar Goes



Fiscal Year 2013 - 2014

**Total State Budget
Comparison of Programs and Revenue Sources
Fiscal Years 2011-2012, 2012-2013, and 2013-2014**

	Actual 2011-2012	Estimated 2012-2013	Recommended 2013-2014	Act. vs. Est. Difference	Est. vs. Rec. Difference
I. PROGRAMS					
ALL PROGRAMS	\$ 31,366,088,900	\$ 32,328,976,200	\$ 32,644,596,200	\$ 962,887,300	\$ 315,620,000
General Fund ¹	27,511,106,600	28,433,558,600	28,757,227,200	922,452,000	323,668,600
Department of Transportation	1,952,886,100	1,752,425,900	1,817,891,200	(200,460,200)	65,465,300
Debt Service Requirements	426,247,100	413,390,600	442,324,000	(12,856,500)	28,933,400
Capital Outlay Program	483,279,000	575,140,000	443,250,000	91,861,000	(131,890,000)
Facilities Revolving Fund	139,003,900	288,461,100	299,803,800	149,457,200	11,342,700
Cities & Counties - State Shared Taxes	853,566,200	866,000,000	884,100,000	12,433,800	18,100,000
II. REVENUE SOURCES					
APPROPRIATION	\$ 13,735,389,600	\$ 14,221,840,000	\$ 14,999,670,200	\$ 486,450,400	\$ 777,830,200
General Fund ¹	11,168,524,800	11,916,984,600	12,610,081,400	748,459,800	693,096,800
Department of Transportation	866,886,300 ²	738,300,000	733,800,000	(128,586,300)	(4,500,000)
Debt Service Requirements	426,247,100	413,390,600	442,324,000	(12,856,500)	28,933,400
Capital Outlay Program	412,648,000 ²	145,930,000	160,800,000	(266,718,000)	14,870,000
Facilities Revolving Fund	7,517,200	141,234,800	168,564,800	133,717,600	27,330,000
Cities & Counties - State Shared Taxes	853,566,200	866,000,000	884,100,000	12,433,800	18,100,000
BONDS	\$ 0	\$ 381,900,000	\$ 266,000,000	\$ 381,900,000	\$ (115,900,000)
Department of Transportation	0	80,000,000	81,000,000	80,000,000	1,000,000
Capital Outlay Program	0	300,900,000	185,000,000	300,900,000	(115,900,000)
Facilities Revolving Fund	0	1,000,000	0	1,000,000	(1,000,000)
FEDERAL	\$ 12,795,749,400	\$ 13,069,818,900	\$ 12,863,638,400	\$ 274,069,500	\$ (206,180,500)
General Fund	11,748,857,200	12,158,347,000	11,895,011,200	409,489,800	(263,335,800)
Department of Transportation	1,040,770,200	891,911,900	965,327,200	(148,858,300)	73,415,300
Capital Outlay Program	6,122,000	19,560,000	3,300,000	13,438,000	(16,260,000)
CURRENT SERVICES & OTHER	\$ 4,834,949,900	\$ 4,655,417,300	\$ 4,515,287,600	\$ (179,532,600)	\$ (140,129,700)
General Fund ³	4,593,724,600	4,358,227,000	4,252,134,600	(235,497,600)	(106,092,400)
Department of Transportation	45,229,600	42,214,000	37,764,000	(3,015,600)	(4,450,000)
Capital Outlay Program	64,509,000	108,750,000	94,150,000	44,241,000	(14,600,000)
Facilities Revolving Fund	131,486,700 ⁴	146,226,300	131,239,000	14,739,600	(14,987,300)
TOTAL STATE BUDGET	\$ 31,366,088,900	\$ 32,328,976,200	\$ 32,644,596,200	\$ 962,887,300	\$ 315,620,000

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 2011-2012, 2012-2013, and 2013-2014**

	Actual 2011-2012	Estimated 2012-2013	Recommended 2013-2014	Act. vs. Est. Difference	Est. vs. Rec. Difference
I. GENERAL FUND ¹	\$ 27,511,106,600	\$ 28,433,558,600	\$ 28,757,227,200	\$ 922,452,000	\$ 323,668,600
Appropriation	11,168,524,800	11,916,984,600	12,610,081,400	748,459,800	693,096,800
Federal	11,748,857,200	12,158,347,000	11,895,011,200	409,489,800	(263,335,800)
Current Services & Other Revenue ²	4,593,724,600	4,358,227,000	4,252,134,600	(235,497,600)	(106,092,400)
II. DEPARTMENT OF TRANSPORTATION	\$ 1,952,886,100	\$ 1,752,425,900	\$ 1,817,891,200	\$ (200,460,200)	\$ 65,465,300
Appropriation	866,886,300 ³	738,300,000	733,800,000	(128,586,300)	(4,500,000)
Federal	1,040,770,200	891,911,900	965,327,200	(148,858,300)	73,415,300
Current Services & Other Revenue	45,229,600	42,214,000	37,764,000	(3,015,600)	(4,450,000)
Bonds	0	80,000,000	81,000,000	80,000,000	1,000,000
III. DEBT SERVICE REQUIREMENTS	\$ 426,247,100	\$ 413,390,600	\$ 442,324,000	\$ (12,856,500)	\$ 28,933,400
Appropriation	426,247,100	413,390,600	442,324,000	(12,856,500)	28,933,400
IV. CAPITAL OUTLAY PROGRAM	\$ 483,279,000	\$ 575,140,000	\$ 443,250,000	\$ 91,861,000	\$ (131,890,000)
Appropriation	412,648,000 ³	145,930,000	160,800,000	(266,718,000)	14,870,000
Federal	6,122,000	19,560,000	3,300,000	13,438,000	(16,260,000)
Current Services & Other Revenue	64,509,000	108,750,000	94,150,000	44,241,000	(14,600,000)
Bonds	0	300,900,000	185,000,000	300,900,000	(115,900,000)
V. FACILITIES REVOLVING FUND	\$ 139,003,900	\$ 288,461,100	\$ 299,803,800	\$ 149,457,200	\$ 11,342,700
Appropriations	7,517,200	141,234,800	168,564,800	133,717,600	27,330,000
Current Services & Other Revenue	131,486,700 ⁴	146,226,300	131,239,000	14,739,600	(14,987,300)
Bonds	0	1,000,000	0	1,000,000	(1,000,000)
VI. CITIES & COUNTIES - STATE SHARED TAXES	\$ 853,566,200	\$ 866,000,000	\$ 884,100,000	\$ 12,433,800	\$ 18,100,000
Appropriation	853,566,200	866,000,000	884,100,000	12,433,800	18,100,000
VII. TOTAL STATE BUDGET	\$ 31,366,088,900	\$ 32,328,976,200	\$ 32,644,596,200	\$ 962,887,300	\$ 315,620,000
Appropriation	13,735,389,600	14,221,840,000	14,999,670,200	486,450,400	777,830,200
Federal	12,795,749,400	13,069,818,900	12,863,638,400	274,069,500	(206,180,500)
Current Services & Other Revenue ²	4,834,949,900	4,655,417,300	4,515,287,600	(179,532,600)	(140,129,700)
Bonds	0	381,900,000	266,000,000	381,900,000	(115,900,000)

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.

**General Fund and Education Fund
Comparison of Appropriation Requirements and State Revenues
Fiscal Year 2012-2013**

	<u>TOTAL</u>	<u>RECURRING</u>	<u>NON-RECURRING</u>
I. APPROPRIATION REQUIREMENTS			
General Fund Programs:			
2012 Appropriation Act - Work Program	\$ 11,771,908,300	\$ 11,135,874,700	\$ 636,033,600
2012 Appropriation Act - Dedicated Funds	319,900	319,900	0
2013 Supplemental Appropriations	144,756,400	0	144,756,400
Total General Fund Requirements	\$ 11,916,984,600	\$ 11,136,194,600	\$ 780,790,000
Less: Overappropriation	(85,400,000)	(86,700,000)	1,300,000
Net General Fund Requirements	\$ 11,831,584,600	\$ 11,049,494,600	\$ 782,090,000
Other Programs:			
Capital Outlay Program	\$ 145,930,000	\$ 0	\$ 145,930,000
Designated to Other Funds:			
Metro Sports Authority Debt Service	\$ 4,122,000	\$ 4,122,000	\$ 0
Dedicated Funds - Reserves	1,000,000	1,000,000	0
Sub-Total Designated to Other Funds	\$ 5,122,000	\$ 5,122,000	\$ 0
Facilities Revolving Fund:			
Facilities Revolving Fund - Operations	\$ 14,164,800	\$ 13,064,800	\$ 1,100,000
Facilities Revolving Fund - Capital Outlay	121,770,000	0	121,770,000
2013 Supplemental Appropriation - Operations	4,300,000	0	4,300,000
2013 Supplemental Appropriation - Capital Outlay	1,000,000	0	1,000,000
Sub-Total Facilities Revolving Fund	\$ 141,234,800	\$ 13,064,800	\$ 128,170,000
Total Other Programs	\$ 292,286,800	\$ 18,186,800	\$ 274,100,000
Total Appropriation Requirements	\$ 12,123,871,400	\$ 11,067,681,400	\$ 1,056,190,000
II. GENERAL FUND REVENUES AND RESERVES			
State Tax Revenue - Department of Revenue	\$ 9,709,500,000	\$ 9,388,900,000	\$ 320,600,000
State Tax Revenue - Other State Revenue	1,693,500,000	1,188,500,000	505,000,000
Miscellaneous Revenue	47,400,000	45,600,000	1,800,000
Tobacco MSA Revenue	135,000,000	135,000,000	0
Tobacco MSA Revenue - Arbitration Settlement	67,600,000	0	67,600,000
Lottery for Education Account	317,200,000	317,200,000	0
Transfers, Reserves, and Other Available Funds:			
Highway Fund Transfer - Gas Inspection Act	\$ 1,100,000	\$ 1,100,000	\$ 0
TennCare Reserve - Transfer to General Fund	65,000,000	0	65,000,000
TennCare Reserve - Transfer from General Fund	(123,700,000)	0	(123,700,000)
Reserve for 2012-2013 Appropriations	426,100,000	0	426,100,000
Reserve for Attorney General Litigation Settlement	(200,000)	0	(200,000)
Reserve for Consumer Affairs	(110,000)	0	(110,000)
Transfer to Rainy Day Fund	(50,000,000)	0	(50,000,000)
Other Available Funds:			
Unappropriated Budget Surplus at June 30, 2012	\$ 392,300,000	\$ 0	\$ 392,300,000
Undesignated Fund Balance at June 30, 2012	363,000	0	363,000
Transfer from Mental Health Trust Fund	2,700,000	0	2,700,000
Debt Service Fund Transfer at June 30, 2013	70,500,000	0	70,500,000
Sub-Total Transfers, Reserves, and Other Available Funds	\$ 784,053,000	\$ 1,100,000	\$ 782,953,000
Total General Fund Revenues and Reserves	\$ 12,754,253,000	\$ 11,076,300,000	\$ 1,677,953,000
III. AVAILABLE FUNDS AT JUNE 30, 2013			
Available Funds	\$ 629,900,000	\$ 8,700,000	\$ 621,200,000
Undesignated Fund Balance	481,600	(81,400)	563,000
Total Available Funds	\$ 630,381,600	\$ 8,618,600	\$ 621,763,000
Revenue Fluctuation Reserve at June 30, 2012	\$ 306,000,000		
Revenue Fluctuation Reserve at June 30, 2013	\$ 356,000,000		

**General Fund and Education Fund
Comparison of Appropriation Requirements and State Revenues
Fiscal Year 2013-2014**

	<u>TOTAL</u>	<u>RECURRING</u>	<u>NON-RECURRING</u>
I. APPROPRIATION REQUIREMENTS			
General Fund Programs:			
Base Budget Requirements	\$ 11,135,874,700	\$ 11,135,874,700	\$ 0
Appropriations for Core Services - General Fund	24,718,000	2,000,000	22,718,000
Preliminary Base Budget Adjustments - General Fund	503,188,600	53,388,600	449,800,000
Preliminary Base Budget Reductions - General Fund	(13,316,000)	(13,316,000)	0
Base Budget Reduction Plans - General Fund	(48,847,600)	(48,847,600)	0
Preliminary Base Budget Adjustments - Dedicated Funds	22,342,200	22,342,200	0
Preliminary Base Budget Reductions - Dedicated Funds	(839,900)	(839,900)	0
Base Budget Reduction Plans - Dedicated Funds	(434,400)	(434,400)	0
Base Budget Recommended	\$ 11,622,685,600	\$ 11,150,167,600	\$ 472,518,000
Cost Increases - Budget Recommendations			
All Programs - General Fund	\$ 982,973,800	\$ 767,268,900	\$ 215,704,900
All Programs - Dedicated Funds	4,422,000	3,677,000	745,000
Total Cost Increases Recommended	\$ 987,395,800	\$ 770,945,900	\$ 216,449,900
Total General Fund Requirements	\$ 12,610,081,400	\$ 11,921,113,500	\$ 688,967,900
Less: Overappropriation	(68,400,000)	(73,400,000)	5,000,000
Net General Fund Requirements	\$ 12,541,681,400	\$ 11,847,713,500	\$ 693,967,900
Other Programs:			
Capital Outlay Program	\$ 160,800,000	\$ 0	\$ 160,800,000
Reserve for Administration Amendment	4,200,000	3,800,000	400,000
Designated to Other Funds:			
Metro Sports Authority Debt Service	\$ 3,837,700	\$ 3,837,700	\$ 0
Dedicated Funds - Reserves	1,000,000	1,000,000	0
Sub-Total Designated to Other Funds	\$ 4,837,700	\$ 4,837,700	\$ 0
Facilities Revolving Fund:			
Facilities Revolving Fund - Operations	\$ 22,664,800	\$ 13,064,800	\$ 9,600,000
Facilities Revolving Fund - Capital Outlay	133,000,000	0	133,000,000
Facilities Revolving Fund - Disposal of 6 Buildings	12,900,000	0	12,900,000
Sub-Total Facilities Revolving Fund	\$ 168,564,800	\$ 13,064,800	\$ 155,500,000
Total Other Programs	\$ 338,402,500	\$ 21,702,500	\$ 316,700,000
Total Appropriation Requirements	\$ 12,880,083,900	\$ 11,869,416,000	\$ 1,010,667,900
II. GENERAL FUND REVENUES AND RESERVES			
State Tax Revenue - Department of Revenue	\$ 10,080,200,000	\$ 10,080,200,000	\$ 0
State Tax Revenue - Other State Revenue	1,759,400,000	1,288,855,000	470,545,000
Miscellaneous Revenue	49,000,000	49,000,000	0
Tobacco MSA Revenue	137,500,000	137,500,000	0
Lottery for Education Account	336,000,000	336,000,000	0
Highway Fund Transfer - Gas Inspection Act	1,100,000	1,100,000	0
Department of Revenue - Tax Legislation	(13,200,000)	(23,100,000)	9,900,000
Available Funds at June 30, 2013	629,900,000	0	629,900,000
Transfer to Rainy Day Fund	(100,000,000)	0	(100,000,000)
Undesignated Fund Balance at June 30, 2013	481,600	0	481,600
Total General Fund Revenues and Reserves	\$ 12,880,381,600	\$ 11,869,555,000	\$ 1,010,826,600
III. AVAILABLE FUNDS AT JUNE 30, 2014			
Undesignated Fund Balance	\$ 297,700	\$ 139,000	\$ 158,700
Total Available Funds	\$ 297,700	\$ 139,000	\$ 158,700
Revenue Fluctuation Reserve at June 30, 2013	\$ 356,000,000		
Revenue Fluctuation Reserve at June 30, 2014	\$ 456,000,000		

Department of Transportation
Comparison of Appropriations and Funding Requirements
Fiscal Years 2012-2013 and 2013-2014

	<u>2012-2013</u>	<u>2013-2014</u>	<u>Difference</u>
I. APPROPRIATION REQUIREMENTS			
ADMINISTRATION	\$ 68,235,700	\$ 69,134,100	\$ 898,400
HEADQUARTERS OPERATIONS	28,483,400	26,842,700	(1,640,700)
FIELD OPERATIONS	54,631,800	55,825,500	1,193,700
GARAGE AND FLEET OPERATIONS	31,075,900	32,042,800	966,900
CAPITAL IMPROVEMENTS	14,530,000	11,165,000	(3,365,000)
HIGHWAY SYSTEM MAINTENANCE	298,208,000	302,259,000	4,051,000
STATE-FUNDED PROGRAMS			
Betterments	\$ 3,800,000	\$ 800,000	\$ (3,000,000)
State Aid	33,621,900	30,622,000	(2,999,900)
State Industrial Access	8,980,000	18,180,000	9,200,000
Local Interstate Connectors	3,000,000	500,000	(2,500,000)
Sub-Total State Funded Programs	\$ 49,401,900	\$ 50,102,000	\$ 700,100
FEDERALLY FUNDED PROGRAMS			
Planning and Research	\$ 5,746,000	\$ 6,071,000	\$ 325,000
Interstate System	14,800,000	14,800,000	-
Forest Highways	200,000	200,000	-
Highway Infrastructure	148,095,200	132,885,900	(15,209,300)
Bridge Replacement	5,400,000	-	(5,400,000)
Transit	40,492,100	48,472,000	7,979,900
Air, Water, and Rail	59,000,000	65,000,000	6,000,000
Sub-Total Federally Funded Programs	\$ 273,733,300	\$ 267,428,900	\$ (6,304,400)
TOTAL APPROPRIATION REQUIREMENTS	\$ 818,300,000	\$ 814,800,000	\$ (3,500,000)
II. STATE FUNDING SOURCES			
Highway User Taxes	\$ 640,800,000	\$ 626,300,000	\$ (14,500,000)
Sales Tax - Transportation Equity Fund	59,000,000	65,000,000	6,000,000
Miscellaneous Revenue	22,500,000	22,500,000	-
Bond Authorization	74,000,000	76,000,000	2,000,000
Bond Authorization - Region 2 Complex	6,000,000	5,000,000	(1,000,000)
Highway Fund Balance / Reserves	16,000,000	20,000,000	4,000,000
TOTAL STATE FUNDING SOURCES	\$ 818,300,000	\$ 814,800,000	\$ (3,500,000)

Department of Transportation
Comparison of Appropriations by Funding Sources
Fiscal Years 2012-2013 and 2013-2014

	<u>2012-2013</u>	<u>2013-2014</u>	<u>Difference</u>
I. STATE FUNDS			
Administration	\$ 68,235,700	\$ 69,134,100	\$ 898,400
Headquarters Operations	28,483,400	26,842,700	(1,640,700)
Field Operations	54,631,800	55,825,500	1,193,700
Garage and Fleet Operations	31,075,900	32,042,800	966,900
Capital Improvements	8,530,000	6,165,000	(2,365,000)
Highway System Maintenance	298,208,000	302,259,000	4,051,000
State-Funded Programs	13,500,900	19,188,100	5,687,200
Federally Funded Programs	235,634,300	222,342,800	(13,291,500)
Total State Funds	<u>\$ 738,300,000</u>	<u>\$ 733,800,000</u>	<u>\$ (4,500,000)</u>
II. BOND AUTHORIZATIONS			
Capital Improvements	\$ 6,000,000	\$ 5,000,000	\$ (1,000,000)
State-Funded Programs	35,901,000	30,913,900	(4,987,100)
Federally Funded Programs	38,099,000	45,086,100	6,987,100
Total Bond Authorizations	<u>\$ 80,000,000</u>	<u>\$ 81,000,000</u>	<u>\$ 1,000,000</u>
III. FEDERAL AID			
Federally Funded Programs	\$ 891,911,900	\$ 965,327,200	\$ 73,415,300
Total Federal Aid	<u>\$ 891,911,900</u>	<u>\$ 965,327,200</u>	<u>\$ 73,415,300</u>
IV. LOCAL GOVERNMENTS			
Highway System Maintenance	\$ 1,100,000	\$ 1,100,000	\$ -
State-Funded Programs	13,714,000	10,214,000	(3,500,000)
Federally Funded Programs	27,400,000	26,450,000	(950,000)
Total Local Governments	<u>\$ 42,214,000</u>	<u>\$ 37,764,000</u>	<u>\$ (4,450,000)</u>
V. GRAND TOTAL			
Administration	\$ 68,235,700	\$ 69,134,100	\$ 898,400
Headquarters Operations	28,483,400	26,842,700	(1,640,700)
Field Operations	54,631,800	55,825,500	1,193,700
Garage and Fleet Operations	31,075,900	32,042,800	966,900
Capital Improvements	14,530,000	11,165,000	(3,365,000)
Highway System Maintenance	299,308,000	303,359,000	4,051,000
State-Funded Programs	63,115,900	60,316,000	(2,799,900)
Federally Funded Programs	1,193,045,200	1,259,206,100	66,160,900
Grand Total	<u>\$ 1,752,425,900</u>	<u>\$ 1,817,891,200</u>	<u>\$ 65,465,300</u>

**Department of Transportation
Actual Expenditures by Program and Funding Source
Fiscal Year 2011-2012**

	State	Federal 2009		Total	Other	Total
		Regular Program	U.S. Economic Recovery Act			
Administration	\$ 52,408,200	\$ -	\$ -	\$ -	\$ -	\$ 52,408,200
Headquarters Operations	19,283,400	-	-	-	-	19,283,400
Field Operations	49,503,100	-	-	-	-	49,503,100
Garage and Fleet Operations	20,824,000	-	-	-	-	20,824,000
Capital Improvements	3,085,400	-	-	-	-	3,085,400
Highway System Maintenance	266,996,600	-	-	-	743,800	267,740,400
STATE-FUNDED PROGRAMS						
Betterments	\$ 9,470,000	\$ -	\$ -	\$ -	\$ 418,100	\$ 9,888,100
State Aid	25,797,700	-	-	-	-	25,797,700
State Industrial Access	13,694,500	-	-	-	1,242,400	14,936,900
Local Interstate Connectors	5,487,000	-	-	-	4,491,000	9,978,000
Sub-Total State-Funded Programs	\$ 54,449,200	\$ -	\$ -	\$ -	\$ 6,151,500	\$ 60,600,700
FEDERALLY FUNDED PROGRAMS						
Planning and Research	\$ 5,215,000	\$ 16,543,800	\$ -	\$ 16,543,800	\$ 179,200	\$ 21,938,000
Interstate System	6,087,800	121,865,100	-	121,865,100	3,104,800	131,057,700
Forest Highways	-	71,600	-	71,600	-	71,600
Highway Infrastructure	242,608,600	668,550,100	76,218,100	744,768,200	24,704,700	1,012,081,500
Bridge Replacement	68,511,800	116,979,400	-	116,979,400	8,190,100	193,681,300
Transit	31,320,500	23,431,400	1,286,500	24,717,900	1,400	56,039,800
Air, Water, and Rail	46,592,700	15,734,500	89,700	15,824,200	2,154,100	64,571,000
Sub-Total Federally Funded Programs	\$ 400,336,400	\$ 963,175,900	\$ 77,594,300	\$ 1,040,770,200	\$ 38,334,300	\$ 1,479,440,900
TOTAL APPROPRIATIONS	\$ 866,886,300	\$ 963,175,900	\$ 77,594,300	\$ 1,040,770,200	\$ 45,229,600	\$ 1,952,886,100
STATE FUNDING SOURCES:						
Highway User Taxes	\$ 722,918,400					
Sales Tax - Transportation Equity Fund	64,574,000					
Miscellaneous Revenue	19,132,600					
Highway Fund Balance / Reserves	60,261,300					
TOTAL STATE FUNDING SOURCES	\$ 866,886,300					

**Department of Transportation
Enacted Budget by Program and Funding Source
Fiscal Year 2012-2013**

	State	Federal		Total	Other	Total
		Regular Program	U.S. Economic Recovery Act			
Administration	\$ 68,235,700	\$ -	\$ -	\$ -	\$ -	\$ 68,235,700
Headquarters Operations	28,483,400	-	-	-	-	28,483,400
Field Operations	54,631,800	-	-	-	-	54,631,800
Garage and Fleet Operations	31,075,900	-	-	-	-	31,075,900
Capital Improvements	14,530,000	-	-	-	-	14,530,000
Highway System Maintenance	298,208,000	-	-	-	1,100,000	299,308,000
STATE-FUNDED PROGRAMS						
Betterments	\$ 3,800,000	\$ -	\$ -	\$ -	\$ 100,000	\$ 3,900,000
State Aid	33,621,900	-	-	-	10,414,000	44,035,900
State Industrial Access	8,980,000	-	-	-	200,000	9,180,000
Local Interstate Connectors	3,000,000	-	-	-	3,000,000	6,000,000
Sub-Total State-Funded Programs	\$ 49,401,900	\$ -	\$ -	\$ -	\$ 13,714,000	\$ 63,115,900
FEDERALLY FUNDED PROGRAMS						
Planning and Research	\$ 5,746,000	\$ 14,500,000	\$ -	\$ 14,500,000	-	\$ 20,246,000
Interstate System	14,800,000	162,600,000	-	162,600,000	-	177,400,000
Forest Highways	200,000	700,000	-	700,000	-	900,000
Highway Infrastructure	148,095,200	568,900,000	-	568,900,000	21,000,000	737,995,200
Bridge Replacement	5,400,000	63,900,000	-	63,900,000	2,900,000	72,200,000
Transit	40,492,100	66,811,900	-	66,811,900	-	107,304,000
Air, Water, and Rail	59,000,000	14,500,000	-	14,500,000	3,500,000	77,000,000
Sub-Total Federally Funded Programs	\$ 273,733,300	\$ 891,911,900	\$ -	\$ 891,911,900	\$ 27,400,000	\$ 1,193,045,200
TOTAL APPROPRIATIONS	\$ 818,300,000	\$ 891,911,900	\$ -	\$ 891,911,900	\$ 42,214,000	\$ 1,752,425,900
STATE FUNDING SOURCES:						
Highway User Taxes	\$ 640,800,000					
Sales Tax - Transportation Equity Fund	59,000,000					
Miscellaneous Revenue	22,500,000					
Bond Authorization	74,000,000					
Bond Authorization - Region 2 Complex	6,000,000					
Highway Fund Balance / Reserves	16,000,000					
TOTAL STATE FUNDING SOURCES	\$ 818,300,000					

**Department of Transportation
Recommended Budget by Program and Funding Source
Fiscal Year 2013-2014**

	State	Federal 2009		Total	Other	Total
		Regular Program	U.S. Economic Recovery Act			
Administration	\$ 69,134,100	\$ -	\$ -	\$ -	\$ -	\$ 69,134,100
Headquarters Operations	26,842,700	-	-	-	-	26,842,700
Field Operations	55,825,500	-	-	-	-	55,825,500
Garage and Fleet Operations	32,042,800	-	-	-	-	32,042,800
Capital Improvements	11,165,000	-	-	-	-	11,165,000
Highway System Maintenance	302,259,000	-	-	-	1,100,000	303,359,000
STATE-FUNDED PROGRAMS						
Betterments	\$ 800,000	\$ -	\$ -	\$ -	\$ 100,000	\$ 900,000
State Aid	30,622,000	-	-	-	9,414,000	40,036,000
State Industrial Access	18,180,000	-	-	-	200,000	18,380,000
Local Interstate Connectors	500,000	-	-	-	500,000	1,000,000
Sub-Total State-Funded Programs	\$ 50,102,000	\$ -	\$ -	\$ -	\$ 10,214,000	\$ 60,316,000
FEDERALLY FUNDED PROGRAMS						
Planning and Research	\$ 6,071,000	\$ 16,100,000	\$ -	\$ 16,100,000	-	\$ 22,171,000
Interstate System	14,800,000	159,300,000	-	159,300,000	-	174,100,000
Forest Highways	200,000	700,000	-	700,000	-	900,000
Highway Infrastructure	132,885,900	674,268,300	-	674,268,300	23,950,000	831,104,200
Bridge Replacement	-	-	-	-	-	-
Transit	48,472,000	101,458,900	-	101,458,900	-	149,930,900
Air, Water, and Rail	65,000,000	13,500,000	-	13,500,000	2,500,000	81,000,000
Sub-Total Federally Funded Programs	\$ 267,428,900	\$ 965,327,200	\$ -	\$ 965,327,200	\$ 26,450,000	\$ 1,259,206,100
TOTAL APPROPRIATIONS	\$ 814,800,000	\$ 965,327,200	\$ -	\$ 965,327,200	\$ 37,764,000	\$ 1,817,891,200
STATE FUNDING SOURCES:						
Highway User Taxes	\$ 626,300,000					
Sales Tax - Transportation Equity Fund	65,000,000					
Miscellaneous Revenue	22,500,000					
Bond Authorization	76,000,000					
Bond Authorization - Region 2 Complex	5,000,000					
Highway Fund Balance / Reserves	20,000,000					
TOTAL STATE FUNDING SOURCES	\$ 814,800,000					

Comparison of Programs Fiscal Years 2011-2012, 2012-2013, and 2013-2014

Allot. Code	Department	Actual 2011-2012	Estimated 2012-2013	Recommended 2013-2014	Act. vs. Est. Difference	Est. vs. Rec. Difference
301	Legislature	\$ 37,326,700	\$ 39,763,300	\$ 40,016,800	\$ 2,436,600	\$ 253,500
	Appropriation	36,284,700	39,625,800	39,879,300	3,341,100	253,500
	Current Services and Other Revenue	1,042,000	137,500	137,500	(904,500)	0
301.50	Fiscal Review Committee	\$ 1,267,400	\$ 1,416,100	\$ 1,428,100	\$ 148,700	\$ 12,000
	Appropriation	1,267,400	1,416,100	1,428,100	148,700	12,000
	Current Services and Other Revenue	0	0	0	0	0
302	Court System	\$ 125,553,900	\$ 130,345,600	\$ 130,760,500	\$ 4,791,700	\$ 414,900
	Appropriation	118,539,600	124,138,800	124,951,000	5,599,200	812,200
	Federal	881,000	400,000	400,000	(481,000)	0
	Current Services and Other Revenue	6,133,300	5,806,800	5,409,500	(326,500)	(397,300)
303	Attorney General and Reporter	\$ 32,356,500	\$ 36,321,200	\$ 36,835,800	\$ 3,964,700	\$ 514,600
	Appropriation	21,578,900	24,209,900	24,764,500	2,631,000	554,600
	Current Services and Other Revenue	10,777,600	12,111,300	12,071,300	1,333,700	(40,000)
304	District Attorneys General	\$ 94,467,700	\$ 102,525,000	\$ 103,713,800	\$ 8,057,300	\$ 1,188,800
	Appropriation	67,398,000	73,492,800	74,500,900	6,094,800	1,008,100
	Current Services and Other Revenue	27,069,700	29,032,200	29,212,900	1,962,500	180,700
305	Secretary of State	\$ 40,752,100	\$ 69,831,100	\$ 70,014,000	\$ 29,079,000	\$ 182,900
	Appropriation	23,295,800	27,365,000	27,548,300	4,069,200	183,300
	Federal	5,272,700	30,396,700	30,396,700	25,124,000	0
	Current Services and Other Revenue	12,183,600	12,069,400	12,069,000	(114,200)	(400)
306	District Public Defenders	\$ 40,652,100	\$ 45,183,000	\$ 46,996,600	\$ 4,530,900	\$ 1,813,600
	Appropriation	38,708,500	43,350,400	45,164,000	4,641,900	1,813,600
	Current Services and Other Revenue	1,943,600	1,832,600	1,832,600	(111,000)	0
307	Comptroller of the Treasury	\$ 84,902,300	\$ 91,835,900	\$ 92,671,200	\$ 6,933,600	\$ 835,300
	Appropriation	71,778,400	82,662,300	83,497,600	10,883,900	835,300
	Current Services and Other Revenue	13,123,900	9,173,600	9,173,600	(3,950,300)	0
308	Post-Conviction Defender	\$ 1,946,100	\$ 2,170,300	\$ 2,201,500	\$ 224,200	\$ 31,200
	Appropriation	1,946,100	2,170,300	2,201,500	224,200	31,200
309	Treasury Department	\$ 24,513,900	\$ 31,578,200	\$ 32,577,800	\$ 7,064,300	\$ 999,600
	Appropriation	472,500	3,601,900	2,876,800	3,129,400	(725,100)
	Current Services and Other Revenue	24,041,400	27,976,300	29,701,000	3,934,900	1,724,700
313	Claims and Compensation	\$ 91,951,100	\$ 108,108,400	\$ 110,780,100	\$ 16,157,300	\$ 2,671,700
	Appropriation	9,576,300	12,790,500	16,420,000	3,214,200	3,629,500
	Federal	5,314,400	6,200,000	4,930,000	885,600	(1,270,000)
	Current Services and Other Revenue	77,060,400	89,117,900	89,430,100	12,057,500	312,200

Comparison of Programs Fiscal Years 2011-2012, 2012-2013, and 2013-2014

Allot. Code	Department	Actual 2011-2012	Estimated 2012-2013	Recommended 2013-2014	Act. vs. Est. Difference	Est. vs. Rec. Difference
315	Executive Department	\$ 4,595,500	\$ 4,931,200	\$ 4,671,200	\$ 335,700	\$ (260,000)
	Appropriation	4,594,300	4,886,200	4,671,200	291,900	(215,000)
	Current Services and Other Revenue	1,200	45,000	0	43,800	(45,000)
316	Commissions	\$ 377,001,900	\$ 416,319,300	\$ 364,514,000	\$ 39,317,400	\$ (51,805,300)
	Appropriation	34,364,200	37,072,800	35,509,200	2,708,600	(1,563,600)
	Federal	288,050,600	274,006,300	259,998,900	(14,044,300)	(14,007,400)
	Current Services and Other Revenue	54,587,100	105,240,200	69,005,900	50,653,100	(36,234,300)
317	Finance and Administration (F&A)	\$ 235,179,800	\$ 253,542,800	\$ 264,056,400	\$ 18,363,000	\$ 10,513,600
	Appropriation	9,641,700	17,256,000	29,698,800	7,614,300	12,442,800
	Federal	26,592,800	24,977,700	25,166,100	(1,615,100)	188,400
	Current Services and Other Revenue	198,945,300	211,309,100	209,191,500	12,363,800	(2,117,600)
	Criminal Justice Programs	¹ \$ 26,065,700	\$ 25,503,500	\$ 24,973,400	\$ (562,200)	\$ (530,100)
	Appropriation	3,749,200	4,506,600	3,894,100	757,400	(612,500)
	Federal	22,157,500	20,891,100	20,891,100	(1,266,400)	0
	Current Services and Other Revenue	159,000	105,800	188,200	(53,200)	82,400
	Other F&A Programs	¹ \$ 209,114,100	\$ 228,039,300	\$ 239,083,000	\$ 18,925,200	\$ 11,043,700
	Appropriation	5,892,500	12,749,400	25,804,700	6,856,900	13,055,300
	Federal	4,435,300	4,086,600	4,275,000	(348,700)	188,400
	Current Services and Other Revenue	198,786,300	211,203,300	209,003,300	12,417,000	(2,200,000)
318	F&A, TennCare	\$ 9,332,954,800	\$ 9,274,552,700	\$ 9,863,783,100	\$ (58,402,100)	\$ 589,230,400
	Appropriation	2,792,553,800	2,934,333,500	3,185,942,900	141,779,700	251,609,400
	Federal	6,006,634,400	6,073,904,100	6,380,164,300	67,269,700	306,260,200
	Current Services and Other Revenue	533,766,600	266,315,100	297,675,900	(267,451,500)	31,360,800
319	Human Resources	\$ 8,277,400	\$ 11,382,600	\$ 11,167,900	\$ 3,105,200	\$ (214,700)
	Appropriation	0	0	0	0	0
	Current Services and Other Revenue	8,277,400	11,382,600	11,167,900	3,105,200	(214,700)
321	General Services	\$ 106,530,100	\$ 123,272,100	\$ 114,631,000	\$ 16,742,000	\$ (8,641,100)
	Appropriation	13,220,700	26,249,800	10,822,800	13,029,100	(15,427,000)
	Current Services and Other Revenue	93,309,400	97,022,300	103,808,200	3,712,900	6,785,900
323	Veterans Affairs	\$ 5,298,000	\$ 5,976,100	\$ 6,215,100	\$ 678,100	\$ 239,000
	Appropriation	4,123,400	4,956,400	5,195,400	833,000	239,000
	Federal	857,700	772,700	772,700	(85,000)	0
	Current Services and Other Revenue	316,900	247,000	247,000	(69,900)	0
324	Board of Parole	\$ 6,879,600	\$ 7,355,900	\$ 7,212,300	\$ 476,300	\$ (143,600)
	Appropriation	6,879,600	7,355,900	7,212,300	476,300	(143,600)

Comparison of Programs Fiscal Years 2011-2012, 2012-2013, and 2013-2014

Allot. Code	Department	Actual 2011-2012	Estimated 2012-2013	Recommended 2013-2014	Act. vs. Est. Difference	Est. vs. Rec. Difference
325	Agriculture	\$ 91,584,700	\$ 90,440,500	\$ 88,603,100	\$ (1,144,200)	\$ (1,837,400)
	Appropriation	59,657,300	68,584,000	66,806,400	8,926,700	(1,777,600)
	Federal	17,265,900	11,601,400	11,223,500	(5,664,500)	(377,900)
	Current Services and Other Revenue	14,661,500	10,255,100	10,573,200	(4,406,400)	318,100
326	Tourist Development	\$ 18,847,800	\$ 20,768,900	\$ 28,168,400	\$ 1,921,100	\$ 7,399,500
	Appropriation	11,735,800	12,249,100	19,390,200	513,300	7,141,100
	Current Services and Other Revenue	7,112,000	8,519,800	8,778,200	1,407,800	258,400
327	Environment and Conservation	\$ 358,265,300	\$ 389,030,700	\$ 371,712,900	\$ 30,765,400	\$ (17,317,800)
	Appropriation	156,381,800	184,139,500	180,028,000	27,757,700	(4,111,500)
	Federal	108,968,700	83,541,500	73,297,900	(25,427,200)	(10,243,600)
	Current Services and Other Revenue	92,914,800	121,349,700	118,387,000	28,434,900	(2,962,700)
328	Wildlife Resources Agency	\$ 73,610,700	\$ 97,955,300	\$ 92,764,400	\$ 24,344,600	\$ (5,190,900)
	Appropriation	40,868,200	53,307,000	55,616,800	12,438,800	2,309,800
	Federal	25,672,600	25,922,700	27,300,300	250,100	1,377,600
	Current Services and Other Revenue	7,069,900	18,725,600	9,847,300	11,655,700	(8,878,300)
329	Correction	\$ 786,970,600	\$ 899,270,500	\$ 929,449,500	\$ 112,299,900	\$ 30,179,000
	Appropriation	769,496,300	879,851,400	908,721,900	110,355,100	28,870,500
	Federal	630,500	600,000	600,000	(30,500)	0
	Current Services and Other Revenue	16,843,800	18,819,100	20,127,600	1,975,300	1,308,500
330	Economic and Community Development	\$ 167,952,800	\$ 364,639,600	\$ 137,716,900	\$ 196,686,800	\$ (226,922,700)
	Appropriation	104,013,600	118,379,300	105,179,300	14,365,700	(13,200,000)
	Federal	43,944,400	217,979,100	25,856,400	174,034,700	(192,122,700)
	Current Services and Other Revenue	19,994,800	28,281,200	6,681,200	8,286,400	(21,600,000)
331	Education (K-12)	\$ 5,369,515,900	\$ 5,608,590,900	\$ 5,665,610,600	\$ 239,075,000	\$ 57,019,700
	Appropriation	4,046,228,400	4,183,907,600	4,365,914,400	137,679,200	182,006,800
	Federal	1,260,533,200	1,310,864,700	1,192,737,300	50,331,500	(118,127,400)
	Current Services and Other Revenue	62,754,300	113,818,600	106,958,900	51,064,300	(6,859,700)
	Lottery-Funded Programs	¹ \$ 11,458,000	\$ 13,500,000	\$ 13,500,000	\$ 2,042,000	\$ 0
	Appropriation	11,458,000	12,000,000	13,100,000	542,000	1,100,000
	Current Services and Other Revenue	0	1,500,000	400,000	1,500,000	(1,100,000)
	Other Education (K-12) Programs	¹ \$ 5,358,057,900	\$ 5,595,090,900	\$ 5,652,110,600	\$ 237,033,000	\$ 57,019,700
	Appropriation	4,034,770,400	4,171,907,600	4,352,814,400	137,137,200	180,906,800
	Federal	1,260,533,200	1,310,864,700	1,192,737,300	50,331,500	(118,127,400)
	Current Services and Other Revenue	62,754,300	112,318,600	106,558,900	49,564,300	(5,759,700)

Comparison of Programs Fiscal Years 2011-2012, 2012-2013, and 2013-2014

Allot. Code	Department	Actual 2011-2012	Estimated 2012-2013	Recommended 2013-2014	Act. vs. Est. Difference	Est. vs. Rec. Difference
332	Higher Education	\$ 3,799,077,900	\$ 3,914,667,900	\$ 4,001,653,400	\$ 115,590,000	\$ 86,985,500
	Appropriation	1,421,772,200	1,446,791,400	1,563,015,800	25,019,200	116,224,400
	Federal	226,006,800	259,400,600	258,030,000	33,393,800	(1,370,600)
	Current Services and Other Revenue	638,712,000	642,862,800	614,994,500	4,150,800	(27,868,300)
	Tuition and Student Fees	1,512,586,900	1,565,613,100	1,565,613,100	53,026,200	0
	Lottery for Education Account ¹	\$ 319,530,900	\$ 331,200,000	\$ 322,900,000	\$ 11,669,100	\$ (8,300,000)
	Appropriation	319,530,900	305,200,000	322,900,000	(14,330,900)	17,700,000
	Current Services and Other Revenue	0	26,000,000	0	26,000,000	(26,000,000)
	Other Higher Education Programs ¹	\$ 3,479,547,000	\$ 3,583,467,900	\$ 3,678,753,400	\$ 103,920,900	\$ 95,285,500
	Appropriation	1,102,241,300	1,141,591,400	1,240,115,800	39,350,100	98,524,400
	Federal	226,006,800	259,400,600	258,030,000	33,393,800	(1,370,600)
	Current Services and Other Revenue	638,712,000	616,862,800	614,994,500	(21,849,200)	(1,868,300)
	Tuition and Student Fees	1,512,586,900	1,565,613,100	1,565,613,100	53,026,200	0
335	Commerce and Insurance	\$ 120,827,600	\$ 168,332,100	\$ 158,784,300	\$ 47,504,500	\$ (9,547,800)
	Appropriation	81,972,800	105,262,500	105,200,700	23,289,700	(61,800)
	Federal	1,537,600	633,000	295,300	(904,600)	(337,700)
	Current Services and Other Revenue	37,317,200	62,436,600	53,288,300	25,119,400	(9,148,300)
336	Financial Institutions	\$ 14,092,800	\$ 17,145,500	\$ 18,091,100	\$ 3,052,700	\$ 945,600
	Appropriation	6,362,700	8,829,500	9,775,100	2,466,800	945,600
	Current Services and Other Revenue	7,730,100	8,316,000	8,316,000	585,900	0
337	Labor and Workforce Development	\$ 206,582,600	\$ 298,103,700	\$ 221,573,200	\$ 91,521,100	\$ (76,530,500)
	Appropriation	33,365,300	47,714,500	47,533,000	14,349,200	(181,500)
	Federal	168,626,300	242,136,800	166,174,200	73,510,500	(75,962,600)
	Current Services and Other Revenue	4,591,000	8,252,400	7,866,000	3,661,400	(386,400)
339	Mental Health and Substance Abuse	\$ 294,664,200	\$ 307,117,100	\$ 300,008,100	\$ 12,452,900	\$ (7,109,000)
	Appropriation	188,266,200	194,949,000	196,394,400	6,682,800	1,445,400
	Federal	63,268,600	67,285,200	59,729,600	4,016,600	(7,555,600)
	Current Services and Other Revenue	43,129,400	44,882,900	43,884,100	1,753,500	(998,800)
341	Military	\$ 208,622,500	\$ 166,962,300	\$ 99,279,400	\$ (41,660,200)	\$ (67,682,900)
	Appropriation	21,963,100	15,481,300	15,232,800	(6,481,800)	(248,500)
	Federal	186,379,000	149,415,400	81,981,000	(36,963,600)	(67,434,400)
	Current Services and Other Revenue	280,400	2,065,600	2,065,600	1,785,200	0
343	Health	\$ 514,566,300	\$ 577,167,300	\$ 573,408,200	\$ 62,601,000	\$ (3,759,100)
	Appropriation	157,078,300	181,932,900	177,290,900	24,854,600	(4,642,000)
	Federal	218,377,200	255,453,100	254,808,700	37,075,900	(644,400)
	Current Services and Other Revenue	139,110,800	139,781,300	141,308,600	670,500	1,527,300
344	Intellectual and Developmental Disabilities	\$ 452,047,300	\$ 225,495,700	\$ 197,630,900	\$ (226,551,600)	\$ (27,864,800)
	Appropriation	28,539,700	28,405,000	28,727,300	(134,700)	322,300
	Federal	1,284,800	2,011,600	1,781,600	726,800	(230,000)
	Current Services and Other Revenue	422,222,800	195,079,100	167,122,000	(227,143,700)	(27,957,100)

Comparison of Programs Fiscal Years 2011-2012, 2012-2013, and 2013-2014

Allot. Code	Department	Actual 2011-2012	Estimated 2012-2013	Recommended 2013-2014	Act. vs. Est. Difference	Est. vs. Rec. Difference
345	Human Services	\$ 3,082,173,400	\$ 3,098,004,300	\$ 3,026,096,200	\$ 15,830,900	\$ (71,908,100)
	Appropriation	130,840,200	174,283,000	168,977,900	43,442,800	(5,305,100)
	Federal	2,816,629,800	2,786,818,300	2,721,615,700	(29,811,500)	(65,202,600)
	Current Services and Other Revenue	134,703,400	136,903,000	135,502,600	2,199,600	(1,400,400)
	Temporary Cash Assistance	¹ \$ 121,862,000	\$ 120,810,400	\$ 120,810,400	\$ (1,051,600)	\$ 0
	Appropriation	14,053,300	19,968,900	19,968,900	5,915,600	0
	Federal	107,808,700	97,224,300	97,224,300	(10,584,400)	0
	Current Services and Other Revenue	0	3,617,200	3,617,200	3,617,200	0
	Food Stamp Benefits	¹ \$ 2,075,107,500	\$ 2,043,156,300	\$ 2,043,156,300	\$ (31,951,200)	\$ 0
	Federal	2,075,107,500	2,043,156,300	2,043,156,300	(31,951,200)	0
	Other Human Services Programs	¹ \$ 885,203,900	\$ 934,037,600	\$ 862,129,500	\$ 48,833,700	\$ (71,908,100)
	Appropriation	116,786,900	154,314,100	149,009,000	37,527,200	(5,305,100)
	Federal	633,713,600	646,437,700	581,235,100	12,724,100	(65,202,600)
	Current Services and Other Revenue	134,703,400	133,285,800	131,885,400	(1,417,600)	(1,400,400)
347	Revenue	\$ 104,252,900	\$ 108,527,800	\$ 110,840,800	\$ 4,274,900	\$ 2,313,000
	Appropriation	76,322,500	83,646,000	82,569,200	7,323,500	(1,076,800)
	Federal	8,800	22,000	22,000	13,200	0
	Current Services and Other Revenue	27,921,600	24,859,800	28,249,600	(3,061,800)	3,389,800
348	Tennessee Bureau of Investigation	\$ 65,224,300	\$ 77,076,600	\$ 70,284,700	\$ 11,852,300	\$ (6,791,900)
	Appropriation	32,830,500	42,377,200	40,717,500	9,546,700	(1,659,700)
	Federal	11,718,600	15,468,600	15,212,400	3,750,000	(256,200)
	Current Services and Other Revenue	20,675,200	19,230,800	14,354,800	(1,444,400)	(4,876,000)
349	Safety	\$ 165,508,100	\$ 184,128,500	\$ 184,449,300	\$ 18,620,400	\$ 320,800
	Appropriation	111,269,500	125,310,600	126,256,400	14,041,100	945,800
	Federal	7,492,000	9,276,400	9,276,400	1,784,400	0
	Current Services and Other Revenue	46,746,600	49,541,500	48,916,500	2,794,900	(625,000)
350	F&A, Strategic Health-Care Programs	\$ 255,063,000	\$ 341,184,300	\$ 318,524,100	\$ 86,121,300	\$ (22,660,200)
	Appropriation	88,797,800	112,447,200	110,626,300	23,649,400	(1,820,900)
	Federal	141,859,700	195,572,900	176,733,600	53,713,200	(18,839,300)
	Current Services and Other Revenue	24,405,500	33,164,200	31,164,200	8,758,700	(2,000,000)
351	Miscellaneous Appropriations	\$ 42,925,100	\$ 84,341,500	\$ 209,713,400	\$ 41,416,400	\$ 125,371,900
	Appropriation	42,053,900	84,103,000	209,713,400	42,049,100	125,610,400
	Current Services and Other Revenue	871,200	238,500	0	(632,700)	(238,500)
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	\$ 308,600	\$ 400,000	\$ 400,000	\$ 91,400	\$ 0
	Appropriation	70,400	250,000	250,000	179,600	0
	Current Services and Other Revenue	238,200	150,000	150,000	(88,200)	0

Comparison of Programs Fiscal Years 2011-2012, 2012-2013, and 2013-2014

Allot. Code	Department	Actual 2011-2012	Estimated 2012-2013	Recommended 2013-2014	Act. vs. Est. Difference	Est. vs. Rec. Difference
359	Children's Services	\$ 666,015,300	\$ 636,977,500	\$ 647,397,800	\$ (29,037,800)	\$ 10,420,300
	Appropriation	302,414,400	297,029,900	303,039,800	(5,384,500)	6,009,900
	Federal	115,049,100	113,686,200	116,506,600	(1,362,900)	2,820,400
	Current Services and Other Revenue	248,551,800	226,261,400	227,851,400	(22,290,400)	1,590,000
	Grand Total - General Fund	\$ 27,511,106,600	\$ 28,433,558,600	\$ 28,757,227,200	\$ 922,452,000	\$ 323,668,600
	Appropriation	11,168,524,800	11,916,984,600	12,610,081,400	748,459,800	693,096,800
	Federal	11,748,857,200	12,158,347,000	11,895,011,200	409,489,800	(263,335,800)
	Current Services and Other Revenue	3,081,137,700	2,792,613,900	2,686,521,500	(288,523,800)	(106,092,400)
	Tuition and Student Fees	1,512,586,900	1,565,613,100	1,565,613,100	53,026,200	0
400	Transportation	\$ 1,952,886,100	\$ 1,752,425,900	\$ 1,817,891,200	\$ (200,460,200)	\$ 65,465,300
	Appropriation	866,886,300 ²	738,300,000	733,800,000	(128,586,300)	(4,500,000)
	Federal	1,040,770,200	891,911,900	965,327,200	(148,858,300)	73,415,300
	Current Services and Other Revenue	45,229,600	42,214,000	37,764,000	(3,015,600)	(4,450,000)
	Bonds	0	80,000,000	81,000,000	80,000,000	1,000,000
	Debt Service Requirements	\$ 426,247,100	\$ 413,390,600	\$ 442,324,000	\$ (12,856,500)	\$ 28,933,400
	Appropriation	426,247,100	413,390,600	442,324,000	(12,856,500)	28,933,400
	Capital Outlay Program	\$ 483,279,000	\$ 575,140,000	\$ 443,250,000	\$ 91,861,000	\$ (131,890,000)
	Appropriation	412,648,000 ²	145,930,000	160,800,000	(266,718,000)	14,870,000
	Federal	6,122,000	19,560,000	3,300,000	13,438,000	(16,260,000)
	Current Services and Other Revenue	64,509,000	108,750,000	94,150,000	44,241,000	(14,600,000)
	Bonds	0	300,900,000	185,000,000	300,900,000	(115,900,000)
	Facilities Revolving Fund	\$ 139,003,900	\$ 288,461,100	\$ 299,803,800	\$ 149,457,200	\$ 11,342,700
	Appropriation	7,517,200	141,234,800	168,564,800	133,717,600	27,330,000
	Current Services and Other Revenue	131,486,700 ³	146,226,300	131,239,000	14,739,600	(14,987,300)
	Bonds	0	1,000,000	0	1,000,000	(1,000,000)
	Cities & Counties - State Shared Taxes	\$ 853,566,200	\$ 866,000,000	\$ 884,100,000	\$ 12,433,800	\$ 18,100,000
	Appropriation	853,566,200	866,000,000	884,100,000	12,433,800	18,100,000
	Total State Budget - All Programs	\$ 31,366,088,900	\$ 32,328,976,200	\$ 32,644,596,200	\$ 962,887,300	\$ 315,620,000
	Appropriation	13,735,389,600	14,221,840,000	14,999,670,200	486,450,400	777,830,200
	Federal	12,795,749,400	13,069,818,900	12,863,638,400	274,069,500	(206,180,500)
	Current Services and Other Revenue	3,322,363,000	3,089,804,200	2,949,674,500	(232,558,800)	(140,129,700)
	Tuition and Student Fees	1,512,586,900	1,565,613,100	1,565,613,100	53,026,200	0
	Bonds	0	381,900,000	266,000,000	381,900,000	(115,900,000)

¹ Included in departmental total.

² Transportation and Capital Outlay Program - Actual 2011-2012 includes tax revenue and bonds.

³ Facilities Revolving Fund - Actual 2011-2012 includes departmental revenue and bonds.

2012-2013 Through 2016-2017 Budget Projection
General Fund and Education Fund
Recurring Appropriations and State Revenue
(Incremental Change in Millions)
Increase / (Decrease)

	Year 0 2012-2013 Non-Recurring	Year 1 2013-2014	Year 2 2014-2015	Year 3 2015-2016	Year 4 2016-2017
I. General Fund Revenue and Reserves:					
Dept. of Revenue Taxes	\$ 306	\$ 698	\$ 504	\$ 530	\$ 556
Tax Legislation	-	(23)	(20)	(41)	-
Other Revenue	126	101	15	15	15
Debt Service Fund Revenue	71	13	5	5	5
Other Available Revenue - Unappropriated Budget Surplus	402	9	-	-	-
Rounding	-	-	-	(1)	-
Total General Fund Revenue and Reserves	\$ 905	\$ 798	\$ 504	\$ 508	\$ 576
II. Appropriation Requirements:					
Cost Increase:					
Education:					
Basic Education Program (BEP)	\$ -	\$ 77	\$ 50	\$ 50	\$ 50
Other K-12 Education	-	-	1	1	1
Sub-Total Education	\$ -	\$ 77	\$ 51	\$ 51	\$ 51
Higher Education	-	49	50	50	50
TennCare and Cover Tennessee Health Care - Current Program	-	237	113	114	115
TennCare - National Health Reform - Mandatory	-	121	79	-	3
Correction Department	46	80	25	25	25
Economic and Community Development	66	7	20	35	-
Salary Increase - State Employees, Higher Education, Teachers	-	108	112	113	114
Employee Health Insurance	-	46	53	53	58
Retirement Contribution Rate Increase	-	-	20	-	20
Other Programs	38	42	33	48	89
Sub-Total Cost Increase	\$ 150	\$ 767	\$ 556	\$ 489	\$ 525
Base Adjustments:					
Core Services Continuation	\$ -	\$ 2	\$ -	\$ -	\$ -
Preliminary Base Adjustments	-	53	-	-	-
Base Reductions	-	(62)	(86)	-	-
Sub-Total Base Adjustments	\$ -	\$ (7)	\$ (86)	\$ -	\$ -
Other Programs:					
Capital Outlay - Debt Service	\$ -	\$ 20	\$ 27	\$ 19	\$ 25
Reserved for Appropriation	-	4	7	-	26
Overappropriation Decrease	-	13	-	-	-
Transfer to TennCare Reserve	124	-	-	-	-
Other Reserve Requirements	1	-	-	-	-
Rounding	-	1	-	-	-
Sub-Total Other Programs	\$ 125	\$ 38	\$ 34	\$ 19	\$ 51
Total Appropriation Requirements	\$ 275	\$ 798	\$ 504	\$ 508	\$ 576
III. Budget Surplus / (Deficit)	\$ 630	\$ -	\$ -	\$ -	\$ -
Reserves:					
Revenue Fluctuation Reserve at June 30	\$ 356	\$ 456	\$ 508	\$ 563	\$ 621
TennCare Reserve at June 30	\$ 239	\$ 239	\$ 239	\$ 239	\$ 239
Note: Department of Revenue Taxes - Growth Rates:	2.85%	3.89%	5.0%	5.0%	5.0%

Funding Summary All Programs

	Actual 2011-2012	Estimated 2012-2013	Recommended 2013-2014
GENERAL FUND AND EDUCATION FUND			
Expenditures			
Payroll	\$ 2,364,955,000	\$ 2,642,372,800	\$ 2,654,652,000
Operational	25,146,151,600	25,791,185,800	26,102,575,200
TOTAL	\$ 27,511,106,600	\$ 28,433,558,600	\$ 28,757,227,200
Funding			
State *	\$ 11,168,524,800	\$ 11,916,984,600	\$ 12,610,081,400
Federal	11,748,857,200	12,158,347,000	11,895,011,200
Other	3,081,137,700	2,792,613,900	2,686,521,500
Tuition and Fees	1,512,586,900	1,565,613,100	1,565,613,100
DEPARTMENT OF TRANSPORTATION			
Expenditures			
Payroll	\$ 215,245,600	\$ 265,819,900	\$ 269,138,500
Operational	1,737,640,500	1,486,606,000	1,548,752,700
TOTAL	\$ 1,952,886,100	\$ 1,752,425,900	\$ 1,817,891,200
Funding			
State	\$ 866,886,300	\$ 818,300,000	\$ 814,800,000
Federal	1,040,770,200	891,911,900	965,327,200
Other	45,229,600	42,214,000	37,764,000
GRAND TOTAL - ALL PROGRAMS			
Expenditures			
Payroll	\$ 2,580,200,600	\$ 2,908,192,700	\$ 2,923,790,500
Operational	26,883,792,100	27,277,791,800	27,651,327,900
TOTAL	\$ 29,463,992,700	\$ 30,185,984,500	\$ 30,575,118,400
Funding			
State *	\$ 12,035,411,100	\$ 12,735,284,600	\$ 13,424,881,400
Federal	12,789,627,400	13,050,258,900	12,860,338,400
Other	3,126,367,300	2,834,827,900	2,724,285,500
Tuition and Fees	1,512,586,900	1,565,613,100	1,565,613,100

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

\$ 330,988,900	\$ 317,200,000	\$ 336,000,000
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**Summary Comparison of Tennessee Personal Income
and Appropriations from State Tax Revenues
Fiscal Years 1977-1978, 2011-2012, 2012-2013, and 2013-2014**

TABLE 1

**Tennessee Personal Income
Calendar Years 1977, 2011, 2012, and 2013
(Dollars in Millions)**

<u>Year</u>	<u>Personal Income</u>	<u>Percentage Growth</u>
1977	\$ 26,805.0	-
2011	234,154.0	-
2012	243,018.2	3.79
2013	251,629.1	3.54

TABLE 2

**Appropriations from State Tax Revenues
Fiscal Years 1977-1978, 2011-2012, 2012-2013, and 2013-2014
(Dollars in Millions)**

<u>Year</u>	<u>Appropriations</u>	<u>Percentage Growth</u>
1977-1978	\$ 1,747.3	-
2011-2012	12,553.4	-
2012-2013	13,247.9	5.53
2013-2014	13,695.8	3.38

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.

**Departmental Comparison of Recurring Appropriations from State Revenues,
2012-2013 and Base Budget 2013-2014**

Program	2012-2013	Base Budget 2013-2014	Increase/ (Decrease)	% Chg
301.00 Legislature	\$ 39,879,300	\$ 39,879,300	\$ -	0.0%
301.50 Fiscal Review Committee	1,428,100	1,428,100	-	0.0%
302.00 Court System	124,192,500	124,192,500	-	0.0%
303.00 Attorney General and Reporter	24,759,900	24,759,900	-	0.0%
304.00 District Attorneys General	73,397,000	73,444,500	47,500	0.1%
305.00 Secretary of State	27,530,500	27,548,300	17,800	0.1%
306.00 District Public Defenders	43,350,400	43,350,400	-	0.0%
307.00 Comptroller of the Treasury	80,541,800	80,541,800	-	0.0%
308.00 Post-Conviction Defender	2,170,300	2,170,300	-	0.0%
309.00 Treasury Department	1,667,600	1,667,600	-	0.0%
313.00 Claims and Compensation	9,900,000	11,170,000	1,270,000	12.8%
315.00 Executive Department	4,886,200	4,671,200	(215,000)	(4.4%)
316.00 Commissions	36,322,800	35,414,200	(908,600)	(2.5%)
317.00 Finance and Administration (F&A)	<u>\$ 14,381,000</u>	<u>\$ 13,978,800</u>	<u>\$ (402,200)</u>	<u>(2.8%)</u>
Criminal Justice Programs	4,131,600	3,894,100	(237,500)	(5.8%)
Other F&A Programs	10,249,400	10,084,700	(164,700)	(1.6%)
318.00 F&A - TennCare	2,389,405,300	2,385,356,500	(4,048,800)	(0.2%)
319.00 Human Resources	-	-	-	0.0%
321.00 General Services	11,170,500	10,822,800	(347,700)	(3.1%)
323.00 Veterans Affairs	4,956,400	4,956,400	-	0.0%
324.00 Board of Parole	7,355,900	7,212,300	(143,600)	(2.0%)
325.00 Agriculture	68,584,000	66,806,400	(1,777,600)	(2.6%)
326.00 Tourist Development	11,791,600	11,290,200	(501,400)	(4.3%)
327.00 Environment and Conservation	179,713,500	179,393,000	(320,500)	(0.2%)
328.00 Wildlife Resources Agency	53,307,000	54,486,900	1,179,900	2.2%
329.00 Correction	831,287,800	821,714,400	(9,573,400)	(1.2%)
330.00 Economic and Community Development	31,779,300	61,779,300	30,000,000	94.4%
331.00 Education (K-12)	<u>\$ 4,163,031,400</u>	<u>\$ 4,165,353,900</u>	<u>\$ 2,322,500</u>	<u>0.1%</u>
Lottery-Funded Programs	12,000,000	13,100,000	1,100,000	9.2%
Other K-12 Education Programs	4,151,031,400	4,152,253,900	1,222,500	0.0%
332.00 Higher Education	<u>\$ 1,430,678,400</u>	<u>\$ 1,447,842,800</u>	<u>\$ 17,164,400</u>	<u>1.2%</u>
Lottery-Funded Programs	305,200,000	322,900,000	17,700,000	5.8%
Other Higher Education Programs	1,125,478,400	1,124,942,800	(535,600)	(0.1%)

**Departmental Comparison of Recurring Appropriations from State Revenues,
2012-2013 and Base Budget 2013-2014**

Program	2012-2013	Base Budget 2013-2014	Increase/ (Decrease)	% Chg
335.00 Commerce and Insurance	105,250,000	105,139,700	(110,300)	(0.1%)
336.00 Financial Institutions	8,829,500	8,829,500	-	0.0%
337.00 Labor and Workforce Development	42,049,000	41,489,500	(559,500)	(1.3%)
339.00 Mental Health	190,627,700	190,627,700	-	0.0%
341.00 Military	15,481,300	15,232,800	(248,500)	(1.6%)
343.00 Health	176,019,300	172,090,900	(3,928,400)	(2.2%)
344.00 Intellectual and Developmental Disabilities	25,723,500	24,932,000	(791,500)	(3.1%)
345.00 Human Services	<u>\$ 172,551,400</u>	<u>\$ 168,932,500</u>	<u>\$ (3,618,900)</u>	<u>(2.1%)</u>
Temporary Cash Assistance	19,968,900	19,968,900	-	0.0%
Other Human Services Programs	152,582,500	148,963,600	(3,618,900)	(2.4%)
347.00 Revenue	83,282,900	80,888,800	(2,394,100)	(2.9%)
348.00 Tennessee Bureau of Investigation	41,517,500	40,717,500	(800,000)	(1.9%)
349.00 Safety	116,755,600	123,642,200	6,886,600	5.9%
350.00 F&A - Strategic Health-Care Programs	112,447,200	102,010,200	(10,437,000)	(9.3%)
351.00 Miscellaneous Appropriations	80,496,000	77,813,400	(2,682,600)	(3.3%)
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	296,625,900	295,519,800	(1,106,100)	(0.4%)
Total General Fund	<u>\$ 11,136,194,600</u>	<u>\$ 11,150,167,600</u>	<u>\$ 13,973,000</u>	<u>0.1%</u>

**Departmental Comparison of Appropriations from State Revenues,
Recurring and Non-Recurring, for Fiscal Years 2012-2013 and 2013-2014**

Program	2012-2013 Appropriation		2013-2014 Base Recommended			2013-2014 Cost Increases		2013-2014 Total Recommended				
	Recurring	Non-Recurring	Recurring	Pct. Chg.	Non-Recurring	Recurring	Non-Recurring	Recurring	Pct. Chg.	Non-Recurring	Total	Pct. Chg.
Legislature	\$ 39,879,300	\$ (253,500)	\$ 39,879,300	0.0%	\$ -	\$ -	\$ -	\$ 39,879,300	0.0%	\$ -	\$ 39,879,300	0.6%
Fiscal Review Committee	1,428,100	(12,000)	1,428,100	0.0%	-	-	-	1,428,100	0.0%	-	1,428,100	0.9%
Court System	124,192,500	(53,700)	124,192,500	0.0%	-	758,500	-	124,951,000	0.6%	-	124,951,000	0.7%
Attorney General and Reporter	24,759,900	(550,000)	24,759,900	0.0%	-	4,600	-	24,764,500	0.0%	-	24,764,500	2.3%
District Attorneys General	73,397,000	95,800	73,444,500	0.1%	-	1,056,400	-	74,500,900	1.5%	-	74,500,900	1.4%
Secretary of State	27,530,500	(165,500)	27,548,300	0.1%	-	-	-	27,548,300	0.1%	-	27,548,300	0.7%
District Public Defenders	43,350,400	-	43,350,400	0.0%	-	1,813,600	-	45,164,000	4.2%	-	45,164,000	4.2%
Comptroller of the Treasury	80,541,800	2,120,500	80,541,800	0.0%	-	2,955,800	-	83,497,600	3.7%	-	83,497,600	1.0%
Post-Conviction Defender	2,170,300	-	2,170,300	0.0%	-	31,200	-	2,201,500	1.4%	-	2,201,500	1.4%
Treasury Department	1,667,600	1,934,300	1,667,600	0.0%	-	209,200	1,000,000	1,876,800	12.5%	1,000,000	2,876,800	(20.1%)
Claims and Compensation	9,900,000	2,890,500	11,170,000	12.8%	-	-	5,250,000	11,170,000	12.8%	5,250,000	16,420,000	28.4%
Executive Department	4,886,200	-	4,671,200	(4.4%)	-	-	-	4,671,200	(4.4%)	-	4,671,200	(4.4%)
Commissions	36,322,800	750,000	35,414,200	(2.5%)	-	95,000	-	35,509,200	(2.2%)	-	35,509,200	(4.2%)
Finance and Administration (F&A)	\$ 14,381,000	\$ 2,875,000	\$ 13,978,800	(2.8%)	\$ -	\$ 5,825,000	\$ 9,895,000	\$ 19,803,800	37.7%	\$ 9,895,000	\$ 29,698,800	72.1%
Criminal Justice Programs	4,131,600	375,000	3,894,100	(5.8%)	-	-	-	3,894,100	(5.8%)	-	3,894,100	(13.6%)
Other F&A Programs	10,249,400	2,500,000	10,084,700	(1.6%)	-	5,825,000	9,895,000	15,909,700	55.2%	9,895,000	25,804,700	102.4%
F&A - TennCare	2,389,405,300	544,928,200	2,385,356,500	(0.2%)	449,800,000	349,085,400	1,701,000	2,734,441,900	14.4%	451,501,000	3,185,942,900	8.6%
Human Resources	-	-	-	0.0%	-	-	-	-	0.0%	-	-	0.0%
General Services	11,170,500	15,079,300	10,822,800	(3.1%)	-	-	-	10,822,800	(3.1%)	-	10,822,800	(58.8%)
Veterans Affairs	4,956,400	-	4,956,400	0.0%	-	239,000	-	5,195,400	4.8%	-	5,195,400	4.8%
Board of Parole	7,355,900	-	7,212,300	(2.0%)	-	-	-	7,212,300	(2.0%)	-	7,212,300	(2.0%)
Agriculture	68,584,000	-	66,806,400	(2.6%)	-	-	-	66,806,400	(2.6%)	-	66,806,400	(2.6%)
Tourist Development	11,791,600	457,500	11,290,200	(4.3%)	-	-	8,100,000	11,290,200	(4.3%)	8,100,000	19,390,200	58.3%
Environment and Conservation	179,713,500	4,426,000	179,393,000	(0.2%)	635,000	-	-	179,393,000	(0.2%)	635,000	180,028,000	(2.2%)
Wildlife Resources Agency	53,307,000	-	54,486,900	2.2%	-	1,129,900	-	55,616,800	4.3%	-	55,616,800	4.3%
Correction	831,287,800	48,563,600	821,714,400	(1.2%)	-	79,587,000	7,420,500	901,301,400	8.4%	7,420,500	908,721,900	3.3%
Economic and Community Development	31,779,300	86,600,000	61,779,300	94.4%	-	7,000,000	36,400,000	68,779,300	116.4%	36,400,000	105,179,300	(11.2%)

**Departmental Comparison of Appropriations from State Revenues,
Recurring and Non-Recurring, for Fiscal Years 2012-2013 and 2013-2014**

Program	2012-2013 Appropriation		2013-2014 Base Recommended			2013-2014 Cost Increases		2013-2014 Total Recommended				
	Recurring	Non-Recurring	Recurring	Pct. Chg.	Non-Recurring	Recurring	Non-Recurring	Recurring	Pct. Chg.	Non-Recurring	Total	Pct. Chg.
Education (K-12)	\$ 4,163,031,400	\$ 20,876,200	\$ 4,165,353,900	0.1%	\$ 10,781,200	\$ 137,779,300	\$ 52,000,000	\$ 4,303,133,200	3.4%	\$ 62,781,200	\$ 4,365,914,400	4.4%
Lottery-Funded Programs	12,000,000	-	13,100,000	9.2%	-	-	-	13,100,000	9.2%	-	13,100,000	9.2%
Other K-12 Education Programs	4,151,031,400	20,876,200	4,152,253,900	0.0%	10,781,200	137,779,300	52,000,000	4,290,033,200	3.4%	62,781,200	4,352,814,400	4.3%
Higher Education	\$ 1,430,678,400	\$ 16,113,000	\$ 1,447,842,800	1.2%	\$ 1,613,000	\$ 76,100,000	\$ 37,460,000	\$ 1,523,942,800	6.5%	\$ 39,073,000	\$ 1,563,015,800	8.0%
Lottery-Funded Programs	305,200,000	-	322,900,000	5.8%	-	-	-	322,900,000	5.8%	-	322,900,000	5.8%
Other Higher Education Programs	1,125,478,400	16,113,000	1,124,942,800	(0.1%)	1,613,000	76,100,000	37,460,000	1,201,042,800	6.7%	39,073,000	1,240,115,800	8.6%
Commerce and Insurance	105,250,000	12,500	105,139,700	(0.1%)	-	61,000	-	105,200,700	(0.1%)	-	105,200,700	(0.1%)
Financial Institutions	8,829,500	-	8,829,500	0.0%	-	945,600	-	9,775,100	10.7%	-	9,775,100	10.7%
Labor and Workforce Development	42,049,000	5,665,500	41,489,500	(1.3%)	-	2,043,500	4,000,000	43,533,000	3.5%	4,000,000	47,533,000	(0.4%)
Mental Health	190,627,700	4,321,300	190,627,700	0.0%	1,377,300	3,864,400	525,000	194,492,100	2.0%	1,902,300	196,394,400	0.7%
Military	15,481,300	-	15,232,800	(1.6%)	-	-	-	15,232,800	(1.6%)	-	15,232,800	(1.6%)
Health	176,019,300	5,913,600	172,090,900	(2.2%)	3,130,000	-	2,070,000	172,090,900	(2.2%)	5,200,000	177,290,900	(2.6%)
Intellectual and Developmental Disabilities	25,723,500	2,681,500	24,932,000	(3.1%)	2,681,500	866,300	247,500	25,798,300	0.3%	2,929,000	28,727,300	1.1%
Human Services	\$ 172,551,400	\$ 1,731,600	\$ 168,932,500	(2.1%)	\$ -	\$ 45,400	\$ -	\$ 168,977,900	(2.1%)	\$ -	\$ 168,977,900	(3.0%)
Temporary Cash Assistance	19,968,900	-	19,968,900	0.0%	-	-	-	19,968,900	0.0%	-	19,968,900	0.0%
Other Human Services Programs	152,582,500	1,731,600	148,963,600	(2.4%)	-	45,400	-	149,009,000	(2.3%)	-	149,009,000	(3.4%)
Revenue	83,282,900	363,100	80,888,800	(2.9%)	-	1,599,500	80,900	82,488,300	(1.0%)	80,900	82,569,200	(1.3%)
Tennessee Bureau of Investigation	41,517,500	859,700	40,717,500	(1.9%)	-	-	-	40,717,500	(1.9%)	-	40,717,500	(3.9%)
Safety	116,755,600	8,555,000	123,642,200	5.9%	-	2,614,200	-	126,256,400	8.1%	-	126,256,400	0.8%
F&A - Strategic Health-Care Programs	112,447,200	-	102,010,200	(9.3%)	-	8,616,100	-	110,626,300	(1.6%)	-	110,626,300	(1.6%)
Miscellaneous Appropriations	80,496,000	3,607,000	77,813,400	(3.3%)	2,500,000	79,100,000	50,300,000	156,913,400	94.9%	52,800,000	209,713,400	149.4%
Emergency and Contingency Fund	819,300	-	819,300	0.0%	-	-	-	819,300	0.0%	-	819,300	0.0%
State Building Commission	250,000	-	250,000	0.0%	-	-	-	250,000	0.0%	-	250,000	0.0%
Children's Services	296,625,900	404,000	295,519,800	(0.4%)	-	7,520,000	-	303,039,800	2.2%	-	303,039,800	2.0%
Total General Fund	\$ 11,136,194,600	\$ 780,790,000	\$11,150,167,600	0.1%	\$ 472,518,000	\$ 770,945,900	\$ 216,449,900	\$11,921,113,500	7.1%	\$ 688,967,900	\$ 12,610,081,400	5.8%

2012-2013 Available Funds

**2011-2012 Closing
Unappropriated Budget Surplus
(Reserved for Future Requirements @ June 30, 2012)**

I. Dept. of Revenue Taxes - Overcollection @ \$9,416,209,000 Cash Collections (Monthly)	\$ 333,409,000
Plus: Accrual Adjustment @ \$9,440,466,500 Collection	<u>24,257,500</u>
Total Dept. of Revenue Taxes - Net Overcollection (Budgeted Est. \$9,082,800,000)	<u>\$ 357,666,500</u>
 II. Other State Revenue - Over / (Under) Collection	
Dept. of Commerce and Insurance	\$ 34,200,000
Litigation Settlement - National Mortgage Servicers Consent Judgement	42,432,800
Litigation Settlement - GlaxoSmithKline Drug Settlement	14,468,800
Underground Storage Tanks Program - Refiners	6,400,000
Interest Earnings @ \$367,200	(3,632,800)
Other Revenue	<u>1,444,100</u>
Sub-Total Other State Revenue - Net Overcollection	<u>\$ 95,312,900</u>
 III. Miscellaneous Revenue - Overcollection	3,787,400
 IV. Tobacco MSA @ \$137.8 M Collection (Budgeted \$138.4 M) - Undercollection	(600,000)
 V. Reserve Transfers and Reconciliation:	
Mental Health Trust Fund (Budgeted \$4.8 M)	\$ (4,800,000)
TennCare Reserve (Budgeted \$58.7 M)	4,270,200
Other Reserves Reconciliation	<u>2,832,800</u>
Sub-Total Reserve Transfers and Reconciliation	<u>\$ 2,303,000</u>
 VI. Net Overcollection (I + II + III + IV + V)	<u>\$ 458,469,800</u>
 VII. Reversion Excess / (Deficiency) @ \$225,152,239.10 (Budgeted \$208,952,240)	<u>16,200,000</u>
 VIII. Total Available Funds (VI + VII)	<u>\$ 474,669,800</u>
 IX. Less: Additional Appropriations:	
Transfer to THDA - National Mortgage Servicers Consent Judgement	\$ (34,500,000)
Dept. of Correction - State Prosecutions - Local Jail Payments (\$16,406,956.14)	(16,407,000)
Dept. of Economic and Community Development - TNInvestco Tax Credits (\$13,958,525.54)	<u>(13,958,500)</u>
Sub-Total Additional Appropriations	<u>\$ (64,865,500)</u>
 X. Less: Reserve Adjustments:	
Reserved for Underground Storage Tanks - Refiners Settlement	\$ (6,400,000)
Reserved for TennCare Enhanced Coverage Fee - Increase	<u>(11,104,300)</u>
Sub-Total Reserve Adjustments	<u>\$ (17,504,300)</u>
 XI. Total Unappropriated Budget Surplus (Reserve for Future Requirements @ 6-30-2012) (VIII -IX -X = XI)	<u>\$ 392,300,000</u>

Available Funds Fiscal Year 2012-2013

I. 2012-2013 Revenue Adjustments:

1. Dept. of Revenue Tax Base Increase @ 6-30-12 @ \$9,709,500,000 (Budgeted \$9,403,600,000)	\$ 305,900,000
2. Other State Revenue:	
a. Commerce and Insurance:	
i. HMO Premium Taxes @ 308 M	\$ (5,000,000)
ii. Other Insurance Premium Taxes @ \$393.6 M	35,300,000
Sub-Total C&I Insurance Premium Taxes @ \$701.6 M	\$ 30,300,000
b. Secretary of State @ \$32.9 M	1,900,000
c. Dept. of Safety @ \$35.2 M	300,000
d. Dept. of Revenue @ \$4.8 M	(1,400,000)
e. State Treasurer - Interest Earnings @ \$3.6 M (\$0.4 M + \$1.6 M + \$1.6 M)	(400,000)
f. Miscellaneous Revenue:	
i. Unclaimed Property @ \$54.1 M - Insurance Company Audit Settlement	\$ 23,100,000
ii. Litigation and Other @ \$20.6 M	11,900,000
iii. Expungement Fees - GF @ \$200,000	(7,400,000)
iv. All Other @ \$23.1 M (-\$100,000 GF + \$319,900 Agricultural Regulatory Fund)	219,900
Sub-Total Other State Revenue - Miscellaneous Revenue @ \$98.0 M	\$ 27,819,900
g. Nursing Home Tax @ \$93.7 M	(3,600,000)
Sub-Total Other State Revenue	\$ 54,919,900
3. Miscellaneous Revenue (Budget Overview) @ \$47.4 M	2,300,000
4. Tobacco MSA @ \$135 M R, \$67.6 M NR - Arbitration Settlement Revenue - Contingent *	67,600,000
Sub-Total Revenue Adjustments (I)	\$ 430,719,900

II. Available Funds @ 6-30-13 - 2012-2013 Work Program (Enacted Budget):

1. Legislative Action	\$ 618,840
2. Other State Revenue - Expungement Fees (2012 PC 1103) (\$7 M R, \$0.6 M NR)	7,600,000
3. OIR Rate Reduction @ \$3,690,200 (Budget Amendment Estimate was \$2.6 M)	1,090,200
4. Other Adjustments	(9,040)
Sub-Total	\$ 9,300,000
5. Undesignated Fund Balance @ 6-30-13	531,076
Sub-Total Available Funds - 2012-2013 Work Program (II)	\$ 9,831,076

III. Other Available Funds:

1. Unappropriated Budget Surplus (Reserved for Future Requirements @ 6-30-12)	\$ 392,300,000
2. Less: 2012-2013 Overappropriation @ \$85.4 M (Budgeted \$86.7 M)	(1,300,000)
3. Transfer from Mental Health Trust Fund - Lakeshore (See Supplemental Appropriation)	2,700,000
4. Debt Service Fund Transfer @ 6-30-13	70,500,000
Sub-Total Other Available Funds (III)	\$ 464,200,000

IV. Total Revenue Adjustments and Other Available Funds (I +II +III)

\$ 904,750,976

V. Appropriation and Transfer Requirements:

1. Less: 2012-2013 Supplemental Appropriations	\$ (150,056,400)
2. Less: Transfer to TennCare Reserve @ 6-30-13 - Restoration	(123,700,000)
3. Less: 2012-2013 Sum Sufficient Appropriation - Agricultural Regulatory Fund	(319,900)
4. Less: Reserve for Attorney General Litigation Settlement (Janssen and Johnson & Johnson Pharmaceuticals)	(200,000)
5. Less: Reserve for Consumer Affairs (Janssen and Johnson & Johnson \$50,000; GSK \$30,000, Pfizer \$30,000)	(110,000)
6. Less: Undesignated Fund Balance @ 6-30-13	(464,676)
Sub-Total Appropriation and Transfer Requirements (V)	\$ (274,850,976)

VI. Total Available Funds at June 30, 2013 (IV -V)

\$ 629,900,000

* NOTE: Tobacco MSA - Arbitration Settlement Revenue - The \$67.6 million revenue estimate is contingent upon approval of the arbitration settlement by the arbitration panel.

**Supplemental Appropriations
General Fund and Facilities Revolving Fund
Fiscal Year 2012-2013**

	<u>2012-2013</u>	<u>Recurring 2013-2014</u>
Comptroller of the Treasury		
307.10 Tax Relief - Property Tax Relief	\$ 2,500,000	\$ 2,750,000
Claims and Compensation		
313.20 Unclaimed Property - Unclaimed Property Audit Settlement Fee - Sum Sufficient Estimated	2,890,500	-
Finance and Administration		
317.03 Office for Information Resources - Next Generation IT - Standardization - Methods, Best Practices, Governance, IT Classifications, Skills	2,500,000	-
TennCare for Intellectual and Developmental Disabilities		
318.71 Intellectual Disabilities Services - Arlington Lawsuit Exit Plan	300,000	10,704,100
General Services		
321.07 Real Estate Asset Management - Real Estate Transaction Fees - 2011-2012 Closing Correction	1,565,000	-
Tourist Development		
326.01 Tourism Marketing Task Force	250,000	-
Environment and Conservation		
327.12 State Parks - Operating Costs and Revenue Undercollection (\$850,000 campsite revenue delay)	\$ 2,550,000	\$ -
327.40 Groundwater Protection - Revenue Undercollection	1,000,000	-
Sub-Total Department of Environment and Conservation	\$ 3,550,000	\$ -
Correction		
329.04 State Prosecutions - State Inmates in Local Jails	\$ 41,778,400	\$ 48,100,000
329.00 Prisons - Medical Contract	4,500,000	15,000,000
329.18 SE TN Regional Prison - Bledsoe Expansion - Payroll Reconciliation	928,800	928,800
329.99 Sentencing Act of 1985 - Bledsoe Expansion - Payroll Reconciliation - Reduce Appropriation	(928,800)	(928,800)
Sub-Total Department of Correction	\$ 46,278,400	\$ 63,100,000
Economic and Community Development		
330.06 FastTrack Infrastructure and Job Training Assistance	\$ 35,000,000	\$ 5,000,000
330.22 TNInvestco	31,100,000	30,000,000
Sub-Total Economic and Community Development	\$ 66,100,000	\$ 35,000,000
Mental Health and Substance Abuse Services		
339.08 Community Mental Health Services - Lakeshore MHI Closure Transition Costs	\$ 1,700,000	\$ -
339.10 Lakeshore Mental Health Institute Closure - Buildout Costs (From Mental Health Trust Fund)	1,000,000	-
Sub-Total Mental Health and Substance Abuse Services	\$ 2,700,000	\$ -
Safety		
349.02 Drivers License Issuance - Reinstatement Revenue Loss (2011 Legislation Revenue Est. Correction)	7,645,000	7,645,000
Miscellaneous Appropriations:		
351.00 Contingency Approp. - Reserve for Future Tobacco MSA Revenue Estimates (Arbitration Settlement) *	\$ 5,700,000	\$ -
Innovation Fund	250,000	-
Retirees Health Insurance (Medicare Supplement) @ \$13.9 M	1,300,000	1,600,000
Postage - 1¢ increase and 4% shipping @ 1/27/2013	500,000	1,000,000
Risk Management - Closed Facilities	727,500	-
Sub-Total Miscellaneous Appropriations	\$ 8,477,500	\$ 2,600,000
Total General Fund	\$ 144,756,400	\$ 121,799,100
Facilities Revolving Fund **		
501.03 Facilities Management - Holdover Leases (85 expiring) and Relocation Costs	\$ 4,300,000	\$ -
501.04 Capital Projects - Office Modernization - Cabling	1,000,000	-
Total State Government	\$ 150,056,400	\$ 121,799,100

NOTES: * Misc. Approp. - Contingency Appropriation - This appropriation is contingent upon receiving revenue of at least \$5.7 million from the Tobacco MSA arbitration settlement.

** The appropriation to the Facilities Revolving Fund is from general fund sources.

**Preliminary Base Budget Adjustments
Fiscal Year 2013-2014
(Savings) / Cost**

	General Fund		Dedicated Funds	Total
	Recurring	Non-Recurring		
District Attorneys General				
304.01 District Attorneys General - Benefits Adjustment	\$ 47,300	\$ -	\$ -	\$ 47,300
304.10 District Attorneys General - Benefits Adjustment	200	-	-	200
Sub-Total District Attorneys General	\$ 47,500	\$ -	\$ -	\$ 47,500
Secretary of State				
305.08 Economic Council on Women - Payroll Adjustment	17,800	-	-	17,800
Criminal Injuries Compensation Fund				
313.03 Agency Request - Federal Revenue Decrease	-	-	1,270,000	1,270,000
Commission on Children and Youth				
316.01 Children and Youth - Funding Ratio Reconciliation	4,700	-	-	4,700
TennCare				
318.66 MCOs - Pharmacy Integration	\$ 15,561,500	\$ -	\$ -	\$ 15,561,500
318.00 Hospital Coverage Assessment	-	449,800,000	-	449,800,000
Sub-Total TennCare	\$ 15,561,500	\$ 449,800,000	\$ -	\$ 465,361,500
Agriculture				
325.16 Agricultural Regulatory Fund	-	-	319,900	319,900
Tourist Development				
326.01 Administration and Marketing - Trails and Byways Rural Development (1 FT)	88,100	-	-	88,100
Tennessee Wildlife Resources Agency				
328.01 Wildlife Resources Agency	-	-	1,401,700	1,401,700
328.02 Boating Safety	-	-	230,900	230,900
Sub-Total Tennessee Wildlife Resources Agency	\$ -	\$ -	\$ 1,632,600	\$ 1,632,600
Correction				
329.00 SE TN Regional Prison - Bledsoe Expansion - Payroll Reconciliation	\$ 928,800	\$ -	\$ -	\$ 928,800
329.99 Sentencing Act of 1985 - Bledsoe Expansion - Payroll Reconciliation	(928,800)	-	-	(928,800)
Sub-Total Department of Correction	\$ -	\$ -	\$ -	\$ -
Economic and Community Development				
330.22 TNInvestco Tax Credits	30,000,000	-	-	30,000,000
Education				
331.19 After-School Programs Special Account (Lottery Unclaimed Prizes)	-	-	1,100,000	1,100,000
Higher Education				
332.19 Lottery for Education Account	-	-	17,700,000	17,700,000
Labor and Workforce Development				
337.05 Boilers and Elevators - Inspection of Elevators & Amusement Devices (4 FT)	-	-	319,700	319,700
Health				
343.06 Trauma System Fund - State Revenue Reconciliation @ \$8.5 M	(500,000)	-	-	(500,000)
Human Services				
345.13 Child Support - District Attorneys Benefits Adjustment	24,000	-	-	24,000
Revenue				
347.20 Sales Tax Disaster Relief	500,000	-	-	500,000
Safety				
349.00 Drivers License Issuance - Reinstatement Revenue Loss (2011 Legislation Revenue Estimate Correction; Budgeted Estimate \$7,995,000)	7,645,000	-	-	7,645,000
Miscellaneous Appropriations				
Base Budget Reduction and Adjustment:				
351.00 Former Governors and Widows Pensions @ \$364,700	7,900	-	-	7,900
351.00 Special Election Reimbursement to Counties @ \$400,000	100,000	-	-	100,000
351.00 Intergovernmental Conference Dues @ \$600,000	18,500	-	-	18,500
351.00 Various Items - Base Reduction	(126,400)	-	-	(126,400)
Sub-Total Miscellaneous Appropriations	\$ -	\$ -	\$ -	\$ -
Total - Budget File	\$ 53,388,600	\$ 449,800,000	\$ 22,342,200	\$ 525,530,800

**Preliminary Base Budget Reductions
Fiscal Year 2013-2014
(Savings) / Cost**

	General Fund		Dedicated Funds	Total
	Recurring	Non-Recurring		
Tennessee Regulatory Authority				
316.11 TRA - Agency Request	\$ -	\$ -	\$ (316,700)	\$ (316,700)
Agriculture				
325.06 Market Development - Agency Request - License Plate Revenue Reconciliation	(60,000)	-	-	(60,000)
Environment and Conservation				
327.43 Environmental Protection Fund - Agency Request	-	-	(70,500)	(70,500)
Tennessee Wildlife Resources Agency				
328.00 TWRA - Agency Request	-	-	(452,700)	(452,700)
Correction				
329.99 Sentencing Act of 1985 - Bledsoe Prison Expansion - Annualizing Adjustment	\$ (8,779,700)			\$ (8,779,700)
329.99 Sentencing Act of 1985 - Bledsoe Prison Expansion - Medical Contract	(793,700)			(793,700)
Sub-Total Department of Correction	\$ (9,573,400)	\$ -	\$ -	\$ (9,573,400)
Education				
331.10 Career Ladder - Salary Supplement @ \$33 M - Attrition	(1,000,000)	-	-	(1,000,000)
Miscellaneous Appropriations				
351.00 Various Items (See also Overappropriation below)	(2,682,600)	-	-	(2,682,600)
Total - Budget File	\$ (13,316,000)	\$ -	\$ (839,900)	\$ (14,155,900)
Overappropriation Decrease:				
351.00 Miscellaneous Appropriations	1,700,000	-	-	1,700,000
Grand Total	\$ (11,616,000)	\$ -	\$ (839,900)	\$ (12,455,900)

Combining Statement of Base Budget Reductions
General Fund State Appropriations
Fiscal Year 2013-2014
Increase / (Decrease)

Program	Base Reduction		Preliminary Reductions Recurring	Total Reduction	Recurring
	Recurring	Non-Recurring			
301.00	Legislature	\$ -	\$ -	\$ -	\$ -
301.50	Fiscal Review Committee	-	-	-	-
302.00	Court System	-	-	-	-
303.00	Attorney General and Reporter	-	-	-	-
304.00	District Attorneys General	-	-	-	-
305.00	Secretary of State	-	-	-	-
306.00	District Public Defenders	-	-	-	-
307.00	Comptroller of the Treasury	-	-	-	-
308.00	Post-Conviction Defender	-	-	-	-
309.00	Treasury Department	-	-	-	-
Sub-Total Non-Executive		\$ -	\$ -	\$ -	\$ -
315.00	Executive Department	\$ -	\$ -	\$ -	\$ -
316.01	Children and Youth Commission	-	-	-	-
316.02	Aging and Disability Commission	-	-	-	-
316.03	Alcoholic Beverage Commission	(4,000)	-	(4,000)	(4,000)
316.04	Human Rights Commission	(6,700)	-	(6,700)	(6,700)
316.07	Health Services and Development Agency	-	-	-	-
316.11	Tennessee Regulatory Authority	-	-	-	-
316.12	TACIR	(11,000)	-	(11,000)	(11,000)
316.25	Arts Commission	(90,500)	-	(90,500)	(90,500)
316.27	State Museum	(50,000)	-	(50,000)	(50,000)
317.00	Finance and Administration	(433,200)	-	(433,200)	(433,200)
318.00	a. TennCare Programs	\$ (14,682,500)	\$ -	\$ (14,682,500)	\$ (14,682,500)
	b. TennCare Waiver Payments	-	-	-	-
	c. TennCare for Children's Services	(290,900)	-	(290,900)	(290,900)
	d. TennCare for Intellectual Disabilities	(4,152,300)	-	(4,152,300)	(4,152,300)
	e. TennCare for Human Services	(423,100)	-	(423,100)	(423,100)
	f. TennCare for Commerce and Insurance	(61,500)	-	(61,500)	(61,500)
	g. TennCare for F&A Inspector General	-	-	-	-
Sub-total TennCare Programs		\$ (19,610,300)	\$ -	\$ (19,610,300)	\$ (19,610,300)
319.00	Human Resources	-	-	-	-
321.00	General Services	(191,700)	-	(191,700)	(191,700)
323.00	Veterans Affairs	-	-	-	-
324.00	Board of Parole	(143,600)	-	(143,600)	(143,600)
325.00	Agriculture	(1,717,600)	-	(1,717,600)	(1,717,600)
326.00	Tourist Development	(589,500)	-	(589,500)	(589,500)
327.00	Environment and Conservation	(250,000)	-	(250,000)	(250,000)
328.00	Tennessee Wildlife Resources Agency	-	-	-	-
329.00	Correction	-	(9,573,400)	(9,573,400)	(9,573,400)
330.00	Economic and Community Development	-	-	-	-
331.00	Education (K-12)	(117,500)	-	(1,117,500)	(1,117,500)
332.00	Higher Ed. State-Administered Programs	(535,600)	\$ -	\$ (535,600)	\$ (535,600)
332.10	University of Tennessee System	-	-	-	-
332.60	State Univ. and Comm. College System	-	-	-	-
Sub-Total Higher Education		\$ (535,600)	\$ -	\$ (535,600)	\$ (535,600)
335.00	Commerce and Insurance	(110,300)	-	(110,300)	(110,300)
336.00	Financial Institutions	-	-	-	-
337.00	Labor and Workforce Development	(879,200)	-	(879,200)	(879,200)
339.00	Mental Health	-	-	-	-
341.00	Military	(248,500)	-	(248,500)	(248,500)
343.00	Health	(3,428,400)	-	(3,428,400)	(3,428,400)
344.00	Intellectual and Developmental Disabilities	(791,500)	-	(791,500)	(791,500)
345.00	Human Services	(3,642,900)	-	(3,642,900)	(3,642,900)
347.00	Revenue	(2,894,100)	-	(2,894,100)	(2,894,100)
348.00	Tennessee Bureau of Investigation	(800,000)	-	(800,000)	(800,000)
349.00	Safety	(758,400)	-	(758,400)	(758,400)
350.00	Strategic Health-Care Programs	(10,437,000)	-	(10,437,000)	(10,437,000)
351.00	Miscellaneous Appropriations	-	(2,682,600)	(2,682,600)	(2,682,600)
359.00	Children's Services	(1,106,100)	-	(1,106,100)	(1,106,100)
Sub-Total Executive		\$ (48,847,600)	\$ -	\$ (13,316,000)	\$ (62,163,600)
Total - Budget File		\$ (48,847,600)	\$ -	\$ (13,316,000)	\$ (62,163,600)
Overappropriation:					
305.00	Secretary of State @ Additional 0.7%	(200,000)	-	(200,000)	(200,000)
307.00	Comptroller of the Treasury @ Additional 0.7%	(300,000)	-	(300,000)	(300,000)
300.00	State Agencies - Reduce	3,300,000	-	1,700,000	5,000,000
Sub-total Overappropriation		\$ 2,800,000	\$ -	\$ 1,700,000	\$ 4,500,000
Grand Total		\$ (46,047,600)	\$ -	\$ (11,616,000)	\$ (57,663,600)

**Departmental Comparison of 2012-2013 Recurring Appropriations, 2013-2014 Discretionary Base,
and 2013-2014 Base Budget Reductions (State Appropriation)**

Program	2012-2013 Recurring Appropriation	2013-2014										
		General Fund						Non- Recurring	Dedicated Funds	Net Reduction	Pct. Of 2012-13	Pct. Of 2013-14
		Discretionary Base	Recurring Reduction	Pct. Of 2012-13	Pct. Of 2013-14							
301.00	Legislature	\$ 39,879,300	\$ 31,098,200	\$ -	0.0%	0.0%	\$ -	\$ -	\$ -	0.0%	0.0%	
301.50	Fiscal Review Committee	1,428,100	1,428,100	-	0.0%	0.0%	-	-	-	0.0%	0.0%	
302.00	Court System	124,192,500	30,245,000	-	0.0%	0.0%	-	-	-	0.0%	0.0%	
303.00	Attorney General and Reporter	24,759,900	21,505,800	-	0.0%	0.0%	-	-	-	0.0%	0.0%	
304.00	District Attorneys General	73,397,000	67,193,500	-	0.0%	0.0%	-	-	-	0.0%	0.0%	
305.00	Secretary of State	27,530,500	27,548,300	-	0.0%	0.0%	-	-	-	0.0%	0.0%	
306.00	District Public Defenders	43,350,400	37,666,000	-	0.0%	0.0%	-	-	-	0.0%	0.0%	
307.00	Comptroller of the Treasury	80,541,800	46,904,200	-	0.0%	0.0%	-	-	-	0.0%	0.0%	
308.00	Post-Conviction Defender	2,170,300	-	-	0.0%	-	-	-	-	0.0%	-	
309.00	Treasury Department	1,667,600	1,204,100	-	0.0%	0.0%	-	-	-	0.0%	0.0%	
313.00	Claims and Compensation	9,900,000	-	-	0.0%	-	-	-	-	0.0%	-	
	Sub-Total Non-Executive	\$ 428,817,400	\$ 264,793,200	\$ -	0.0%	0.0%	\$ -	\$ -	\$ -	0.0%	0.0%	
315.00	Executive Department	\$ 4,886,200	\$ 4,671,200	\$ -	0.0%	0.0%	\$ -	\$ -	\$ -	0.0%	0.0%	
316.01	Children and Youth	2,140,100	2,144,800	-	0.0%	0.0%	-	-	-	0.0%	0.0%	
316.02	Aging and Disability	13,694,400	13,694,400	-	0.0%	0.0%	-	-	-	0.0%	0.0%	
316.03	Alcoholic Beverage Commission	84,700	84,700	(4,000)	(4.7%)	(4.7%)	-	-	(4,000)	(4.7%)	(4.7%)	
316.04	Human Rights Commission	1,686,500	1,686,500	(6,700)	(0.4%)	(0.4%)	-	-	(6,700)	(0.4%)	(0.4%)	
316.07	Health Services and Development Agency	1,098,500	1,098,500	-	0.0%	0.0%	-	-	-	0.0%	0.0%	
316.11	Tennessee Regulatory Authority	7,382,700	-	-	0.0%	-	-	(434,400)	(434,400)	(5.9%)	-	
316.12	TACIR	223,200	223,200	(11,000)	(4.9%)	(4.9%)	-	-	(11,000)	(4.9%)	(4.9%)	
316.25	Arts Commission	6,498,100	2,110,900	(90,500)	(1.4%)	(4.3%)	-	-	(90,500)	(1.4%)	(4.3%)	
316.27	State Museum	3,514,600	3,514,600	(50,000)	(1.4%)	(1.4%)	-	-	(50,000)	(1.4%)	(1.4%)	
317.00	Finance and Administration	14,381,000	12,344,200	(433,200)	(3.0%)	(3.5%)	-	-	(433,200)	(3.0%)	(3.5%)	
318.00	TennCare Programs	\$ 2,013,412,500	\$ 2,028,974,000	\$ (14,682,500)	(0.7%)	(0.7%)	\$ -	\$ -	\$ (14,682,500)	(0.7%)	(0.7%)	
	TennCare Waiver Payments	205,983,900	205,983,900	-	0.0%	0.0%	-	-	-	0.0%	0.0%	
	TennCare for Children's Services	70,775,500	70,775,500	(290,900)	(0.4%)	(0.4%)	-	-	(290,900)	(0.4%)	(0.4%)	
	TennCare for Intellectual Disabilities	56,721,600	56,721,600	(4,152,300)	(7.3%)	(7.3%)	-	-	(4,152,300)	(7.3%)	(7.3%)	
	TennCare for Human Services	39,306,700	39,306,700	(423,100)	(1.1%)	(1.1%)	-	-	(423,100)	(1.1%)	(1.1%)	
	TennCare for Commerce and Insurance	1,225,500	1,225,500	(61,500)	(5.0%)	(5.0%)	-	-	(61,500)	(5.0%)	(5.0%)	
	TennCare for Office of Inspector General	1,979,600	1,979,600	-	0.0%	0.0%	-	-	-	0.0%	0.0%	
	Sub-total TennCare Programs	\$ 2,389,405,300	\$ 2,404,966,800	\$ (19,610,300)	(0.8%)	(0.8%)	\$ -	\$ -	\$ (19,610,300)	(0.8%)	(0.8%)	
319.00	Human Resources	-	-	-	0.0%	-	-	-	-	0.0%	-	
321.00	General Services	11,170,500	8,565,300	(191,700)	(1.7%)	(2.2%)	-	-	(191,700)	(1.7%)	(2.2%)	
323.00	Veterans Affairs	4,956,400	4,956,400	-	0.0%	0.0%	-	-	-	0.0%	0.0%	
324.00	Board of Parole	7,355,900	7,355,900	(143,600)	(2.0%)	(2.0%)	-	-	(143,600)	(2.0%)	(2.0%)	
325.00	Agriculture	68,584,000	36,960,500	(1,717,600)	(2.5%)	(4.6%)	-	-	(1,717,600)	(2.5%)	(4.6%)	
326.00	Tourist Development	11,791,600	11,879,700	(589,500)	(5.0%)	(5.0%)	-	-	(589,500)	(5.0%)	(5.0%)	

**Departmental Comparison of 2012-2013 Recurring Appropriations, 2013-2014 Discretionary Base,
and 2013-2014 Base Budget Reductions (State Appropriation)**

Program	2012-2013 Recurring Appropriation	2013-2014									
		General Fund					Non- Recurring	Dedicated Funds	Net Reduction	Pct. Of 2012-13	Pct. Of 2013-14
		Discretionary Base	Recurring Reduction	Pct. Of 2012-13	Pct. Of 2013-14						
327.00 Environment and Conservation	179,713,500	80,923,000	(250,000)	(0.1%)	(0.3%)	-	-	(250,000)	(0.1%)	(0.3%)	
328.00 TWRA	53,307,000	-	-	0.0%	-	-	-	-	0.0%	-	
329.00 Correction	831,287,800	788,612,000	-	0.0%	0.0%	-	-	-	0.0%	0.0%	
330.00 Economic and Community Development	31,779,300	25,779,300	-	0.0%	0.0%	-	-	-	0.0%	0.0%	
331.00 Education (K-12)	4,163,031,400	129,942,000	(117,500)	(0.0%)	(0.1%)	-	-	(117,500)	(0.0%)	(0.1%)	
332.00 Higher Education State-Admin. Programs	\$ 386,778,600	\$ 27,223,300	\$ (535,600)	(0.1%)	(2.0%)	\$ -	\$ -	\$ (535,600)	(0.1%)	(2.0%)	
332.10 University of Tennessee System	435,446,000	440,024,900	-	0.0%	0.0%	-	-	-	0.0%	0.0%	
332.60 State Univ. and Comm. College System	608,453,800	603,874,900	-	0.0%	0.0%	-	-	-	0.0%	0.0%	
Sub-Total Higher Education	<u>\$ 1,430,678,400</u>	<u>\$ 1,071,123,100</u>	<u>\$ (535,600)</u>	<u>(0.0%)</u>	<u>(0.1%)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (535,600)</u>	<u>(0.0%)</u>	<u>(0.1%)</u>	
335.00 Commerce and Insurance	105,250,000	7,634,000	(110,300)	(0.1%)	(1.4%)	-	-	(110,300)	(0.1%)	(1.4%)	
336.00 Financial Institutions	8,829,500	-	-	0.0%	-	-	-	-	0.0%	-	
337.00 Labor and Workforce Development	42,049,000	21,526,600	(879,200)	(2.1%)	(4.1%)	-	-	(879,200)	(2.1%)	(4.1%)	
339.00 Mental Health and Substance Abuse Svcs.	190,627,700	183,653,000	-	0.0%	0.0%	-	-	-	0.0%	0.0%	
341.00 Military	15,481,300	11,481,300	(248,500)	(1.6%)	(2.2%)	-	-	(248,500)	(1.6%)	(2.2%)	
343.00 Health	176,019,300	136,106,800	(3,428,400)	(1.9%)	(2.5%)	-	-	(3,428,400)	(1.9%)	(2.5%)	
344.00 Intellectual and Developmental Disabilities	25,723,500	25,723,500	(791,500)	(3.1%)	(3.1%)	-	-	(791,500)	(3.1%)	(3.1%)	
345.00 Human Services	172,551,400	81,381,400	(3,642,900)	(2.1%)	(4.5%)	-	-	(3,642,900)	(2.1%)	(4.5%)	
347.00 Revenue	83,282,900	69,911,400	(2,894,100)	(3.5%)	(4.1%)	-	-	(2,894,100)	(3.5%)	(4.1%)	
348.00 Tennessee Bureau of Investigation	41,517,500	31,148,400	(800,000)	(1.9%)	(2.6%)	-	-	(800,000)	(1.9%)	(2.6%)	
349.00 Safety	116,755,600	123,615,000	(758,400)	(0.7%)	(0.6%)	-	-	(758,400)	(0.7%)	(0.6%)	
350.00 Strategic Health-Care Programs	112,447,200	17,560,900	(10,437,000)	(9.3%)	(59.4%)	-	-	(10,437,000)	(9.3%)	(59.4%)	
351.00 Miscellaneous Appropriations	80,496,000	-	-	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	296,625,900	284,526,200	(1,106,100)	(0.4%)	(0.4%)	-	-	(1,106,100)	(0.4%)	(0.4%)	
Sub-Total Executive	<u>\$ 10,707,377,200</u>	<u>\$ 5,606,905,500</u>	<u>\$ (48,847,600)</u>	<u>(0.5%)</u>	<u>(0.9%)</u>	<u>\$ -</u>	<u>\$ (434,400)</u>	<u>\$ (49,282,000)</u>	<u>(0.5%)</u>	<u>(0.9%)</u>	
Total	<u>\$ 11,136,194,600</u>	<u>\$ 5,871,698,700</u>	<u>\$ (48,847,600)</u>	<u>(0.4%)</u>	<u>(0.8%)</u>	<u>\$ -</u>	<u>\$ (434,400)</u>	<u>\$ (49,282,000)</u>	<u>(0.4%)</u>	<u>(0.8%)</u>	
Overappropriation :											
305.00 Secretary of State @ Additional 0.7%	-	-	(200,000)	-	-	-	-	(200,000)	-	-	
307.00 Comptroller @ Additional 0.7%	-	-	(300,000)	-	-	-	-	(300,000)	-	-	
300.00 State Agencies - Reduce	-	-	3,300,000	-	-	-	-	3,300,000	-	-	
Sub-Total Overappropriation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,800,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,800,000</u>	<u>\$ -</u>	<u>\$ -</u>	
Total Reductions	<u>\$ 11,136,194,600</u>	<u>\$ 5,871,698,700</u>	<u>\$ (46,047,600)</u>	<u>(0.4%)</u>	<u>(0.8%)</u>	<u>\$ -</u>	<u>\$ (434,400)</u>	<u>\$ (46,482,000)</u>	<u>(0.4%)</u>	<u>(0.8%)</u>	

**Departmental Summary of Continuation and Cost Increase Recommendations
from State Revenue for Fiscal Year 2013-2014**

Department	2012-2013 Appropriations *		2013-2014 Recommended Appropriations				
	Recurring	Non-Recurring	Base	% Change	Cost Increases	Total	% Change
Legislature	\$ 39,879,300	\$ (253,500)	\$ 39,879,300	0.00%	\$ 0	\$ 39,879,300	0.64%
Fiscal Review Committee	1,428,100	(12,000)	1,428,100	0.00%	0	1,428,100	0.85%
Court System	124,192,500	(53,700)	124,192,500	0.00%	758,500	124,951,000	0.65%
Attorney General and Reporter	24,759,900	(550,000)	24,759,900	0.00%	4,600	24,764,500	2.29%
District Attorneys General Conference	73,397,000	95,800	73,444,500	0.06%	1,056,400	74,500,900	1.37%
Secretary of State	27,530,500	(165,500)	27,548,300	0.06%	0	27,548,300	0.67%
District Public Defenders Conference	43,350,400	0	43,350,400	0.00%	1,813,600	45,164,000	4.18%
Comptroller of the Treasury	80,541,800	2,120,500	80,541,800	0.00%	2,955,800	83,497,600	1.01%
Office of the Post-Conviction Defender	2,170,300	0	2,170,300	0.00%	31,200	2,201,500	1.44%
Treasury Department	1,667,600	1,934,300	1,667,600	0.00%	1,209,200	2,876,800	-20.13%
Claims and Compensation	9,900,000	2,890,500	11,170,000	12.83%	5,250,000	16,420,000	28.38%
Executive Department	4,886,200	0	4,671,200	-4.40%	0	4,671,200	-4.40%
Commissions	36,322,800	750,000	35,414,200	-2.50%	95,000	35,509,200	-4.22%
Finance and Administration (F&A)	14,381,000	2,875,000	13,978,800	-2.80%	15,720,000	29,698,800	72.11%
Criminal Justice Programs **	4,131,600	375,000	3,894,100	-5.75%	0	3,894,100	-13.59%
Other F&A Programs **	10,249,400	2,500,000	10,084,700	-1.61%	15,720,000	25,804,700	102.40%
F&A, TennCare	2,389,405,300	544,928,200	2,835,156,500	18.66%	350,786,400	3,185,942,900	8.57%
Human Resources	0	0	0	0.00%	0	0	0.00%
General Services	11,170,500	15,079,300	10,822,800	-3.11%	0	10,822,800	-58.77%
Veterans Affairs	4,956,400	0	4,956,400	0.00%	239,000	5,195,400	4.82%
Board of Parole	7,355,900	0	7,212,300	-1.95%	0	7,212,300	-1.95%
Agriculture	68,584,000	0	66,806,400	-2.59%	0	66,806,400	-2.59%
Tourist Development	11,791,600	457,500	11,290,200	-4.25%	8,100,000	19,390,200	58.30%
Environment and Conservation	179,713,500	4,426,000	180,028,000	0.18%	0	180,028,000	-2.23%
Wildlife Resources Agency	53,307,000	0	54,486,900	2.21%	1,129,900	55,616,800	4.33%
Correction	831,287,800	48,563,600	821,714,400	-1.15%	87,007,500	908,721,900	3.28%
Economic and Community Development	31,779,300	86,600,000	61,779,300	94.40%	43,400,000	105,179,300	-11.15%
Education (K-12)	4,163,031,400	20,876,200	4,176,135,100	0.31%	189,779,300	4,365,914,400	4.35%
Lottery-Funded Programs **	12,000,000	0	13,100,000	9.17%	0	13,100,000	9.17%
Other K-12 Education Programs **	4,151,031,400	20,876,200	4,163,035,100	0.29%	189,779,300	4,352,814,400	4.34%
Higher Education	1,430,678,400	16,113,000	1,449,455,800	1.31%	113,560,000	1,563,015,800	8.03%
Lottery for Education Account **	305,200,000	0	322,900,000	5.80%	0	322,900,000	5.80%
Other Higher Education Programs **	1,125,478,400	16,113,000	1,126,555,800	0.10%	113,560,000	1,240,115,800	8.63%
Commerce and Insurance	105,250,000	12,500	105,139,700	-0.10%	61,000	105,200,700	-0.06%
Financial Institutions	8,829,500	0	8,829,500	0.00%	945,600	9,775,100	10.71%
Labor and Workforce Development	42,049,000	5,665,500	41,489,500	-1.33%	6,043,500	47,533,000	-0.38%
Mental Health and Substance Abuse Services	190,627,700	4,321,300	192,005,000	0.72%	4,389,400	196,394,400	0.74%

**Departmental Summary of Continuation and Cost Increase Recommendations
from State Revenue for Fiscal Year 2013-2014**

Department	2012-2013 Appropriations *		2013-2014 Recommended Appropriations				
	Recurring	Non-Recurring	Base	% Change	Cost Increases	Total	% Change
Military	15,481,300	0	15,232,800	-1.61%	0	15,232,800	-1.61%
Health	176,019,300	5,913,600	175,220,900	-0.45%	2,070,000	177,290,900	-2.55%
Intellectual and Developmental Disabilities	25,723,500	2,681,500	27,613,500	7.35%	1,113,800	28,727,300	1.13%
Human Services	172,551,400	1,731,600	168,932,500	-2.10%	45,400	168,977,900	-3.04%
Temporary Cash Assistance **	19,968,900	0	19,968,900	0.00%	0	19,968,900	0.00%
Other Human Services Programs **	152,582,500	1,731,600	148,963,600	-2.37%	45,400	149,009,000	-3.44%
Revenue	83,282,900	363,100	80,888,800	-2.87%	1,680,400	82,569,200	-1.29%
Tennessee Bureau of Investigation	41,517,500	859,700	40,717,500	-1.93%	0	40,717,500	-3.92%
Safety	116,755,600	8,555,000	123,642,200	5.90%	2,614,200	126,256,400	0.75%
F&A, Strategic Health-Care Programs	112,447,200	0	102,010,200	-9.28%	8,616,100	110,626,300	-1.62%
Miscellaneous Appropriations	80,496,000	3,607,000	80,313,400	-0.23%	129,400,000	209,713,400	149.35%
Emergency and Contingency Fund	819,300	0	819,300	0.00%	0	819,300	0.00%
State Building Commission	250,000	0	250,000	0.00%	0	250,000	0.00%
Children's Services	296,625,900	404,000	295,519,800	-0.37%	7,520,000	303,039,800	2.02%
Total General Fund	\$ 11,136,194,600	\$ 780,790,000	\$ 11,622,685,600	4.37%	\$ 987,395,800	\$ 12,610,081,400	5.82%

* Includes recommended supplemental appropriations in the amount of \$150,056,400. See supplemental appropriation chart.

** These items are included in the departmental totals.

**Departmental Summary of Cost Increases
Fiscal Year 2013-2014**

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	758,500	758,500	0	0
303	Attorney General and Reporter	4,600	4,600	0	0
304	District Attorneys General Conference	1,333,700	1,056,400	0	277,300
305	Secretary of State	0	0	0	0
306	District Public Defenders Conference	1,813,600	1,813,600	0	0
307	Comptroller of the Treasury	2,955,800	2,955,800	0	0
308	Office of the Post-Conviction Defender	31,200	31,200	0	0
309	Treasury Department	2,750,100	1,209,200	0	1,540,900
313	Claims and Compensation	5,250,000	5,250,000	0	0
315	Executive Department	0	0	0	0
316	Commissions	1,738,200	95,000	0	1,643,200
317	Finance and Administration (F&A)	<u>15,720,000</u>	<u>15,720,000</u>	<u>0</u>	<u>0</u>
317.06	Criminal Justice Programs *	0	0	0	0
	Other F&A Programs *	15,720,000	15,720,000	0	0
318	F&A, TennCare	904,837,900	350,786,400	520,659,000	33,392,500
319	Human Resources	0	0	0	0
321	General Services	694,200	0	0	694,200
323	Veterans Affairs	239,000	239,000	0	0
324	Board of Parole	0	0	0	0
325	Agriculture	0	0	0	0
326	Tourist Development	8,618,400	8,100,000	0	518,400
327	Environment and Conservation	0	0	0	0
328	Wildlife Resources Agency	1,129,900	1,129,900	0	0
329	Correction	88,722,000	87,007,500	0	1,714,500
330	Economic and Community Development	43,400,000	43,400,000	0	0
331	Education (K-12)	<u>229,893,400</u>	<u>189,779,300</u>	<u>0</u>	<u>40,114,100</u>
	Lottery-Funded Programs *	0	0	0	0
	Other K-12 Education Programs *	229,893,400	189,779,300	0	40,114,100
332	Higher Education	<u>113,669,300</u>	<u>113,560,000</u>	<u>0</u>	<u>109,300</u>
	Lottery for Education Account *	0	0	0	0
	Other Higher Education Programs *	113,669,300	113,560,000	0	109,300
335	Commerce and Insurance	61,000	61,000	0	0
336	Financial Institutions	945,600	945,600	0	0
337	Labor and Workforce Development	2,043,500	6,043,500	(4,000,000)	0
339	Mental Health and Substance Abuse Services	4,185,000	4,389,400	0	(204,400)
341	Military	0	0	0	0
343	Health	2,070,000	2,070,000	0	0
344	Intellectual and Developmental Disabilities	5,200,100	1,113,800	0	4,086,300
345	Human Services	<u>133,600</u>	<u>45,400</u>	<u>88,200</u>	<u>0</u>
345.23	Temporary Cash Assistance *	0	0	0	0
	Other Human Services Programs *	133,600	45,400	88,200	0
347	Revenue	1,680,400	1,680,400	0	0
348	Tennessee Bureau of Investigation	0	0	0	0
349	Safety	2,614,200	2,614,200	0	0
350	F&A, Strategic Health-Care Programs	29,197,100	8,616,100	20,581,000	0

**Departmental Summary of Cost Increases
Fiscal Year 2013-2014**

<u>Code</u>	<u>Department</u>	<u>Total</u>	<u>Funding</u>		
			<u>Appropriation</u>	<u>Federal</u>	<u>Other</u>
351	Miscellaneous Appropriations	129,400,000	129,400,000	0	0
359	Children's Services	15,827,400	7,520,000	3,086,000	5,221,400
	Sub-total General Fund	\$ 1,616,917,700	\$ 987,395,800	\$ 540,414,200	\$ 89,107,700
400	Transportation	0	0	0	0
	Total All Funds	\$ 1,616,917,700	\$ 987,395,800	\$ 540,414,200	\$ 89,107,700

* These items are included in the departmental totals.

**2013 Administration Legislation with Fiscal Impact
General Fund and Education Fund
Fiscal Year 2013-2014**

Revenue Source	General Fund		Dedicated	Local
	Recurring	Non-Recurring		Government
I. Tax Adjustments - Increase / (Decrease):				
1. Sales Tax - Grocery Food Tax Rate @ 0.25 Point Reduction from 5.25% to 5.0%	\$ (21,200,000)	\$ -	\$ -	\$ (1,000,000)
2. Franchise Tax - Average Monthly Basis Filing; Bankruptcy	(100,000)	-	-	-
3. Business Tax - Uniformity and Small Business Relief Act (-\$51,400 Local Revenue)	(200,000)	-	-	-
4. Hall Income Tax - Increase Exemption for Age 65 & Over	(1,500,000)	-	-	(700,000)
Sub-Total Tax Adjustments - Increase / (Decrease)	\$ (23,000,000)	\$ -	\$ -	\$ (1,700,000)
II. Cost Increase:				
1. Education - BEP - Capital Outlay Component - Restore FY 2010-2011 Reduction	\$ 33,700,000	\$ -	\$ -	\$ -
2. Public Defenders - Davidson and Shelby Counties - CPI Adjustment:				
a. Davidson County	\$ 512,900	\$ -	\$ -	\$ -
b. Shelby County	711,800	-	-	-
Sub-Total Public Defenders	\$ 1,224,700	\$ -	\$ -	\$ -
3. Correction - 1985 Sentencing Act - Gang Enhanced Sentencing	28,700	-	-	-
4. Labor and Workforce Development - Workers Compensation	600,000	-	1,200,000	-
5. Mental Health - Incompetent Defendant Act - Departmental Revenue Loss	204,400	-	-	-
6. Health Related Boards - Electronic Licensure Applications - Non-Recurring	-	-	745,000	-
Sub-Total Cost Increase	\$ 35,757,800	\$ -	\$ 1,945,000	\$ -
Total Administration Legislation - (Cost)	\$ (58,757,800)	\$ -	\$ (1,945,000)	\$ (1,700,000)

**2013-2014
Salary Policy Recommendation**

	<u>General Fund</u>	<u>Dedicated</u>
I. Discretionary Raises:		
1. Salary Increase @ 1.5%:		
State Employees	\$ 22,100,000	\$ -
Higher Education	18,600,000	-
K-12 Basic Education Program (BEP) - Teachers and Other Certified Staff	35,800,000	-
Safety - Commissioned Officers (Troopers) - Salary Survey Raise @ 1.5%	848,700	1,500
Commerce and Insurance - TLETA Commissioned Officers - Salary Survey Raise @ 1.5%	14,000	-
TWRA - Wildlife Officers - Salary Survey Raise @ 1.5%	-	451,800
Sub-Total Salary Increase @ 1.5%	\$ 77,362,700	\$ 453,300
2. Salary Market Adjustment @ 1.9% Pool @ 7-1-2013 - State Employees	27,500,000	400,000
3. Children's Services - Case Manager Positions Reclassification - Salary Upgrade	139,700	-
4. Children's Services - Teacher Training and Experience	36,900	-
Sub-Total Discretionary Raises	\$ 105,039,300	\$ 853,300
II. Statutory Step Raises:		
1. District Attorneys General - Assistant DAs and Criminal Investigators (Human Services: \$45,400 State + \$88,200 Federal = \$133,600)	\$ 1,101,800	\$ -
2. District Public Defenders - Assistant PDs and Investigators	588,900	-
3. Post-Conviction Defender - Assistant PCDs	31,200	-
4. Commerce and Insurance - TLETA Commissioned Officers	12,600	-
5. Safety - Commissioned Officers (Troopers)	764,000	-
6. TWRA - Wildlife Officers, Biologists, and Unique Positions	-	678,100
Sub-Total Statutory Step Raises	\$ 2,498,500	\$ 678,100
7. Court System - Judges Salary Increase @ 2.1% CPI	758,500	-
8. Attorney General and Reporter - Statutory Salary Increase @ 2.1% CPI	4,600	-
Total Statutory Raises	\$ 3,261,600	\$ 678,100
Total Recommended Cost Increase	\$ 108,300,900	\$ 1,531,400
III. Base Recommended:		
401(k) General Fund Appropriation @ \$50 / Month Match -		
\$40 Recurring, \$10 Non-Recurring:		
University of Tennessee	\$ 2,838,100	\$ -
State University and Community College System	4,328,500	-
Miscellaneous Appropriations - State Agencies	9,197,000	-
Sub-Total 401(k) General Fund Appropriation	\$ 16,363,600	\$ -
Grand Total Recommended	\$ 124,664,500	\$ 1,531,400

2012-2013 Salary Market Adjustment, with Earmarks
1% Salary Policy as Basis for Earmarking a Portion of \$30 M General Fund Adjustment
State Appropriation
(2012 Appropriations Act)

	1% Salary Policy		Market Adjustment Recurring	Six-Month Appropriation
	Appropriation	Pct.		
Total State Employees	\$ 14,348,300		\$ 30,000,000	\$ 15,000,000
Selected Non-Executive Agencies Earmark:				
301.00 Legislature	\$ 242,400	1.69%	\$ 507,000	\$ 253,500
301.50 Fiscal Review Committee	12,100	0.08%	24,000	12,000
302.00 Court System	234,500	1.63%	489,000	244,500
305.00 Secretary of State	215,700	1.50%	450,000	225,000
307.00 Comptroller of the Treasury	362,400	2.53%	759,000	379,500
309.00 Treasury Department	1,700	0.01%	3,000	1,500
Sub-Total	\$ 1,068,800	7.45%	\$ 2,232,000	\$ 1,116,000
303.00 Attorney General			1,100,000	550,000
Total Earmark			\$ 3,332,000	\$ 1,666,000
Other Programs			26,668,000	13,334,000
Grand Total			\$ 30,000,000	\$ 15,000,000

2013-2014 Salary Market Adjustment, with Earmarks
1% Salary Policy as Basis for Earmarking a Portion of \$27.5 M General Fund Adjustment
State Appropriation
(2013 Appropriations Bill)

	1% Salary Policy		Market Adjustment Recurring	Pct. of Salary
	Appropriation	Pct.		
Total State Employees - General Fund	\$ 14,631,900		\$ 27,500,000	1.9%
Selected Non-Executive Agencies Earmark:				
301.00 Legislature	\$ 248,400	1.70%	\$ 466,900	1.9%
301.50 Fiscal Review Committee	12,400	0.08%	23,300	1.9%
302.00 Court System	238,300	1.63%	447,900	1.9%
303.00 Attorney General	170,600	1.17%	320,600	1.9%
305.00 Secretary of State	217,300	1.49%	408,400	1.9%
307.00 Comptroller of the Treasury	373,200	2.55%	701,400	1.9%
309.00 Treasury Department	1,800	0.01%	3,400	1.9%
Sub-Total Earmark	\$ 1,262,000	8.62%	\$ 2,371,900	1.9%
Other Programs	13,369,900	91.38%	25,128,100	1.9%
Total All Programs - General Fund	\$ 14,631,900	100.00%	\$ 27,500,000	1.9%
Dedicated Funds			400,000	
Grand Total			\$ 27,900,000	

**Contingency Appropriations
Tobacco Master Settlement Agreement
Arbitration Settlement Revenue**

2012-2013 and 2013-2014 Recommended

I. FY 2012-2013 Revenue Estimate **\$ 67,600,000**

II. Recommended Contingency Appropriations (In Priority Order):

2012-2013 Appropriation - Reserve for Future Tobacco MSA Revenue Estimates	\$ 5,700,000
2013-2014 Capital Outlay - UTK Steam Plant Conversion to Natural Gas	24,000,000
2013-2014 Health and Wellness Initiatives - Sum Sufficient of Balance of \$67.6 M	37,900,000
Total Recommended Contingency Appropriations	<u><u>\$ 67,600,000</u></u>

Note: These appropriations are contingent upon receiving revenue from the arbitration settlement. The revenue is contingent upon approval of the settlement by an arbitration panel.

The line-item appropriations are listed in priority order.

The first appropriation item, \$5.7 million, will be reserved to support continuing Tobacco MSA revenue collections, as the revenue will decline a total of \$5.7 million during fiscal years 2013-2014 through 2016-2017, before increasing by an estimated \$9.5 million in 2017-2018.

The second item, for capital outlay at the University of Tennessee, Knoxville, is contingent upon receiving \$29.7 million or more from the settlement.

The third item, for health and wellness initiatives, to be recommended during the legislative session, is a sum sufficient estimated at \$37.9 million, but is contingent upon receiving more than \$29.7 million from the settlement.

**Base Appropriations Preserved
by Proposed Legislation
Hospital Coverage Assessment
Fiscal Year 2013-2014**

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:			
Essential Access Hospital Payments	\$ 34,500,000	\$ 65,500,000	\$ 100,000,000
Graduate Medical Education	17,250,000	32,750,000	50,000,000
Critical Access Hospital Payments	3,450,000	6,550,000	10,000,000
Medicare Part A Reimbursement	12,264,900	23,285,500	35,550,400
Provider Reimbursement and Co-Pay	61,308,200	116,396,500	177,704,700
Sub-Total	\$ 128,773,100	\$ 244,482,000	\$ 373,255,100
FY 2010-2011 Base Reductions Restored:			
Hospital Reimbursement Ceiling	\$ 35,200,200	\$ 66,829,300	\$ 102,029,500
In-Patient Services	37,906,300	71,967,100	109,873,400
Lab and X-Ray Procedures	19,393,200	36,819,100	56,212,300
Therapies	4,220,700	8,013,200	12,233,900
Out-Patient Services	15,637,600	29,688,700	45,326,300
Office Visits	17,741,000	33,682,300	51,423,300
Sub-Total	\$ 130,099,000	\$ 246,999,700	\$ 377,098,700
Other Appropriations:			
Disproportionate Share Hospital Payments	\$ 27,952,900	\$ 53,070,100	\$ 81,023,000
Additional Cost-Based Reimbursement for Critical Access	6,000,000	-	6,000,000
Hospital Payments - Unreimbursed Costs	156,975,000	298,025,000	455,000,000
Sub-Total	\$ 190,927,900	\$ 351,095,100	\$ 542,023,000
Grand Total	\$ 449,800,000	\$ 842,576,800	\$ 1,292,376,800

**TennCare Program
Non-Recurring Appropriations from the Hospital Coverage Assessment
Estimated 2012-2013 and Base 2013-2014**

Red. Number	Description	Fiscal Year 2012-2013			Fiscal Year 2013-2014		
		State ¹	Federal	Total	State ¹	Federal	Total
A. FY 2009-2010 Base Reductions Restored:							
12	Essential Access Hospital Payments	\$ 33,812,000	\$ 66,188,000	\$ 100,000,000	\$ 34,500,000	\$ 65,500,000	\$ 100,000,000
13	Graduate Medical Education	16,906,000	33,094,000	50,000,000	17,250,000	32,750,000	50,000,000
15	Critical Access Hospital Payments	3,381,200	6,618,800	10,000,000	3,450,000	6,550,000	10,000,000
20	Medicare Part A Reimbursement	12,020,300	23,530,100	35,550,400	12,264,900	23,285,500	35,550,400
23	Provider Reimbursement and Co-Pay	66,531,600	130,237,500	196,769,100	61,308,200	116,396,500	177,704,700
	Sub-Total	\$ 132,651,100	\$ 259,668,400	\$ 392,319,500	\$ 128,773,100	\$ 244,482,000	\$ 373,255,100
B. FY 2010-2011 Base Reductions Restored:							
10	Hospital Reimbursement Ceiling	\$ 23,655,100	\$ 46,305,500	\$ 69,960,600	\$ 35,200,200	\$ 66,829,300	\$ 102,029,500
16	In-Patient Services	47,581,500	93,142,200	140,723,700	37,906,300	71,967,100	109,873,400
17	Lab and X-Ray Procedures	28,376,000	55,546,900	83,922,900	19,393,200	36,819,100	56,212,300
18	Therapies	4,664,500	9,131,000	13,795,500	4,220,700	8,013,200	12,233,900
19	Out-Patient Services	11,151,700	21,829,900	32,981,600	15,637,600	29,688,700	45,326,300
24	Office Visits	15,360,200	30,068,000	45,428,200	17,741,000	33,682,300	51,423,300
	Sub-Total	\$ 130,789,000	\$ 256,023,500	\$ 386,812,500	\$ 130,099,000	\$ 246,999,700	\$ 377,098,700
	Sub-Total - Reductions Restored	\$ 263,440,100	\$ 515,691,900	\$ 779,132,000	\$ 258,872,100	\$ 491,481,700	\$ 750,353,800
C. Other Appropriations:							
	Disproportionate Share Hospital Payments ²	\$ 27,395,500	\$ 53,627,500	\$ 81,023,000	\$ 27,952,900	\$ 53,070,100	\$ 81,023,000
	Add'l. Cost-Based Reimb. for Crit. Access ²	6,000,000	-	6,000,000	6,000,000	-	6,000,000
	Hospital Payments - Unreimb. Costs	152,964,400	299,432,400	452,396,800	156,975,000	298,025,000	455,000,000
	Sub-Total	\$ 186,359,900	\$ 353,059,900	\$ 539,419,800	\$ 190,927,900	\$ 351,095,100	\$ 542,023,000
	Total Expenditures	\$ 449,800,000	\$ 868,751,800	\$ 1,318,551,800	\$ 449,800,000	\$ 842,576,800	\$ 1,292,376,800
	D. State Revenue³:	\$ 449,800,000			\$ 449,800,000		

¹ Recurring state dollar matching percentages: 33.812% in fiscal 2012-2013; 34.500% in fiscal 2013-2014.

² Items previously funded from TennCare Reserve.

³ The coverage assessment rate is 4.52% for 2012-2013 and 2013-2014.

**National Health Reform Cost - State Appropriation
2013-2014 Through 2018-2019**

Incremental Change

	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>Total Annualized</u>
I. Mandatory:							
Eligible for Current Program But Not Enrolled (60,600 pop.)	\$ 56,545,300	\$ 81,015,800	\$ 20,031,800	\$ 13,921,800	\$ 15,151,600	\$ 16,490,000	\$ 203,156,300
Drug Rebate Impact	7,500,000	7,500,000	-	-	-	-	15,000,000
Additional CHIP Revenue	-	-	(31,344,700)	(11,465,100)	(1,085,300)	(1,157,800)	(45,052,900)
Optional Medicaid Offset	(1,375,200)	(1,559,400)	(196,700)	(209,800)	(223,800)	(238,900)	(3,803,800)
Pharmacy Extensions	2,268,300	2,572,200	324,300	346,100	369,200	393,900	6,274,000
Excise Tax - MCOs	55,884,900	-	-	-	-	-	55,884,900
Mandatory Coverage of Foster Children	322,300	365,500	46,100	49,200	52,400	56,000	891,500
Primary Care Services @ 100% of Medicare Rate till 12-31-14	-	18,057,200	(18,057,200)	-	-	-	-
Sub-Total Mandatory	\$ 121,145,600	\$ 107,951,300	\$ (29,196,400)	\$ 2,642,200	\$ 14,264,100	\$ 15,543,200	\$ 232,350,000
II. Discretionary: *							
Newly Eligible @ 138% of FPL (429,200 pop.)	\$ -	\$ -	\$ -	\$ 30,839,100	\$ 42,835,400	\$ 20,879,000	\$ 94,553,500
Cover Tennessee Reduction (3 Programs)	-	(12,576,300)	(12,576,200)	-	-	-	(25,152,500)
Primary Care Services @ 100% of Medicare Rate till 12-31-14	-	18,057,200	19,884,500	1,919,900	2,017,000	2,119,100	43,997,700
Sub-Total Discretionary	\$ -	\$ 5,480,900	\$ 7,308,300	\$ 32,759,000	\$ 44,852,400	\$ 22,998,100	\$ 113,398,700
Total	\$ 121,145,600	\$ 113,432,200	\$ (21,888,100)	\$ 35,401,200	\$ 59,116,500	\$ 38,541,300	\$ 345,748,700

Cumulative Change

	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>Total</u>
I. Mandatory:							
Eligible for Current Program But Not Enrolled (60,600 pop.)	\$ 56,545,300	\$ 137,561,100	\$ 157,592,900	\$ 171,514,700	\$ 186,666,300	\$ 203,156,300	\$ 913,036,600
Drug Rebate Impact	7,500,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	82,500,000
Additional CHIP Revenue	-	-	(31,344,700)	(42,809,800)	(43,895,100)	(45,052,900)	(163,102,500)
Optional Medicaid Offset	(1,375,200)	(2,934,600)	(3,131,300)	(3,341,100)	(3,564,900)	(3,803,800)	(18,150,900)
Pharmacy Extensions	2,268,300	4,840,500	5,164,800	5,510,900	5,880,100	6,274,000	29,938,600
Excise Tax - MCOs	55,884,900	55,884,900	55,884,900	55,884,900	55,884,900	55,884,900	335,309,400
Mandatory Coverage of Foster Children	322,300	687,800	733,900	783,100	835,500	891,500	4,254,100
Primary Care Services @ 100% of Medicare Rate till 12-31-14	-	18,057,200	-	-	-	-	18,057,200
Sub-Total Mandatory	\$ 121,145,600	\$ 229,096,900	\$ 199,900,500	\$ 202,542,700	\$ 216,806,800	\$ 232,350,000	\$ 1,201,842,500
II. Discretionary: *							
Newly Eligible @ 138% of FPL (429,200 pop.)	\$ -	\$ -	\$ -	\$ 30,839,100	\$ 73,674,500	\$ 94,553,500	\$ 199,067,100
Cover Tennessee Reduction (3 Programs)	-	(12,576,300)	(25,152,500)	(25,152,500)	(25,152,500)	(25,152,500)	(113,186,300)
Primary Care Services @ 100% of Medicare Rate till 12-31-14	-	18,057,200	37,941,700	39,861,600	41,878,600	43,997,700	181,736,800
Sub-Total Discretionary	\$ -	\$ 5,480,900	\$ 12,789,200	\$ 45,548,200	\$ 90,400,600	\$ 113,398,700	\$ 267,617,600
Total	\$ 121,145,600	\$ 234,577,800	\$ 212,689,700	\$ 248,090,900	\$ 307,207,400	\$ 345,748,700	\$ 1,469,460,100

* NOTE - Discretionary - Provided for information. Discretionary items decision is to be made at a later date.

**Core Services Appropriations
2012-2013 Non-Recurring and 2013-2014**

Dept	Description	2012-2013	2013-2014	
			Recurring	NR
Environment and Conservation:				
327.24	West TN River Basin Authority Maintenance @ \$1,215,500	\$ 635,000	\$ -	\$ 635,000
Education (K-12):				
331.10	Career Ladder Extended Contracts - FY 12 @ \$15 M; FY 13 @ \$10 M; FY 14 @ \$7.5 M R	\$ 2,500,000	\$ -	\$ -
331.11	Internet Connectivity	2,000,000	2,000,000	-
331.02	Public Television	2,786,800	-	2,786,800
331.02	Science Alliance Museums	750,000	-	750,000
331.22	Baby Books - 10% - Governor's Books from Birth Fund	340,000	-	-
331.90	Alvin C. York Institute - BEP Local Share - 16 FT - Transfer School to County 7/1/2014	2,294,400	-	2,294,400
331.06	Governor's Schools	1,900,000	-	1,900,000
331.32	Family Resource Centers	3,050,000	-	3,050,000
331.25	BEP ADM Growth Funding (Recurring Base is \$27.5 M)	3,500,000	-	-
Sub-Total Education (K-12)		\$ 19,121,200	\$ 2,000,000	\$ 10,781,200
Higher Education:				
332.00	University of Tennessee - 401(k) State Match @ \$10/Month (\$40 in Base)	\$ -	\$ -	\$ 745,000
332.00	State U. and CC System - 401(k) State Match @ \$10/Month (\$40 in Base)	-	-	868,000
Sub-Total Higher Education		\$ -	\$ -	\$ 1,613,000
337.09	Labor and Workforce Development - Adult Education Subgrants	150,000	-	-
339.08	Mental Health - Peer Support Centers (13 of 44 Counties NR in FY 13 and FY 14)	1,377,300	-	1,377,300
Health:				
343.47	Healthy Start (Middle and West TN) - At 75% in FY 14	\$ 3,060,100	\$ -	\$ 2,295,100
343.52	Epilepsy Program	206,300	-	206,300
343.60	Child Health and Development (CHAD) (East TN) - At 75% in FY 14	838,100	-	628,600
Sub-Total Health		\$ 4,104,500	\$ -	\$ 3,130,000
344.02	Intellectual and Developmental Disabilities - Family Support Program	2,681,500	-	2,681,500
345.49	Human Services - Direct Appropriation Grants (HRA's, CAA's)	1,415,600	-	-
348.00	TBI - Drug Enforcement Funds	603,800	-	-
351.00	Misc. Approp. - 401(k) State Match \$10/Month (\$40 in Base)	2,500,000	-	2,500,000
Total		\$ 32,588,900	\$ 2,000,000	\$ 22,718,000

**Core Services Continuation of Appropriation and Positions by Department
2011-2012 and 2012-2013 Enacted**

A-51

	2011-2012		2012-2013 Enacted						Change	
	Non-Recurring		Positions		General Fund Appropriation		Dedicated	Total	Pos	Appropriation
	Pos	Appropriation	Rec	NR	Recurring	Non-Recurring	Appropriation	Appropriation		
302.00 Court System	12	\$ 585,100	0	0	\$ 0	\$ 0	\$ 0	\$ 0	(12)	\$ (585,100)
303.00 Attorney General and Reporter	0	464,500	0	0	0	0	0	0	0	(464,500)
305.00 Secretary of State	19	1,332,200	0	0	0	0	0	0	(19)	(1,332,200)
316.01 Commission on Children and Youth	0	18,000	0	0	0	0	0	0	0	(18,000)
316.02 Commission on Aging and Disability	0	1,209,500	0	0	1,209,500	0	0	1,209,500	0	0
316.25 Arts Commission	0	674,900	0	0	374,900	0	300,000	674,900	0	0
316.27 State Museum	0	334,900	0	0	267,400	0	0	267,400	0	(67,500)
317.00 Finance and Administration	0	138,600	0	0	138,600	0	0	138,600	0	0
318.00 TennCare	0	426,200	0	0	137,500	0	0	137,500	0	(288,700)
323.00 Veterans Affairs	1	41,200	0	0	0	0	0	0	(1)	(41,200)
325.00 Agriculture	11	1,452,400	9	0	0	0	1,301,700	1,301,700	(2)	(150,700)
326.00 Tourist Development	0	1,995,100	0	0	1,646,600	0	0	1,646,600	0	(348,500)
327.00 Environment and Conservation	62	8,831,100	38	0	209,300	635,000	6,806,200	7,650,500	(24)	(1,180,600)
328.00 Tennessee Wildlife Resources Agency	0	906,300	0	0	0	0	906,300	906,300	0	0
330.00 Economic and Community Development	4	1,188,100	0	0	229,200	0	0	229,200	(4)	(958,900)
331.00 Education (K-12)	17	63,591,400	1	16	34,559,500	19,121,200	0	53,680,700	0	(9,910,700)
332.00 Higher Education - State Admin. Programs	0	3,200,000	0	0	3,200,000	0	0	3,200,000	0	0
332.10 University of Tennessee System	0	2,838,100	0	0	2,093,100	745,000	0	2,838,100	0	0
332.60 State Univ. and Comm. College System	0	4,328,500	0	0	3,460,500	868,000	0	4,328,500	0	0
335.00 Commerce and Insurance	3	238,000	0	0	0	0	0	0	(3)	(238,000)
337.00 Labor and Workforce Development	0	300,000	0	0	0	150,000	0	150,000	0	(150,000)
339.00 Mental Health	0	10,567,600	0	0	7,418,800	1,377,300	0	8,796,100	0	(1,771,500)
341.00 Military	0	248,500	0	0	248,500	0	0	248,500	0	0
343.00 Health	1	17,491,200	0	0	10,212,600	4,104,500	0	14,317,100	(1)	(3,174,100)
344.00 Intellectual and Developmental Disabilities	0	7,181,500	0	0	4,500,000	2,681,500	0	7,181,500	0	0
345.00 Human Services	0	9,019,800	0	0	6,514,800	1,415,600	0	7,930,400	0	(1,089,400)
348.00 Tennessee Bureau of Investigation	0	0	0	0	0	603,800	0	603,800	0	603,800
351.00 Miscellaneous Appropriations	0	9,697,000	0	0	7,197,000	2,500,000	0	9,697,000	0	0
359.00 Children's Services	37	11,700,300	0	0	6,910,400	0	0	6,910,400	(37)	(4,789,900)
Total	167	\$ 160,000,000	48	16	\$ 90,528,200	\$ 34,201,900	\$ 9,314,200	\$ 134,044,300	(103)	\$ (25,955,700)

Note: 343.00 Health - 2011-2012 Non-recurring increased \$3,898,200 to reflect transfer of Healthy Start (\$3,060,100) and CHAD (\$838,100) from 359.00, Children's Services.

359.00 Children's Services - 2011-2012 Non-recurring decreased \$3,898,200 to reflect transfer of Healthy Start (\$3,060,100) and CHAD (\$838,100) to 343.00, Health.

**Core Services Continuation of Appropriation and Positions by Department
2013-2014 Recommended**

		2013-2014 Recommended					
		Positions		General Fund Appropriation		Dedicated	Total
		Rec	NR	Recurring	Non-Recurring	Appropriation	Appropriation
302.00	Court System	0	0	\$ 0	\$ 0	\$ 0	\$ 0
303.00	Attorney General and Reporter	0	0	0	0	0	0
305.00	Secretary of State	0	0	0	0	0	0
316.01	Commission on Children and Youth	0	0	0	0	0	0
316.02	Commission on Aging and Disability	0	0	1,209,500	0	0	1,209,500
316.25	Arts Commission	0	0	374,900	0	300,000	674,900
316.27	State Museum	0	0	267,400	0	0	267,400
317.00	Finance and Administration	0	0	138,600	0	0	138,600
318.00	TennCare	0	0	137,500	0	0	137,500
323.00	Veterans Affairs	0	0	0	0	0	0
325.00	Agriculture	9	0	0	0	1,301,700	1,301,700
326.00	Tourist Development	0	0	1,646,600	0	0	1,646,600
327.00	Environment and Conservation	38	0	209,300	635,000	6,806,200	7,650,500
328.00	Tennessee Wildlife Resources Agency	0	0	0	0	906,300	906,300
330.00	Economic and Community Development	0	0	229,200	0	0	229,200
331.00	Education (K-12)	1	16	36,559,500	10,781,200	0	47,340,700
332.00	Higher Education - State Admin. Programs	0	0	3,200,000	1,613,000	0	4,813,000
332.10	University of Tennessee System	0	0	2,093,100	0	0	2,093,100
332.60	State Univ. and Comm. College System	0	0	3,460,500	0	0	3,460,500
335.00	Commerce and Insurance	0	0	0	0	0	0
337.00	Labor and Workforce Development	0	0	0	0	0	0
339.00	Mental Health	0	0	7,418,800	1,377,300	0	8,796,100
341.00	Military	0	0	248,500	0	0	248,500
343.00	Health	0	0	10,212,600	3,130,000	0	13,342,600
344.00	Intellectual and Developmental Disabilities	0	0	4,500,000	2,681,500	0	7,181,500
345.00	Human Services	0	0	6,514,800	0	0	6,514,800
348.00	Tennessee Bureau of Investigation	0	0	0	0	0	0
351.00	Miscellaneous Appropriations	0	0	7,197,000	2,500,000	0	9,697,000
359.00	Children's Services	0	0	6,910,400	0	0	6,910,400
Total		48	16	\$ 92,528,200	\$ 22,718,000	\$ 9,314,200	\$ 124,560,400

**Overappropriation Summary
2012-2013 and 2013-2014**

Increase / (Decrease)

	2012-2013	Total	2013-2014	
			Recurring	Non-Recurring
Budgeted Overappropriation:	\$ 86,700,000	\$ 86,700,000	\$ 86,700,000	\$ -
Plus / (Less): Adjustments				
Secretary of State	\$ (500,000)	\$ (2,000,000)	\$ (2,000,000)	\$ -
Comptroller of the Treasury	(900,000)	(3,000,000)	(3,000,000)	-
Other Agencies	100,000	(9,200,000)	(9,200,000)	-
Sub-Total Adjustments	\$ (1,300,000)	\$ (14,200,000)	\$ (14,200,000)	\$ -
(Less): Preliminary Base Reductions	-	(1,700,000)	(1,700,000)	-
Plus / (Less): Base Reduction Plans				
Secretary of State	\$ -	\$ 200,000	\$ 200,000	\$ -
Comptroller of the Treasury	-	300,000	300,000	-
Other Agencies	-	(3,300,000)	(3,300,000)	-
Sub-Total Base Reduction Plans	\$ -	\$ (2,800,000)	\$ (2,800,000)	\$ -
Plus / (Less): State Agencies - Office Modernization	-	-	5,000,000	(5,000,000)
Plus: State Agencies - MVM * - Mileage Expense Savings	-	400,000	400,000	-
Total Revised Overappropriation	\$ 85,400,000	\$ 68,400,000	\$ 73,400,000	\$ (5,000,000)

Overappropriation is the estimated reversion to the general fund resulting from under-expenditure of state appropriations and over-collection of departmental revenue.

* MVM is Motor Vehicle Management.

Lottery for Education Account
Summary of Appropriation Requirements, Revenues, and Reserves
Fiscal Years 2011-2012 Through 2016-2017
(Millions)

	Actual 2011-2012	Revised ¹ 2012-2013	Recommended 2013-2014	Projected 2014-2015	Projected 2015-2016	Projected 2016-2017
1. Appropriation Requirements:						
Higher Education Scholarships Base	\$ 316.2	\$ 318.1	\$ 319.1	\$ 321.0	\$ 330.4	\$ 339.5
Administration and Other	3.3	3.8	3.8	3.8	3.8	3.8
Total Appropriation Requirements	\$ 319.5	\$ 321.9	\$ 322.9	\$ 324.8	\$ 334.2	\$ 343.3
2. Current Revenue:						
Net Education Lottery Proceeds	\$ 310.3	\$ 316.6	\$ 322.1	\$ 327.7	\$ 333.4	\$ 339.2
Lottery for Education Account - Interest	16.6	13.3	12.5	11.6	11.1	10.5
Total Current Revenue	\$ 326.9	\$ 329.9	\$ 334.6	\$ 339.3	\$ 344.5	\$ 349.7
3. Net Available Current Revenue	\$ 7.4	\$ 8.0	\$ 11.7	\$ 14.5	\$ 10.3	\$ 6.4
4. Lottery for Education Reserve at June 30:						
General Shortfall Reserve	\$ 100.0	\$ 100.0	\$ 100.0	\$ 100.0	\$ 100.0	\$ 100.0
Lottery for Education Account	273.2	281.2	292.9	307.4	317.7	324.1
Total Reserve at June 30	\$ 373.2	\$ 381.2	\$ 392.9	\$ 407.4	\$ 417.7	\$ 424.1

(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 - 2011-2012 actual - 103,000; 2012-2013 revised estimate - 104,800; and 2013-14 recommended estimate - 104,800.

¹ Revised 2011-2012 column reflects mid-year revised expenditure and revenue estimates.

Lottery-Funded Education Programs
Comparison of Appropriation Requirements and State Revenues
Fiscal Years 2011-2012 Through 2016-2017

	Actual	2012-2013 ¹		Recommended	Projected		
	2011-2012	Budgeted	Revised	2013-2014	2014-2015	2015-2016	2016-2017
I. Appropriation Requirements							
Higher Education Scholarships Base	\$ 316,168,781	\$ 316,107,100	\$ 318,100,000	\$ 319,100,000	\$ 321,000,000	\$ 330,400,000	\$ 339,500,000
2011 PC 437 - Summer School & 120 Hr. Cap	-	10,500,000	-	-	-	-	-
2011 PC 427 - Medical Disability Eligibility	-	120,900	-	-	-	-	-
2011 PC 488 - Move on When Ready Act	-	72,000	-	-	-	-	-
2012 PC 1095 - Grandfather in Postsecondary Institution	-	630,000	-	-	-	-	-
Tenn. Higher Education Commission ²	1,011,454	521,400	521,400	521,400	521,400	521,400	521,400
Tenn. Student Assistance Corp. ²	2,350,652	2,437,400	2,437,400	2,437,400	2,437,400	2,437,400	2,437,400
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	-	(19,900)	30,000	10,100	10,100	10,100	10,100
Sub-Total Lottery for Education Acct.	\$ 319,530,887	\$ 331,200,000	\$ 321,919,900	\$ 322,900,000	\$ 324,800,000	\$ 334,200,000	\$ 343,300,000
After-School Programs	11,458,000	13,500,000	13,500,000	13,500,000	14,000,000	14,000,000	14,000,000
Total Appropriation Requirements	\$ 330,988,887	\$ 344,700,000	\$ 335,419,900	\$ 336,400,000	\$ 338,800,000	\$ 348,200,000	\$ 357,300,000
II. Available Revenues and Reserves							
Net Education Lottery Proceeds	\$ 310,349,000	\$ 292,000,000	\$ 316,600,000	\$ 322,100,000	\$ 327,700,000	\$ 333,400,000	\$ 339,200,000
Lottery for Education Account - Interest	16,552,944	13,200,000	13,300,000	12,500,000	11,600,000	11,100,000	10,500,000
Unclaimed Prizes (After-School Programs)	13,108,916	12,000,000	12,000,000	13,000,000	13,000,000	14,000,000	14,000,000
After-School Programs - Interest Earnings	-	-	-	100,000	100,000	100,000	100,000
General Shortfall Reserve @ prior 6-30	50,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
Lottery for Education Account @ prior 6-30	315,847,912	273,218,969	273,218,969	281,199,069	292,899,069	307,399,069	317,699,069
Unclaimed Prizes @ prior 6-30	18,215,543	19,866,459	19,866,459	18,366,459	17,966,459	17,066,459	17,066,459
Total Available Revenues and Reserves	\$ 724,074,315	\$ 710,285,428	\$ 734,985,428	\$ 747,265,528	\$ 763,265,528	\$ 783,065,528	\$ 798,565,528
III. Available Funds at June 30							
General Shortfall Reserve	\$ 100,000,000	\$ 100,000,000	\$ 100,000,000	\$ 100,000,000	\$ 100,000,000	\$ 100,000,000	\$ 100,000,000
Lottery for Education Account	273,218,969	247,218,969	281,199,069	292,899,069	307,399,069	317,699,069	324,099,069
After-School Programs Reserve	19,866,459	18,366,459	18,366,459	17,966,459	17,066,459	17,166,459	17,166,459
Total Available Funds at June 30	\$ 393,085,428	\$ 365,585,428	\$ 399,565,528	\$ 410,865,528	\$ 424,465,528	\$ 434,865,528	\$ 441,265,528

¹ 2012-2013 - Budgeted column reflects budgeted appropriations and revenue estimate. Revised column reflects mid-year revised expenditure and revenue estimates.

² Estimated in departmental revenues of affected agencies.

Federal Aid Trends and Federal Mandate Costs

Recommended Budget, Fiscal Year 2013 – 2014

Since fiscal year 1979-1980, 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 2013-2014. If the state were still receiving 27 cents of every budgeted dollar as federal aid, an additional \$1.138 billion would be available in federal funds.

In constant (2013-2014) dollars, federal aid has increased by 97.5 percent, or \$2.1 billion, from 1979-1980 to 2013-2014 for state programs other than Food Stamps, Medicaid, and TANF/AFDC grants.

Figure 1 and Table 1 show the constant (2013-2014) dollar trend in federal aid in the state budget since 1979-1980 for all programs, including transportation.

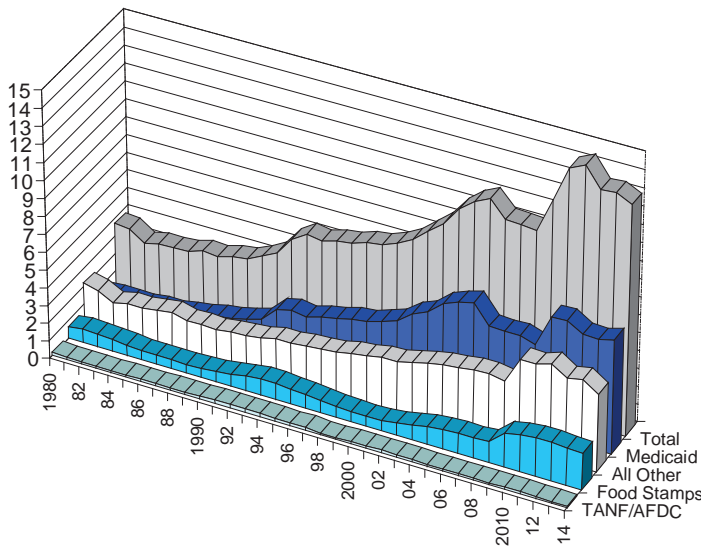
Amounts for fiscal years 1979-1980 through 2011-2012 are based on actual federal aid collections; amounts for 2012-2013 through 2013-2014 are based on estimates included in the recommended state budget.

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 1988-1989 to 2013-2014, 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 \$6.0 billion over five fiscal years, from 2008-2009 through 2013-2014. Tennessee's recommended budget includes \$447.6 million for 2012-2013 and

Figure 1
Federal Aid Trend in State Programs
FY 1980 through FY 2014
in Billions of Constant (2013-2014) Dollars



\$231.1 million for 2013-2014 in U.S. economic recovery program funding.

Figure 1 shows that total federal aid will decline by an inflation adjusted \$413.5

shows a 12.0 percent constant-dollar decrease compared with 2012-2013. This decrease is the result of a decrease in non-recurring economic recovery aid.

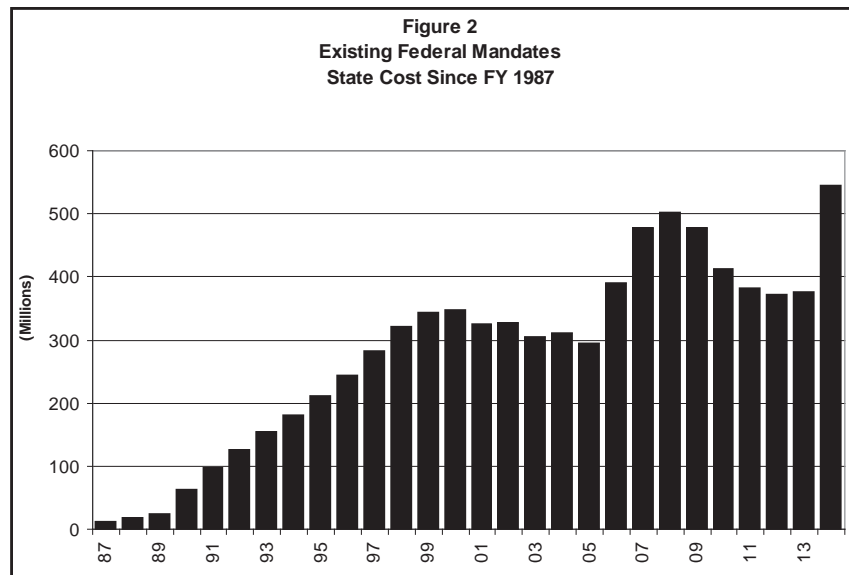
Over the 34-year period, Medicaid, the major federal entitlement program in the state budget, has had real growth well above the rate of inflation. However, from fiscal year 2004-2005 through fiscal year 2008-2009, federal Medicaid funds declined by over \$1.3 billion.

	1979-80	1988-89	2013-2014	% Increase		
				1980-2014	Annual Average	
				1980-2014	1989-2014	1989-2014
Total Aid	\$ 3,714.6	\$ 3,853.1	\$12,863.7	246.3%	3.7%	4.9%
Medicaid	677.8	1,413.9	6,380.2	841.3%	6.8%	6.2%
Food Stamp Coupons	677.4	527.5	2,043.2	201.6%	3.3%	5.6%
TANF/AFDC	160.5	154.3	97.2	-39.4%	-1.5%	-1.8%
All Other	2,198.9	1,757.4	4,343.1	97.5%	2.0%	3.7%

million from 2012-2013 to 2013-2014. The decrease in funding for all other federal aid programs in 2013-2014 is primarily the result of decreased funding received through the federal economic recovery act and a loss of one-time disaster assistance received for flood and tornado relief. The decline in federal funding for TANF/AFDC in 2012-2013 is because of the expiration funding from the U.S. economic recovery act.

As shown in Figure 1, not until 1992-1993 does "all other" federal aid, excluding Medicaid, TANF/AFDC grants, and Food Stamps, return to the real-dollar level available to the state in 1979-1980. 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. In 2013-2014, all other federal aid, excluding Food Stamps, Medicaid, and TANF/AFDC,

This is because of state cost-containment reforms, federal actions on the Medicare drug program, and a decrease in the Medicaid match rate resulting from national and state personal income growth. Medicaid funds increased an inflation adjusted \$1.8 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 the additional Recovery Act funding for Medicaid ended on June 30,



2011, federal funding for Medicaid declined by \$530 million from 2010-2011 to 2011-2012. Medicaid funding will decrease an estimated \$32 million in 2012-2013. Total funding in 2013-2014 will increase by \$209 million in constant dollars as a result of additional federal funding for National Health Reform. While total federal aid has increased in constant dollars by 246.3 percent from 1979-80 to 2013-2014, the 841.4 percent real growth in the Medicaid program is accompanied by real growth of only 97.5 percent in federal aid for all other state programs, excluding Food Stamps and TANF/AFDC. A constant dollar increase of 201.6 percent in federal aid for the Food Stamps program since 1979-1980 is related to recent trends in caseload, inflation and additional funding received from the U.S. economic recovery act. TANF/AFDC had a constant dollar decrease of 39.4 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 34 years, as shown in Table 1, real growth for all federal aid to state programs has averaged 3.7 percent per year. This growth above the rate of inflation has been led by the 6.8 percent annual-average real growth in the Medicaid program; Food Stamps increased 3.3 percent; all other federal aid, 2.0 percent; and TANF/AFDC decreased by 1.5 percent on an annual-average basis.

Over the last 25 years of the period, from 1988-1989 through 2013-2014, real growth in total federal aid has increased above the longer-term growth rates. Total federal aid to state programs has grown at a 25-year annual-average rate of 4.9 percent. Real growth in this period has averaged 6.2 percent per year for Medicaid, 5.6 percent in Food Stamps, and TANF/AFDC decreased by 1.8 percent. All other federal aid has grown at a real-dollar rate of 3.7 percent per year.

The 2013-2014 increase in Medicaid expenditures is the result of additional state spending for National Health Reform and will result in increased state costs for federal mandates (Figure 2). Medicaid accounts for 79.5 percent of the \$545.7 million state mandate cost in the 2013-2014 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 1979-1980, federal legislation in the late 1980s, early 1990s, and mid-2000s has imposed increasingly

Figure 3
Medicaid Mandates

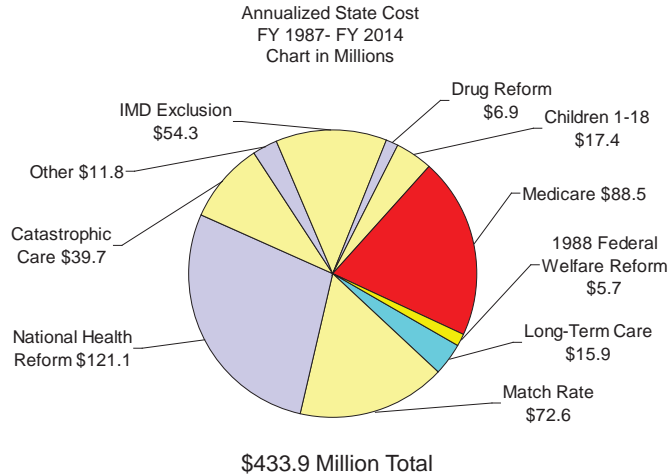
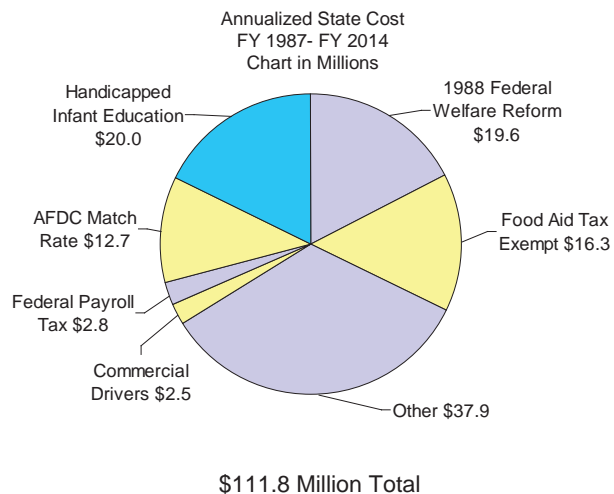


Figure 4
Other Federal Mandates



costly mandates on state government. By fiscal year 2013-2014, provisions imposed since 1986-1987 will cost \$545.7 million per year in recurring state appropriations from general fund tax sources. The cumulative state cost in 2011-2012 is \$371.5 million and in 2012-2013 is \$376.3 million. Figure 2 illustrates the annual recurring state cost, from general fund tax sources, of new federal mandates beginning in fiscal year 1986-1987.

Costly major Medicaid mandates imposed since 1986-1987 (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 implementation of National Health Reform through the Affordable Care Act, including the application of existing Medicaid long-term care eligibility criteria; 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 1986-1987 (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.

**Rainy Day Fund and Unobligated TennCare Reserve
2011-2012, 2012-2013, and 2013-2014**

	<u>Rainy Day Fund</u>	<u>TennCare Reserve</u>	<u>Total</u>
1. 2011-2012:			
Reserve at June 30, 2012	\$ 306,000,000	\$ 115,616,200	\$ 421,616,200
2. 2012-2013:			
2012-2013 Work Program Estimate	\$ 356,000,000	\$ 115,616,200	\$ 471,616,200
Plus: Deposit @ June 30, 2013	-	123,700,000	123,700,000
Total Reserve at June 30, 2013	<u>\$ 356,000,000</u>	<u>\$ 239,316,200</u>	<u>\$ 595,316,200</u>
3. 2013-2014:			
Plus: Deposit @ June 30, 2014	<u>100,000,000</u>	<u>-</u>	<u>100,000,000</u>
Total Reserve at June 30, 2014	<u>\$ 456,000,000</u>	<u>\$ 239,316,200</u>	<u>\$ 695,316,200</u>

Full-Time Employees Overlapped Over 90 Days

Agency	Number
301.00 Legislature	30
302.00 Court System	9
304.00 District Attorneys General Conference	2
305.00 Secretary of State	2
309.00 Treasury Department	2
315.00 Executive Department	5
316.08 Tennessee Rehabilitative Initiative in Correction (TRICOR)	5
316.12 Advisory Commission on Intergovernmental Relations	2
316.27 State Museum	1
317.00 Finance and Administration	3
318.00 TennCare	3
321.00 General Services	6
323.00 Veterans Affairs	1
325.00 Agriculture	4
326.00 Tourist Development	1
327.00 Environment and Conservation	13
328.00 Tennessee Wildlife Resources Agency	8
329.00 Correction	57
330.00 Economic and Community Development	1
331.00 Education (K-12)	40
332.00 Higher Education - State Administered Programs	2
337.00 Labor and Workforce Development	4
339.00 Mental Health and Substance Abuse Services	9
341.00 Military	3
343.00 Health	1
344.00 Intellectual and Developmental Disabilities	23
345.00 Human Services	10
348.00 Tennessee Bureau of Investigation	4
349.00 Safety	9
359.00 Children's Services	62
Total	322

Based on Edison extract of full-time employees overlapped greater than 90 days as of 1/14/2013.

Comparison of Authorized Positions State Agencies and Higher Education

	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>	<u>Change From Current Year</u>
I. STATE AGENCIES *				
General Fund	45,150	44,185	43,886	(299)
Full-time	42,980	42,113	41,901	(212)
Part-time	1,572	1,538	1,476	(62)
Seasonal	598	534	509	(25)
Department of Transportation	4,663	4,663	4,663	0
Full-time	4,658	4,658	4,658	0
Part-time	5	5	5	0
Seasonal	0	0	0	0
Total State Agencies	49,813	48,848	48,549	(299)
Full-time	47,638	46,771	46,559	(212)
Part-time	1,577	1,543	1,481	(62)
Seasonal	598	534	509	(25)
II. HIGHER EDUCATION				
Total Positions	23,999	24,306	24,306	0
Full-time Equivalent (UT and TBR)				
Administrative	1,185	1,218	1,218	0
Professional	5,324	5,436	5,436	0
Faculty	9,181	9,273	9,273	0
Clerical and Support	8,295	8,365	8,365	0
Foreign Language Institute (FT)	14	14	14	0
III. TOTAL STATE AGENCIES AND HIGHER EDUCATION				
Total Positions	73,812	73,154	72,855	(299)
Full-time **	71,637	71,077	70,865	(212)
Part-time	1,577	1,543	1,481	(62)
Seasonal	598	534	509	(25)

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

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

**Fiscal Year 2013-2014
Authorized Positions Change
Recommended 2013-2014 Change from Estimated 2012-2013
Increase / (Decrease)**

	<u>Full-Time</u>	<u>Part-Time</u>	<u>Seasonal</u>	<u>Total</u>
I. Total Recommended	<u>(212)</u>	<u>(62)</u>	<u>(25)</u>	<u>(299)</u>
II. Base Budget	<u>(497)</u>	<u>(63)</u>	<u>(25)</u>	<u>(585)</u>
a. 2013-2014 Base Reduction Plans	(357)	(11)	(25)	(393)
b. 2013-2014 Reduction - Labor and Workforce Development	(91)	(47)	-	(138)
c. 2013-2014 Various Agencies - Miscellaneous Adjustments	4	(1)	-	3
d. 2012-2013 Non-recurring Appropriations:	<u>(53)</u>	<u>(4)</u>	<u>-</u>	<u>(57)</u>
Education - Race to the Top	(15)	(1)	-	(16)
Education - Alvin C. York Institute	(16)	-	-	(16)
TennCare - ARRA Funded Health Information Technology Grant	(10)	-	-	(10)
Higher Education - Race to the Top	(5)	-	-	(5)
District Attorneys General Conference - Criminal Justice Grant	(2)	-	-	(2)
Tennessee Bureau of Investigation - Criminal Justice Grant	-	(2)	-	(2)
Executive Department - Early Childhood Advisory Council	(1)	-	-	(1)
Correction - Criminal Justice Grant	-	(1)	-	(1)
Education - Investing in Innovation Grant	(1)	-	-	(1)
Higher Education - Gates Foundation Grant	(1)	-	-	(1)
Health - Early Childhood Advisory Council	(1)	-	-	(1)
Human Services - Early Childhood Advisory Council	(1)	-	-	(1)
III. Agency Cost Increase Requests	<u>285</u>	<u>1</u>	<u>-</u>	<u>286</u>
Education	154	-	-	154
Children's Services	62	-	-	62
Intellectual and Developmental Disabilities	15	1	-	16
Treasury Department	13	-	-	13
General Services	12	-	-	12
Tourist Development	10	-	-	10
Financial Institutions	10	-	-	10
Revenue	4	-	-	4
Comptroller of the Treasury	2	-	-	2
Finance and Administration	2	-	-	2
Higher Education	1	-	-	1

Tennessee Economic Overview

Recommended Budget, Fiscal Year 2013 – 2014

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."

Similar to early 2011, there were initial expectations of strong economic growth as 2012 unfolded. These expectations were quickly dashed by a sharper-than-expected slowdown in economic activity in the European Union and the global economy. Uncertainties regarding the presidential election and what ultimately became known as the fiscal cliff contributed to slower-than-expected growth in 2012. But growth did continue and helped the state move closer to a full recovery from the depths of the Great Recession. Growth in 2013 is expected to be muted by the ongoing fiscal stalemate in Washington and the payroll tax increase that will dampen consumer spending for the year. The economy should see stronger growth in 2014, with especially strong gains in employment and further reductions in the state unemployment rate. The discussion that follows provides additional background on 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

While 2012 was a bit of a disappointment, it was nonetheless another year of broad-based economic growth. Inflation-adjusted gross domestic product (GDP) advanced 2.3 percent for the year, though seasonally-adjusted growth came in at only 1.0 percent in the fourth quarter. This weak performance, along with lingering elements of the fiscal cliff, set a negative tone for the start of the New Year. The national economy saw jobs grow 1.4 percent in 2012, including a 1.8 percent

increase in manufacturing employment. The unemployment rate in the fourth quarter of the year was 7.8 percent and the annualized rate was 8.1 percent. This is significant improvement over the 8.9 percent unemployment rate that prevailed in 2011.

Tennessee also experienced modest growth for the year and made more progress toward erasing the losses from the Great Recession. Nonfarm employment advanced at a 1.4 percent rate and the state's manufacturing sector experienced especially strong growth of 2.9 percent. Unfortunately the gains were uneven, with growth in durable goods manufacturing more than offsetting contraction in the nondurable goods sector. Despite these gains, nonfarm employment still lags the pre-recession peak as well as the level of employment that prevailed in 2000. Like the nation, the unemployment situation in Tennessee saw improvement in 2012. After averaging 9.2 percent in 2011, the state unemployment rate closed out the fourth quarter standing at 7.8 percent, yielding an average annual rate of 8.0 percent. Nominal personal income was up 3.8 percent following a much stronger 4.9 percent showing in 2011.

Short-Term Economic Outlook

The ongoing economic expansion is expected to continue through 2014. In the near term, growth will be hampered by the realities of the global slowdown, adverse expectations arising from fiscal gridlock in Washington, and dampened consumer spending attributable to the increase in payroll tax rates. The payroll tax increase alone is significant: a Tennessean earning \$50,000 per year will see their payroll tax liability increase by \$1,000 in 2013.

Inflation-adjusted GDP should grow 1.8 percent this year with growth improving to 2.7 percent in 2014. Consumer spending on durable goods is expected to be relatively strong as light vehicle sales continue to rebound; consumer spending on services and nondurables will be anemic. Nonresidential fixed investment in equipment and software and structures will experience strong rates of growth. Residential fixed investment is projected to be up at a 14.2 percent pace, building on an 11.9 percent gain in 2012. Government spending should contract in 2013. Payroll

employment will be up only 1.4 percent and the nation's unemployment rate should fall to an annualized rate of 7.6 percent. Most measures of economic activity will see stronger gains in 2014. Nonfarm employment, for example, should grow 1.7 percent next year.

The Tennessee economy will see slow but steady growth this year and, like the nation, enjoy stronger growth in 2014. Nonfarm employment is projected to advance at a 1.0 percent rate this year and a 1.7 percent rate next year. Employment

growth in manufacturing will slow to 1.2 percent in 2013 with sustained growth of 1.0 percent in 2014. As with recent history, durable goods manufacturing will see strong employment growth that more than offsets job contraction in nondurable goods manufacturing. The state unemployment rate will continue to inch down yielding an annual average of 7.9 percent this year and 7.5 percent next year. Nominal personal income is projected to grow 3.5 percent for the year. On a fiscal year basis, personal income should be up 4.3 percent in 2013-2014.

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

Tennessee Characteristics

Population¹

	2000	2005	2011
Total Population (April 1, July 1, July 1)	5,689,283	5,995,748	6,403,353

Population by Grand Division

East Tennessee	2,108,135	2,212,065	2,344,354
Middle Tennessee	2,081,346	2,260,137	2,489,622
West Tennessee	1,499,802	1,523,546	1,569,377

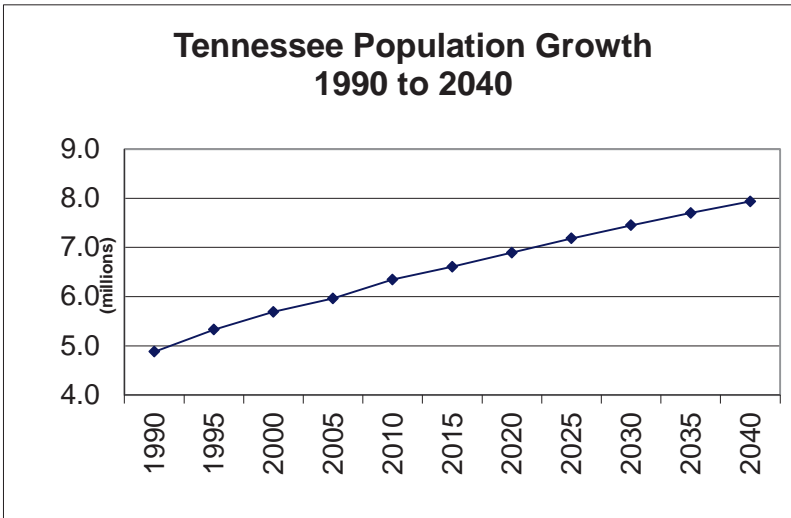
Metropolitan Statistical Area Population

Chattanooga, TN-GA	476,531	502,842	533,372
Tennessee Portion	347,042	364,149	383,424
Georgia Portion	129,489	138,693	149,948
Clarksville, TN-KY	232,000	251,845	277,701
Tennessee Portion	147,138	160,659	189,805
Kentucky Portion	84,862	91,186	87,896
Cleveland, TN	104,015	108,013	116,834
Jackson, TN	107,377	110,772	115,396
Johnson City, TN	181,607	188,888	199,818
Kingsport-Bristol, TN - Bristol, VA	298,484	300,078	309,793
Tennessee Portion	206,611	207,941	214,090
Virginia Portion	91,873	92,137	95,703
Knoxville, TN	616,079	658,316	704,500
Memphis, TN-MS-AR	1,205,204	1,261,429	1,325,605
Tennessee Portion	977,549	1,001,613	1,034,894
Arkansas Portion	50,866	51,471	50,525
Mississippi Portion	176,789	208,345	240,186
Morristown, TN	123,081	130,104	137,494
Nashville-Davidson - Murfreesboro - Franklin, TN	1,311,789	1,450,538	1,617,142
Total Tennessee Metropolitan Statistical Area Population	4,122,288	4,380,993	4,713,397
Total Tennessee Non-Metropolitan Population	1,566,995	1,614,755	1,689,956

Demographic Characteristics¹

Percent of Population by Age Group			
Under Age 5	6.6%	6.7%	6.3%
Age 5 to 17	18.0%	17.1%	17.0%
Age 18 to 24	9.6%	9.0%	9.6%
Age 25 to 64	53.4%	55.0%	53.4%
Age 65 and Older	12.4%	12.2%	13.7%
Percent of Population by Race			
White	80.2%	79.6%	77.9%
Black or African American	16.4%	16.4%	16.7%
American Indian and Alaska Native	0.3%	0.3%	0.3%
Asian and Pacific Islander	1.0%	1.3%	1.5%
Other	2.1%	2.4%	3.6%
Hispanic Population (Percent of Total Population)	2.2%	3.0%	4.6%
Place of Birth of Tennessee Residents (April 1, July 1, July 1)			
Born in Tennessee	64.7%	62.5%	61.4%
Born in Another State	31.9%	33.1%	33.0%
Born Outside the United States	0.6%	0.6%	0.8%
Born in a Foreign County	2.8%	3.8%	4.8%
Naturalized Citizen	0.9%	1.2%	1.7%
Not a Citizen	1.9%	2.6%	3.1%

Tennessee Population 1990 to 2040²



Year	Population
1990	4,877,203
1995	5,326,936
2000	5,689,283
2005	5,962,959
2010	6,346,105
2015	6,607,016
2020	6,894,708
2025	7,182,855
2030	7,451,677
2035	7,700,279
2040	7,936,430

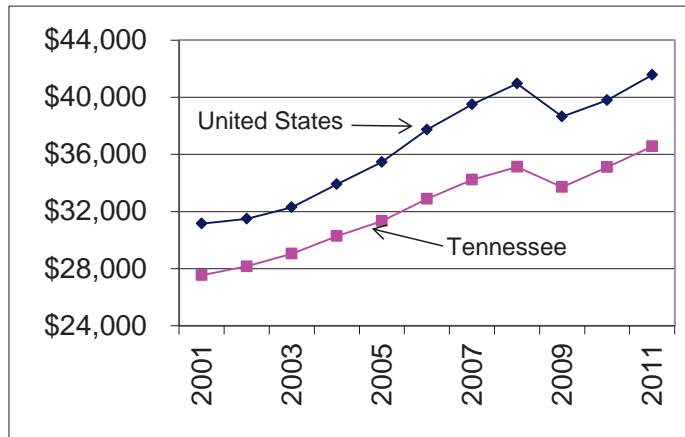
Education Characteristics

	1999-2000	2004-2005	2010-2011
Public School Enrollment and Expenditures³			
Total Number of Public Schools	1,611	1,693	1,758
Total K-12 Public School Average Daily Attendance (ADA)	842,733	867,134	897,807
Total Operating Expenditures (in thousands)	\$ 4,885,072	\$ 6,387,036	\$ 8,155,887
Public School Per Pupil Expenditures (based on ADA)	\$ 5,794	\$ 7,366	\$ 9,084
	2000	2005	2011
Educational Attainment⁴			
Population 25 Years and Over			
Less Than 9th Grade	9.6%	7.0%	6.1%
9th to 12th Grade, No Diploma	14.5%	11.8%	9.7%
High school Graduate (includes equivalency)	31.6%	34.5%	33.4%
Some College, No Degree	20.0%	19.3%	21.2%
Associate Degree	4.7%	5.6%	6.0%
Bachelor's Degree	12.8%	14.1%	15.3%
Graduate or Professional Degree	6.8%	7.7%	8.3%
Percent High School Graduate or Higher			
United States	80.4%	84.2%	85.9%
Tennessee	75.9%	81.2%	84.2%
Percent Bachelor's Degree or Higher			
United States	24.4%	27.2%	28.5%
Tennessee	19.6%	21.8%	23.6%

Income and Poverty⁵

	2001	2005	2010
Tennessee's Per Capita Income as a Percent of the U.S.	88.4%	88.4%	88.2%
Tennessee's Rank in U.S. by Per Capita Income	35	37	37

Tennessee and United States Per Capita Income ⁵



Year	United States	Tennessee
2001	\$ 31,157	\$ 27,551
2002	31,481	28,162
2003	32,295	29,041
2004	33,909	30,285
2005	35,452	31,327
2006	37,725	32,885
2007	39,506	34,221
2008	40,947	35,126
2009	38,637	33,711
2010	39,791	35,103
2011	41,560	36,567

Percent Change
2001-2011 33.4% 32.7%

Percent of Population Below Poverty ⁶

	1999	2005	2011
United States	12.4%	13.3%	15.9%
Tennessee	13.5%	15.5%	18.3%

Tennessee Gross Domestic Product ⁷

	2000	2005	2011
Gross Domestic Product - Percent by Industry			
Private industries	89.0%	88.5%	87.6%
Agriculture, Forestry, Fishing, and Hunting	0.6%	0.6%	0.6%
Mining	0.3%	0.2%	0.1%
Utilities	0.6%	0.6%	0.6%
Construction	4.8%	4.1%	3.3%
Manufacturing	18.5%	17.5%	15.3%
Durable Goods	10.6%	10.9%	8.5%
Nondurable Goods	7.8%	6.6%	6.8%
Wholesale Trade	7.1%	6.7%	6.2%
Retail Trade	8.4%	8.1%	7.6%
Transportation and Warehousing, Excluding Postal Service	5.1%	5.2%	4.6%
Information	2.7%	3.2%	3.0%
Finance and Insurance	6.0%	6.0%	6.8%
Real Estate and Rental and Leasing	10.3%	9.5%	9.4%
Professional and Technical Services	4.5%	5.3%	5.9%
Management of Companies and Enterprises	0.9%	0.9%	1.3%
Administrative and Waste Services	3.8%	4.2%	4.3%
Educational Services	0.8%	1.0%	1.0%
Health Care and Social Assistance	7.2%	8.0%	10.4%
Arts, Entertainment, and Recreation	0.9%	1.0%	1.0%
Accommodation and Food Services	3.3%	3.4%	3.3%
Other Services, Except Government	3.2%	2.9%	2.9%
Government	11.0%	11.5%	12.4%
Gross Domestic Product (millions)			
United States	\$ 9,884,171	\$ 12,539,116	\$ 14,981,020
Tennessee	\$ 177,540	\$ 224,288	\$ 266,527
Tennessee as a Percent of U.S.	1.80%	1.79%	1.78%
Tennessee's Rank in U.S.	20	18	18

Civilian Labor Force ⁸

	2000	2005	2011
Civilian Labor Force	2,871,500	2,942,300	3,132,700
Employment	2,756,500	2,778,500	2,845,000
Unemployment	115,000	163,800	287,700
Unemployment Rate	4.0%	5.6%	9.2%

Employment by Industry ⁸

	2000	2005	2011
Non-Farm Employment - Percent by Industry			
Goods Producing	22.7%	19.5%	15.6%
Natural Resources, Mining, & Construction	4.8%	4.6%	4.1%
Manufacturing	17.9%	14.9%	11.5%
Durable Goods	11.0%	9.3%	7.0%
Non-Durable Goods	6.9%	5.6%	4.5%
Service Providing	77.3%	80.5%	84.4%
Trade, Transportation, & Utilities	21.5%	21.8%	21.0%
Wholesale Trade	4.8%	4.8%	4.4%
Retail Trade	11.6%	11.8%	11.6%
Transportation, Warehousing, & Utilities	5.1%	5.2%	5.0%
Information	2.0%	1.8%	1.7%
Financial Activities	5.1%	5.2%	5.1%
Professional & Business Services	11.0%	11.4%	12.1%
Educational & Health Services	10.2%	12.0%	14.4%
Leisure & Hospitality	8.6%	9.5%	10.0%
Other Services	4.3%	3.7%	3.8%
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, April 1 data from the 2010 Census.
July 1 data from the 2005 and 2011 American Community Survey.

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 2040.

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

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

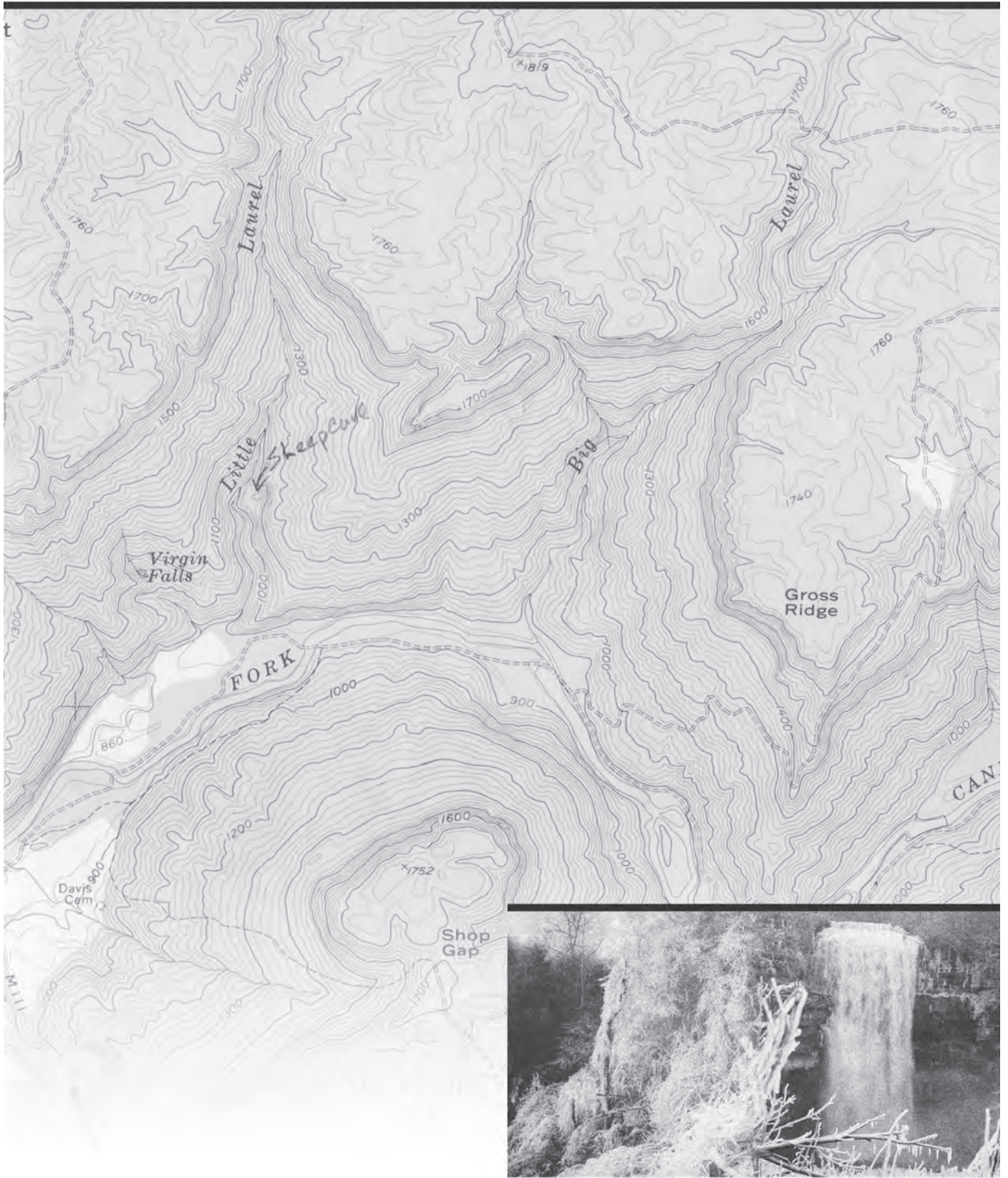
⁵ Source: U.S. Bureau of Economic Analysis.

⁶ Source: U.S. Bureau of the Census, 2000 Census, and 2005 and 2011 American Community Survey.

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

⁸ Source: Tennessee Department of Labor and Workforce 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 2013-2014

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)

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 entitled "Budget Process.")

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 2011-2012 actual revenue and as it exists currently for 2012-2013 and 2013-2014 estimates.

Also included in this section 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, 2011 – June 30, 2014**

Comparison Statement of State Revenues
Actual and Estimated July 1, 2011 - June 30, 2014

SOURCE OF REVENUE

Department of Revenue	Actual 2011-2012	Estimated 2012-2013	Estimated 2013-2014	Percent Required
Sales and Use Tax	\$ 6,899,944,000	\$ 7,051,600,000	\$ 7,302,600,000	3.56%
Gasoline Tax	617,991,500	618,000,000	611,800,000	-1.00%
Motor Fuel Tax	160,739,900	160,700,000	162,300,000	1.00%
Gasoline Inspection Tax	63,401,900	63,700,000	63,700,000	0.00%
Motor Vehicle Registration Tax	244,116,700	249,000,000	256,500,000	3.01%
Income Tax	185,151,400	194,400,000	204,100,000	4.99%
Privilege Tax	251,048,400	276,200,000	298,200,000	7.97%
Gross Receipts Tax - TVA	338,868,900	336,000,000	342,700,000	1.99%
Gross Receipts Tax - Other	31,548,400	31,500,000	31,500,000	0.00%
Beer Tax	17,286,100	17,800,000	17,800,000	0.00%
Alcoholic Beverage Tax	50,604,100	53,000,000	55,100,000	3.96%
Franchise Tax	638,011,500	710,000,000	747,300,000	5.25%
Excise Tax	1,227,018,000	1,318,600,000	1,387,700,000	5.24%
Inheritance and Estate Tax	161,266,000	95,000,000	85,000,000	-10.53%
Tobacco Tax	276,837,200	275,500,000	272,700,000	-1.02%
Motor Vehicle Title Fees	12,036,800	12,400,000	13,100,000	5.65%
Mixed Drink Tax	64,713,900	68,300,000	72,400,000	6.00%
Business Tax	127,512,700	133,900,000	140,600,000	5.00%
Severance Tax	2,325,300	2,300,000	2,400,000	4.35%
Coin-operated Amusement Tax	312,200	300,000	300,000	0.00%
Unauthorized Substance Tax	(19,800)	0	0	NA
Sub-Total Department of Revenue	\$ 11,370,715,100	\$ 11,668,200,000	\$ 12,067,800,000	3.42%
Other State Revenue				
Dept. of Commerce and Insurance	\$ 706,751,500	\$ 702,800,000	\$ 772,700,000	9.95%
E-911 Emergency Communications	60,718,700	63,100,000	63,100,000	0.00%
Dept. of Financial Institutions	7,746,000	8,800,000	10,200,000	15.91%
Wildlife Resources Agency	45,658,700	51,500,000	53,800,000	4.47%
Dept. of Agriculture	8,376,600	8,500,000	8,900,000	4.71%
Regulatory Board Fees	38,314,800	37,800,000	38,500,000	1.85%
Tennessee Regulatory Authority	7,154,500	7,400,000	6,600,000	-10.81%
Secretary of State	32,893,000	32,900,000	32,900,000	0.00%
Dept. of Safety	35,206,700	35,200,000	35,200,000	0.00%
Dept. of Revenue	4,789,600	4,800,000	4,800,000	0.00%
State Treasurer	367,200	3,600,000	2,000,000	-44.44%
Dept. of Education	1,466,000	1,700,000	1,700,000	0.00%
Dept. of Health	13,755,200	14,300,000	14,300,000	0.00%
Dept. of Environment and Conservation	61,575,600	79,600,000	79,500,000	-0.13%
Miscellaneous Revenue	133,952,800	98,000,000	91,700,000	-6.43%
Nursing Home Tax	93,714,000	93,700,000	93,700,000	0.00%
Hospital Coverage Assessment	449,772,000	449,800,000	449,800,000	0.00%
Sub-Total Other State Revenue	\$ 1,702,212,900	\$ 1,693,500,000	\$ 1,759,400,000	3.89%
Total State Revenue	\$ 13,072,928,000	\$ 13,361,700,000	\$ 13,827,200,000	3.48%

**Distribution of Actual 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 *	\$ 6,899,944,000	\$2,530,265,800	\$3,970,174,000	\$ 64,574,000	\$ 48,961,300	\$ 285,968,900
Gasoline Tax	617,991,500	9,419,800	0	265,597,300	107,000,000	235,974,400
Motor Fuel Tax	160,739,900	3,052,100	0	115,728,800	0	41,959,000
Gasoline Inspection Tax	63,401,900	18,446,900	0	32,938,000	0	12,017,000
Motor Vehicle Registration Tax	244,116,700	43,203,100	85,100	200,828,500	0	0
Income Tax	185,151,400	120,006,900	0	0	0	65,144,500
Privilege Tax	251,048,400	246,924,500	132,700	0	0	3,991,200
Gross Receipts Tax - TVA	338,868,900	186,081,200	0	0	0	152,787,700
Gross Receipts Tax - Other	31,548,400	27,500,000	0	4,048,400	0	0
Beer Tax	17,286,100	11,608,700	0	2,177,400	0	3,500,000
Alcoholic Beverage Tax	50,604,100	41,899,700	0	0	0	8,704,400
Franchise Tax	638,011,500	620,011,500	0	0	18,000,000	0
Excise Tax	1,227,018,000	1,002,755,500	0	0	214,138,700	10,123,800
Inheritance and Estate Tax	161,266,000	161,266,000	0	0	0	0
Tobacco Tax	276,837,200	30,224,000	246,613,200	0	0	0
Motor Vehicle Title Fees	12,036,800	9,336,800	0	0	2,700,000	0
Mixed Drink Tax	64,713,900	0	32,663,400	0	0	32,050,500
Business Tax	127,512,700	127,512,700	0	0	0	0
Severance Tax	2,325,300	990,500	0	0	0	1,334,800
Coin-operated Amusement Tax	312,200	312,200	0	0	0	0
Unauthorized Substance Tax	(19,800)	(19,800)	0	0	0	0
Sub-Total Department of Revenue	\$ 11,370,715,100	\$5,190,798,100	\$4,249,668,400	\$ 685,892,400	\$ 390,800,000	\$ 853,556,200
Other State Revenue						
Dept. of Commerce and Insurance	\$ 706,751,500	\$ 706,751,500	\$ 0	\$ 0	\$ 0	\$ 0
E-911 Emergency Communications	60,718,700	60,718,700	0	0	0	0
Dept. of Financial Institutions	7,746,000	7,746,000	0	0	0	0
Wildlife Resources Agency	45,658,700	45,658,700	0	0	0	0
Dept. of Agriculture	8,376,600	8,376,600	0	0	0	0
Regulatory Board Fees	38,314,800	38,314,800	0	0	0	0
Tennessee Regulatory Authority	7,154,500	7,154,500	0	0	0	0
Secretary of State	32,893,000	32,893,000	0	0	0	0
Dept. of Safety	35,206,700	35,206,700	0	0	0	0
Dept. of Revenue	4,789,600	4,789,600	0	0	0	0
State Treasurer	367,200	367,200	0	0	0	0
Dept. of Education	1,466,000	0	1,466,000	0	0	0
Dept. of Health	13,755,200	13,755,200	0	0	0	0
Dept. of Environment and Conservation	61,575,600	61,575,600	0	0	0	0
Miscellaneous Revenue	133,952,800	133,952,800	0	0	0	0
Nursing Home Tax	93,714,000	93,714,000	0	0	0	0
Hospital Coverage Assessment	449,772,000	449,772,000	0	0	0	0
Sub-Total Other State Revenue	\$ 1,702,212,900	\$1,700,746,900	\$ 1,466,000	\$ 0	\$ 0	\$ 0
Total State Revenue	\$ 13,072,928,000	\$6,891,545,000	\$4,251,134,400	\$ 685,892,400	\$ 390,800,000	\$ 853,556,200

* 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 Revised Estimated Revenue by Fund
Fiscal Year 2012-2013**

SOURCE OF REVENUE

Department of Revenue	Total Revenue	General Fund	Education Fund	Highway Fund	Debt Service Fund	Cities & Counties *
Sales and Use Tax *	\$ 7,051,600,000	\$2,585,600,000	\$4,057,400,000	\$ 65,000,000	\$ 50,100,000	\$ 293,500,000
Gasoline Tax	618,000,000	9,400,000	0	265,600,000	107,000,000	236,000,000
Motor Fuel Tax	160,700,000	3,100,000	0	115,700,000	0	41,900,000
Gasoline Inspection Tax	63,700,000	18,600,000	0	33,100,000	0	12,000,000
Motor Vehicle Registration Tax	249,000,000	44,000,000	100,000	204,900,000	0	0
Income Tax	194,400,000	126,000,000	0	0	0	68,400,000
Privilege Tax	276,200,000	272,100,000	100,000	0	0	4,000,000
Gross Receipts Tax - TVA	336,000,000	184,700,000	0	0	0	151,300,000
Gross Receipts Tax - Other	31,500,000	27,500,000	0	4,000,000	0	0
Beer Tax	17,800,000	12,000,000	0	2,200,000	0	3,600,000
Alcoholic Beverage Tax	53,000,000	43,900,000	0	0	0	9,100,000
Franchise Tax	710,000,000	692,000,000	0	0	18,000,000	0
Excise Tax	1,318,600,000	1,083,100,000	0	0	224,400,000	11,100,000
Inheritance and Estate Tax	95,000,000	95,000,000	0	0	0	0
Tobacco Tax	275,500,000	30,200,000	245,300,000	0	0	0
Motor Vehicle Title Fees	12,400,000	9,700,000	0	0	2,700,000	0
Mixed Drink Tax	68,300,000	0	34,500,000	0	0	33,800,000
Business Tax	133,900,000	133,900,000	0	0	0	0
Severance Tax	2,300,000	1,000,000	0	0	0	1,300,000
Coin-operated Amusement Tax	300,000	300,000	0	0	0	0
Unauthorized Substance Tax	0	0	0	0	0	0
Sub-Total Department of Revenue	\$ 11,668,200,000	\$5,372,100,000	\$4,337,400,000	\$ 690,500,000	\$ 402,200,000	\$ 866,000,000
Other State Revenue						
Dept. of Commerce and Insurance	\$ 702,800,000	\$ 702,800,000	\$ 0	\$ 0	\$ 0	\$ 0
E-911 Emergency Communications	63,100,000	63,100,000	0	0	0	0
Dept. of Financial Institutions	8,800,000	8,800,000	0	0	0	0
Wildlife Resources Agency	51,500,000	51,500,000	0	0	0	0
Dept. of Agriculture	8,500,000	8,500,000	0	0	0	0
Regulatory Board Fees	37,800,000	37,800,000	0	0	0	0
Tennessee Regulatory Authority	7,400,000	7,400,000	0	0	0	0
Secretary of State	32,900,000	32,900,000	0	0	0	0
Dept. of Safety	35,200,000	35,200,000	0	0	0	0
Dept. of Revenue	4,800,000	4,800,000	0	0	0	0
State Treasurer	3,600,000	3,600,000	0	0	0	0
Dept. of Education	1,700,000	0	1,700,000	0	0	0
Dept. of Health	14,300,000	14,300,000	0	0	0	0
Dept. of Environment and Conservation	79,600,000	79,600,000	0	0	0	0
Miscellaneous Revenue	98,000,000	98,000,000	0	0	0	0
Nursing Home Tax	93,700,000	93,700,000	0	0	0	0
Hospital Coverage Assessment	449,800,000	449,800,000	0	0	0	0
Sub-Total Other State Revenue	\$ 1,693,500,000	\$1,691,800,000	\$ 1,700,000	\$ 0	\$ 0	\$ 0
Total State Revenue	\$ 13,361,700,000	\$7,063,900,000	\$4,339,100,000	\$ 690,500,000	\$ 402,200,000	\$ 866,000,000

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

County Revenue Partnership Fund	\$ 0	\$ (1,000,000)	\$ 1,000,000
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**Distribution of Estimated Revenue by Fund
Fiscal Year 2013-2014**

SOURCE OF REVENUE

Department of Revenue	Total Revenue	General Fund	Education Fund	Highway Fund	Debt Service Fund	Cities & Counties *
Sales and Use Tax *	\$ 7,302,600,000	2,680,100,000	\$4,201,800,000	\$ 65,000,000	\$ 51,800,000	\$ 303,900,000
Gasoline Tax	611,800,000	9,300,000	0	258,900,000	110,000,000	233,600,000
Motor Fuel Tax	162,300,000	3,000,000	0	116,900,000	0	42,400,000
Gasoline Inspection Tax	63,700,000	18,600,000	0	33,100,000	0	12,000,000
Motor Vehicle Registration Tax	256,500,000	45,200,000	100,000	211,200,000	0	0
Income Tax	204,100,000	132,300,000	0	0	0	71,800,000
Privilege Tax	298,200,000	294,000,000	200,000	0	0	4,000,000
Gross Receipts Tax - TVA	342,700,000	187,800,000	0	0	0	154,900,000
Gross Receipts Tax - Other	31,500,000	27,500,000	0	4,000,000	0	0
Beer Tax	17,800,000	12,000,000	0	2,200,000	0	3,600,000
Alcoholic Beverage Tax	55,100,000	45,600,000	0	0	0	9,500,000
Franchise Tax	747,300,000	729,300,000	0	0	18,000,000	0
Excise Tax	1,387,700,000	1,146,900,000	0	0	229,700,000	11,100,000
Inheritance and Estate Tax	85,000,000	85,000,000	0	0	0	0
Tobacco Tax	272,700,000	30,100,000	242,600,000	0	0	0
Motor Vehicle Title Fees	13,100,000	10,400,000	0	0	2,700,000	0
Mixed Drink Tax	72,400,000	0	36,500,000	0	0	35,900,000
Business Tax	140,600,000	140,600,000	0	0	0	0
Severance Tax	2,400,000	1,000,000	0	0	0	1,400,000
Coin-operated Amusement Tax	300,000	300,000	0	0	0	0
Unauthorized Substance Tax	0	0	0	0	0	0
Sub-Total Department of Revenue	\$ 12,067,800,000	\$5,599,000,000	\$4,481,200,000	\$ 691,300,000	\$ 412,200,000	\$ 884,100,000
Other State Revenue						
Dept. of Commerce and Insurance	\$ 772,700,000	\$ 772,700,000	\$ 0	\$ 0	\$ 0	\$ 0
E-911 Emergency Communications	63,100,000	63,100,000	0	0	0	0
Dept. of Financial Institutions	10,200,000	10,200,000	0	0	0	0
Wildlife Resources Agency	53,800,000	53,800,000	0	0	0	0
Dept. of Agriculture	8,900,000	8,900,000	0	0	0	0
Regulatory Board Fees	38,500,000	38,500,000	0	0	0	0
Tennessee Regulatory Authority	6,600,000	6,600,000	0	0	0	0
Secretary of State	32,900,000	32,900,000	0	0	0	0
Dept. of Safety	35,200,000	35,200,000	0	0	0	0
Dept. of Revenue	4,800,000	4,800,000	0	0	0	0
State Treasurer	2,000,000	2,000,000	0	0	0	0
Dept. of Education	1,700,000	0	1,700,000	0	0	0
Dept. of Health	14,300,000	14,300,000	0	0	0	0
Dept. of Environment and Conservation	79,500,000	79,500,000	0	0	0	0
Miscellaneous Revenue	91,700,000	91,700,000	0	0	0	0
Nursing Home Tax	93,700,000	93,700,000	0	0	0	0
Hospital Coverage Assessment	449,800,000	449,800,000	0	0	0	0
Sub-Total Other State Revenue	\$ 1,759,400,000	\$1,757,700,000	\$ 1,700,000	\$ 0	\$ 0	\$ 0
Total State Revenue	\$ 13,827,200,000	\$7,356,700,000	\$4,482,900,000	\$ 691,300,000	\$ 412,200,000	\$ 884,100,000

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

County Revenue Partnership Fund	\$	0	\$ (1,000,000)	\$	1,000,000
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Comparative Statement of Revenues of Regulatory Boards
Actual and Estimated July 1, 2011 - June 30, 2014
To Support Statement of State Revenues

SOURCE OF REVENUE	Actual 2011-2012	Estimated 2012-2013	Estimated 2013-2014
State Board of Accountancy	\$ 1,132,100	\$ 1,607,500	\$ 1,607,500
State Board of Examiners for Architects and Engineers	1,501,000	2,032,000	2,032,000
Tennessee Auctioneer Commission	263,100	357,400	357,400
Board of Barber Examiners	386,600	525,400	525,400
Tennessee Collection Service Board	199,500	655,400	655,400
Licensing Contractors, Home Improvement and Interior Designers	2,478,300	2,531,500	2,531,500
State Board of Cosmetology	1,624,600	1,762,500	1,762,500
Board of Funeral Directors and Embalmers	1,001,800	832,400	832,400
Board of Examiners for Land Surveyors	367,400	290,100	290,100
Board of Alarm Contractors	833,900	773,700	773,700
Private Investigators Licensing and Regulation	217,200	316,700	316,700
Private Protective Services Licensing and Regulation	1,100,800	981,200	981,200
Board of Polygraph Examiners	5,400	0	0
Real Estate Appraiser Commission	766,100	714,400	714,400
Registration of Geologists	102,400	123,400	123,400
Tennessee Real Estate Commission	2,082,700	3,046,700	3,046,700
Tennessee Motor Vehicle Commission	1,811,800	1,342,400	1,342,400
Massage Licensure Board	774,000	639,800	639,800
Race Track Licensing	2,100	0	0
Locksmith Licensing Board	57,100	51,100	51,100
Private Probation Registration	132,200	53,800	53,800
Home Inspectors License	61,800	69,300	69,300
Scrap Metal Dealers Registration	61,700	73,200	73,200
Soil Scientist Licensing	2,100	0	0
Sub-Total: Commerce and Insurance	\$ 16,965,700	\$ 18,779,900	\$ 18,779,900
Board of Chiropractic Examiners	\$ 217,100	\$ 212,900	\$ 223,700
Board of Dentistry	1,657,000	1,286,000	1,351,300
Board of Dietitian / Nutritionist Examiners	76,200	57,500	60,400
Board of Dispensing Opticians	141,900	88,900	93,400
State Board of Electrolysis Examiners	19,900	16,600	17,400
Council for Licensing Hearing Instrument Specialists	61,900	43,900	46,100
Board of Social Worker Certification and Licensure	345,300	231,600	243,400
Board of Medical Examiners	2,967,500	2,503,800	2,631,000
Tennessee Medical Laboratory Board	642,000	591,100	621,100
Board of Nursing and Certified Medication Aide Licensure	6,163,600	5,392,000	5,665,800
Board of Examiners for Nursing Home Administrators	105,000	76,600	80,500
Board of Occupational and Physical Therapy Examiners	431,100	376,800	395,900
State Board of Athletic Trainers	66,800	46,500	48,900
Board of Respiratory Care	368,000	261,900	275,200
State Board of Optometry	204,600	174,600	183,500
Board of Osteopathic Examination	216,700	222,100	233,400
Board of Pharmacy	2,011,200	1,683,600	1,769,100
Board of Registration for Podiatry	94,900	95,600	100,500
Board of Cert. for Prof. Counselors, and Marital and Family Therapists	222,600	160,800	169,000
Board of Examiners in Psychology	284,500	266,300	279,800
Board for Communication Disorders and Sciences	131,100	90,000	94,600
Committee on Physician Assistants	204,400	130,700	137,300
Board of Veterinary Medical Examiners	530,400	462,700	486,200
Alcohol and Drug Abuse Counselors	71,500	74,600	78,400
Board of Midwifery	21,500	14,000	14,700
Board of Acupuncture	36,100	32,900	34,600
Board of Clinical Perfusionists	27,900	24,100	25,300
Reflexologist License	12,400	10,500	11,000
Polysomnographic Professional Standards Board	17,700	42,300	44,400
Pain Management Clinic Certificate	125,900	0	0
Sub-Total: Health	\$ 17,476,700	\$ 14,670,900	\$ 15,415,900
State Regulatory Fee	\$ 2,491,300	\$ 2,500,000	\$ 2,500,000
State Board of Law Examiners	696,700	730,100	730,100
Health Services Development Agency	684,400	1,098,500	1,098,500
Adjustment	0	20,600	(24,400)
Total Regulatory Boards	\$ 38,314,800	\$ 37,800,000	\$ 38,500,000

**Statement of Adjustments to Tax Estimates,
Department of Revenue Taxes
2012-2013 and 2013-2014**

Increase / (Decrease)

	Total	General Fund and Education Fund	Highway Fund	Debt Service Fund	Cities and Counties
I. <u>FY 2012-2013</u>					
Budgeted Estimate @ July 1, 2012	\$11,384,700,000	\$ 9,403,600,000	\$ 699,800,000	\$ 402,200,000	\$ 879,100,000
Base Estimate Change at Mid-Year	283,500,000	305,900,000	(9,300,000)	-	(13,100,000)
Total Revised Estimate 2012-2013	<u>\$11,668,200,000</u>	<u>\$ 9,709,500,000</u>	<u>\$ 690,500,000</u>	<u>\$ 402,200,000</u>	<u>\$ 866,000,000</u>
II. <u>FY 2013-2014</u>					
2012-2013 Budgeted Estimate	\$11,384,700,000	\$ 9,403,600,000	\$ 699,800,000	\$ 402,200,000	\$ 879,100,000
Revenue Base Change	283,500,000	305,900,000	(9,300,000)	-	(13,100,000)
2013-2014 Revenue Growth	399,600,000	377,700,000	3,800,000	-	18,100,000
Total Revised Estimate 2013-2014	<u>\$12,067,800,000</u>	<u>\$ 10,087,200,000</u>	<u>\$ 694,300,000</u>	<u>\$ 402,200,000</u>	<u>\$ 884,100,000</u>
Adjustments:					
Debt Service	-	(7,000,000)	(3,000,000)	10,000,000	-
FY 2013-2014 Budget Document Estimate	<u>\$12,067,800,000</u>	<u>\$ 10,080,200,000</u>	<u>\$ 691,300,000</u>	<u>\$ 412,200,000</u>	<u>\$ 884,100,000</u>

**Statement of Adjustments to Tax Estimates,
Department of Revenue Taxes
2011-2012 Through 2013-2014
General Fund**

Increase / (Decrease)

	<u>Total</u>	<u>Recurring</u>	<u>Non-Recurring</u>
I. FY 2011-2012			
Actual Collections	\$ 9,440,466,500	\$ 9,440,466,500	\$ -
Less: Revised Estimate @ January 30, 2012	(9,082,800,000)	(9,082,800,000)	-
Total FY 2011-2012 Overcollection *	<u>\$ 357,666,500</u>	<u>\$ 357,666,500</u>	<u>\$ -</u>
II. FY 2012-2013			
Revised Revenue Base	\$ 9,440,500,000	\$ 9,440,500,000	\$ -
Less: Tax Acts **	(33,600,000)	(47,800,000)	14,200,000
Revised Estimate	<u>\$ 9,406,900,000</u>	<u>\$ 9,392,700,000</u>	<u>\$ 14,200,000</u>
Revenue Growth @ 2.85% (3.22% from Adjusted Base)	302,600,000	302,600,000	-
Total FY 2012-2013 Revised Estimate	<u>\$ 9,709,500,000</u>	<u>\$ 9,695,300,000</u>	<u>\$ 14,200,000</u>
Budgeted Estimate @ July 1, 2012	\$ 9,403,600,000	\$ 9,388,900,000	\$ 14,700,000
Total FY 2012-2013 Budget Overview Gain	<u>\$ 305,900,000</u>	<u>\$ 306,400,000</u>	<u>\$ (500,000)</u>
III. FY 2013-2014			
Revised Revenue Base	\$ 9,709,500,000	\$ 9,695,300,000	\$ 14,200,000
Revenue Growth @ 3.89% (4.04% from Revised Recurring Estimate)	377,700,000	391,900,000	(14,200,000)
Total FY 2013-2014 Estimate	<u>\$ 10,087,200,000</u>	<u>\$ 10,087,200,000</u>	<u>\$ -</u>
<hr/>			
* FY 2011-2012 Overcollection:			
Cash (Monthly Reports)	\$ 333,409,000		
Accrual Gain	24,257,500		
Total	<u>\$ 357,666,500</u>		
** 2010 Public Acts:			
Chapter 1134 - (TCA 67-4-409) - Real Estate Transfer Tax - Land and Soil Funds Diversion Expired 6/30/2012	\$ (8,700,000)	\$ (8,700,000)	\$ -
2011 Public Acts:			
Chapter 396 - Hall Income Tax - Increase Exemption for Taxpayers age 65 and over	\$ (1,000,000)	\$ (1,000,000)	\$ -
Chapter 438 - Excise Tax - Increase Apportionment to Cities and Counties	(1,000,000)	(1,000,000)	-
Sub-Total 2011 Public Acts	<u>\$ (2,000,000)</u>	<u>\$ (2,000,000)</u>	<u>\$ -</u>
2012 Public Acts:			
Chapter 657 - Electronic Filing of Tax Returns	\$ 1,500,000	\$ 1,500,000	\$ -
Chapter 842 - Intangible Expense	12,500,000	12,500,000	-
Chapter 987 - Sales Tax - County Revenue Partnership Fund - State Share of Local Cost	(600,000)	(600,000)	-
Chapter 1026 - Sales Tax - Increase Apportionment to Cities	(700,000)	(700,000)	-
Chapter 1057 - Inheritance Tax @ \$1.25 M Exemption	-	(14,200,000)	14,200,000
Chapter 1058 - Sales Tax on Grocery Food @ 5.25%	(21,300,000)	(21,300,000)	-
Chapter 1085 - Gift Tax Repeal	(15,000,000)	(15,000,000)	-
Chapter 1092 - Border Region Tourism Development District Act	100,000	100,000	-
Sub-Total 2012 Public Acts	<u>\$ (23,500,000)</u>	<u>\$ (37,700,000)</u>	<u>\$ 14,200,000</u>
Current Law - Diabetic Test Strips - TennCare MCOs	600,000	600,000	-
Total Tax Adjustments	<u>\$ (33,600,000)</u>	<u>\$ (47,800,000)</u>	<u>\$ 14,200,000</u>

**Selected State Revenue Adjustments
Fiscal Year 2013-2014**

**Increase / (Decrease)
from July 1, 2012, Budgeted Estimates**

	<u>Recurring</u>	<u>Non-Recurring</u>	<u>Dedicated</u>
I. Dept. of Revenue Taxes:			
1. 2012 Public Acts:	\$ (100,000)	\$ 9,900,000	\$ -
a. Chapter 1057 - Inheritance Tax @ \$2 M Exemption @ 1-1-2014	(18,700,000)	18,700,000	-
b. Chapter 624 - Sales Tax (Nexus) @ 1-1-2014	17,600,000	(8,800,000)	-
c. Chapter 1026 - Franchise Tax - Film Incentive Tax Credit Eliminated	1,000,000	-	-
* 2. 2013 Tax Legislation:	\$ (23,000,000)	\$ -	\$ (1,700,000)
a. Sales Tax - Grocery Food Tax Rate @ 0.25 Point Reduction from 5.25% to 5.0%	\$ (21,200,000)	\$ -	\$ (1,000,000)
b. Franchise Tax - Average Monthly Basis Filing; Bankruptcy	(100,000)	-	-
c. Business Tax - Uniformity and Small Business Relief Act (-\$51,400 Local)	(200,000)	-	-
d. Hall Income Tax - Increase Exemption for Age 65 & Over (-\$700,000 State-Shared Taxes)	(1,500,000)	-	(700,000)
Total Dept. of Revenue Taxes	\$ (23,100,000)	\$ 9,900,000	(\$1,700,000)
II. Other State Revenue:			
1. Commerce and Insurance - Insurance Premium Taxes:			
a. HMO Premium Tax	\$ 20,000,000	\$ -	\$ -
b. HMO Premium Tax - TennCare Base Reduction	(1,900,000)	-	-
c. HMO Premium Tax - TennCare MCO-Pharmacy Integration	45,100,000	-	-
d. Other Insurance Premium Taxes	37,000,000	-	-
Sub-Total C&I - Insurance Premium Taxes @ \$772.7 M	\$ 100,200,000	\$ -	\$ -
2. Secretary of State @ \$32.9 M	1,900,000	-	-
3. Dept. of Safety @ \$35.2 M	300,000	-	-
4. Dept. of Revenue @ \$4.8 M	(1,400,000)	-	-
5. State Treasurer - Interest Earnings @ \$2.0 M	(2,000,000)	-	-
6. Miscellaneous Revenue:			
a. Unclaimed Property @ \$51 M - Insurance Company Audit Settlement	\$ -	\$ 20,000,000	\$ -
b. Litigation and Other @ \$16.7 M	8,000,000	-	-
c. Expungement Fees - GF @ \$200,000	(6,800,000)	-	-
d. All Other	(600,000)	-	-
Sub-Total - Miscellaneous Revenue	\$ 600,000	\$ 20,000,000	\$ -
7. Nursing Home Tax @ \$93.7 M	(3,600,000)	-	-
8. Hospital Coverage Assessment @ \$449.8 M	-	449,800,000	-
Total Other State Revenue	\$ 96,000,000	\$ 469,800,000	\$ -
III. Miscellaneous Revenue (Budget Overview) @ \$49.0 M	\$ 2,100,000	\$ -	\$ -
IV. Tobacco MSA @ \$137.5 M	\$ 2,500,000	\$ -	\$ -

* 2013 Tax Legislation - Adjustments are not included in state revenue estimate schedules, but on Budget Overview.

Tax Expenditures

Recommended Budget, Fiscal Year 2013-2014

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 2013-2014. 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).

Items Not in Sales Tax Base
Currently Untaxed Services: Table 1-A

<u>Service/Product Area Exempted</u>	<u>FY 2013-2014 Estimated Loss</u>	
	<u>State</u>	<u>Local *</u>
Administrative and Support Services	\$ 376,800,000	\$ 129,100,000
Collection Agencies and Credit Bureaus	33,300,000	11,400,000
Employment Services	195,700,000	67,100,000
Investigation and Security Services	57,800,000	19,800,000
Mail, Document Reproduction, and Call Centers	20,600,000	7,000,000
Services to Buildings and Dwellings	69,400,000	23,800,000
Construction Services	\$ 715,300,000	\$ 245,300,000
Construction of Buildings	228,300,000	78,300,000
Heavy and Civil Engineering Construction	65,000,000	22,300,000
Specialty Trade Contractors	422,000,000	144,700,000
Educational Services	\$ 31,600,000	\$ 10,800,000
Educational Services (for-profit)	27,500,000	9,400,000
Educational Services (non-profit)	4,100,000	1,400,000
Finance, Insurance, and Real Estate	\$ 248,500,000	\$ 85,200,000
Investment Banking, Securities Brokerage, and Related	100,100,000	34,300,000
Insurance Agents and Related	10,600,000	3,700,000
Real Estate Agents and Brokers	137,800,000	47,200,000
Health Care and Social Services (For-profit)	\$ 867,900,000	\$ 297,600,000
Physicians and Dentists	473,900,000	162,500,000
Other Health Practitioners	58,400,000	20,000,000
Hospitals	114,200,000	39,200,000
Nursing and Residential Care Facilities	102,900,000	35,300,000
Outpatient Care Centers	35,600,000	12,200,000
Medical and Diagnostic Laboratories	32,700,000	11,200,000
Other Selected Health Services	16,600,000	5,700,000
Social and Community Services	33,600,000	11,500,000
Health Care and Social Services (Non-profit)	\$ 500,300,000	\$ 171,500,000
Hospitals	415,800,000	142,500,000
Nursing and Residential Care Facilities	29,900,000	10,300,000
Outpatient Care Centers	21,500,000	7,400,000
Other Selected Health Services	7,100,000	2,400,000
Social and Community Services	26,000,000	8,900,000
Information Services	\$ 67,700,000	\$ 23,300,000
Data Processing Services	30,500,000	10,400,000
Movie Production and Sound Recording Studios	10,700,000	3,700,000
Cable TV Subscriptions (exempt amount)	14,700,000	5,100,000
Newspaper Subscriptions and Sales	11,800,000	4,100,000
Media Advertising Sales	\$ 122,700,000	\$ 42,100,000
Newspaper Advertising	36,000,000	12,400,000
Radio Advertising	28,600,000	9,800,000
Television Advertising (Broadcast and Cable)	58,100,000	19,900,000
Personal Services	\$ 106,100,000	\$ 36,500,000
Coin-operated Laundry	2,000,000	700,000
Death Care Services	14,400,000	4,900,000
Diet and Weight Loss	1,600,000	600,000
Hair, Nail, and Skin Care Services	43,300,000	14,900,000
Non-Profit Amusement and Membership Organizations	44,800,000	15,400,000
Professional and Technical Services	\$ 688,300,000	\$ 235,900,000
Accounting, Tax Return Preparation, and Payroll	96,300,000	33,000,000
Advertising and Public Relations	40,100,000	13,700,000
Architectural Services	29,100,000	10,000,000
Engineering Services	107,300,000	36,800,000
All other Architectural, Engineering, and Related	21,000,000	7,200,000
Specialized Design Services	16,100,000	5,500,000
Computer Systems Design and Related Services	53,700,000	18,400,000
Legal Services (profit and non-profit)	172,300,000	59,100,000
Management, Scientific, and Technical Consulting	125,200,000	42,900,000
Scientific Research and Development (profit and non-profit)	27,200,000	9,300,000
Transportation Services (Local Trucking only)	\$ 60,300,000	\$ 20,700,000
Truck Transportation (Local)	60,300,000	20,700,000
Total Revenue Loss	\$ 3,785,500,000	\$ 1,298,000,000

* 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 2013-2014 Estimated Loss	
		State	Local
	Sales and Use Tax	\$ 3,270,300,000	\$ 1,051,000,000
67-6-329(a)(1)	Gasoline	767,000,000	263,000,000
67-6-329(a)(2)	Motor vehicle fuel (diesel fuel)	273,900,000	93,900,000
67-6-217	Aviation fuel (reduced rate)	40,800,000	39,100,000
67-6-207(a)(9)	Gasoline/diesel fuel for agriculture	13,300,000	4,600,000
67-6-314, 320	Prescription drugs, insulin, and related	615,900,000	211,200,000
67-6-319	Prescription drug samples	21,700,000	7,500,000
67-6-334	Energy fuels sold for residential use	384,200,000	131,700,000
67-6-206(b)(1-2), 702(b)	Energy and water sales to manufacturers (reduced rate)	170,100,000	74,200,000
67-6-206(b)(2-8)	Energy and water sales to manufacturers for direct processing (exempt)	51,400,000	17,600,000
67-6-102(47), 206(a), 207, 702(b)	Industrial and farm machinery and equipment	214,700,000	43,700,000
67-6-228(a)	Food sales (reduced rate)	173,000,000	3,400,000
67-6-329(a)(13)	Packaging sold for resale or use	117,600,000	40,300,000
67-6-329(a)(3), (18)	School books and lunches	10,900,000	3,700,000
67-6-330(a)(4-5)	Membership dues of civic organizations & business assoc.	15,700,000	5,400,000
67-6-316	Prescription eyewear and optical goods	16,200,000	5,500,000
67-6-103(f), 226, 714	Cable television (exempt portion)	14,700,000	9,300,000
67-6-329(a)(10)	Newspaper periodical sales	11,300,000	3,900,000
67-6-303	Motor vehicles sold to active-duty or non-resident military personnel	6,900,000	500,000
67-6-216	Non-material cost of manufactured homes (reduced rate)	3,100,000	-
67-6-336	Used factory-manufactured structures	800,000	-
67-6-219, 702(e)	Sales to common carriers (reduced rate)	7,600,000	3,000,000
67-6-330(a)(17)	Physical fitness facility fees	14,900,000	5,100,000
67-6-313(g), 321	Railroad rolling stock, materials, and repairs	5,300,000	1,200,000
67-6-309(a)	Film and transcription rentals	4,600,000	1,600,000
67-6-102(47)(H)(i)	Certain warehouse equipment	4,500,000	800,000
67-6-207(a)(10-17)	Fertilizers, pesticides, seeds, and related items to nurseries	8,200,000	2,800,000
67-6-329(a)(6)	Magazines and books - printers' nexus	2,000,000	900,000
	All other remaining exemptions	300,000,000	77,100,000
	Corporate Franchise and Excise Tax	\$ 227,000,000	\$ -
67-4-2109	Jobs credit (Franchise and Excise)	25,600,000	NA
67-4-2108	Cap on value of inventories (Franchise)	23,100,000	NA
67-4-2009	Industrial machinery credit (Excise)	33,300,000	NA
67-4-2012, 2111	Double-weighted sales factor (Franchise and Excise)	145,000,000	NA
	Motor Vehicle Registration Fees	\$ 4,500,000	\$ -
55-4-223	Government vehicles	1,600,000	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	500,000	NA
55-4-113(6)	Special zone tags - Class 1	500,000	NA
55-4-113(6), 124	Special zone tags - Class 2	1,600,000	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	\$ 255,100,000	\$ -
67-4-405(b)	Gas, Water, and Electric Companies - Govt. operations exempt	247,300,000	NA
67-4-405(d)	Gas, Water, and Electric Companies - Franchise and excise tax credit	4,300,000	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	\$ 244,100,000	\$ -
67-8-316(b)	Standard Exemption on the inheritance and gift tax	174,500,000	NA
67-8-315(a)(6)	Marital Deduction on the inheritance and gift tax	51,100,000	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	\$ 4,001,000,000	\$ 1,051,000,000

Source: Tennessee Department of Revenue

Revenue Sources and Basis of Apportionment

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Department of Revenue

SALES AND

USE TAX.....7.0% is the general rate that applies to the gross proceeds derived from the retail sale or use of tangible personal property and specific services. A one-half of one percent portion of the gross tax is earmarked solely for the Education Fund and the remaining 6.5% portion is distributed to various funds (TCA 67-6-201 through 67-6-205, 67-6-212, 67-6-213, and 67-6-220). The sales tax rate for the retail sale of food and food ingredients for human consumption is 5.25% (TCA 67-6-228(a)). Also, rates varying from 1% to 8.25% apply to other items and services including the following: 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. 29.0141% 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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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

Administration.....	0.3674% of the remaining 5.5% after the allocation to the Transportation Equity Trust Fund (TCA 67-6-103).
Education Fund	65.0970% of the remaining 5.5% after the allocation to the Transportation Equity Trust Fund, and 100% of one-half of one percent of the gross tax (TCA 67-6-103 and 49-3-357). Also, amounts from interstate telecommunication services sold to businesses (TCA 67-6-221(b)).
Highway Fund	An amount equivalent to tax collections from air, rail, and barge fuel sales is earmarked for the Transportation Equity Trust Fund (TCA 67-6-103(b)).
Debt Service Fund.....	0.9185% of the remaining 5.5% after the allocation to the Transportation Equity Trust Fund, or whatever amount is necessary to meet debt service requirements (TCA 67-6-103 and 9-9-106, and Section 1 of the general appropriations bill).
Municipalities.....	4.6030% 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)).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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	\$0.20 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	\$0.17 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); \$0.13 on each gallon of compressed natural gas used for motor vehicles on public highways (TCA 67-3-1113); \$0.14 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)).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Highway Fund.....	Approximately 72.0%, 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 17.4% based ¼ on population, ¼ on area, and ½ divided equally (TCA 54-4-103, 67-3-905, and 67-3-908).
 GASOLINE INSPECTION TAX (SPECIAL PETROLEUM PRODUCTS AND EXPORT TAX)	
	\$0.01 for each gallon of gasoline and most other volatile fuels sold, used, or stored (TCA 67-3-203); an additional \$0.004 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 \$0.01 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 \$0.01 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.

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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)).

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Rate and Source

Basis of Apportionment

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 (TCA 55-4-215) and 20% of the revenue from cultural plates (TCA 55-4-216); and 80% of overweight-truck fines (TCA 55-6-107), and less an allocation to the General Fund for motor vehicle registration plates (TCA 55-6-107(a)).
Debt Service Fund	Amount required from General Fund and Highway Fund apportionment (TCA 55-6-107 and 9-9-103).
INCOME TAX	6% on incomes from dividends on stocks or interest on certain bonds (TCA 67-2-102).
General Fund.....	5/8 of revenue and an administrative expense of 10% of the first \$200,000 and 5% of the remainder of the tax (TCA 67-2-117 through 67-2-119).
Cities and Counties	3/8 of revenue to the local governments by situs, less the General Fund administrative apportionment (TCA 67-2-117 and 67-2-119).
PRIVILEGE TAX	Various taxes on litigation in the courts, domestic protection civil penalties (\$50), sex offender tax (maximum \$3,000), drug treatment offenders (\$75), realty transfer tax (37 cents per \$100 of consideration or property value), mortgage recordation tax (11.5 cents per \$100 of principal indebtedness), tire tax (\$1.35 per tire 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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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, or granting of pretrial diversion, for violation of any drug 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
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**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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

**Collecting Agency
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Rate and Source

Basis of Apportionment

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. Allocation is based on the location of where the games are played (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).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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 the County Technical Assistance Service (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).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

BEER EXCISE

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

General Fund.....67.1% of privilege tax collections (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

**Collecting Agency
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Rate and Source

Basis of Apportionment

		Services (TCA 57-9-115, 12-2-207 and 12-2-209).
Counties.....		\$.04 per liter of spirit tax, earmarked for any county in which a distillery is located, plus 17.5% of the balance of spirit and wine gallonage taxes, less \$192,000 earmarked for CTAS. In counties of 250,000 or more population, 30% of their allocation is paid by the county to cities of 150,000 or more population (TCA 57-3-306). Also, 50% of the proceeds of sale of contraband goods, less 15% retained as departmental revenue by the Department of General Services (TCA 57-9-205, 12-2-207, and 12-2-209).
Cities and Counties		90% of the proceeds of sale of liquor seized by local law enforcement officers, earmarked to city or county employing officer (TCA 57-9-115), and 50% of proceeds of sale of vehicles, aircraft, and boats seized by local officers, earmarked to city or county employing officer (TCA 57-9-201).
FRANCHISE TAX	\$.25 on each \$100 of stock surplus or undivided profits of entities for the privilege of doing business within the state. The tax applies to business entities that enjoy some form of limited liability protection. The minimum tax is \$100 (TCA 67-4-2105 through 67-4-2109).	
General Fund.....		100% less an amount to the Debt Service Fund (TCA 67-4-2120).
Debt Service Fund		Amount required from General Fund apportionment (TCA 9-9-103).
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).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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

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

**INHERITANCE,
ESTATE, AND
GIFT TAX**

..... Inheritance and estate taxes are imposed on estates that exceed the maximum single exemption. The exemption varies depending on the year in which the decedent died. For decedents dying in years 2006 through 2012 the maximum single exemption is \$1 million, for 2013 \$1.25 million, in 2014 \$2 million, and in 2015 \$5 million. For decedents dying in 2016 and thereafter, no tax is imposed. The inheritance tax applies to the net taxable estate, which is determined by subtracting the appropriate exemption from the total value of the estate. Tax rates range from 5.5% for net taxable estates with a value of at least \$40,000, to a rate of \$30,200 plus 9.5% of the net value in excess of \$440,000. The estate tax is based on the difference between the inheritance tax and the “state death tax credit” allowed on the federal estate tax return. The gift tax was repealed for any transfer by gift occurring on or after January 1, 2012. (TCA 67-8-101, 67-8-204, 67-8-303, 67-8-314, 67-8-316, and 67-8-318).

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-

**Collecting Agency
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Rate and Source

Basis of Apportionment

4-1002 through 67-4-1005, 67-4-1015,
67-4-1020, and 47-25-311).

General Fund..... Approximately 11.0%. 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 2010-2011, \$11 million was earmarked for the Education Fund) (TCA 67-4-1025).

Education Fund Approximately 89.0%. 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 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 79.4% (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).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Debt Service Fund.....Approximately 20.6% (including \$1.50 of the \$5.50 fee, earmarked for debt service on a State Parks bond issue) (TCA 55-6-101).

MIXED DRINK

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

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

Cities and Counties50% 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).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

**CRUDE OIL AND
NATURAL GAS**

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

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

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

COAL

SEVERANCE TAX\$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

**Collecting Agency
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Rate and Source

Basis of Apportionment

tax as a tax on merchants, peddlers, or privileges as authorized by the Tennessee Constitution. Negative collections are shown for this tax in the 2011-2012 fiscal year to reflect taxpayer refunds. The tax is imposed on various controlled substances or controlled substance analogues 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 or controlled substance analogues (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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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 at various rates on premiums collected and reinsurance assumed. The minimum aggregate tax on captive insurance companies is \$5,000 and the maximum is \$100,000. The premiums charged for surplus lines insurance are subject to a gross premium tax of 5%. 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; 56-13-114, 56-14-113; 56-21-111; 56-24-104; 56-25-1603; 56-32-224, and 56-51-152).

General Fund.....100%. (Premium taxes paid by captive insurance companies under TCA 56-13-114 are held by the Department of Commerce and Insurance as expendable receipts for administering the captive insurance law.)

**WORKERS'
COMPENSATION**4% 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).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Wildlife Resources Agency

WILDLIFE

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

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

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

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

Department of Agriculture

**AGRICULTURAL
REGULATORY**

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

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

FERTILIZER

INSPECTIONFee based on \$0.20 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 \$0.10 per ton for all commercial feeds manufactured in excess of 500 tons (TCA 44-6-104 and 44-6-109).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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

**RETAIL FOOD
STORE
INSPECTION ACT
OF 1986**

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

General Fund.....100%.

Regulatory Board Fees

**REGULATORY
BOARDS**

.....Fees received from the issuance of licenses and permits to engage in certain professions, from licensing of health care facilities, and gross receipts taxes collected from professional boxing matches (TCA 4-3-1011, 4-3-1304, 4-29-121, Title 55, Chapter 17, Titles 46, 62, and 63, 68-11-216, 68-29-113, and other provisions of Title 68).

General Fund.....100%.

Tennessee Regulatory Authority

**PUBLIC
UTILITIES**

.....Fees for applicable holders of certificates of public convenience and necessity. Annual fees for inspection, control, and supervision of utilities and their rates. For those telecommunications public utilities that have, as of July 1, 2009, over 1 million telephone access lines in the state and elect 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. The minimum fee is \$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, with a minimum fee of \$100. A \$10

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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 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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

(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

INSPECTIONAnnual fee for the inspection and supervision of safety standards to all gas distribution systems (not applicable to gas companies subject to TCA 65-4-301). Fees based on number of meters on a declining scale (\$0.65 down to \$0.35 per meter). Minimum fee, \$100 (TCA 65-28-110(c)). Also, any person who violates state laws or regulations issued by the Tennessee Regulatory Authority concerning gas safety inspections is subject to a civil penalty not to exceed \$10,000 for each violation for each day that such violation persists, up to a maximum civil penalty of \$500,000 (TCA 65-28-108).

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

COMPETITIVE

CABLE AND

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

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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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

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

Secretary of State

FEES AND TAXES.....All fees and taxes received from notary certifications, foreign characters, trademarks, 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
PENALTIES.....**

All 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).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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

Department of Revenue

MOTOR

CARRIERSAnnual fees for inspection, control, supervision, and safety of motor carriers. A fee of 2.5% of vehicle registration fees paid by motor vehicles (TCA 55-4-113(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 Fund.....100% (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 Fund.....100%.

Department of Education

LITIGATION

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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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

Department of Health

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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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

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

General Fund.....100%.

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

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

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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Annual Hospital Coverage Assessment

**ANNUAL
HOSPITAL
COVERAGE**

ASSESSMENTAnnual assessment, payable in quarterly installments, equal to 4.52% 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 Annual Hospital Coverage Assessment expires on June 30, 2013 (TCA 71-5-2703 and 71-5-2704).

General Fund.....100% (earmarked for the Maintenance of Coverage Trust Fund TCA 71-5-2705).

Department of Transportation

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

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

State Funding Board

Range of Tax Revenue Estimates



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY

State Capitol
Nashville, Tennessee 37243-9034
(615) 741-2501

Justin P. Wilson
Comptroller

December 21, 2012

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 

Tre Hargett, Secretary of State 

David H. Lillard Jr., State Treasurer 

Mark A. Emkes, Commissioner
Department of Finance & Administration 

SUBJECT: Revenue Estimates for FY 2012-13 and FY 2013-14

The State Funding Board met on December 14, 2012, to hear updated presentations on the State's near-term economic outlook for the fiscal years 2012-13 and 2013-14. The Board reconvened on December 19, 2012, to discuss the revenue projections.

Total State Taxes and General Fund Revenue Estimates

The Board is charged, in Tennessee Code Annotated Section 9-4-5202(e), with the responsibility of developing consensus ranges of state revenue growth. In doing so, the Board evaluates and interprets economic data and revenue forecasts supplied by various economists as well as persons acquainted with the Tennessee revenue system. This is a revenue estimation process and not a budgeting process. The Board does not take into consideration the State's fiscal situation when developing its consensus ranges of revenue growth; however, the Board does strive to have the highest degree of confidence in the State's ability to achieve such growth. Fiscal considerations properly belong with those

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

The Board heard testimony regarding the economy from Dr. Albert DePrince of Middle Tennessee State University; Mr. Robert Currey of the Fiscal Review Committee; Commissioner Richard Roberts of the Tennessee Department of Revenue; and Dr. William Fox of The University of Tennessee. 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 Mr. Lee Jones, Regional Executive with the Federal Reserve Bank of Atlanta. It should be noted that this commentator did not provide specific revenue estimates, but provided his insight on the national, regional and state economies.

The consensus of the presenters is that economic growth remains modest and will continue to grow at a modest rate into 2014. Inflation continues to remain stable, but could become more of a concern in future years. The presenters and commentator again acknowledged that while the national and state economies continue to experience positive growth, until such time as the unemployment rate and the housing market show significant improvement, the economy will not return to pre-recession levels of performance. However, there was significant discussion by both the presenters and the commentator about the steady improvement in both the housing market and the unemployment rate in both Tennessee and throughout the nation.

Both the presenters and commentator noted that there continues to be growth in the national economy, as well as the economy in Tennessee. The unemployment rates are decreasing both in Tennessee and on the national level. As of October, the unemployment rate in Tennessee was 8.2%. It was noted that the fastest levels of employment have been experienced in the construction, healthcare, and the durable goods sectors. It was also noted that the decline in the unemployment rate in Tennessee can be attributed to several factors which include the addition of new jobs to the labor market, the increased number of retirements, and the fact that many unemployed individuals have become discouraged and are no longer participating in the labor market. A number of the presenters acknowledged that it will likely be several years before employment returns to pre-recession levels.

The housing market is currently experiencing considerable growth. The number of new housing starts and the appreciation in the values of new and existing home values are contributing significantly to this growth. The level of growth however continues to be substantially below pre-recession levels.

Consumer sentiment has recently experienced a decline and consumer spending is conservative. The presenters and the commentator expressed that this is likely due to the

uncertainty that Congress will come to a resolution on the fiscal cliff. The consensus among the presenters and the commentator is that while the issue may not be resolved before the end of the year, a resolution will be worked out before the middle of January. It was expressed that once a resolution is reached, the economy could experience additional growth due to pent-up demand and an increase in consumer confidence.

Sales of light vehicles continue to experience positive growth, but the level of sales is still lower than it was prior to the recession. Business investment remains strong in Tennessee. It was noted that traditionally, recovery from past recessions has been led by the housing and automobile manufacturing markets. However, the current recovery has been led by the export and business investment markets which are not large enough to sustain a strong economy. Moving forward, it is expected that the recovery in Tennessee will be led by the housing and automobile manufacturing markets.

While the Board acknowledged that tax collections, especially sales tax collection, have performed better than expected, although at a slower rate in recent months, several members expressed concern about the sustainability of these increased collections due to the unprecedented volatility that the market has experienced recently. One member commented that the sentiment in the business community in Tennessee is that once a resolution is reached on the fiscal cliff and there is clarity on how Congress intends to proceed with regard to taxes, businesses will begin to move toward growth and this movement will positively impact sales tax collections.

The Board developed the following summarized consensus revenue estimates expressed in ranges of growth rates in State taxes.

	FY 2012-13		FY 2013-14	
	Low	High	Low	High
Total State Taxes	1.91%	2.65%	2.55%	3.49%
General Fund Only	1.98%	2.85%	2.74%	3.89%

While it is difficult to precisely predict revenue ranges, the Board believes that these ranges are reasonable for use in State budgeting. These ranges are based on statutory tax provisions enacted through the 2012 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 (4) 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 observed that since July 2012, there have been three (3) jackpot cycles for the Powerball game that have exceeded \$200 million. He commented that due to the most recent change in the matrix for the Powerball game, he expects there to be higher jackpots that will generate significant, sustainable incremental revenue in the future. Mr. Currey also discussed the fact that marginal revenues for the Tennessee Lottery continue to be better than marginal expenses which indicates that Net Lottery Proceeds in Tennessee have not been maximized. He estimated that Net Lottery Proceeds available for deposit into the Lottery Education Account for fiscal years 2012-13 and 2013-14 will be 25.2% and 25.0% of total net revenue, respectively. Due to the high level of uncertainty, Mr. Currey projected the growth in annual sales and Net Lottery Proceeds for fiscal years 2014-15 through 2016-17 to be 3.0% and 2.0% 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. In contrast to the positive growth in Net Lottery Proceeds that TELC projected for the out years, Ms. Hargrove and Mr. Davis projected negative growth for 2012-2013, with the low end of the estimate at -4.45% and the high end of the estimate at -1.69%. They projected 2% growth in Net Lottery Proceeds and 3% growth in annual sales for fiscal years 2013-14 through 2016-17. Both Ms. Hargrove and Mr. Davis reviewed significant factors impacting TELC estimates. Ms. Hargrove commented that sales year-to-date this fiscal year for instant games and total sales have increased by approximately 4% and 7.9%, respectively, from the same time period in fiscal year 2012. The significant increase in total sales has been driven primarily by the number of large Powerball jackpots experienced this fiscal year. Ms. Hargrove also commented that there will be a new multi-jurisdictional game introduced in May 2013 and there is current discussion of making changes to the Mega Millions game. Lottery revenues in Tennessee continue to grow faster than revenues throughout the remainder of the industry.

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 Dr. Thomas Sanford, Director of Research of the Tennessee Higher Education Commission (THEC), and from Mr. Tim Phelps, Associate Executive Director for Grants and Scholarship Programs of TSAC.

They presented a decreased projection for fiscal year 2012-13, which now estimates 104,500 awards, with a projected baseline cost of \$318.1 million. Furthermore, Mr. Phelps presented estimates for fiscal year 2013-14 of 104,800 awards, with a projected baseline cost of \$319.1 million. Additionally, it is estimated that there will be 105,500

awards in fiscal year 2014-15, with a projected baseline cost of \$321.0 million, 108,500 awards in fiscal year 2015-16, with projected baseline cost of \$330.4 million, and 111,500 awards in 2016-17, with a projected baseline cost of \$339.5 million. These awards include all lottery-funded scholarship programs as authorized through the 2012 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	FY2012-13	FY2013-14	FY2014-15	FY2015-16	FY2016-17
Low	\$310,300,000	\$310,300,000	\$310,300,000	\$310,300,000	\$310,300,000
High	\$316,600,000	\$322,100,000	\$327,700,000	\$333,400,000	\$339,200,000

The State Funding Board considered the joint projections for lottery scholarship and grant program funding needs provided by THEC and TSAC 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.

Attached is a copy of the letter from the Department of Education requesting \$23,000 from net lottery proceeds pursuant to Tennessee Code Annotated Section 4-51-11(c)(2)(B) which states:

Before December 15, 2003, and before December 15 in each succeeding year, appropriate state agencies shall submit to the funding board and to the governor their recommendations for other educational programs and purposes consistent with article XI, Section 5 of the Tennessee Constitution based on the difference between the funding board's projections and recommendations for the lottery scholarship program based on the report submitted pursuant to subdivision (c)(2)(A). In no event shall such recommendations exceed the projections of the funding board for a specific fiscal year.

Please feel free to contact us if you have any questions.

Attachments

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

- cc. The Honorable Ron Ramsey
 The Honorable Beth Harwell

COMPARISON OF ESTIMATED STATE TAX REVENUE FOR
FISCAL YEAR 2012-2013

Schedule 1

(Accrual - Basis Estimates)

2012-2013

DEPARTMENT OF REVENUE	2011-2012		% CHANGE		2012-2013		% CHANGE		2012-2013		% CHANGE	
	ACTUAL	BUDGETED	OVER 11-12	DR. FOX	OVER 11-12	FISCAL REVIEW	OVER 11-12	REVENUE DEPT.	OVER 11-12	DR. DePRINCE	OVER 11-12	
SOURCE OF REVENUE	ACCRUAL	7-1-12	ACTUAL	ESTIMATE	ACTUAL	ESTIMATE	ACTUAL	ESTIMATE	ACTUAL	ESTIMATE	ACTUAL	
Sales and use Tax	\$ 6,899,944,000	\$ 7,049,200,000	2.16%	\$ 7,175,900,000	4.00%	\$ 7,035,000,000	1.96%	\$ 7,041,000,000	2.04%	\$ 7,156,500,000	3.72%	
Gasoline Tax	617,991,500	622,100,000	0.66%	618,000,000	0.00%	618,300,000	0.05%	622,600,000	0.75%	620,500,000	0.41%	
Motor Fuel Tax	160,739,900	169,100,000	5.20%	160,700,000	-0.02%	161,400,000	0.41%	164,000,000	2.03%	165,500,000	2.96%	
Gasoline Inspection Tax	63,401,900	65,000,000	2.52%	63,700,000	0.47%	63,600,000	0.31%	63,700,000	0.47%		NA	
Motor Vehicle Registration Tax	244,116,700	257,300,000	5.40%	249,000,000	2.00%	249,000,000	2.00%	249,000,000	2.00%	255,000,000	4.46%	
Income Tax	185,151,400	215,000,000	16.12%	194,400,000	5.00%	195,000,000	5.32%	188,900,000	2.02%	204,000,000	10.18%	
Privilege Tax - Less Earmarked Portion	251,048,400	240,300,000	-4.28%	276,200,000	10.02%	264,000,000	5.16%	272,400,000	8.50%	284,800,000	13.44%	
Gross Receipts Tax - Total	370,417,300	380,000,000	2.59%	368,900,000	-0.41%	365,184,000	-1.41%	369,200,000	-0.33%	391,700,000 *	5.75%	
Gross Receipts Tax - TVA	338,868,900	351,900,000	3.85%	337,400,000	-0.43%	337,384,000	-0.44%	337,400,000	-0.43%	362,700,000	7.03%	
Gross Receipts Tax - Other	31,548,400	28,100,000	-10.93%	31,500,000	-0.15%	27,800,000	-11.88%	31,800,000	0.80%	29,000,000	-8.08%	
Beer Tax	17,286,100	18,400,000	6.44%	17,800,000	2.97%	18,200,000	5.29%	17,700,000	2.39%		NA	
Alcoholic Beverage Tax	50,604,100	52,000,000	2.76%	53,000,000	4.73%	53,700,000	6.12%	52,900,000	4.54%		NA	
Franchise & Excise Taxes	1,865,029,500	1,733,300,000	-7.06%	1,990,000,000	6.70%	1,977,500,000	6.03%	1,990,000,000	6.70%	1,921,000,000	3.00%	
Inheritance and Estate Tax	161,266,000	83,100,000	-48.47%	95,000,000	-41.09%	95,000,000	-41.09%	95,000,000	-41.09%		NA	
Tobacco Tax	276,837,200	286,800,000	3.60%	275,500,000	-0.48%	275,300,000	-0.56%	274,800,000	-0.74%		NA	
Motor Vehicle Title Fees	12,036,800	11,800,000	-1.97%	12,400,000	3.02%	11,800,000	-1.97%	12,400,000	3.02%		NA	
Mixed Drink Tax	64,713,900	64,000,000	-1.10%	68,300,000	5.54%	68,200,000	5.39%	69,900,000	8.01%		NA	
Business Tax	127,512,700	134,800,000	5.71%	133,900,000	5.01%	134,000,000	5.09%	134,500,000	5.48%		NA	
Severance Tax	2,325,300	2,200,000	-5.39%	2,300,000	-1.09%	2,200,000	-5.39%	2,000,000	-13.99%		NA	
Coin Operated Amusement Tax	312,200	300,000	-3.91%	300,000	-3.91%	300,000	-3.91%	300,000	-3.91%		NA	
Unauthorized Substance Tax	(19,800)	-	NA	-	NA	-	NA	-	NA		NA	
All Other Taxes	-	-	NA	-	NA	-	NA	-	NA	835,900,000 **	NA	
TOTAL DEPARTMENT OF REVENUE	\$ 11,370,715,100	\$ 11,384,700,000	0.12%	\$ 11,755,300,000	3.38%	\$ 11,587,684,000	1.91%	\$ 11,620,300,000	2.19%	\$ 11,834,900,000	4.08%	

GENERAL FUND ONLY (2) \$ 9,440,466,500 \$ 9,403,600,000 -0.39% \$ 9,790,600,000 3.71% \$ 9,627,784,000 1.98% \$ 9,654,600,000 2.27% \$ 9,828,200,000 4.11%

Budgeted Est. Compared to New Est. - Total \$ 370,600,000 \$ 202,984,000 \$ 235,600,000 \$ 450,200,000

Budgeted Est. Compared to New Est. - Gen. Fund \$ 387,000,000 \$ 224,184,000 \$ 251,000,000 \$ 424,600,000

SELECTED TAXES	ACTUAL	BUDGETED	%	DR. FOX	%	FISCAL REVIEW	%	REVENUE DEPT.	%	DR. DePRINCE	%
SALES AND USE TAX	\$ 6,899,944,000	\$ 7,049,200,000	2.16%	\$ 7,175,900,000	4.00%	\$ 7,035,000,000	1.96%	\$ 7,041,000,000	2.04%	\$ 7,156,500,000	3.72%
FRANCHISE AND EXCISE TAXES	1,865,029,500	1,733,300,000	-7.06%	1,990,000,000	6.70%	1,977,500,000	6.03%	1,990,000,000	6.70%	1,921,000,000	3.00%
INCOME TAX	185,151,400	215,000,000	16.12%	194,400,000	5.00%	195,000,000	5.32%	188,900,000	2.02%	204,000,000	10.18%
ROAD USER TAXES	1,086,250,000	1,113,500,000	2.51%	1,091,400,000	0.47%	1,092,300,000	0.56%	1,099,300,000	1.20%		NA
ALL OTHER TAXES	1,334,340,200	1,273,700,000	-4.54%	1,303,600,000	-2.30%	1,287,884,000	-3.48%	1,301,100,000	-2.49%		NA

(1) Privilege Tax estimates are reduced by \$26.1 million in FY 2011-2012 for the earmarked portion of the tax. The FY 2012-2013 Budgeted and Revised Estimates are reduced by \$34.8 M.

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

* F&A distributed the Gross Receipts Taxes for Dr. DePrince based on 2012-2013 budgeted Gross Receipts Tax - Other collections.

** F&A distributed Dr. DePrince's All Other Taxes estimate based on the General Fund ratio for the 2012-2013 Budgeted Estimate.

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**COMPARISON OF ESTIMATED STATE TAX REVENUE FOR
FISCAL YEAR 2013-2014**

(Accrual - Basis Estimates)

Schedule 2

2013-2014

DEPARTMENT OF REVENUE	% CHANGE		% CHANGE		% CHANGE		% CHANGE	
	DR. FOX ESTIMATE	OVER 12-13 ESTIMATE	FISCAL REVIEW ESTIMATE	OVER 12-13 ESTIMATE	REVENUE DEPT. ESTIMATE	OVER 12-13 ESTIMATE	DR. DePRINCE ESTIMATE	OVER 12-13 ESTIMATE
Sales and use Tax	\$ 7,534,700,000	5.00%	\$ 7,260,120,000	3.20%	\$ 7,231,000,000	2.70%	\$ 7,463,300,000	4.29%
Gasoline Tax	611,800,000	-1.00%	621,391,000	0.50%	632,000,000	1.51%	623,200,000	0.44%
Motor Fuel Tax	162,300,000	1.00%	163,418,000	1.25%	169,400,000	3.29%	177,500,000	7.25%
Gasoline Inspection Tax	63,700,000	0.00%	63,918,000	0.50%	64,000,000	0.47%	NA	NA
Motor Vehicle Registration Tax	256,500,000	3.01%	254,478,000	2.20%	256,500,000	3.01%	262,700,000	3.02%
Income Tax	204,100,000	4.99%	200,070,000	2.60%	194,500,000	2.96%	208,800,000	2.35%
Privilege Tax - Less Earmarked Portion	298,200,000	7.97%	274,560,000	4.00%	288,700,000	5.98%	292,100,000	2.56%
Gross Receipts Tax - Total	375,600,000	1.82%	373,600,000	2.30%	364,700,000	-1.22%	408,600,000 *	4.31%
Gross Receipts Tax - TVA	344,100,000	1.99%	344,132,000	2.00%	332,300,000	-1.51%	378,400,000	4.33%
Gross Receipts Tax - Other	31,500,000	0.00%	29,468,000	6.00%	32,400,000	1.89%	30,200,000	4.14%
Beer Tax	17,800,000	0.00%	18,637,000	2.40%	18,300,000	3.39%	NA	NA
Alcoholic Beverage Tax	55,100,000	3.96%	56,009,000	4.30%	54,700,000	3.40%	NA	NA
Franchise & Excise Taxes	2,109,400,000	6.00%	2,044,375,000	3.38%	2,060,000,000	3.52%	1,998,000,000	4.01%
Inheritance and Estate Tax	85,000,000	-10.53%	85,500,000	-10.00%	80,800,000	-14.95%	NA	NA
Tobacco Tax	272,700,000	-1.02%	273,924,000	-0.50%	272,700,000	-0.76%	NA	NA
Motor Vehicle Title Fees	13,100,000	5.65%	12,095,000	2.50%	12,800,000	3.23%	NA	NA
Mixed Drink Tax	72,400,000	6.00%	70,655,000	3.60%	75,500,000	8.01%	NA	NA
Business Tax	140,600,000	5.00%	139,360,000	4.00%	138,600,000	3.05%	NA	NA
Severance Tax	2,400,000	4.35%	2,200,000	0.00%	2,500,000	25.00%	NA	NA
Coin Operated Amusement Tax	300,000	0.00%	300,000	0.00%	300,000	0.00%	NA	NA
Unauthorized Substance Tax	-	NA	-	NA	-	NA	NA	NA
All Other Taxes	-	NA	-	NA	-	NA	880,500,000 **	5.34%
TOTAL DEPARTMENT OF REVENUE	\$12,275,700,000	4.43%	\$11,914,610,000	2.82%	\$11,917,000,000	2.55%	\$12,314,700,000	4.05%
GENERAL FUND ONLY (2)	\$10,284,800,000	5.05%	\$ 9,928,210,000	3.12%	\$ 9,919,500,000	2.74%	\$10,258,300,000	4.38%
Growth over FY 13 Budgeted Est. - Total	\$ 891,000,000		\$ 529,910,000		\$ 532,300,000		\$ 930,000,000	
Growth over FY 13 Budgeted Est. - Gen. Fund	\$ 881,200,000		\$ 524,610,000		\$ 515,900,000		\$ 854,700,000	
Revised Est. Compared to New Est. - Total	\$ 520,400,000		\$ 326,926,000		\$ 296,700,000		\$ 479,800,000	
Revised Est. Compared to New Est. - Gen. Fund	\$ 494,200,000		\$ 300,426,000		\$ 264,900,000		\$ 430,100,000	
SELECTED TAXES	DR. FOX	%	FISCAL REVIEW	%	REVENUE DEPT.	%	DR. DePRINCE	%
SALES AND USE TAX	\$ 7,534,700,000	5.00%	\$ 7,260,120,000	3.20%	\$ 7,231,000,000	2.70%	\$ 7,463,300,000	4.29%
FRANCHISE AND EXCISE TAXES	2,109,400,000	6.00%	2,044,375,000	3.38%	2,060,000,000	3.52%	1,998,000,000	4.01%
INCOME TAX	204,100,000	4.99%	200,070,000	2.60%	194,500,000	2.96%	208,800,000	2.35%
ROAD USER TAXES	1,094,300,000	0.27%	1,103,205,000	1.00%	1,121,900,000	2.06%	NA	NA
ALL OTHER TAXES	1,333,200,000	2.27%	1,306,840,000	1.47%	1,309,600,000	0.65%	NA	NA

(1) Privilege Tax estimates are reduced by \$34.8 million in FY 2013-2014 for the earmarked portion of the tax.

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

* F&A distributed the Gross Receipts Taxes for Dr. DePrince based on 2012-2013 budgeted Gross Receipts Tax - Other collections.

** F&A distributed Dr. DePrince's All Other Taxes estimate based on the General Fund ratio for the 2012-2013 Budgeted Estimate.

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Net Lottery Proceeds Estimates
Actual 2011-2012 and Estimated 2012-2013 Through 2016-2017
December 2012

	2011-2012 Actual	2012-2013 Revised	%	2013-2014 Estimated	%	2014-2015 Estimated	%	2015-2016 Estimated	%	2016-2017 Estimated	%
Lottery Corporation											
Low	310,349,000	296,527,000	-4.45%	302,000,000	1.85%	308,000,000	1.99%	314,000,000	1.95%	320,000,000	1.91%
High	310,349,000	305,119,000	-1.69%	311,000,000	1.93%	317,000,000	1.93%	323,000,000	1.89%	329,000,000	1.86%
Fiscal Review Staff											
Low	310,349,000	314,525,000	1.35%	318,922,000	1.40%						
Mean	310,349,000	318,669,000	2.68%	324,912,000	1.96%	331,410,000	2.00%	338,038,000	2.00%	344,799,000	2.00%
High	310,349,000	322,812,000	4.02%	330,902,000	2.51%						
Recommended Range											
Low	310,349,000	310,300,000	-0.02%	310,300,000	0.00%	310,300,000	0.00%	310,300,000	0.00%	310,300,000	0.00%
High	310,349,000	316,600,000	2.01%	322,100,000	1.74%	327,700,000	1.74%	333,400,000	1.74%	339,200,000	1.74%



STATE OF TENNESSEE
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December 14, 2012

MEMORANDUM

TO: State Funding Board

FROM: Tim Phelps, Tennessee Student Assistance Corporation
Dr. Thomas Sanford, 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 scholarship and grant programs through the 2017-18 academic year.

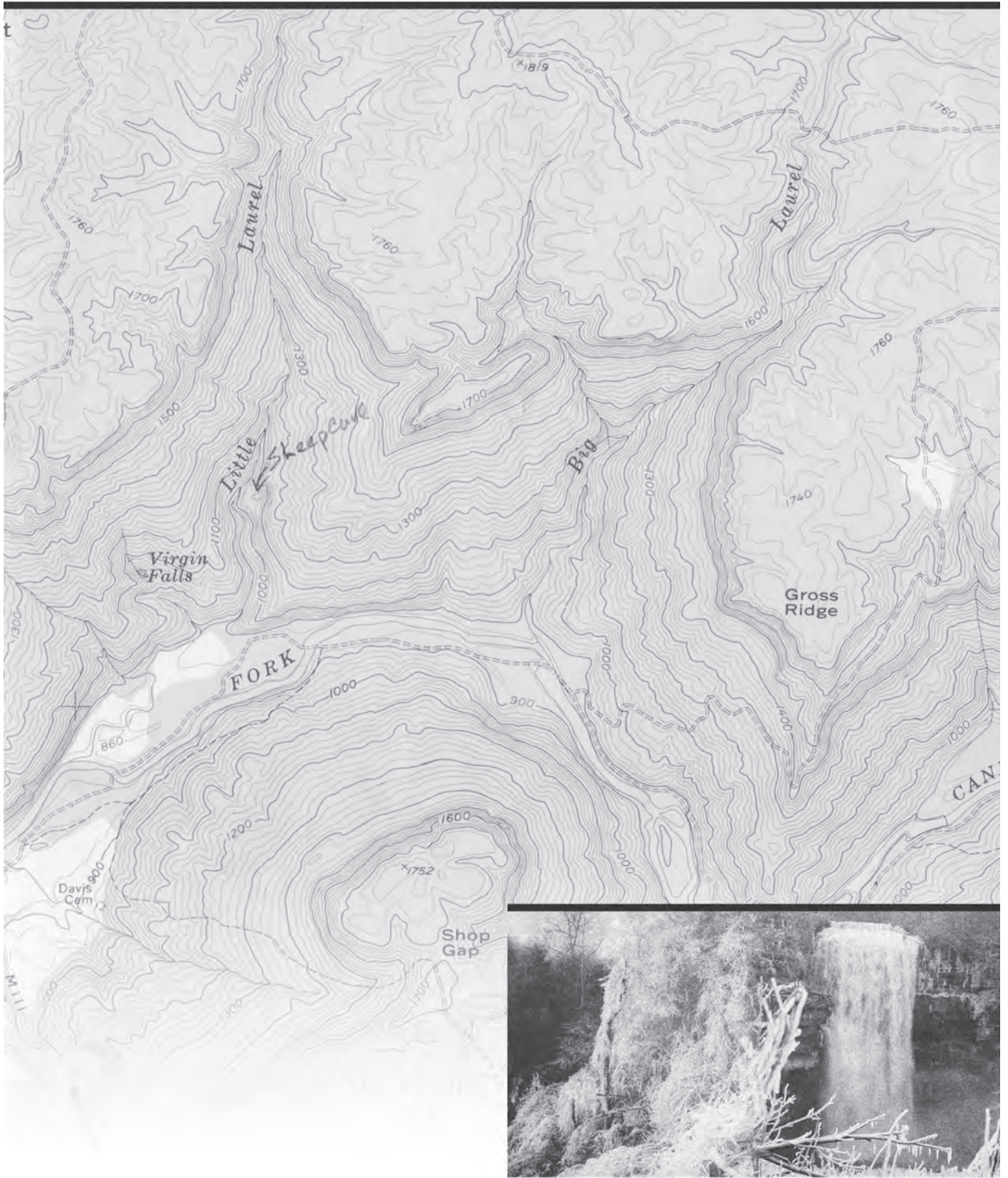
The figures below incorporate data for all lottery-funded programs, including the HOPE Scholarship, General Assembly Merit Scholarship, ASPIRE award, HOPE Access Grant, Wilder-Naifeh Technical Skills Grant, Nontraditional Student Grant, Dual Enrollment Grant, Helping Heroes Grant, Foster Child Tuition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

Fiscal Year	TELS Expenditures Low	TELS Expenditures Baseline	TELS Expenditures High	Recipients
2011-12 actual	N/A	\$313.0M	N/A	102,800
2012-13 estimated	\$313.8M	\$318.1M	\$322.9M	104,500
2013-14 estimated	\$314.3M	\$319.1M	\$331.4M	104,800
2014-15 estimated	\$316.1M	\$321.0M	\$340.0M	105,500
2015-16 estimated	\$325.1M	\$330.4M	\$353.3M	108,500
2016-17 estimated	\$334.6M	\$339.5M	\$362.9M	111,500
2017-18 estimated	\$338.7M	\$343.5M	\$367.6M	112,800

**Does not include supplemental funding of \$6.8M for TSAA and administrative costs of \$3.8M.*

These projections are based on the size of the annual high school graduating class, the scholarship take-up rate of eligible students, and the renewal rate of recipients. If further structural changes are made to the program, these projected expenditures may change.

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



Financial Statements

Financial Statements

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**General Fund
Comparative Balance Sheet
June 30, 2011, and June 30, 2012**

	June 30, 2011	June 30, 2012
Assets		
Cash and Cash Equivalents	\$ 1,111,869,000	\$ 1,853,240,000
Receivables, net	1,555,902,000	1,488,891,000
Due from Other Funds	275,943,000	257,325,000
Due from Component Units	30,823,000	402,000
Inventories, at Cost	13,838,000	13,729,000
Prepayments	10,000	0
Deferred Charges	1,712,000	237,000
Loans Receivable, net	3,294,000	3,217,000
Leases Receivable	1,289,000	776,000
	\$ 2,994,680,000	\$ 3,617,817,000
Liabilities and Fund Balance		
Liabilities:		
Accounts Payable and Accruals	\$ 578,224,000	\$ 973,286,000
Due to Other Funds	10,552,000	8,853,000
Due to Component Units	2,199,000	2,186,000
Deferred Revenue	311,590,000	295,261,000
Advance from Other Governments	48,874,000	20,062,000
Other	513,000	110,000
	\$ 951,952,000	\$ 1,299,758,000
Fund Balance:		
Nonspendable - Inventories	\$ 13,838,000	\$ 13,729,000
Nonspendable - Accounts Receivable	5,505,000	4,880,000
Restricted	100,942,000	63,192,000
Committed	235,295,000	286,918,000
Assigned - Appropriations for 2011-2012	371,300,000	0
Assigned - Appropriations for 2012-2013	0	426,100,000
Assigned - Other Reserves	808,352,000	824,577,000
Unassigned - Revenue Fluctuation Reserve	283,600,000	306,000,000
Unassigned - Reserve for Future Requirements	223,000,000	392,300,000
Unassigned - Fund Balance	896,000	363,000
	\$ 2,042,728,000	\$ 2,318,059,000
Total Fund Balance	\$ 2,042,728,000	\$ 2,318,059,000
Total Liabilities and Fund Balance	\$ 2,994,680,000	\$ 3,617,817,000

**Education Fund
Comparative Balance Sheet
June 30, 2011, and June 30, 2012**

	June 30, 2011	June 30, 2012
Assets		
Cash and Cash Equivalents	\$ 9,000	\$ 12,000
Investments	369,749,000	330,607,000
Receivables, net	514,762,000	479,171,000
Due from Other Funds	301,000	99,000
Due from Component Units	82,200,000	89,438,000
Inventories	77,000	73,000
Total Assets	\$ 967,098,000	\$ 899,400,000
Liabilities and Fund Balance		
Liabilities:		
Accounts Payable and Accruals	\$ 66,894,000	\$ 58,848,000
Due to Other Funds	270,196,000	257,545,000
Due to Component Units	15,989,000	0
Deferred Revenue	80,711,000	66,396,000
Advance from Other Governments	518,000	2,418,000
Total Liabilities	\$ 434,308,000	\$ 385,207,000
Fund Balance:		
Nonspendable - Inventories	\$ 77,000	\$ 73,000
Restricted - Lottery Scholarships	390,208,000	406,872,000
Restricted - Energy Efficient Schools	66,241,000	19,410,000
Restricted - After School Program	18,215,000	19,882,000
Restricted - Other	0	426,000
Committed	3,962,000	7,760,000
Assigned	54,087,000	59,770,000
Total Fund Balance	\$ 532,790,000	\$ 514,193,000
Total Liabilities and Fund Balance	\$ 967,098,000	\$ 899,400,000

**Highway Fund
Comparative Balance Sheet
June 30, 2011, and June 30, 2012**

	June 30, 2011	June 30, 2012
Assets		
Cash and Cash Equivalents	\$ 318,370,000	\$ 211,438,000
Receivables, net	338,128,000	440,775,000
Inventories, at Cost	8,929,000	9,369,000
Loans Receivable, net	1,935,000	1,768,000
Total Assets	\$ 667,362,000	\$ 663,350,000
Liabilities and Fund Balance		
Liabilities:		
Accounts Payable and Accruals	\$ 97,906,000	\$ 97,980,000
Due to Other Funds	887,000	878,000
Deferred Revenue	126,726,000	183,633,000
Advance from Other Governments	17,961,000	18,695,000
Other	2,031,000	2,459,000
Total Liabilities	\$ 245,511,000	\$ 303,645,000
Fund Balances:		
Nonspendable - Inventories	\$ 8,929,000	\$ 9,369,000
Restricted	153,547,000	18,984,000
Committed	114,327,000	244,580,000
Assigned	145,048,000	86,772,000
Total Fund Balance	\$ 421,851,000	\$ 359,705,000
Total Liabilities and Fund Balance	\$ 667,362,000	\$ 663,350,000

Debt Management

Recommended Budget, Fiscal Year 2013-2014

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, 2012, the debt limit calculation produced a maximum annual debt service debt limit of \$628,438,300. The annual debt service requirement on the state's outstanding debt, authorized but unissued debt, and proposed bond authorizations in the fiscal year 2013-2014 budget total \$337,724,000, 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 \$140,000,000 in general obligation bonds. Included with this sale was \$8.4 million in Facility Revolving Fund (FRF) bonds. As of June 30, 2012, Tennessee's total general obligation bonded indebtedness was \$1,803,497,000, excluding the FRF. This debt was issued entirely for institutional and building construction.

The second session of the 107th General Assembly approved new general obligation bond authorizations in the amount of \$381,900,000. Of this amount, institutional and building bonds accounted for \$300,900,000, highway bonds \$80,000,000, and \$1,000,000 in FRF bonds.

The state's practice of using cash flow to finance road projects in lieu of issuing debt has been one of the key factors in Tennessee's ability to secure and retain very high bond ratings. Consistent with this long-standing policy, the Funding Board cancelled \$101.6 million in highway bond authorizations, \$19.9 million in building construction bonds and economic development grants, and \$5.1 million in FRF and other bond authorizations.

The increase in bond authorization coupled with the Funding Board's action on bond cancellations increased the category of authorized but unissued bonds to \$1,729,327,800, which includes \$652.5 million in capital construction bonds, \$98.4 million in FRF bonds, \$46.3 million in data processing equipment and software bonds, along with \$932.1 million in highway fund authorizations.

The recommended 2013-2014 Capital Budget is funded from proposed bond authorizations in the amount of \$185.0 million, \$160.8 million from surplus cash, and \$97.5 million from federal funds and other sources.

Debt Service Fund
Statement of Revenues, Expenditures, and Requirements
July 1, 2011 - June 30, 2014

	Actual 2011-2012	Estimated 2012-2013	Estimated 2013-2014
Unreserved Fund Balance, July 1	\$ 9,736,727.76	\$ 16,345,000.00	\$ 21,871,000.00
Tax Revenues:			
Sales Tax	\$ 48,961,270.05	\$ 50,100,000.00	\$ 51,800,000.00
Gasoline Tax	107,000,000.00	107,000,000.00	110,000,000.00
Franchise Tax	18,000,000.00	18,000,000.00	18,000,000.00
Excise Tax	214,138,729.95	224,400,000.00	229,700,000.00
Motor Vehicle Title Fees	2,700,000.00	2,700,000.00	2,700,000.00
Total Tax Revenues	\$ 390,800,000.00	\$ 402,200,000.00	\$ 412,200,000.00
Other Revenues:			
Sports Authority	\$ 3,640,853.56	\$ 4,122,000.00	\$ 3,837,000.00
Motlow State - Smyrna Center	124,797.84	121,000.00	117,000.00
University of Memphis - Land Bank	0.00	254,420.97	690,000.00
State Technology Centers	0.00	0.00	3,740,000.00
State Veterans' Homes - Refinancing	534,221.55	547,000.00	560,000.00
Other Revenue	20.06	0.00	0.00
Premium on Bond Sales	37,068,833.60	11,672,526.69	0.00
Net Refunding Bond Premium	686,804.35	0.00	0.00
Federal Highway Bridge Funds (80% Match)	0.00	0.00	21,600,000.00
Total Other Revenues	\$ 42,055,530.96	\$ 16,716,947.66	\$ 30,544,000.00
Total Available Funds	\$ 442,592,258.72	\$ 435,261,947.66	\$ 464,615,000.00
Appropriations, Transfers, and Fund Balance			
Debt Service Appropriations for:			
Outstanding Bonds @ July 1	\$ 181,028,546.94	\$ 214,655,000.00	\$ 205,024,000.00
Bond Sale - November 2012	0.00	1,450,000.00	11,000,000.00
Capital Outlay - Unissued Bonds (\$652,512,000)	0.00	0.00	73,300,000.00
Proposed Capital Outlay Bonds (\$185,000,000)	0.00	0.00	20,400,000.00
Highway Bridges - Unissued Bonds (\$262,500,000)	0.00	0.00	27,000,000.00
Short Term Interest	378,052.12	500,000.00	0.00
Debt Issuance Expense	4,793,045.13	4,800,000.00	1,000,000.00
Total Debt Service Appropriations	\$ 186,199,644.19	\$ 221,405,000.00	\$ 337,724,000.00
Transfers to Other Funds:			
Highway Fund	\$ 101,600,000.00	\$ 101,600,000.00	\$ 104,600,000.00
General Fund	100,600,000.00	70,500,000.00	0.00
Capital Projects Fund - Safety Communication System	0.00	7,000,000.00	0.00
Capital Projects - West TN Mega-site	1,400,000.00	1,400,000.00	0.00
Capital Projects Fund - University of Memphis	0.00	254,420.97	0.00
Capital Projects Fund - Premium on Bond Sales	36,447,470.63	11,231,146.69	0.00
Total Transfers to Other Funds	\$ 240,047,470.63	\$ 191,985,567.66	\$ 104,600,000.00
Total Appropriations and Transfers	\$ 426,247,114.82	\$ 413,390,567.66	\$ 442,324,000.00
Unreserved Fund Balance, June 30			
Net Receivables	\$ 4,245,608.19	\$ 4,700,000.00	\$ 5,200,000.00
Highway Bridge Bonds - Debt Service	10,800,000.00	16,200,000.00	16,200,000.00
Cash and Cash Equivalents	1,299,535.71	971,380.00	891,000.00
Total Fund Balance, June 30	\$ 16,345,143.90	\$ 21,871,380.00	\$ 22,291,000.00

**Debt Service Fund
Comparative Balance Sheet
June 30, 2011, and June 30, 2012**

	June 30, 2011	June 30, 2012
Assets		
Cash and Cash Equivalents	\$ 5,911,000	\$ 12,099,000
Taxes Receivable	5,060,000	5,183,000
Loans Receivable	10,289,000	10,083,000
Total Assets	\$ 21,260,000	\$ 27,365,000
 Liabilities and Fund Balance		
Liabilities:		
Payables and Accruals	\$ 342,000	\$ 214,000
Deferred Revenue	11,181,000	10,806,000
Total Liabilities	\$ 11,523,000	\$ 11,020,000
 Fund Balance:		
Highway Bridge Bonds - Debt Service	\$ 5,400,000	\$ 10,800,000
Unreserved	4,337,000	5,545,000
Total Fund Balance	\$ 9,737,000	\$ 16,345,000
 Total Liabilities and Fund Balance	 \$ 21,260,000	 \$ 27,365,000

Bond Fund
Statement of Bonds Authorized and Unissued
June 30, 2011 - June 30, 2013

Year	Authority	Description	June 30, 2011	June 30, 2012	June 30, 2013 *
1996	Chapter 945	State Parks	77,365.99	77,365.99	\$ 77,365.99
1996	Chapter 952	Capital Outlay	608,922.36	512,587.21	512,587.21
1996	Chapter 952	Data Processing Equipment	20,000,000.00	20,000,000.00	20,000,000.00
1997	Chapter 535	Capital Outlay	1,289,088.70	1,272,316.75	1,272,316.75
1998	Chapter 1103	Capital Outlay	500,813.64	500,813.64	500,813.64
1998	Chapter 1103	Facilities Revolving Fund	74,840.70	0.00	0.00
1999	Chapter 401	Capital Outlay	758,214.73	758,214.73	758,214.73
1999	Chapter 401	Facilities Revolving Fund	740,085.41	0.00	0.00
2000	Chapter 984	Capital Outlay	1,864,234.78	1,839,676.39	1,839,676.39
2000	Chapter 984	Facilities Revolving Fund	35,440.03	0.00	0.00
2001	Chapter 462	Capital Outlay	1,279,591.08	633,774.34	633,774.34
2001	Chapter 462	Facilities Revolving Fund	28,172,794.85	26,771,538.06	25,122,794.85
2002	Chapter 852	Capital Outlay	1,301,109.30	642,388.93	642,388.93
2002	Chapter 852	Facilities Revolving Fund	2,421,701.98	2,421,701.98	2,421,701.98
2003	Chapter 296	Capital Outlay	709,890.16	296,877.22	296,877.22
2003	Chapter 296	Highway Construction	74,000,000.00	0.00	0.00
2003	Chapter 313	State Veterans' Homes - Refinancing	180,302.03	0.00	0.00
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	0.00	0.00
2004	Chapter 958	Capital Outlay	15,727,748.55	14,028,810.17	9,384,535.43
2004	Chapter 958	Facilities Revolving Fund	745,259.54	745,259.54	475,346.63
2004	Chapter 958	Highway Construction	74,000,000.00	74,000,000.00	0.00
2005	Chapter 501	Capital Outlay	6,159,553.69	3,307,605.96	2,708,038.71
2005	Chapter 501	Facilities Revolving Fund	3,240,451.44	3,122,451.44	3,122,451.44
2005	Chapter 501	Highway Construction	76,000,000.00	76,000,000.00	76,000,000.00
2005	Chapter 502	Higher Education	29,923,545.01	23,665,882.78	5,459,538.21
2006	Chapter 962	Capital Outlay	137,350,530.74	73,342,745.41	53,482,513.85
2006	Chapter 962	Facilities Revolving Fund	9,784,043.46	8,403,368.64	8,350,026.99
2006	Chapter 962	ERP Software	35,039,930.67	30,659,930.67	26,279,930.67
2006	Chapter 962	Highway Construction	83,500,000.00	83,500,000.00	83,500,000.00
2007	Chapter 591	Capital Outlay	73,152,645.88	50,117,112.09	27,924,686.81
2007	Chapter 591	Higher Education - Board of Regents	6,522,227.00	6,522,227.00	6,267,806.03
2007	Chapter 591	Facilities Revolving Fund	21,557,114.80	19,825,337.48	12,941,723.54
2007	Chapter 591	Highway Construction	83,800,000.00	83,800,000.00	83,800,000.00
2008	Chapter 1119	Higher Education	5,307,507.78	2,600,994.77	2,600,994.77
2008	Chapter 1193	Highway Construction - State Route 840	82,800,000.00	55,200,000.00	27,600,000.00
2008	Chapter 1202	Capital Outlay	29,700,000.00	24,700,000.00	17,700,000.00
2008	Chapter 1202	Facilities Revolving Fund	20,524,277.49	19,824,982.42	19,636,870.56
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	63,431,785.63	4,920,600.71	4,829,318.02
2009	Chapter 552	Capital Outlay	187,852,676.14	139,255,669.65	98,132,966.33
2009	Chapter 552	Capital Outlay - E&CD Grants	56,900,000.00	1,953,224.83	0.00
2009	Chapter 552	Facilities Revolving Fund	2,300,000.00	1,089,343.81	1,064,599.26
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	13,200,000.00	13,200,000.00	8,680,000.00
2010	Chapter 1109	Facilities Revolving Fund	16,400,000.00	16,400,000.00	16,400,000.00
2010	Chapter 1109	Highway Construction	77,000,000.00	77,000,000.00	77,000,000.00
2010	Chapter 1109	Highway Construction - Bridges	87,500,000.00	87,500,000.00	87,500,000.00
2011	Chapter 277	Capital Outlay - E&CD Grants	106,400,000.00	32,393,420.32	16,927,942.68
2011	Chapter 470	Capital Outlay	61,600,000.00	61,600,000.00	56,080,000.00
2011	Chapter 470	Capital Outlay - Board of Regents	34,000,000.00	34,000,000.00	34,000,000.00
2011	Chapter 470	Capital Outlay - E&CD Grants	8,000,000.00	8,000,000.00	8,000,000.00
2011	Chapter 470	Facilities Revolving Fund	7,900,000.00	7,900,000.00	7,900,000.00
2011	Chapter 470	Highway Construction	74,000,000.00	74,000,000.00	74,000,000.00
2011	Chapter 470	Highway Construction - Bridges	87,500,000.00	87,500,000.00	87,500,000.00
2011	Chapter 472	Capital Outlay - E&CD Grants	150,000,000.00	0.00	0.00
2012	Chapter 1024	Capital Outlay	0.00	230,900,000.00	227,800,000.00
2012	Chapter 1024	Capital Outlay - Communication System	0.00	70,000,000.00	63,000,000.00
2012	Chapter 1024	Facilities Revolving Fund	0.00	1,000,000.00	1,000,000.00
2012	Chapter 1024	Highway Construction	0.00	80,000,000.00	80,000,000.00
Total Bonds Authorized and Unissued			\$ 2,221,633,693.56	\$ 1,995,906,222.93	1,729,327,801.96
Summary by Purpose:					
	Capital Outlay		\$ 996,797,753.19	\$ 804,042,308.89	\$ 652,512,356.04
	Facilities Revolving Fund		114,496,009.70	107,503,983.37	98,435,515.25
	Highway Construction		710,000,000.00	716,000,000.00	642,000,000.00
	Highway Construction - State Route 840		82,800,000.00	55,200,000.00	27,600,000.00
	Highway Construction - Bridges		262,500,000.00	262,500,000.00	262,500,000.00
	Data Processing Equipment		20,000,000.00	20,000,000.00	20,000,000.00
	ERP Software		35,039,930.67	30,659,930.67	26,279,930.67
Total Bonds Authorized and Unissued			\$ 2,221,633,693.56	\$ 1,995,906,222.93	\$ 1,729,327,801.96

* This column reflects bonds sold, cancelled, or to be cancelled in the current fiscal year.

**Bond Fund
Statement of Bonds Sold
July 1, 2010 - June 30, 2013**

<u>Year</u>	<u>Authority</u>	<u>Description</u>	<u>July 1, 2010 - June 30, 2011</u>	<u>July 1, 2011 - June 30, 2012</u>	<u>July 1, 2012 - June 30, 2013 *</u>
1994	Chapter 1010	Facilities Revolving Fund	\$ 510,000.00	\$ 0.00	\$ 0.00
1996	Chapter 952	Capital Outlay	0.00	96,335.15	0.00
1997	Chapter 535	Capital Outlay	0.00	16,771.95	0.00
1998	Chapter 1103	Facilities Revolving Fund	0.00	74,840.70	0.00
1999	Chapter 401	Facilities Revolving Fund	0.00	740,085.41	0.00
2000	Chapter 984	Capital Outlay	0.00	24,558.39	0.00
2000	Chapter 984	Facilities Revolving Fund	0.00	35,440.03	0.00
2001	Chapter 462	Capital Outlay	0.00	645,816.74	0.00
2001	Chapter 462	Facilities Revolving Fund	0.00	1,401,256.79	1,519,138.96
2002	Chapter 852	Capital Outlay	0.00	658,720.37	0.00
2003	Chapter 296	Capital Outlay	36,027.72	413,012.94	0.00
2003	Chapter 313	State Veterans' Homes - Refinancing	0.00	180,302.03	0.00
2003	Chapter 338	Facilities Revolving Fund	0.00	600,000.00	0.00
2004	Chapter 958	Capital Outlay	31,266,224.61	1,698,938.38	4,279,198.02
2004	Chapter 958	Facilities Revolving Fund	2,495,169.75	0.00	248,695.62
2005	Chapter 501	Capital Outlay	12,223,113.28	2,851,947.73	552,436.52
2005	Chapter 501	Facilities Revolving Fund	0.00	118,000.00	0.00
2005	Chapter 502	Higher Education	0.00	6,257,662.23	16,775,181.90
2006	Chapter 962	Capital Outlay	30,413,531.17	64,007,785.33	18,299,060.30
2006	Chapter 962	Facilities Revolving Fund	5,007,676.11	1,380,674.82	49,148.57
2007	Chapter 591	Capital Outlay	31,367,062.90	23,035,533.79	20,447,925.14
2007	Chapter 591	Facilities Revolving Fund	18,704,441.50	1,731,777.32	6,342,507.45
2008	Chapter 1119	Higher Education	412,492.22	2,706,513.01	0.00
2008	Chapter 1202	Capital Outlay	0.00	5,000,000.00	6,449,744.64
2008	Chapter 1202	Facilities Revolving Fund	2,725,722.51	699,295.07	173,324.78
2009	Chapter 3 ES	Capital Outlay - E&CD Grants	46,096,214.37	53,817,393.97	84,107.15
2009	Chapter 552	Capital Outlay	5,247,323.86	47,197,006.49	36,600,184.74
2009	Chapter 552	Capital Outlay - E&CD Grants	0.00	46,946,775.17	1,799,685.91
2009	Chapter 552	Facilities Revolving Fund	0.00	1,210,656.19	22,799.43
2010	Chapter 1109	Capital Outlay	0.00	0.00	4,164,692.25
2011	Chapter 277	Capital Outlay - E&CD Grants	0.00	50,252,900.00	14,249,768.79
2011	Chapter 470	Capital Outlay	0.00	0.00	5,086,084.35
2011	Chapter 472	Capital Outlay - E&CD Grants	0.00	150,000,000.00	0.00
2012	Chapter 1024	Capital Outlay	0.00	0.00	2,856,315.48
Total Bonds Sold			\$ 186,505,000.00	\$ 463,800,000.00	\$ 140,000,000.00
Summary by Purpose:					
		Capital Outlay	\$ 157,061,990.13	\$ 455,807,973.67	\$ 131,644,385.19
		Facilities Revolving Fund	29,443,009.87	7,992,026.33	8,355,614.81
		Total Bonds Sold	\$ 186,505,000.00	\$ 463,800,000.00	\$ 140,000,000.00

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

Bond Fund
Statement of Appropriations in Lieu of Issuing Bonds
July 1, 2010 - June 30, 2013

<u>Year</u>	<u>Authority</u>	<u>Description</u>	<u>July 1, 2010 - June 30, 2011</u>	<u>July 1, 2011 - June 30, 2012</u>	<u>July 1, 2012 - 6/30/2013 *</u>
2001	Chapter 462	Facilities Revolving Fund	\$ 0.00	\$ 0.00	\$ 129,604.25
2002	Chapter 852	Higher Education - Geier Settlement	1,300,000.00	0.00	0.00
2002	Chapter 852	Highway Construction	77,000,000.00	0.00	0.00
2003	Chapter 296	Highway Construction	0.00	74,000,000.00	0.00
2004	Chapter 958	Capital Outlay	0.00	0.00	365,076.72
2004	Chapter 958	Facilities Revolving Fund	0.00	0.00	21,217.29
2004	Chapter 958	Highway Construction	0.00	0.00	74,000,000.00
2005	Chapter 501	Capital Outlay	0.00	0.00	47,130.73
2005	Chapter 502	Higher Education	0.00	0.00	1,431,162.67
2006	Chapter 962	Capital Outlay	0.00	0.00	1,561,171.26
2006	Chapter 962	Facilities Revolving Fund	0.00	0.00	4,193.08
2006	Chapter 962	Enterprise Resource Planning Software	4,380,000.00	4,380,000.00	4,380,000.00
2007	Chapter 591	Capital Outlay	0.00	0.00	1,744,500.14
2007	Chapter 591	Higher Education - Board of Regents - MTSU	2,833,390.17	0.00	0.00
2007	Chapter 591	Higher Education - Board of Regents - Univ. of Memphis	477,773.00	0.00	254,420.97
2007	Chapter 591	Facilities Revolving Fund	829,000.00	0.00	541,106.49
2008	Chapter 1193	Highway Construction - State Route 840	27,600,000.00	27,600,000.00	27,600,000.00
2008	Chapter 1202	Capital Outlay	0.00	0.00	550,255.36
2008	Chapter 1202	Facilities Revolving Fund	0.00	0.00	14,787.08
2009	Chapter 3 ES	Capital Outlay - E&CD Grants	9,631,000.00	4,693,790.95	7,175.54
2009	Chapter 552	Capital Outlay	1,400,000.00	1,400,000.00	4,522,518.58
2009	Chapter 552	Capital Outlay - E&CD Grants	0.00	8,000,000.00	153,538.92
2009	Chapter 552	Facilities Revolving Fund	1,000,000.00	0.00	1,945.12
2010	Chapter 1109	Capital Outlay	0.00	0.00	355,307.75
2011	Chapter 277	Capital Outlay - E&CD Grants	0.00	23,753,679.68	1,215,708.85
2011	Chapter 470	Capital Outlay	0.00	0.00	433,915.65
2012	Chapter 1024	Capital Outlay	0.00	0.00	243,684.52
2012	Chapter 1024	Capital Outlay - Communication System	0.00	0.00	7,000,000.00
Total Appropriations in Lieu of Issuing Bonds			\$ 126,451,163.17	\$ 143,827,470.63	\$ 126,578,420.97

Summary by Purpose:

Capital Outlay	\$ 15,642,163.17	\$ 37,847,470.63	\$ 19,885,567.66
Facilities Revolving Fund	1,829,000.00	0.00	712,853.31
Highway Construction	77,000,000.00	74,000,000.00	74,000,000.00
Highway Construction - State Route 840	27,600,000.00	27,600,000.00	27,600,000.00
Enterprise Resource Planning Software	4,380,000.00	4,380,000.00	4,380,000.00

Total Appropriations in Lieu of Issuing Bonds

\$ 126,451,163.17 \$ 143,827,470.63 \$ 126,578,420.97

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

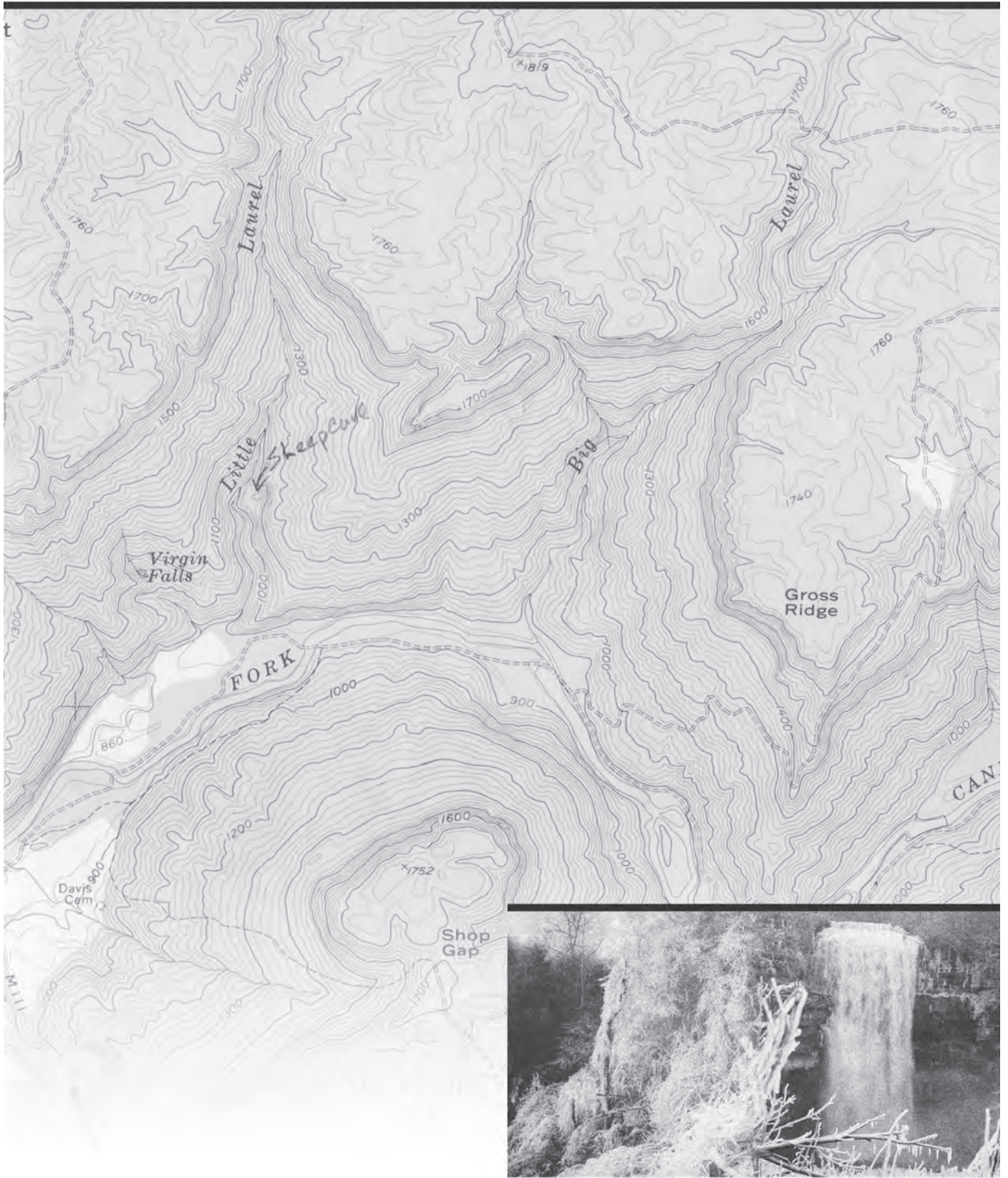
Note: State Funding Board resolution adopted June 30, 2011 repealed the following bond authorization:

2007 Chapter 591 Higher Education - Board of Regents - MTSU \$ 866,609.83

Bond Fund
Statement of Bonded Indebtedness
Principal and Interest on Bonded Debt
June 30, 2012

Fiscal Year	Outstanding Bonds		
	Principal	Interest	Total
2012 - 2013	\$ 139,896,000	\$ 74,759,000	\$ 214,655,000
2013 - 2014	133,780,000	71,244,000	205,024,000
2014 - 2015	129,054,000	65,225,000	194,279,000
2015 - 2016	124,406,000	59,655,000	184,061,000
2016 - 2017	119,606,000	54,292,000	173,898,000
2017 - 2018	112,563,000	48,693,000	161,256,000
2018 - 2019	105,014,000	43,677,000	148,691,000
2019 - 2020	102,393,000	38,926,000	141,319,000
2020 - 2021	95,937,000	34,417,000	130,354,000
2021 - 2022	96,072,000	30,134,000	126,206,000
2022 - 2023	89,124,000	25,921,000	115,045,000
2023 - 2024	88,894,000	22,168,000	111,062,000
2024 - 2025	80,642,000	18,848,000	99,490,000
2025 - 2026	80,876,000	15,653,000	96,529,000
2026 - 2027	74,553,000	12,492,000	87,045,000
2027 - 2028	71,006,000	9,687,000	80,693,000
2028 - 2029	65,267,000	6,552,000	71,819,000
2029 - 2030	40,931,000	3,711,000	44,642,000
2030 - 2031	30,668,000	1,868,000	32,536,000
2031 - 2032	22,815,000	528,000	23,343,000
Total	\$ 1,803,497,000	\$ 638,450,000	\$ 2,441,947,000

NOTE: The statement 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, 2012, outstanding principal was \$191,153,000 and interest was \$61,461,000.



Capital Outlay and Facilities Program

Capital Outlay and Facilities Program

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Capital Budget

Recommended Budget, Fiscal Year 2013-2014

A Capital Project begins when an agency or department identifies a need that can be met through the Capital Budget Process. At a designated point in the year, Agencies submit these project concepts to the Departments of General Services and Finance and Administration.

Upon receipt of the capital budget requests, a phased approach of review is undertaken by the Departments of General Services and Finance and Administration. The initial phase focuses on a needs assessment to establish priority and direction. During this phase, feasibility and/or market studies are performed to determine the viability of the project, project risks, and potential routes of implementation. The goal of the initial phase is to generate a recommendation regarding the disposition of the project. The next phase provides additional planning to develop better cost estimates. The end result of the above phased approach is the development and prioritization of a formal capital budget request. The various agencies and departments annually submit both their capital maintenance and capital improvement requests in priority order to the Department of Finance and Administration Division of Budget.

All capital budget requests are further reviewed on both a technical and financial basis upon receipt by the Department of Finance and Administration. The projects are analyzed for funding requirements and consistency with program goals and are reviewed within projected availability of funds in the budget for the requested fiscal year. If funds are deemed to be insufficient, individual projects may be deferred to be included in future budgets or rejected.

The Administration intends for the needs of departmental programs to be the impetus for all capital outlay, support program, and service requirements. Funding of projects is analyzed on priority of fiscal support for individual existing and new programs to find the best mix of capital improvements and maintenance to sustain and implement 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 has been done in the state's new prisons. When a capital project creates the need for additional operational funding, the operating costs are identified during the capital budget review and further reviewed in the development of the budget in the year when the new space is expected to be occupied.

Improvements to real property funded by public or private funds must be approved by the State Building Commission, comprised of seven ex-officio members: the Governor, the Secretary of State, the Comptroller of the Treasury, the Commissioner of Finance and Administration, the Treasurer, and the Speakers of the Senate and House of Representatives. The State Building Commission, in addition to supervising improvements to real property, oversees leases by state agencies and the demolition of structures located on state property.

The capital items presented in this document as recommendations to the General Assembly reflect projects meeting State Building Commission requirements and policy guidelines.

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 for health and safety issues, repairs 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 allocated to the individual state entities.

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 that requires the assistance of a design professional or costs \$100,000 or more.

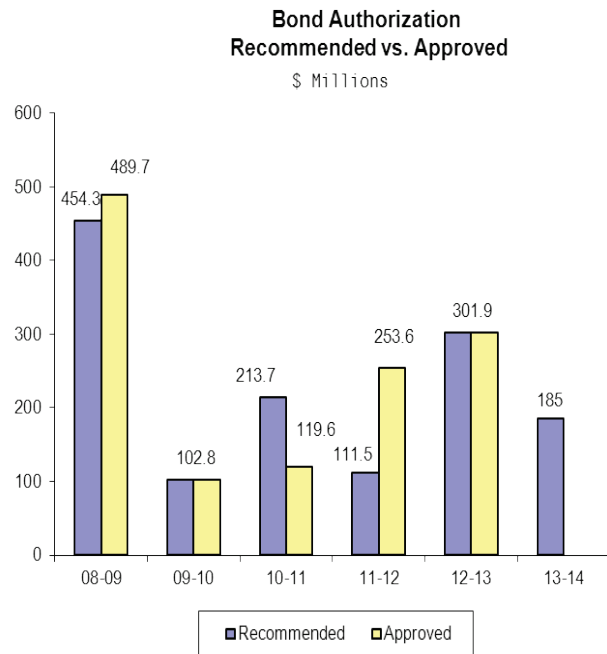
The 2013-2014 capital outlay budget recommends \$443,250,000 divided between capital improvement projects and capital maintenance requests. The recommendation includes \$307.3 million for higher education projects, \$30.25 million to add 512 new beds to the Bledsoe Correctional Complex, \$22 million for a new high school for the TN School for the Deaf, and various upgrades state facilities.

Capital Improvement Projects — Capital improvement projects recommended for fiscal year 2013-2014 total \$331,440,000, including \$125 million from state appropriation and \$140.3 million from bonds. Other funding sources account for the remainder of the total amount. Projects from dedicated sources of revenue are also recommended for the Tennessee Department of Transportation and Tennessee Wildlife Resources Agency totaling \$13,550,000.

Capital Maintenance — Capital maintenance projects are recommended at a level of \$111,810,000. A state appropriation of \$35,790,000 is requested along with a \$44.7 million bond authorization. Other funding sources account for the remainder of the total amount. These projects focus on maintaining current facilities, primarily through repair and renovation of roofing, mechanical, and electrical systems. Funding is also included to bring state facilities in line with federal standards for underground storage tanks, asbestos, and citizens with disabilities. The Tennessee Board of Regents and the University of Tennessee are also funded for modifications to assist in ADA compliance.

New Bond Authorizations — The Capital Budget includes a proposed bond authorization of \$185 million. This includes \$159 million for higher education projects, \$15 million for a new TN School for the Deaf High School, and \$11 million

to renovate and update facilities. Total capital maintenance, capital improvements, and Facilities Revolving Fund requests will require bond authorizations totaling \$185 million. The following chart compares the bond authorizations recommended with those approved by the General Assembly during the past several years.



Facilities Revolving Fund — Capital funding in the amount of \$133,930,000 is recommended for capital maintenance and capital improvement projects. A general fund state appropriation of \$133 million and \$930,000 in departmental funds combine to equal 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 — This section includes estimates of the first year operating costs resulting from proposed new construction. Differences 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 increased operating costs from the current budget are included in the schedule.

**Proposed Capital Appropriations
from Bonds, Current Funds and Other Revenues
Fiscal Year 2013-2014**

	<u>COUNTY</u>	<u>TOTAL</u>	<u>STATE</u>	<u>BONDS</u>	<u>FEDERAL</u>	<u>OTHER</u>
Correction						
Maintenance	Statewide	\$ 28,450,000	\$ 0	\$ 0	\$ 0	\$ 28,450,000
Various Facilities Checkpoint Buildings	Areawide	2,600,000	0	0	0	2,600,000
Bledsoe Correctional Complex Expansion	Bledsoe	30,250,000	0	0	0	30,250,000
Sub-Total Correction		\$ 61,300,000	\$ 0	\$ 0	\$ 0	\$ 61,300,000
Children's Services						
Maintenance	Statewide	\$ 1,210,000	\$ 1,210,000	\$ 0	\$ 0	\$ 0
Commerce and Insurance						
TN Fire Academy Backup Generator	Bedford	\$ 450,000	\$ 450,000	\$ 0	\$ 0	\$ 0
Education						
TN School for Deaf New High School & Demo.	Knox	\$ 22,000,000	\$ 7,000,000	\$ 15,000,000	\$ 0	\$ 0
York Institute Classroom Expansion	Fentress	3,250,000	3,250,000	0	0	0
Sub-Total Education		\$ 25,250,000	\$ 10,250,000	\$ 15,000,000	\$ 0	\$ 0
Environment and Conservation						
Maintenance	Statewide	\$ 3,200,000	\$ 3,200,000	\$ 0	\$ 0	\$ 0
State Parks Playground Equipment	Statewide	500,000	500,000	0	0	0
State Parks Small Projects	Statewide	500,000	500,000	0	0	0
Sub-Total Environment and Conservation		\$ 4,200,000	\$ 4,200,000	\$ 0	\$ 0	\$ 0
Finance and Administration						
State Architect Signage Impvts. Phase 2	Statewide	\$ 1,500,000	\$ 1,500,000	\$ 0	\$ 0	\$ 0
General Services						
Statewide Maintenance	Statewide	\$ 4,900,000	\$ 4,900,000	\$ 0	\$ 0	\$ 0
Emergency and Contingency Funds	Statewide	2,517,000	2,517,000	0	0	0
Capital Improvements Master Plan Phase 3	Statewide	3,000,000	3,000,000	0	0	0
Country Music Hall of Fame - Grant	Davidson	1,000,000	1,000,000	0	0	0
Hermitage Mansion Restoration P 3 - Grant	Davidson	660,000	660,000	0	0	0
Knoxville Botanical Garden & Arboretum - Grant	Knox	500,000	500,000	0	0	0
TN Aquarium Ecology Lab - Grant	Hamilton	500,000	500,000	0	0	0
New Chattanooga History Museum - Grant	Hamilton	500,000	500,000	0	0	0
Jonesborough Jackson Theater - Grant	Washington	100,000	100,000	0	0	0
Sub-Total General Services		\$ 13,677,000	\$ 13,677,000	\$ 0	\$ 0	\$ 0
Intellectual and Developmental Disabilities						
Maintenance	Statewide	\$ 6,420,000	\$ 720,000	\$ 5,700,000	\$ 0	\$ 0
Harold Jordan Center Renovations Phase 2	Davidson	2,850,000	550,000	2,300,000	0	0
Arlington Developmental Ctr. Cottages Demo.	Shelby	2,350,000	2,350,000	0	0	0
Ruilman Center Renovations Phase 2	Wilson	720,000	720,000	0	0	0
Sub-Total Intellectual and Developmental Disabilities		\$ 12,340,000	\$ 4,340,000	\$ 8,000,000	\$ 0	\$ 0
Historical Commission						
Ducktown Basin Museum Historic Restoration	Polk	\$ 550,000	\$ 550,000	\$ 0	\$ 0	\$ 0
Rocky Mount Museum - Land Acquisition	Washington	253,000	253,000	0	0	0
Sub-Total Historic Commission		\$ 803,000	\$ 803,000	\$ 0	\$ 0	\$ 0
Human Services						
Maintenance	Statewide	\$ 620,000	\$ 310,000	\$ 0	\$ 310,000	\$ 0

**Proposed Capital Appropriations
from Bonds, Current Funds and Other Revenues
Fiscal Year 2013-2014**

	COUNTY	TOTAL	STATE	BONDS	FEDERAL	OTHER
Military						
Maintenance	Statewide	\$ 3,270,000	\$ 1,660,000	\$ 0	\$ 1,610,000	\$ 0
Nashville HQ Building 100 Renovation	Davidson	2,790,000	1,410,000	0	1,380,000	0
Sub-Total Military		\$ 6,060,000	\$ 3,070,000	\$ 0	\$ 2,990,000	\$ 0
TriCor						
Maintenance	Statewide	\$ 3,950,000	\$ 990,000	\$ 2,960,000	\$ 0	\$ 0
Veterans Affairs						
Middle TN Cemetery 2 Buildings Demolition	Davidson	\$ 290,000	\$ 290,000	\$ 0	\$ 0	\$ 0
Veterans Homes Board						
Montgomery Co. Veterans Home Add. Funds	Montgomery	\$ 4,300,000	\$ 4,300,000	\$ 0	\$ 0	\$ 0
Tennessee Board of Regents						
Maintenance	Statewide	\$ 33,840,000	\$ 15,850,000	\$ 17,990,000	\$ 0	\$ 0
Nashville St. CC New Academic/Support Bldg.	Davidson	19,330,000	2,390,000	16,000,000	0	940,000
Northeast St. CC Technical Education Cpx.	Sullivan	33,230,000	9,730,000	22,000,000	0	1,500,000
Univ. of Memphis Community Health Facility	Shelby	56,750,000	4,440,000	40,000,000	0	12,310,000
Nissan Education & Training Facility	Areawide	35,400,000	35,400,000	0	0	0
Tennessee Technology Centers Additions	Various	800,000	0	0	0	800,000
APSU Trahern Bldg. Addition and Renovation	Montgomery	1,000,000	0	0	0	1,000,000
Jackson State CC Health Sciences Bldg.	Madison	1,000,000	0	0	0	1,000,000
ETSU Fine Arts Classroom Building	Washington	1,500,000	0	0	0	1,500,000
TSU Library Addition and Renovation	Davidson	1,000,000	0	0	0	1,000,000
TTU New Chemistry Bldg. and Infrastructure	Putnam	4,000,000	0	0	0	4,000,000
Sub-Total Tennessee Board of Regents		\$ 187,850,000	\$ 67,810,000	\$ 95,990,000	\$ 0	\$ 24,050,000
University of Tennessee						
Maintenance	Statewide	\$ 25,950,000	\$ 6,950,000	\$ 18,050,000	\$ 0	\$ 950,000
UTHSC Classroom & Laboratory Bldgs. Rnov.	Shelby	66,500,000	16,650,000	45,000,000	0	4,850,000
UTK Steam Plant Conversion to Natural Gas *	Knox	24,000,000	24,000,000	0	0	0
UTK Life Sciences Building Planning	Knox	3,000,000	0	0	0	3,000,000
Sub-Total University of Tennessee		\$ 119,450,000	\$ 47,600,000	\$ 63,050,000	\$ 0	\$ 8,800,000
Grand Total		\$ 443,250,000	\$ 160,800,000	\$ 185,000,000	\$ 3,300,000	\$ 94,150,000
Sub-Total Capital Maintenance		111,810,000	35,790,000	44,700,000	1,920,000	29,400,000
Sub-Total Capital Improvements		331,440,000	125,010,000	140,300,000	1,380,000	64,750,000
Sub-Total Higher Education:		\$ 307,300,000	\$ 115,410,000	\$ 159,040,000	\$ 0	\$ 32,850,000
Capital Maintenance		59,790,000	22,800,000	36,040,000	0	950,000
Capital Improvements		247,510,000	92,610,000	123,000,000	0	31,900,000
Sub-Total Other Agencies:		\$ 135,950,000	\$ 45,390,000	\$ 25,960,000	\$ 3,300,000	\$ 61,300,000
Capital Maintenance		52,020,000	12,990,000	8,660,000	1,920,000	28,450,000
Capital Improvements		83,930,000	32,400,000	17,300,000	1,380,000	32,850,000

* University of Tennessee - UTK Steam Plant Conversion to Natural Gas - Contingency Appropriation \$24 million - This appropriation is contingent upon the state's receiving revenue in the amount of \$29.7 million or more from the Tobacco MSA arbitration agreement. The estimated arbitration settlement revenue is non-recurring \$67.6 million in 2012-2013.

**Proposed Capital Maintenance Appropriations
from Bonds, Current Funds and Other Revenues
Fiscal Year 2013-2014**

	COUNTY	TOTAL	STATE	BONDS	FEDERAL	OTHER
Correction						
Various Facilities Upgrade Fire Alarm Systems Phase 2	Statewide	\$ 7,000,000	\$ 0	\$ 0	\$ 0	\$ 7,000,000
Bass and Turney Center Security Upgrades	Davidson	6,500,000	0	0	0	6,500,000
Luttrell Correctional Center Lock Replacement Phase 1	Shelby	5,000,000	0	0	0	5,000,000
Various Facilities ADA and Shower Upgrades	Statewide	500,000	0	0	0	500,000
Various Facilities Upgrade Sallyports Phase 2	Statewide	2,300,000	0	0	0	2,300,000
High Mast Lighting Systems Upgrade Phase 1	Statewide	1,500,000	0	0	0	1,500,000
Various Facilities Parking and Paving Repairs	Statewide	1,600,000	0	0	0	1,600,000
TPW/Turney Center Water Mgmt. Sys. Upgrade Phase 1	Davidson	1,500,000	0	0	0	1,500,000
Corrections Academy Classroom Technology Upgrades	Fayette	750,000	0	0	0	750,000
Various Facilities Staff Residences Upgrades	Statewide	1,800,000	0	0	0	1,800,000
Sub-Total Correction		\$ 28,450,000	\$ 0	\$ 0	\$ 0	\$ 28,450,000
Children's Services						
Mountain View YDC Door Replacement	Jefferson	\$ 190,000	\$ 190,000	\$ 0	\$ 0	\$ 0
Wilder YDC Infrastructure Upgrades	Fayette	1,020,000	1,020,000	0	0	0
Sub-Total Children's Services		\$ 1,210,000	\$ 1,210,000	\$ 0	\$ 0	\$ 0
Environment and Conservation						
Norris Dam SP CCC Structures Restoration	Anderson	\$ 1,400,000	\$ 1,400,000	\$ 0	\$ 0	\$ 0
Harrison Bay SP Campground Upgrade Phase 2	Hamilton	1,800,000	1,800,000	0	0	0
Sub-Total Environment and Conservation		\$ 3,200,000	\$ 3,200,000	\$ 0	\$ 0	\$ 0
General Services						
ADA Compliance	Statewide	\$ 800,000	\$ 800,000	\$ 0	\$ 0	\$ 0
Management Support Services	Statewide	1,000,000	1,000,000	0	0	0
Environmental Consultants	Statewide	1,000,000	1,000,000	0	0	0
State Owned Buildings OSHA Compliance	Statewide	800,000	800,000	0	0	0
Signage Improvements	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
Watkins College for Art, Design, and Film - Grant	Davidson	200,000	200,000	0	0	0
Sub-Total General Services		\$ 4,900,000	\$ 4,900,000	\$ 0	\$ 0	\$ 0
Human Services						
TN Rehabilitation Center Re-Roof Buildings C & F	Rutherford	\$ 620,000	\$ 310,000	\$ 0	\$ 310,000	\$ 0
Intellectual and Developmental Disabilities						
Greene Valley Developmental Center Essential Maint.	Greene	\$ 3,620,000	\$ 420,000	\$ 3,200,000	\$ 0	\$ 0
Arlington Developmental Center Essential Maintenance	Shelby	2,800,000	300,000	2,500,000	0	0
Sub-Total Intellectual and Developmental Disabilities		\$ 6,420,000	\$ 720,000	\$ 5,700,000	\$ 0	\$ 0
Military Department						
Jacksboro RC Re-Roof and Facility Update	Campbell	\$ 630,000	\$ 320,000	\$ 0	\$ 310,000	\$ 0
Chattanooga RC 4 Bldgs. Re-Roofs and Facility Updates	Hamilton	880,000	445,000	0	435,000	0
Gordonsville RC Re-Roof and Facility Update	Smith	570,000	290,000	0	280,000	0
Camden RC Re-Roof and Facility Update	Benton	640,000	325,000	0	315,000	0
Selmer RC Re-Roof and Facility Update	McNairy	550,000	280,000	0	270,000	0
Sub-Total Military Department		\$ 3,270,000	\$ 1,660,000	\$ 0	\$ 1,610,000	\$ 0
TriCor						
Essential Maintenance	Davidson	\$ 3,950,000	\$ 990,000	\$ 2,960,000	\$ 0	\$ 0

**Proposed Capital Maintenance Appropriations
from Bonds, Current Funds and Other Revenues
Fiscal Year 2013-2014**

	<u>COUNTY</u>	<u>TOTAL</u>	<u>STATE</u>	<u>BONDS</u>	<u>FEDERAL</u>	<u>OTHER</u>
Tennessee Board of Regents						
ADA Compliance	Statewide	\$ 800,000	\$ 800,000	\$ 0	\$ 0	\$ 0
Management Support Services	Statewide	1,500,000	1,500,000	0	0	0
TTC Crump and Ripley Interior/Exterior Updates	Areawide	350,000	350,000	0	0	0
TSU Roof Repair and Replacements	Davidson	1,250,000	250,000	1,000,000	0	0
MTSU Murphy Center Roof Replacement	Rutherford	2,720,000	520,000	2,200,000	0	0
Chattanooga St. CC Energy Plant & Omnplex Re-Roof	Hamilton	630,000	130,000	500,000	0	0
TTC Roof Replacements	Statewide	1,590,000	290,000	1,300,000	0	0
Jackson State CC McWherter Roof & Envelope Repairs	Madison	500,000	500,000	0	0	0
ETSU Elevator Updates	Washington	1,350,000	250,000	1,100,000	0	0
Walters State CC College Center HVAC Corrections	Hamblen	550,000	100,000	450,000	0	0
Cleveland State CC HVAC Updates	Bradley	400,000	400,000	0	0	0
ETSU CoM Building 2 Water System Replacement	Washington	500,000	500,000	0	0	0
APSU Underground Electrical Update	Montgomery	1,450,000	150,000	1,300,000	0	0
Pellissippi State CC HVAC Updates	Knox	500,000	500,000	0	0	0
UoM Academic Buildings HVAC Corrections	Shelby	6,000,000	1,500,000	4,500,000	0	0
Columbia State Warf Building HVAC Updates	Maury	490,000	490,000	0	0	0
Northeast St. CC Gray Campus Code & HVAC Updates	Washington	250,000	250,000	0	0	0
Volunteer State CC Mattox Building HVAC Updates	Sumner	500,000	500,000	0	0	0
Motlow State CC Underground Water Line Replacement	Moore	360,000	360,000	0	0	0
Dyersburg State CC Glover Building HVAC Updates	Dyer	310,000	310,000	0	0	0
Southwest TN CC Union Camp Mech. Systems Update	Shelby	1,240,000	440,000	800,000	0	0
Roane State CC Several Buildings HVAC Corrections	Roane	540,000	100,000	440,000	0	0
TTC Jackson/Paris Fire Alarm & Security Sys. Updates	Various	300,000	300,000	0	0	0
TTC Chiller Replacements	Statewide	1,390,000	290,000	1,100,000	0	0
TTU Building Upgrades	Putnam	3,160,000	660,000	2,500,000	0	0
UoM Building Code and Safety Updates	Shelby	1,000,000	200,000	800,000	0	0
ETSU Lighting Replacements	Washington	1,500,000	1,500,000	0	0	0
MTSU Central Plant Cooling Tower Replacement	Rutherford	810,000	810,000	0	0	0
TSU Utility Tunnel Stabilization	Davidson	1,500,000	1,500,000	0	0	0
Roane State CC Cumberland County Campus Re-Roof	Cumberland	400,000	400,000	0	0	0
Sub-Total Tennessee Board of Regents		\$ 33,840,000	\$ 15,850,000	\$ 17,990,000	\$ 0	\$ 0
University of Tennessee						
ADA Compliance	Statewide	\$ 800,000	\$ 800,000	\$ 0	\$ 0	\$ 0
UTC Central Energy System Expansion	Hamilton	8,700,000	1,200,000	7,500,000	0	0
UTM Building Envelope Upgrade	Weakley	2,350,000	350,000	2,000,000	0	0
UTK Cumberland Ave. Steam Line Replacement	Knox	6,000,000	1,000,000	4,050,000	0	950,000
UTHSC General Education Bldg. Systems Improvement	Shelby	5,000,000	500,000	4,500,000	0	0
UTIA Roof and Mechanical Systems Maintenance	Madison	3,100,000	3,100,000	0	0	0
Sub-Total University of Tennessee		\$ 25,950,000	\$ 6,950,000	\$ 18,050,000	\$ 0	\$ 950,000
Grand Total		\$ 111,810,000	\$ 35,790,000	\$ 44,700,000	\$ 1,920,000	\$ 29,400,000
Sub-Total Higher Education		\$ 59,790,000	\$ 22,800,000	\$ 36,040,000	\$ 0	\$ 950,000
Sub-Total Other		\$ 52,020,000	\$ 12,990,000	\$ 8,660,000	\$ 1,920,000	\$ 28,450,000

**Projects Funded from Dedicated Revenues
Fiscal Year 2013-2014**

	<u>COUNTY</u>	<u>TOTAL</u>	<u>STATE</u>	<u>BONDS</u>	<u>FEDERAL</u>	<u>OTHER</u>
Transportation						
Region 1 Replacement Saltbrine Building	Campbell	\$ 190,000	\$ 0	\$ 0	\$ 0	\$ 190,000
Region 1 Construct New Geotech Core Drill Storage Shed	Knox	80,000	0	0	0	80,000
Region 2 Construct New Hwy Marking Storage Building	Putnam	200,000	0	0	0	200,000
Region 2 Construct New Equipment Sheds	Areawide	420,000	0	0	0	420,000
Region 3 Replace 4 County Maintenance Buildings	Areawide	1,900,000	0	0	0	1,900,000
Region 4 New Equipment Sheds	Areawide	830,000	0	0	0	830,000
Region 3 Construct New TDOT Motor Pool Dispatch Office	Davidson	150,000	0	0	0	150,000
Region 1 New Stockroom and Compressor Storage	Hamblen	230,000	0	0	0	230,000
New Region 2 Complex Phase 2	Hamilton	5,000,000	0	5,000,000	0	0
Total Transportation		\$ 9,000,000	\$ 0	\$ 5,000,000	\$ 0	\$ 4,000,000
Tennessee Wildlife Resources Agency						
Nashville Central Office Mech./Electrical Upgrades	Davidson	\$ 3,430,000	\$ 0	\$ 0	\$ 2,570,000	\$ 860,000
Chuck Swan WMA Equipment Storage Building	Union	150,000	0	0	110,000	40,000
Flintville Fish Hatchery Equipment Storage Building	Lincoln	130,000	0	0	100,000	30,000
Big Springs Boating Area Boating Access Area	Sullivan	110,000	0	0	80,000	30,000
Tellico WMA Work Base and Equipment Shop	Monroe	730,000	0	0	550,000	180,000
Total Tennessee Wildlife Resources Agency		\$ 4,550,000	\$ 0	\$ 0	\$ 3,410,000	\$ 1,140,000
Total Dedicated Funds		\$ 13,550,000	\$ 0	\$ 5,000,000	\$ 3,410,000	\$ 5,140,000

Proposed Capital Projects from School Bonds and Other Sources Fiscal Year 2013-2014

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

	<u>TOTAL</u>	<u>TSSBA</u>	<u>INSTITUTIONAL/ AUXILIARY</u>	<u>OTHER</u>
State University and Community College System (Tennessee Board of Regents)				
Austin Peay State University				
AP Bowl Renovation	\$ 1,500,000	\$ 0	\$ 1,500,000	\$ 0
Baseball Field Lighting Replacement	600,000	0	600,000	0
Farm Building Replacement	280,000	0	280,000	0
Intermodal Transportation Facility	19,000,000	0	0	19,000,000
Shasteen Storage Building	140,000	0	140,000	0
Strawberry Alley Facility Renovations	1,300,000	0	1,300,000	0
Sevier Hall HVAC Replacement	1,800,000	1,800,000	0	0
Total APSU	\$ 24,620,000	\$ 1,800,000	\$ 3,820,000	\$ 19,000,000
East Tennessee State University				
Baseball Stadium Upgrades	\$ 4,500,000	\$ 0	\$ 0	\$ 4,500,000
Campus Green Space	1,000,000	0	1,000,000	0
D.P. Culp Center Renovation	3,500,000	0	3,500,000	0
Indoor Tennis Complex Construction	2,000,000	0	15,000	1,985,000
Campus Post Office Renovations	600,000	0	600,000	0
Stone Hall Renovations	3,500,000	0	3,500,000	0
Campus Housing Renovations	3,310,000	3,310,000	0	0
CoM Johnson City Family Medicine Facility Construction	7,750,000	7,750,000	0	0
Total ETSU	\$ 26,160,000	\$ 11,060,000	\$ 8,615,000	\$ 6,485,000
Middle Tennessee State University				
* MTSU Science Facilities Improvement	\$ 18,750,000	\$ 0	\$ 12,500,000	\$ 6,250,000
Total MTSU	\$ 18,750,000	\$ 0	\$ 12,500,000	\$ 6,250,000
Tennessee State University				
Parking Lot and Gate Control Improvements	\$ 300,000	\$ 0	\$ 300,000	\$ 0
Total TSU	\$ 300,000	\$ 0	\$ 300,000	\$ 0
Tennessee Technological University				
Fitness Center Fire Alarm System Update	\$ 150,000	\$ 0	\$ 150,000	\$ 0
Steam Plant Boiler Conversion	1,850,000	0	1,600,000	250,000
Total TTU	\$ 2,000,000	\$ 0	\$ 1,750,000	\$ 250,000
University of Memphis				
Annex Facility Completion	\$ 400,000	\$ 0	\$ 0	\$ 400,000
Mynders Hall Fire Alarm Replacement	300,000	0	300,000	0
Wilder Tower Renovations	500,000	0	500,000	0
* Univ. of Memphis Community Health Facility	12,310,000	0	12,310,000	0
Energy Conservation Measures	15,000,000	15,000,000	0	0
Norriswood Parking Garage Construction	22,100,000	20,500,000	0	1,600,000
Total UoM	\$ 50,610,000	\$ 35,500,000	\$ 13,110,000	\$ 2,000,000
Motlow State Community College				
Powers Auditorium Renovation	\$ 650,000	\$ 0	\$ 0	\$ 650,000
Total MSCC	\$ 650,000	\$ 0	\$ 0	\$ 650,000

**Proposed Capital Projects from School Bonds and Other Sources
Fiscal Year 2013-2014**

	<u>TOTAL</u>	<u>TSSBA</u>	<u>INSTITUTIONAL/ AUXILIARY</u>	<u>OTHER</u>
Nashville State Community College				
* Nashville St. CC New Academic/Support Building	\$ 940,000	\$ 0	\$ 940,000	\$ 0
Total NASCC	\$ 940,000	\$ 0	\$ 940,000	\$ 0
Northeast State Community College				
Campus Paving Replacement	\$ 180,000	\$ 0	\$ 180,000	\$ 0
* Northeast St. CC Technical Education Complex	1,500,000	0	1,500,000	0
Total NESCC	\$ 1,680,000	\$ 0	\$ 1,680,000	\$ 0
Pellissippi State Community College				
Division Street Expansion	\$ 2,000,000	\$ 0	\$ 2,000,000	\$ 0
Division Street Renovations	650,000	0	650,000	0
Baseball and Softball Field Improvements	500,000	0	500,000	0
Total PSCC	\$ 3,150,000	\$ 0	\$ 3,150,000	\$ 0
Roane State Community College				
Various Campus Security Updates	\$ 500,000	\$ 0	\$ 500,000	\$ 0
Campus Mechanical Systems Upgrades	2,400,000	0	2,400,000	0
Total RSCC	\$ 2,900,000	\$ 0	\$ 2,900,000	\$ 0
Volunteer State Community College				
Duffer Plaza Site Improvements	\$ 600,000	\$ 0	\$ 600,000	\$ 0
Loop Road Extension	3,000,000	0	3,000,000	0
New Maintenance Equipment Building	120,000	0	120,000	0
New Robertson County Academic Building	3,650,000	0	2,000,000	1,650,000
Paving, Parking, and Traffic Improvements	2,200,000	0	2,200,000	0
Wood Campus Cafeteria Renovations	3,000,000	0	3,000,000	0
Total VSCC	\$ 12,570,000	\$ 0	\$ 10,920,000	\$ 1,650,000
Walters State Community College				
Campus Entrance Corrections	\$ 730,000	\$ 0	\$ 730,000	\$ 0
Total WSCC	\$ 730,000	\$ 0	\$ 730,000	\$ 0
TTC Nashville				
Parking Lot Repairs	\$ 110,000	\$ 0	\$ 110,000	\$ 0
Total TTC Nashville	\$ 110,000	\$ 0	\$ 110,000	\$ 0
TBR Statewide Energy Initiative				
Various Energy Saving Projects	\$ 25,000,000	\$ 25,000,000	\$ 0	\$ 0
Total TBR Statewide Energy Initiative	\$ 25,000,000	\$ 25,000,000	\$ 0	\$ 0
Total Tennessee Board of Regents	\$ 170,170,000	\$ 73,360,000	\$ 60,525,000	\$ 36,285,000
University of Tennessee System				
University of Tennessee Knoxville				
Student Recreation Renovations and Improvements	\$ 30,000,000	\$ 25,000,000	\$ 5,000,000	\$ 0
* UTK Strong Hall Science Laboratory Facilities	18,750,000	18,750,000	0	0
Joint Institute for Advanced Materials Science Phase 2	10,000,000	5,000,000	5,000,000	0
Campus Beautification Projects	2,000,000	0	2,000,000	0
Environmental Initiatives	1,500,000	0	1,500,000	0
Governor's Chairs Renovations	5,000,000	0	5,000,000	0
Laboratories Renovation and Upgrades	6,000,000	0	6,000,000	0
Dining Services Improvements	600,000	0	600,000	0

**Proposed Capital Projects from School Bonds and Other Sources
Fiscal Year 2013-2014**

	<u>TOTAL</u>	<u>TSSBA</u>	<u>INSTITUTIONAL/ AUXILIARY</u>	<u>OTHER</u>
Parking Garage and Parking Lot Repairs	1,500,000	0	1,500,000	0
Deferred Maintenance	11,000,000	0	11,000,000	0
Classroom Upgrades	5,000,000	0	5,000,000	0
Cumberland Avenue Space Renovations	2,500,000	0	2,500,000	0
Total UT Knoxville	\$ 93,850,000	\$ 48,750,000	\$ 45,100,000	\$ 0
University of Tennessee Chattanooga				
Dining Services Improvements	\$ 1,500,000	\$ 0	\$ 1,500,000	\$ 0
Arena Renovations	3,100,000	0	1,600,000	1,500,000
Portable Buildings	1,200,000	0	1,200,000	0
West Campus Housing & Parking Complex	77,500,000	77,500,000	0	0
Total UT Chattanooga	\$ 83,300,000	\$ 77,500,000	\$ 4,300,000	\$ 1,500,000
UT Health Science Center				
Cancer Research Building 4th Floor Completion	\$ 4,800,000	\$ 4,800,000	\$ 0	\$ 0
Pharmacy Building 6th Floor Completion	5,000,000	5,000,000	0	0
* HSC Classroom & Laboratory Buildings Renovation	4,850,000	0	4,850,000	0
Total UTHSC	\$ 14,650,000	\$ 9,800,000	\$ 4,850,000	\$ 0
UT Martin				
Dining Services Improvements	\$ 2,000,000	\$ 0	\$ 2,000,000	\$ 0
Total UT Martin	\$ 2,000,000	\$ 0	\$ 2,000,000	\$ 0
Total University of Tennessee	\$ 193,800,000	\$ 136,050,000	\$ 56,250,000	\$ 1,500,000
Grand Total	\$ 363,970,000	\$ 209,410,000	\$ 116,775,000	\$ 37,785,000

* Funding reflects campus matching portion of higher education capital improvement projects funded in FY 2012-2013 budget and proposed in the FY 2013-2014 budget pursuant to THEC capital outlay guidelines as described in 2012 PC 1028, Section 2, Item 14 and the 2013 proposed appropriations bill.

Capital Outlay Project Descriptions Fiscal Year 2013-2014

	Total Project Cost
Correction	
Objective: Provide safe and secure facilities to house inmates.	
Maintenance	\$ 28,450,000
Funds to repair, maintain, and update facilities.	
Various Facilities Checkpoint Buildings	2,600,000
Funds are provided to construct new checkpoint buildings at the Tennessee Prison for Women, Southeastern Tennessee State Regional Correctional Facility, and Northwest Correctional Complex to provide updated security processing of all staff and visitors entering the institutions per TDOC policies and procedures.	
Bledsoe Correctional Complex Expansion	30,250,000
Funds are provided to construct two new 256-bed housing wings and associated program buildings for the current Bledsoe Correctional Complex.	
Sub-Total Correction	\$ 61,300,000
Children's Services	
Objective: Provide safe and secure surroundings for youth development residents.	
Maintenance	\$ 1,210,000
Funds to repair, maintain, and update facilities.	
Commerce and Insurance	
Objective: Provide training to emergency personnel.	
TN Fire Academy Backup Generator	\$ 450,000
Funds are provided for the acquisition and installation of a backup emergency power generator for the Tennessee Fire Academy dormitory and dining hall.	
Education	
Objective: Provide a safe and secure environment for learning.	
TN School for Deaf New High School and Demolition	\$ 22,000,000
Funds are provided to construct a new high school building and demolish the current Poole Hall building. The project will allow the campus to vacate four currently outdated and non-code compliant buildings into one central location to better serve the needs of the students.	
York Institute Classroom Expansion	3,250,000
Funds are provided to construct a new 14,000 square foot addition to the campus to accommodate the needs of the ROTC program. The current location of this program is not sufficient to meet the needs of this program, and will be back-filled to address other programmatic needs of the school.	
Sub-Total Education	\$ 25,250,000

Capital Outlay Project Descriptions Fiscal Year 2013-2014

	Total Project Cost
Environment and Conservation	
Objective: Increase visitation to the state's parks and historic areas.	
Maintenance Funds to repair, maintain, and update facilities.	\$ 3,200,000
State Parks Playground Equipment Funds will be used to repair or replace unsafe, non-ADA playground equipment at various parks within the State Parks system.	500,000
State Parks Small Projects Funds will provide for various projects at State Parks Facilities including playground equipment and other items to support public recreation.	500,000
Sub-Total Environment and Conservation	\$ 4,200,000
Finance and Administration	
Objective: Preserve and enhance public facilities.	
State Architect Signage Improvements Phase 2 Additional funding is provided for the continuation of the signage improvements at statewide facilities.	\$ 1,500,000
General Services	
Objective: Maintain, repair, and update general government facilities.	
Maintenance Funds to maintain, repair, and update general government facilities.	\$ 4,900,000
Emergency and Contingency Funds Funds to handle unforeseen and emergency situations that arise during the fiscal year.	2,517,000
Capital Improvements Master Plan Phase 3 Funds will continue the statewide facilities master planning project.	3,000,000
Country Music Hall of Fame - Grant Grant will provide support to the Country Music Hall of Fame and Museum capital campaign for expansion of the facility.	1,000,000
Hermitage Mansion Restoration Phase 3 - Grant Grant funds are provided to continue the restoration of the Hermitage.	660,000
Knoxville Botanical Garden and Arboretum - Grant Grant will provide support to the implement the facilities master plan for the Knoxville Botanical Garden and Arboretum; including entrance improvements, a visitors center, educational and program space, and related site improvements.	500,000
TN Aquarium Ecology Lab - Grant Grant funds are provided to the Tennessee Aquarium for building and equipment needs.	500,000

**Capital Outlay Project Descriptions
Fiscal Year 2013-2014**

	Total Project Cost
New Chattanooga History Museum - Grant Grant funds are provided for the new Chattanooga History Museum building and exhibit needs.	500,000
Jonesborough Jackson Theater - Grant Grant will provide funds to support the acquisition and renovation of the Jackson Theater to provide for public use.	100,000
Sub-Total General Services	\$ 13,677,000
Department of Intellectual and Developmental Disabilities Services	
Objective: Provide alternative residential settings for clients and plan for the future.	
Maintenance Funds to repair, maintain, and update facilities.	6,420,000
Harold Jordan Center Renovations Phase 2 Funds are provided for the interior demolition of a 32-bed secure facility to create a new 24-bed facility; consisting of 12 ICF/MR beds, 8 forensic beds, and 4 behavioral stabilization services beds. The project includes demolition of existing plumbing, electrical, and HVAC ductwork and replacement.	2,850,000
Arlington Developmental Center Cottages Demolition Funds are provided for the demolition of Mark Twain, Daniel Boone, and Davy Crockett cottages at the former Arlington Development Center. Project consists of abatement; building demolition and removal; removal of pavement, utilities, and site obstructions; and other site work.	2,350,000
Ruilman Center Renovations Phase 2 Funds are provided to improve ADA accessibility, parking, site improvements, interior upgrades, and mechanical and electrical upgrades. The project will also provide a new boat and fishing dock, and upgrade the facility kitchen.	720,000
Sub-Total Department of Intellectual and Developmental Disabilities Services	\$ 12,340,000
Historical Commission	
Objective: Protect, preserve, interpret, operate, maintain, and administer state historic sites.	
Ducktown Basin Museum Historic Restoration Funds are provided to provide historical restoration and programming to various buildings on site, and for an expansion to the current visitors center on site.	\$ 550,000
Rocky Mount Museum - Land Acquisition Funds are provided for the acquisition of land adjacent to the current Rocky Mount Museum state historic site.	253,000
Sub-Total Historical Commission	\$ 803,000

Capital Outlay Project Descriptions Fiscal Year 2013-2014

	Total Project Cost
Human Services	
Objective: Provide facilities to support comprehensive rehabilitation services in a positive and productive learning environment to people with disabilities.	
Maintenance	\$ 620,000
Funds to repair, maintain, and update facilities.	
Military	
Objective: Expand and renovate military facilities.	
Maintenance	\$ 3,270,000
Funds to repair, maintain, and update facilities.	
Nashville Headquarters Building 100 Renovation	2,790,000
Funds are provided to renovate building 100 to address code deficiencies, replace the roof, building system, and various interior updates to the facility.	
Sub-Total Military	\$ 6,060,000
TriCor	
Objective: Provide facilities to support the training of Tennessee inmates for successful integration into society.	
Maintenance	\$ 3,950,000
Funds to repair, maintain, and update facilities.	
Veterans Affairs	
Objective: Expand and renovate state veteran cemetery facilities.	
Middle TN Cemetery 2 Buildings Demolition	\$ 290,000
Funds are provided for the demolition of two existing uninhabitable stone houses on the cemetery grounds. Project will include hazardous waste abatement, sitework, and landscaping.	
Veterans Homes Board	
Objective: Expand and renovate state veteran long-term care facilities.	
Montgomery County Veterans Home Additional Funds	\$ 4,300,000
Funds are provided for addressing building systems upgrades and adding twelve additional beds to the planned 96-bed facility. Funds will also provide additional building equipment and furnishings.	
Tennessee Board of Regents	
Objective: Expand and enhance facilities to students and faculty needs.	
Maintenance	\$ 33,840,000
Funds to repair, maintain, and update higher education institution facilities. See Capital Maintenance Project Descriptions for additional details.	

**Capital Outlay Project Descriptions
Fiscal Year 2013-2014**

	Total Project Cost
<p>Nashville State CC New Academic/Support Building Funds are provided to construct a multi-purpose classroom building for the police science, education, horticulture and other campus programs. The facility will provide offices, classrooms, laboratories, gymnasium, workout area, and related equipment for the campus.</p>	19,330,000
<p>Northeast State CC Technical Education Complex Funds are provided for the demolition of the existing technology shop and lab buildings; and the construction of a new facility including additional educational classroom and laboratory space, faculty offices, and growth space.</p>	33,230,000
<p>University of Memphis Community Health Facility Funds are provided to construct a new School of Audiology and Speech Pathology, and the Lowenburg School of Nursing. This project will allow these programs to vacate outdated campus spaces and leased spaces to consolidate the programs in a central location on campus.</p>	56,750,000
<p>Nissan Education and Training Facility Funds are provided for construction of a new 154,000 square foot educational facility in conjunction with Nissan North America for development of workforce training initiatives. The facility will be operated by the Tennessee Board of Regents (TBR), and Nissan will rent from TBR approximately 79,000 square feet for employee training and use.</p>	35,400,000
<p>Tennessee Technology Centers Additions Funds are recognized from campus sources to plan for new academic and program space at the Chattanooga, Jackson, Paris, and Shelbyville technology centers.</p>	800,000
<p>APSU Trahern Building Addition and Renovation Funds are recognized from campus sources to plan the renovation and expansion of the Trahern Building to provide a creative and improved functional environment for the Art and Theatre Departments.</p>	1,000,000
<p>Jackson State CC Health Sciences Building Funds are recognized from campus sources to plan the expansion of the Allied Health programs and improved campus space utilization.</p>	1,000,000
<p>ETSU Fine Arts Classroom Building Funds are recognized from campus sources to plan for new performing arts building and programming to provide facilities for rehearsal, teaching, and public presentation of the performing arts.</p>	1,500,000
<p>TSU Library Addition and Renovation Funds are recognized from campus sources to plan for the renovation of the existing library facility and construction of additional space for use by the campus.</p>	1,000,000
<p>TTU New Chemistry Building and Infrastructure Funds are recognized from campus sources for planning the infrastructure upgrades and construction of a new campus Chemistry Building. The building will provide additional academic and office space for the Chemistry program and related programs.</p>	4,000,000
Sub-Total Tennessee Board of Regents	\$ 187,850,000

**Capital Outlay Project Descriptions
Fiscal Year 2013-2014**

	Total Project Cost
University of Tennessee	
Objective: Expand and enhance facilities to students and faculty needs.	
Maintenance	\$ 25,950,000
Funds to repair, maintain, and update higher education institution facilities. See Capital Maintenance Project Descriptions for additional details.	
UTHSC Classroom and Laboratory Buildings Renovation	66,500,000
Funds are provided to renovate the Crowe and Mooney buildings for administrative use, and renovate the Nash Building for laboratory and educational needs.	
UTK Steam Plant Conversion to Natural Gas	24,000,000
Funds are provided for the replacement of the current coal and fuel powered boilers to more efficient natural gas powered boilers. This project will reduce current carbon emissions by 40% per year and address a pending EPA requirement requiring the campus to reduce emissions. This appropriation is contingent upon the state receiving sufficient funds from the Tobacco Master Settlement Agreement (MSA) arbitration settlement.	
UTK Life Sciences Building Planning	3,000,000
Funds are recognized from campus sources to plan a new multidisciplinary science laboratory facility of approximately 222,000 square feet at Cumberland Ave. and 13th Street. This facility will house research and teaching laboratories, associated support services, faculty and departmental offices.	
Sub-Total University of Tennessee	\$ 119,450,000
Grand Total	\$ 443,250,000

**Capital Maintenance Project Descriptions
Fiscal Year 2013-2014**

	<u>Total Project Cost</u>
Correction	
Various Facilities Upgrade Fire Alarm Systems Phase 2 Phase 2 funds are provided to address upgrades fire alarm systems and kitchen hood systems statewide.	\$ 7,000,000
Bass and Turney Center Security Upgrades Funds are provided to upgrade exterior perimeter security systems for the two correctional sites.	6,500,000
Luttrell Correctional Center Lock Replacement Phase 1 Funds will provide phase 1 of a two-phase critical security system upgrade project to replace all cell door locking systems.	5,000,000
Various Facilities ADA and Shower Upgrades Funds will provide for the replacement of shower stall materials in 128 shower units in all guild institutions statewide and 12 ADA for medium custody housing units. Installation will be performed by in-house labor.	500,000
Various Facilities Upgrade Sallyports Phase 2 Funding for phase 2 of statewide sallyports upgrade project is provided to continue the upgrades of vehicle sallyports and pedestrian gates/traps statewide. This phase will upgrade these critical security features at the Charles Bass Correctional Complex - Site 1, Tennessee Prison for Women, and the Mark Luttrell Correctional Facility.	2,300,000
High Mast Lighting Systems Upgrade Phase 1 Funding is provided for phase 1 of a multi-phase security project to review existing high mast lighting systems coverage, placement, energy saving options, design; and system upgrades. Phase 1 will identify statewide needs and provide multiple site construction upgrades within available funding.	1,500,000
Various Facilities Parking and Paving Repairs Phase 1 funding is provided for a multi-phase security and infrastructure project to repave perimeter and related roadways, and parking areas at all institutions statewide.	1,600,000
TPW/Turney Center Water Management System Upgrade Phase 1 Phase 1 funding is provided for a multi-phase security and utility cost reduction project for installation of water management controls on medium and maximum security housing units' toilet and shower systems.	1,500,000
Corrections Academy Classroom Technology Upgrades Funds are provided for new IT network infrastructure and equipment to upgrade the educational training of users of the academy. Project will also replace various classroom furnishings and related equipment.	750,000
Various Facilities Staff Residences Upgrades Funds are provided for the renovation or replacement of approximately 27 residences maintained by the Department of Corrections at its facilities. The residences range in size from 1,200-1,500 square feet and have varying levels of need.	1,800,000
Sub-Total Correction	<u>\$ 28,450,000</u>

**Capital Maintenance Project Descriptions
Fiscal Year 2013-2014**

	Total Project Cost
Children's Services	
Mountain View YDC Door Replacement	\$ 190,000
Funds will be used to replace doors on twelve dorm rooms and two confinement rooms. The project will also address replacement of door frames and security hardware as needed.	
Wilder YDC Infrastructure Upgrades	1,020,000
Funds will address various paving, parking, and pedestrian sidewalks replacement and repairs, and drainage requirements.	
Sub-Total Children's Services	<u>\$ 1,210,000</u>
Environment and Conservation	
Norris Dam SP CCC Structures Restoration	\$ 1,400,000
Funds are provided for the restoration of the Tea Room and 19 cabins constructed by the Civilian Conservation Corps (CCC) in the 1930s. The project will restore the facilities to their historical form.	
Harrison Bay SP Campground Upgrade Phase 2	1,800,000
Funds will be used to renovate park infrastructure, campsites, and bathhouses in campground areas B and C.	
Sub-Total Environment and Conservation	<u>\$ 3,200,000</u>
General Services	
ADA Compliance	\$ 800,000
Capital maintenance activities associated with compliance with the Americans with Disabilities Act and other disabilities-related issues.	
Management Support Services	1,000,000
This project provides funding for consultant services regarding support for state construction-related activities.	
Environmental Consultants	1,000,000
This project provides environmental services expertise in mold identification and removal, asbestos identification and abatement, and other assistance to the State of Tennessee Real Estate Asset Management division of General Services.	
State Owned Buildings OSHA Compliance	800,000
Provide inspection and training services to building employees to insure compliance with OSHA directives.	
Signage Improvements	500,000
Funds will provide for various signage updates at state facilities.	
TPAC Annual Maintenance Grant	300,000
Grant to provide state maintenance assistance for the Tennessee Performing Arts Center.	

**Capital Maintenance Project Descriptions
Fiscal Year 2013-2014**

	Total Project Cost
National Civil Rights Museum Maintenance - Grant Grant to provide maintenance support to the National Civil Rights Museum in Memphis.	300,000
Watkins College of Art, Design, and Film - Grant Grant funds are provided to the Watkins College of Art, Film, and Design to address facility maintenance needs.	200,000
Sub-Total General Services	<u>\$ 4,900,000</u>
Human Services	
TN Rehabilitation Center Re-Roof Buildings C & F Funds are provided to replace the roofs on buildings C & F at the Tennessee Rehabilitation Center.	\$ 620,000
Intellectual and Developmental Disabilities	
Greene Valley Developmental Center Essential Maintenance Project will upgrade power to the Kirkwood and Laurel Residential Buildings; replace air handling units in the Central Services Building and four cottages; replace the chiller in the Cardwell building; and replace the roofs on eleven cottages and the gymnasium.	\$ 3,620,000
Arlington Developmental Center Essential Maintenance Funds are provided to replace the HVAC systems and demolish the existing cooling tower; replace the current energy management system controls; and convert the current air handler system to a variable volume system.	2,800,000
Sub-Total Intellectual and Developmental Disabilities	<u>\$ 6,420,000</u>
Military	
Jacksboro RC Re-Roof and Facility Update Funds are provided for a facility re-roof, exterior envelope repairs, mold mitigation, interior repairs, and related work.	\$ 630,000
Chattanooga RC 4 Buildings Re-Roofs and Facility Updates Funds are provided for a facility re-roofs, exterior envelope repairs, electrical repairs, interior repairs, and related work.	880,000
Gordonsville RC Re-Roof and Facility Update Funds are provided for a facility re-roof, exterior envelope repairs, mold mitigation, interior repairs, and related work.	570,000
Camden RC Re-Roof and Facility Update Funds are provided for a facility re-roof, exterior envelope repairs, mold mitigation, interior repairs, and related work.	640,000
Selmer RC Re-Roof and Facility Update Funds are provided for a facility re-roof, exterior envelope repairs, mold mitigation, interior repairs, and related work.	550,000
Sub-Total Military	<u>\$ 3,270,000</u>

Capital Maintenance Project Descriptions Fiscal Year 2013-2014

	Total Project Cost
TriCor	
Essential Maintenance	\$ 3,950,000
Funds are provided for the replacement of the TriCor facility roof, chiller system and two compressors needed for daily operations.	
Tennessee Board of Regents	
ADA Compliance	\$ 800,000
Capital maintenance activities associated with compliance with the Americans with Disabilities Act and other disabilities-related issues.	
Management Support Services	1,500,000
This project provides funding for consultant services regarding support for state construction-related activities.	
TTC Crump and Ripley Interior/Exterior Updates	350,000
Funds will provide for campus restrooms updates to comply with the Americans with Disabilities Act (ADA) standards. Main exterior entrance doors will be replaced with automatic opening systems to make entrances accessible to persons in wheelchairs. Security upgrades will also be included with this project.	
TSU Roof Repair and Replacements	1,250,000
Funds are provided to repair or replace roofs and related exterior envelope repairs for the Brown-Daniel Library, Power Plant, Central Receiving, Goodwill Manor, Clement Hall, and various other campus buildings.	
MTSU Murphy Center Roof Replacement	2,720,000
Funds are provided to replace the Murphy Center roof.	
Chattanooga State CC Energy Plant & Omniplex Re-Roof	630,000
Funds are provided to replace the roofs on the campus energy plant building and Omniplex buildings.	
TTC Roof Replacements	1,590,000
Project will provide facility re-roofs and repairs at various state technology centers.	
Jackson State CC McWherter Roof and Envelope Repairs	500,000
Funds are provided to replace the roof and associated building envelope repairs.	
ETSU Elevator Updates	1,350,000
Funds are provided to address elevator updates for various campus elevator systems to meet 2010 code requirements and ADA compliance; and provide safety upgrades, and reliability improvements.	
Walters State CC College Center HVAC Corrections	550,000
Project provides funds to install chilled water air handling units with hot water heating on the roof of the College Center Assembly Hall. The units are to be connected to the campus chilled water and hot water systems.	

Capital Maintenance Project Descriptions Fiscal Year 2013-2014

	Total Project Cost
<p>Cleveland State CC HVAC Updates Funds will provide upgrades to the HVAC system components and peripherals supporting the Library and Science Buildings.</p>	400,000
<p>ETSU CoM Building 2 Water System Replacement Funding will provide for the installation of a package chilled water system including all associated piping, pumps, valves, and controls at Building 2 on the College of Medicine campus.</p>	500,000
<p>APSU Underground Electrical Update Funds are provided to upgrade the existing electrical infrastructure that supplies power to classroom buildings.</p>	1,450,000
<p>Pellissippi State CC HVAC Updates Funding is provided to replace pneumatic control variable air volume boxes and air handling units at the Hardin Valley campus energy efficient digital control units. This project will also replace cooling tower #3 at the campus.</p>	500,000
<p>University of Memphis Academic Buildings HVAC Corrections Funds are provided to replace major HVAC components and systems in the Clement, Ellington, Mitchell, and Music buildings. The project will also replace the auxiliary boiler in Rose Theatre.</p>	6,000,000
<p>Columbia State Warf Building HVAC Updates Funds are provided to update and replace the current building HVAC system installed in 1967.</p>	490,000
<p>Northeast State CC Gray Campus Code & HVAC Updates Funds are provided to correct code deficiencies and update the HVAC system at the Gray campus.</p>	250,000
<p>Volunteer State CC Mattox Building HVAC Updates Phase 2 Additional funding is provided to replace all mechanical systems and associated infrastructure in the Mattox Building.</p>	500,000
<p>Motlow State CC Underground Water Line Replacement Fund are provided to replace the existing campus underground chill/hot water piping.</p>	360,000
<p>Dyersburg State CC Glover Building HVAC Updates Funds are provided to update the HVAC system and related Energy Management Controls at the Dale Glover Classroom Building.</p>	310,000
<p>Southwest TN CC Union Campus Mechanical Systems Update Funds are for the repair and replacement of various mechanical units and control systems in several buildings on the Union Campus.</p>	1,240,000
<p>Roane State CC Several Buildings HVAC Corrections Funds are provided to replace HVAC systems including controls in several campus buildings.</p>	540,000

Capital Maintenance Project Descriptions Fiscal Year 2013-2014

	Total Project Cost
<p>TTC Jackson/Paris Fire Alarm and Security Systems Updates Funds will be used to update the campus security system to provide cameras, video monitoring and recording devices, entrance locks, and new warning/alert audio systems, and re-keying locks for campus. Project will also update fire alarm system and campus emergency notification abilities.</p>	300,000
<p>TTC Chiller Replacements Funding is provided to replace chillers at Shelbyville and Morristown technology centers, and others as needed within the available funding.</p>	1,390,000
<p>TTU Building Upgrades Funding is provided to continue the building systems and space upgrades for the Brown, Henderson, Kittrell, Pennebaker, South, and T.J. Farr buildings.</p>	3,160,000
<p>UoM Building Code and Safety Updates Funding is provided to correct building code and safety items by installing life safety generators, elevators, and fire alarms; and upgrading deficient space in several education and general campus facilities.</p>	1,000,000
<p>ETSU Lighting Replacements Funds are provided to replace obsolete lighting fixtures in various ETSU buildings as required by the U.S. Department of Energy's fluorescent lighting mandate.</p>	1,500,000
<p>MTSU Central Plant Cooling Tower Replacement Project funds are provided to replace two existing cooling towers at the Central Utilities Plant for higher efficiency and tower maintenance.</p>	810,000
<p>TSU Utility Tunnel Stabilization Funds are provided to repair the utility tunnel spalling, anchoring hardware, and expansion hardware; waterproofing and water shedding; lighting; groundwater drainage; repairs to downshaft, ladder, and manhole conditions requiring correction. Project will also include installation of floor grating in priority areas and related work.</p>	1,500,000
<p>Roane State CC Cumberland County Campus Reroof Funds are provided to replace the roof for the Cumberland County campus building.</p>	400,000
Sub-Total Tennessee Board of Regents	\$ 33,840,000
 University of Tennessee	
<p>ADA Compliance Capital maintenance activities associated with compliance with the Americans with Disabilities Act and other disabilities-related issues.</p>	\$ 800,000
<p>UTC Central Energy System Expansion Funds are provided to upgrade the current energy system with the installation of a fourth 1,500-ton electric chiller and a 35,000 MBTU high temperature hot water generator, and a new 6,000 ton cooling tower. Project will also upgrade infrastructure and provide additional space for the new equipment.</p>	8,700,000

**Capital Maintenance Project Descriptions
Fiscal Year 2013-2014**

	Total Project Cost
<p>UTM Building Envelope Upgrade Funds will provide for window and exterior doors replacements at the Hall-Moody Administration Building, Hollands McComb Center, Communications Building, and Sociology Building.</p>	2,350,000
<p>UTK Cumberland Avenue Steam Line Replacement Funds are provided for the replacement of 1,500 square feet of 8" steam line with a 12" line, and the replacement of six steam vaults.</p>	6,000,000
<p>UTHSC General Education Building Systems Improvement Funds are provided for the upgrades to the building electrical, HVAC, and fire protection systems. This project will also address building envelope repairs.</p>	5,000,000
<p>UTIA Roof and Mechanical Systems Maintenance Funds are provided to replace the roof, chiller, and cooling system at the West TN Research and Education Headquarters building in Jackson. The project will also address HVAC system replacement at the Tennessee Agriculture Museum in Milan.</p>	3,100,000
Sub-Total University of Tennessee	\$ 25,950,000
Grand Total Capital Maintenance	\$ 111,810,000

**Projected First-Year Operating Costs for New Facilities
Recommended as Projects for Fiscal Year 2013-2014**

	<u>COUNTY</u>	<u>TOTAL</u>	<u>UTILITIES</u>	<u>MAINTENANCE</u>	<u>PROGRAM*</u>	<u>ADDITIONAL PERSONNEL</u>
Correction						
Various Facilities Checkpoint Buildings	Areawide	\$ 48,200	\$ 18,200	\$ 6,000	\$ 24,000	0
Bledsoe Correctional Complex Expansion	Bledsoe	10,328,300	719,700	81,100	9,527,500	137
		<u>\$10,376,500</u>	<u>\$ 737,900</u>	<u>\$ 87,100</u>	<u>\$ 9,551,500</u>	<u>137</u>
Commerce and Insurance						
TN Fire Academy Backup Generator	Bedford	\$ 30,000	\$ 30,000	\$ 0	\$ 0	0
Military						
Nashville HQ Building 100 Renovation	Davidson	\$ 20,000	10,000	5,000	5,000	0
Tennessee Board of Regents						
Nashville St. CC New Academic/Support Building	Davidson	\$ 430,000	45,000	70,000	315,000	5
Northeast St. CC Technical Education Complex	Sullivan	796,800	278,500	518,300	0	0
University of Memphis Community Health Facility	Shelby	1,509,700	540,300	969,400	0	0
		<u>\$ 2,736,500</u>	<u>\$ 863,800</u>	<u>\$ 1,557,700</u>	<u>\$ 315,000</u>	<u>5</u>
Grand Total		<u><u>\$13,163,000</u></u>	<u><u>\$ 1,641,700</u></u>	<u><u>\$ 1,649,800</u></u>	<u><u>\$ 9,871,500</u></u>	<u><u>142</u></u>

* 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	RC	Readiness Center
ADA	Americans with Disabilities Act	Re-Roof	Replacement Roof
Add.	Additional	RNOV	Renovation
AFRC	Armed Forces Reserve Center	RSCC	Roane State Community College
APSU	Austin Peay State University	SP	State Park
Bldgs.	Buildings	SRCF	Southeast Regional Correctional Facility
CC	Community College	STCC	Southwest Tennessee Community College
CCC	Civilian Conservation Corps	STREAM	State of TN Real Estate Asset Management
CHSCC	Chattanooga State Community College	Sys.	System
CLSCC	Cleveland State Community College	TN	Tennessee
COSCC	Columbia State Community College	TBR	Tennessee Board of Regents
CoM	College of Medicine	TDOT	Tennessee Department of Transportation
Cpx.	Complex	TEMA	Tennessee Emergency Management Agency
Ctr.	Center	THEC	Tennessee Higher Education Commission
DCS	Department of Children's Services	THP	Tennessee Highway Patrol
Demo	Demolition	TLETA	Tennessee Law Enforcement Training Academy
DOC	Department of Correction	TPAC	Tennessee Performing Arts Center
DSCC	Dyersburg State Community College	TPS	Tennessee Preparatory School
EMS	Energy Management System	TPW	Tennessee Prison for Women
ETSU	East Tennessee State University	TRC	Tennessee Rehabilitation Center
HVAC	Heating, Ventilation, & Air Conditioning	TSU	Tennessee State University
HQ	Headquarters	TTCs	Tennessee Technology Centers
Impvts.	Improvements	TTU	Tennessee Technological University
Info.	Information	TWRA	Tennessee Wildlife Resources Agency
IT	Information Technology	T3	Transforming Tennessee for Tomorrow
JSCC	Jackson State Community College	Univ	University
Maint.	Maintenance	UOM	University of Memphis
Mech.	Mechanical	UTHSC	University of Tennessee Health Science Center
Mgmt.	Management	UTC	University of Tennessee Chattanooga
MHI	Mental Health Institute	UTIA	University of Tennessee Institute of Agriculture
MSCC	Motlow State Community College	UTK	University of Tennessee Knoxville
MTSU	Middle Tennessee State University	UTM	University of Tennessee Martin
NESCC	Northeast State Community College	UT	University of Tennessee
NGB	National Guard Bureau	VSCC	Volunteer State Community College
NASCC	Nashville State Community College	WSCC	Walters State Community College
OSHA	Occupational Safety & Health Administration	WTSP	West Tennessee State Penitentiary
PSCC	Pellissippi State Community College	YDC	Youth Development Center

Facilities Revolving Fund

Recommended Budget, Fiscal Year 2013-2014

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 rental rate based on usage, location, and 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 space, 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.

FRF is managed by the Department of General Services, with some management support from the Department of Finance and Administration. General Services operates, maintains, and manages FRF facilities, and constructs and renovates facilities through the State of Tennessee Real Estate Asset Management (STREAM) division, with approval of the State Building Commission. The division also provides capital projects pre-planning, lease transaction management, legal oversight, real estate management, space planning, space assignment, interior design, relocation services, and furniture to agencies.

	<u>Actual</u> <u>2011-2012</u>	<u>Estimated</u> <u>2012-2013</u>	<u>Base</u> <u>2013-2014</u>
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501.01 Facilities Operations

The Department of General Services STREAM division maintains the daily upkeep of FRF facilities through Facilities Operations. Items such as contracts for utilities, janitorial, security and other on-going services are funded through this allotment.

Payroll	0	0	0
Operational	60,683,100	60,866,600	61,866,600
Total	\$60,683,100	\$60,866,600	\$61,866,600
State	7,517,200	7,517,200	8,517,200
Federal	0	0	0
Other	53,165,900	53,349,400	53,349,400

501.02 Facilities Maintenance

The Department of General Services STREAM division makes standard repairs and handles regular maintenance of FRF facilities within Facilities Maintenance. Major unexpected equipment failures as well as painting walls, repairing doors, and stopping leaks are paid from this allotment.

Payroll	0	0	0
Operational	2,377,000	5,100,000	4,000,000
Total	\$2,377,000	\$5,100,000	\$4,000,000
State	0	1,100,000	0
Federal	0	0	0
Other	2,377,000	4,000,000	4,000,000

	<u>Actual</u> <u>2011-2012</u>	<u>Estimated</u> <u>2012-2013</u>	<u>Base</u> <u>2013-2014</u>
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501.03 Leases and Space Planning

The Department of General Services STREAM division allocates, 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 Leases and Space Planning allotment.

Payroll	0	0	0
Operational	46,681,500	58,907,200	63,207,200
Total	\$46,681,500	\$58,907,200	\$63,207,200
State	0	9,847,600	14,147,600
Federal	0	0	0
Other	46,681,500	49,059,600	49,059,600

501.04 FRF Capital Projects

The Department of General Services STREAM division coordinates new construction and maintenance activities for the state-owned facilities managed by FRF. Included in the recommended FRF Capital Projects budget are funds for statewide capital outlay projects and capital maintenance projects.

Payroll	0	0	0
Operational	3,009,700	136,687,300	133,930,000
Total	\$3,009,700	\$136,687,300	\$133,930,000
State	0	122,770,000	133,000,000
Federal	0	0	0
Other	3,009,700	13,917,300	930,000

501.05 FRF Debt Service

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

Payroll	0	0	0
Operational	26,252,600	25,900,000	36,800,000
Total	\$26,252,600	\$25,900,000	\$36,800,000
State	0	0	12,900,000
Federal	0	0	0
Other	26,252,600	25,900,000	23,900,000

501.00 Total Facilities Revolving Fund

Payroll	0	0	0
Operational	139,003,900	287,461,100	299,803,800
Total	\$139,003,900	\$287,461,100	\$299,803,800
State	7,517,200	141,234,800	168,564,800
Federal	0	0	0
Other	131,486,700	146,226,300	131,239,000

**Facilities Revolving Fund (FRF)
 Additional Proposed Capital Appropriations
 from Bonds, General Fund, and FRF Current Funds
 Fiscal Year 2012-2013**

	<u>COUNTY</u>	<u>TOTAL</u>	<u>GENERAL FUND CURRENT</u>	<u>FRF CURRENT</u>	<u>BONDS</u>	<u>OTHER</u>
2012 Bond and Appropriations Acts		\$ 141,587,300	\$ 121,770,000	\$ 2,780,000	\$1,000,000	\$ 16,037,300
2013 Appropriations Bill						
Office Modernization Additional Funds	Statewide	1,000,000	1,000,000	0	0	0
Total 2012-2013 FRF Capital Outlay		<u>\$ 142,587,300</u>	<u>\$ 122,770,000</u>	<u>\$ 2,780,000</u>	<u>\$ 1,000,000</u>	<u>\$ 16,037,300</u>

**Facilities Revolving Fund (FRF)
Proposed Capital Appropriations
From Bonds, General Fund, and FRF Current Funds
Fiscal Year 2013-2014**

	COUNTY	TOTAL	GENERAL FUND	FRF		
			CURRENT	CURRENT	BONDS	OTHER
Capital Improvements:						
John Sevier Building Fire Alarm and Building Updates	Davidson	\$ 15,000,000	\$ 15,000,000	\$ 0	\$ 0	\$ 0
Cordell Hull/Central Services Building Demolition	Davidson	6,400,000	6,400,000	0	0	0
Agriculture Metrology Laboratory Construction	Davidson	4,980,000	4,980,000	0	0	0
Office Modernization Additional Funds	Statewide	7,700,000	7,700,000	0	0	0
State Building Audio/Video Infrastructure Upgrades	Statewide	9,100,000	9,100,000	0	0	0
Energy Conservation Pilot Project	Statewide	3,000,000	3,000,000	0	0	0
Citizens Plaza Building Entrance Improvements	Davidson	1,560,000	1,560,000	0	0	0
State Buildings Wireless Internet Infrastructure	Statewide	2,160,000	2,160,000	0	0	0
Emergency and Contingency Funds	Statewide	2,050,000	2,050,000	0	0	0
Total Capital Improvements		\$ 51,950,000	\$ 51,950,000	\$ 0	\$ 0	\$ 0
Capital Maintenance:						
Citizens Plaza Fire Alarm System Replacement	Davidson	\$ 930,000	\$ 0	\$ 930,000	\$ 0	\$ 0
Ellington Moss Building Fire/Security Upgrades	Davidson	290,000	290,000	0	0	0
Various Buildings Bus Duct Repairs	Statewide	8,000,000	8,000,000	0	0	0
Ellington Complex Barn and Arena Interior Renovations	Davidson	300,000	300,000	0	0	0
Cordell Hull/Central Services Buildings Master Plan	Davidson	13,500,000	13,500,000	0	0	0
Four State Office Buildings Master Plan	Statewide	12,800,000	12,800,000	0	0	0
Snodgrass/TN Tower Elevator System Modernization	Davidson	6,010,000	6,010,000	0	0	0
Andrew Jackson Building Elevator Controls Update	Davidson	3,250,000	3,250,000	0	0	0
James K. Polk Building HVAC and EMS Upgrades	Davidson	13,750,000	13,750,000	0	0	0
James K. Polk Building Roof Replacement	Davidson	690,000	690,000	0	0	0
Legislative Cpx. Mechanical & Electrical Upgrades Planning	Davidson	2,700,000	2,700,000	0	0	0
War Memorial Building Exterior Renovations	Davidson	8,100,000	8,100,000	0	0	0
East Tennessee Regional Health Office Re-Roof	Washington	260,000	260,000	0	0	0
THP District 6 Headquarters Roof Replacement	Putnam	160,000	160,000	0	0	0
State Capitol Landscape Plan Implementation	Davidson	3,800,000	3,800,000	0	0	0
Centennial Boulevard Warehouse Paving Repairs	Davidson	1,790,000	1,790,000	0	0	0
Safety Ezell Pike Multi-Purpose Garage Re-Roof	Davidson	860,000	860,000	0	0	0
Citizens Plaza Building Roof Replacement	Davidson	840,000	840,000	0	0	0
Jackson Supreme Court Bldg. Roof Replacement	Madison	470,000	470,000	0	0	0
Capitol Hill Retaining Wall Repairs	Davidson	380,000	380,000	0	0	0
Ellington Cpx. Porter Lab Roof Replacement	Davidson	220,000	220,000	0	0	0
Clover Bottom Plantation Repairs and Landscaping	Davidson	980,000	980,000	0	0	0
Andrew Jackson HVAC Renovation Phase 2	Davidson	1,900,000	1,900,000	0	0	0
Sub-Total Capital Maintenance		\$ 81,980,000	\$ 81,050,000	\$ 930,000	\$ 0	\$ 0
Grand Total		\$ 133,930,000	\$ 133,000,000	\$ 930,000	\$ 0	\$ 0

Proposed Facilities Revolving Fund Project Descriptions Fiscal Year 2013-2014

Objective: Provide efficient management of state facilities.

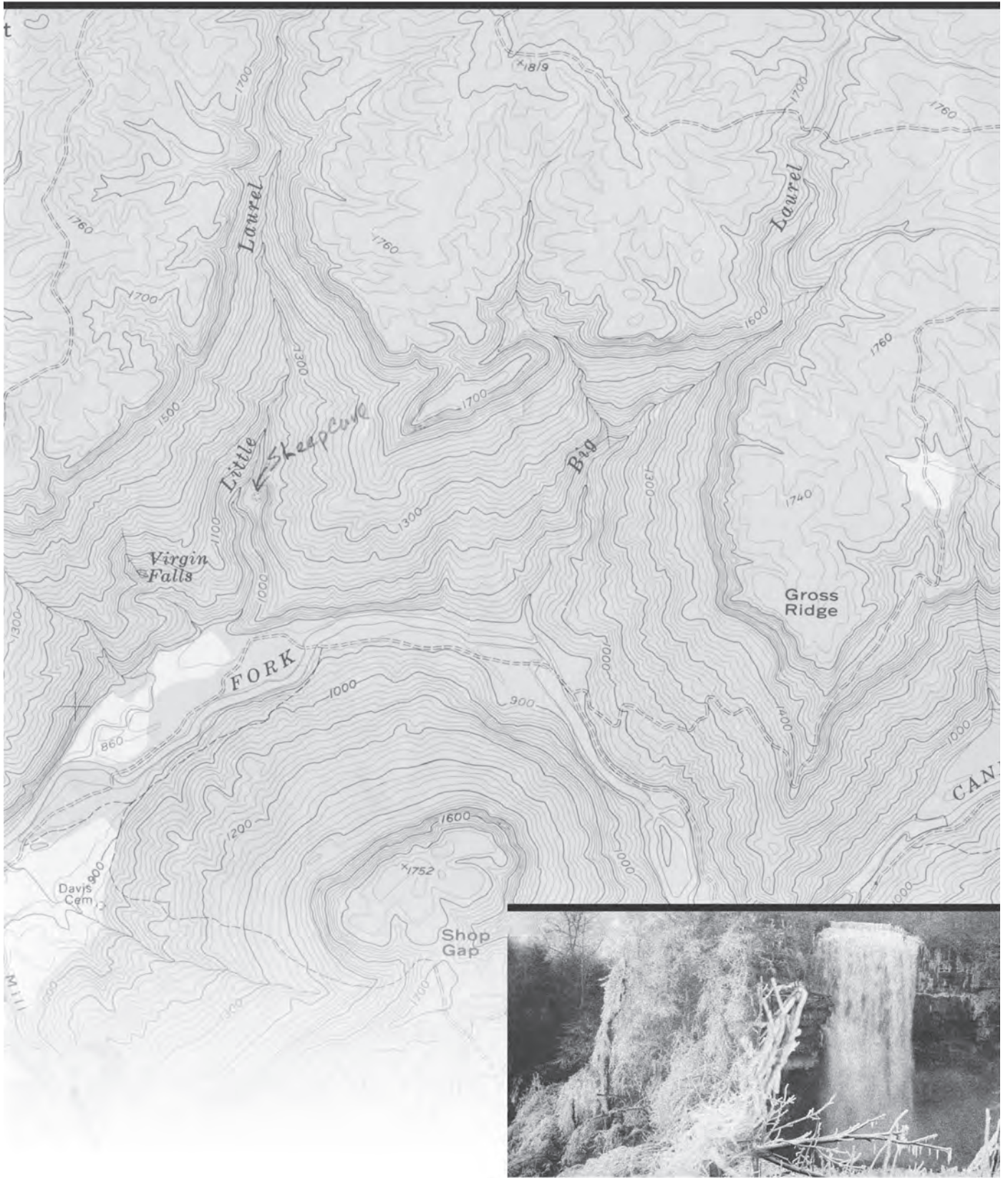
	Total Project Cost
Capital Improvements:	
<p>John Sevier Building Fire Alarm and Building Updates Funds are provided for building renovations and upgrades to include mechanical, electrical, lighting, plumbing and fire alarm systems; upgrade interior finishes throughout the building; and restroom updates.</p>	\$ 15,000,000
<p>Cordell Hull/Central Services Building Demolition Funds are provided for razing the Cordell Hull and Central Services State Office Buildings. The project will include all related work.</p>	6,400,000
<p>Agriculture Metrology Laboratory Construction Funds are provided to construct a new metrology laboratory at the Ellington Agricultural Center to meet the TCA and National Institute of Standards and Technology certification requirements for the state weights and measures program.</p>	4,980,000
<p>Office Modernization Additional Funds Funding is provided for the completion of the statewide office modernization initiative, Transforming Tennessee for Tomorrow (T3).</p>	7,700,000
<p>State Building Audio/Video Infrastructure Upgrades Funds are provide to plan and implement a state office buildings audio/video infrastructure project for shared conference areas in state buildings.</p>	9,100,000
<p>Energy Conservation Pilot Project Funds are provided to develop a pilot project on sustainable energy usage and identify future energy savings opportunities for state buildings.</p>	3,000,000
<p>Citizens Plaza Building Entrance Improvements Funds are provided to upgrade the building entrances, vestibules, lobbies, restroom facilities, and elevator lobbies at the Charlotte Avenue and Deaderick Street entrances.</p>	1,560,000
<p>State Buildings Wireless Internet Infrastructure Funds are provided to develop wireless internet access throughout the state office buildings identified as part of the T3 project, recognizing the programmatic needs of the end-users.</p>	2,160,000
<p>Emergency and Contingency Funds Funds to handle unforeseen and emergency situations that arise during the fiscal year.</p>	2,050,000
Total Capital Improvements	\$ 51,950,000
Capital Maintenance:	
<p>Citizens Plaza Fire Alarm System Replacement Funds are provided for replacement of the existing fire alarm system in the Citizen Plaza State Office Building to include the installation of a new main fire alarm access control panel and replacement of fire alarm devices on office levels 1, 6, 7, 8, 9, 10, 12, 13, 14, and the penthouse.</p>	\$ 930,000

Proposed Facilities Revolving Fund Project Descriptions Fiscal Year 2013-2014

<p>Ellington Moss Building Fire/Security Upgrades</p> <p>Funds are provided for the installation of a fire alarm system and security system in the Moss building and three other buildings.</p>	290,000
<p>Various Buildings Bus Duct Repairs</p> <p>Funds are provided for the replacement of bus ducts and related electrical modifications in various state office buildings including the TN Tower, James K. Polk, Rachel Jackson, Citizens Plaza, Davy Crockett, and Andrew Johnson buildings.</p>	8,000,000
<p>Ellington Complex Barn and Arena Interior Renovations</p> <p>Funding is provided to upgrade the existing restrooms including finishes, HVAC, plumbing, and lighting. This project will also make the two restrooms in the facility ADA compliant.</p>	300,000
<p>Cordell Hull/Central Services Buildings Master Plan</p> <p>Funds are provided to address the relocation and housing costs of state offices that will be vacating these buildings as they are decommissioned. Funds are also provided to address the long-term state housing opportunities.</p>	13,500,000
<p>Four State Office Buildings Master Plan</p> <p>Funds are provided to address the relocation and housing costs of state offices that will be vacating the TRA Building in Nashville, the Donnelly J. Hill Building in Memphis, and two Chattanooga State Office Buildings. Funds are also provided to decommission these buildings and address the long-term state housing opportunities.</p>	12,800,000
<p>Snodgrass/TN Tower Elevator System Modernization</p> <p>Funds will provide for various upgrades to the twelve elevators in the building. Project will include repairs and replacement of elevator systems mechanical equipment, elevator cabs, and a new destination dispatch control system.</p>	6,010,000
<p>Andrew Jackson Building Elevator Controls Update</p> <p>Funds will provide upgraded elevator equipment and controls, including a new destination dispatch control system.</p>	3,250,000
<p>James K. Polk Building HVAC and Energy Management System Upgrades</p> <p>Funds are provided for upgrades to the building HVAC end energy management systems; including replacement of chilled and hot water pumps, pressure reducing valves, domestic water pumps, air handling units, variable air volume boxes, and controls. This project will include associated electrical and interior modifications.</p>	13,750,000
<p>James K. Polk Building Roof Replacement</p> <p>Funds are provided to replace the roof on the building H level including the penthouse and Polk Theatre areas. This project will include all related work.</p>	690,000
<p>Legislative Complex Mechanical and Electrical Upgrades Planning</p> <p>Funds are provided to plan and develop the scope of a project for the replacement of the Legislative Plaza and War Memorial Building systems, including HVAC, electrical, lighting, plumbing, and fire protection. Planning efforts will also focus on the buildings' telecommunication cabling, and interior finishes.</p>	2,700,000
<p>War Memorial Building Exterior Renovations</p> <p>Funds are provided for the exterior renovation of the War Memorial Building. Work will include window replacement, stone repair and cleaning, repointing of building joints, restoration of exterior doors, roof replacement, and other exterior modifications.</p>	8,100,000

Proposed Facilities Revolving Fund Project Descriptions Fiscal Year 2013-2014

<p>East Tennessee Regional Health Office Re-Roof Funds are provided to replace the current roof of both the main building and annex. This project will include all related work.</p>	260,000
<p>THP District 6 Headquarters Roof Replacement Funds are provided to replace the current roofing system, insulation, gutters, downspouts, and flashings. This project will also address related drainage issues.</p>	160,000
<p>State Capitol Landscape Plan Implementation Funds are provided to repair and reconfigure various site fixtures of the State Capitol Complex grounds. Work is based on the Capitol Commission master plan recommendations.</p>	3,800,000
<p>Centennial Boulevard Warehouse Paving Repairs Funding is provided for asphalt and concrete paving repairs and related drainage modifications at the Centennial Boulevard Warehouse.</p>	1,790,000
<p>Safety Ezell Pike Multi-Purpose Garage Re-Roof Funds are provided to replace the current roofing system, insulation, gutters, downspouts, and flashings.</p>	860,000
<p>Citizens Plaza Building Roof Replacement Funds are provided to replace the current roofing system, insulation, gutters, downspouts, and flashings. This project will also provide a lightning protection system for the building.</p>	840,000
<p>Jackson Supreme Court Building Roof Replacement Funds are provided to replace the current roofing system, insulation, gutters, downspouts, and flashings. This project will include removal of the existing cooling tower and abatement of hazardous materials.</p>	470,000
<p>Capitol Hill Retaining Wall Repairs Funding is provided for the repair and stabilization of the existing stone retaining wall along Eakin Weakly Drive. Funds are also provided to address related drainage corrections.</p>	380,000
<p>Ellington Complex Porter Lab Roof Replacement Funds are provided to replace the current roofing system, metal decking, insulation, gutters, flashings, and related work.</p>	220,000
<p>Clover Bottom Plantation Repairs and Landscaping Funding is provided for various repairs and preservation of various historically significant structures such as two dwelling houses, a carriage house, a horse barn, and other buildings. Funds are also provided to address landscaping repairs and modifications to the grounds including walking trails and a meadow.</p>	980,000
<p>Andrew Jackson HVAC Renovation Phase 2 Funding is provided to complete the HVAC renovation project at the Andrew Jackson Building.</p>	1,900,000
<p>Total Capital Maintenance</p>	<hr style="border: 1px solid black;"/> \$ 81,980,000
<p>Grand Total FRF Capital Outlay</p>	<hr style="border: 1px solid black;"/> <hr style="border: 1px solid black;"/> \$ 133,930,000



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 2011-2012, 2012-2013, and 2013-2014

	Actual 2011-2012	Estimated 2012-2013	Recommended 2013-2014
General Fund and Education Fund			
301.00 Legislature	\$ 36,284,700	\$ 39,625,800	\$ 39,879,300
301.50 Fiscal Review Committee	1,267,400	1,416,100	1,428,100
302.00 Court System	109,008,900	114,012,900	114,975,100
303.00 Attorney General and Reporter	19,292,500	21,475,100	22,029,700
304.00 District Attorneys General Conference	67,398,000	73,492,800	74,500,900
305.00 Secretary of State	23,295,800	27,365,000	27,548,300
306.00 District Public Defenders Conference	38,708,500	43,350,400	45,164,000
307.00 Comptroller of the Treasury	64,458,000	74,587,100	75,494,200
308.00 Office of the Post-Conviction Defender	1,946,100	2,170,300	2,201,500
309.00 Treasury Department	462,800	3,138,400	2,413,300
313.00 Claims and Compensation	-	2,890,500	5,250,000
315.00 Executive Department	4,594,300	4,886,200	4,671,200
316.00 Commissions	23,365,100	25,002,900	24,190,400
317.00 Finance and Administration	7,642,000	15,188,200	27,631,000
318.00 TennCare	2,353,810,000	2,484,533,500	2,736,142,900
321.00 General Services	13,220,700	26,249,800	10,822,800
323.00 Veterans Affairs	4,123,400	4,956,400	5,195,400
324.00 Board of Parole	6,879,600	7,355,900	7,212,300
325.00 Agriculture	31,576,200	37,120,500	35,207,900
326.00 Tourist Development	11,735,800	12,249,100	19,390,200
327.00 Environment and Conservation	89,412,100	86,349,000	82,308,000
328.00 Tennessee Wildlife Resources Agency	906,300	-	-
329.00 Correction	762,932,800	874,011,500	902,882,000
330.00 Economic and Community Development	104,013,600	118,379,300	105,179,300
331.00 Education (K-12)	4,033,135,500	4,169,978,800	4,350,885,600
332.00 Higher Education	1,102,241,300	1,141,591,400	1,240,115,800
335.00 Commerce and Insurance	21,313,400	21,497,400	21,435,600
337.00 Labor and Workforce Development	22,512,200	31,642,000	31,460,500
339.00 Mental Health and Substance Abuse Services	182,198,900	187,974,300	189,419,700
341.00 Military	21,963,100	15,481,300	15,232,800
343.00 Health	125,501,000	141,999,300	137,252,200
344.00 Intellectual and Developmental Disabilities	28,539,700	28,405,000	28,727,300
345.00 Human Services	130,840,200	174,283,000	168,977,900
347.00 Revenue	65,225,400	73,024,500	71,947,700
348.00 Tennessee Bureau of Investigation	27,260,000	32,008,100	30,348,400
349.00 Safety	110,642,100	124,525,000	125,469,300
350.00 Strategic Health-Care Programs	88,797,800	112,447,200	110,626,300
351.00 Miscellaneous Appropriations	42,053,900	84,103,000	209,713,400
353.00 Emergency and Contingency Fund	-	819,300	819,300
355.00 State Building Commission	70,400	250,000	250,000
359.00 Children's Services	301,378,100	295,430,200	301,626,600
Sub-Total General Fund and Education Fund	\$ 10,080,007,600	\$ 10,735,266,500	\$ 11,406,026,200
Transportation *	866,886,300	738,300,000	733,800,000
Debt Service Requirements	426,247,100	413,390,600	442,324,000
Capital Outlay Program *	412,648,000	145,930,000	160,800,000
Facilities Revolving Fund	7,517,200	141,234,800	168,564,800
Cities and Counties - State Shared Taxes	853,566,200	866,000,000	884,100,000
Grand Total State Taxpayers Budget	\$ 12,646,872,400	\$ 13,040,121,900	\$ 13,795,615,000
Dedicated Tax Sources - Appropriation	1,088,517,200	1,181,718,100	1,204,055,200
Grand Total State Appropriation - Budget Document	\$ 13,735,389,600	\$ 14,221,840,000	\$ 14,999,670,200

* FY 2011-2012 - 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 2011-2012, 2012-2013, and 2013-2014**

	Actual 2011-2012	Estimated 2012-2013	Recommended 2013-2014
302.00 Court System	\$ 9,530,700	\$ 10,125,900	\$ 9,975,900
303.00 Attorney General and Reporter	2,286,400	2,734,800	2,734,800
307.00 Comptroller of the Treasury	7,320,400	8,075,200	8,003,400
309.00 Treasury Department	9,700	463,500	463,500
313.00 Claims and Compensation	9,576,300	9,900,000	11,170,000
316.11 Tennessee Regulatory Authority	6,385,900	7,382,700	6,631,600
316.25 Arts Commission	4,593,200	4,687,200	4,687,200
316.27 State Museum	20,000	-	-
317.00 Finance and Administration	1,999,700	2,067,800	2,067,800
318.00 TennCare	438,743,800	449,800,000	449,800,000
325.00 Agriculture	28,081,100	31,463,500	31,598,500
327.00 Environment and Conservation	66,969,700	97,790,500	97,720,000
328.00 Tennessee Wildlife Resources Agency	39,961,900	53,307,000	55,616,800
329.00 Correction	6,563,500	5,839,900	5,839,900
331.00 Education (K-12)	13,092,900	13,928,800	15,028,800
332.00 Higher Education	319,530,900	305,200,000	322,900,000
335.00 Commerce and Insurance	60,659,400	83,765,100	83,765,100
336.00 Financial Institutions	6,362,700	8,829,500	9,775,100
337.00 Labor and Workforce Development	10,853,100	16,072,500	16,072,500
339.00 Mental Health and Substance Abuse Services	6,067,300	6,974,700	6,974,700
343.00 Health	31,577,300	39,933,600	40,038,700
347.00 Revenue	11,097,100	10,621,500	10,621,500
348.00 Tennessee Bureau of Investigation	5,570,500	10,369,100	10,369,100
349.00 Safety	627,400	785,600	787,100
359.00 Children's Services	1,036,300	1,599,700	1,413,200
Total Appropriations from Dedicated Sources	\$ 1,088,517,200	\$ 1,181,718,100	\$ 1,204,055,200

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2011-2012, 2012-2013, and 2013-2014

Program	Actual 2011-2012	Estimated 2012-2013	Recommended 2013-2014
Legislature			
301.01 Legislative Administration Services	\$ 4,424,800	\$ 4,480,100	\$ 4,480,100
301.07 House of Representatives	16,652,900	17,539,700	17,666,400
301.08 State Senate	8,268,200	9,694,600	9,821,400
301.16 General Assembly Support Services	6,902,400	7,842,500	7,842,500
301.17 Tennessee Code Commission	36,400	68,900	68,900
Sub-Total - Legislature	\$ 36,284,700	\$ 39,625,800	\$ 39,879,300
301.50 Fiscal Review Committee	\$ 1,267,400	\$ 1,416,100	\$ 1,428,100
Court System			
302.01 Appellate and Trial Courts	\$ 56,069,200	\$ 58,424,100	\$ 59,348,100
302.05 Supreme Court Buildings	2,323,500	2,668,800	2,668,800
302.08 Child Support Referees	777,100	783,100	784,300
302.09 Guardian Ad Litem	6,262,200	6,047,500	6,047,500
302.10 Indigent Defendants' Counsel	31,358,200	30,463,000	30,463,000
302.12 Verbatim Transcripts	3,831,900	3,928,500	3,930,100
302.13 Court Interpreter Services	-	3,000,000	3,000,000
302.15 Tennessee State Law Libraries	81,600	74,500	74,500
302.16 Council of Juvenile and Family Court Judges	45,400	76,300	60,500
302.18 Judicial Conference	145,500	223,600	223,600
302.20 Judicial Programs and Commissions	240,500	430,100	430,100
302.27 Administrative Office of the Courts	7,485,400	7,302,800	7,331,100
302.30 Appellate Court Clerks	388,400	590,600	613,500
Sub-Total - Court System	\$ 109,008,900	\$ 114,012,900	\$ 114,975,100
Attorney General and Reporter			
303.01 Attorney General and Reporter	\$ 19,125,000	\$ 21,011,700	\$ 21,566,300
303.05 Publication of Tennessee Reports	137,200	173,700	173,700
303.08 Special Litigation	30,300	289,700	289,700
Sub-Total - Attorney General and Reporter	\$ 19,292,500	\$ 21,475,100	\$ 22,029,700
District Attorneys General Conference			
304.01 District Attorneys General	\$ 65,070,300	\$ 71,312,600	\$ 72,295,700
304.05 District Attorneys General Conference	250,100	479,000	439,000
304.10 Executive Director	2,077,600	1,701,200	1,766,200
Sub-Total - District Attorneys General Conference	\$ 67,398,000	\$ 73,492,800	\$ 74,500,900
Secretary of State			
305.01 Secretary of State	\$ 7,106,300	\$ 9,348,100	\$ 9,489,100
305.02 State Election Commission	1,544,900	1,591,900	1,591,900
305.03 Public Documents	396,300	396,600	396,600
305.04 State Library and Archives	7,616,700	8,434,500	8,459,000
305.05 Regional Library System	6,064,900	6,661,000	6,661,000
305.07 Bureau of Ethics and Campaign Finance	394,200	634,600	634,600
305.08 Economic Council on Women	172,500	207,400	225,200
305.09 Charitable Solicitations and Charitable Gaming	-	90,900	90,900
Sub-Total - Secretary of State	\$ 23,295,800	\$ 27,365,000	\$ 27,548,300

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2011-2012, 2012-2013, and 2013-2014

Program	Actual 2011-2012	Estimated 2012-2013	Recommended 2013-2014
District Public Defenders Conference			
306.01 District Public Defenders	\$ 32,799,800	\$ 36,910,800	\$ 37,499,700
306.03 Executive Director	1,326,800	1,594,600	1,594,600
306.10 Shelby County Public Defender	3,031,500	3,205,500	3,917,300
306.12 Davidson County Public Defender	1,550,400	1,639,500	2,152,400
Sub-Total - District Public Defenders Conference	\$ 38,708,500	\$ 43,350,400	\$ 45,164,000
Comptroller of the Treasury			
307.01 Division of Administration	\$ 1,799,900	\$ 2,096,800	\$ 2,113,000
307.02 Office of Management Services	10,032,100	10,504,300	10,622,000
307.04 Division of State Audit	9,297,700	11,666,100	11,799,000
307.05 Division of Local Government Audit	6,919,000	8,390,100	8,461,400
307.06 Investigations	1,658,300	2,353,000	2,370,000
307.07 Office of State and Local Finance	607,500	733,000	949,600
307.08 Office of Local Government	814,400	1,126,300	1,135,400
307.09 Division of Property Assessments	5,853,900	7,326,200	7,387,300
307.10 Tax Relief	25,603,500	28,152,100	28,402,100
307.11 State Board of Equalization	811,200	829,300	834,600
307.14 Offices of Research and Education Accountability	1,060,500	1,409,900	1,419,800
Sub-Total - Comptroller of the Treasury	\$ 64,458,000	\$ 74,587,100	\$ 75,494,200
308.00 Office of the Post-Conviction Defender	\$ 1,946,100	\$ 2,170,300	\$ 2,201,500
Treasury Department			
309.01 Treasury Department	\$ -	\$ 578,900	\$ 589,600
309.02 Certified Public Administrators	407,300	407,300	407,300
309.03 Baccalaureate Education System Trust	55,500	2,152,200	1,416,400
Sub-Total - Treasury Department	\$ 462,800	\$ 3,138,400	\$ 2,413,300
Claims and Compensation			
313.20 Unclaimed Property	\$ -	\$ 2,890,500	\$ 5,250,000
Executive Department			
315.01 Governor's Office	\$ 4,594,300	\$ 4,886,200	\$ 4,671,200
Commissions			
316.01 Commission on Children and Youth	\$ 2,052,000	\$ 2,140,100	\$ 2,239,800
316.02 Commission on Aging and Disability	13,117,300	13,694,400	13,694,400
316.03 Alcoholic Beverage Commission	-	84,700	80,700
316.04 Human Rights Commission	1,600,500	1,686,500	1,679,800
316.07 Health Services and Development Agency	1,001,500	1,098,500	1,098,500
316.12 Advisory Commission on Intergovernmental Relations	-	223,200	212,200
316.25 Arts Commission	1,872,000	2,410,900	1,720,400
316.27 State Museum	3,721,800	3,664,600	3,464,600
Sub-Total - Commissions	\$ 23,365,100	\$ 25,002,900	\$ 24,190,400

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2011-2012, 2012-2013, and 2013-2014

Program	Actual 2011-2012	Estimated 2012-2013	Recommended 2013-2014
Finance and Administration			
317.01 Division of Administration	\$ 1,587,900	\$ 2,271,700	\$ 2,197,700
317.02 Division of Budget	2,948,400	3,887,500	5,535,800
317.03 Office for Information Resources	-	2,500,000	12,150,000
317.04 Benefits Administration	14,500	-	-
317.05 Division of Accounts	-	-	1,800,000
317.06 Criminal Justice Programs	1,749,500	2,438,800	1,826,300
317.10 State Architect's Office	935,400	1,207,500	1,238,500
317.11 Volunteer Tennessee	278,300	246,200	246,200
317.18 Shared Services Solutions	128,000	-	-
317.20 Business Solutions Delivery	-	2,636,500	2,636,500
Sub-Total - Finance and Administration	\$ 7,642,000	\$ 15,188,200	\$ 27,631,000
TennCare			
318.65 TennCare Administration	\$ 100,383,900	\$ 97,260,900	\$ 108,470,700
318.66 TennCare Medical Services	1,682,897,200	1,754,512,900	1,978,435,600
318.70 Supplemental Payments	21,627,800	24,347,100	24,275,500
318.71 Intellectual Disabilities Services	267,779,300	303,567,000	317,951,900
318.72 Medicare Services	281,121,800	304,845,600	307,009,200
Sub-Total - TennCare	\$ 2,353,810,000	\$ 2,484,533,500	\$ 2,736,142,900
General Services			
321.01 Administration	\$ 291,800	\$ 432,400	\$ 334,900
321.06 Motor Vehicle Management	4,222,400	-	-
321.07 Real Estate Asset Management	4,251,700	5,909,800	4,434,600
321.09 Printing and Media Services	304,300	309,100	309,100
321.10 Procurement Office	706,400	7,654,400	2,140,100
321.20 State Facilities Pre-Planning	-	8,500,000	500,000
321.21 Governor's Books from Birth Fund	3,444,100	3,444,100	3,104,100
Sub-Total - General Services	\$ 13,220,700	\$ 26,249,800	\$ 10,822,800
323.00 Veterans Affairs	\$ 4,123,400	\$ 4,956,400	\$ 5,195,400
Board of Parole			
324.02 Board of Parole	\$ 6,879,600	\$ 7,355,900	\$ 7,212,300
Agriculture			
325.01 Administration and Grants	\$ 4,131,300	\$ 4,659,200	\$ 4,861,700
325.05 Regulatory Services	7,263,600	7,920,400	7,041,900
325.06 Market Development	2,000	2,015,200	1,969,700
325.08 Agricultural Resources Conservation Fund	937,500	-	-
325.10 Forestry Operations	19,113,500	22,368,500	21,177,400
325.11 Forestry Maintenance	128,300	157,200	157,200
Sub-Total - Agriculture	\$ 31,576,200	\$ 37,120,500	\$ 35,207,900
Tourist Development			
326.01 Administration and Marketing	\$ 10,240,800	\$ 10,884,100	\$ 18,025,200
326.03 Welcome Centers	1,495,000	1,365,000	1,365,000
Sub-Total - Tourist Development	\$ 11,735,800	\$ 12,249,100	\$ 19,390,200

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2011-2012, 2012-2013, and 2013-2014

Program	Actual 2011-2012	Estimated 2012-2013	Recommended 2013-2014
Environment and Conservation			
327.01 Administrative Services	\$ 4,812,800	\$ 6,588,400	\$ 6,588,400
327.03 Recreation Educational Services	623,500	807,100	807,100
327.04 Historical Commission	2,922,600	2,420,200	2,285,200
327.08 Archaeology	552,400	885,300	785,300
327.11 Geology	507,300	140,400	140,400
327.12 Tennessee State Parks	43,750,800	44,801,300	42,095,300
327.15 State Parks Maintenance	2,171,500	2,214,100	2,214,100
327.18 Maintenance of Historic Sites	276,900	285,000	285,000
327.19 Local Parks Acquisition Fund	1,766,800	-	-
327.20 State Lands Acquisition Fund	3,007,400	-	-
327.24 West Tennessee River Basin Authority Maintenance	1,215,400	1,215,500	1,215,500
327.26 West Tennessee River Basin Authority	1,023,200	956,400	956,400
327.30 Environment Administration	1,659,700	539,900	539,900
327.31 Air Pollution Control	18,900	1,104,700	1,104,700
327.32 Radiological Health	514,400	610,400	610,400
327.33 Clean Water and Drinking Water State Revolving Fund	6,934,900	6,714,000	6,714,000
327.34 Water Pollution Control	11,125,800	9,424,700	9,324,700
327.35 Solid Waste Management	1,033,300	1,786,000	1,786,000
327.36 DOE Oversight	973,100	-	-
327.38 Hazardous Waste Remedial Action Fund	20,200	1,000,000	1,000,000
327.39 Water Supply	817,600	1,002,200	1,002,200
327.40 Groundwater Protection	3,004,600	3,155,400	2,155,400
327.44 Fleming Training Center	97,900	-	-
327.45 Office of Sustainable Practices	537,900	621,200	621,200
327.51 Conservation Compensation Fund	8,400	42,000	42,000
327.52 Office of Energy Programs	34,800	34,800	34,800
Sub-Total - Environment and Conservation	\$ 89,412,100	\$ 86,349,000	\$ 82,308,000
Tennessee Wildlife Resources Agency			
328.03 Wetlands Acquisition Fund	\$ 906,300	\$ -	\$ -
Correction			
329.01 Administration	\$ 17,663,100	\$ 15,272,900	\$ 15,983,000
329.04 State Prosecutions	170,850,100	194,931,200	201,252,800
329.06 Correction Academy	4,589,600	5,089,100	5,089,100
329.13 Tennessee Prison for Women	23,671,200	25,205,000	26,953,200
329.14 Turney Center Industrial Complex	35,138,900	37,615,800	39,230,700
329.16 Mark Luttrell Correctional Facility	14,227,600	15,197,100	15,639,900
329.17 Charles B. Bass Correctional Complex	24,605,600	28,306,300	29,149,500
329.18 Southeastern Tennessee State Regional Correctional Facility	23,111,000	54,752,100	64,053,200
329.21 Hardeman County Incarceration Agreement	38,141,700	38,783,100	39,344,800
329.22 Hardeman County Agreement - Whiteville	29,706,400	30,943,600	31,746,400
329.28 Correction Release Centers	395,300	1,918,800	1,918,800
329.32 Major Maintenance	5,942,900	7,585,500	13,910,500
329.41 West Tennessee State Penitentiary	53,252,100	56,577,700	57,491,100
329.42 Riverbend Maximum Security Institution	24,377,600	26,432,500	27,510,500
329.43 Northeast Correctional Complex	38,750,200	40,321,300	41,676,700

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2011-2012, 2012-2013, and 2013-2014

Program	Actual 2011-2012	Estimated 2012-2013	Recommended 2013-2014
329.44 South Central Correctional Center	25,841,200	27,596,600	28,261,000
329.45 Northwest Correctional Complex	50,006,400	50,465,200	52,069,500
329.46 Lois M. DeBerry Special Needs Facility	48,799,700	46,532,700	48,392,000
329.47 Morgan County Correctional Complex	59,083,500	65,132,000	67,511,000
329.48 Office of Investigations and Compliance	4,108,900	4,408,200	4,408,200
329.50 Sex Offender Treatment Program	477,700	334,100	334,100
329.51 Probation and Parole Field Supervision	56,919,300	59,330,100	59,220,100
329.52 Community Corrections	13,272,800	14,018,100	14,018,100
329.99 Sentencing Act of 1985	-	27,262,500	17,717,800
Sub-Total - Correction	\$ 762,932,800	\$ 874,011,500	\$ 902,882,000
Economic and Community Development			
330.01 Administrative Services	\$ 6,063,200	\$ 5,333,900	\$ 5,217,300
330.02 Business Development	9,423,700	6,053,500	6,170,100
330.04 Policy and Federal Programs	717,400	480,500	480,500
330.05 Innovation Programs	10,199,800	307,900	257,900
330.06 FastTrack Infrastructure and Job Training Assistance	53,287,500	65,157,400	40,157,400
330.07 Community and Rural Development	2,440,500	1,996,000	1,996,000
330.15 Economic Development District Grants	1,470,400	1,950,100	1,500,100
330.17 Film and Television Incentive Fund	2,058,800	-	13,400,000
330.20 Headquarters Relocation Assistance	4,393,800	6,000,000	6,000,000
330.22 TNInvestco Tax Credits	13,958,500	31,100,000	30,000,000
Sub-Total - Economic and Community Development	\$ 104,013,600	\$ 118,379,300	\$ 105,179,300
Education (K-12)			
331.01 Administration	\$ 6,237,500	\$ 6,669,600	\$ 6,672,100
331.02 Grants-In-Aid	4,765,100	5,015,100	4,665,100
331.03 ESEA No Child Left Behind	108,600	470,000	470,000
331.04 Technology, Infrastructure, and Support Systems	2,589,700	2,382,000	53,382,000
331.05 Training and Professional Development	3,412,400	2,701,800	2,926,100
331.06 Curriculum and Instruction	4,538,800	3,628,700	3,623,700
331.07 State Board of Education	634,000	679,800	864,800
331.09 Improving Schools Program	15,846,100	20,387,800	20,387,800
331.10 Career Ladder	48,814,500	44,000,000	40,500,000
331.11 Accountability and Assessment	26,627,100	29,657,800	29,602,800
331.25 Basic Education Program	3,785,162,400	3,905,319,100	4,039,319,100
331.32 Early Childhood Education	87,163,900	91,806,300	91,801,300
331.35 School Nutrition Program	4,692,200	4,807,200	4,807,200
331.36 Special Education Services	725,600	676,100	676,100
331.45 Career and Technical Education Programs	3,650,600	4,720,800	4,130,800
331.55 Achievement School District	689,100	3,800	3,800
331.90 Alvin C. York Institute	5,624,200	5,748,800	5,748,800
331.91 Tennessee School for the Blind	10,803,300	10,910,700	10,910,700
331.92 Tennessee School for the Deaf	15,008,800	15,384,800	15,384,800
331.93 West Tennessee School for the Deaf	2,189,200	2,686,200	2,686,200
331.95 Tennessee Early Intervention Services	3,786,400	12,083,300	12,083,300
331.97 Major Maintenance	66,000	239,100	239,100
Sub-Total - Education (K-12)	\$ 4,033,135,500	\$ 4,169,978,800	\$ 4,350,885,600

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2011-2012, 2012-2013, and 2013-2014

Program	Actual 2011-2012	Estimated 2012-2013	Recommended 2013-2014
Higher Education - State Administered Programs			
332.01 Tennessee Higher Education Commission	\$ 2,369,600	\$ 2,292,100	\$ 2,239,300
332.02 Contract Education	2,109,400	2,178,400	2,128,200
332.03 Tennessee Student Assistance Awards	46,927,500	52,762,500	57,762,500
332.05 Tennessee Student Assistance Corporation	1,197,700	1,251,900	1,223,100
332.06 Academic Scholars Program	194,800	401,800	401,800
332.07 Loan/Scholarship Programs	448,300	1,191,000	1,191,000
332.08 Centers of Excellence	17,326,500	17,538,300	17,351,400
332.09 THEC Grants	2,339,200	2,318,100	7,318,100
332.11 Campus Centers of Emphasis	1,247,600	1,265,900	1,281,700
332.14 Foreign Language Institute	352,800	378,600	378,600
Sub-Total - Higher Education - State Administered Programs	\$ 74,513,400	\$ 81,578,600	\$ 91,275,700
University of Tennessee System			
332.10 UT University-Wide Administration	\$ 4,539,700	\$ 4,496,900	\$ 4,648,000
332.12 UT Research Initiatives	10,945,200	5,594,300	10,594,300
332.15 UT Institute for Public Service	4,354,900	5,044,900	4,622,900
332.16 UT Municipal Technical Advisory Service	2,569,500	2,736,200	2,821,900
332.17 UT County Technical Assistance Service	1,533,200	1,649,200	1,714,900
332.21 UT Access and Diversity Initiative	5,600,600	5,550,100	5,550,100
332.23 UT Space Institute	7,305,900	7,611,100	7,734,700
332.25 UT Agricultural Experiment Station	23,224,300	24,372,100	24,892,600
332.26 UT Agricultural Extension Service	27,985,900	29,474,000	30,169,500
332.28 UT Veterinary Medicine	14,509,600	15,409,600	16,476,900
332.30 UT Health Science Center	63,362,000	66,941,300	74,394,500
332.32 UT Family Medicine	9,358,900	9,882,100	10,470,400
332.34 UT College of Medicine	43,014,900	44,934,400	47,273,300
332.40 UT Chattanooga	33,821,400	34,686,300	36,603,100
332.42 UT Knoxville	145,260,100	153,635,300	174,723,700
332.44 UT Martin	24,456,700	25,498,900	25,657,500
Sub-Total - University of Tennessee System	\$ 421,842,800	\$ 437,516,700	\$ 478,348,300
State University and Community College System			
332.59 Regents Access and Diversity Initiative	\$ 9,892,900	\$ 9,803,700	\$ 9,803,700
332.60 Tennessee Board of Regents	4,607,600	4,889,900	5,124,500
332.62 TSU McMinnville Center	528,800	543,600	547,100
332.63 TSU Institute of Agricultural and Environmental Research	2,145,000	2,208,900	2,223,500
332.64 TSU Cooperative Education	2,918,200	3,010,500	3,031,700
332.65 ETSU College of Medicine	25,971,900	27,343,600	28,987,400
332.67 ETSU Family Practice	5,351,400	5,737,600	6,124,900
332.68 TSU McIntire-Stennis Forestry Research	170,600	174,100	175,000
332.70 Austin Peay State University	26,324,200	28,579,600	33,041,000
332.72 East Tennessee State University	46,019,700	46,619,400	48,767,600
332.74 University of Memphis	97,442,200	94,127,300	94,120,800
332.75 Middle Tennessee State University	74,055,200	77,319,200	81,158,100
332.77 Tennessee State University	29,584,300	30,856,300	32,659,300
332.78 Tennessee Technological University	36,168,500	37,358,900	39,632,100

State Taxpayers Budget
State Appropriations by Program
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Program	Actual 2011-2012	Estimated 2012-2013	Recommended 2013-2014
332.89 Tennessee Community Colleges	192,138,500	199,284,100	211,149,400
332.98 Tennessee Technology Centers	52,566,100	54,639,400	57,445,700
332.99 Equipment for Community Colleges and Technology Centers	-	-	16,500,000
Sub-Total - State University and Community College System	\$ 605,885,100	\$ 622,496,100	\$ 670,491,800
Sub-Total Higher Education	\$ 1,102,241,300	\$ 1,141,591,400	\$ 1,240,115,800
Commerce and Insurance			
335.01 Administration	\$ 1,269,600	\$ 1,305,700	\$ 1,305,700
335.02 Insurance	-	92,900	-
335.06 Consumer Affairs	1,054,300	965,500	965,500
335.07 Fire Service and Codes Enforcement Academy	3,022,000	2,765,400	2,765,400
335.11 Tennessee Law Enforcement Training	2,329,600	2,363,200	2,377,300
335.12 POST Commission	8,538,200	8,947,500	8,981,900
335.22 Corrections Institute	811,100	930,200	930,200
335.28 Fire Fighting Personnel Standards and Education	4,288,600	4,127,000	4,109,600
Sub-Total - Commerce and Insurance	\$ 21,313,400	\$ 21,497,400	\$ 21,435,600
Labor and Workforce Development			
337.01 Administration	\$ 3,474,800	\$ 3,185,000	\$ 2,873,100
337.03 Workers' Compensation	10,962,100	12,752,500	13,909,600
337.04 Mines	331,600	380,400	361,400
337.05 Boilers and Elevators	3,727,600	4,449,900	4,769,600
337.06 Labor Standards	1,002,000	1,318,700	1,263,300
337.09 Adult Basic Education	3,014,100	4,039,200	3,889,200
337.10 Employment Security	-	5,516,300	4,394,300
Sub-Total - Labor and Workforce Development	\$ 22,512,200	\$ 31,642,000	\$ 31,460,500
Mental Health and Substance Abuse Services			
339.01 Administrative Services Division	\$ 10,349,400	\$ 14,020,000	\$ 14,020,000
339.03 Community Substance Abuse Services	9,435,200	14,065,300	15,906,300
339.08 Community Mental Health Services	61,553,600	75,557,800	75,957,800
339.10 Lakeshore Mental Health Institute	18,795,000	1,000,000	-
339.11 Middle Tennessee Mental Health Institute	30,743,400	29,150,200	29,167,400
339.12 Western Mental Health Institute	20,419,400	20,347,700	20,406,100
339.16 Moccasin Bend Mental Health Institute	15,941,800	16,949,200	16,957,800
339.17 Memphis Mental Health Institute	14,725,200	16,434,100	16,554,300
339.40 Major Maintenance	235,900	450,000	450,000
Sub-Total - Mental Health and Substance Abuse Services	\$ 182,198,900	\$ 187,974,300	\$ 189,419,700
Military			
341.01 Administration	\$ 2,706,700	\$ 2,350,800	\$ 2,450,800
341.02 Army National Guard	1,210,100	1,085,600	1,085,600
341.03 Air National Guard	1,307,000	2,461,100	2,112,600
341.04 Tennessee Emergency Management Agency	2,337,800	3,036,500	3,036,500
341.07 Armories Maintenance	706,600	588,200	588,200
341.09 TEMA Disaster Relief Grants	12,184,100	4,000,000	4,000,000

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2011-2012, 2012-2013, and 2013-2014

Program	Actual 2011-2012	Estimated 2012-2013	Recommended 2013-2014
341.08 Homeland Security Grants	189,100	-	-
341.10 Armories Utilities	1,321,700	1,959,100	1,959,100
Sub-Total - Military	\$ 21,963,100	\$ 15,481,300	\$ 15,232,800
Health			
343.01 Executive Administration	\$ 10,000,500	\$ 14,853,700	\$ 13,622,100
343.05 Bureau of Health Licensure and Regulation	3,640,000	6,557,800	4,950,000
343.07 Emergency Medical Services	23,800	543,900	450,700
343.08 Laboratory Services	6,397,800	6,623,700	6,155,100
343.20 Policy Planning and Assessment	2,069,400	4,372,500	4,139,000
343.39 General Environmental Health	1,637,400	4,596,300	4,596,300
343.47 Maternal and Child Health	9,444,700	8,297,500	7,332,500
343.49 Communicable and Environmental Disease Services	12,947,800	12,149,700	11,570,700
343.52 Community and Medical Services	16,098,500	20,403,200	21,887,900
343.53 Women, Infants, and Children (WIC)	47,100	-	-
343.60 Local Health Services	63,194,000	63,601,000	62,547,900
Sub-Total - Health	\$ 125,501,000	\$ 141,999,300	\$ 137,252,200
Intellectual and Developmental Disabilities			
344.01 Intellectual Disabilities Services Administration	\$ 1,403,400	\$ 1,724,800	\$ 1,746,900
344.02 Community Intellectual Disabilities Services	16,020,500	14,202,800	15,034,600
344.04 Quality Assurance Program	-	871,000	881,500
344.11 Clover Bottom Developmental Center	-	95,900	95,900
344.12 Greene Valley Developmental Center	2,552,000	648,900	648,900
344.15 Harold Jordan Center	3,312,800	5,790,900	2,843,800
344.20 West Tennessee Regional Office	954,900	1,481,900	1,284,800
344.21 Middle Tennessee Regional Office	643,000	977,200	1,030,900
344.22 East Tennessee Regional Office	265,900	1,022,200	905,900
344.30 West Tennessee Resource Center	1,335,300	507,400	2,268,900
344.31 Middle Tennessee Resource Center	1,174,100	348,300	1,188,700
344.32 East Tennessee Resource Center	389,800	347,100	168,700
344.41 Middle Tennessee Community Homes	-	-	241,200
344.42 East Tennessee Community Homes	-	56,000	56,000
344.50 Major Maintenance	98,400	100,000	100,000
344.81 Developmental Disabilities Council	389,600	230,600	230,600
Sub-Total - Intellectual and Developmental Disabilities	\$ 28,539,700	\$ 28,405,000	\$ 28,727,300
Human Services			
345.01 Administration	\$ 16,131,500	\$ 21,531,300	\$ 21,010,800
345.10 Organizational Performance Management	1,026,800	2,862,700	2,724,800
345.13 Child Support	12,034,200	16,933,800	16,157,000
345.16 Field Operations	5,090,600	5,542,600	5,542,600
345.17 County Rentals	5,118,700	6,468,900	6,395,600
345.20 Child Care Benefits	13,378,200	12,067,600	10,667,600
345.23 Temporary Cash Assistance	14,053,300	19,968,900	19,968,900
345.30 Family Assistance Services	48,176,100	72,980,400	72,980,400
345.31 Appeals and Hearings	4,863,600	3,489,100	3,319,400
345.49 Community Services	-	2,532,900	801,300

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2011-2012, 2012-2013, and 2013-2014

Program	Actual 2011-2012	Estimated 2012-2013	Recommended 2013-2014
345.70 Vocational Rehabilitation	10,943,100	9,904,800	9,409,500
345.71 Disability Determination	24,100	-	-
Sub-Total - Human Services	\$ 130,840,200	\$ 174,283,000	\$ 168,977,900
Revenue			
347.01 Administration Division	\$ 5,754,000	\$ 6,421,200	\$ 6,114,300
347.02 Tax Enforcement Division	4,802,500	5,879,300	5,583,300
347.11 Information Technology Resources Division	8,654,400	11,064,900	10,177,500
347.13 Taxpayer and Vehicle Services Division	20,584,300	19,895,800	20,800,000
347.14 Audit Division	17,801,200	20,777,800	20,927,400
347.16 Processing Division	5,383,800	6,235,500	5,095,200
347.20 Sales Tax Disaster Relief	20,000	250,000	750,000
347.21 Tax Refund Interest Expense	2,225,200	2,500,000	2,500,000
Sub-Total - Revenue	\$ 65,225,400	\$ 73,024,500	\$ 71,947,700
348.00 Tennessee Bureau of Investigation	\$ 27,260,000	\$ 32,008,100	\$ 30,348,400
Safety			
349.01 Administration	\$ 8,071,800	\$ 8,618,600	\$ 8,560,900
349.02 Driver License Issuance	6,765,800	10,115,600	10,652,900
349.03 Highway Patrol	83,201,500	90,684,600	92,143,800
349.07 Motor Vehicle Operations	10,945,500	12,451,100	11,551,100
349.12 Major Maintenance	-	10,000	10,000
349.13 Technical Services	168,500	905,400	820,900
349.15 Office of Homeland Security	1,489,000	1,739,700	1,729,700
Sub-Total - Safety	\$ 110,642,100	\$ 124,525,000	\$ 125,469,300
Strategic Health-Care Programs			
350.10 Health-Care Planning and Innovation	\$ 986,000	\$ 826,900	\$ 826,900
350.30 CoverTN	9,849,900	16,879,200	15,982,200
350.40 AccessTN	23,028,800	23,054,000	23,054,000
350.50 CoverKids	45,259,000	58,497,600	57,573,700
350.60 CoverRX	9,674,100	13,189,500	13,189,500
Sub-Total - Strategic Health-Care Programs	\$ 88,797,800	\$ 112,447,200	\$ 110,626,300
351.00 Miscellaneous Appropriations	\$ 42,053,900	\$ 84,103,000	\$ 209,713,400
353.00 Emergency and Contingency Fund	\$ -	\$ 819,300	\$ 819,300
State Building Commission			
355.02 Major Maintenance and Equipment	\$ 70,400	\$ 250,000	\$ 250,000
Children's Services			
359.10 Administration	\$ 28,493,000	\$ 26,427,100	\$ 26,439,600
359.20 Family Support Services	20,671,700	22,532,100	22,378,100
359.30 Custody Services	77,616,700	82,185,000	85,257,400
359.35 Needs Assessment	4,514,600	4,119,400	4,119,400
359.40 Adoption Services	43,132,600	39,679,500	41,861,400
359.50 Child and Family Management	78,246,400	80,541,900	81,588,600
359.60 John S. Wilder Youth Development Center	11,141,600	11,931,800	12,289,000
359.61 Taft Youth Development Center	10,345,500	-	-

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2011-2012, 2012-2013, and 2013-2014

Program	Actual 2011-2012	Estimated 2012-2013	Recommended 2013-2014
359.62 Woodland Hills Youth Development Center	10,861,200	12,452,100	12,051,900
359.63 Mountain View Youth Development Center	10,960,100	11,964,700	12,044,600
359.64 New Visions Youth Development Center	3,609,000	3,226,500	3,226,500
359.65 Community Treatment Facilities	1,423,300	-	-
359.80 Major Maintenance	362,400	370,100	370,100
Sub-Total - Children's Services	\$ 301,378,100	\$ 295,430,200	\$ 301,626,600
Subtotal General Fund and Education Fund	\$ 10,080,007,600	\$ 10,735,266,500	\$ 11,406,026,200
Transportation *	866,886,300	738,300,000	733,800,000
Debt Service Requirements	426,247,100	413,390,600	442,324,000
Capital Outlay Program *	412,648,000	145,930,000	160,800,000
Facilities Revolving Fund	7,517,200	141,234,800	168,564,800
Cities and Counties - State Shared Taxes	853,566,200	866,000,000	884,100,000
Grand Total State Taxpayers Budget	\$ 12,646,872,400	\$ 13,040,121,900	\$ 13,795,615,000
Dedicated Tax Sources - Appropriation	1,088,517,200	1,181,718,100	1,204,055,200
Grand Total State Appropriation - Budget Document	\$ 13,735,389,600	\$ 14,221,840,000	\$ 14,999,670,200

* FY 2011-2012 - Transportation and Capital Outlay include appropriations from tax revenues and bonds.

State Taxpayers Budget
Comparison Statement of State Revenues
Actual and Estimated July 1, 2011 - June 30, 2014

SOURCE OF REVENUE

Department of Revenue	Actual 2011-2012	Estimated 2012-2013	Estimated 2013-2014	Percent Required
Sales and Use Tax	\$ 6,883,917,500	\$ 7,034,600,000	\$ 7,285,600,000	3.57%
Gasoline Tax	617,991,500	618,000,000	611,800,000	-1.00%
Motor Fuel Tax	160,739,900	160,700,000	162,300,000	1.00%
Gasoline Inspection Tax	48,624,600	45,200,000	45,200,000	0.00%
Motor Vehicle Registration Tax	219,327,200	224,000,000	231,500,000	3.35%
Income Tax	185,151,400	194,400,000	204,100,000	4.99%
Privilege Tax	212,485,800	237,200,000	259,200,000	9.27%
Gross Receipts Tax - TVA	338,868,900	336,000,000	342,700,000	1.99%
Gross Receipts Tax - Other	31,548,400	31,500,000	31,500,000	0.00%
Beer Tax	17,286,100	17,800,000	17,800,000	0.00%
Alcoholic Beverage Tax	50,604,100	53,000,000	55,100,000	3.96%
Franchise Tax	638,011,500	710,000,000	747,300,000	5.25%
Excise Tax	1,227,018,000	1,318,600,000	1,387,700,000	5.24%
Inheritance and Estate Tax	161,266,000	95,000,000	85,000,000	-10.53%
Tobacco Tax	248,384,400	243,500,000	240,700,000	-1.15%
Motor Vehicle Title Fees	12,036,800	12,400,000	13,100,000	5.65%
Mixed Drink Tax	64,713,900	68,300,000	72,400,000	6.00%
Business Tax	127,512,700	133,900,000	140,600,000	5.00%
Severance Tax	2,325,300	2,300,000	2,400,000	4.35%
Coin-operated Amusement Tax	312,200	300,000	300,000	0.00%
Unauthorized Substance Tax	(19,800)	0	0	NA
Sub-Total Department of Revenue	\$ 11,248,106,400	\$ 11,536,700,000	\$ 11,936,300,000	3.46%
Other State Revenue				
Dept. of Commerce and Insurance	\$ 706,751,500	\$ 702,800,000	\$ 772,700,000	9.95%
Dept. of Agriculture	394,100	351,000	431,000	22.79%
Secretary of State	32,893,000	32,900,000	32,900,000	0.00%
Dept. of Safety	35,206,700	35,200,000	35,200,000	0.00%
Dept. of Revenue	2,906,000	3,278,000	3,278,000	0.00%
State Treasurer	367,200	3,600,000	2,000,000	-44.44%
Miscellaneous Revenue	114,678,400	84,571,000	77,091,000	-8.84%
Nursing Home Tax	93,714,000	93,700,000	93,700,000	0.00%
Sub-Total Other State Revenue	\$ 986,910,900	\$ 956,400,000	\$ 1,017,300,000	6.37%
Total State Revenue	\$ 12,235,017,300	\$ 12,493,100,000	\$ 12,953,600,000	3.69%

**State Taxpayers Budget
Distribution of Actual 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 *	\$ 6,883,917,500	\$2,514,239,300	\$3,970,174,000	\$ 64,574,000	\$ 48,961,300	\$ 285,968,900
Gasoline Tax	617,991,500	9,419,800	0	265,597,300	107,000,000	235,974,400
Motor Fuel Tax	160,739,900	3,052,100	0	115,728,800	0	41,959,000
Gasoline Inspection Tax	48,624,600	3,669,600	0	32,938,000	0	12,017,000
Motor Vehicle Registration Tax	219,327,200	18,413,600	85,100	200,828,500	0	0
Income Tax	185,151,400	120,006,900	0	0	0	65,144,500
Privilege Tax	212,485,800	208,361,900	132,700	0	0	3,991,200
Gross Receipts Tax - TVA	338,868,900	186,081,200	0	0	0	152,787,700
Gross Receipts Tax - Other	31,548,400	27,500,000	0	4,048,400	0	0
Beer Tax	17,286,100	11,608,700	0	2,177,400	0	3,500,000
Alcoholic Beverage Tax	50,604,100	41,899,700	0	0	0	8,704,400
Franchise Tax	638,011,500	620,011,500	0	0	18,000,000	0
Excise Tax	1,227,018,000	1,002,755,500	0	0	214,138,700	10,123,800
Inheritance and Estate Tax	161,266,000	161,266,000	0	0	0	0
Tobacco Tax	248,384,400	1,771,200	246,613,200	0	0	0
Motor Vehicle Title Fees	12,036,800	9,336,800	0	0	2,700,000	0
Mixed Drink Tax	64,713,900	0	32,663,400	0	0	32,050,500
Business Tax	127,512,700	127,512,700	0	0	0	0
Severance Tax	2,325,300	990,500	0	0	0	1,334,800
Coin-operated Amusement Tax	312,200	312,200	0	0	0	0
Unauthorized Substance Tax	(19,800)	(19,800)	0	0	0	0
Sub-Total Department of Revenue	\$ 11,248,106,400	\$5,068,189,400	\$4,249,668,400	\$ 685,892,400	\$ 390,800,000	\$ 853,556,200
Other State Revenue						
Dept. of Commerce and Insurance	\$ 706,751,500	\$ 706,751,500	\$ 0	\$ 0	\$ 0	\$ 0
Dept. of Agriculture	394,100	394,100	0	0	0	0
Secretary of State	32,893,000	32,893,000	0	0	0	0
Dept. of Safety	35,206,700	35,206,700	0	0	0	0
Dept. of Revenue	2,906,000	2,906,000	0	0	0	0
State Treasurer	367,200	367,200	0	0	0	0
Miscellaneous Revenue	114,678,400	114,678,400	0	0	0	0
Nursing Home Tax	93,714,000	93,714,000	0	0	0	0
Sub-Total Other State Revenue	\$ 986,910,900	\$ 986,910,900	\$ 0	\$ 0	\$ 0	\$ 0
Total State Revenue	\$ 12,235,017,300	\$6,055,100,300	\$4,249,668,400	\$ 685,892,400	\$ 390,800,000	\$ 853,556,200

* 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 2012-2013

SOURCE OF REVENUE

Department of Revenue	Total Revenue	General Fund	Education Fund	Highway Fund	Debt Service Fund	Cities & Counties *
Sales and Use Tax *	\$ 7,034,600,000	\$2,568,600,000	\$4,057,400,000	\$ 65,000,000	\$ 50,100,000	\$ 293,500,000
Gasoline Tax	618,000,000	9,400,000	0	265,600,000	107,000,000	236,000,000
Motor Fuel Tax	160,700,000	3,100,000	0	115,700,000	0	41,900,000
Gasoline Inspection Tax	45,200,000	100,000	0	33,100,000	0	12,000,000
Motor Vehicle Registration Tax	224,000,000	19,000,000	100,000	204,900,000	0	0
Income Tax	194,400,000	126,000,000	0	0	0	68,400,000
Privilege Tax	237,200,000	233,100,000	100,000	0	0	4,000,000
Gross Receipts Tax - TVA	336,000,000	184,700,000	0	0	0	151,300,000
Gross Receipts Tax - Other	31,500,000	27,500,000	0	4,000,000	0	0
Beer Tax	17,800,000	12,000,000	0	2,200,000	0	3,600,000
Alcoholic Beverage Tax	53,000,000	43,900,000	0	0	0	9,100,000
Franchise Tax	710,000,000	692,000,000	0	0	18,000,000	0
Excise Tax	1,318,600,000	1,083,100,000	0	0	224,400,000	11,100,000
Inheritance and Estate Tax	95,000,000	95,000,000	0	0	0	0
Tobacco Tax	243,500,000	1,500,000	242,000,000	0	0	0
Motor Vehicle Title Fees	12,400,000	9,700,000	0	0	2,700,000	0
Mixed Drink Tax	68,300,000	0	34,500,000	0	0	33,800,000
Business Tax	133,900,000	133,900,000	0	0	0	0
Severance Tax	2,300,000	1,000,000	0	0	0	1,300,000
Coin-operated Amusement Tax	300,000	300,000	0	0	0	0
Unauthorized Substance Tax	0	0	0	0	0	0
Sub-Total Department of Revenue	\$ 11,536,700,000	\$ 5,243,900,000	\$ 4,334,100,000	\$ 690,500,000	\$ 402,200,000	\$ 866,000,000
Other State Revenue						
Dept. of Commerce and Insurance	\$ 702,800,000	\$ 702,800,000	\$ 0	\$ 0	\$ 0	\$ 0
Dept. of Agriculture	351,000	351,000	0	0	0	0
Secretary of State	32,900,000	32,900,000	0	0	0	0
Dept. of Safety	35,200,000	35,200,000	0	0	0	0
Dept. of Revenue	3,278,000	3,278,000	0	0	0	0
State Treasurer	3,600,000	3,600,000	0	0	0	0
Miscellaneous Revenue	84,571,000	84,571,000	0	0	0	0
Nursing Home Tax	93,700,000	93,700,000	0	0	0	0
Sub-Total Other State Revenue	\$ 956,400,000	\$ 956,400,000	\$ 0	\$ 0	\$ 0	\$ 0
Total State Revenue	\$ 12,493,100,000	\$ 6,200,300,000	\$ 4,334,100,000	\$ 690,500,000	\$ 402,200,000	\$ 866,000,000

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

County Revenue Partnership Fund	\$	0	\$ (1,000,000)	\$	1,000,000
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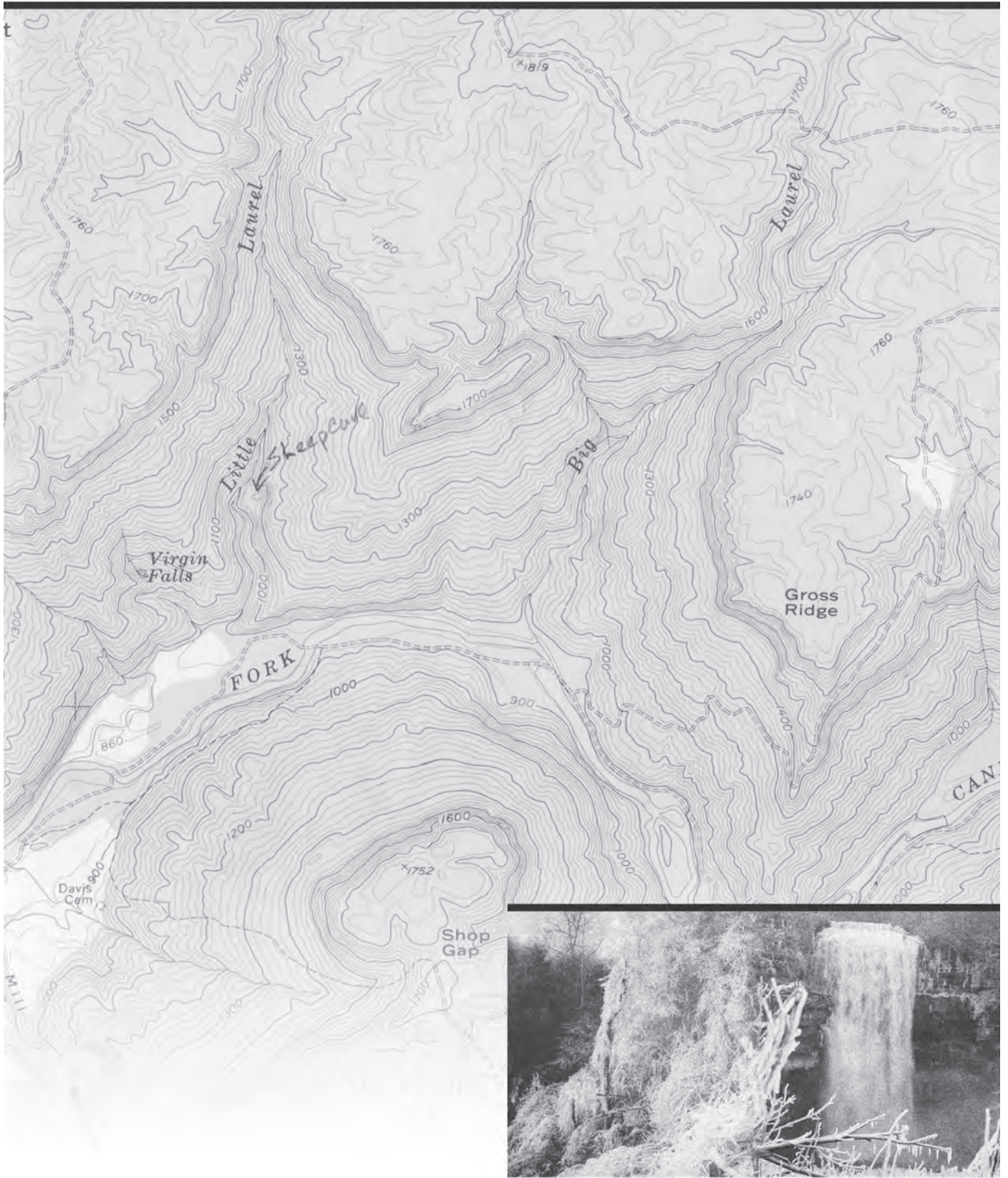
**State Taxpayers Budget
Distribution of Estimated Revenue by Fund
Fiscal Year 2013-2014**

SOURCE OF REVENUE

Department of Revenue	Total Revenue	General Fund	Education Fund	Highway Fund	Debt Service Fund	Cities & Counties *
Sales and Use Tax *	\$ 7,285,600,000	2,663,100,000	\$4,201,800,000	\$ 65,000,000	\$ 51,800,000	\$ 303,900,000
Gasoline Tax	611,800,000	9,300,000	0	258,900,000	110,000,000	233,600,000
Motor Fuel Tax	162,300,000	3,000,000	0	116,900,000	0	42,400,000
Gasoline Inspection Tax	45,200,000	100,000	0	33,100,000	0	12,000,000
Motor Vehicle Registration Tax	231,500,000	20,200,000	100,000	211,200,000	0	0
Income Tax	204,100,000	132,300,000	0	0	0	71,800,000
Privilege Tax	259,200,000	255,000,000	200,000	0	0	4,000,000
Gross Receipts Tax - TVA	342,700,000	187,800,000	0	0	0	154,900,000
Gross Receipts Tax - Other	31,500,000	27,500,000	0	4,000,000	0	0
Beer Tax	17,800,000	12,000,000	0	2,200,000	0	3,600,000
Alcoholic Beverage Tax	55,100,000	45,600,000	0	0	0	9,500,000
Franchise Tax	747,300,000	729,300,000	0	0	18,000,000	0
Excise Tax	1,387,700,000	1,146,900,000	0	0	229,700,000	11,100,000
Inheritance and Estate Tax	85,000,000	85,000,000	0	0	0	0
Tobacco Tax	240,700,000	1,300,000	239,400,000	0	0	0
Motor Vehicle Title Fees	13,100,000	10,400,000	0	0	2,700,000	0
Mixed Drink Tax	72,400,000	0	36,500,000	0	0	35,900,000
Business Tax	140,600,000	140,600,000	0	0	0	0
Severance Tax	2,400,000	1,000,000	0	0	0	1,400,000
Coin-operated Amusement Tax	300,000	300,000	0	0	0	0
Unauthorized Substance Tax	0	0	0	0	0	0
Sub-Total Department of Revenue	\$ 11,936,300,000	\$ 5,470,700,000	\$ 4,478,000,000	\$ 691,300,000	\$ 412,200,000	\$ 884,100,000
Other State Revenue						
Dept. of Commerce and Insurance	\$ 772,700,000	\$ 772,700,000	\$ 0	\$ 0	\$ 0	\$ 0
Dept. of Agriculture	431,000	431,000	0	0	0	0
Secretary of State	32,900,000	32,900,000	0	0	0	0
Dept. of Safety	35,200,000	35,200,000	0	0	0	0
Dept. of Revenue	3,278,000	3,278,000	0	0	0	0
State Treasurer	2,000,000	2,000,000	0	0	0	0
Miscellaneous Revenue	77,091,000	77,091,000	0	0	0	0
Nursing Home Tax	93,700,000	93,700,000	0	0	0	0
Sub-Total Other State Revenue	\$ 1,017,300,000	\$ 1,017,300,000	\$ 0	\$ 0	\$ 0	\$ 0
Total State Revenue	\$ 12,953,600,000	\$ 6,488,000,000	\$ 4,478,000,000	\$ 691,300,000	\$ 412,200,000	\$ 884,100,000

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

County Revenue Partnership Fund	\$	0	\$ (1,000,000)	\$	1,000,000
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Program Statements by Functional Area

Program Statements by Functional Area

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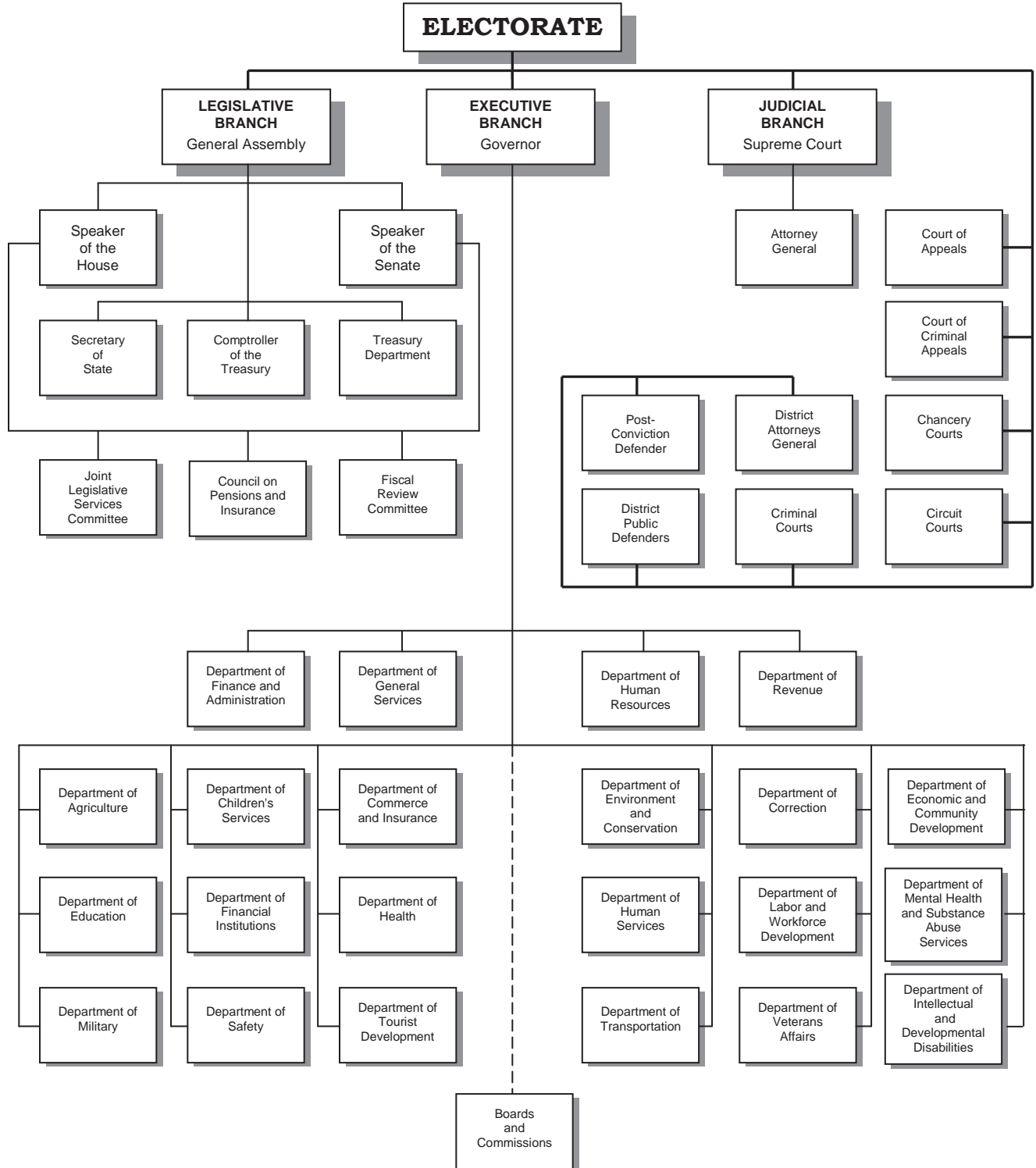


Tennessee State Government Organizational Chart.....B-5

Recommended Budget for Fiscal Year 2013-2014 by Functional AreaB-7

TENNESSEE STATE GOVERNMENT ORGANIZATIONAL CHART

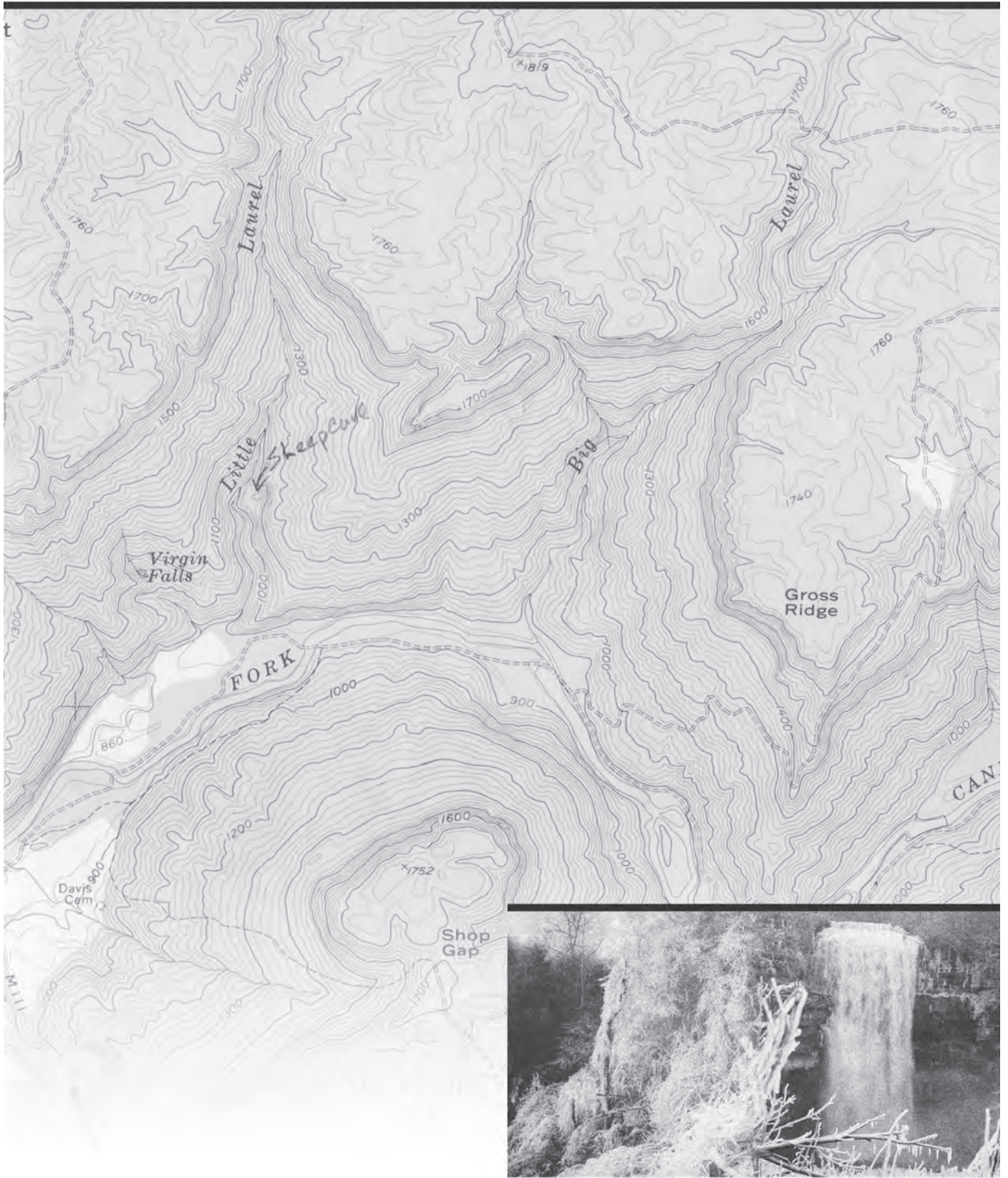
FISCAL YEAR 2013 - 2014



**Recommended Budget for Fiscal Year 2013-2014
By Functional Area**

Functional Area	State	Federal	Other	Total
General Government	523,913,800	62,642,600	496,070,200	1,082,626,600
Education	5,928,930,200	1,450,767,300	2,287,566,500 *	9,667,264,000
Health and Social Services	4,188,032,200	9,741,392,400	1,045,391,700	14,974,816,300
Law, Safety and Correction	1,369,803,500	107,469,800	178,840,800	1,656,114,100
Resources and Regulation	408,025,800	268,111,900	198,247,400	874,385,100
Transportation, Business and Economic Development	1,006,175,900	1,229,954,400	83,782,000	2,319,912,300
Total	\$13,424,881,400	\$12,860,338,400	\$4,289,898,600	\$30,575,118,400

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



General Government

General Government

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General Government

Recommended Budget, Fiscal Year 2013 – 2014

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 the 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 Estate Asset Management function within the Department of General Services is responsible for capital improvement and maintenance projects, and addressing the need for energy management in state-owned facilities. It is also 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.

Cost Increases 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 cost increases 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 program performance measures.

General Government Total Personnel and Funding

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Recommended 2013-2014</u>
Personnel			
Full Time	4,577	4,478	4,346
Part Time	173	178	169
Seasonal	49	28	28
TOTAL	4,799	4,684	4,543
Expenditures			
Payroll	\$ 289,577,600	\$ 333,492,000	\$ 335,376,800
Operational	510,314,000	615,452,600	747,249,800
TOTAL	\$ 799,891,600	\$ 948,944,600	\$ 1,082,626,600
Funding			
State	\$ 300,688,400	\$ 398,920,700	\$ 523,913,800
Federal	39,198,600	63,547,800	62,642,600
Other	460,004,600	486,476,100	496,070,200

General Government
Recommended Budget for Fiscal Year 2013-2014
By Funding Source

Department	State	Federal	Other	Total
301.00 Legislature	39,879,300	0	137,500	40,016,800
301.50 Fiscal Review Committee	1,428,100	0	0	1,428,100
305.00 Secretary of State	27,548,300	30,396,700	12,069,000	70,014,000
307.00 Comptroller of the Treasury	83,497,600	0	9,173,600	92,671,200
309.00 Treasury Department	2,876,800	0	29,701,000	32,577,800
313.00 Claims and Compensation	16,420,000	4,930,000	89,430,100	110,780,100
315.00 Executive Department	4,671,200	0	0	4,671,200
316.04 Human Rights Commission	1,679,800	774,300	0	2,454,100
316.11 Tennessee Regulatory Authority	6,631,600	580,800	1,000	7,213,400
316.12 Advisory Commission on Intergovernmental Relations	212,200	0	2,743,800	2,956,000
317.00 Finance and Administration	29,698,800	25,166,100	209,191,500	264,056,400
319.00 Human Resources	0	0	11,167,900	11,167,900
321.00 General Services	10,822,800	0	103,808,200	114,631,000
323.00 Veterans Affairs	5,195,400	772,700	247,000	6,215,100
347.00 Revenue	82,569,200	22,000	28,249,600	110,840,800
351.00 Miscellaneous Appropriations	209,713,400	0	0	209,713,400
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	\$523,913,800	\$62,642,600	\$496,070,200	\$1,082,626,600

**General Government
Cost Increases for Fiscal Year 2013-2014**

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Comptroller of the Treasury					
• Tax Relief					
To provide funds for additional people eligible for property tax relief. The tax relief program reimburses homeowners who meet legal requirements for all or 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	\$2,750,000	\$0	\$0	\$2,750,000	0
Sub-total	\$2,750,000	\$0	\$0	\$2,750,000	0
• State and Local Finance					
To provide funds for an attorney position and a senior financial analyst. These positions will review, analyze, and write bond offering statements, and prepare other technical writings and remediation of various issues. Each of the procedures and analyses involved 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	\$205,800	\$0	\$0	\$205,800	2
Sub-total	\$205,800	\$0	\$0	\$205,800	2
Total Comptroller of the Treasury	\$2,955,800	\$0	\$0	\$2,955,800	2

Treasury Department

• TN Stars College Savings 529 Program

To provide funds for three positions to help administer the TN Stars College Savings 529 Program. These three positions include one accountant and two administrative staff. The additional positions will provide customer service and education about investment products offered by the program, and maintain the record keeping system. A non-recurring appropriation of \$1,000,000 will provide general fund support of the program to accommodate its expected growth.

309.01 Treasury Department	\$209,200	\$0	\$0	\$209,200	3
309.03 Baccalaureate Education System Trust	\$1,000,000	\$0	\$0	\$1,000,000	0
Sub-total	\$1,209,200	\$0	\$0	\$1,209,200	3

• Investments

To provide funding to hire two Portfolio Managers and a Risk Manager in the TCRS Investment Division. These positions would decrease the operation and investment risk of the fund.

309.01 Treasury Department	\$0	\$0	\$650,700	\$650,700	3
Sub-total	\$0	\$0	\$650,700	\$650,700	3

General Government

Cost Increases for Fiscal Year 2013-2014

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Information Systems					
To provide funding to develop custom applications and configurations for new information systems. These new systems will replace the department's numerous legacy system applications which are difficult to maintain and incompatible with recent technology advances. Three additional Information Systems positions will speed development of new applications and retire the old legacy systems.					
309.01 Treasury Department	\$0	\$0	\$523,200	\$523,200	3
Sub-total	\$0	\$0	\$523,200	\$523,200	3
• Accounting					
To provide funds for three positions in the accounting division. These positions will require an information technology background and will facilitate the replacement, implementation, and ongoing support of financial systems and applications within the department.					
309.01 Treasury Department	\$0	\$0	\$269,900	\$269,900	3
Sub-total	\$0	\$0	\$269,900	\$269,900	3
• Human Resources Staff					
To provide funding for a new Human Resource Manager position to serve as an assistant to the Director of Human Resources.					
309.01 Treasury Department	\$0	\$0	\$97,100	\$97,100	1
Sub-total	\$0	\$0	\$97,100	\$97,100	1
Total Treasury Department	\$1,209,200	\$0	\$1,540,900	\$2,750,100	13

Claims and Compensation

• Unclaimed Property Audit Settlement Fee					
To provide non-recurring funding to pay fees associated with audit work resulting in an Unclaimed Property settlement estimated to provide \$43.1 million in non-recurring revenue for the general fund.					
313.20 Unclaimed Property	\$5,250,000	\$0	\$0	\$5,250,000	0
Sub-total	\$5,250,000	\$0	\$0	\$5,250,000	0
Total Claims and Compensation	\$5,250,000	\$0	\$0	\$5,250,000	0

Finance and Administration

• Next Generation IT					
To provide funds for the standardization of agency IT operations through third party assessments and increase training available to state IT staff. Funding includes a non-recurring amount of \$8,300,000.					
317.03 Office for Information Resources	\$10,750,000	\$0	\$0	\$10,750,000	0
Sub-total	\$10,750,000	\$0	\$0	\$10,750,000	0

General Government

Cost Increases for Fiscal Year 2013-2014

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• OIR Security Upgrades					
To provide funding for two OIR positions to oversee hardware and software upgrades. The positions will train current security staff to properly protect the state's computer networks. Operational funding will be included to upgrade security of the state's computer systems.					
317.03 Office for Information Resources	\$1,400,000	\$0	\$0	\$1,400,000	2
Sub-total	\$1,400,000	\$0	\$0	\$1,400,000	2
• Centralized Accounting - Small Agencies					
To provide funds to establish a new centralized accounting unit that provides the accounting function for thirteen small agencies. The positions will be transferred from small agencies to the Division of Accounts.					
317.05 Division of Accounts	\$1,800,000	\$0	\$0	\$1,800,000	0
Sub-total	\$1,800,000	\$0	\$0	\$1,800,000	0
• New Budget System Development					
To provide funds to establish the state's new Enterprise Resource Planning (ERP) financial module for budget planning, modeling, reporting, and publishing. Funding includes a non-recurring amount of \$1,595,000.					
317.02 Division of Budget	\$1,770,000	\$0	\$0	\$1,770,000	0
Sub-total	\$1,770,000	\$0	\$0	\$1,770,000	0
Total Finance and Administration	\$15,720,000	\$0	\$0	\$15,720,000	2

General Services

• Central Procurement Office (CPO) Sourcing Professional Services					
To provide funding for four sourcing analyst positions to review and approve all agency-specific procurements and establish agency-specific contracts. These positions will review professional service and commodity contracts and provide consulting services to departments and agencies.					
321.10 Procurement Office	\$0	\$0	\$223,200	\$223,200	4
Sub-total	\$0	\$0	\$223,200	\$223,200	4
• CPO Legal Office					
To provide funding to establish two staff attorney positions to review all contracts including commodities, non-professional, and professional services contracts.					
321.10 Procurement Office	\$0	\$0	\$135,400	\$135,400	2
Sub-total	\$0	\$0	\$135,400	\$135,400	2

General Government
Cost Increases for Fiscal Year 2013-2014

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• CPO Training and Compliance					
To provide funding for two procurement compliance specialist positions to review and monitor all agencies small value delegated purchases resulting from either one-time purchases or contracts less than \$500,000.					
321.10 Procurement Office	\$0	\$0	\$99,500	\$99,500	2
Sub-total	\$0	\$0	\$99,500	\$99,500	2
• CPO Risk Management Director					
To provide funding to establish one risk management director to design, develop, and implement a statewide program and policies to mitigate risks of the central procurement program.					
321.10 Procurement Office	\$0	\$0	\$60,200	\$60,200	1
Sub-total	\$0	\$0	\$60,200	\$60,200	1
• CPO Grants Management					
To provide funding for one grants manager position to maintain a central grants management database. The position will develop guidelines for agencies and review and approve annual monitoring plans from all state agencies.					
321.10 Procurement Office	\$0	\$0	\$56,700	\$56,700	1
Sub-total	\$0	\$0	\$56,700	\$56,700	1
• CPO Purchasing Card Program					
To provide funding for one Purchasing Card Program Assistant to review transactions and to monitor cards issued and maintained.					
321.10 Procurement Office	\$0	\$0	\$44,600	\$44,600	1
Sub-total	\$0	\$0	\$44,600	\$44,600	1
• Archibus Data Coordinator					
To provide funding to establish one archibus data coordinator to implement the archibus system. The system analyzes construction project information between the state and the contractors.					
321.07 Real Estate Asset Management	\$0	\$0	\$74,600	\$74,600	1
Sub-total	\$0	\$0	\$74,600	\$74,600	1
Total General Services	\$0	\$0	\$694,200	\$694,200	12
Veterans Affairs					
• Provide grave liners for veteran burials					
To provide funds for grave liners to enclose caskets and maintain the cemetery grounds according to the National Cemetery Administration standards.					
323.00 Veterans Affairs	\$239,000	\$0	\$0	\$239,000	0
Sub-total	\$239,000	\$0	\$0	\$239,000	0
Total Veterans Affairs	\$239,000	\$0	\$0	\$239,000	0

General Government
Cost Increases for Fiscal Year 2013-2014

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Revenue					
• Retail Accountability Legislation					
To provide funding for tax auditor positions that will obtain information to increase retail sales tax accountability. Funding includes a non-recurring amount of \$80,900 to update the Revenue Integrated Tax System (RITS).					
347.11 Information Technology Resources Division	\$80,900	\$0	\$0	\$80,900	0
347.14 Audit Division	\$269,600	\$0	\$0	\$269,600	4
Sub-total	<u>\$350,500</u>	<u>\$0</u>	<u>\$0</u>	<u>\$350,500</u>	<u>4</u>
• Restore Postage Reduction					
To restore a base budget reduction related to changes in notification requirements from the previous fiscal year.					
347.13 Taxpayer and Vehicle Services Division	\$1,329,900	\$0	\$0	\$1,329,900	0
Sub-total	<u>\$1,329,900</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,329,900</u>	<u>0</u>
Total Revenue	<u>\$1,680,400</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,680,400</u>	<u>4</u>

Miscellaneous Appropriations

• Salary Increase - State Employees

To provide funds for a 1.5 percent salary increase for state employees, effective July 1, 2013. 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 (\$35.8 million) and in the budget for higher education (\$18.6 million). The total general fund cost for state agencies, higher education, and the K-12 BEP is \$76.5 million.

351.00 Miscellaneous Appropriations	\$22,100,000	\$0	\$0	\$22,100,000	0
Sub-total	<u>\$22,100,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$22,100,000</u>	<u>0</u>

• Salary Market Adjustment

To provide funds for a salary market adjustment for state employees effective July 1, 2013. Funding includes a dedicated state amount of \$400,000.

351.00 Miscellaneous Appropriations	\$27,900,000	\$0	\$0	\$27,900,000	0
Sub-total	<u>\$27,900,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$27,900,000</u>	<u>0</u>

General Government

Cost Increases for Fiscal Year 2013-2014

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Group Health Insurance January 1, 2013 Rate Increase					
To provide funds to annualize the state share of the January 1, 2013, group health insurance premium increase for state and higher education employees, which was funded for six months in the current-year budget. K-12 education funding to annualize the premium increase is included in the Department of Education budget.					
351.00 Miscellaneous Appropriations	\$2,600,000	\$0	\$0	\$2,600,000	0
Sub-total	\$2,600,000	\$0	\$0	\$2,600,000	0
• Group Health Insurance January 1, 2014 Rate Increase					
To provide funds for the state share of a 5.5 percent group health insurance premium increase. This is funded for six months in the recommended budget. Additional funds are recommended in the Department of Education budget for teachers and other licensed K-12 employees funded by the BEP (\$11.3 million) and in the budget for higher education (\$6 million). The total general fund cost for state agencies, higher education, and the K-12 BEP is \$24.4 million.					
351.00 Miscellaneous Appropriations	\$7,100,000	\$0	\$0	\$7,100,000	0
Sub-total	\$7,100,000	\$0	\$0	\$7,100,000	0
• Retiree Health Insurance					
To provide funding for the Medicare supplement. This cost is associated with providing a fixed contribution based on the retiree's length of service for participation in qualified Medicare supplement coverage. This benefit applies to retired state employees and teachers.					
351.00 Miscellaneous Appropriations	\$1,600,000	\$0	\$0	\$1,600,000	0
Sub-total	\$1,600,000	\$0	\$0	\$1,600,000	0
• Retired Teachers Insurance					
To provide additional funding for the retired teachers insurance plan. This is based upon the difference between the average number of retirees in each of the two plans as well as the increased claims costs associated with these retirees.					
351.00 Miscellaneous Appropriations	\$2,100,000	\$0	\$0	\$2,100,000	0
Sub-total	\$2,100,000	\$0	\$0	\$2,100,000	0
• Severance Pay - Fiscal Year 2013-2014 Base Reductions					
To provide non-recurring funds for a severance package. The severance benefit plan will consist of a base payment of \$3,200 and college tuition assistance for two years to be capped at the average of the highest four-year public Tennessee college undergraduate level.					
351.00 Miscellaneous Appropriations	\$2,400,000	\$0	\$0	\$2,400,000	0
Sub-total	\$2,400,000	\$0	\$0	\$2,400,000	0

General Government Cost Increases for Fiscal Year 2013-2014

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• OIR Rate Increase					
To provide funds for the Office of Information Resources rate increase.					
351.00 Miscellaneous Appropriations	\$4,900,000	\$0	\$0	\$4,900,000	0
Sub-total	\$4,900,000	\$0	\$0	\$4,900,000	0
• Enterprise Resource System					
To provide funds for the Enterprise Resource Program for data growth, software maintenance, storage, business intelligence, and management of the state's computer systems.					
351.00 Miscellaneous Appropriations	\$3,400,000	\$0	\$0	\$3,400,000	0
Sub-total	\$3,400,000	\$0	\$0	\$3,400,000	0
• Risk Management Rate Increase					
To provide funds for a risk management premium increase.					
351.00 Miscellaneous Appropriations	\$2,000,000	\$0	\$0	\$2,000,000	0
Sub-total	\$2,000,000	\$0	\$0	\$2,000,000	0
• Postage Increase					
To provide funds for a one cent postage increase and a four percent increase in shipping rates.					
351.00 Miscellaneous Appropriations	\$1,000,000	\$0	\$0	\$1,000,000	0
Sub-total	\$1,000,000	\$0	\$0	\$1,000,000	0
• Rate Adjustments - General Services Procurement Office					
To provide funds for a rate adjustment increase.					
351.00 Miscellaneous Appropriations	\$400,000	\$0	\$0	\$400,000	0
Sub-total	\$400,000	\$0	\$0	\$400,000	0
• Contingency Appropriation - Health and Wellness Initiative					
To set aside funding for statewide initiatives addressing health concerns such as obesity, diabetes, heart disease, and other health issues related to air, water and environmental concerns. The appropriation is contingent upon sufficient funds being received from a Tobacco Master Settlement Agreement (MSA) arbitration settlement, estimated in the amount of \$67.6 million in 2012-2013. From the \$67.6 million, the first \$5.7 million is appropriated in 2012-2013 to support the Tobacco MSA revenue estimate during the four years beginning in 2013-2014, the next \$24 million is appropriated for capital outlay to convert the UT Knoxville coal-fired steam plant to natural gas, and the balance, estimated at \$37.9 million, is for the health and wellness initiative.					
351.00 Miscellaneous Appropriations	\$37,900,000	\$0	\$0	\$37,900,000	0
Sub-total	\$37,900,000	\$0	\$0	\$37,900,000	0

General Government
Cost Increases for Fiscal Year 2013-2014

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Administration Legislation					
To provide funds for the cost of legislation proposed by the Administration. This funding includes a \$1 million non-recurring state appropriation.					
351.00 Miscellaneous Appropriations	\$3,000,000	\$0	\$0	\$3,000,000	0
Sub-total	<u>\$3,000,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,000,000</u>	<u>0</u>
• Legislature's Initiatives					
To provide funds for legislative initiatives. From the appropriation, \$2,000,000 is recurring and \$4,000,000 is non-recurring.					
351.00 Miscellaneous Appropriations	\$6,000,000	\$0	\$0	\$6,000,000	0
Sub-total	<u>\$6,000,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$6,000,000</u>	<u>0</u>
• On-Line Innovation Initiative					
To provide non-recurring funds for higher education initiatives which will combine on-line coursework and research on how students learn.					
351.00 Miscellaneous Appropriations	\$3,000,000	\$0	\$0	\$3,000,000	0
Sub-total	<u>\$3,000,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,000,000</u>	<u>0</u>
• General Sessions Courts Data Repository					
To provide non-recurring funds for the implementation of a data repository system for General Sessions Court cases. The system will begin the process of uniform data collection in the judicial system.					
351.00 Miscellaneous Appropriations	\$1,250,000	\$0	\$0	\$1,250,000	0
Sub-total	<u>\$1,250,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,250,000</u>	<u>0</u>
• Innovation Fund					
To provide non-recurring funds for the Governor's Special Initiative on Higher Education Access and Quality.					
351.00 Miscellaneous Appropriations	\$750,000	\$0	\$0	\$750,000	0
Sub-total	<u>\$750,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$750,000</u>	<u>0</u>
Total Miscellaneous Appropriations	<u>\$129,400,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$129,400,000</u>	<u>0</u>
Total General Government	<u>\$156,454,400</u>	<u>\$0</u>	<u>\$2,235,100</u>	<u>\$158,689,500</u>	<u>33</u>

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>2011-2012</u>	<u>Estimated</u> <u>2012-2013</u>	<u>Base</u> <u>2013-2014</u>	<u>Cost Increase</u> <u>2013-2014</u>	<u>Recommended</u> <u>2013-2014</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	1,770,600	1,948,500	1,948,500	0	1,948,500
Operational	3,659,200	2,548,600	2,548,600	0	2,548,600
Total	\$5,429,800	\$4,497,100	\$4,497,100	\$0	\$4,497,100
State	4,424,800	4,480,100	4,480,100	0	4,480,100
Federal	0	0	0	0	0
Other	1,005,000	17,000	17,000	0	17,000

301.16 General Assembly Support Services

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

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

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
Payroll	5,719,600	6,886,200	6,886,200	0	6,886,200
Operational	1,190,000	1,026,300	1,026,300	0	1,026,300
Total	\$6,909,600	\$7,912,500	\$7,912,500	\$0	\$7,912,500
State	6,902,400	7,842,500	7,842,500	0	7,842,500
Federal	0	0	0	0	0
Other	7,200	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	36,400	68,900	68,900	0	68,900
Total	\$36,400	\$68,900	\$68,900	\$0	\$68,900
State	36,400	68,900	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 the 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	13,564,100	13,820,400	13,947,100	0	13,947,100
Operational	3,098,100	3,747,800	3,747,800	0	3,747,800
Total	\$16,662,200	\$17,568,200	\$17,694,900	\$0	\$17,694,900
State	16,652,900	17,539,700	17,666,400	0	17,666,400
Federal	0	0	0	0	0
Other	9,300	28,500	28,500	0	28,500

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</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	6,632,200	8,005,600	8,132,400	0	8,132,400
Operational	1,656,500	1,711,000	1,711,000	0	1,711,000
Total	\$8,288,700	\$9,716,600	\$9,843,400	\$0	\$9,843,400
State	8,268,200	9,694,600	9,821,400	0	9,821,400
Federal	0	0	0	0	0
Other	20,500	22,000	22,000	0	22,000

301.00 Total Legislature

Full-Time	394	394	394	0	394
Part-Time	126	126	126	0	126
Seasonal	28	28	28	0	28
Total	548	548	548	0	548
Payroll	27,686,500	30,660,700	30,914,200	0	30,914,200
Operational	9,640,200	9,102,600	9,102,600	0	9,102,600
Total	\$37,326,700	\$39,763,300	\$40,016,800	\$0	\$40,016,800
State	36,284,700	39,625,800	39,879,300	0	39,879,300
Federal	0	0	0	0	0
Other	1,042,000	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 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</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	1,214,100	1,393,400	1,405,400	0	1,405,400
Operational	53,300	22,700	22,700	0	22,700
Total	\$1,267,400	\$1,416,100	\$1,428,100	\$0	\$1,428,100
State	1,267,400	1,416,100	1,428,100	0	1,428,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

Secretary of State

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

The functional areas that comprise the Secretary of State's office are Administrative and Support Services and State Library Services. 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>2011-2012</u>	<u>Estimated</u> <u>2012-2013</u>	<u>Base</u> <u>2013-2014</u>	<u>Cost Increase</u> <u>2013-2014</u>	<u>Recommended</u> <u>2013-2014</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, the Help America Vote Act, and Records Management.

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	178	178	178	0	178
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	178	178	178	0	178
Payroll	10,920,700	13,366,900	13,567,400	0	13,567,400
Operational	4,291,200	3,164,900	3,105,000	0	3,105,000
Total	\$15,211,900	\$16,531,800	\$16,672,400	\$0	\$16,672,400
State	7,106,300	9,348,100	9,489,100	0	9,489,100
Federal	0	300,000	300,000	0	300,000
Other	8,105,600	6,883,700	6,883,300	0	6,883,300

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</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	7	7	7	0	7
Seasonal	0	0	0	0	0
Total	7	7	7	0	7
Payroll	105,300	118,600	118,600	0	118,600
Operational	1,439,600	1,473,300	1,473,300	0	1,473,300
Total	\$1,544,900	\$1,591,900	\$1,591,900	\$0	\$1,591,900
State	1,544,900	1,591,900	1,591,900	0	1,591,900
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	498,600	396,600	396,600	0	396,600
Total	\$498,600	\$396,600	\$396,600	\$0	\$396,600
State	396,300	396,600	396,600	0	396,600
Federal	0	0	0	0	0
Other	102,300	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 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</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	781,500	993,200	993,200	0	993,200
Operational	192,200	156,500	156,500	0	156,500
Total	\$973,700	\$1,149,700	\$1,149,700	\$0	\$1,149,700
State	394,200	634,600	634,600	0	634,600
Federal	0	0	0	0	0
Other	579,500	515,100	515,100	0	515,100

305.09 Charitable Solicitations and Charitable Gaming

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

Full-Time	21	21	21	0	21
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	21	21	21	0	21
Payroll	1,121,500	1,526,700	1,526,700	0	1,526,700
Operational	468,600	244,700	244,700	0	244,700
Total	\$1,590,100	\$1,771,400	\$1,771,400	\$0	\$1,771,400
State	0	90,900	90,900	0	90,900
Federal	0	0	0	0	0
Other	1,590,100	1,680,500	1,680,500	0	1,680,500

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	1,794,200	27,500,000	27,500,000	0	27,500,000
Total	\$1,794,200	\$27,500,000	\$27,500,000	\$0	\$27,500,000
State	0	0	0	0	0
Federal	1,738,400	26,500,000	26,500,000	0	26,500,000
Other	55,800	1,000,000	1,000,000	0	1,000,000

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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305.13 Records Management

The Records Management Division is the primary records management agency for state government and directs the disposition of all records, including paper forms, electronic data, and microform records. The division also transfers historical records to the State Library and Archives and provides administrative support to the Public Records Commission.

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	451,800	502,000	502,000	0	502,000
Operational	565,200	628,000	628,000	0	628,000
Total	\$1,017,000	\$1,130,000	\$1,130,000	\$0	\$1,130,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,017,000	1,130,000	1,130,000	0	1,130,000

State Library Services

State Library Services provides regional public library access to Tennesseans and manages the State Library and Archives. Responsibilities of State Library Services include acquiring, restoring, and preserving historical material for public use; providing special library services to aged, isolated, economically and culturally disadvantaged, and disabled citizens, including the library for the blind and physically handicapped; providing access to collections for both government and public use; assisting local public libraries through the state regional library system; and administering federal funds provided for library construction and renovation.

305.04 State Library and Archives

State Library and Archives collects and preserves books and records of historical, documentary, and reference value, while promoting library development throughout the state. The State Library and Archives administers the provisions of the federal Library Services and Technology Act and state law regarding the State Library and Archives and the regional library system.

Full-Time	94	89	89	0	89
Part-Time	3	3	3	0	3
Seasonal	0	0	0	0	0
Total	97	92	92	0	92
Payroll	5,586,700	5,980,600	6,005,100	0	6,005,100
Operational	5,310,500	6,088,200	6,088,200	0	6,088,200
Total	\$10,897,200	\$12,068,800	\$12,093,300	\$0	\$12,093,300
State	7,616,700	8,434,500	8,459,000	0	8,459,000
Federal	2,710,700	2,969,200	2,969,200	0	2,969,200
Other	569,800	665,100	665,100	0	665,100

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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305.05 Regional Library System

The Regional Library System consists of nine 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	87	54	54	0	54
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	87	54	54	0	54
Payroll	3,797,600	3,694,000	3,694,000	0	3,694,000
Operational	3,254,400	3,789,500	3,789,500	0	3,789,500
Total	\$7,052,000	\$7,483,500	\$7,483,500	\$0	\$7,483,500
State	6,064,900	6,661,000	6,661,000	0	6,661,000
Federal	823,600	627,500	627,500	0	627,500
Other	163,500	195,000	195,000	0	195,000

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	125,800	163,900	181,700	0	181,700
Operational	46,700	43,500	43,500	0	43,500
Total	\$172,500	\$207,400	\$225,200	\$0	\$225,200
State	172,500	207,400	225,200	0	225,200
Federal	0	0	0	0	0
Other	0	0	0	0	0

305.00 Total Secretary of State

Full-Time	403	365	365	0	365
Part-Time	10	10	10	0	10
Seasonal	0	0	0	0	0
Total	413	375	375	0	375
Payroll	22,890,900	26,345,900	26,588,700	0	26,588,700
Operational	17,861,200	43,485,200	43,425,300	0	43,425,300
Total	\$40,752,100	\$69,831,100	\$70,014,000	\$0	\$70,014,000
State	23,295,800	27,365,000	27,548,300	0	27,548,300
Federal	5,272,700	30,396,700	30,396,700	0	30,396,700
Other	12,183,600	12,069,400	12,069,000	0	12,069,000

Secretary of State

Comptroller of the Treasury

The Comptroller of the Treasury is a constitutional officer elected by the General Assembly. Statutory duties of the Comptroller include the audit of state and local governments, management of the state debt, support of the General Assembly and its committees, participation in the general financial and administrative management of state government, administration of property assessment for tax purposes, and support of local governments. The Comptroller administers the following functional areas: Administrative and Support Services, Offices of Research and Education Accountability, Audit Services, Services to Local Governments, and Property Assessment and Appraisal.

<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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Administrative and Support Services

Administrative and Support Services directs and coordinates administrative activities within the Comptroller's Office.

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	17	18	18	0	18
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	17	18	18	0	18
Payroll	1,716,600	1,936,200	1,952,400	0	1,952,400
Operational	248,400	270,000	270,000	0	270,000
Total	\$1,965,000	\$2,206,200	\$2,222,400	\$0	\$2,222,400
State	1,799,900	2,096,800	2,113,000	0	2,113,000
Federal	0	0	0	0	0
Other	165,100	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, and information technology. The office also supports the Comptroller of the Treasury in the areas of policy and contracts.

Full-Time	54	53	53	0	53
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	54	53	53	0	53
Payroll	3,822,100	4,409,200	4,446,100	0	4,446,100
Operational	9,357,100	6,367,600	6,448,400	0	6,448,400
Total	\$13,179,200	\$10,776,800	\$10,894,500	\$0	\$10,894,500

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
State	10,032,100	10,504,300	10,622,000	0	10,622,000
Federal	0	0	0	0	0
Other	3,147,100	272,500	272,500	0	272,500

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	15	13	13	0	13
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	15	13	13	0	13
Payroll	944,600	1,147,600	1,157,500	0	1,157,500
Operational	127,600	362,300	362,300	0	362,300
Total	\$1,072,200	\$1,509,900	\$1,519,800	\$0	\$1,519,800
State	1,060,500	1,409,900	1,419,800	0	1,419,800
Federal	0	0	0	0	0
Other	11,700	100,000	100,000	0	100,000

Audit Services

The Department of Audit is 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).

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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307.04 Division of State Audit

The Division of State Audit is responsible for providing independent financial and performance audits of agencies of state government, including colleges and universities. All audits are conducted in compliance with Government Auditing Standards. Significant financial and compliance audits include the Comprehensive Annual Financial Report and the Single Audit. Performance audits support the General Assembly’s government entity review process.

Full-Time	206	190	192	0	192
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	206	190	192	0	192
Payroll	13,474,500	14,732,900	14,865,800	0	14,865,800
Operational	1,342,900	1,543,600	1,543,600	0	1,543,600
Total	\$14,817,400	\$16,276,500	\$16,409,400	\$0	\$16,409,400
State	9,297,700	11,666,100	11,799,000	0	11,799,000
Federal	0	0	0	0	0
Other	5,519,700	4,610,400	4,610,400	0	4,610,400

307.05 Division of Local Government Audit

In accordance with state law, the Division of Local Government Audit prepares independent audits for all 95 counties of the state; reviews the contracted audits for all municipalities, utility districts, school activity funds, and non-profit agencies; establishes standards for audits of local governments and entities conducted by public accounting firms; and assists local governments with financial administration questions.

Full-Time	98	99	99	0	99
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	98	99	99	0	99
Payroll	7,749,500	8,730,800	8,802,100	0	8,802,100
Operational	591,400	1,037,500	1,037,500	0	1,037,500
Total	\$8,340,900	\$9,768,300	\$9,839,600	\$0	\$9,839,600
State	6,919,000	8,390,100	8,461,400	0	8,461,400
Federal	0	0	0	0	0
Other	1,421,900	1,378,200	1,348,200	0	1,348,200

307.06 Investigations

The Division of Investigations is responsible for investigating instances of fraud, waste and abuse in publicly funded entities within the state, providing a basis, when applicable, for prosecutorial or administrative agencies to pursue criminal, civil, and/or administrative actions, and reporting results of investigations, including significant internal control and compliance deficiencies, to appropriate parties.

Full-Time	23	25	25	0	25
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	23	25	25	0	25

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
Payroll	1,598,000	2,189,500	2,206,500	0	2,206,500
Operational	199,500	253,500	253,500	0	253,500
Total	\$1,797,500	\$2,443,000	\$2,460,000	\$0	\$2,460,000
State	1,658,300	2,353,000	2,370,000	0	2,370,000
Federal	0	0	0	0	0
Other	139,200	90,000	120,000	0	120,000

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 portion of or for all 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 to 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	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	792,200	1,059,700	1,068,800	0	1,068,800
Operational	128,500	166,600	166,600	0	166,600
Total	\$920,700	\$1,226,300	\$1,235,400	\$0	\$1,235,400
State	814,400	1,126,300	1,135,400	0	1,135,400
Federal	0	0	0	0	0
Other	106,300	100,000	100,000	0	100,000

307.07 Office of State and Local Finance

The Office of State and Local Finance is the result of the merger of Bond Finance and Local Finance in 2010. This division provides services related to the issuance, management, compliance, arbitrage administration and maintenance of the state's general obligation debt, and services for the financial operation of local units of government. These services are fulfilled at the direction of the Comptroller of the Treasury, 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 government. This office also approves investment programs submitted by cities, counties, and utility districts; reports on plans by municipal electric systems to provide video cable and internet services; and assists local governments in

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
areas of municipal finance.					
Full-Time	14	13	13	2	15
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	14	13	13	2	15
Payroll	1,079,900	1,157,500	1,168,300	190,800	1,359,100
Operational	101,900	136,600	136,600	15,000	151,600
Total	\$1,181,800	\$1,294,100	\$1,304,900	\$205,800	\$1,510,700
State	607,500	733,000	743,800	205,800	949,600
Federal	0	0	0	0	0
Other	574,300	561,100	561,100	0	561,100

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, conducting the statewide biennial appraisal ratio studies, coordinating the State Computer-Assisted Appraisal System, drafting property ownership maps, and other miscellaneous tasks.

Full-Time	116	103	103	0	103
Part-Time	0	0	0	0	0
Seasonal	21	0	0	0	0
Total	137	103	103	0	103
Payroll	6,159,400	7,064,200	7,125,300	0	7,125,300
Operational	1,434,000	1,981,500	1,981,500	0	1,981,500
Total	\$7,593,400	\$9,045,700	\$9,106,800	\$0	\$9,106,800
State	5,853,900	7,326,200	7,387,300	0	7,387,300
Federal	0	0	0	0	0
Other	1,739,500	1,719,500	1,719,500	0	1,719,500

307.11 State Board of Equalization

The State Board of Equalization is responsible for assuring constitutional and statutory compliance in assessments of property for ad valorem taxes. The board establishes policies and rules; 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.

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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	585,900	613,600	618,900	0	618,900
Operational	394,700	323,200	323,200	0	323,200
Total	\$980,600	\$936,800	\$942,100	\$0	\$942,100
State	811,200	829,300	834,600	0	834,600
Federal	0	0	0	0	0
Other	169,400	107,500	107,500	0	107,500

307.15 Office of State Assessed Properties

The Office of State Assessed Properties is responsible for the annual appraisal and assessment of all public utility and transportation properties as prescribed in Tennessee Code Annotated § 67-5-1301. Assessments are certified to counties and cities for the billing and collection of property taxes for these properties.

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	920,300	1,033,700	1,042,700	0	1,042,700
Operational	143,700	166,500	85,700	0	85,700
Total	\$1,064,000	\$1,200,200	\$1,128,400	\$0	\$1,128,400
State	939,000	1,075,200	1,003,400	0	1,003,400
Federal	0	0	0	0	0
Other	125,000	125,000	125,000	0	125,000

307.10 Tax Relief

The Tax Relief program processes payments to reimburse homeowners who meet legal requirements for all or for part of property taxes paid. Eligible beneficiaries of the program include low-income elderly or disabled persons and certain disabled veterans or their surviving spouses. The Division of Property Assessments provides administration of the program.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	25,603,500	28,152,100	25,652,100	2,750,000	28,402,100
Total	\$25,603,500	\$28,152,100	\$25,652,100	\$2,750,000	\$28,402,100
State	25,603,500	28,152,100	25,652,100	2,750,000	28,402,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual</u> <u>2011-2012</u>	<u>Estimated</u> <u>2012-2013</u>	<u>Base</u> <u>2013-2014</u>	<u>Cost Increase</u> <u>2013-2014</u>	<u>Recommended</u> <u>2013-2014</u>
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307.50 Telecommunications Ad Valorem Tax Equity Payments

The Telecommunications Ad Valorem Tax Reduction was enacted by the Legislature for tax year 2002 as a special fund to make ad valorem tax equity payments to reimburse local exchange telephone companies whose assessment level exceeds that of local commercial and industrial property tax payers. All funding provided to the Comptroller of the Treasury is exclusively for administrative expenses incurred by the Comptroller 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	6,386,100	7,000,000	7,000,000	0	7,000,000
Total	\$6,386,100	\$7,000,000	\$7,000,000	\$0	\$7,000,000
State	6,381,400	7,000,000	7,000,000	0	7,000,000
Federal	0	0	0	0	0
Other	4,700	0	0	0	0

307.00 Total Comptroller of the Treasury

Full-Time	580	551	553	2	555
Part-Time	8	8	8	0	8
Seasonal	21	0	0	0	0
Total	609	559	561	2	563
Payroll	38,843,000	44,074,900	44,454,400	190,800	44,645,200
Operational	46,059,300	47,761,000	45,261,000	2,765,000	48,026,000
Total	\$84,902,300	\$91,835,900	\$89,715,400	\$2,955,800	\$92,671,200
State	71,778,400	82,662,300	80,541,800	2,955,800	83,497,600
Federal	0	0	0	0	0
Other	13,123,900	9,173,600	9,173,600	0	9,173,600

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>2011-2012</u>	<u>Estimated</u> <u>2012-2013</u>	<u>Base</u> <u>2013-2014</u>	<u>Cost Increase</u> <u>2013-2014</u>	<u>Recommended</u> <u>2013-2014</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	248	249	249	13	262
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	248	249	249	13	262
Payroll	17,258,300	20,111,300	20,634,900	1,281,000	21,915,900
Operational	6,483,400	8,068,800	7,118,800	469,100	7,587,900
Total	\$23,741,700	\$28,180,100	\$27,753,700	\$1,750,100	\$29,503,800
State	0	578,900	380,400	209,200	589,600
Federal	0	0	0	0	0
Other	23,741,700	27,601,200	27,373,300	1,540,900	28,914,200

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	407,300	407,300	407,300	0	407,300
Total	\$407,300	\$407,300	\$407,300	\$0	\$407,300

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
State	407,300	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) is a Section 529 qualified tuition program. Its marquee program is known as the TN Stars College Savings 529 Plan. This plan allows anyone to pay for higher education costs in advance on behalf of a beneficiary. It offers age based options and a range of self-selected investment products.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	55,500	2,277,300	541,500	1,000,000	1,541,500
Total	\$55,500	\$2,277,300	\$541,500	\$1,000,000	\$1,541,500
State	55,500	2,152,200	416,400	1,000,000	1,416,400
Federal	0	0	0	0	0
Other	0	125,100	125,100	0	125,100

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	299,700	250,000	250,000	0	250,000
Total	\$299,700	\$250,000	\$250,000	\$0	\$250,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	299,700	250,000	250,000	0	250,000

309.10 Interlock Assistance Fund

The Interlock Assistance Fund pays 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 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
Payroll	0	0	0	0	0
Operational	9,700	463,500	875,200	0	875,200
Total	\$9,700	\$463,500	\$875,200	\$0	\$875,200

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
State	9,700	463,500	463,500	0	463,500
Federal	0	0	0	0	0
Other	0	0	411,700	0	411,700
309.00 Total Treasury Department					
Full-Time	248	249	249	13	262
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	248	249	249	13	262
Payroll	17,258,300	20,111,300	20,634,900	1,281,000	21,915,900
Operational	7,255,600	11,466,900	9,192,800	1,469,100	10,661,900
Total	\$24,513,900	\$31,578,200	\$29,827,700	\$2,750,100	\$32,577,800
State	472,500	3,601,900	1,667,600	1,209,200	2,876,800
Federal	0	0	0	0	0
Other	24,041,400	27,976,300	28,160,100	1,540,900	29,701,000

Claims and Compensation

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

<u>Actual</u> <u>2011-2012</u>	<u>Estimated</u> <u>2012-2013</u>	<u>Base</u> <u>2013-2014</u>	<u>Cost Increase</u> <u>2013-2014</u>	<u>Recommended</u> <u>2013-2014</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	14,579,900	16,100,000	16,100,000	0	16,100,000
Total	\$14,579,900	\$16,100,000	\$16,100,000	\$0	\$16,100,000
State	9,576,300	9,900,000	11,170,000	0	11,170,000
Federal	4,991,000	6,200,000	4,930,000	0	4,930,000
Other	12,600	0	0	0	0

313.10 Risk Management Fund

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

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	55,820,000	57,367,900	57,680,100	0	57,680,100
Total	\$55,820,000	\$57,367,900	\$57,680,100	\$0	\$57,680,100

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
State	0	0	0	0	0
Federal	323,400	0	0	0	0
Other	55,496,600	57,367,900	57,680,100	0	57,680,100

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	21,551,200	34,640,500	31,750,000	5,250,000	37,000,000
Total	\$21,551,200	\$34,640,500	\$31,750,000	\$5,250,000	\$37,000,000
State	0	2,890,500	0	5,250,000	5,250,000
Federal	0	0	0	0	0
Other	21,551,200	31,750,000	31,750,000	0	31,750,000

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	91,951,100	108,108,400	105,530,100	5,250,000	110,780,100
Total	\$91,951,100	\$108,108,400	\$105,530,100	\$5,250,000	\$110,780,100
State	9,576,300	12,790,500	11,170,000	5,250,000	16,420,000
Federal	5,314,400	6,200,000	4,930,000	0	4,930,000
Other	77,060,400	89,117,900	89,430,100	0	89,430,100

Executive Department

The Executive Department is responsible for the overall operation of state government. In addition, the department ensures 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 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
315.01 Governor's Office					
Full-Time	45	42	39	0	39
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	45	42	39	0	39
Payroll	3,693,600	4,067,000	3,823,000	0	3,823,000
Operational	901,900	864,200	848,200	0	848,200
Total	\$4,595,500	\$4,931,200	\$4,671,200	\$0	\$4,671,200
State	4,594,300	4,886,200	4,671,200	0	4,671,200
Federal	0	0	0	0	0
Other	1,200	45,000	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 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
316.04 Human Rights Commission					
Full-Time	29	29	29	0	29
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	29	29	29	0	29
Payroll	1,671,300	1,885,200	1,885,200	0	1,885,200
Operational	563,000	575,600	568,900	0	568,900
Total	\$2,234,300	\$2,460,800	\$2,454,100	\$0	\$2,454,100
State	1,600,500	1,686,500	1,679,800	0	1,679,800
Federal	613,100	774,300	774,300	0	774,300
Other	20,700	0	0	0	0

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

Measure: Average annual employment case closures per Equal Employment Opportunity Commission work-sharing agreement.

388	500	500	0	500
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Standard: Increase annual housing case closures per Tennessee Human Rights Commission (THRC's) work-sharing agreement with the Department of Housing and Urban Development (HUD).

Measure: Average annual housing case closures per Department of Housing and Urban Development (HUD) work-sharing agreement.

97	130	130	0	130
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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 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
316.11 Tennessee Regulatory Authority					
Full-Time	69	66	61	0	61
Part-Time	2	5	5	0	5
Seasonal	0	0	0	0	0
Total	71	71	66	0	66
Payroll	5,179,700	6,056,400	5,479,400	0	5,479,400
Operational	1,748,200	1,734,000	1,734,000	0	1,734,000
Total	\$6,927,900	\$7,790,400	\$7,213,400	\$0	\$7,213,400
State	6,385,900	7,382,700	6,631,600	0	6,631,600
Federal	539,100	404,400	580,800	0	580,800
Other	2,900	3,300	1,000	0	1,000

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

Measure: Percent of adjudicated cases within the statutory requirement.

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

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

66.33%	75.00%	75.00%	0	75.00%
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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 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
316.12 Advisory Commission on Intergovernmental Relations					
Full-Time	18	18	18	0	18
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
Total	20	20	20	0	20
Payroll	1,820,600	2,043,200	2,043,200	0	2,043,200
Operational	827,900	923,800	912,800	0	912,800
Total	\$2,648,500	\$2,967,000	\$2,956,000	\$0	\$2,956,000
State	0	223,200	212,200	0	212,200
Federal	0	0	0	0	0
Other	2,648,500	2,743,800	2,743,800	0	2,743,800

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

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

91%	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, and TennCare Fraud and Abuse Prevention.

The Bureau of TennCare, Cover Tennessee Health Care Programs, and Health-Care Planning and Innovation are divisions of this department. These programs are separately presented in the Health and Social Services section of the Budget.

<u>Actual</u> <u>2011-2012</u>	<u>Estimated</u> <u>2012-2013</u>	<u>Base</u> <u>2013-2014</u>	<u>Cost Increase</u> <u>2013-2014</u>	<u>Recommended</u> <u>2013-2014</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. In addition, this division carries out internal review, audits, and investigations to prevent fraud, abuse, and waste. Additional services provided include assisting state agencies in solving management and operations problems by conducting operational process re-engineering studies, cost-benefit studies, and financial analysis.

Full-Time	105	96	93	0	93
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	105	96	93	0	93
Payroll	7,010,100	7,695,600	7,552,700	0	7,552,700
Operational	2,045,700	3,125,300	2,591,300	0	2,591,300
Total	\$9,055,800	\$10,820,900	\$10,144,000	\$0	\$10,144,000
State	1,587,900	2,271,700	2,197,700	0	2,197,700
Federal	0	0	0	0	0
Other	7,467,900	8,549,200	7,946,300	0	7,946,300

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.

87.0%	90.0%	90.0%	0	90.0%
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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Standard: Comply with departmental annual internal audit plan.

Measure: Percent of compliance with departmental annual internal audit plan.

	87.5%	80.0%	80.0%	0	80.0%
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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 two data centers that house mainframes, distributed computers, and data storage.

Full-Time	367	363	363	2	365
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	367	363	363	2	365
Payroll	29,272,900	33,444,800	33,444,800	560,800	34,005,600
Operational	114,006,800	114,064,900	110,937,200	11,589,200	122,526,400
Total	\$143,279,700	\$147,509,700	\$144,382,000	\$12,150,000	\$156,532,000
State	0	2,500,000	0	12,150,000	12,150,000
Federal	42,300	0	0	0	0
Other	143,237,400	145,009,700	144,382,000	0	144,382,000

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

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

	99.8%	98.0%	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 98%.

	99.8%	98.0%	98.0%	0	98.0%
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317.04 Benefits Administration

The Division of Benefits Administration administers the state-sponsored insurance benefits program directed by the State, Local Education, and Local Government Insurance committees. All health-care plans are self-insured, Preferred Provider Organizations (PPO).

Full-Time	96	96	96	0	96
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	96	96	96	0	96
Payroll	5,424,500	6,493,800	6,493,800	0	6,493,800
Operational	3,133,700	4,695,300	4,370,300	0	4,370,300
Total	\$8,558,200	\$11,189,100	\$10,864,100	\$0	\$10,864,100

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
State	14,500	0	0	0	0
Federal	0	0	0	0	0
Other	8,543,700	11,189,100	10,864,100	0	10,864,100

Standard: In order to minimize plan administrative cost, maintain Benefits Administration spending for the public sector plans at a level no greater than one percent 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.

0.59%	0.60%	0.60%	0	0.60%
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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, and Rural Domestic Violence. The office monitors the grantees to ensure that criminal justice funds are spent in accordance with federal and state guidelines.

Full-Time	21	21	19	0	19
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	21	21	19	0	19
Payroll	1,523,000	1,668,800	1,464,500	0	1,464,500
Operational	24,542,700	23,834,700	23,508,900	0	23,508,900
Total	\$26,065,700	\$25,503,500	\$24,973,400	\$0	\$24,973,400
State	3,749,200	4,506,600	3,894,100	0	3,894,100
Federal	22,157,500	20,891,100	20,891,100	0	20,891,100
Other	159,000	105,800	188,200	0	188,200

Standard: Provide services and reduce victimization for child victims of crime through Child Advocacy Centers (CACs) 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.

17,919	18,500	18,500	0	18,500
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317.10 State Architect's Office

The State Architect's Office (OSA) serves as the operating manager of the State Building Commission (SBC). This office is responsible for supervising projects, implementing existing rules, and proposing new rules, policies, procedures, and technical standards for the SBC.

Full-Time	4	6	6	0	6
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	4	6	6	0	6
Payroll	417,800	701,400	701,400	0	701,400
Operational	517,600	537,100	537,100	0	537,100
Total	\$935,400	\$1,238,500	\$1,238,500	\$0	\$1,238,500

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
State	935,400	1,207,500	1,238,500	0	1,238,500
Federal	0	0	0	0	0
Other	0	31,000	0	0	0

Standard: OSA's timely approval of an entity's (general gov't agencies, dept(s), and higher educ instit.) project related owner designer and/or contractor agreement(s), construction change order(s), or designer additional srv request(s) after submittal to the OSA.

Measure: Percent of owner designer or contractor agreements, construction change orders or designer additional service requests that are approved and released by the OSA within two business days after official receipt by the OSA.

91%	70%	86%	0	86%
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Standard: OSA's timely response to questions from vendors (designer, consultant, or contractor) requesting assistance regarding selection, evaluation, registration, payment, or other pertinent information as handled by and available to the OSA.

Measure: Percent of vendor's specific request that are approved and released by the OSA within two business days after official receipt by the OSA.

Not Applicable	85%	86%	0	86%
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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 support services to increase service-learning and civic engagement, especially for at-risk youth. In addition, the commission administers national competitive AmeriCorps grants and the Governor's Volunteer Star Awards.

Full-Time	9	7	7	0	7
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	9	7	7	0	7
Payroll	410,700	476,100	476,100	0	476,100
Operational	4,297,500	4,056,900	4,056,900	0	4,056,900
Total	\$4,708,200	\$4,533,000	\$4,533,000	\$0	\$4,533,000
State	278,300	246,200	246,200	0	246,200
Federal	4,393,000	4,086,600	4,275,000	0	4,275,000
Other	36,900	200,200	11,800	0	11,800

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.

635,368	400,000	500,000	0	500,000
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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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.

808	550	600	0	600
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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	101	101	101	0	101
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	101	101	101	0	101
Payroll	8,084,300	9,133,900	9,133,900	0	9,133,900
Operational	15,831,000	15,841,100	15,841,100	0	15,841,100
Total	\$23,915,300	\$24,975,000	\$24,975,000	\$0	\$24,975,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	23,915,300	24,975,000	24,975,000	0	24,975,000

Standard: Successfully implement core software upgrades to more current product releases in two phases over the next two fiscal years.

Measure: The percent of upgrade completion of Human Capital Management (HCM), Enterprise Learning Management (ELM), and Portal software applications within FY 2012-2013 and upgrade completion of FSCM applications in FY 2013-2014.

Not Applicable	100%	100%	0	100%
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317.18 Shared Services Solutions

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

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	660,600	736,400	721,400	0	721,400
Operational	114,300	147,900	137,900	0	137,900
Total	\$774,900	\$884,300	\$859,300	\$0	\$859,300
State	128,000	0	0	0	0
Federal	0	0	0	0	0
Other	646,900	884,300	859,300	0	859,300

<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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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.

98%	90%	90%	0	90%
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317.20 Business Solutions Delivery

Business Solutions Delivery (BSD) provides project management resources to help successfully implement large, complex agency information technology projects. BSD develops standard methodologies, tools, and measurements to help agencies achieve desired project outcomes.

Full-Time	0	22	22	0	22
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	22	22	0	22
Payroll	0	3,222,500	3,222,500	0	3,222,500
Operational	0	255,200	255,200	0	255,200
Total	\$0	\$3,477,700	\$3,477,700	\$0	\$3,477,700
State	0	2,636,500	2,636,500	0	2,636,500
Federal	0	0	0	0	0
Other	0	841,200	841,200	0	841,200

Standard: Meet or exceed 90% average of overall customer satisfaction for the projects where Business Solutions Delivery (BSD) resources are provided for project management or business analysis work efforts.

Measure: Average percent of overall customer satisfaction with Business Solutions Delivery (BSD) resources and methodologies.

Not Applicable	90%	92%	0	92%
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Standard: Achieve on schedule and within budget results for 80% of the projects that Business Solutions Delivery (BSD) is supporting as measured across the 4-5 key projects throughout the life of the projects.

Measure: Average percent of overall project tasks on schedule and within budget for the 4-5 key projects Business Solutions Delivery (BSD) is supporting.

Not Applicable	80%	80%	0	80%
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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.

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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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	30	30	30	0	30
Part-Time	0	2	2	0	2
Seasonal	0	0	0	0	0
Total	30	32	32	0	32
Payroll	2,510,100	3,338,000	3,338,000	0	3,338,000
Operational	438,300	549,500	427,800	1,770,000	2,197,800
Total	\$2,948,400	\$3,887,500	\$3,765,800	\$1,770,000	\$5,535,800
State	2,948,400	3,887,500	3,765,800	1,770,000	5,535,800
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: Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award received or not.

Received	Will Apply	Will Apply	0	Will Apply
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Standard: In the next Budget Document, achieve 65% 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.

62.7%	65.0%	65.0%	0	65.0%
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317.05 Division of Accounts

The Division of Accounts maintains the centralized general ledger used to record all state government accounting events. The division operates a centralized payment distribution process for state payments and state payroll and is also responsible for the associated centralized Internal Revenue Service reporting. Accounting policy is developed by the division and is used to enable consistent accounting treatment across state government. The division is also responsible for reporting the state's compliance with the federal Cash Management Improvement Act and the federal Single Audit Act. The division also prepares the state's Comprehensive Annual Financial Report (CAFR).

Full-Time	163	163	163	0	163
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	163	163	163	0	163

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
Payroll	8,501,600	11,190,900	11,190,900	1,621,400	12,812,300
Operational	2,519,400	3,559,700	3,159,700	178,600	3,338,300
Total	\$11,021,000	\$14,750,600	\$14,350,600	\$1,800,000	\$16,150,600
State	0	0	0	1,800,000	1,800,000
Federal	0	0	0	0	0
Other	11,021,000	14,750,600	14,350,600	0	14,350,600

Standard: Complete all tax filings by their deadlines.

Measure: Number of days after deadline that tax filings are made.

0	0	0	0	0
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Standard: The Comprehensive Annual Financial Report (CAFR) is completed and audited by December 31.

Measure: Number of days after December 31 that CAFR is prepared and audited.

0	0	0	0	0
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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	50	50	50	0	50
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	50	50	50	0	50
Payroll	2,966,300	3,628,600	3,628,600	0	3,628,600
Operational	950,900	1,144,400	1,144,400	0	1,144,400
Total	\$3,917,200	\$4,773,000	\$4,773,000	\$0	\$4,773,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	3,917,200	4,773,000	4,773,000	0	4,773,000

Standard: Pursue criminal arrests for TennCare fraud.

Measure: The number of criminal arrests for TennCare fraud in a fiscal year by the Office of Inspector General (OIG).

200	240	200	0	200
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
317.00 Total Finance and Administration					
Full-Time	956	965	960	2	962
Part-Time	0	2	2	0	2
Seasonal	0	0	0	0	0
Total	956	967	962	2	964
Payroll	66,781,900	81,730,800	81,368,600	2,182,200	83,550,800
Operational	168,397,900	171,812,000	166,967,800	13,537,800	180,505,600
Total	\$235,179,800	\$253,542,800	\$248,336,400	\$15,720,000	\$264,056,400
State	9,641,700	17,256,000	13,978,800	15,720,000	29,698,800
Federal	26,592,800	24,977,700	25,166,100	0	25,166,100
Other	198,945,300	211,309,100	209,191,500	0	209,191,500

Department of Human Resources

Performance-Based Budget

The Department of Human Resources (DOHR) 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, and administers the provisions of the TEAM Act of 2012. 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 four major program areas of the Department of Human Resources are executive administration, human resource development, technical services, and employee relations.

<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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319.01 Executive Administration

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

Full-Time	17	17	17	0	17
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	17	17	17	0	17
Payroll	1,190,800	1,519,000	1,519,000	0	1,519,000
Operational	898,100	1,063,400	1,063,400	0	1,063,400
Total	\$2,088,900	\$2,582,400	\$2,582,400	\$0	\$2,582,400
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	2,088,900	2,582,400	2,582,400	0	2,582,400

Standard: Design and implement annual reporting process for Department of Human Resources (DOHR).

Measure: Number of identified metrics collected, verified, and reported annually.

Not Applicable	10	10	0	10
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319.02 Human Resource Development

Human Resource Development approves, coordinates, and conducts training and career development courses for all state departments and agencies. The Strategic Learning Solutions (SLS) division conducts comprehensive needs assessments, identifies learning and development opportunities for all state agencies, and customizes training and development programs to maximize employee potential and achieve strategic business goals and objectives.

Full-Time	12	10	10	0	10
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	12	10	10	0	10

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
Payroll	469,800	723,500	723,500	0	723,500
Operational	634,500	1,387,900	1,294,900	0	1,294,900
Total	\$1,104,300	\$2,111,400	\$2,018,400	\$0	\$2,018,400
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,104,300	2,111,400	2,018,400	0	2,018,400

Standard: Consult and partner with executive branch agency leaders to create a customized talent development strategy that develops and sustains a high performance workforce.

Measure: Percent of executive branch agencies working toward a customized talent development strategy.

Not Applicable	33%	67%	0	67%
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319.03 Technical Services

Technical Services administers state employee compensation and position classifications, recommends policy, oversees all human resources transactions involving employees in the Executive Branch and actively manages the recruitment of qualified applicants.

Full-Time	81	76	76	0	76
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	81	76	76	0	76
Payroll	3,739,800	5,013,200	5,013,200	0	5,013,200
Operational	122,200	317,600	195,900	0	195,900
Total	\$3,862,000	\$5,330,800	\$5,209,100	\$0	\$5,209,100
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	3,862,000	5,330,800	5,209,100	0	5,209,100

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 classifications established.

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</u> <u>2011-2012</u>	<u>Estimated</u> <u>2012-2013</u>	<u>Base</u> <u>2013-2014</u>	<u>Cost Increase</u> <u>2013-2014</u>	<u>Recommended</u> <u>2013-2014</u>
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319.05 Employee Relations

Employee Relations responsibilities include advising state employees, supervisors, managers, human resource officers and state executives regarding state laws, rules, policies and practices. This includes providing information on human resource functions, as well as reviewing certain employee transactions related to separations, appeals and court orders. In addition, the division administers the state's performance management program, the State Employee Sick Leave Bank and the Employee Service Award Program.

Full-Time	12	12	12	0	12
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
Total	21	21	21	0	21
Payroll	889,100	987,900	987,900	0	987,900
Operational	333,100	370,100	370,100	0	370,100
Total	\$1,222,200	\$1,358,000	\$1,358,000	\$0	\$1,358,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,222,200	1,358,000	1,358,000	0	1,358,000

319.00 Total Human Resources

Full-Time	122	115	115	0	115
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
Total	131	124	124	0	124
Payroll	6,289,500	8,243,600	8,243,600	0	8,243,600
Operational	1,987,900	3,139,000	2,924,300	0	2,924,300
Total	\$8,277,400	\$11,382,600	\$11,167,900	\$0	\$11,167,900
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	8,277,400	11,382,600	11,167,900	0	11,167,900

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 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</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.

Full-Time	48	44	44	0	44
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	48	44	44	0	44
Payroll	3,773,700	3,561,900	3,561,900	0	3,561,900
Operational	969,800	2,273,500	2,176,000	0	2,176,000
Total	\$4,743,500	\$5,835,400	\$5,737,900	\$0	\$5,737,900
State	291,800	432,400	334,900	0	334,900
Federal	0	0	0	0	0
Other	4,451,700	5,403,000	5,403,000	0	5,403,000

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.

88.02%	82.10%	83.00%	83.00%	83.00%
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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	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	1,092,000	1,553,500	1,553,500	0	1,553,500
Operational	521,300	623,600	623,600	0	623,600
Total	\$1,613,300	\$2,177,100	\$2,177,100	\$0	\$2,177,100

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,613,300	2,177,100	2,177,100	0	2,177,100

Standard: Office of Information Technology Services (OITS) shall resolve single item Priority 3 help desk tickets that do not involve multiple actions within five business days of receipt a minimum of 80% of the time.

Measure: Percent of time Office of Information Technology Services (OITS) resolved single item Priority 3 help desk tickets within five business days of receipt.

85%	80%	80%	0	80%
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Property Management Services

The department's Property Management Services manages and maintains the state's motor vehicles and state-owned facilities and grounds, and supervises all capital outlay projects.

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	24	26	26	0	26
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	24	26	26	0	26
Payroll	1,490,400	1,592,900	1,592,900	0	1,592,900
Operational	41,410,300	33,276,700	33,132,100	0	33,132,100
Total	\$42,900,700	\$34,869,600	\$34,725,000	\$0	\$34,725,000
State	4,222,400	0	0	0	0
Federal	0	0	0	0	0
Other	38,678,300	34,869,600	34,725,000	0	34,725,000

Standard: Obtain replacement fleet vehicles at the lowest available cost and monitor vehicle usage patterns to ensure the state's short-term lease requirements are being met.

Measure: Motor Vehicle Management (MVM) lease rate versus the average lease rate of three, locally-represented, national car rental companies surveyed in June of each year.

37.36%	37.00%	37.00%	0	37.00%
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321.07 Real Estate Asset Management

The Real Estate Asset Management division operates, manages, and maintains all Facilities Revolving Fund (FRF) office and warehouse space in both state-owned and privately leased buildings. This division also supervises and preplans 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, designs interior floor plans for agencies, and coordinates agency moves.

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
Full-Time	250	249	120	1	121
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	250	249	120	1	121
Payroll	13,093,300	14,903,200	13,316,500	71,100	13,387,600
Operational	5,627,800	9,715,000	8,062,800	3,500	8,066,300
Total	\$18,721,100	\$24,618,200	\$21,379,300	\$74,600	\$21,453,900
State	4,251,700	5,909,800	4,434,600	0	4,434,600
Federal	0	0	0	0	0
Other	14,469,400	18,708,400	16,944,700	74,600	17,019,300

Standard: State of Tennessee Real Estate Asset Management (STREAM) will operate at a total cost of less than 90% of Building Owners and Managers Association (BOMA) latest published industry standard cost per square foot rate.

Measure: Percent of STREAM total cost versus the Building Owners and Managers Association (BOMA) standard rate per square foot.

101.35%	61.00%	90.00%	0	90.00%
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321.20 State Facilities Pre-Planning

State Facilities Pre-Planning program provides for preliminary design work on capital 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	8,500,000	8,500,000	0	8,500,000
Total	\$0	\$8,500,000	\$8,500,000	\$0	\$8,500,000
State	0	8,500,000	500,000	0	500,000
Federal	0	0	0	0	0
Other	0	0	8,000,000	0	8,000,000

Standard: State Facilities Preplanning will maintain guidelines for use-approval standards by which state agencies may request reimbursement for capital projects planning on projects prior to approval by the State Building Commission.

Measure: Number of projects considered by State Facilities Pre-Planning.

Not Applicable	10	15	0	15
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Interdepartmental Support Services

Interdepartmental Support Services functions include postal, printing, purchasing of services and goods, the disposal and distribution of surplus state and federal property, and storage and distribution of supplies to state departments and agencies.

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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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.

Full-Time	55	43	43	0	43
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	55	43	43	0	43
Payroll	1,746,100	1,819,200	1,819,200	0	1,819,200
Operational	16,144,600	19,238,800	19,238,800	0	19,238,800
Total	\$17,890,700	\$21,058,000	\$21,058,000	\$0	\$21,058,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	17,890,700	21,058,000	21,058,000	0	21,058,000

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

Measure: State Postal Service (SPS) cost per piece vs. United States Postal Service (USPS) standard cost per piece of first class mail.

\$0.45/\$0.45	\$0.46/\$0.46	\$0.46/\$0.46	0	\$0.46/\$0.46
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Standard: Increase the pre-sort percentage of outgoing United States Postal Service (USPS) letter mail to maximize pre-sort with bar-code discount rate for postage savings.

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

98% / \$3,650,377	98% / \$3,831,372	94% / \$3,202,621	0	94% / \$3,202,621
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321.09 Printing and Media Services

The Printing and Media Services Division produces a full range of centralized graphic design, photography, printing, copying, and binding services for state and local governments. Other services include design of files for the web, layout consultation, and development of document specifications.

Full-Time	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	2,260,900	2,645,100	2,645,100	0	2,645,100
Operational	2,593,300	2,340,200	2,340,200	0	2,340,200
Total	\$4,854,200	\$4,985,300	\$4,985,300	\$0	\$4,985,300
State	304,300	309,100	309,100	0	309,100
Federal	0	0	0	0	0
Other	4,549,900	4,676,200	4,676,200	0	4,676,200

<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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Standard: Retain a 95% on-time delivery rating of printing requests that are assigned a completion due date.

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

98.6%	95.0%	95.0%	0	95.0%
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Standard: Maintain an efficient process with minimal turnaround time (8.5 days or better) from inception to completion.

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

6.33 Days	8.5 days	8.5 days	0	8.5 days
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321.10 Procurement Office

The Procurement Office is the centralized procurement office for goods and services to state government. The office 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. This office also operates the Governor's Office of Diversity Business Enterprise, which assists minority-owned, women-owned, small, and service disabled veteran-owned businesses participating in state contracting and procurement activities.

Full-Time	74	68	68	11	79
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	74	68	68	11	79
Payroll	4,325,000	5,075,000	5,075,000	581,100	5,656,100
Operational	1,989,800	7,804,600	2,290,300	38,500	2,328,800
Total	\$6,314,800	\$12,879,600	\$7,365,300	\$619,600	\$7,984,900
State	706,400	7,654,400	2,140,100	0	2,140,100
Federal	0	0	0	0	0
Other	5,608,400	5,225,200	5,225,200	619,600	5,844,800

Standard: Generate annual state dollar savings of \$10M by implementing strategic sourcing initiatives.

Measure: State dollar savings generated by strategic sourcing initiatives (in millions).

Not Applicable	\$10M	\$10M	0	\$10M
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Standard: Increase the number of registrations of certified minority, women, small, and service disabled veteran-owned businesses by 150 each year.

Measure: Total number of new certified minority-owned, woman-owned, service-disabled veteran owned, and small businesses qualified by Governor's Office of Diversity Business Enterprises (GO-DBE).

151	175	150	0	150
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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321.18 Warehousing and Distribution

Warehousing and Distribution is responsible for central warehousing of state supplies. The division manages a centralized supply distribution operation.

Full-Time	23	30	30	0	30
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	23	30	30	0	30
Payroll	1,288,100	1,523,300	1,523,300	0	1,523,300
Operational	4,759,600	3,381,500	3,381,500	0	3,381,500
Total	\$6,047,700	\$4,904,800	\$4,904,800	\$0	\$4,904,800
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	6,047,700	4,904,800	4,904,800	0	4,904,800

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

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

2 days	3 days	2 days	0	2 days
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Standard: Achieve and maintain a 90% success rate for the complete disposal of all state surplus property requests within 60 days of assignment.

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

91%	93%	92%	0	92%
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Governor's Books from Birth Fund

321.21 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	3,104,100	0	3,104,100
Total	\$3,444,100	\$3,444,100	\$3,104,100	\$0	\$3,104,100
State	3,444,100	3,444,100	3,104,100	0	3,104,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

<u>Actual</u> <u>2011-2012</u>	<u>Estimated</u> <u>2012-2013</u>	<u>Base</u> <u>2013-2014</u>	<u>Cost Increase</u> <u>2013-2014</u>	<u>Recommended</u> <u>2013-2014</u>
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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 Imagination Library.

Measure: Percent of eligible children enrolled.

51%	61%	58%	0	58%
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321.00 Total General Services

Full-Time	547	531	402	12	414
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	547	531	402	12	414
Payroll	29,069,500	32,674,100	31,087,400	652,200	31,739,600
Operational	77,460,600	90,598,000	82,849,400	42,000	82,891,400
Total	\$106,530,100	\$123,272,100	\$113,936,800	\$694,200	\$114,631,000
State	13,220,700	26,249,800	10,822,800	0	10,822,800
Federal	0	0	0	0	0
Other	93,309,400	97,022,300	103,114,000	694,200	103,808,200

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 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
323.00 Veterans Affairs					
Full-Time	97	97	97	0	97
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	97	97	97	0	97
Payroll	3,960,000	4,580,800	4,580,800	0	4,580,800
Operational	1,338,000	1,395,300	1,395,300	239,000	1,634,300
Total	\$5,298,000	\$5,976,100	\$5,976,100	\$239,000	\$6,215,100
State	4,123,400	4,956,400	4,956,400	239,000	5,195,400
Federal	857,700	772,700	772,700	0	772,700
Other	316,900	247,000	247,000	0	247,000

Standard: Ensure 100% of Tennessee's veterans, their families, and survivors have access to consistent quality guidance and advocacy within a reasonable commute.

Measure: Percent of Tennessee's veterans, their families, and survivors having access to consistent quality guidance and advocacy within a reasonable commute.

40%	45%	50%	0	50%
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Standard: Establish a training division to plan, implement, and assess training to state and county Benefit Representatives using state of the art technology tailored to all levels of experience.

Measure: Percent of development to establish a training division.

5%	10%	25%	0	25%
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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 Services, Support Services, Revenue Collection Services, Regulatory Services, and Disaster Relief functions.

<u>Actual</u> <u>2011-2012</u>	<u>Estimated</u> <u>2012-2013</u>	<u>Base</u> <u>2013-2014</u>	<u>Cost Increase</u> <u>2013-2014</u>	<u>Recommended</u> <u>2013-2014</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	105	99	95	0	95
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	105	99	95	0	95
Payroll	7,269,700	7,828,900	7,483,200	0	7,483,200
Operational	1,485,100	1,569,100	1,564,500	0	1,564,500
Total	\$8,754,800	\$9,398,000	\$9,047,700	\$0	\$9,047,700
State	5,754,000	6,421,200	6,114,300	0	6,114,300
Federal	0	0	0	0	0
Other	3,000,800	2,976,800	2,933,400	0	2,933,400

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

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

97.14%	90.00%	92.00%	0	92.00%
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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.

87.8%	82.0%	83.0%	0	83.0%
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</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	91	91	91	0	91
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	91	91	91	0	91
Payroll	6,773,100	7,703,400	7,731,600	0	7,731,600
Operational	12,513,000	12,414,500	14,069,200	80,900	14,150,100
Total	\$19,286,100	\$20,117,900	\$21,800,800	\$80,900	\$21,881,700
State	13,938,600	16,064,900	15,096,600	80,900	15,177,500
Federal	5,900	0	0	0	0
Other	5,341,600	4,053,000	6,704,200	0	6,704,200

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.

	99.86%	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	231	229	220	0	220
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	231	229	220	0	220
Payroll	10,770,900	11,869,300	11,566,300	0	11,566,300
Operational	18,194,700	15,341,100	15,088,400	1,329,900	16,418,300
Total	\$28,965,600	\$27,210,400	\$26,654,700	\$1,329,900	\$27,984,600
State	25,017,000	23,995,800	23,570,100	1,329,900	24,900,000
Federal	0	0	0	0	0
Other	3,948,600	3,214,600	3,084,600	0	3,084,600

<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</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.

91.24%	87.00%	87.00%	0	87.00%
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Standard: Serve callers through the general information call center and tax practitioner hot lines in a timely manner.

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

82.58%	85.00%	85.00%	0	85.00%
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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	147	142	130	0	130
Part-Time	16	16	7	0	7
Seasonal	0	0	0	0	0
Total	163	158	137	0	137
Payroll	6,622,500	7,004,200	6,383,100	0	6,383,100
Operational	1,748,900	1,803,100	1,779,900	0	1,779,900
Total	\$8,371,400	\$8,807,300	\$8,163,000	\$0	\$8,163,000
State	5,383,800	6,235,500	5,095,200	0	5,095,200
Federal	0	0	0	0	0
Other	2,987,600	2,571,800	3,067,800	0	3,067,800

Standard: Timely deposit all state funds collected.

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

99.91%	97.20%	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.

1.67 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 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</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	118	120	120	0	120
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	118	120	120	0	120
Payroll	6,865,900	7,552,500	7,527,100	0	7,527,100
Operational	967,000	1,007,600	1,033,000	0	1,033,000
Total	\$7,832,900	\$8,560,100	\$8,560,100	\$0	\$8,560,100
State	4,802,500	5,879,300	5,583,300	0	5,583,300
Federal	0	0	0	0	0
Other	3,030,400	2,680,800	2,976,800	0	2,976,800

Standard: Collect delinquent taxes due.

Measure: Percent of delinquent taxes collected.

11.43%	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%.

8.95%	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	345	343	343	4	347
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	345	343	343	4	347
Payroll	23,790,500	26,378,900	26,378,900	204,100	26,583,000
Operational	3,626,200	3,783,700	3,783,700	65,500	3,849,200
Total	\$27,416,700	\$30,162,600	\$30,162,600	\$269,600	\$30,432,200

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
State	17,801,200	20,777,800	20,657,800	269,600	20,927,400
Federal	2,900	22,000	22,000	0	22,000
Other	9,612,600	9,362,800	9,482,800	0	9,482,800

Standard: Audit taxpayer accounts subject to Tennessee tax law.

Measure: Number of taxpayer accounts audited.

	12,947	9,500	10,000	0	10,000
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Standard: Process claims for refund timely.

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

	91.1%	90.0%	90.0%	0	90.0%
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Anti-Theft Unit

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	1,126,100	1,287,500	1,287,500	0	1,287,500
Operational	254,100	234,000	234,000	0	234,000
Total	\$1,380,200	\$1,521,500	\$1,521,500	\$0	\$1,521,500
State	1,380,200	1,521,500	1,521,500	0	1,521,500
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Inspect rebuilt vehicles within 30 days of receiving request for inspection.

Measure: Percent of rebuilt vehicles inspected within 30 days.

	94.22%	93.00%	93.00%	0	93.00%
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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Disaster Relief

The Disaster Relief section provides tax refunds for qualified purchases related to natural disasters.

347.20 Sales Tax Disaster Relief

Sales Tax Disaster Relief provides a sales and use tax refund for victims of flooding or other natural disaster events. Victims are entitled to refunds on major appliances, residential building supplies, and residential furniture. It also provides a sales and use tax refund for the purchase of building supplies for construction or improvement of storm and tornado shelters.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	20,000	250,000	750,000	0	750,000
Total	\$20,000	\$250,000	\$750,000	\$0	\$750,000
State	20,000	250,000	750,000	0	750,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Issue sales and use tax refunds for natural disasters.

Measure: Number of sales and use tax refunds for natural disasters.

49	Not Applicable	50	0	50
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347.21 Tax Refund Interest Expense

The Tax Refund Interest Expense allotment code accounts for interest due to taxpayers on tax refunds.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	2,225,200	2,500,000	2,500,000	0	2,500,000
Total	\$2,225,200	\$2,500,000	\$2,500,000	\$0	\$2,500,000
State	2,225,200	2,500,000	2,500,000	0	2,500,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Issue tax interest refunds.

Measure: Number of tax interest refunds.

2,215	Not Applicable	2,200	0	2,200
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
347.00 Total Revenue					
Full-Time	1,055	1,042	1,017	4	1,021
Part-Time	16	16	7	0	7
Seasonal	0	0	0	0	0
Total	1,071	1,058	1,024	4	1,028
Payroll	63,218,700	69,624,700	68,357,700	204,100	68,561,800
Operational	41,034,200	38,903,100	40,802,700	1,476,300	42,279,000
Total	\$104,252,900	\$108,527,800	\$109,160,400	\$1,680,400	\$110,840,800
State	76,322,500	83,646,000	80,888,800	1,680,400	82,569,200
Federal	8,800	22,000	22,000	0	22,000
Other	27,921,600	24,859,800	28,249,600	0	28,249,600

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>2011-2012</u>	<u>Estimated</u> <u>2012-2013</u>	<u>Base</u> <u>2013-2014</u>	<u>Cost Increase</u> <u>2013-2014</u>	<u>Recommended</u> <u>2013-2014</u>
351.00 Miscellaneous Appropriations					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	42,925,100	84,341,500	80,313,400	129,400,000	209,713,400
Total	\$42,925,100	\$84,341,500	\$80,313,400	\$129,400,000	\$209,713,400
State	42,053,900	84,103,000	80,313,400	129,400,000	209,713,400
Federal	0	0	0	0	0
Other	871,200	238,500	0	0	0

Emergency and Contingency Fund

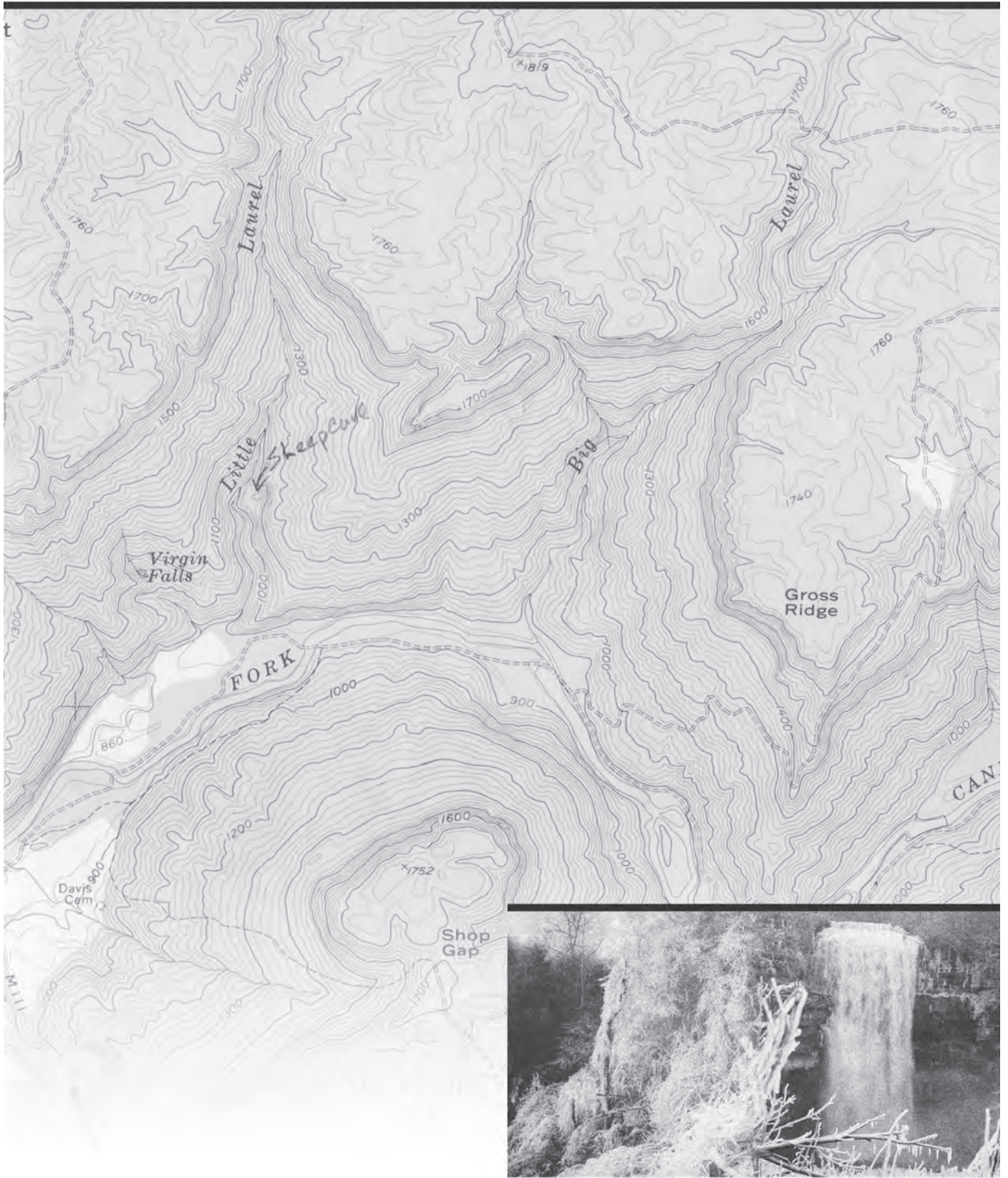
The Emergency and Contingency Fund is a special fund for any purpose authorized or implied by law for which no appropriation is made or for which insufficient appropriation is inadvertently made. This fund may not be used to fund any law requiring the expenditure of state funds unless an appropriation 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 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</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</u> <u>2011-2012</u>	<u>Estimated</u> <u>2012-2013</u>	<u>Base</u> <u>2013-2014</u>	<u>Cost Increase</u> <u>2013-2014</u>	<u>Recommended</u> <u>2013-2014</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	308,600	400,000	400,000	0	400,000
Total	\$308,600	\$400,000	\$400,000	\$0	\$400,000
State	70,400	250,000	250,000	0	250,000
Federal	0	0	0	0	0
Other	238,200	150,000	150,000	0	150,000



Education

Education

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Education

Recommended Budget, Fiscal Year 2013 – 2014

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

the fall of 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.

Cost Increases 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 cost increases 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 program, and performance measures.

Education Total Personnel and Funding

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Recommended 2013-2014</u>
Personnel			
Full Time *	25,454	25,710	25,851
Part Time	100	88	88
Seasonal	0	0	0
TOTAL	25,554	25,798	25,939
Expenditures			
Payroll	\$ 74,958,300	\$ 106,641,900	\$ 118,008,500
Operational	9,093,635,500	9,416,616,900	9,549,255,500
TOTAL	\$ 9,168,593,800	\$ 9,523,258,800	\$ 9,667,264,000
Funding			
State **	\$ 5,468,000,600	\$ 5,630,699,000	\$ 5,928,930,200
Federal	1,486,540,000	1,570,265,300	1,450,767,300
Other	701,466,300	756,681,400	721,953,400
Tuition/Fees	1,512,586,900	1,565,613,100	1,565,613,100

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

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

\$ 330,988,900	\$ 317,200,000	\$ 336,000,000
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Education
Recommended Budget for Fiscal Year 2013-2014
By Funding Source

Department	State	Federal	Other	Total
331.00 Education (K-12)	4,365,914,400	1,192,737,300	106,958,900	5,665,610,600
332.00 Higher Education	1,563,015,800	258,030,000	2,180,607,600 *	4,001,653,400
Total	\$5,928,930,200	\$1,450,767,300	\$2,287,566,500	\$9,667,264,000

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

**Higher Education
Outcomes-Based Funding Formula
Final Implementation
Fiscal Year 2013 - 2014**

Academic Formula Units	Year 3 Recurring Formula Change			Non-Recurring	Total
	Harmless Phase-Out	Formula Phase-In	Total	Transition Funds	
332.40 UT Chattanooga	\$ (593,500)	\$ (417,600)	\$ (1,011,100)	\$ 383,300	\$ (627,800)
332.42 UT Knoxville	3,116,000	3,793,600	6,909,600	-	6,909,600
332.44 UT Martin	(511,000)	(808,600)	(1,319,600)	330,000	(989,600)
332.70 Austin Peay	1,043,500	1,215,400	2,258,900	-	2,258,900
332.72 East Tennessee	(1,034,800)	446,900	(587,900)	-	(587,900)
332.74 University of Memphis	(2,311,800)	(2,234,600)	(4,546,400)	1,976,600	(2,569,800)
332.75 Middle Tennessee	(123,600)	(1,628,500)	(1,752,100)	-	(1,752,100)
332.77 Tennessee State	(261,700)	(239,500)	(501,200)	-	(501,200)
332.78 Tennessee Tech	301,200	(674,700)	(373,500)	-	(373,500)
332.89 Community Colleges	277,100	547,600	824,700	2,310,100	3,134,800
332.98 Technology Centers	98,600	-	98,600	-	98,600
TOTAL	\$ -	\$ -	\$ -	\$ 5,000,000	\$ 5,000,000
Sub-Total UT System	\$ 2,011,500	\$ 2,567,400	\$ 4,578,900	\$ 713,300	\$ 5,292,200
Sub-Total TBR System	\$ (2,011,500)	\$ (2,567,400)	\$ (4,578,900)	\$ 4,286,700	\$ (292,200)

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 - This is the third and final installment of non-recurring transition funds.

Education
Cost Increases for Fiscal Year 2013-2014

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Education (K-12)					
• Basic Education Plan					
To provide full funding of the Basic Education Plan (BEP) formula, which provides an equitable state share of K-12 public education funding to local education agencies (LEAs).					
331.25 Basic Education Program	\$43,200,000	\$0	\$0	\$43,200,000	0
Sub-total	\$43,200,000	\$0	\$0	\$43,200,000	0
• Achievement School District - Increase Number of Schools Served					
To provide funding for 12 additional schools in the Achievement School District.					
331.55 Achievement School District	\$0	\$0	\$40,114,100	\$40,114,100	154
Sub-total	\$0	\$0	\$40,114,100	\$40,114,100	154
• Information Technology for Local Education Agencies					
To provide funding to Local Education Agencies to upgrade technology infrastructure. Upgrades may include: hardware, software, and connectivity. The upgrades would improve educational and instructional opportunities for students. The funds are non-recurring.					
331.04 Technology, Infrastructure, and Support Systems	\$51,000,000	\$0	\$0	\$51,000,000	0
Sub-total	\$51,000,000	\$0	\$0	\$51,000,000	0
• School Board Professional Membership					
To restore the core services reduction that provides funding for seven hours of annual training for all school board members.					
331.05 Training and Professional Development	\$229,300	\$0	\$0	\$229,300	0
Sub-total	\$229,300	\$0	\$0	\$229,300	0
• Capital Outlay Component Restoration					
To restore the FY 2010-2011 reduction of the Capital Outlay Component to the Basic Education Plan.					
331.25 Basic Education Program	\$33,700,000	\$0	\$0	\$33,700,000	0
Sub-total	\$33,700,000	\$0	\$0	\$33,700,000	0
• Save the Children Literacy Grant					
To provide funding for the 8th year of the Save the Children Literacy Grant to target literacy improvement, focused on grades one through three in under-served schools (schools which serve low-income students). Save the Children will work in partnership with local schools and community-based organizations to provide a combination of in-school, after-school, and summer literacy programs to help children improve their reading skills.					
331.02 Grants-In-Aid	\$1,000,000	\$0	\$0	\$1,000,000	0
Sub-total	\$1,000,000	\$0	\$0	\$1,000,000	0

Education
Cost Increases for Fiscal Year 2013-2014

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Little Tennessee Valley					
To restore funding to the Little Tennessee Valley Educational Cooperative to assist with operating costs. The cooperative promotes collaboration among member school systems to develop evidence-based educational services to school systems, promotes family and community involvement in the students' education, and provides professional development opportunities to educators.					
331.01 Administration	\$50,000	\$0	\$0	\$50,000	0
Sub-total	\$50,000	\$0	\$0	\$50,000	0
• Teachers' Salary Increase					
To fund the state share of a 1.5 percent salary increase on July 1, 2013, for teachers and other positions funded through the Basic Education Program formula to be distributed to each Local Education Agency.					
331.25 Basic Education Program	\$35,800,000	\$0	\$0	\$35,800,000	0
Sub-total	\$35,800,000	\$0	\$0	\$35,800,000	0
• Group Health Insurance - January 1, 2013					
To provide funding to annualize the state share of a January 1, 2013, group health insurance increase for local education agencies. This is funded for six months in the current-year budget.					
331.25 Basic Education Program	\$13,500,000	\$0	\$0	\$13,500,000	0
Sub-total	\$13,500,000	\$0	\$0	\$13,500,000	0
• Group Health Insurance - January 1, 2014					
To fund the state share of a January 1, 2014, group health insurance increase for local education agencies. This is funded for six months in the recommended budget.					
331.25 Basic Education Program	\$11,300,000	\$0	\$0	\$11,300,000	0
Sub-total	\$11,300,000	\$0	\$0	\$11,300,000	0
Total Education (K-12)	\$189,779,300	\$0	\$40,114,100	\$229,893,400	154

Education
Cost Increases for Fiscal Year 2013-2014

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Higher Education - State Administered Programs					
• Need-Based Student Financial Aid					
To provide recurring funds for need-based financial aid to serve all unfunded eligible students. The Tennessee Student Assistance Awards (TSAA) program provides grants to financially needy undergraduate students who are residents of Tennessee attending in-state institutions. Approximately 135,000 eligible students applied for the TSAA for the 2012-13 academic year but were not awarded due to lack of funds. TSAC estimates that approximately 135,000 eligible students will again go unfunded in the 2013-14 academic year. Historically, only two-thirds of awards are accepted; therefore, fully funding these unserved students requires approximately \$168 million in addition to the current \$54 million recurring appropriation. This improvement would serve approximately 2,675 students. Consistent with the Complete College Tennessee Act, TSAC's goal is to support efforts to increase timely degree production among the neediest students who are progressing to degree completion.					
332.03 Tennessee Student Assistance Awards	\$5,000,000	\$0	\$0	\$5,000,000	0
Sub-total	<u>\$5,000,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$5,000,000</u>	<u>0</u>
• Additional Staffing					
To provide funding for a Lottery and Financial Aid Analyst dedicated to lottery scholarship research and analysis, including projects such as fiscal notes, long-range projections, and assistance in preparing the annual report.					
332.01 Tennessee Higher Education Commission	\$0	\$0	\$109,300	\$109,300	1
Sub-total	<u>\$0</u>	<u>\$0</u>	<u>\$109,300</u>	<u>\$109,300</u>	<u>1</u>
• Salary Increase					
To fund a 1.5 percent salary increase for higher education employees effective July 1, 2013. 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	\$216,900	\$0	\$0	\$216,900	0
332.11 Campus Centers of Emphasis	\$15,800	\$0	\$0	\$15,800	0
Sub-total	<u>\$232,700</u>	<u>\$0</u>	<u>\$0</u>	<u>\$232,700</u>	<u>0</u>
• Western Governors University					
To fund opportunities for adults with previous academic credits to complete their degrees on-line.					
332.09 THEC Grants	\$5,000,000	\$0	\$0	\$5,000,000	0
Sub-total	<u>\$5,000,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$5,000,000</u>	<u>0</u>
Total Higher Education - State Administered Programs	<u>\$10,232,700</u>	<u>\$0</u>	<u>\$109,300</u>	<u>\$10,342,000</u>	<u>1</u>

Education
Cost Increases for Fiscal Year 2013-2014

	State	Federal	Other	Total	Positions
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University of Tennessee System

• **Outcomes/Productivity**

To provide funding to reflect greater institutional productivity, such as increases in student progression, degree production, research and service, efficiency metrics, and other outcome measures related to the institutional mission for formula units.

332.40 UT Chattanooga	\$1,545,300	\$0	\$0	\$1,545,300	0
332.42 UT Knoxville	\$7,372,600	\$0	\$0	\$7,372,600	0
332.44 UT Martin	\$1,271,400	\$0	\$0	\$1,271,400	0
Sub-total	\$10,189,300	\$0	\$0	\$10,189,300	0

• **Funding Formula - Hold Harmless Phase-Out - Year 3 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 \$4,286,700 to the State University and Community College System, provides a total of \$5 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.

332.40 UT Chattanooga	\$383,300	\$0	\$0	\$383,300	0
332.44 UT Martin	\$330,000	\$0	\$0	\$330,000	0
Sub-total	\$713,300	\$0	\$0	\$713,300	0

Education

Cost Increases for Fiscal Year 2013-2014

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Salary Increase					
To fund a 1.5 percent salary increase for higher education employees effective July 1, 2013. 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	\$54,900	\$0	\$0	\$54,900	0
332.15 UT Institute for Public Service	\$53,400	\$0	\$0	\$53,400	0
332.16 UT Municipal Technical Advisory Service	\$70,200	\$0	\$0	\$70,200	0
332.17 UT County Technical Assistance Service	\$52,100	\$0	\$0	\$52,100	0
332.23 UT Space Institute	\$102,500	\$0	\$0	\$102,500	0
332.25 UT Agricultural Experiment Station	\$368,600	\$0	\$0	\$368,600	0
332.26 UT Agricultural Extension Service	\$454,200	\$0	\$0	\$454,200	0
332.28 UT Veterinary Medicine	\$424,100	\$0	\$0	\$424,100	0
332.30 UT Health Science Center	\$1,409,300	\$0	\$0	\$1,409,300	0
332.32 UT Family Medicine	\$191,900	\$0	\$0	\$191,900	0
332.34 UT College of Medicine	\$781,800	\$0	\$0	\$781,800	0
332.40 UT Chattanooga	\$650,900	\$0	\$0	\$650,900	0
332.42 UT Knoxville	\$2,568,000	\$0	\$0	\$2,568,000	0
332.44 UT Martin	\$444,500	\$0	\$0	\$444,500	0
Sub-total	\$7,626,400	\$0	\$0	\$7,626,400	0
• Group Health Insurance - January 1, 2013					
To provide funding for the state share of the January 1, 2013, group health insurance premium increase. This is funded for six months in the recommended budget.					
332.10 UT University-Wide Administration	\$23,500	\$0	\$0	\$23,500	0
332.15 UT Institute for Public Service	\$6,800	\$0	\$0	\$6,800	0
332.16 UT Municipal Technical Advisory Service	\$3,800	\$0	\$0	\$3,800	0
332.17 UT County Technical Assistance Service	\$3,500	\$0	\$0	\$3,500	0
332.23 UT Space Institute	\$5,400	\$0	\$0	\$5,400	0
332.25 UT Agricultural Experiment Station	\$39,300	\$0	\$0	\$39,300	0
332.26 UT Agricultural Extension Service	\$63,100	\$0	\$0	\$63,100	0
332.28 UT Veterinary Medicine	\$28,100	\$0	\$0	\$28,100	0
332.30 UT Health Science Center	\$197,400	\$0	\$0	\$197,400	0
332.32 UT Family Medicine	\$14,200	\$0	\$0	\$14,200	0
332.40 UT Chattanooga	\$89,100	\$0	\$0	\$89,100	0
332.42 UT Knoxville	\$321,300	\$0	\$0	\$321,300	0
332.44 UT Martin	\$67,700	\$0	\$0	\$67,700	0
Sub-total	\$863,200	\$0	\$0	\$863,200	0

Education
Cost Increases for Fiscal Year 2013-2014

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Group Health Insurance - January 1, 2014					
To provide funding for the state share of the January 1, 2014, group health insurance premium increase. This is funded for six months in the recommended budget.					
332.10 UT University-Wide Administration	\$72,700	\$0	\$0	\$72,700	0
332.15 UT Institute for Public Service	\$17,800	\$0	\$0	\$17,800	0
332.16 UT Municipal Technical Advisory Service	\$11,700	\$0	\$0	\$11,700	0
332.17 UT County Technical Assistance Service	\$10,100	\$0	\$0	\$10,100	0
332.23 UT Space Institute	\$15,700	\$0	\$0	\$15,700	0
332.25 UT Agricultural Experiment Station	\$112,600	\$0	\$0	\$112,600	0
332.26 UT Agricultural Extension Service	\$178,200	\$0	\$0	\$178,200	0
332.28 UT Veterinary Medicine	\$81,300	\$0	\$0	\$81,300	0
332.30 UT Health Science Center	\$566,600	\$0	\$0	\$566,600	0
332.32 UT Family Medicine	\$39,800	\$0	\$0	\$39,800	0
332.40 UT Chattanooga	\$259,300	\$0	\$0	\$259,300	0
332.42 UT Knoxville	\$916,900	\$0	\$0	\$916,900	0
332.44 UT Martin	\$190,300	\$0	\$0	\$190,300	0
Sub-total	\$2,473,000	\$0	\$0	\$2,473,000	0
• Medical Unit Funding Increase					
To provide funding for the University of Tennessee (UT) College of Medicine, UT Family Practice, UT Health Science Center, and the UT College of Veterinary Medicine. East Tennessee University College of Medicine and East Tennessee Family Practice also received funding.					
332.28 UT Veterinary Medicine	\$533,800	\$0	\$0	\$533,800	0
332.30 UT Health Science Center	\$2,319,900	\$0	\$0	\$2,319,900	0
332.32 UT Family Medicine	\$342,400	\$0	\$0	\$342,400	0
332.34 UT College of Medicine	\$1,557,100	\$0	\$0	\$1,557,100	0
Sub-total	\$4,753,200	\$0	\$0	\$4,753,200	0
• Pediatric Physician Scientists Recruiting					
Year 1 of 5 funding to the University of Tennessee Health Science Center to match funds provided by St. Jude's. Funds will be utilized to recruit pediatric physician scientists.					
332.30 UT Health Science Center	\$2,960,000	\$0	\$0	\$2,960,000	0
Sub-total	\$2,960,000	\$0	\$0	\$2,960,000	0
• Increase College of Engineering Graduates - Pilot Project					
To provide funds to the University of Tennessee in an effort to increase the number of College of Engineering graduates.					
332.42 UT Knoxville	\$3,000,000	\$0	\$0	\$3,000,000	0
Sub-total	\$3,000,000	\$0	\$0	\$3,000,000	0

Education

Cost Increases for Fiscal Year 2013-2014

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• UT Supercomputer					
In 2007, UT competed for and won a \$65,000,000 award from the National Science Foundation (NSF) to build Kraken, UT's Cray supercomputer. In order to win the third and final advanced supercomputing center, Tennessee must show a significant state commitment. UT has committed \$6,000,000 and requests additional funds from the State to partially match the NSF funding request and to be competitive with the other applicants. This resource will serve as an integral component in the continued expansion and recruitment of high-tech industries and advanced manufacturers in Tennessee.					
332.12 UT Research Initiatives	\$5,000,000	\$0	\$0	\$5,000,000	0
Sub-total	\$5,000,000	\$0	\$0	\$5,000,000	0
Total University of Tennessee System	\$37,578,400	\$0	\$0	\$37,578,400	0

State University and Community College System

• Outcomes/Productivity

To provide funding to reflect greater institutional productivity, such as increases in student progression, degree production, research and service, efficiency metrics, and other outcome measures related to the institutional mission for formula units.

332.70 Austin Peay State University	\$1,416,800	\$0	\$0	\$1,416,800	0
332.72 East Tennessee State University	\$2,078,600	\$0	\$0	\$2,078,600	0
332.74 University of Memphis	\$3,809,100	\$0	\$0	\$3,809,100	0
332.75 Middle Tennessee State University	\$3,470,600	\$0	\$0	\$3,470,600	0
332.77 Tennessee State University	\$1,394,300	\$0	\$0	\$1,394,300	0
332.78 Tennessee Technological University	\$1,698,200	\$0	\$0	\$1,698,200	0
332.89 Tennessee Community Colleges	\$8,961,300	\$0	\$0	\$8,961,300	0
332.98 Tennessee Technology Centers	\$2,481,800	\$0	\$0	\$2,481,800	0
Sub-total	\$25,310,700	\$0	\$0	\$25,310,700	0

Education

Cost Increases for Fiscal Year 2013-2014

	State	Federal	Other	Total	Positions
• Funding Formula - Hold Harmless Phase-Out - Year 3 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 \$713,300 to the University of Tennessee System, provides a total of \$5 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.					
332.74 University of Memphis	\$1,976,600	\$0	\$0	\$1,976,600	0
332.89 Tennessee Community Colleges	\$2,310,100	\$0	\$0	\$2,310,100	0
Sub-total	\$4,286,700	\$0	\$0	\$4,286,700	0
• Salary Increase					
To fund a 1.5% salary increase for higher education employees effective July 1, 2013. 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.					
332.60 Tennessee Board of Regents	\$194,300	\$0	\$0	\$194,300	0
332.62 TSU McMinnville Center	\$3,500	\$0	\$0	\$3,500	0
332.63 TSU Institute of Agricultural and Environmental Research	\$14,600	\$0	\$0	\$14,600	0
332.64 TSU Cooperative Education	\$21,200	\$0	\$0	\$21,200	0
332.65 ETSU College of Medicine	\$585,000	\$0	\$0	\$585,000	0
332.67 ETSU Family Practice	\$170,000	\$0	\$0	\$170,000	0
332.68 TSU McIntire-Stennis Forestry Research	\$900	\$0	\$0	\$900	0
332.70 Austin Peay State University	\$525,600	\$0	\$0	\$525,600	0
332.72 East Tennessee State University	\$867,300	\$0	\$0	\$867,300	0
332.74 University of Memphis	\$1,713,700	\$0	\$0	\$1,713,700	0
332.75 Middle Tennessee State University	\$1,418,500	\$0	\$0	\$1,418,500	0
332.77 Tennessee State University	\$606,000	\$0	\$0	\$606,000	0
332.78 Tennessee Technological University	\$618,200	\$0	\$0	\$618,200	0
332.89 Tennessee Community Colleges	\$3,325,000	\$0	\$0	\$3,325,000	0
332.98 Tennessee Technology Centers	\$677,100	\$0	\$0	\$677,100	0
Sub-total	\$10,740,900	\$0	\$0	\$10,740,900	0

Education
Cost Increases for Fiscal Year 2013-2014

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Group Health Insurance - January 1, 2013					
To provide funding for the state share of the January 1, 2013, group health insurance premium increase. This is funded for six months in the recommended budget.					
332.60 Tennessee Board of Regents	\$10,900	\$0	\$0	\$10,900	0
332.65 ETSU College of Medicine	\$28,900	\$0	\$0	\$28,900	0
332.67 ETSU Family Practice	\$4,800	\$0	\$0	\$4,800	0
332.70 Austin Peay State University	\$66,700	\$0	\$0	\$66,700	0
332.72 East Tennessee State University	\$142,100	\$0	\$0	\$142,100	0
332.74 University of Memphis	\$186,300	\$0	\$0	\$186,300	0
332.75 Middle Tennessee State University	\$185,500	\$0	\$0	\$185,500	0
332.77 Tennessee State University	\$78,600	\$0	\$0	\$78,600	0
332.78 Tennessee Technological University	\$87,100	\$0	\$0	\$87,100	0
332.89 Tennessee Community Colleges	\$373,900	\$0	\$0	\$373,900	0
332.98 Tennessee Technology Centers	\$72,000	\$0	\$0	\$72,000	0
Sub-total	<u>\$1,236,800</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,236,800</u>	<u>0</u>

• Group Health Insurance - January 1, 2014

To provide funding for the state share of the January 1, 2014, group health insurance premium increase. This is funded for six months in the recommended budget.

332.60 Tennessee Board of Regents	\$29,400	\$0	\$0	\$29,400	0
332.65 ETSU College of Medicine	\$82,000	\$0	\$0	\$82,000	0
332.67 ETSU Family Practice	\$13,600	\$0	\$0	\$13,600	0
332.70 Austin Peay State University	\$193,400	\$0	\$0	\$193,400	0
332.72 East Tennessee State University	\$403,900	\$0	\$0	\$403,900	0
332.74 University of Memphis	\$551,600	\$0	\$0	\$551,600	0
332.75 Middle Tennessee State University	\$516,400	\$0	\$0	\$516,400	0
332.77 Tennessee State University	\$225,300	\$0	\$0	\$225,300	0
332.78 Tennessee Technological University	\$243,200	\$0	\$0	\$243,200	0
332.89 Tennessee Community Colleges	\$1,061,800	\$0	\$0	\$1,061,800	0
332.98 Tennessee Technology Centers	\$206,400	\$0	\$0	\$206,400	0
Sub-total	<u>\$3,527,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,527,000</u>	<u>0</u>

Education
Cost Increases for Fiscal Year 2013-2014

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Medical Unit Funding Increase					
To provide funding for the East Tennessee State University College of Medicine and East Tennessee State University Family Practice. The University of Tennessee (UT) College of Medicine, UT Family Practice, UT Health Science Center, and the UT College of Veterinary Medicine also received funding.					
332.65 ETSU College of Medicine	\$947,900	\$0	\$0	\$947,900	0
332.67 ETSU Family Practice	\$198,900	\$0	\$0	\$198,900	0
Sub-total	\$1,146,800	\$0	\$0	\$1,146,800	0
• University of Memphis - Lambuth Campus - Year 3 of 5					
To provide non-recurring funding to the University of Memphis for year three of five for the transition of the Lambuth campus.					
332.74 University of Memphis	\$3,000,000	\$0	\$0	\$3,000,000	0
Sub-total	\$3,000,000	\$0	\$0	\$3,000,000	0
• Equipment for Technology Centers and Community Colleges					
To provide funds to upgrade or replace equipment used in programs such as service delivery, allied health, health informatics, and advanced manufacturing.					
332.99 Equipment for Community Colleges and Technology Centers	\$16,500,000	\$0	\$0	\$16,500,000	0
Sub-total	\$16,500,000	\$0	\$0	\$16,500,000	0
Total State University and Community College System	\$65,748,900	\$0	\$0	\$65,748,900	0
Total Education	\$303,339,300	\$0	\$40,223,400	\$343,562,700	155

Department of Education (K-12)

Performance-Based Budget

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

<u>Actual</u> <u>2011-2012</u>	<u>Estimated</u> <u>2012-2013</u>	<u>Base</u> <u>2013-2014</u>	<u>Cost Increase</u> <u>2013-2014</u>	<u>Recommended</u> <u>2013-2014</u>
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Administration

Administration is organized into two program areas: Administration 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; human resources, central accounts, and budget; local finance; public information; and research and information services.

Full-Time	85	88	80	0	80
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	85	88	80	0	80
Payroll	6,022,800	6,964,300	6,164,600	0	6,164,600
Operational	1,616,500	2,236,400	2,013,900	50,000	2,063,900
Total	\$7,639,300	\$9,200,700	\$8,178,500	\$50,000	\$8,228,500
State	6,237,500	6,669,600	6,622,100	50,000	6,672,100
Federal	1,311,400	1,480,000	1,480,000	0	1,480,000
Other	90,400	1,051,100	76,400	0	76,400

Standard: Investigate and resolve complaints concerning the department's employees within 60 days.

Measure: Percent of complaints concerning DOE employees resolved within 60 days.

100%	100%	100%	0	100%
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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	6	6	6	0	6
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	6	6	6	0	6

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
Payroll	548,000	660,900	660,900	0	660,900
Operational	101,000	203,900	203,900	0	203,900
Total	\$649,000	\$864,800	\$864,800	\$0	\$864,800
State	634,000	679,800	864,800	0	864,800
Federal	0	0	0	0	0
Other	15,000	185,000	0	0	0

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.

57%	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.

16%	18%	18%	0	18%
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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	3,785,980,100	3,905,319,100	3,901,819,100	137,500,000	4,039,319,100
Total	\$3,785,980,100	\$3,905,319,100	\$3,901,819,100	\$137,500,000	\$4,039,319,100
State	3,785,162,400	3,905,319,100	3,901,819,100	137,500,000	4,039,319,100
Federal	817,700	0	0	0	0
Other	0	0	0	0	0

<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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Standard: Ensure all at-risk students are funded at 100%.

Measure: Percent of at-risk students that are being fully funded through the BEP.

100%	100%	100%	0	100%
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Standard: Increase student graduation rate.

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

87.20%	86.36%	87.22%	0	87.22%
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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	37	36	36	0	36
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	37	36	36	0	36
Payroll	2,266,500	2,758,800	2,758,800	0	2,758,800
Operational	86,985,900	91,727,000	90,417,000	0	90,417,000
Total	\$89,252,400	\$94,485,800	\$93,175,800	\$0	\$93,175,800
State	87,163,900	91,806,300	91,801,300	0	91,801,300
Federal	2,076,200	2,679,500	1,374,500	0	1,374,500
Other	12,300	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.

54%	55%	55%	0	55%
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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.

36%	38%	38%	0	38%
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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331.19 After-School Programs Special Account

After-School programs are offered at the local level and provide academic enrichment activities designed to help students meet state and local standards. Funding for these programs is generated from unclaimed education lottery prize money. These funds enhance existing and fund additional after-school programs. The education lottery that funds this program was begun in January 2004, and the lottery-funded after-school program began in 2005-2006.

Full-Time	3	3	3	0	3
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	3	3	3	0	3
Payroll	155,900	186,300	186,300	0	186,300
Operational	11,302,100	13,313,700	13,313,700	0	13,313,700
Total	\$11,458,000	\$13,500,000	\$13,500,000	\$0	\$13,500,000
State	11,458,000	12,000,000	13,100,000	0	13,100,000
Federal	0	0	0	0	0
Other	0	1,500,000	400,000	0	400,000

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.

	22,465	18,500	18,500	0	18,500
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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.

	88%	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	195,300	219,200	219,200	0	219,200
Operational	47,452,200	39,815,600	15,203,600	0	15,203,600
Total	\$47,647,500	\$40,034,800	\$15,422,800	\$0	\$15,422,800

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
State	0	0	0	0	0
Federal	767,300	4,612,000	0	0	0
Other	46,880,200	35,422,800	15,422,800	0	15,422,800

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.

88%	100%	100%	0	100%
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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.

40%	80%	100%	0	100%
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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	55,848,000	44,000,000	40,500,000	0	40,500,000
Total	\$55,848,000	\$44,000,000	\$40,500,000	\$0	\$40,500,000
State	48,814,500	44,000,000	40,500,000	0	40,500,000
Federal	7,033,500	0	0	0	0
Other	0	0	0	0	0

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

Measure: Percent of eligible Career Ladder educators receiving supplements.

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

Grants-In-Aid provides funding to enhance educational opportunities for students through 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

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
Payroll	0	0	0	0	0
Operational	5,122,900	5,243,900	3,893,900	1,000,000	4,893,900
Total	\$5,122,900	\$5,243,900	\$3,893,900	\$1,000,000	\$4,893,900
State	4,950,100	5,243,900	3,893,900	1,000,000	4,893,900
Federal	172,800	0	0	0	0
Other	0	0	0	0	0

Standard: Increase the current level of service and number of students served through the Science Alliance Consortium.

Measure: Number of children participating in Science Alliance programs.

	338,156	400,000	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	1,449,900	1,700,000	1,700,000	0	1,700,000
Total	\$1,449,900	\$1,700,000	\$1,700,000	\$0	\$1,700,000
State	1,449,900	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.

	20,106	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	15	15	0	15
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	20	15	15	0	15
Payroll	1,263,900	1,584,000	1,584,000	0	1,584,000
Operational	1,325,800	998,000	998,000	51,000,000	51,998,000
Total	\$2,589,700	\$2,582,000	\$2,582,000	\$51,000,000	\$53,582,000
State	2,589,700	2,382,000	2,382,000	51,000,000	53,382,000
Federal	0	200,000	200,000	0	200,000
Other	0	0	0	0	0

<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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Standard: Provide software applications and support for the department and reporting requirements.

Measure: Percent of software application requests completed.

90%	90%	90%	0	90%
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Standard: Provide a secure and reliable infrastructure for electronic delivery of data between the Department of Education and the LEAs.

Measure: Percent of uptime for electronic infrastructure for delivery of data between the department and LEAs.

95%	95%	95%	0	95%
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331.11 Accountability and Assessment

Accountability and Assessment includes the Division of Data and Communications and is charged with assisting school systems in complying with the school approval process and implementing required accountability measures. Accountability and Assessment administers the Tennessee Comprehensive Assessment Program, Achievement Tests, and the Gateway and End-of-Course examinations. This office also provides technical assistance to schools and school systems in the analysis and interpretation of assessment data.

Full-Time	24	22	22	0	22
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	24	22	22	0	22
Payroll	2,148,600	2,308,800	2,154,600	0	2,154,600
Operational	26,945,000	51,779,900	32,883,500	0	32,883,500
Total	\$29,093,600	\$54,088,700	\$35,038,100	\$0	\$35,038,100
State	26,627,100	29,657,800	29,602,800	0	29,602,800
Federal	2,404,800	1,851,600	1,851,600	0	1,851,600
Other	61,700	22,579,300	3,583,700	0	3,583,700

Standard: Increase the number of districts designated as Exemplary based upon improving student achievement.

Measure: Percent of districts identified as exemplary.

15%	17%	20%	0	20%
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Standard: Decrease the achievement gap between comparison groups and students with disabilities, economically disadvantaged, limited English proficient, and racial and ethnic and other subgroups, as appropriate, in focus schools.

Measure: Median gap index for focus schools.

10.3	9.7	9.1	0	9.1
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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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. The department also provides workshops in technology training for teachers and administrators.

Full-Time	11	18	15	0	15
Part-Time	10	10	10	0	10
Seasonal	0	0	0	0	0
Total	21	28	25	0	25
Payroll	775,400	1,462,900	1,375,500	0	1,375,500
Operational	5,565,500	3,000,800	3,495,800	0	3,495,800
Total	\$6,340,900	\$4,463,700	\$4,871,300	\$0	\$4,871,300
State	4,538,800	3,628,700	3,623,700	0	3,623,700
Federal	1,312,600	0	0	0	0
Other	489,500	835,000	1,247,600	0	1,247,600

Standard: Maintain yearly progress in elementary and middle school students in reading/language arts as demonstrated by Tennessee Comprehensive Assessment Program (TCAP) scores.

Measure: Percent of elementary and middle school students performing at or above the proficient level in reading/language arts.

49.9%	52.5%	55.0%	0	55.0%
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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.

60.7%	63.0%	65.0%	0	65.0%
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331.05 Training and Professional Development

Through the Training and Professional Development program, the department provides training and professional development opportunities for instructional personnel, directors of schools, and board members. The program also houses teacher licensure.

Full-Time	10	23	21	0	21
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	10	23	21	0	21
Payroll	726,500	1,888,100	1,621,400	0	1,621,400
Operational	5,689,200	1,083,400	1,078,400	229,300	1,307,700
Total	\$6,415,700	\$2,971,500	\$2,699,800	\$229,300	\$2,929,100

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
State	3,412,400	2,701,800	2,696,800	229,300	2,926,100
Federal	2,374,100	0	0	0	0
Other	629,200	269,700	3,000	0	3,000

Standard: Provide training opportunities to assist school administrators as they comply with the training requirements established by TCA 49-5-5703.

Measure: Percent of mandated, non-exempt administrators completing cycle-end training requirements.

91.56%	100%	100%	0	100%
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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, III, VI, and X 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	45	41	41	0	41
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	45	41	41	0	41
Payroll	2,769,600	4,373,800	4,373,800	0	4,373,800
Operational	390,127,900	374,029,800	368,913,100	0	368,913,100
Total	\$392,897,500	\$378,403,600	\$373,286,900	\$0	\$373,286,900
State	108,600	470,000	470,000	0	470,000
Federal	392,784,200	377,933,600	372,816,900	0	372,816,900
Other	4,700	0	0	0	0

Standard: All elementary and middle school students in public schools will attain proficiency level in mathematics.

Measure: Percent of elementary and middle school students at or above the proficient level in mathematics.

47.3%	49.0%	51.5%	0	51.5%
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<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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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.

55.4%	53.0%	60.6%	0	60.6%
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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.

Fiscal year 2013-2014 will be the final year of Race to the Top funds.

Full-Time	14	14	14	0	14
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	15	15	15	0	15
Payroll	1,720,700	1,916,500	1,916,500	0	1,916,500
Operational	89,166,900	227,028,600	127,461,200	0	127,461,200
Total	\$90,887,600	\$228,945,100	\$129,377,700	\$0	\$129,377,700
State	0	0	0	0	0
Federal	90,887,600	228,945,100	129,377,700	0	129,377,700
Other	0	0	0	0	0

Standard: Increase student achievement in the aggregate for students in grades three through eight in reading.

Measure: Percent of state's third through eighth graders achieving proficient or advanced on state reading assessments.

50.6%	53.8%	56.9%	0	56.9%
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Standard: Increase student achievement in the aggregate for students in grades three through eight in math.

Measure: Percent of state's third through eighth graders achieving proficient or advanced on state math assessments.

44.5%	48.0%	51.5%	0	51.5%
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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331.55 Achievement School District

The Achievement School District (ASD) was established to turnaround the bottom five percent of failing public schools. Alternative forms of operation could include charter conversions or complete conversions managed by the ASD. The ASD was created as part of the Race to the Top initiative.

Full-Time	155	151	151	154	305
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	155	151	151	154	305
Payroll	748,900	12,768,200	12,768,200	12,306,200	25,074,400
Operational	205,900	18,788,000	18,695,500	27,807,900	46,503,400
Total	\$954,800	\$31,556,200	\$31,463,700	\$40,114,100	\$71,577,800
State	689,100	3,800	3,800	0	3,800
Federal	265,700	92,500	2,097,600	0	2,097,600
Other	0	31,459,900	29,362,300	40,114,100	69,476,400

Standard: Tennessee's priority schools being served by the ASD will make six to ten point gains every year in Math and English Language Arts (ELA).

Measure: Percent of Tennessee's Priority schools being served by the ASD making six to ten point gains in Math and ELA.

Not Applicable	80%	80%	0	80%
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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 and AIDS education.

Full-Time	16	13	13	0	13
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	17	14	14	0	14
Payroll	950,500	1,833,500	1,833,500	0	1,833,500
Operational	146,119,900	55,160,400	45,699,000	0	45,699,000
Total	\$147,070,400	\$56,993,900	\$47,532,500	\$0	\$47,532,500
State	15,846,100	20,387,800	20,387,800	0	20,387,800
Federal	129,561,000	32,876,100	26,744,700	0	26,744,700
Other	1,663,300	3,730,000	400,000	0	400,000

<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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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.

21	24	20	0	20
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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, and blood pressure.

87%	81%	83%	0	83%
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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	62	52	52	0	52
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	62	52	52	0	52
Payroll	4,212,100	5,293,300	5,293,300	0	5,293,300
Operational	275,183,400	261,421,900	261,421,900	0	261,421,900
Total	\$279,395,500	\$266,715,200	\$266,715,200	\$0	\$266,715,200
State	725,600	676,100	676,100	0	676,100
Federal	278,662,500	266,039,100	266,039,100	0	266,039,100
Other	7,400	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.

38.5%	39.2%	51.0%	0	51.0%
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Standard: Increase the percentage of special education children with disabilities testing at the proficient level in mathematics in grades three through eight as described in the NCLB accountability workbook.

Measure: Percent of special education students scoring at or above proficient in mathematics.

31.2%	35.1%	44.3%	0	44.3%
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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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	245	200	200	0	200
Part-Time	32	20	20	0	20
Seasonal	0	0	0	0	0
Total	277	220	220	0	220
Payroll	9,173,800	15,980,400	15,980,400	0	15,980,400
Operational	19,313,600	19,409,500	19,409,500	0	19,409,500
Total	\$28,487,400	\$35,389,900	\$35,389,900	\$0	\$35,389,900
State	3,786,400	12,083,300	12,083,300	0	12,083,300
Federal	14,652,100	10,723,600	10,723,600	0	10,723,600
Other	10,048,900	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.

	7,446	7,903	8,298	0	8,298
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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.

	94%	94%	94%	0	94%
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331.35 School Nutrition Program

The School Nutrition Program provides nutrition education and nutritious meals during the school day. To ensure that all students have access to a nutritious meal, the division reimburses local education agencies for all eligible students participating in the School Lunch and School Breakfast programs. Student eligibility is based on federal income poverty guidelines.

Full-Time	24	20	20	0	20
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	24	20	20	0	20
Payroll	1,556,200	2,068,300	2,068,300	0	2,068,300
Operational	314,846,200	359,094,600	359,094,600	0	359,094,600
Total	\$316,402,400	\$361,162,900	\$361,162,900	\$0	\$361,162,900
State	4,692,200	4,807,200	4,807,200	0	4,807,200
Federal	311,710,200	356,350,700	356,350,700	0	356,350,700
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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<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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Standard: Tennessee public schools will be on the National Breakfast Program.

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

98%	98%	99%	0	99%
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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	43	42	42	0	42
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	43	42	42	0	42
Payroll	3,276,100	3,875,000	3,875,000	0	3,875,000
Operational	24,122,600	28,863,700	24,873,700	0	24,873,700
Total	\$27,398,700	\$32,738,700	\$28,748,700	\$0	\$28,748,700
State	3,650,600	4,720,800	4,130,800	0	4,130,800
Federal	23,680,700	27,020,900	23,620,900	0	23,620,900
Other	67,400	997,000	997,000	0	997,000

Standard: Meet or exceed baseline levels of performance in reading/language arts as required by the Carl D. Perkins Career and Technical Education (CTE) Act of 2006.

Measure: Percent of CTE concentrators who scored proficient and advanced in reading/language arts as defined by NCLB.

92.54%	70.50%	80.00%	0	80.00%
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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.

89.26%	49.00%	70.00%	0	70.00%
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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.

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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331.91 Tennessee School for the Blind

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

Full-Time	181	181	181	0	181
Part-Time	18	18	18	0	18
Seasonal	0	0	0	0	0
Total	199	199	199	0	199
Payroll	9,718,600	10,097,600	10,097,600	0	10,097,600
Operational	1,958,200	1,891,100	1,726,100	0	1,726,100
Total	\$11,676,800	\$11,988,700	\$11,823,700	\$0	\$11,823,700
State	10,803,300	10,910,700	10,910,700	0	10,910,700
Federal	0	0	0	0	0
Other	873,500	1,078,000	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.

99%	100%	100%	0	100%
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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 (IEP) and receiving a Diploma of Specialized Education.

Measure: Percent of TSB graduating seniors from the Life Skills or Pre-Vocational programs successfully completing their IEP 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	241	241	241	0	241
Part-Time	21	21	21	0	21
Seasonal	0	0	0	0	0
Total	262	262	262	0	262
Payroll	11,420,700	12,465,600	12,465,600	0	12,465,600
Operational	4,456,600	3,619,000	3,462,600	0	3,462,600
Total	\$15,877,300	\$16,084,600	\$15,928,200	\$0	\$15,928,200
State	15,008,800	15,384,800	15,384,800	0	15,384,800
Federal	0	0	0	0	0
Other	868,500	699,800	543,400	0	543,400

Standard: Increase achievement of students by a school mean growth of six percent on the Measure of Academic Progress test.

Measure: Percent of school mean growth on the Measure of Academic Progress test.

5.08%	6.00%	6.00%	0	6.00%
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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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	39	39	39	0	39
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
Total	48	48	48	0	48
Payroll	1,905,600	2,528,100	2,528,100	0	2,528,100
Operational	424,000	443,900	380,800	0	380,800
Total	\$2,329,600	\$2,972,000	\$2,908,900	\$0	\$2,908,900
State	2,189,200	2,686,200	2,686,200	0	2,686,200
Federal	0	0	0	0	0
Other	140,400	285,800	222,700	0	222,700

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.

	10%	35%	35%	0	35%
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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.

	14%	25%	25%	0	25%
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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	76	76	76	0	76
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	84	84	84	0	84
Payroll	5,352,800	5,670,900	5,717,500	0	5,717,500
Operational	1,232,100	1,185,100	1,086,200	0	1,086,200
Total	\$6,584,900	\$6,856,000	\$6,803,700	\$0	\$6,803,700

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
State	5,624,200	5,748,800	5,748,800	0	5,748,800
Federal	58,800	60,000	60,000	0	60,000
Other	901,900	1,047,200	994,900	0	994,900

Standard: Increase the percentage of York students scoring proficient or above on the state administered End of Course mathematics examination.

Measure: Percent of students with a proficient score or above on the End of Course mathematics examination.

67.8%	67.8%	67.8%	0	67.8%
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Standard: Increase the percentage of York students scoring proficient or above on the state administered End of Course language examination.

Measure: Percent of students with a proficient score or above on the End of Course language examination.

62.16%	74.10%	74.10%	0	74.10%
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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.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	66,000	329,100	329,100	0	329,100
Total	\$66,000	\$329,100	\$329,100	\$0	\$329,100
State	66,000	239,100	239,100	0	239,100
Federal	0	0	0	0	0
Other	0	90,000	90,000	0	90,000

Standard: Utilize allocated funds on planned, regularly scheduled maintenance projects.

Measure: Percent of allocated funds expended for maintenance projects.

28%	100%	100%	0	100%
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331.00 Total Education (K-12)

Full-Time	1,339	1,283	1,270	154	1,424
Part-Time	100	88	88	0	88
Seasonal	0	0	0	0	0
Total	1,439	1,371	1,358	154	1,512
Payroll	66,908,500	96,904,500	95,643,100	12,306,200	107,949,300
Operational	5,302,607,400	5,511,686,400	5,340,074,100	217,587,200	5,557,661,300
Total	\$5,369,515,900	\$5,608,590,900	\$5,435,717,200	\$229,893,400	\$5,665,610,600
State	4,046,228,400	4,183,907,600	4,176,135,100	189,779,300	4,365,914,400
Federal	1,260,533,200	1,310,864,700	1,192,737,300	0	1,192,737,300
Other	62,754,300	113,818,600	66,844,800	40,114,100	106,958,900

Statistical Data State Special Schools

	<u>York Institute 331.90</u>	<u>TN School for the Blind 331.91</u>	<u>TN School for the Deaf 331.92</u>	<u>West TN School for the Deaf 331.93</u>
Annual Admissions				
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	725	9	42	60
2011-2012	708	25	50	6
2012-2013	725	3	50	8
2013-2014	681	12	50	8
Annual Releases				
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	215	9	30	9
2011-2012	227	10	29	2
2012-2013	235	3	29	6
2013-2014	225	4	29	6
Average Daily Census				
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	644	158	218	49
2011-2012	650	150	203	50
2012-2013	680	153	203	46
2013-2014	650	155	203	50
Cost Per Occupancy Day				
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	\$59.21	\$412.91	\$389.29	\$262.20
2011-2012	\$56.28	\$432.47	\$434.52	\$258.84
2012-2013	\$56.01	\$444.03	\$440.19	\$358.94
2013-2014	\$58.15	\$437.91	\$435.91	\$351.32

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

Components	TOTAL	2010-2011 Expended	2011-2012 Expended	2012-2013 Estimated	2013-2014 Estimated
	\$ 500,741,200	\$ 51,530,800	\$ 90,887,600	\$ 228,945,100	\$ 129,377,700
1. Implementation Costs	5,657,000	770,800	657,800	2,245,900	1,982,500
2. Standards and Assessments	16,202,060	27,700	196,300	12,852,460	3,125,600
3. Data Systems	26,352,360	483,900	4,563,100	16,585,760	4,719,600
4. Teachers and Leaders	76,018,560	8,954,600	10,662,900	38,534,360	17,866,700
5. School Turnaround	96,977,360	1,516,900	11,922,600	49,643,560	33,894,300
6. Competitive Priorities	29,163,360	150,300	2,714,900	19,590,760	6,707,400
7. Subgrants to LEAs*	250,370,500	39,626,600	60,170,000	89,492,300	61,081,600

* 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

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 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</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. An 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	62	68	67	1	68
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	62	68	67	1	68
Payroll	4,750,800	6,032,400	6,159,900	94,300	6,254,200
Operational	8,992,200	14,287,400	13,473,900	15,000	13,488,900
Total	\$13,743,000	\$20,319,800	\$19,633,800	\$109,300	\$19,743,100

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
State	2,369,600	2,292,100	2,239,300	0	2,239,300
Federal	4,459,500	7,134,900	7,201,700	0	7,201,700
Other	6,913,900	10,892,800	10,192,800	109,300	10,302,100

Standard: Recommend operating, capital outlay, and capital maintenance appropriations for colleges, universities, technology centers, and non-formula higher education entities to the Governor within five working days of THEC's November meeting.

Measure: Business days after THEC's November meeting recommendations are made.

1	1	1	0	1
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332.02 Contract Education

Contract Education is a program through which Tennessee residents are enrolled in Tennessee's private colleges and universities to address special educational needs in the state. Also included in this program is minority teacher education, which provides services through public institutions that expand the recruitment pool of African-Americans preparing to teach in grades K-12. The program also includes funds for the post-Geier desegregation settlement access and diversity initiative.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	2,109,400	2,178,400	2,128,200	0	2,128,200
Total	\$2,109,400	\$2,178,400	\$2,128,200	\$0	\$2,128,200
State	2,109,400	2,178,400	2,128,200	0	2,128,200
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Increase or maintain the number of Teacher Diversity Program graduates who intend to become teachers.

Measure: The number of students trained through the Teacher Diversity Program who intend on becoming teachers.

39	45	45	0	45
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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	3,602,700	4,175,000	4,175,000	5,000,000	9,175,000
Total	\$3,602,700	\$4,175,000	\$4,175,000	\$5,000,000	\$9,175,000

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
State	2,339,200	2,318,100	2,318,100	5,000,000	7,318,100
Federal	864,100	1,286,900	1,286,900	0	1,286,900
Other	399,400	570,000	570,000	0	570,000

Standard: Distribute available tuition discount and fee waiver funds annually.

Measure: Days after June 30 fee waiver information collected and funds distributed.

0	0	0	0	0
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Standard: Execute the Improving Teacher Quality Grant contracts with colleges and universities to conduct workshops for teachers and principals

Measure: Teachers and principals trained through the Improving Teacher Quality Grants

589	600	500	0	500
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332.08 Centers of Excellence

The Centers of Excellence program is administered by THEC and provides additional funding to Tennessee's public four-year universities to supplement specific disciplines that are 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	17,326,500	17,538,300	17,134,500	216,900	17,351,400
Total	\$17,326,500	\$17,538,300	\$17,134,500	\$216,900	\$17,351,400
State	17,326,500	17,538,300	17,134,500	216,900	17,351,400
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Distribute funds provided for the Centers of Excellence

Measure: Days after the beginning of the quarter Centers of Excellence funds distributed.

1	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 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
Payroll	0	0	0	0	0
Operational	1,247,600	1,265,900	1,265,900	15,800	1,281,700
Total	\$1,247,600	\$1,265,900	\$1,265,900	\$15,800	\$1,281,700
State	1,247,600	1,265,900	1,265,900	15,800	1,281,700
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Distribute funds provided for the Centers of Emphasis

Measure: Days after the beginning of the quarter Centers of Emphasis funds distributed.

	1	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	53,727,500	61,124,900	59,562,500	5,000,000	64,562,500
Total	\$53,727,500	\$61,124,900	\$59,562,500	\$5,000,000	\$64,562,500
State	46,927,500	52,762,500	52,762,500	5,000,000	57,762,500
Federal	0	1,562,400	0	0	0
Other	6,800,000	6,800,000	6,800,000	0	6,800,000

Standard: To fund the maximum number of student awards.

Measure: The number of student awards.

	25,155	32,000	32,000	2,675	34,675
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</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	151,714,200	190,001,900	190,001,900	0	190,001,900
Total	\$151,714,200	\$190,001,900	\$190,001,900	\$0	\$190,001,900
State	0	0	0	0	0
Federal	148,875,400	181,101,900	181,101,900	0	181,101,900
Other	2,838,800	8,900,000	8,900,000	0	8,900,000

Standard: Lower the TSAC Cohort Default Rate.

Measure: TSAC Cohort Default Rate.

8.8%	8.0%	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	53	53	0	53
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	54	53	53	0	53
Payroll	3,299,000	3,705,000	3,805,000	0	3,805,000
Operational	24,453,600	21,693,800	21,690,000	0	21,690,000
Total	\$27,752,600	\$25,398,800	\$25,495,000	\$0	\$25,495,000
State	1,197,700	1,251,900	1,223,100	0	1,223,100
Federal	3,135,100	9,489,100	9,614,100	0	9,614,100
Other	23,419,800	14,657,800	14,657,800	0	14,657,800

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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Standard: Inform Tennesseans of the various financial aid programs available for higher education students and application procedures.

Measure: The number of College Goal Sunday participants.

	2,193	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	555,000	780,500	780,500	0	780,500
Total	\$555,000	\$780,500	\$780,500	\$0	\$780,500
State	194,800	401,800	401,800	0	401,800
Federal	0	0	0	0	0
Other	360,200	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: The number of students awarded.

	178	200	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	4,015,300	4,842,700	3,565,100	0	3,565,100
Total	\$4,015,300	\$4,842,700	\$3,565,100	\$0	\$3,565,100
State	448,300	1,191,000	1,191,000	0	1,191,000
Federal	151,400	178,200	178,200	0	178,200
Other	3,415,600	3,473,500	2,195,900	0	2,195,900

<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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Standard: Increase the total number of students awarded in an academic year to 175 in the Tennessee Teaching Scholars Program.

Measure: The number of students awarded in the Tennessee Teaching Scholars Program.

152	170	170	0	170
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Standard: Maintain the success rate in the Minority Teaching Fellows Program.

Measure: The success rate in the Minority Teaching Fellows Program.

53%	60%	60%	0	60%
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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 (pre-K) 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	319,530,900	331,200,000	322,900,000	0	322,900,000
Total	\$319,530,900	\$331,200,000	\$322,900,000	\$0	\$322,900,000
State	319,530,900	305,200,000	322,900,000	0	322,900,000
Federal	0	0	0	0	0
Other	0	26,000,000	0	0	0

Standard: Increase the number of participants in the Tennessee Education Lottery Scholarship program.

Measure: The number of students paid a lottery-related scholarship.

103,000	106,000	106,000	0	106,000
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Standard: Maintain the semester HOPE scholarship award amount.

Measure: The HOPE Scholarship award amount.

\$4,000	\$2,000	\$2,000	0	\$2,000
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	<u>Actual</u> <u>2011-2012</u>	<u>Estimated</u> <u>2012-2013</u>	<u>Base</u> <u>2013-2014</u>	<u>Cost Increase</u> <u>2013-2014</u>	<u>Recommended</u> <u>2013-2014</u>
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Tennessee Foreign Language Institute

332.14 Foreign Language Institute

The Tennessee Foreign Language Institute's mission is to encourage and facilitate the learning and teaching of foreign languages. The institute serves more than 4,000 persons annually through classes in more than 115 languages.

Full-Time	14	14	14	0	14
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	14	14	14	0	14
Payroll	0	0	0	0	0
Operational	1,979,000	1,869,500	1,869,500	0	1,869,500
Total	\$1,979,000	\$1,869,500	\$1,869,500	\$0	\$1,869,500
State	352,800	378,600	378,600	0	378,600
Federal	0	0	0	0	0
Other	1,626,200	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.

	423	482	436	0	436
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332.00 Total Higher Education - State Administered Programs

Full-Time	130	135	134	1	135
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	130	135	134	1	135
Payroll	8,049,800	9,737,400	9,964,900	94,300	10,059,200
Operational	589,253,900	650,958,300	638,547,000	10,247,700	648,794,700
Total	\$597,303,700	\$660,695,700	\$648,511,900	\$10,342,000	\$658,853,900
State	394,044,300	386,778,600	403,943,000	10,232,700	414,175,700
Federal	157,485,500	200,753,400	199,382,800	0	199,382,800
Other	45,773,900	73,163,700	45,186,100	109,300	45,295,400

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. Headcount figures are for Fall 2011 and 2012. Federal revenues, tuition and fees, and other revenues are unrestricted current funds derived from education and general sources, and auxiliary enterprise sources.

<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</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	56	60	60	0	60
Professional	139	150	150	0	150
Faculty	1	1	1	0	1
Clerical/Support	79	76	76	0	76
Total	275	287	287	0	287
Headcount	0	0	0	0	0
State	4,539,700	4,496,900	4,496,900	151,100	4,648,000
Federal	0	0	0	0	0
Other	17,969,400	15,555,000	15,555,000	0	15,555,000
Tuition/Fees	0	0	0	0	0
Total	\$22,509,100	\$20,051,900	\$20,051,900	\$151,100	\$20,203,000

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.

100%	100%	100%	0	100%
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</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
Headcount	0	0	0	0	0
State	5,600,600	5,550,100	5,550,100	0	5,550,100
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$5,600,600	\$5,550,100	\$5,550,100	\$0	\$5,550,100

Standard: Increase fall term enrollment of underrepresented groups.

Measure: Percent of underrepresented groups enrolled.

	23.8%	24.2%	24.2%	0	24.2%
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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 law, public works, finance, accounting, and governmental affairs; providing technical services and technology-based training to local, regional, and national law enforcement agencies; and providing continuing education on and off campuses, with special emphasis on degree granting programs in non-traditional settings.

332.15 UT Institute for Public Service

This allotment provides funds for the staffing and operational costs of the UT Institute for Public Service. The institute provides research and technical assistance to state and local government and industry. The institute also provides on-site technical assistance and training, as well as regional training conferences. The institute maintains offices in Nashville, Chattanooga, Cookeville, Knoxville, Martin, Memphis, Johnson City, Columbia, Oak Ridge, and Jackson.

Full-Time					
Administrative	5	5	5	0	5
Professional	13	16	16	0	16
Faculty	0	0	0	0	0
Clerical/Support	12	12	12	0	12
Total	30	33	33	0	33
Headcount	0	0	0	0	0

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
State	4,354,900	5,044,900	4,544,900	78,000	4,622,900
Federal	478,500	350,000	350,000	0	350,000
Other	466,500	879,400	879,400	0	879,400
Tuition/Fees	0	0	0	0	0
Total	\$5,299,900	\$6,274,300	\$5,774,300	\$78,000	\$5,852,300

Standard: Increase the economic impact on business services' sales, expenses, and investments.

Measure: Amount of economic impact.

\$450 million	\$850 million	\$850 million	0	\$850 million
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332.16 UT Municipal Technical Advisory Service

The Municipal Technical Advisory Service provides technical assistance to the incorporated cities of the state. Assistance is offered in the fields of finance and accounting, human resources, legal issues, and public safety.

Full-Time Administrative	2	2	2	0	2
Professional	34	35	35	0	35
Faculty	0	0	0	0	0
Clerical/Support	11	12	12	0	12
Total	47	49	49	0	49
Headcount	0	0	0	0	0
State	2,569,500	2,736,200	2,736,200	85,700	2,821,900
Federal	0	0	0	0	0
Other	2,951,500	2,939,200	2,939,200	0	2,939,200
Tuition/Fees	0	0	0	0	0
Total	\$5,521,000	\$5,675,400	\$5,675,400	\$85,700	\$5,761,100

Standard: Increase the economic impact to cities' services on revenues and expenses.

Measure: Amount of economic impact.

\$5.1 million	\$27 million	\$27 million	0	\$27 million
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332.17 UT County Technical Assistance Service

The County Technical Assistance Service provides the state's 95 county governments with technical assistance and information on most aspects of county government, including financial, environmental, and legislative.

Full-Time Administrative	1	1	1	0	1
Professional	27	31	31	0	31
Faculty	0	0	0	0	0
Clerical/Support	6	6	6	0	6
Total	34	38	38	0	38
Headcount	0	0	0	0	0

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
State	1,533,200	1,649,200	1,649,200	65,700	1,714,900
Federal	0	0	0	0	0
Other	3,161,000	3,146,700	3,146,700	0	3,146,700
Tuition/Fees	0	0	0	0	0
Total	\$4,694,200	\$4,795,900	\$4,795,900	\$65,700	\$4,861,600

Standard: Maintain the economic impact to counties' services on revenues and expenses.

Measure: Amount of economic impact.

\$33 million	\$37 million	\$37 million	0	\$37 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 including soil, water, air, and wildlife. Services are provided through campus-based programs and field laboratories.

Full-Time					
Administrative	17	17	17	0	17
Professional	81	82	82	0	82
Faculty	94	93	93	0	93
Clerical/Support	115	119	119	0	119
Total	307	311	311	0	311
Headcount	0	0	0	0	0
State	23,224,300	24,372,100	24,372,100	520,500	24,892,600
Federal	6,562,700	8,142,200	8,142,200	0	8,142,200
Other	5,052,900	4,387,400	4,387,400	0	4,387,400
Tuition/Fees	0	0	0	0	0
Total	\$34,839,900	\$36,901,700	\$36,901,700	\$520,500	\$37,422,200

Standard: Increase the level of research funding to meet mission-directed outcomes.

Measure: Expenditure of funds derived from sponsored projects.

\$21.0 million	\$23.1 million	\$25.4 million	0	\$25.4 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 unit 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 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
Full-Time					
Administrative	10	13	13	0	13
Professional	291	255	255	0	255
Faculty	56	54	54	0	54
Clerical/Support	145	149	149	0	149
Total	502	471	471	0	471
Headcount	0	0	0	0	0
State	27,985,900	29,474,000	29,474,000	695,500	30,169,500
Federal	9,965,600	9,171,900	9,171,900	0	9,171,900
Other	4,624,100	4,892,400	4,892,400	0	4,892,400
Tuition/Fees	0	0	0	0	0
Total	\$42,575,600	\$43,538,300	\$43,538,300	\$695,500	\$44,233,800

Standard: UT Extension will increase the economic value of its programs annually.

Measure: Economic value of program delivery.

\$537 million	\$547 million	\$547 million	0	\$547 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	6	7	7	0	7
Professional	36	35	35	0	35
Faculty	96	102	102	0	102
Clerical/Support	161	162	162	0	162
Total	299	306	306	0	306
Headcount	366	348	348	0	348
State	14,509,600	15,409,600	15,409,600	1,067,300	16,476,900
Federal	1,080,900	1,178,000	1,178,000	0	1,178,000
Other	11,027,200	11,987,000	11,987,000	0	11,987,000
Tuition/Fees	10,871,300	10,624,100	10,624,100	0	10,624,100
Total	\$37,489,000	\$39,198,700	\$39,198,700	\$1,067,300	\$40,266,000

Standard: Increase the first-attempt National North American Veterinary Licensing Examination (NAVLE) pass rate, which is required to practice veterinary medicine.

Measure: First-attempt pass rate on NAVLE.

95.8%	92.5%	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%	95%	0	95%
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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Medical Education Units

The Medical Education Program of the University of Tennessee plays an important role in meeting the state's health care needs. With the goal of providing high-quality health care to all geographic regions of the state, the medical education program trains physicians and other health care professionals.

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	68	69	69	0	69
Professional	208	213	213	0	213
Faculty	265	256	256	0	256
Clerical/Support	565	569	569	0	569
Total	1,106	1,107	1,107	0	1,107
Headcount	2,789	2,807	2,807	0	2,807
State	63,362,000	66,941,300	66,941,300	7,453,200	74,394,500
Federal	11,948,900	10,080,000	10,080,000	0	10,080,000
Other	14,971,000	16,904,300	16,904,300	0	16,904,300
Tuition/Fees	47,108,700	45,397,200	45,397,200	0	45,397,200
Total	\$137,390,600	\$139,322,800	\$139,322,800	\$7,453,200	\$146,776,000

Standard: UTHSC will increase the amount of expenditure dollars each year on special research.

Measure: Sponsored research program expenditures.

\$49.3 million	\$51.0 million	\$50.0 million	0	\$50.0 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	11	11	0	11
Faculty	31	32	32	0	32
Clerical/Support	107	104	104	0	104
Total	151	148	148	0	148
Headcount	0	0	0	0	0
State	9,358,900	9,882,100	9,882,100	588,300	10,470,400
Federal	0	0	0	0	0
Other	10,145,200	10,022,600	10,022,600	0	10,022,600
Tuition/Fees	0	0	0	0	0
Total	\$19,504,100	\$19,904,700	\$19,904,700	\$588,300	\$20,493,000

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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Standard: UT Family Medicine will serve patients in the Memphis community.

Measure: Number of patients served.

	29,237	30,224	30,224	0	30,224
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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 the Doctor of Medicine (M.D.) and Doctor of Philosophy (Ph.D.) combined degree program.

Full-Time					
Administrative	21	21	21	0	21
Professional	46	47	47	0	47
Faculty	298	269	269	0	269
Clerical/Support	111	116	116	0	116
Total	476	453	453	0	453
Headcount	0	0	0	0	0
State	43,014,900	44,934,400	44,934,400	2,338,900	47,273,300
Federal	0	0	0	0	0
Other	2,543,300	4,065,900	4,065,900	0	4,065,900
Tuition/Fees	21,150,600	23,242,700	23,242,700	0	23,242,700
Total	\$66,708,800	\$72,243,000	\$72,243,000	\$2,338,900	\$74,581,900

Standard: Increase the number of graduates from the College of Medicine to 165.

Measure: Number of graduates from the College of Medicine.

	148	165	165	0	165
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University and Research Campuses

The University of Tennessee provides comprehensive undergraduate and graduate studies 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
Headcount	0	0	0	0	0

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
State	10,945,200	5,594,300	5,594,300	5,000,000	10,594,300
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$10,945,200	\$5,594,300	\$5,594,300	\$5,000,000	\$10,594,300

Standard: Increase research and sponsored program expenditures.

Measure: Annual research and sponsored program expenditures.

\$453 million	\$375 million	\$350 million	0	\$350 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	6	7	7	0	7
Professional	9	9	9	0	9
Faculty	23	25	25	0	25
Clerical/Support	40	41	41	0	41
Total	78	82	82	0	82
Headcount	189	137	137	0	137
State	7,305,900	7,611,100	7,611,100	123,600	7,734,700
Federal	372,700	330,000	330,000	0	330,000
Other	374,000	492,500	492,500	0	492,500
Tuition/Fees	1,403,700	2,037,600	2,037,600	0	2,037,600
Total	\$9,456,300	\$10,471,200	\$10,471,200	\$123,600	\$10,594,800

Standard: Increase externally funded research.

Measure: Annual research expenditures.

\$3.1 million	\$5.0 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	94	105	105	0	105
Professional	166	178	178	0	178
Faculty	414	447	447	0	447
Clerical/Support	302	308	308	0	308
Total	976	1,038	1,038	0	1,038
Headcount	11,394	11,660	11,660	0	11,660

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
State	33,821,400	34,686,300	33,675,200	2,927,900	36,603,100
Federal	783,000	160,000	160,000	0	160,000
Other	17,562,100	13,954,800	13,954,800	0	13,954,800
Tuition/Fees	79,986,400	81,157,100	81,157,100	0	81,157,100
Total	\$132,152,900	\$129,958,200	\$128,947,100	\$2,927,900	\$131,875,000

Standard: Increase the percent of first-time, full-time freshmen that graduate within six years.

Measure: Graduation rates (cohort of full-time, first-time degree-seeking students that entered in the fall term and completed the academic program within six years).

38.2%	44.0%	40.5%	0	40.5%
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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.

678	850	823	0	823
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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 is also 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	232	249	249	0	249
Professional	613	656	656	0	656
Faculty	1,279	1,321	1,321	0	1,321
Clerical/Support	1,514	1,544	1,544	0	1,544
Total	3,638	3,770	3,770	0	3,770
Headcount	26,741	27,018	27,018	0	27,018
State	145,260,100	153,635,300	160,544,900	14,178,800	174,723,700
Federal	19,892,300	15,430,000	15,430,000	0	15,430,000
Other	200,006,200	195,315,300	195,315,300	0	195,315,300
Tuition/Fees	288,890,400	310,686,300	310,686,300	0	310,686,300
Total	\$654,049,000	\$675,066,900	\$681,976,500	\$14,178,800	\$696,155,300

Standard: Increase the percent of first-time, full-time freshmen that graduate within six years.

Measure: Graduation rates (cohort of full-time, first-time degree-seeking students that entered in the fall term and completed the academic program within six years).

66.1%	65.0%	67.0%	0	67.0%
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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.

2,788	2,742	2,902	0	2,902
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</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	55	56	56	0	56
Professional	101	108	108	0	108
Faculty	299	310	310	0	310
Clerical/Support	273	277	277	0	277
Total	728	751	751	0	751
Headcount	7,921	7,751	7,751	0	7,751
State	24,456,700	25,498,900	23,353,600	2,303,900	25,657,500
Federal	18,200	88,000	88,000	0	88,000
Other	16,848,600	15,156,900	15,156,900	0	15,156,900
Tuition/Fees	54,149,200	55,278,100	55,278,100	0	55,278,100
Total	\$95,472,700	\$96,021,900	\$93,876,600	\$2,303,900	\$96,180,500

Standard: Increase the percent of first-time, full-time freshmen that graduate within six years.

Measure: Graduation rates (cohort of full-time, first-time degree-seeking students that entered in the fall term and completed the academic program within six years).

48.9%	48.2%	48.4%	0	48.4%
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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.

587	618	658	0	658
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Total University of Tennessee System

Full-Time					
Administrative	574	613	613	0	613
Professional	1,776	1,826	1,826	0	1,826
Faculty	2,856	2,910	2,910	0	2,910
Clerical/Support	3,441	3,495	3,495	0	3,495
Total	8,647	8,844	8,844	0	8,844
Headcount	49,400	49,721	49,721	0	49,721
State	421,842,800	437,516,700	440,769,900	37,578,400	478,348,300
Federal	51,102,800	44,930,100	44,930,100	0	44,930,100
Other	307,703,000	299,699,400	299,699,400	0	299,699,400
Tuition/Fees	503,560,300	528,423,100	528,423,100	0	528,423,100
Total	\$1,284,208,900	\$1,310,569,300	\$1,313,822,500	\$37,578,400	\$1,351,400,900

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. Headcount figures are for fall 2011 and 2012. 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 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</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	26	28	28	0	28
Professional	86	63	63	0	63
Faculty	0	0	0	0	0
Clerical/Support	7	32	32	0	32
Total	119	123	123	0	123
Headcount	0	0	0	0	0
State	4,607,600	4,889,900	4,889,900	234,600	5,124,500
Federal	0	0	0	0	0
Other	17,028,500	16,138,100	16,138,100	0	16,138,100
Tuition/Fees	0	0	0	0	0
Total	\$21,636,100	\$21,028,000	\$21,028,000	\$234,600	\$21,262,600

Standard: Continue reviews of all Board of Regents policies for streamlining and efficiency of operation.

Measure: Percent of TBR 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 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</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
Headcount	0	0	0	0	0
State	9,892,900	9,803,700	9,803,700	0	9,803,700
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$9,892,900	\$9,803,700	\$9,803,700	\$0	\$9,803,700

Standard: Increase access to aid and scholarships for diverse students.

Measure: Implementation of mechanisms for awarding and tracking aid.

100%	100%	100%	0	100%
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332.99 Equipment for Community Colleges and Technology Centers

Community Colleges and Technology Centers must train students on the use of equipment and technologies used in industry. This allotment provides funds to upgrade or replace equipment used in programs such as service delivery, allied health, health informatics, and advanced manufacturing.

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
Headcount	0	0	0	0	0
State	0	0	0	16,500,000	16,500,000
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$0	\$0	\$0	\$16,500,000	\$16,500,000

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.

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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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	1	1	1	0	1
Faculty	1	1	1	0	1
Clerical/Support	1	1	1	0	1
Total	5	5	5	0	5
Headcount	0	0	0	0	0
State	2,145,000	2,208,900	2,208,900	14,600	2,223,500
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$2,145,000	\$2,208,900	\$2,208,900	\$14,600	\$2,223,500

Standard: Maintain the number of scientific publications in the areas of livestock; agricultural economics; nursery, medicinal, and alternative food crops; environmental protections; and food safety and nutrition by research scientists.

Measure: Number of scientific publications (full length refereed) by research scientists.

	30	32	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 protections; and food safety and nutrition by research scientists.

Measure: Number of presentations/dissemination of scientific discoveries at scientific conferences, forums, workshops, and training sessions (domestic and international) by research scientists.

	139	140	140	0	140
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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
Headcount	0	0	0	0	0

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
State	528,800	543,600	543,600	3,500	547,100
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$528,800	\$543,600	\$543,600	\$3,500	\$547,100

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.

11	9	9	0	9
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Standard: Increase the number of scientific publications related to nursery production by research scientists.

Measure: Number of presentations/dissemination of scientific discoveries at scientific conferences, forums, workshops, and training sessions (domestic and international) by research scientists.

48	50	50	0	50
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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 to local governments and the general public in the areas of agriculture and natural resources, community and rural development, 4-H and youth development, and family and consumer sciences.

Full-Time Administrative	0	0	0	0	0
Professional Faculty	12	12	12	0	12
Clerical/Support	1	1	1	0	1
	3	3	3	0	3
Total	16	16	16	0	16
Headcount	0	0	0	0	0
State	2,918,200	3,010,500	3,010,500	21,200	3,031,700
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$2,918,200	\$3,010,500	\$3,010,500	\$21,200	\$3,031,700

Standard: Increase the number of clientele educational contacts.

Measure: Number of clientele contacts. (Face to Face educational contacts)

271,676	300,000	300,000	0	300,000
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Standard: Increase the number of presentations/dissemination of research-based, practical, and useful information to the people of Tennessee via educational conference/activities in the areas of agriculture, consumer science, and 4-H and youth development.

Measure: Number of educational presentations for dissemination of research-based, practical, and useful information.

312	300	350	0	350
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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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
Headcount	0	0	0	0	0
State	170,600	174,100	174,100	900	175,000
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$170,600	\$174,100	\$174,100	\$900	\$175,000

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.

0	2	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.

1	4	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.

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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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	79	75	75	0	75
Faculty	158	141	141	0	141
Clerical/Support	109	109	109	0	109
Total	353	332	332	0	332
Headcount	269	281	281	0	281
State	25,971,900	27,343,600	27,343,600	1,643,800	28,987,400
Federal	1,506,400	1,300,000	1,300,000	0	1,300,000
Other	14,466,900	13,908,300	13,908,300	0	13,908,300
Tuition/Fees	8,665,500	9,216,300	9,216,300	0	9,216,300
Total	\$50,610,700	\$51,768,200	\$51,768,200	\$1,643,800	\$53,412,000

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	222	224	0	224
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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	15	16	16	0	16
Faculty	34	34	34	0	34
Clerical/Support	15	15	15	0	15
Total	66	67	67	0	67
Headcount	319	316	316	0	316
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	30,600	961,200	961,200	0	961,200
Tuition/Fees	9,403,300	9,681,300	9,681,300	0	9,681,300
Total	\$9,433,900	\$10,642,500	\$10,642,500	\$0	\$10,642,500

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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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.

	84%	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	19	20	20	0	20
Faculty	24	24	24	0	24
Clerical/Support	53	53	53	0	53
Total	96	97	97	0	97
Headcount	0	0	0	0	0
State	5,351,400	5,737,600	5,737,600	387,300	6,124,900
Federal	0	0	0	0	0
Other	7,438,100	8,655,700	8,655,700	0	8,655,700
Tuition/Fees	0	0	0	0	0
Total	\$12,789,500	\$14,393,300	\$14,393,300	\$387,300	\$14,780,600

Standard: Raise average score on the American Board of Family Medicine In-Training Exam (ITE).

Measure: Family Medicine ITE average exam scores.

	412	416	416	0	416
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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	36	31	31	0	31
Professional	183	199	199	0	199
Faculty	375	382	382	0	382
Clerical/Support	271	274	274	0	274
Total	865	886	886	0	886

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
Headcount	10,888	10,179	10,179	0	10,179
State	26,324,200	28,579,600	30,838,500	2,202,500	33,041,000
Federal	320,500	294,000	294,000	0	294,000
Other	14,372,300	13,680,900	13,680,900	0	13,680,900
Tuition/Fees	70,350,300	72,035,200	72,035,200	0	72,035,200
Total	\$111,367,300	\$114,589,700	\$116,848,600	\$2,202,500	\$119,051,100

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).

42.7%	38.2%	39.7%	0	39.7%
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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.

1,892	1,628	1,794	0	1,794
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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	49	49	49	0	49
Professional	361	376	376	0	376
Faculty	627	637	637	0	637
Clerical/Support	503	512	512	0	512
Total	1,540	1,574	1,574	0	1,574
Headcount	14,698	14,536	14,536	0	14,536
State	46,019,700	46,619,400	45,275,700	3,491,900	48,767,600
Federal	2,011,000	2,000,000	2,000,000	0	2,000,000
Other	30,656,500	30,940,300	30,940,300	0	30,940,300
Tuition/Fees	103,257,600	113,263,400	113,263,400	0	113,263,400
Total	\$181,944,800	\$192,823,100	\$191,479,400	\$3,491,900	\$194,971,300

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).

48.5%	49.8%	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.

3,057	2,902	2,983	0	2,983
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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332.74 University of Memphis

The University of Memphis is a comprehensive metropolitan university offering degrees at the bachelor's, master's, professional, and doctoral levels. The university has five centers of excellence in applied psychology, communicative disorders, earthquake information, Egyptology, and education policy.

Full-Time					
Administrative	77	79	79	0	79
Professional	649	679	679	0	679
Faculty	949	982	982	0	982
Clerical/Support	841	826	826	0	826
Total	2,516	2,566	2,566	0	2,566
Headcount	22,869	22,139	22,139	0	22,139
State	97,442,200	94,127,300	82,883,500	11,237,300	94,120,800
Federal	5,019,600	4,796,400	4,796,400	0	4,796,400
Other	79,266,900	72,952,400	72,952,400	0	72,952,400
Tuition/Fees	175,223,400	182,164,000	182,164,000	0	182,164,000
Total	\$356,952,100	\$354,040,100	\$342,796,300	\$11,237,300	\$354,033,600

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).

44.1%	42.9%	43.0%	0	43.0%
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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.

4,177	3,899	4,200	0	4,200
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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	81	78	78	0	78
Professional	486	500	500	0	500
Faculty	996	1,000	1,000	0	1,000
Clerical/Support	513	517	517	0	517
Total	2,076	2,095	2,095	0	2,095
Headcount	26,664	25,394	25,394	0	25,394
State	74,055,200	77,319,200	75,567,100	5,591,000	81,158,100
Federal	3,676,500	1,350,000	1,350,000	0	1,350,000
Other	54,442,400	46,976,200	46,976,200	0	46,976,200
Tuition/Fees	176,039,500	182,014,100	182,014,100	0	182,014,100
Total	\$308,213,600	\$307,659,500	\$305,907,400	\$5,591,000	\$311,498,400

<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</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).

51.6%	53.3%	53.3%	0	53.3%
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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.

4,907	4,902	5,035	0	5,035
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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	52	58	58	0	58
Professional	274	283	283	0	283
Faculty	409	404	404	0	404
Clerical/Support	292	288	288	0	288
Total	1,027	1,033	1,033	0	1,033
Headcount	9,214	8,775	8,775	0	8,775
State	29,584,300	30,856,300	30,355,100	2,304,200	32,659,300
Federal	2,231,100	1,900,000	1,900,000	0	1,900,000
Other	21,936,400	21,817,200	21,817,200	0	21,817,200
Tuition/Fees	73,003,200	71,046,100	71,046,100	0	71,046,100
Total	\$126,755,000	\$125,619,600	\$125,118,400	\$2,304,200	\$127,422,600

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).

38.4%	40.0%	40.0%	0	40.0%
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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.

1,642	1,616	1,646	0	1,646
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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.

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
Full-Time					
Administrative	27	28	28	0	28
Professional	229	240	240	0	240
Faculty	410	420	420	0	420
Clerical/Support	360	322	322	0	322
Total	1,026	1,010	1,010	0	1,010
Headcount	11,748	11,487	11,487	0	11,487
State	36,168,500	37,358,900	36,985,400	2,646,700	39,632,100
Federal	1,054,200	890,400	890,400	0	890,400
Other	24,578,200	23,940,500	23,940,500	0	23,940,500
Tuition/Fees	75,282,600	81,722,100	81,722,100	0	81,722,100
Total	\$137,083,500	\$143,911,900	\$143,538,400	\$2,646,700	\$146,185,100

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).

55.6%	52.5%	53.5%	0	53.5%
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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.

2,178	2,289	2,314	0	2,314
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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.

332.89 Tennessee Community Colleges

The Complete College Act of 2010 stated that, beginning in fiscal year 2012-2013, funding recommendations for community colleges be limited to only aggregate funding by the Tennessee Higher Education Commission. Funding levels for individual community colleges are determined by the Tennessee Board of Regents.

Full-Time					
Administrative	204	194	194	0	194
Professional	1,043	1,053	1,053	0	1,053
Faculty	1,835	1,834	1,834	0	1,834
Clerical/Support	1,707	1,709	1,709	0	1,709
Total	4,789	4,790	4,790	0	4,790
Headcount	96,777	92,165	92,165	0	92,165
State	192,138,500	199,284,100	195,117,300	16,032,100	211,149,400
Federal	1,455,800	1,071,200	1,071,200	0	1,071,200
Other	12,931,700	12,701,800	12,701,800	0	12,701,800
Tuition/Fees	289,792,200	287,513,300	287,513,300	0	287,513,300
Total	\$496,318,200	\$500,570,400	\$496,403,600	\$16,032,100	\$512,435,700

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</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.

	11,140	10,152	11,441	0	11,441
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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	48	49	49	0	49
Professional	109	91	91	0	91
Faculty	505	502	502	0	502
Clerical/Support	177	207	207	0	207
Total	839	849	849	0	849
Headcount	31,198	29,560	29,560	0	29,560
State	52,566,100	54,639,400	54,008,400	3,437,300	57,445,700
Federal	143,400	115,100	115,100	0	115,100
Other	8,086,600	7,327,100	7,327,100	0	7,327,100
Tuition/Fees	28,009,000	28,534,200	28,534,200	0	28,534,200
Total	\$88,805,100	\$90,615,800	\$89,984,800	\$3,437,300	\$93,422,100

Standard: Increase the percentage of completers at the technology centers.

Measure: Percent of completers based on Council of Occupational Education standards.

	77.4%	76.7%	76.7%	0	76.7%
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
Total State University and Community College System					
Full-Time					
Administrative	611	605	605	0	605
Professional	3,548	3,610	3,610	0	3,610
Faculty	6,325	6,363	6,363	0	6,363
Clerical/Support	4,854	4,870	4,870	0	4,870
Total	15,338	15,448	15,448	0	15,448
Headcount	224,644	214,832	214,832	0	214,832
State	605,885,100	622,496,100	604,742,900	65,748,900	670,491,800
Federal	17,418,500	13,717,100	13,717,100	0	13,717,100
Other	285,235,100	269,999,700	269,999,700	0	269,999,700
Tuition/Fees	1,009,026,600	1,037,190,000	1,037,190,000	0	1,037,190,000
Total	\$1,917,565,300	\$1,943,402,900	\$1,925,649,700	\$65,748,900	\$1,991,398,600

Grand Total Higher Education

Full-Time					
Administrative	1,315	1,353	1,352	1	1,353
Professional	5,324	5,436	5,436	0	5,436
Faculty	9,181	9,273	9,273	0	9,273
Clerical/Support	8,295	8,365	8,365	0	8,365
Part-Time	0	0	0	0	0
Total	24,115	24,427	24,426	1	24,427
Headcount	274,044	264,553	264,553	0	264,553
State	1,421,772,200	1,446,791,400	1,449,455,800	113,560,000	1,563,015,800
Federal	226,006,800	259,400,600	258,030,000	0	258,030,000
Other	638,712,000	642,862,800	614,885,200	109,300	614,994,500
Tuition/Fees	1,512,586,900	1,565,613,100	1,565,613,100	0	1,565,613,100
Total	\$3,799,077,900	\$3,914,667,900	\$3,887,984,100	\$113,669,300	\$4,001,653,400

Performance Measures by Community College

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).

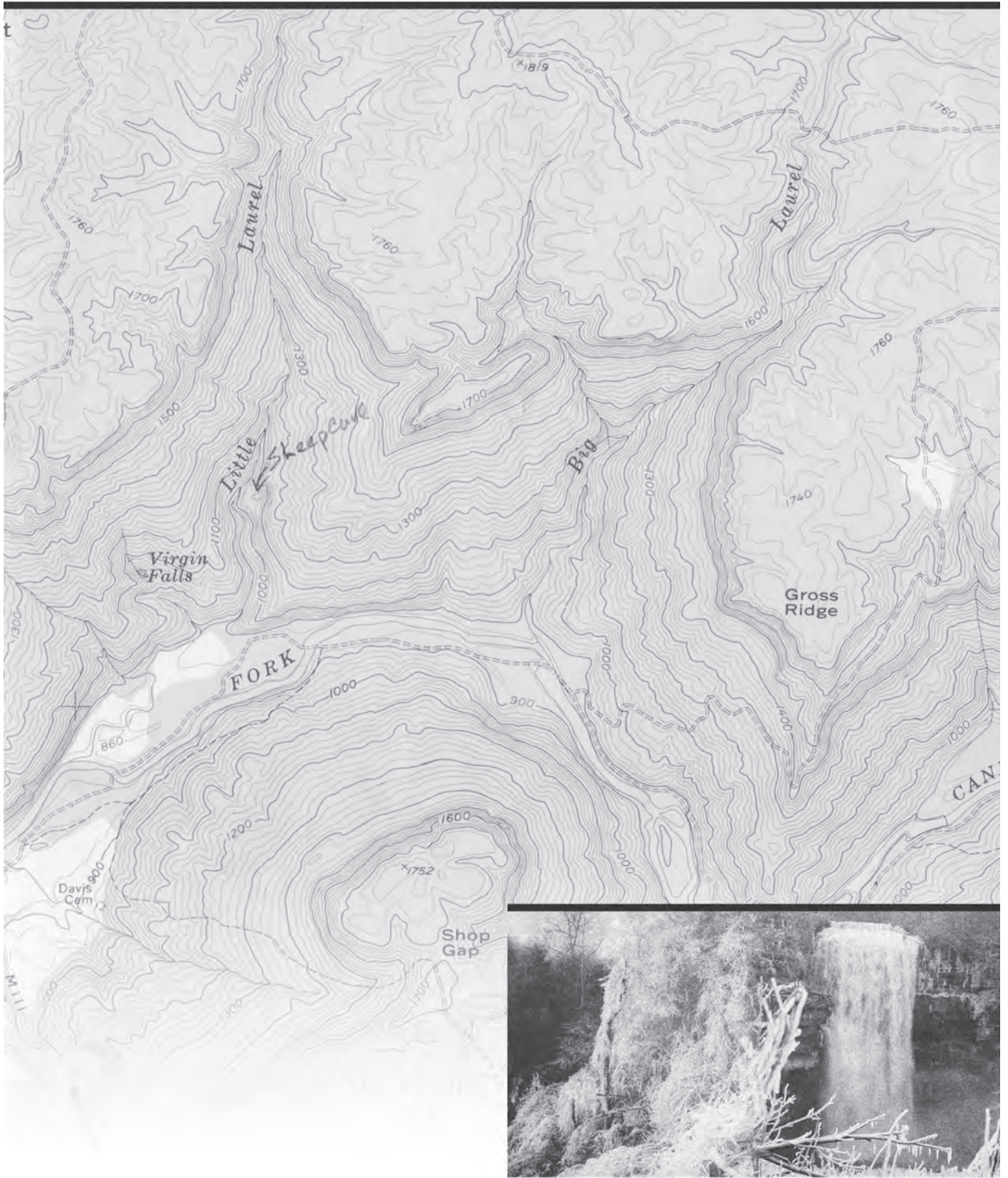
	Actual 2011-2012*	Estimate 2012-2013	Target 2013-2014
Southwest Tennessee	14.8%	16.2%	14.5%
Nashville State	21.1%	27.4%	23.1%
Pellissippi State	32.0%	44.9%	28.4%
Northeast State	30.4%	35.8%	28.8%
Chattanooga State	21.4%	25.7%	21.3%
Cleveland State	27.6%	35.0%	28.8%
Columbia State	32.2%	45.0%	32.8%
Dyersburg State	23.9%	27.4%	21.9%
Jackson State	23.9%	30.6%	26.0%
Motlow State	29.7%	43.9%	30.1%
Roane State	32.2%	40.6%	33.3%
Volunteer State	25.4%	33.1%	26.5%
Walters State	31.0%	38.4%	31.0%

* Fiscal year 2011-2012 is actual year 2010-2011 data.

Total number of college graduates in a given academic year.

	Actual 2011-2012*	Estimate 2012-2013	Target 2013-2014
Southwest Tennessee	1,283	1,135	1,296
Nashville State	716	690	723
Pellissippi State	1,440	900	1,454
Northeast State	866	963	963
Chattanooga State	1,170	967	1,182
Cleveland State	580	508	586
Columbia State	593	612	617
Dyersburg State	298	236	301
Jackson State	603	575	609
Motlow State	584	611	611
Roane State	912	811	921
Volunteer State	1,033	1,074	1,074
Walters State	1,062	1,070	1,104

* Fiscal year 2011-2012 is actual year 2010-2011 data.



Health and Social Services

Health and Social Services

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Health and Social Services

Recommended Budget, Fiscal Year 2013 – 2014

The agencies and departments of this functional group are concerned with the health and well-being of the citizens of Tennessee. The Health and Social Services functional area is comprised of the following commissions, departments, and agencies:

- Commission on Children and Youth
- Commission on Aging and Disability
- Health Services and Development Agency
- Department of Finance and Administration, Bureau of TennCare
- Department of Mental Health and Substance Abuse Services
- Department of Intellectual and Developmental Disabilities
- Department of Health
- Department of Human Services
- Department of Finance and Administration, Strategic 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 are uninsured.

Cost Increases 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 cost increases for the ensuing fiscal year; and (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 program performance measures.

Health and Social Services Total Personnel and Funding

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Recommended 2013-2014</u>
Personnel			
Full Time	18,212	17,446	17,331
Part Time	223	218	218
Seasonal	0	0	0
TOTAL	18,435	17,664	17,549
Expenditures			
Payroll	\$ 930,278,400	\$ 1,002,475,100	\$ 996,736,500
Operational	13,718,271,800	13,508,641,200	13,978,079,800
TOTAL	\$ 14,648,550,200	\$ 14,511,116,300	\$ 14,974,816,300
Funding			
State	\$ 3,704,661,200	\$ 3,940,313,500	\$ 4,188,032,200
Federal	9,395,001,100	9,527,516,500	9,741,392,400
Other	1,548,887,900	1,043,286,300	1,045,391,700

Health and Social Services
Recommended Budget for Fiscal Year 2013-2014
By Funding Source

Department	State	Federal	Other	Total
316.01 Commission on Children and Youth	2,239,800	1,195,300	627,900	4,063,000
316.02 Commission on Aging and Disability	13,694,400	28,857,000	255,000	42,806,400
316.07 Health Services and Development Agency	1,098,500	0	0	1,098,500
318.00 Finance and Administration, Bureau of TennCare	3,185,942,900	6,380,164,300	297,675,900	9,863,783,100
339.00 Mental Health and Substance Abuse Services	196,394,400	59,729,600	43,884,100	300,008,100
343.00 Health	177,290,900	254,808,700	141,308,600	573,408,200
344.00 Intellectual and Developmental Disabilities	28,727,300	1,781,600	167,122,000	197,630,900
345.00 Human Services	168,977,900	2,721,615,700	135,502,600	3,026,096,200
350.00 Strategic Health-Care Programs	110,626,300	176,733,600	31,164,200	318,524,100
359.00 Children's Services	303,039,800	116,506,600	227,851,400	647,397,800
Total	\$4,188,032,200	\$9,741,392,400	\$1,045,391,700	\$14,974,816,300

Health and Social Services Cost Increases for Fiscal Year 2013-2014

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Commission on Children and Youth					
• Council on Children's Mental Health					
To provide recurring funds for the Council on Children's Mental Health, which was established by state law in 2008. Duties of the council include developing a plan for a statewide system of care for children's mental health services and developing a financial resource map and cost analysis of all federal and state funded programs for children's mental health. These expenditures were previously funded with federal funds that have expired.					
316.01 Commission on Children and Youth	\$95,000	\$0	\$0	\$95,000	0
Sub-total	\$95,000	\$0	\$0	\$95,000	0
Total Commission on Children and Youth	\$95,000	\$0	\$0	\$95,000	0

Finance and Administration, Bureau of TennCare

• Federal Match Decrease

To provide recurring funds to replace a loss of federal funds due to a decrease in the Federal Medical Assistance Percentage (FMAP) rate from 66.188% in fiscal year 2012-2013 to 65.500% in fiscal year 2013-2014. The FMAP rate is the rate at which the federal government matches state appropriation expenditures in the TennCare Program.

318.66 TennCare Medical Services	\$38,210,500	(\$38,210,500)	\$0	\$0	0
318.70 Supplemental Payments	\$378,400	(\$378,400)	\$0	\$0	0
318.71 Intellectual Disabilities Services	\$5,549,100	(\$5,549,100)	\$0	\$0	0
318.72 Medicare Services	\$2,167,000	(\$2,167,000)	\$0	\$0	0
Sub-total	\$46,305,000	(\$46,305,000)	\$0	\$0	0

• Medical Inflation and Utilization

To provide recurring funds for increased medical utilization and inflation for the TennCare population.

318.66 TennCare Medical Services	\$93,950,000	\$178,368,900	\$0	\$272,318,900	0
Sub-total	\$93,950,000	\$178,368,900	\$0	\$272,318,900	0

• Pharmacy Program

To provide recurring funds for increased costs in the pharmacy program. These expenditures were funded in fiscal year 2012-2013 with non-recurring funds from the TennCare reserve.

318.66 TennCare Medical Services	\$22,589,000	\$42,261,600	\$33,392,500	\$98,243,100	0
Sub-total	\$22,589,000	\$42,261,600	\$33,392,500	\$98,243,100	0

Health and Social Services

Cost Increases for Fiscal Year 2013-2014

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Medicare Costs					
To provide recurring funds for the state share of increased Medicare costs for dual-eligible TennCare enrollees. These expenditures were funded in fiscal year 2012-2013 with non-recurring funds from the TennCare reserve.					
318.72 Medicare Services	\$28,996,600	\$55,051,500	\$0	\$84,048,100	0
Sub-total	\$28,996,600	\$55,051,500	\$0	\$84,048,100	0
• Standard Spend Down Program					
To provide recurring funds to continue the Standard Spend Down Program (formerly called the Medically Needy Program). The program was funded in fiscal year 2012-2013 with non-recurring funds.					
318.66 TennCare Medical Services	\$11,121,800	\$21,115,300	\$0	\$32,237,100	0
Sub-total	\$11,121,800	\$21,115,300	\$0	\$32,237,100	0
• National Health Reform					
To provide recurring funds for the cost of national health reform. These expenditures include funding for an estimated 46,700 new enrollees beginning January 1, 2014 that are currently eligible but not enrolled, the costs of an excise tax on insurance providers, the impact of changes to drug rebates, increased pharmacy expenditures, mandatory coverage of foster children, and the impact of other program changes.					
318.66 TennCare Medical Services	\$121,145,600	\$230,001,100	\$0	\$351,146,700	0
Sub-total	\$121,145,600	\$230,001,100	\$0	\$351,146,700	0
• Eligibility System Personnel - Annualized Funding					
To provide recurring funds to annualize funding for 32 positions added in the fiscal year 2012-2013 budget for the new eligibility system.					
318.65 TennCare Administration	\$425,000	\$452,300	\$0	\$877,300	0
Sub-total	\$425,000	\$452,300	\$0	\$877,300	0
• HCBS Waiver Programs					
To provide recurring funds for growth in enrollment and costs in the Home and Community-Based Services (HCBS) Waiver Programs for people with Intellectual Disabilities. This increase will provide funding for an additional 96 waiver enrollees.					
318.71 Intellectual Disabilities Services	\$4,448,200	\$8,445,100	\$0	\$12,893,300	0
Sub-total	\$4,448,200	\$8,445,100	\$0	\$12,893,300	0
• Intellectual Disabilities Services					
To provide funds for the TennCare share of cost increases recommended for the Department of Intellectual and Developmental Disabilities. Of these funds, \$1,701,000 in state appropriation is non-recurring.					
318.71 Intellectual Disabilities Services	\$12,405,100	\$23,053,000	\$0	\$35,458,100	0
Sub-total	\$12,405,100	\$23,053,000	\$0	\$35,458,100	0

Health and Social Services

Cost Increases for Fiscal Year 2013-2014

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Children's Services					
To provide recurring funds for the TennCare share of cost increases recommended for the Department of Children's Services.					
318.66 TennCare Medical Services	\$1,849,200	\$3,372,200	\$0	\$5,221,400	0
Sub-total	\$1,849,200	\$3,372,200	\$0	\$5,221,400	0
• Previous Base Reductions Restored					
To provide recurring funds to restore certain base reductions made in previous fiscal years. These funds include \$2,250,000 for a state-only grant to the Meharry Medical College, \$2,750,000 to Nashville Metro General Hospital and The Med Regional Medical Center in Memphis for supplemental hospital payments, and \$7,393,900, which is comprised of \$2,550,900 in state appropriation and \$4,843,000 in federal revenue, for emergency room physician reimbursement.					
318.66 TennCare Medical Services	\$2,550,900	\$4,843,000	\$0	\$7,393,900	0
318.70 Supplemental Payments	\$5,000,000	\$0	\$0	\$5,000,000	0
Sub-total	\$7,550,900	\$4,843,000	\$0	\$12,393,900	0
Total Finance and Administration, Bureau of TennCare	\$350,786,400	\$520,659,000	\$33,392,500	\$904,837,900	0

Mental Health and Substance Abuse Services

• Drug Court Initiative					
To provide recurring funds for eight additional adult drug courts and four juvenile drug courts in several previously unserved Judicial Districts.					
339.03 Community Substance Abuse Services	\$1,560,000	\$0	\$0	\$1,560,000	0
Sub-total	\$1,560,000	\$0	\$0	\$1,560,000	0
• Lifeline Programs					
To provide non-recurring funds in order to establish Lifeline Programs. These programs will work with individuals in recovery to locate support and recovery services and will establish group programs in communities not currently served by 12 step programs.					
339.03 Community Substance Abuse Services	\$525,000	\$0	\$0	\$525,000	0
Sub-total	\$525,000	\$0	\$0	\$525,000	0
• Crisis Stabilization Units					
To provide recurring funds for two existing Crisis Stabilization Units in order to maintain operations, strengthen access to community treatment, and decrease the need for institutionalization. These expenditures were previously funded by federal funds that have been depleted.					
339.08 Community Mental Health Services	\$2,100,000	\$0	\$0	\$2,100,000	0
Sub-total	\$2,100,000	\$0	\$0	\$2,100,000	0

Health and Social Services

Cost Increases for Fiscal Year 2013-2014

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Administration Legislation - Incompetent Defendant Act					
To provide recurring funds to offset the loss of county revenue that will result from legislation that will change the evaluation and inpatient treatment of mentally ill individuals who have been charged with misdemeanors.					
339.11 Middle Tennessee Mental Health Institute	\$17,200	\$0	(\$17,200)	\$0	0
339.12 Western Mental Health Institute	\$58,400	\$0	(\$58,400)	\$0	0
339.16 Moccasin Bend Mental Health Institute	\$8,600	\$0	(\$8,600)	\$0	0
339.17 Memphis Mental Health Institute	\$120,200	\$0	(\$120,200)	\$0	0
Sub-total	\$204,400	\$0	(\$204,400)	\$0	0
Total Mental Health and Substance Abuse Services	\$4,389,400	\$0	(\$204,400)	\$4,185,000	0
Health					
• Health and Wellness Initiative					
To provide non-recurring start-up funds for the Health and Wellness Initiative.					
343.52 Community and Medical Services	\$1,200,000	\$0	\$0	\$1,200,000	0
Sub-total	\$1,200,000	\$0	\$0	\$1,200,000	0
• Sickle Cell Grants					
To provide non-recurring funds to continue certain sickle cell grants. Of these funds, \$75,000 is for the Sickle Cell Foundation of Tennessee and \$50,000 is for the Methodist Healthcare Foundation.					
343.52 Community and Medical Services	\$125,000	\$0	\$0	\$125,000	0
Sub-total	\$125,000	\$0	\$0	\$125,000	0
• Administration Legislation - Electronic Licensure Applications					
To provide non-recurring funds for electronic licensure applications. The state appropriation is from the dedicated fees of the Health Related Boards.					
343.10 Health Related Boards	\$745,000	\$0	\$0	\$745,000	0
Sub-total	\$745,000	\$0	\$0	\$745,000	0
Total Health	\$2,070,000	\$0	\$0	\$2,070,000	0

Health and Social Services

Cost Increases for Fiscal Year 2013-2014

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Intellectual and Developmental Disabilities					
• Clover Bottom Developmental Center					
To provide non-recurring funds for the temporary continuation of operations at Clover Bottom Developmental Center due to a delay in the phase-down process. Community Homes are being built in Middle Tennessee for the residents currently at Clover Bottom. The other funding is interdepartmental revenue from the TennCare program and is comprised of \$1,309,200 in state appropriation and \$2,306,600 in federal revenue.					
344.11 Clover Bottom Developmental Center	\$0	\$0	\$3,615,800	\$3,615,800	0
Sub-total	\$0	\$0	\$3,615,800	\$3,615,800	0
• Middle TN Homes Certification					
To provide non-recurring funds for the first 30 days of operation for four new community homes in Middle Tennessee. The Department of Intellectual and Developmental Disabilities cannot bill TennCare until each community home is certified, which requires the home to be occupied for at least 30 days. The other funding is interdepartmental revenue from the TennCare program and is comprised of \$83,200 in state appropriation and \$158,000 in federal revenue. The other funding decrease is also non-recurring.					
344.41 Middle Tennessee Community Homes	\$241,200	\$0	(\$241,200)	\$0	0
Sub-total	\$241,200	\$0	(\$241,200)	\$0	0
• Arlington Lawsuit Exit Plan					
To provide funds for a plan that would allow the state to exit the Arlington Lawsuit by December 31, 2013. Of these funds, \$6,300 in state appropriation is non-recurring.					
344.01 Intellectual Disabilities Services Administration	\$0	\$0	\$42,500	\$42,500	1
344.02 Community Intellectual Disabilities Services	\$872,600	\$0	(\$175,000)	\$697,600	0
344.04 Quality Assurance Program	\$0	\$0	\$809,800	\$809,800	11
344.20 West Tennessee Regional Office	\$0	\$0	\$34,400	\$34,400	4
Sub-total	\$872,600	\$0	\$711,700	\$1,584,300	16
Total Intellectual and Developmental Disabilities	\$1,113,800	\$0	\$4,086,300	\$5,200,100	16

Human Services

• Child Support - Assistant DAs Step Raises

To provide recurring funds 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	\$45,400	\$88,200	\$0	\$133,600	0
Sub-total	\$45,400	\$88,200	\$0	\$133,600	0

Health and Social Services Cost Increases for Fiscal Year 2013-2014

	State	Federal	Other	Total	Positions
Total Human Services	\$45,400	\$88,200	\$0	\$133,600	0

Strategic Health-Care Programs

- **Federal Match Decrease**

To provide recurring funds to replace a loss of federal funds due to a decrease in the Enhanced Federal Medical Assistance Percentage (Enhanced-FMAP) from 76.331% in fiscal year 2012-2013 to 75.848% in 2013-2014. The Enhanced-FMAP rate is the rate at which the federal government matches state appropriation expenditures in the CoverKids program.

350.50 CoverKids	\$447,700	(\$447,700)	\$0	\$0	0
Sub-total	\$447,700	(\$447,700)	\$0	\$0	0

- **CoverKids**

To provide recurring funds for increased costs due to enrollment and inflation increases.

350.50 CoverKids	\$8,168,400	\$21,028,700	\$0	\$29,197,100	0
Sub-total	\$8,168,400	\$21,028,700	\$0	\$29,197,100	0

Total Strategic Health-Care Programs

	\$8,616,100	\$20,581,000	\$0	\$29,197,100	0
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Children's Services

- **Teacher Training and Experience Compensation**

To provide recurring funds for salary increases to teachers at youth development center schools according to their level of training and experience as required by TCA 37-5-119 and TCA 4-6-143(d). This increase will assure that salaries for teachers at the youth development centers are comparable to other public school teachers.

359.60 John S. Wilder Youth Development Center	\$14,100	\$0	\$0	\$14,100	0
359.63 Mountain View Youth Development Center	\$22,800	\$0	\$0	\$22,800	0
Sub-total	\$36,900	\$0	\$0	\$36,900	0

- **Brian A. Settlement Agreement**

To provide recurring funds for expenditures related to the Brian A. Settlement Agreement. This includes funds for salary upgrades for Child Protective Services investigation case managers, 29 additional positions for Child Protective Services investigation and assessments, 20 additional family social worker case manager positions, 13 additional attorney positions for termination of parental rights caseload increase, residential and foster care rate increases, and funds for growth in the caseload of adoption assistance.

359.10 Administration	\$626,800	\$150,600	\$446,800	\$1,224,200	13
359.30 Custody Services	\$2,936,900	\$900,600	\$3,217,500	\$7,055,000	0
359.40 Adoption Services	\$1,806,000	\$1,791,700	\$0	\$3,597,700	0
359.50 Child and Family Management	\$1,352,000	\$754,500	\$1,557,100	\$3,663,600	49
Sub-total	\$6,721,700	\$3,597,400	\$5,221,400	\$15,540,500	62

Health and Social Services
Cost Increases for Fiscal Year 2013-2014

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Federal Match Rate Reduction					
To provide recurring funds to replace a loss of federal funds resulting from a decrease in the Federal Medical Assistance Percentage (FMAP) rate from 66.188% in fiscal year 2012-2013 to 65.500% in fiscal year 2013-2014. The federal government matches state appropriation expenditures in the IV-E Adoption Assistance and Foster Care Programs at the FMAP rate.					
359.30 Custody Services	\$135,500	(\$135,500)	\$0	\$0	0
359.40 Adoption Services	\$375,900	(\$375,900)	\$0	\$0	0
Sub-total	\$511,400	(\$511,400)	\$0	\$0	0
• Child Advocacy Centers					
Restore funding for the Child Advocacy Centers.					
359.20 Family Support Services	\$250,000	\$0	\$0	\$250,000	0
Sub-total	\$250,000	\$0	\$0	\$250,000	0
Total Children's Services	\$7,520,000	\$3,086,000	\$5,221,400	\$15,827,400	62
Total Health and Social Services	\$374,636,100	\$544,414,200	\$42,495,800	\$961,546,100	78

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 Governor 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, and evaluating selected state programs and services for children.

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
316.01 Commission on Children and Youth					
Full-Time	49	27	27	0	27
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	49	27	27	0	27
Payroll	3,047,200	2,042,200	2,042,200	84,700	2,126,900
Operational	4,519,600	3,527,000	1,925,800	10,300	1,936,100
Total	\$7,566,800	\$5,569,200	\$3,968,000	\$95,000	\$4,063,000
State	2,052,000	2,140,100	2,144,800	95,000	2,239,800
Federal	2,521,900	2,801,200	1,195,300	0	1,195,300
Other	2,992,900	627,900	627,900	0	627,900

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.

55	73	72	0	72
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Standard: Strengthen community awareness of children's issues and develop more informed service providers and citizens for effective children's advocacy by increasing membership of the regional councils on children and youth to 2,324 members.

Measure: The number of regional councils on children and youth members.

2,213	2,235	2,257	0	2,257
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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 22 members. The Governor appoints 19 members, including a member of his staff. The commissioners of Health, Mental Health, Intellectual and Developmental Disabilities, Human Services, and Veterans Affairs; and the director of TennCare and the Executive Director of the Council on Developmental Disabilities are ex officio, voting members; and the speakers of the Senate and House of Representatives appoint one non-voting member each. The Governor 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 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
316.02 Commission on Aging and Disability					
Full-Time	33	33	33	0	33
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	33	33	33	0	33
Payroll	1,909,600	2,173,200	2,173,200	0	2,173,200
Operational	40,587,800	41,760,100	40,633,200	0	40,633,200
Total	\$42,497,400	\$43,933,300	\$42,806,400	\$0	\$42,806,400
State	13,117,300	13,694,400	13,694,400	0	13,694,400
Federal	29,375,600	29,983,900	28,857,000	0	28,857,000
Other	4,500	255,000	255,000	0	255,000

Standard: Protect and ensure the quality of life and independence of older Tennesseans and adults with disabilities by leveraging federal and state funding for programs, resources, and organizations that implement best practices.

Measure: Number of area plans that contain best practices in the access to services, health promotion and disease prevention, and elder rights components.

	8	8	9	0	9
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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: Number of Area Agencies on Aging and Disability implementing the self-directed care component for consumers enrolled in the Options for Community Living Program.

	2	5	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 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
316.07 Health Services and Development Agency					
Full-Time	11	10	10	0	10
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	19	18	18	0	18
Payroll	677,700	830,400	830,400	0	830,400
Operational	324,000	284,500	268,100	0	268,100
Total	\$1,001,700	\$1,114,900	\$1,098,500	\$0	\$1,098,500
State	1,001,500	1,098,500	1,098,500	0	1,098,500
Federal	0	0	0	0	0
Other	200	16,400	0	0	0

Standard: Medical equipment utilizations will be reported.

Measure: The percent of equipment utilizations reported.

97.89%	97.80%	97.80%	0	97.80%
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Standard: Medical equipment registrations will be current.

Measure: The percent of current registrations.

97.8%	97.9%	97.9%	0	97.9%
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Department of Finance and Administration, Bureau of TennCare

Performance-Based Budget

In 2011, all health-care programs within the Department of Finance and Administration were consolidated under the Division of Health-Care Finance and Administration. The division consists of two parts, the Bureau of TennCare and Strategic Health-Care Programs.

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 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</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	485	490	490	0	490
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	485	490	490	0	490
Payroll	29,356,700	35,044,700	35,044,700	0	35,044,700
Operational	207,749,900	183,351,000	218,628,700	877,300	219,506,000
Total	\$237,106,600	\$218,395,700	\$253,673,400	\$877,300	\$254,550,700
State	100,498,400	97,260,900	108,045,700	425,000	108,470,700
Federal	135,297,900	119,691,000	144,183,900	452,300	144,636,200
Other	1,310,300	1,443,800	1,443,800	0	1,443,800

Standard: Avoid repeat audit findings.

Measure: Number of repeat audit findings.

0	0	0	0	0
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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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
Payroll	0	0	0	0	0
Operational	6,874,966,300	6,649,785,300	6,417,117,600	766,561,100	7,183,678,700
Total	\$6,874,966,300	\$6,649,785,300	\$6,417,117,600	\$766,561,100	\$7,183,678,700
State	1,881,437,300	1,951,833,500	1,878,425,800	291,417,000	2,169,842,800
Federal	4,484,758,600	4,456,717,400	4,299,489,100	441,751,600	4,741,240,700
Other	508,770,400	241,234,400	239,202,700	33,392,500	272,595,200

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
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Standard: Rebalance the long-term care system by fully implementing the Community Choices Act (including the new CHOICES 3 category) and tracking enrollment in Home and Community Based Services (HCBS) as opposed to nursing facilities.

Measure: The percent of CHOICES members in HCBS as opposed to a nursing facility.

33.6%	35.6%	37.6%	0	37.6%
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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	874,500,700	930,169,800	927,323,000	5,000,000	932,323,000
Total	\$874,500,700	\$930,169,800	\$927,323,000	\$5,000,000	\$932,323,000
State	249,712,700	264,806,200	265,025,000	5,378,400	270,403,400
Federal	601,163,800	641,726,700	638,661,100	-378,400	638,282,700
Other	23,624,200	23,636,900	23,636,900	0	23,636,900

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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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	770,224,400	870,501,100	840,898,800	48,351,400	889,250,200
Total	\$770,224,400	\$870,501,100	\$840,898,800	\$48,351,400	\$889,250,200
State	267,779,300	303,567,000	295,549,500	22,402,400	317,951,900
Federal	502,383,400	566,934,100	545,349,300	25,949,000	571,298,300
Other	61,700	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.

	7,659	7,821	7,847	0	7,847
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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	576,156,800	605,700,800	519,932,400	84,048,100	603,980,500
Total	\$576,156,800	\$605,700,800	\$519,932,400	\$84,048,100	\$603,980,500
State	293,126,100	316,865,900	288,110,500	31,163,600	319,274,100
Federal	283,030,700	288,834,900	231,821,900	52,884,500	284,706,400
Other	0	0	0	0	0

<u>Actual</u> <u>2011-2012</u>	<u>Estimated</u> <u>2012-2013</u>	<u>Base</u> <u>2013-2014</u>	<u>Cost Increase</u> <u>2013-2014</u>	<u>Recommended</u> <u>2013-2014</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.

139,000	145,000	145,000	0	145,000
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318.00 Total Finance and Administration, Bureau of TennCare

Full-Time	485	490	490	0	490
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	485	490	490	0	490
Payroll	29,356,700	35,044,700	35,044,700	0	35,044,700
Operational	9,303,598,100	9,239,508,000	8,923,900,500	904,837,900	9,828,738,400
Total	\$9,332,954,800	\$9,274,552,700	\$8,958,945,200	\$904,837,900	\$9,863,783,100
State	2,792,553,800	2,934,333,500	2,835,156,500	350,786,400	3,185,942,900
Federal	6,006,634,400	6,073,904,100	5,859,505,300	520,659,000	6,380,164,300
Other	533,766,600	266,315,100	264,283,400	33,392,500	297,675,900

Department of Mental Health and Substance Abuse Services

Performance-Based Budget

The Department of Mental Health and Substance Abuse Services 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, four state-operated regional mental health institutes (RMHI) and three contracted private 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 three functional areas: Administrative Services, Mental Health Services and Substance Abuse Services.

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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339.01 Administrative Services Division

Administrative Services directs the regulatory and administrative responsibilities of the department. Staff provide and coordinate legal, regulatory and medical advice, public information and education, planning, research, forensics and licensing functions, and support services in the recruitment and retention of the workforce, as well as develop and implement special programs and projects. Staff also oversee purchasing, facility management operations, and major maintenance and capital outlay projects; provides budgeting and accounting functions, services procurement and contract monitoring, claims payments, data processing, and systems reporting; and develops and maintains automated systems applications for the central office and state-operated facilities.

Full-Time	176	195	198	0	198
Part-Time	5	5	5	0	5
Seasonal	0	0	0	0	0
Total	181	200	203	0	203
Payroll	12,475,000	15,231,200	15,275,200	0	15,275,200
Operational	3,351,500	4,237,100	3,838,700	0	3,838,700
Total	\$15,826,500	\$19,468,300	\$19,113,900	\$0	\$19,113,900
State	10,349,400	14,020,000	14,020,000	0	14,020,000
Federal	2,820,900	3,135,900	2,974,700	0	2,974,700
Other	2,656,200	2,312,400	2,119,200	0	2,119,200

Standard: The costs of administrative services as a percentage of total department costs will not exceed 6.50%.

Measure: The costs of administrative services as a percentage of total department costs.

5.43%	6.50%	6.50%	0	6.50%
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Mental Health and Substance Abuse Services

The Mental Health and Substance Abuse Services division provides community services for

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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individuals suffering mental illness or a substance-related disorder through a comprehensive network of service providers, including the state's five regional mental health institutes.

The state's four regional mental health institutes provide inpatient services to increase the functionality, productivity, and quality of life for severely mentally-ill adults. The regional mental health institutes are accredited by The Joint Commission 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; geropsychiatric services primarily to persons age 60 and older, many of whom need nursing care; and forensic services for inpatient evaluation and treatment to adults as designated by the courts.

339.03 Community Substance Abuse Services

Community Substance 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, faith-based or local government agencies. Services include screening and assessment, detoxification, family intervention, residential rehabilitation, halfway houses, day treatment, and outpatient services.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	54,990,300	61,950,400	56,336,700	2,085,000	58,421,700
Total	\$54,990,300	\$61,950,400	\$56,336,700	\$2,085,000	\$58,421,700
State	15,502,500	21,040,000	20,796,000	2,085,000	22,881,000
Federal	35,370,700	36,611,800	31,159,700	0	31,159,700
Other	4,117,100	4,298,600	4,381,000	0	4,381,000

Standard: Increase the percentage of individuals receiving treatment with a primary substance of abuse as opioids or benzoiazepines.

Measure: Percent of individuals who at admission listed their primary substance of abuse as opioids or benzodiazepines.

32%	33%	34%	0	34%
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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.

95%	94%	93%	0	93%
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</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 services, and criminal and juvenile court ordered evaluations. The program also offers basic mental health services to persons with serious mental illnesses through the behavioral health safety net program, which provides individuals with assessment, evaluation, diagnosis, case management, psychiatric medication management, and pharmacy assistance. These services are provided through a network of not-for-profit agencies.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	82,291,100	96,542,400	92,765,100	2,100,000	94,865,100
Total	\$82,291,100	\$96,542,400	\$92,765,100	\$2,100,000	\$94,865,100
State	61,553,600	75,557,800	73,857,800	2,100,000	75,957,800
Federal	18,303,100	19,119,600	17,177,300	0	17,177,300
Other	2,434,400	1,865,000	1,730,000	0	1,730,000

Standard: Increase the percentage of grantees meeting all program criteria on first review.

Measure: The percent of grantees achieving contract compliance on initial review.

90%	92%	92%	0	92%
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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.

84.9%	85.0%	86.5%	0	86.5%
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339.10 Lakeshore Mental Health Institute

Lakeshore Mental Health Institute was established in Knoxville in 1886 and was an accredited psychiatric hospital. The facility closed at the end of fiscal year 2011-2012.

Full-Time	375	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	375	0	0	0	0
Payroll	17,501,900	0	0	0	0
Operational	6,303,300	1,000,000	0	0	0
Total	\$23,805,200	\$1,000,000	\$0	\$0	\$0
State	18,795,000	1,000,000	0	0	0
Federal	1,141,900	0	0	0	0
Other	3,868,300	0	0	0	0

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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339.11 Middle Tennessee Mental Health Institute

Middle Tennessee Mental Health Institute was established in Nashville in 1853, is accredited as a psychiatric hospital, and operates 195 beds. In addition to its other inpatient services, the hospital also provides forensic evaluation and treatment services in a secure setting.

Full-Time	597	595	595	0	595
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	598	596	596	0	596
Payroll	32,095,500	34,346,500	34,346,500	0	34,346,500
Operational	10,241,300	9,827,100	9,693,900	0	9,693,900
Total	\$42,336,800	\$44,173,600	\$44,040,400	\$0	\$44,040,400
State	30,743,400	29,150,200	29,150,200	17,200	29,167,400
Federal	1,107,300	1,901,000	1,901,000	0	1,901,000
Other	10,486,100	13,122,400	12,989,200	-17,200	12,972,000

Standard: Manage patient census capacity through effective clinical practices relative to admission and discharge decisions.

Measure: Percent of beds occupied.

84.9%	85.0%	85.0%	0	85.0%
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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.

2.93%	2.35%	2.50%	0	2.50%
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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	474	459	456	0	456
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	474	459	456	0	456
Payroll	25,642,800	27,657,300	27,657,300	0	27,657,300
Operational	5,520,400	6,652,200	6,513,900	0	6,513,900
Total	\$31,163,200	\$34,309,500	\$34,171,200	\$0	\$34,171,200
State	20,419,400	20,347,700	20,347,700	58,400	20,406,100
Federal	1,027,300	2,108,500	2,108,500	0	2,108,500
Other	9,716,500	11,853,300	11,715,000	-58,400	11,656,600

Standard: Manage patient census capacity through effective clinical practices relative to admission and discharge decisions.

Measure: Percent of beds occupied.

75.76%	85.00%	85.00%	0	85.00%
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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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 7 days of discharge.

	1.66%	2.00%	2.00%	0	2.00%
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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 150 beds.

Full-Time	365	412	412	0	412
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	365	412	412	0	412
Payroll	19,132,400	22,773,500	22,773,500	0	22,773,500
Operational	5,515,600	5,785,800	5,643,300	0	5,643,300
Total	\$24,648,000	\$28,559,300	\$28,416,800	\$0	\$28,416,800
State	15,941,800	16,949,200	16,949,200	8,600	16,957,800
Federal	2,790,500	3,308,400	3,308,400	0	3,308,400
Other	5,915,700	8,301,700	8,159,200	-8,600	8,150,600

Standard: Manage patient census capacity through effective clinical practices relative to admission and discharge decisions.

Measure: Percent of beds occupied.

	83.1%	85.0%	85.0%	0	85.0%
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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.

	2.39%	2.30%	2.00%	0	2.00%
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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	249	235	235	0	235
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	250	236	236	0	236
Payroll	14,573,800	15,428,000	15,428,000	0	15,428,000
Operational	4,793,400	5,235,600	5,101,000	0	5,101,000
Total	\$19,367,200	\$20,663,600	\$20,529,000	\$0	\$20,529,000
State	14,725,200	16,434,100	16,434,100	120,200	16,554,300
Federal	706,900	1,100,000	1,100,000	0	1,100,000
Other	3,935,100	3,129,500	2,994,900	-120,200	2,874,700

Standard: Manage patient census capacity through effective clinical practices relative to admission and discharge decisions.

Measure: Percent of beds occupied.

	78.8%	85.0%	85.0%	0	85.0%
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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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%	2.75%	2.50%	0	2.50%
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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	235,900	450,000	450,000	0	450,000
Total	\$235,900	\$450,000	\$450,000	\$0	\$450,000
State	235,900	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 \$0.45 per square foot.

Measure: Major maintenance cost per square foot.

	\$0.19	\$0.45	\$0.45	0	\$0.45
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339.00 Total Mental Health and Substance Abuse Services

Full-Time	2,236	1,896	1,896	0	1,896
Part-Time	7	7	7	0	7
Seasonal	0	0	0	0	0
Total	2,243	1,903	1,903	0	1,903
Payroll	121,421,400	115,436,500	115,480,500	0	115,480,500
Operational	173,242,800	191,680,600	180,342,600	4,185,000	184,527,600
Total	\$294,664,200	\$307,117,100	\$295,823,100	\$4,185,000	\$300,008,100
State	188,266,200	194,949,000	192,005,000	4,389,400	196,394,400
Federal	63,268,600	67,285,200	59,729,600	0	59,729,600
Other	43,129,400	44,882,900	44,088,500	-204,400	43,884,100

Statistical Data Mental Health Institutes

	<u>Lakeshore</u> 339.10	<u>Middle</u> <u>Tennessee</u> 339.11	<u>Western</u> 339.12	<u>Moccasin</u> <u>Bend</u> 339.16	<u>Memphis</u> 339.17	<u>Total</u>
Annual Admissions						
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
2012-2013	0	3,150	1,450	2,764	1,800	9,164
2013-2014	0	2,900	1,300	2,500	1,500	8,200
Annual Releases						
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
2012-2013	0	3,150	1,430	2,500	1,847	8,927
2013-2014	0	2,900	1,290	2,500	1,490	8,180
Average Daily Census						
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	98	163	119	101	56	537
2011-2012	95	165	125	107	56	548
2012-2013	0	185	130	110	56	481
2013-2014	0	170	125	140	60	495
Cost Per Occupancy Day*						
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	\$692.13	\$724.79	\$719.33	\$640.10	\$911.63	\$721.18
2011-2012	\$928.79	\$703.05	\$760.69	\$653.85	\$1,112.52	\$787.57
2012-2013	\$0.00	\$680.91	\$705.59	\$632.17	\$1,059.80	\$720.55
2013-2014	\$0.00	\$709.76	\$748.96	\$556.10	\$937.40	\$703.79

* Last column indicates average cost per day for all institutions.

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 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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Bureau of Administrative and Support Services

The Bureau of Administrative and Support Services 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 human resources, legal, internal audit, accounting, budgeting, and information technology services.

Full-Time	213	231	222	0	222
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	213	231	222	0	222
Payroll	12,055,800	16,465,400	15,881,900	0	15,881,900
Operational	3,429,200	3,835,000	3,551,000	0	3,551,000
Total	\$15,485,000	\$20,300,400	\$19,432,900	\$0	\$19,432,900
State	11,395,200	16,688,500	15,317,000	0	15,317,000
Federal	3,828,100	3,212,300	3,716,300	0	3,716,300
Other	261,700	399,600	399,600	0	399,600

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.

* Due to reorganizations, the Base Target includes other administration programs.

1.19%	1.16%	3.70%*	0	3.70%
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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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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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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	151	147	0	147
Part-Time	1	0	0	0	0
Seasonal	0	0	0	0	0
Total	168	151	147	0	147
Payroll	9,180,100	9,900,600	9,617,000	0	9,617,000
Operational	9,908,900	9,170,700	8,985,700	0	8,985,700
Total	\$19,089,000	\$19,071,300	\$18,602,700	\$0	\$18,602,700
State	6,397,800	6,623,700	6,155,100	0	6,155,100
Federal	1,634,300	1,806,100	1,806,100	0	1,806,100
Other	11,056,900	10,641,500	10,641,500	0	10,641,500

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.

99%	96%	96%	0	96%
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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	129	127	123	0	123
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	129	127	123	0	123
Payroll	5,930,700	8,199,400	7,795,300	0	7,795,300
Operational	2,646,100	3,754,800	3,834,300	0	3,834,300
Total	\$8,576,800	\$11,954,200	\$11,629,600	\$0	\$11,629,600
State	2,292,000	4,665,200	4,431,700	0	4,431,700
Federal	2,371,500	3,574,000	3,385,900	0	3,385,900
Other	3,913,300	3,715,000	3,812,000	0	3,812,000

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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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.

	100%	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.

343.05 Bureau of Health Licensure and Regulation

This program 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	189	185	185	0	185
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	189	185	185	0	185
Payroll	10,164,700	12,356,300	12,456,300	0	12,456,300
Operational	4,257,500	5,960,900	3,599,700	0	3,599,700
Total	\$14,422,200	\$18,317,200	\$16,056,000	\$0	\$16,056,000
State	5,924,900	9,102,800	7,495,000	0	7,495,000
Federal	7,448,000	6,698,400	7,498,400	0	7,498,400
Other	1,049,300	2,516,000	1,062,600	0	1,062,600

Standard: Through maintenance of inspection protocols, protect the health and safety of the public by surveying health-care facilities to verify compliance with state and federal regulations for purposes of annual licensure or certification.

Measure: Percent of required licensure and certification surveys completed within the timelines established by the division and by CMS according to facility type.

	80%	100%	100%	0	100%
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Standard: Through maintenance of inspection protocols, protect the health and safety of the public by investigating every complaint and unusual incident to determine health-care facilities' compliance with state and federal regulations.

Measure: Percent of complaints and unusual incidents investigated within timeframes mandated by priority designation.

	82%	100%	100%	0	100%
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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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. Payments and grants 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	79,000	79,800	86,600	0	86,600
Operational	8,619,900	8,920,200	8,413,400	0	8,413,400
Total	\$8,698,900	\$9,000,000	\$8,500,000	\$0	\$8,500,000
State	8,698,900	9,000,000	8,500,000	0	8,500,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Enhance the state's trauma system infrastructure, in part by providing funds to the trauma centers for uncompensated care costs.

Measure: Percent of trauma centers' uncompensated care costs covered by the fund.

14%	14%	14%	0	14%
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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	20	20	0	20
Part-Time	13	13	13	0	13
Seasonal	0	0	0	0	0
Total	35	33	33	0	33
Payroll	1,130,800	1,286,300	1,286,300	0	1,286,300
Operational	437,600	594,900	594,900	0	594,900
Total	\$1,568,400	\$1,881,200	\$1,881,200	\$0	\$1,881,200
State	23,800	543,900	450,700	0	450,700
Federal	9,900	35,000	35,000	0	35,000
Other	1,534,700	1,302,300	1,395,500	0	1,395,500

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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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 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.

90%	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.

70%	100%	100%	0	100%
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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	6	6	0	6
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	7	6	6	0	6
Payroll	323,000	379,800	399,800	0	399,800
Operational	42,600	290,400	270,400	0	270,400
Total	\$365,600	\$670,200	\$670,200	\$0	\$670,200
State	365,600	670,200	670,200	0	670,200
Federal	0	0	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.

100%	100%	100%	0	100%
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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343.10 Health Related Boards

The Health Related Boards certify and license health-care professionals; enforce statutes and rules setting standards of practice and professional conduct; and assist in administration, investigation, enforcement, and peer assistance.

Full-Time	135	135	135	0	135
Part-Time	185	185	185	0	185
Seasonal	0	0	0	0	0
Total	320	320	320	0	320
Payroll	6,666,500	8,491,900	8,456,900	0	8,456,900
Operational	4,467,700	6,308,000	6,343,000	745,000	7,088,000
Total	\$11,134,200	\$14,799,900	\$14,799,900	\$745,000	\$15,544,900
State	11,014,400	14,670,900	14,670,900	745,000	15,415,900
Federal	0	0	0	0	0
Other	119,800	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.

88%	98%	98%	0	98%
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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.

75%	90%	90%	0	90%
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Bureau of Health Services

The Bureau of Health Services delivers public health services through a system of 13 regional health offices responsible for the oversight of services provided in 89 rural county health departments and six metropolitan health departments. These services encompass both primary care and prevention services, with an emphasis on health promotion, disease prevention, and health access. Services are provided through the following programs: 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.

343.39 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.

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
Full-Time	114	108	108	0	108
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	114	108	108	0	108
Payroll	6,518,600	7,398,100	7,398,100	0	7,398,100
Operational	1,371,400	4,776,800	4,776,800	0	4,776,800
Total	\$7,890,000	\$12,174,900	\$12,174,900	\$0	\$12,174,900
State	7,800,500	11,996,300	11,996,300	0	11,996,300
Federal	25,300	100,000	100,000	0	100,000
Other	64,200	78,600	78,600	0	78,600

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.

17.5/100,000	13.0/100,000	13.0/100,000	0	13.0/100,000
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343.47 Maternal and Child Health

Maternal and Child Health provides health services to women of child-bearing age and to children in low-income populations in an effort to reduce maternal and infant mortality and morbidity. This program also provides evaluation, diagnosis, education, counseling, comprehensive medical care, and case management services to physically disabled children up to age 21. Program services also include abstinence education, child health-care services, child fatality reviews, coordinated school health programs with the Department of Education, adolescent pregnancy prevention, newborn genetic and hearing screening, services for pregnant women, family planning, and home visits to clients of the Temporary Assistance to Needy Families (Families First) program of the Department of Human Services. Additionally, funding for the Diabetes Prevention and Health Improvement program is budgeted in Maternal and Child Health.

Full-Time	41	42	42	0	42
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	41	42	42	0	42
Payroll	2,508,100	2,878,900	3,109,800	0	3,109,800
Operational	19,944,500	32,719,900	27,664,500	0	27,664,500
Total	\$22,452,600	\$35,598,800	\$30,774,300	\$0	\$30,774,300
State	9,444,700	8,297,500	7,332,500	0	7,332,500
Federal	5,798,100	21,410,900	17,760,900	0	17,760,900
Other	7,209,800	5,890,400	5,680,900	0	5,680,900

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.

24.8/1,000	29.0/1,000	24.0/1,000	0	24.0/1,000
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<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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Standard: Through education and awareness, reduce the percentage of adults who have been told by a doctor that they have diabetes according to the annual Behavioral Risk Factor Surveillance System (BRFSS).

Measure: Percent of adults surveyed who have ever been told by a doctor that they have diabetes. This measure will be reorganized from 343.51 in 2014.

11.3%	9.7%	10.7%	0	10.7%
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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, and 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	157	155	0	155
Part-Time	2	0	0	0	0
Seasonal	0	0	0	0	0
Total	164	157	155	0	155
Payroll	9,653,100	10,282,800	11,288,300	0	11,288,300
Operational	52,771,100	52,381,300	52,704,500	0	52,704,500
Total	\$62,424,200	\$62,664,100	\$63,992,800	\$0	\$63,992,800
State	12,947,800	12,149,700	11,570,700	0	11,570,700
Federal	39,855,000	47,315,600	46,223,300	0	46,223,300
Other	9,621,400	3,198,800	6,198,800	0	6,198,800

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.

15.0/100,000	15.0/100,000	15.0/100,000	0	15.0/100,000
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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.

78.9%	80.0%	90.0%	0	90.0%
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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343.52 Community and Medical Services

Community and Medical Services includes health promotion activities that reduce premature death and disability. The program promotes healthy lifestyle practices through a combination of preventive programs and wellness initiatives. The target population is the indigent and medically underserved. The breast and cervical cancer program provides screening and diagnostic testing. The health access incentive program provides financial incentives to primary care providers to locate in an underserved area as well as other community initiatives. The Office of Rural Health provides statewide coordination of activities designed to improve the availability and accessibility of health-care services in rural areas. Specific services include health access, rural health, rape prevention and education, chronic renal disease, hemophilia treatment, community prevention initiative, diabetes prevention and control, heart disease and stroke prevention, traumatic brain injury treatment, and bioterrorism preparedness for hospitals. Community and Medical Services also includes funds for the Health Care Safety Net.

Full-Time	72	66	75	0	75
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	72	66	75	0	75
Payroll	3,904,500	4,574,800	5,435,100	0	5,435,100
Operational	22,403,700	29,400,900	28,906,300	1,325,000	30,231,300
Total	\$26,308,200	\$33,975,700	\$34,341,400	\$1,325,000	\$35,666,400
State	17,531,600	23,923,200	24,082,900	1,325,000	25,407,900
Federal	6,892,100	8,645,400	8,851,400	0	8,851,400
Other	1,884,500	1,407,100	1,407,100	0	1,407,100

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.

	4.8%	4.2%	4.0%	0	4.0%
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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.

	2,612	2,000	2,000	0	2,000
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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	20	19	19	0	19
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	20	19	19	0	19

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
Payroll	1,286,600	1,219,700	1,220,700	0	1,220,700
Operational	123,573,500	136,819,000	136,594,000	0	136,594,000
Total	\$124,860,100	\$138,038,700	\$137,814,700	\$0	\$137,814,700
State	47,100	0	0	0	0
Federal	86,039,700	92,905,700	92,681,700	0	92,681,700
Other	38,773,300	45,133,000	45,133,000	0	45,133,000

Standard: Through education and training, provide breastfeeding 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 breastfeed.

Measure: Percent of women receiving WIC who are breastfeeding.

37%	38%	40%	0	40%
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343.60 Local Health Services

Local Health Services is 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	1,714	1,619	1,618	0	1,618
Part-Time	1	2	2	0	2
Seasonal	0	0	0	0	0
Total	1,715	1,621	1,620	0	1,620
Payroll	89,010,900	99,061,400	98,661,400	0	98,661,400
Operational	102,280,200	99,659,300	102,006,200	0	102,006,200
Total	\$191,291,100	\$198,720,700	\$200,667,600	\$0	\$200,667,600
State	63,194,000	63,601,000	62,547,900	0	62,547,900
Federal	64,475,200	69,749,700	72,749,700	0	72,749,700
Other	63,621,900	65,370,000	65,370,000	0	65,370,000

Standard: Assure availability and accessibility of public health services at county health departments.

Measure: Number of encounters/visits to county health departments.

2,200,000	2,100,000	2,100,000	0	2,100,000
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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.

20.1%	20.0%	19.9%	0	19.9%
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
343.00 Total Health					
Full-Time	2,986	2,867	2,856	0	2,856
Part-Time	202	200	200	0	200
Seasonal	0	0	0	0	0
Total	3,188	3,067	3,056	0	3,056
Payroll	158,412,400	182,575,200	183,093,500	0	183,093,500
Operational	356,153,900	394,592,100	388,244,700	2,070,000	390,314,700
Total	\$514,566,300	\$577,167,300	\$571,338,200	\$2,070,000	\$573,408,200
State	157,078,300	181,932,900	175,220,900	2,070,000	177,290,900
Federal	218,377,200	255,453,100	254,808,700	0	254,808,700
Other	139,110,800	139,781,300	141,308,600	0	141,308,600

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 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</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	138	197	199	0	199
Part-Time	0	1	0	1	1
Seasonal	0	0	0	0	0
Total	138	198	199	1	200
Payroll	10,703,200	14,449,400	14,628,900	42,500	14,671,400
Operational	4,396,000	11,232,700	3,675,200	0	3,675,200
Total	\$15,099,200	\$25,682,100	\$18,304,100	\$42,500	\$18,346,600
State	1,403,400	1,724,800	1,746,900	0	1,746,900
Federal	0	100,000	0	0	0
Other	13,695,800	23,857,300	16,557,200	42,500	16,599,700

Standard: Administrative costs to total services costs will not exceed 10.00%.

Measure: Percent of administrative costs to total services cost. *FY2012 expenditures included five months of waiver payments that going forward are made directly by TennCare.

3.3%*	9.8%	9.5%	0	9.5%
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Standard: Resolve and close complaint cases within 30 days of receipt.

Measure: Percent of complaint cases within 30 days of receipt.

98%	99%	98%	0	98%
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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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
Payroll	620,600	750,800	812,500	0	812,500
Operational	1,113,400	1,471,400	1,279,700	0	1,279,700
Total	\$1,734,000	\$2,222,200	\$2,092,200	\$0	\$2,092,200
State	389,600	230,600	230,600	0	230,600
Federal	1,284,800	1,911,600	1,781,600	0	1,781,600
Other	59,600	80,000	80,000	0	80,000

Standard: Provide training and educational opportunities to Tennesseans with disabilities and family members.

Measure: Number of individuals provided training and educational opportunities.

	2,615	1,271	2,220	0	2,220
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Standard: Provide Tennesseans with disabilities, family members, professional organizations, policymakers, and the public with reliable sources of information about disability issues, services, and supports.

Measure: Number of individuals provided disability resources and information.

	41,302	91,400	42,100	0	42,100
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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. Beginning in January of 2012, waiver payments are paid directly by TennCare, reducing the amount of interdepartmental revenue budgeted in the Department of Intellectual and Developmental Disabilities. The reduction in interdepartmental revenue has no impact on the services provided.

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</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	270,305,800	21,078,700	20,486,400	697,600	21,184,000
Total	\$270,305,800	\$21,078,700	\$20,486,400	\$697,600	\$21,184,000
State	16,020,500	14,202,800	14,162,000	872,600	15,034,600
Federal	0	0	0	0	0
Other	254,285,300	6,875,900	6,324,400	-175,000	6,149,400

Standard: Provide support services to families with a family member who has a severe disability.

Measure: Number of individuals receiving family support services.

	4,107	4,500	2,897	0	2,897
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Standard: Provide continuous monitoring of health and welfare of waiver participants.

Measure: Percent of participant satisfaction survey respondents who reported being treated well by direct support staff.

	90.2%	99.0%	99.0%	0	99%
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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	117	124	113	11	124
Part-Time	0	1	1	0	1
Seasonal	0	0	0	0	0
Total	117	125	114	11	125
Payroll	7,546,900	8,227,100	7,848,600	757,000	8,605,600
Operational	735,300	898,700	976,700	52,800	1,029,500
Total	\$8,282,200	\$9,125,800	\$8,825,300	\$809,800	\$9,635,100
State	0	871,000	881,500	0	881,500
Federal	0	0	0	0	0
Other	8,282,200	8,254,800	7,943,800	809,800	8,753,600

Standard: Increase the percentage of providers surveyed by DIDD Quality Assurance performing in the exceptional and proficient category.

Measure: Percent of contracted provider agencies surveyed by Quality Assurance performing in the exceptional and proficient category.

	77%	78%	79%	0	79%
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Standard: Increase the number of investigations closed within 30 days.

Measure: Percent of investigations closed within 30 days.

	96%	98%	98%	0	98%
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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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	184	165	138	4	142
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	184	165	138	4	142
Payroll	10,129,300	10,542,900	8,717,600	203,400	8,921,000
Operational	4,133,700	5,019,500	4,448,900	-169,000	4,279,900
Total	\$14,263,000	\$15,562,400	\$13,166,500	\$34,400	\$13,200,900
State	954,900	1,481,900	1,284,800	0	1,284,800
Federal	0	0	0	0	0
Other	13,308,100	14,080,500	11,881,700	34,400	11,916,100

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 as required for federal participation in the waiver program.

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	143	126	129	0	129
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	143	126	129	0	129
Payroll	8,102,800	8,236,400	8,656,800	0	8,656,800
Operational	1,716,400	1,517,400	1,517,800	0	1,517,800
Total	\$9,819,200	\$9,753,800	\$10,174,600	\$0	\$10,174,600
State	643,000	977,200	1,030,900	0	1,030,900
Federal	0	0	0	0	0
Other	9,176,200	8,776,600	9,143,700	0	9,143,700

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 as required for federal participation in the waiver program.

100%	100%	100%	0	100%
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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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	144	136	117	0	117
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	144	136	117	0	117
Payroll	8,050,700	8,740,800	7,747,400	0	7,747,400
Operational	2,098,000	2,418,100	2,247,400	0	2,247,400
Total	\$10,148,700	\$11,158,900	\$9,994,800	\$0	\$9,994,800
State	265,900	1,022,200	905,900	0	905,900
Federal	0	0	0	0	0
Other	9,882,800	10,136,700	9,088,900	0	9,088,900

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 as required for federal participation in the waiver program.

100%	100%	100%	0	100%
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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	44	42	33	0	33
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	44	42	33	0	33
Payroll	2,627,700	3,672,500	2,747,200	0	2,747,200
Operational	1,395,400	2,045,500	976,800	0	976,800
Total	\$4,023,100	\$5,718,000	\$3,724,000	\$0	\$3,724,000
State	1,335,300	507,400	2,268,900	0	2,268,900
Federal	0	0	0	0	0
Other	2,687,800	5,210,600	1,455,100	0	1,455,100

Standard: Provide clinical and medical services through the resource centers.

Measure: Number of individuals receiving services at the resources centers.

989	450	575	0	575
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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344.31 Middle Tennessee Resource Center

The resource center serving persons with intellectual disabilities in Middle 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	42	41	15	0	15
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	42	41	15	0	15
Payroll	2,864,100	3,229,800	1,095,000	0	1,095,000
Operational	1,265,500	1,716,100	498,200	0	498,200
Total	\$4,129,600	\$4,945,900	\$1,593,200	\$0	\$1,593,200
State	1,174,100	348,300	1,188,700	0	1,188,700
Federal	0	0	0	0	0
Other	2,955,500	4,597,600	404,500	0	404,500

Standard: Provide clinical and medical services through the resource centers.

Measure: Number of individuals receiving services at the resources centers.

	482	475	474	0	474
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344.32 East Tennessee Resource Center

The resource center serving persons with intellectual disabilities in East 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. This resource center also provides clinical services to residents remaining at Greene Valley Developmental Center.

Full-Time	45	45	10	0	10
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	45	45	10	0	10
Payroll	2,516,000	2,837,200	596,500	0	596,500
Operational	884,000	1,651,700	342,800	0	342,800
Total	\$3,400,000	\$4,488,900	\$939,300	\$0	\$939,300
State	389,800	347,100	168,700	0	168,700
Federal	0	0	0	0	0
Other	3,010,200	4,141,800	770,600	0	770,600

Standard: Provide clinical and medical services through the resource centers.

Measure: Number of individuals receiving services at the resources centers.

	317	315	401	0	401
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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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	211	211	211	0	211
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	211	211	211	0	211
Payroll	11,406,000	11,189,800	11,470,100	0	11,470,100
Operational	7,336,300	7,047,500	6,568,800	0	6,568,800
Total	\$18,742,300	\$18,237,300	\$18,038,900	\$0	\$18,038,900
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	18,742,300	18,237,300	18,038,900	0	18,038,900

Standard: Reduce serious injuries to consumers each year.

Measure: The number of serious injuries to consumers.

	1	5	2	0	2
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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	76	0	76
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	76	0	76
Payroll	0	0	1,824,300	0	1,824,300
Operational	0	0	831,900	0	831,900
Total	\$0	\$0	\$2,656,200	\$0	\$2,656,200
State	0	0	0	241,200	241,200
Federal	0	0	0	0	0
Other	0	0	2,656,200	-241,200	2,415,000

Standard: Reduce serious injuries to consumers each year.

Measure: The number of serious injuries to consumers.

	Not Applicable	Not Applicable	1	0	1
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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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	242	210	210	0	210
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	242	210	210	0	210
Payroll	5,663,000	9,566,100	9,656,300	0	9,656,300
Operational	2,902,000	6,978,900	5,485,900	0	5,485,900
Total	\$8,565,000	\$16,545,000	\$15,142,200	\$0	\$15,142,200
State	0	56,000	56,000	0	56,000
Federal	0	0	0	0	0
Other	8,565,000	16,489,000	15,086,200	0	15,086,200

Standard: Reduce serious injuries to consumers each year.

Measure: The number of serious injuries to consumers.

	4	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 provides individualized habilitation training in self-help, language development, and motor skills for residents with severe intellectual disabilities. Medical treatment also is provided.

344.11 Clover Bottom Developmental Center

Clover Bottom Developmental Center was established in Nashville in 1923 and is licensed for 260 beds.

Full-Time	170	170	101	0	101
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	170	170	101	0	101
Payroll	11,451,500	8,178,800	7,095,300	685,700	7,781,000
Operational	11,735,100	14,637,100	4,177,300	2,930,100	7,107,400
Total	\$23,186,600	\$22,815,900	\$11,272,600	\$3,615,800	\$14,888,400
State	0	95,900	95,900	0	95,900
Federal	0	0	0	0	0
Other	23,186,600	22,720,000	11,176,700	3,615,800	14,792,500

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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Standard: Reduce serious injuries to consumers each year.

Measure: The number of serious injuries to consumers.

9	10	8	0	8
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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	691	700	683	0	683
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	691	700	683	0	683
Payroll	40,092,800	34,988,600	34,453,100	0	34,453,100
Operational	16,844,600	17,251,300	15,719,800	0	15,719,800
Total	\$56,937,400	\$52,239,900	\$50,172,900	\$0	\$50,172,900
State	2,552,000	648,900	648,900	0	648,900
Federal	0	0	0	0	0
Other	54,385,400	51,591,000	49,524,000	0	49,524,000

Standard: Reduce serious injuries to consumers each year.

Measure: The number of serious injuries to consumers.

23	45	20	0	20
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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	72	70	70	0	70
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	72	70	70	0	70
Payroll	1,818,600	3,623,700	3,508,100	0	3,508,100
Operational	1,494,200	2,167,200	2,209,500	0	2,209,500
Total	\$3,312,800	\$5,790,900	\$5,717,600	\$0	\$5,717,600
State	3,312,800	5,790,900	2,843,800	0	2,843,800
Federal	0	0	0	0	0
Other	0	0	2,873,800	0	2,873,800

Standard: Reduce serious injuries to consumers each year.

Measure: The number of serious injuries to consumers.

2	5	5	0	5
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	<u>Actual</u> <u>2011-2012</u>	<u>Estimated</u> <u>2012-2013</u>	<u>Base</u> <u>2013-2014</u>	<u>Cost Increase</u> <u>2013-2014</u>	<u>Recommended</u> <u>2013-2014</u>
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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	98,400	130,000	130,000	0	130,000
Total	\$98,400	\$130,000	\$130,000	\$0	\$130,000
State	98,400	100,000	100,000	0	100,000
Federal	0	0	0	0	0
Other	0	30,000	30,000	0	30,000

Standard: Minimize the percentage of major maintenance funds disbursed for emergency maintenance of the facilities each year.

Measure: Percent of funds disbursed for emergency maintenance.

86%	50%	75%	0	75%
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344.00 Total Intellectual and Developmental Disabilities

Full-Time	2,252	2,246	2,114	15	2,129
Part-Time	0	2	1	1	2
Seasonal	0	0	0	0	0
Total	2,252	2,248	2,115	16	2,131
Payroll	123,593,200	128,233,900	120,857,700	1,688,600	122,546,300
Operational	328,454,100	97,261,800	71,573,100	3,511,500	75,084,600
Total	\$452,047,300	\$225,495,700	\$192,430,800	\$5,200,100	\$197,630,900
State	28,539,700	28,405,000	27,613,500	1,113,800	28,727,300
Federal	1,284,800	2,011,600	1,781,600	0	1,781,600
Other	422,222,800	195,079,100	163,035,700	4,086,300	167,122,000

Statistical Data Intellectual Disabilities Developmental Centers

	<u>Arlington</u> 344.10	<u>Clover Bottom</u> 344.11*	<u>Greene Valley</u> 344.12	<u>Total</u>
Annual Admissions				
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
2012-2013	0	0	1	1
2013-2014	0	0	0	0
Annual Releases				
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
2012-2013	0	0	1	1
2013-2014	0	0	0	0
Average Daily Census				
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	6	72	224	302
2011-2012	0	51	140	191
2012-2013	0	51	140	191
2013-2014	0	52	155	207
Cost Per Occupancy Day**				
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	\$2,120.50	\$1,483.65	\$830.99	\$1,478.38
2011-2012	\$0.00	\$1,426.52	\$955.16	\$1,190.84
2012-2013	\$0.00	\$1,416.74	\$909.27	\$1,163.01
2013-2014	\$0.00	\$1,085.67	\$886.84	\$986.25

* 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 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</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	571	540	532	0	532
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	571	540	532	0	532
Payroll	31,556,400	37,665,000	37,113,000	0	37,113,000
Operational	36,761,200	32,252,400	31,148,400	0	31,148,400
Total	\$68,317,600	\$69,917,400	\$68,261,400	\$0	\$68,261,400
State	16,131,500	21,531,300	21,010,800	0	21,010,800
Federal	33,777,700	29,329,100	28,679,200	0	28,679,200
Other	18,408,400	19,057,000	18,571,400	0	18,571,400

Standard: Availability of the Child Support Enforcement computer system shall exceed 98%.

Measure: Percent of time Child Support Enforcement System is available.

98.13%	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.

97.20%	97.80%	97.80%	0	97.80%
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345.10 Organizational Performance Management

Organizational Performance Management provides staff development, program performance, and improved customer service. The division consists of human resources, learning development, performance management, as well as research and planning units. The division tracks outcomes related to individual, divisional, and departmental performance, building a culture of accountability, performance, and transparency at all levels across the department.

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
Full-Time	101	101	101	0	101
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	101	101	101	0	101
Payroll	2,722,500	6,153,200	6,153,200	0	6,153,200
Operational	433,000	962,300	629,400	0	629,400
Total	\$3,155,500	\$7,115,500	\$6,782,600	\$0	\$6,782,600
State	1,026,800	2,862,700	2,724,800	0	2,724,800
Federal	1,361,700	3,018,100	2,899,600	0	2,899,600
Other	767,000	1,234,700	1,158,200	0	1,158,200

Standard: To increase retention of supervisors, ensure all new supervisors attend the new Supervisory Academy with the first quarter of being promoted.

Measure: Percent of supervisors who attend the academy.

100%	100%	100%	0	100%
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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	402	393	393	0	393
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	402	393	393	0	393
Payroll	15,029,100	16,142,100	16,142,100	0	16,142,100
Operational	914,800	1,074,900	1,074,900	0	1,074,900
Total	\$15,943,900	\$17,217,000	\$17,217,000	\$0	\$17,217,000
State	5,090,600	5,542,600	5,542,600	0	5,542,600
Federal	4,987,100	5,287,900	5,287,900	0	5,287,900
Other	5,866,200	6,386,500	6,386,500	0	6,386,500

Standard: Collection of random moment sample surveys must meet or exceed the federal minimum sample size.

Measure: Percent of random moment sample size met quarterly.

100%	100%	100%	0	100%
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345.17 County Rentals

The County Rentals program provides funds for payment of certain operational costs in the department's field offices, including rent, telephone, janitorial services, maintenance, and network computer charges.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	17,259,700	17,649,700	17,462,400	0	17,462,400
Total	\$17,259,700	\$17,649,700	\$17,462,400	\$0	\$17,462,400

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
State	5,118,700	6,468,900	6,395,600	0	6,395,600
Federal	6,727,100	5,743,600	5,691,200	0	5,691,200
Other	5,413,900	5,437,200	5,375,600	0	5,375,600

Standard: Ensure functional office space for department employees is available each day the state is open for business. Active leases must be in place for each DHS office during the fiscal year.

Measure: Number of active leases.

	133	133	134	0	134
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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 and the Supplemental Nutrition Assistance Program (SNAP).

Full-Time	196	196	188	0	188
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	196	196	188	0	188
Payroll	11,025,400	11,775,000	11,241,000	0	11,241,000
Operational	1,408,300	1,069,000	1,046,100	0	1,046,100
Total	\$12,433,700	\$12,844,000	\$12,287,100	\$0	\$12,287,100
State	4,863,600	3,489,100	3,319,400	0	3,319,400
Federal	3,155,500	4,802,500	4,637,900	0	4,637,900
Other	4,414,600	4,552,400	4,329,800	0	4,329,800

Standard: Process Food Stamp appeals within a 60-day timeframe.

Measure: Average monthly percent of Food Stamp appeals completed within the federally required 60 days.

	83.7%	87.0%	85.0%	0	85.0%
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Standard: Process Families First, TennCare, and Medicaid appeals within the federally required 90-day timeframe.

Measure: Average monthly percent of Families First, TennCare, and Medicaid appeals completed within the federally required 90-day timeframe.

	92.9%	94.0%	95.0%	0	95.0%
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Adult and Family Services

Adult and Family Services include family assistance, Temporary Assistance to Needy Families (TANF), 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

<u>Actual</u> <u>2011-2012</u>	<u>Estimated</u> <u>2012-2013</u>	<u>Base</u> <u>2013-2014</u>	<u>Cost Increase</u> <u>2013-2014</u>	<u>Recommended</u> <u>2013-2014</u>
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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 Benefits program in Tennessee is known as the Supplemental Nutritional Assistance Program (SNAP) and 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, SNAP, and TennCare, which is the state's Medicaid waiver medical assistance program. Clients are assisted through the department's county offices. Special accommodations are made for the elderly, disabled, those with limited English proficiency, and others who need assistance with the application process.

The Community Services program provides regulatory and protective services, social services, and economic assistance in the areas of child and adult care, adult protective services, and community contract services.

345.20 Child Care Benefits

The Child Care Benefits program provides assistance for child care services to qualifying participants in programs such as Families First, foster care, child protective services, transitional Families First, and Department of Children's Services relative care.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	186,764,100	214,958,200	188,795,600	0	188,795,600
Total	\$186,764,100	\$214,958,200	\$188,795,600	\$0	\$188,795,600
State	13,378,200	12,067,600	10,667,600	0	10,667,600
Federal	166,033,300	196,490,600	171,728,000	0	171,728,000
Other	7,352,600	6,400,000	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.

35th	45th	45th	0	45th
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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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 transfer (EBT) 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	121,862,000	120,810,400	120,810,400	0	120,810,400
Total	\$121,862,000	\$120,810,400	\$120,810,400	\$0	\$120,810,400
State	14,053,300	19,968,900	19,968,900	0	19,968,900
Federal	107,808,700	97,224,300	97,224,300	0	97,224,300
Other	0	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.

	59,538	57,000	55,000	0	55,000
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345.25 Food Stamp Benefits

The Food Stamp Benefits program is the cornerstone of the federal food assistance programs and provides crucial support to needy households and to those making the transition from welfare to work. The amount of assistance to which any person, household, or family is entitled is determined by measuring the income and resources of such person, household, or family. Benefits are distributed to individuals through an electronic benefits card.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	2,075,107,500	2,043,156,300	2,043,156,300	0	2,043,156,300
Total	\$2,075,107,500	\$2,043,156,300	\$2,043,156,300	\$0	\$2,043,156,300
State	0	0	0	0	0
Federal	2,075,107,500	2,043,156,300	2,043,156,300	0	2,043,156,300
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.

	1,300,000	1,200,000	1,200,000	0	1,200,000
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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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	2,459	2,505	2,505	0	2,505
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2,459	2,505	2,505	0	2,505
Payroll	113,023,400	123,733,000	123,733,000	0	123,733,000
Operational	87,836,000	63,620,300	63,620,300	0	63,620,300
Total	\$200,859,400	\$187,353,300	\$187,353,300	\$0	\$187,353,300
State	48,176,100	72,980,400	72,980,400	0	72,980,400
Federal	100,210,300	62,355,500	62,355,500	0	62,355,500
Other	52,473,000	52,017,400	52,017,400	0	52,017,400

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: Increase Food Stamp payment accuracy rate to 97.0%.

Measure: Food Stamp payment accuracy rate.

94.54%	96.00%	97.00%	0	97.00%
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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 Assistance Program (LIHEAP), 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	412	408	407	0	407
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	412	408	407	0	407
Payroll	21,261,100	22,490,700	22,403,400	0	22,403,400
Operational	157,553,300	166,761,700	124,973,800	0	124,973,800
Total	\$178,814,400	\$189,252,400	\$147,377,200	\$0	\$147,377,200
State	0	2,532,900	801,300	0	801,300
Federal	173,466,200	180,278,200	140,688,700	0	140,688,700
Other	5,348,200	6,441,300	5,887,200	0	5,887,200

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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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.

	92%	97%	97%	0	97%
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Standard: Increase the percentage of safety outcomes for vulnerable adults.

Measure: Percent of Adult Protective Services cases where safety outcomes were increased.

	66%	68%	70%	0	70%
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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	145	145	145	0	145
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	145	145	145	0	145
Payroll	6,841,400	7,872,300	7,872,300	0	7,872,300
Operational	61,509,900	63,865,300	63,089,800	133,600	63,223,400
Total	\$68,351,300	\$71,737,600	\$70,962,100	\$133,600	\$71,095,700
State	12,034,200	16,933,800	16,111,600	45,400	16,157,000
Federal	27,814,200	29,694,000	29,740,700	88,200	29,828,900
Other	28,502,900	25,109,800	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.

	73.64%	77.00%	79.00%	0	79.00%
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Standard: Increase the total amount of child support collected and disbursed.

Measure: Percent increase in child support collected and disbursed.

	6.70%	7.00%	7.00%	0	7.00%
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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.

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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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	630	616	616	0	616
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	630	616	616	0	616
Payroll	28,068,500	31,557,800	31,557,800	0	31,557,800
Operational	45,140,800	45,045,500	44,550,200	0	44,550,200
Total	\$73,209,300	\$76,603,300	\$76,108,000	\$0	\$76,108,000
State	10,943,100	9,904,800	9,409,500	0	9,409,500
Federal	56,444,300	61,810,100	61,810,100	0	61,810,100
Other	5,821,900	4,888,400	4,888,400	0	4,888,400

Standard: Maintain or exceed the federal standard for individuals who exit the Vocational Rehabilitation (VR) program successfully after receiving services that achieve employment outcomes.

Measure: Percent of individuals who exit VR program after receiving services that achieve employment outcomes.

	55.8%	58.8%	58.8%	0	58.8%
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Standard: Maintain or exceed 90 percent as 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.

	90%	92%	92%	0	92%
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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	648	648	648	0	648
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	648	648	648	0	648
Payroll	24,370,500	32,085,800	32,085,800	0	32,085,800
Operational	35,724,500	37,303,400	37,303,400	0	37,303,400
Total	\$60,095,000	\$69,389,200	\$69,389,200	\$0	\$69,389,200
State	24,100	0	0	0	0
Federal	59,736,200	67,628,100	67,628,100	0	67,628,100
Other	334,700	1,761,100	1,761,100	0	1,761,100

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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Standard: Provide accurate SSA services, based on randomly selected case reviews.

Measure: Quality assurance based on performance reviews of determination accuracy.

	96%	97%	97%	0	97%
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345.00 Total Human Services

Full-Time	5,564	5,552	5,535	0	5,535
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	5,564	5,552	5,535	0	5,535
Payroll	253,898,300	289,474,900	288,301,600	0	288,301,600
Operational	2,828,275,100	2,808,529,400	2,737,661,000	133,600	2,737,794,600
Total	\$3,082,173,400	\$3,098,004,300	\$3,025,962,600	\$133,600	\$3,026,096,200
State	130,840,200	174,283,000	168,932,500	45,400	168,977,900
Federal	2,816,629,800	2,786,818,300	2,721,527,500	88,200	2,721,615,700
Other	134,703,400	136,903,000	135,502,600	0	135,502,600

Department of Finance and Administration, Strategic Health-Care Programs

Performance-Based Budget

In 2011, all health-care programs within the Department of Finance and Administration were consolidated under the Division of Health-Care Finance and Administration. The division consists of two parts, the Bureau of TennCare and Strategic Health-Care Programs.

Strategic Health-Care Programs include Health Care Planning and Innovation, Cover Tennessee Health-Care Programs, which are CoverTN, AccessTN, Cover Kids, and CoverRx.

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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350.10 Health-Care Planning and Innovation

Health-Care Planning and Innovation includes, electronic health initiatives, the health insurance exchange planning initiative, and the administrative staff of Cover Tennessee Health-Care Programs.

Full-Time	23	22	22	0	22
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	23	22	22	0	22
Payroll	2,105,200	2,384,300	2,384,300	0	2,384,300
Operational	3,274,800	12,369,400	1,159,100	0	1,159,100
Total	\$5,380,000	\$14,753,700	\$3,543,400	\$0	\$3,543,400
State	986,000	826,900	826,900	0	826,900
Federal	2,012,800	9,990,400	780,100	0	780,100
Other	2,381,200	3,936,400	1,936,400	0	1,936,400

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

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

2	2	2	0	2
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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: Number of eligible professionals and hospitals that meaningfully use certified electronic health record technology.

2,461	5,000	8,000	0	8,000
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	<u>Actual</u> <u>2011-2012</u>	<u>Estimated</u> <u>2012-2013</u>	<u>Base</u> <u>2013-2014</u>	<u>Cost Increase</u> <u>2013-2014</u>	<u>Recommended</u> <u>2013-2014</u>
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Cover Tennessee Health-Care Programs

Cover Tennessee, enacted in 2006, was developed to create health insurance options that are affordable and portable for the uninsured through four programs. CoverTN, AccessTN, and CoverKids provide health insurance to adults and children who are uninsured or uninsurable. CoverRx is a pharmacy assistance program for low-income adults without pharmacy coverage.

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	24,828,500	44,845,100	43,948,100	0	43,948,100
Total	\$24,828,500	\$44,845,100	\$43,948,100	\$0	\$43,948,100
State	9,849,900	16,879,200	15,982,200	0	15,982,200
Federal	0	0	0	0	0
Other	14,978,600	27,965,900	27,965,900	0	27,965,900

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.

	17,500	16,000	12,100	0	12,100
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Standard: Assure all carriers or insurers for medical and pharmacy benefits 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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350.40 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

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
Payroll	0	0	0	0	0
Operational	23,028,800	23,054,000	23,054,000	0	23,054,000
Total	\$23,028,800	\$23,054,000	\$23,054,000	\$0	\$23,054,000
State	23,028,800	23,054,000	23,054,000	0	23,054,000
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.

	3,100	4,000	2,600	0	2,600
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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.

	65.1%	76.0%	65.1%	0	65.1%
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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	191,044,800	244,942,000	205,192,000	29,197,100	234,389,100
Total	\$191,044,800	\$244,942,000	\$205,192,000	\$29,197,100	\$234,389,100
State	45,259,000	58,497,600	48,957,600	8,616,100	57,573,700
Federal	139,846,900	185,582,500	155,372,500	20,581,000	175,953,500
Other	5,938,900	861,900	861,900	0	861,900

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.

	55,500	58,500	68,100	0	68,100
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Standard: Assure all carriers or insurers for medical and pharmacy benefits 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 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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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	10,780,900	13,589,500	13,589,500	0	13,589,500
Total	\$10,780,900	\$13,589,500	\$13,589,500	\$0	\$13,589,500
State	9,674,100	13,189,500	13,189,500	0	13,189,500
Federal	0	0	0	0	0
Other	1,106,800	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.

50,200	55,000	56,700	0	56,700
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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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350.00 Total Strategic Health-Care Programs

Full-Time	23	22	22	0	22
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	23	22	22	0	22
Payroll	2,105,200	2,384,300	2,384,300	0	2,384,300
Operational	252,957,800	338,800,000	286,942,700	29,197,100	316,139,800
Total	\$255,063,000	\$341,184,300	\$289,327,000	\$29,197,100	\$318,524,100
State	88,797,800	112,447,200	102,010,200	8,616,100	110,626,300
Federal	141,859,700	195,572,900	156,152,600	20,581,000	176,733,600
Other	24,405,500	33,164,200	31,164,200	0	31,164,200

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 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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359.10 Administration

This allotment provides funds for staffing and other operating costs necessary for administration of the department. Administration provides internal support, leadership, and direction that leads to improved program performance and success in the ultimate goal of re-integration of children into the community. This program also assists in compliance with state law, departmental policies, and American Correctional Association standards.

Full-Time	493	463	449	13	462
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	493	463	449	13	462
Payroll	30,443,100	32,880,800	31,901,700	1,029,200	32,930,900
Operational	16,469,500	14,193,300	14,076,000	195,000	14,271,000
Total	\$46,912,600	\$47,074,100	\$45,977,700	\$1,224,200	\$47,201,900
State	28,493,000	26,427,100	25,812,800	626,800	26,439,600
Federal	5,886,800	5,858,500	5,710,900	150,600	5,861,500
Other	12,532,800	14,788,500	14,454,000	446,800	14,900,800

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.

80%	80%	80%	0	80%
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Standard: Decrease state dollar proportion of total actual expenditures.

Measure: Percent of DCS budget that is state's portion.

47.1%	47.4%	47.2%	0	47.2%
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</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, ensures that children who enter state custody are provided with appropriate treatment and care, assists with adoptions of special needs children, and manages 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 cannot 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	38,546,800	34,065,100	33,661,100	250,000	33,911,100
Total	\$38,546,800	\$34,065,100	\$33,661,100	\$250,000	\$33,911,100
State	21,675,500	23,945,300	23,541,300	250,000	23,791,300
Federal	11,382,800	7,619,800	7,619,800	0	7,619,800
Other	5,488,500	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.

90.1%	91.2%	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. Youth in custody may volunteer for extended state custody after their 18th birthday to receive services designed to assist youth achieve successful independence after primary 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	15,000	15,000	0	15,000
Operational	222,677,300	214,874,000	214,874,000	7,055,000	221,929,000
Total	\$222,677,300	\$214,889,000	\$214,889,000	\$7,055,000	\$221,944,000
State	77,616,700	82,185,000	82,185,000	3,072,400	85,257,400
Federal	28,719,000	18,518,100	18,518,100	765,100	19,283,200
Other	116,341,600	114,185,900	114,185,900	3,217,500	117,403,400

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</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.

	3,888	3,750	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	4,514,600	4,119,400	4,119,400	0	4,119,400
Total	\$4,514,600	\$4,119,400	\$4,119,400	\$0	\$4,119,400
State	4,514,600	4,119,400	4,119,400	0	4,119,400
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Increase the percentage of neglect/unruly children and youth initially placed in his or her home county or with a relative or kin.

Measure: Percentage of neglect/unruly children and youth initially placed in his or her home county or with a relative or kin.

	19.9%	66.5%	66.5%	0	66.5%
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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	2,500	15,000	15,000	0	15,000
Operational	84,809,500	78,010,200	78,010,200	3,597,700	81,607,900
Total	\$84,812,000	\$78,025,200	\$78,025,200	\$3,597,700	\$81,622,900
State	43,132,600	39,679,500	39,679,500	2,181,900	41,861,400
Federal	38,922,200	38,269,200	38,269,200	1,415,800	39,685,000
Other	2,757,200	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.

	72.7%	84.0%	84.0%	0	84.0%
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</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	3,231	3,177	3,159	49	3,208
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	3,231	3,177	3,159	49	3,208
Payroll	165,157,500	176,165,700	175,475,400	2,928,600	178,404,000
Operational	52,975,100	38,555,700	38,285,700	735,000	39,020,700
Total	\$218,132,600	\$214,721,400	\$213,761,100	\$3,663,600	\$217,424,700
State	78,278,900	80,728,400	80,236,600	1,352,000	81,588,600
Federal	30,138,300	43,420,600	43,302,600	754,500	44,057,100
Other	109,715,400	90,572,400	90,221,900	1,557,100	91,779,000

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.

	88.6%	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.

	22.5%	9.7%	9.7%	0	9.7%
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Juvenile Justice

The Department of Children's Services will operate four youth development centers that provide individualized treatment programs and services to juvenile offenders contributing to their successful reintegration into society. These centers 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 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</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 18 who are committed by the courts to the department.

Full-Time	187	196	202	0	202
Part-Time	2	1	1	0	1
Seasonal	0	0	0	0	0
Total	189	197	203	0	203
Payroll	9,234,900	10,233,500	10,316,600	14,100	10,330,700
Operational	2,106,200	2,073,600	2,322,800	0	2,322,800
Total	\$11,341,100	\$12,307,100	\$12,639,400	\$14,100	\$12,653,500
State	11,141,600	11,931,800	12,274,900	14,100	12,289,000
Federal	0	0	0	0	0
Other	199,500	375,300	364,500	0	364,500

Standard: Increase the percentage 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.

	86.3%	90.0%	90.0%	0	90.0%
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359.61 Taft Youth Development Center

James M. Taft Youth Development Center was a hardware-secure detention center that provided treatment and educational programs for male juvenile offenders remanded to state custody. The facility was closed at the end of fiscal year 2011-2012.

Full-Time	201	0	0	0	0
Part-Time	1	0	0	0	0
Seasonal	0	0	0	0	0
Total	202	0	0	0	0
Payroll	8,949,800	1,500,000	0	0	0
Operational	1,977,300	1,220,700	0	0	0
Total	\$10,927,100	\$2,720,700	\$0	\$0	\$0
State	10,345,500	0	0	0	0
Federal	0	0	0	0	0
Other	581,600	2,720,700	0	0	0

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 18 that are committed by the courts to the department.

Full-Time	203	208	201	0	201
Part-Time	2	0	0	0	0
Seasonal	0	0	0	0	0
Total	205	208	201	0	201

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
Payroll	9,011,600	10,507,300	10,026,900	0	10,026,900
Operational	2,315,000	2,466,200	2,453,100	0	2,453,100
Total	\$11,326,600	\$12,973,500	\$12,480,000	\$0	\$12,480,000
State	10,861,200	12,452,100	12,051,900	0	12,051,900
Federal	0	0	0	0	0
Other	465,400	521,400	428,100	0	428,100

Standard: Increase the percentage 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.

83.65%	90.00%	90.00%	0	90.00%
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359.63 Mountain View Youth Development Center

Mountain View Youth Development Center, located in Dandridge, is a regional hardware-secure facility for male juvenile offenders ages 13 to 18 who have been committed by the courts to the department.

Full-Time	192	204	205	0	205
Part-Time	1	0	0	0	0
Seasonal	0	0	0	0	0
Total	193	204	205	0	205
Payroll	9,110,100	10,311,000	10,358,300	22,800	10,381,100
Operational	2,158,900	2,090,000	2,010,900	0	2,010,900
Total	\$11,269,000	\$12,401,000	\$12,369,200	\$22,800	\$12,392,000
State	10,960,100	11,964,700	12,021,800	22,800	12,044,600
Federal	0	0	0	0	0
Other	308,900	436,300	347,400	0	347,400

Standard: Increase the percentage 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.

70.0%	90.0%	90.0%	0	90.0%
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359.64 New Visions Youth Development Center

New Visions Youth Development Center, located in Nashville, is a 50-bed, hardware-secure, detention center dedicated to providing intensive treatment and educational programs for juvenile male offenders ages 13 to 18 remanded to state custody from across the state.

Full-Time	66	55	55	0	55
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	66	55	55	0	55
Payroll	2,894,600	2,651,500	2,651,500	0	2,651,500
Operational	746,700	644,400	611,700	0	611,700
Total	\$3,641,300	\$3,295,900	\$3,263,200	\$0	\$3,263,200

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
State	3,609,000	3,226,500	3,226,500	0	3,226,500
Federal	0	0	0	0	0
Other	32,300	69,400	36,700	0	36,700

Standard: Increase the percentage 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.

	90.0%	90.0%	90.0%	0	90.0%
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359.65 Community Treatment Facilities

Residential minimum-security group homes that provided a program of community involvement, counseling services, and work experience for juvenile offenders who were appropriate for community placement. These residential treatment services were privatized on July 1, 2011 and are now provided through community placements with private providers funded by the Custody Services program.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	1,052,600	0	0	0	0
Operational	499,300	0	0	0	0
Total	\$1,551,900	\$0	\$0	\$0	\$0
State	1,423,300	0	0	0	0
Federal	0	0	0	0	0
Other	128,600	0	0	0	0

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	362,400	385,100	385,100	0	385,100
Total	\$362,400	\$385,100	\$385,100	\$0	\$385,100
State	362,400	370,100	370,100	0	370,100
Federal	0	0	0	0	0
Other	0	15,000	15,000	0	15,000

Standard: Complete at least 95% of planned major maintenance projects.

Measure: Percent of planned major maintenance projects completed.

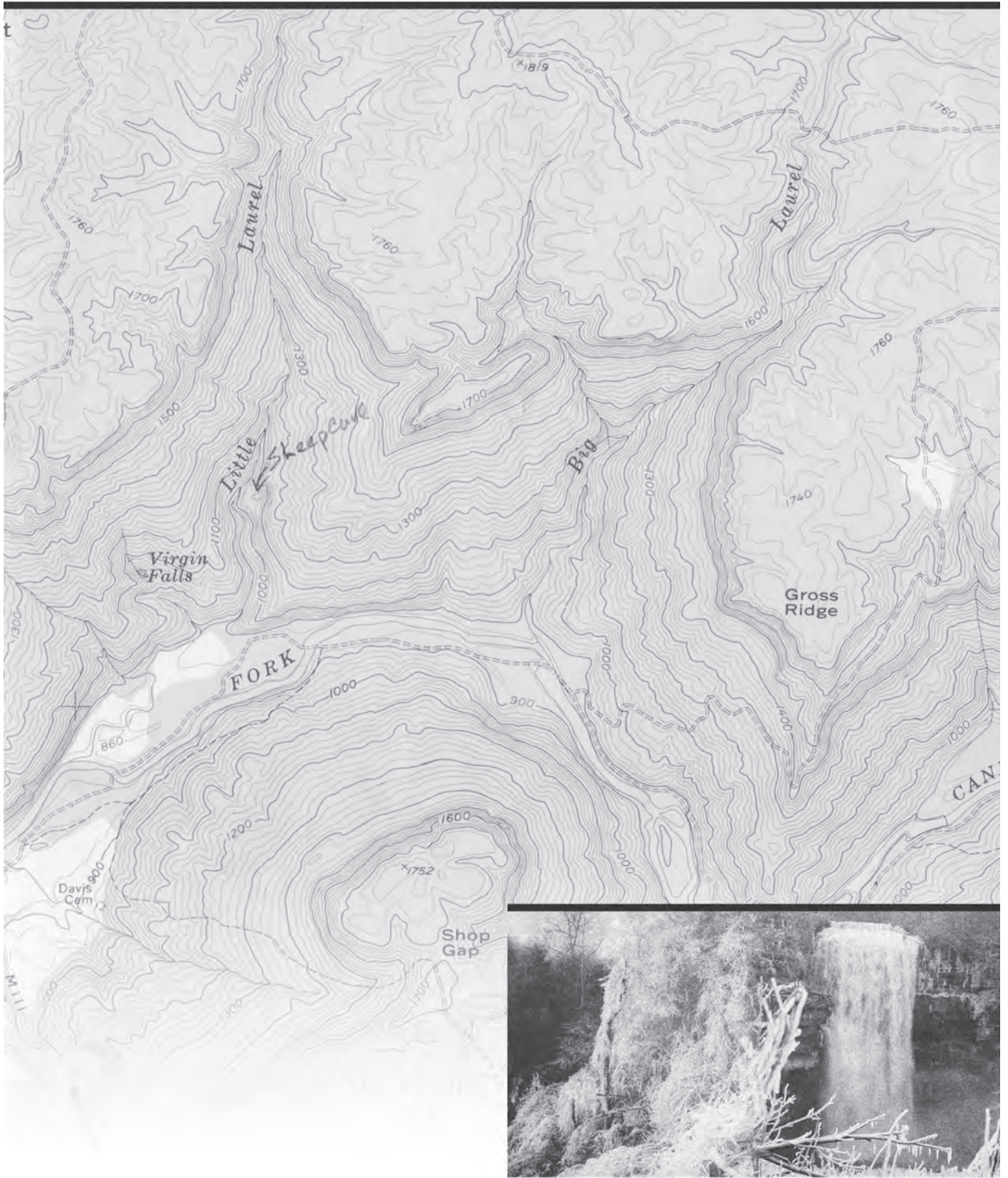
	95%	95%	95%	0	95%
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
359.00 Total Children's Services					
Full-Time	4,573	4,303	4,271	62	4,333
Part-Time	6	1	1	0	1
Seasonal	0	0	0	0	0
Total	4,579	4,304	4,272	62	4,334
Payroll	235,856,700	244,279,800	240,760,400	3,994,700	244,755,100
Operational	430,158,600	392,697,700	390,810,000	11,832,700	402,642,700
Total	\$666,015,300	\$636,977,500	\$631,570,400	\$15,827,400	\$647,397,800
State	302,414,400	297,029,900	295,519,800	7,520,000	303,039,800
Federal	115,049,100	113,686,200	113,420,600	3,086,000	116,506,600
Other	248,551,800	226,261,400	222,630,000	5,221,400	227,851,400

Statistical Data Youth Development Centers

	<u>Wilder 359.60</u>	<u>Taft 359.61</u>	<u>Woodland Hills 359.62</u>	<u>Mountain View 359.63</u>	<u>New Visions 359.64</u>	<u>Total</u>
Annual Admissions						
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	224	118	156	145	42	685
2011-2012	230	115	160	150	50	705
2012-2013	264	0	179	184	29	656
2013-2014	240	0	101	200	40	581
Annual Releases						
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	226	115	140	142	45	668
2011-2012	225	115	150	145	45	680
2012-2013	259	0	169	179	29	636
2013-2014	230	0	98	180	24	532
Average Daily Census						
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	105	90	114	102	19	430
2011-2012	108	96	120	108	24	456
2012-2013	136	0	136	136	24	432
2013-2014	121	0	137	120	20	398
Cost Per Occupancy Day *						
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
2010-2011	\$292.45	\$353.78	\$267.22	\$283.78	\$517.26	\$306.47
2011-2012	\$289.88	\$357.65	\$282.92	\$289.03	\$431.47	\$309.57
2012-2013	\$242.77	\$0.00	\$257.55	\$245.58	\$374.47	\$255.63
2013-2014	\$286.51	\$0.00	\$249.58	\$282.92	\$447.01	\$280.78

* 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 2013 – 2014

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)
- Board of 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.

Cost Increases 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 cost increases 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 program performance measures.

Law, Safety, and Correction Total Personnel and Funding

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Recommended 2013-2014</u>
Personnel			
Full Time	12,044	12,309	12,304
Part Time	54	66	63
Seasonal	5	4	4
TOTAL	<u>12,103</u>	<u>12,379</u>	<u>12,371</u>
Expenditures			
Payroll	\$ 697,059,700	\$ 778,862,100	\$ 787,262,200
Operational	870,213,800	917,932,700	868,851,900
TOTAL	<u>\$ 1,567,273,500</u>	<u>\$ 1,696,794,800</u>	<u>\$ 1,656,114,100</u>
Funding			
State	\$ 1,190,610,100	\$ 1,337,823,300	\$ 1,369,803,500
Federal	207,101,100	175,160,400	107,469,800
Other	169,562,300	183,811,100	178,840,800

Law, Safety and Correction
Recommended Budget for Fiscal Year 2013-2014
By Funding Source

Department	State	Federal	Other	Total
302.00 Court System	124,951,000	400,000	5,409,500	130,760,500
303.00 Attorney General and Reporter	24,764,500	0	12,071,300	36,835,800
304.00 District Attorneys General Conference	74,500,900	0	29,212,900	103,713,800
306.00 District Public Defenders Conference	45,164,000	0	1,832,600	46,996,600
308.00 Office of the Post-Conviction Defender	2,201,500	0	0	2,201,500
316.03 Alcoholic Beverage Commission	80,700	0	6,201,100	6,281,800
316.08 TRICOR	0	0	38,648,900	38,648,900
324.00 Board of Parole	7,212,300	0	0	7,212,300
329.00 Correction	908,721,900	600,000	20,127,600	929,449,500
341.00 Military	15,232,800	81,981,000	2,065,600	99,279,400
348.00 Tennessee Bureau of Investigation	40,717,500	15,212,400	14,354,800	70,284,700
349.00 Safety	126,256,400	9,276,400	48,916,500	184,449,300
Total	\$1,369,803,500	\$107,469,800	\$178,840,800	\$1,656,114,100

**Law, Safety and Correction
Cost Increases for Fiscal Year 2013-2014**

	<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, 2013.					
302.01 Appellate and Trial Courts	\$758,500	\$0	\$0	\$758,500	0
Sub-total	\$758,500	\$0	\$0	\$758,500	0
Total Court System	\$758,500	\$0	\$0	\$758,500	0
Attorney General and Reporter					
• Statutory Salary Increase					
To provide funding for the Attorney General's CPI salary adjustment required by TCA 8-6-104; by law, the salary is linked to the salary of an associate justice of the Supreme Court.					
303.01 Attorney General and Reporter	\$4,600	\$0	\$0	\$4,600	0
Sub-total	\$4,600	\$0	\$0	\$4,600	0
Total Attorney General and Reporter	\$4,600	\$0	\$0	\$4,600	0
District Attorneys General Conference					
• Statutory Salary Step Raises					
To provide funding 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 2012-2013 step raise (\$386,300 state appropriations and \$90,300 other funding), and funds the 2013-2014 step raise (\$670,100 state appropriations and \$187,000 other funding).					
304.01 District Attorneys General	\$1,056,400	\$0	\$143,700	\$1,200,100	0
304.10 Executive Director	\$0	\$0	\$6,500	\$6,500	0
304.15 IV-D Child Support Enforcement	\$0	\$0	\$127,100	\$127,100	0
Sub-total	\$1,056,400	\$0	\$277,300	\$1,333,700	0
Total District Attorneys General Conference	\$1,056,400	\$0	\$277,300	\$1,333,700	0

Law, Safety and Correction
Cost Increases for Fiscal Year 2013-2014

	<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 funding 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 dates. The recommended appropriation annualizes the fiscal year 2012-2013 step raise (\$235,600) and funds the 2013-2014 step raise (\$353,300).					
306.01 District Public Defenders	\$588,900	\$0	\$0	\$588,900	0
Sub-total	\$588,900	\$0	\$0	\$588,900	0
• Administration Legislation - Davidson and Shelby County Public Defender Offices					
To provide funding for increased state support of the county public defender offices in Davidson and Shelby counties. The proposed legislation changes how the two county offices are funded.					
306.10 Shelby County Public Defender	\$711,800	\$0	\$0	\$711,800	0
306.12 Davidson County Public Defender	\$512,900	\$0	\$0	\$512,900	0
Sub-total	\$1,224,700	\$0	\$0	\$1,224,700	0
Total District Public Defenders Conference	\$1,813,600	\$0	\$0	\$1,813,600	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, 2013.					
308.00 Office of the Post-Conviction Defender	\$31,200	\$0	\$0	\$31,200	0
Sub-total	\$31,200	\$0	\$0	\$31,200	0
Total Office of the Post-Conviction Defender	\$31,200	\$0	\$0	\$31,200	0

TRICOR

• Business Growth					
To provide funding for maintenance, utilities, and fuel for increased business activity associated with the addition of a second shift to TRICOR's Cook Chill program and proposal to reenter the call center business to provide more training and development for Tennessee's offender work force.					
316.08 TRICOR	\$0	\$0	\$1,343,200	\$1,343,200	0
Sub-total	\$0	\$0	\$1,343,200	\$1,343,200	0
Total TRICOR	\$0	\$0	\$1,343,200	\$1,343,200	0

Law, Safety and Correction
Cost Increases for Fiscal Year 2013-2014

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Correction					
• Local Jails					
To provide funding to accommodate an increased felon population in local jails.					
329.04 State Prosecutions	\$48,100,000	\$0	\$0	\$48,100,000	0
Sub-total	\$48,100,000	\$0	\$0	\$48,100,000	0
• Operational Cost Increase					
To provide funding for the Hardeman County Agreement contract inflator (\$482,800), Hardeman County - Whiteville contract inflator (\$742,800), South Central Correctional Center contract inflator (\$599,300), and health and mental health contract services (\$20,060,000).					
329.13 Tennessee Prison for Women	\$2,237,200	\$0	\$0	\$2,237,200	0
329.14 Turney Center Industrial Complex	\$2,046,800	\$0	\$0	\$2,046,800	0
329.16 Mark Luttrell Correctional Facility	\$632,600	\$0	\$0	\$632,600	0
329.17 Charles B. Bass Correctional Complex	\$1,204,500	\$0	\$0	\$1,204,500	0
329.18 Southeastern Tennessee State Regional Correctional Facility	\$1,777,500	\$0	\$0	\$1,777,500	0
329.21 Hardeman County Incarceration Agreement	\$595,600	\$0	\$0	\$595,600	0
329.22 Hardeman County Agreement - Whiteville	\$828,500	\$0	\$0	\$828,500	0
329.41 West Tennessee State Penitentiary	\$1,304,900	\$0	\$0	\$1,304,900	0
329.42 Riverbend Maximum Security Institution	\$1,366,500	\$0	\$0	\$1,366,500	0
329.43 Northeast Correctional Complex	\$1,632,700	\$0	\$0	\$1,632,700	0
329.44 South Central Correctional Center	\$692,300	\$0	\$0	\$692,300	0
329.45 Northwest Correctional Complex	\$1,944,900	\$0	\$0	\$1,944,900	0
329.46 Lois M. DeBerry Special Needs Facility	\$2,656,000	\$0	\$0	\$2,656,000	0
329.47 Morgan County Correctional Complex	\$2,964,900	\$0	\$0	\$2,964,900	0
Sub-total	\$21,884,900	\$0	\$0	\$21,884,900	0
• Southeastern Tennessee State Regional Correctional Facility Expansion					
To provide funding for the expanded prison facilities at Southeastern Tennessee State Regional Correctional Facility. The state appropriation increase for the additional prison operation cost is offset by a recurring base reduction in the Sentencing Act of 1985 allotment, as authorized by law.					
329.18 Southeastern Tennessee State Regional Correctional Facility	\$9,573,400	\$0	\$814,500	\$10,387,900	0
Sub-total	\$9,573,400	\$0	\$814,500	\$10,387,900	0

Law, Safety and Correction
Cost Increases for Fiscal Year 2013-2014

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Radio System Upgrade					
To provide non-recurring funding to upgrade radio equipment to be compliant with the Federal Communications Commission (FCC) narrow banding requirement. By January 1, 2017, all Department of Correction radios must operate on a 6.25 KHz digital bandwidth. This is the first phase of a multi-phase transition.					
329.32 Major Maintenance	\$6,325,000	\$0	\$0	\$6,325,000	0
Sub-total	\$6,325,000	\$0	\$0	\$6,325,000	0
• G.E.D. Testing					
To provide non-recurring funding for state correctional facilities to transition General Educational Development (G.E.D.) exam test-taking to a computer-based format. The funds will cover the cost of creating new computer labs and for the purchase of new textbooks.					
329.01 Administration	\$845,500	\$0	\$0	\$845,500	0
Sub-total	\$845,500	\$0	\$0	\$845,500	0
• Amachi Mentoring Program					
To provide non-recurring funding to Big Brothers Big Sisters for the Amachi Initiative, a mentoring program for children of prisoners.					
329.01 Administration	\$250,000	\$0	\$0	\$250,000	0
Sub-total	\$250,000	\$0	\$0	\$250,000	0
• Administration Legislation - Gang Enhanced Sentencing					
To provide funding for increased incarceration costs of proposed legislation concerning enhanced sentencing for gang related criminal activity.					
329.99 Sentencing Act of 1985	\$28,700	\$0	\$0	\$28,700	0
Sub-total	\$28,700	\$0	\$0	\$28,700	0
• Computer Replacement					
To provide non-recurring funding for computer replacement for probation and parole field supervision officers. The replacement funding would come from the supervision fee reserve (\$750,000) and GPS monitoring fee reserve (\$150,000).					
329.51 Probation and Parole Field Supervision	\$0	\$0	\$900,000	\$900,000	0
Sub-total	\$0	\$0	\$900,000	\$900,000	0
Total Correction	\$87,007,500	\$0	\$1,714,500	\$88,722,000	0

Safety

• Statutory Salary Step Increase

To provide funding for the mandated annual trooper salary step increase pursuant to TCA 4-7-200 et al., effective July 1, 2013.

349.03 Highway Patrol	\$764,000	\$0	\$0	\$764,000	0
Sub-total	\$764,000	\$0	\$0	\$764,000	0

Law, Safety and Correction
Cost Increases for Fiscal Year 2013-2014

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Commissioned Officer Salary Survey					
To provide funding for a 1.5 percent salary increase for the annual border-states commissioned officer salary survey results, pursuant to TCA 4-7-2.					
349.03 Highway Patrol	\$848,700	\$0	\$0	\$848,700	0
349.08 Driver Education	\$1,500	\$0	\$0	\$1,500	0
Sub-total	<u>\$850,200</u>	<u>\$0</u>	<u>\$0</u>	<u>\$850,200</u>	<u>0</u>
• Contract Employees - Driver License Stations					
To provide funding for contract employees in the Driver License Division. The contract employees will be dispatched to Driver License Stations with the longest wait times to help reduce those wait times.					
349.02 Driver License Issuance	\$1,000,000	\$0	\$0	\$1,000,000	0
Sub-total	<u>\$1,000,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,000,000</u>	<u>0</u>
Total Safety	<u>\$2,614,200</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,614,200</u>	<u>0</u>
Total Law, Safety and Correction	<u>\$93,286,000</u>	<u>\$0</u>	<u>\$3,335,000</u>	<u>\$96,621,000</u>	<u>0</u>

Court System

The judicial branch is one of three basic divisions of state government and serves as a check on the powers of the legislative and executive branches. Judicial power is vested in trial courts and two levels of appeals courts that comprise the state's court system.

The Supreme Court is comprised of five justices elected to eight-year terms. The workload of the court consists of cases appealed from lower courts. Supreme Court decisions act to resolve controversies arising out of Tennessee law and to establish guidelines for the lower courts to use in future decisions.

The intermediate appellate courts are the Court of Appeals and the Court of Criminal Appeals. The Court of Appeals hears appeals only in civil cases from the lower courts. The Court of Criminal Appeals has jurisdiction to hear most felony and misdemeanor appeals from general trial courts, as well as post-conviction petitions.

The state's trial courts include Chancery, Criminal, Circuit, and Probate courts. Chancery courts are the traditional equity courts used when common law or statutory law proves inadequate for cases. Circuit courts, which sometime overlap with the jurisdiction of Chancery courts, have jurisdiction to hear civil and criminal cases. Criminal courts have jurisdiction over criminal cases and hearing misdemeanor appeals from lower courts. Probate courts primarily have jurisdiction over probate of wills and administration of estates.

Courts of limited jurisdiction are funded locally and include general sessions, juvenile, and municipal courts. Jurisdiction of general sessions courts vary from county to county based on state laws and private acts; they hear civil, criminal, and juvenile cases, except in counties in which the Legislature has established separate juvenile courts. Municipal courts have jurisdiction in cases involving violations of city ordinances.

The court system is grouped into the following functions: Judicial Services, Support Services, and Professional Standards.

<u>Actual</u> <u>2011-2012</u>	<u>Estimated</u> <u>2012-2013</u>	<u>Base</u> <u>2013-2014</u>	<u>Cost Increase</u> <u>2013-2014</u>	<u>Recommended</u> <u>2013-2014</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, law books, and other operational expenses.

Full-Time	432	430	430	0	430
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	432	430	430	0	430

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
Payroll	53,962,400	56,181,700	56,347,200	758,500	57,105,700
Operational	2,168,900	2,269,700	2,269,700	0	2,269,700
Total	\$56,131,300	\$58,451,400	\$58,616,900	\$758,500	\$59,375,400
State	56,069,200	58,424,100	58,589,600	758,500	59,348,100
Federal	0	0	0	0	0
Other	62,100	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	2,124,100	2,175,700	2,176,900	0	2,176,900
Operational	154,400	255,600	255,600	0	255,600
Total	\$2,278,500	\$2,431,300	\$2,432,500	\$0	\$2,432,500
State	777,100	783,100	784,300	0	784,300
Federal	0	0	0	0	0
Other	1,501,400	1,648,200	1,648,200	0	1,648,200

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	6,262,200	6,047,500	6,047,500	0	6,047,500
Total	\$6,262,200	\$6,047,500	\$6,047,500	\$0	\$6,047,500
State	6,262,200	6,047,500	6,047,500	0	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	31,460,100	30,468,000	30,468,000	0	30,468,000
Total	\$31,460,100	\$30,468,000	\$30,468,000	\$0	\$30,468,000

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
State	31,358,200	30,463,000	30,463,000	0	30,463,000
Federal	0	0	0	0	0
Other	101,900	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	3,434,000	3,477,900	3,327,900	0	3,327,900
Total	\$3,434,000	\$3,477,900	\$3,327,900	\$0	\$3,327,900
State	3,434,000	3,477,900	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	44	44	0	44
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	49	44	44	0	44
Payroll	2,414,400	2,880,400	2,882,000	0	2,882,000
Operational	1,417,500	1,048,100	1,048,100	0	1,048,100
Total	\$3,831,900	\$3,928,500	\$3,930,100	\$0	\$3,930,100
State	3,831,900	3,928,500	3,930,100	0	3,930,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

302.13 Court Interpreter Services

This program provides interpreter services, in accordance with the rules prescribed by the Supreme Court to persons with limited English proficiency who have a matter before courts established by or pursuant to Tennessee law.

Full-Time	0	0	1	0	1
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	1	0	1
Payroll	0	0	70,000	0	70,000
Operational	0	3,000,000	2,930,000	0	2,930,000
Total	\$0	\$3,000,000	\$3,000,000	\$0	\$3,000,000
State	0	3,000,000	3,000,000	0	3,000,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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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	166,800	200,600	127,500	0	127,500
Total	\$166,800	\$200,600	\$127,500	\$0	\$127,500
State	45,400	76,300	60,500	0	60,500
Federal	0	0	0	0	0
Other	121,400	124,300	67,000	0	67,000

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	78	73	73	0	73
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	79	74	74	0	74
Payroll	5,330,200	5,968,200	6,021,500	0	6,021,500
Operational	4,834,500	3,823,100	3,488,100	0	3,488,100
Total	\$10,164,700	\$9,791,300	\$9,509,600	\$0	\$9,509,600
State	8,224,800	8,197,600	8,225,900	0	8,225,900
Federal	881,000	400,000	400,000	0	400,000
Other	1,058,900	1,193,700	883,700	0	883,700

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

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
Payroll	469,800	723,200	723,200	0	723,200
Operational	2,505,200	2,558,600	2,558,600	0	2,558,600
Total	\$2,975,000	\$3,281,800	\$3,281,800	\$0	\$3,281,800
State	2,323,500	2,668,800	2,668,800	0	2,668,800
Federal	0	0	0	0	0
Other	651,500	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
Payroll	0	0	0	0	0
Operational	81,600	74,500	74,500	0	74,500
Total	\$81,600	\$74,500	\$74,500	\$0	\$74,500
State	81,600	74,500	74,500	0	74,500
Federal	0	0	0	0	0
Other	0	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	190,700	263,600	263,600	0	263,600
Total	\$190,700	\$263,600	\$263,600	\$0	\$263,600
State	145,500	223,600	223,600	0	223,600
Federal	0	0	0	0	0
Other	45,200	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 Nominating 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	519,900	928,300	928,300	0	928,300
Total	\$519,900	\$928,300	\$928,300	\$0	\$928,300

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
State	240,500	430,100	430,100	0	430,100
Federal	0	0	0	0	0
Other	279,400	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	204,400	260,200	260,200	0	260,200
Total	\$204,400	\$260,200	\$260,200	\$0	\$260,200
State	204,400	260,200	260,200	0	260,200
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	1,714,700	1,923,100	1,946,000	0	1,946,000
Operational	275,100	294,600	294,600	0	294,600
Total	\$1,989,800	\$2,217,700	\$2,240,600	\$0	\$2,240,600
State	388,400	590,600	613,500	0	613,500
Federal	0	0	0	0	0
Other	1,601,400	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.

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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	40,500	109,500	109,500	0	109,500
Operational	6,800	60,500	60,500	0	60,500
Total	\$47,300	\$170,000	\$170,000	\$0	\$170,000
State	47,300	170,000	170,000	0	170,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

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	466,600	482,600	482,600	0	482,600
Operational	257,000	277,500	247,500	0	247,500
Total	\$723,600	\$760,100	\$730,100	\$0	\$730,100
State	696,900	730,100	730,100	0	730,100
Federal	0	0	0	0	0
Other	26,700	30,000	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	31	31	31	0	31
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	31	31	31	0	31
Payroll	2,275,400	2,359,600	2,359,600	0	2,359,600
Operational	1,024,100	759,200	759,200	0	759,200
Total	\$3,299,500	\$3,118,800	\$3,118,800	\$0	\$3,118,800
State	3,051,200	3,118,800	3,118,800	0	3,118,800
Federal	0	0	0	0	0
Other	248,300	0	0	0	0

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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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	4	4	4	0	4
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	4	4	4	0	4
Payroll	310,800	346,700	346,700	0	346,700
Operational	157,300	112,700	112,700	0	112,700
Total	\$468,100	\$459,400	\$459,400	\$0	\$459,400
State	446,100	459,400	459,400	0	459,400
Federal	0	0	0	0	0
Other	22,000	0	0	0	0

302.60 Continuing Legal Education

The Continuing Legal Education staff administers Supreme Court Rule 21, governing continuing legal education annual requirements. Supreme Court Rule 21 authorizes the collection of annual certification or recertification fees from each attorney for operation of the program.

Full-Time	5	5	5	0	5
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	5	5	5	0	5
Payroll	358,700	471,200	471,200	0	471,200
Operational	345,300	335,000	335,000	0	335,000
Total	\$704,000	\$806,200	\$806,200	\$0	\$806,200
State	702,900	806,200	806,200	0	806,200
Federal	0	0	0	0	0
Other	1,100	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	620,500	208,500	208,500	0	208,500
Total	\$620,500	\$208,500	\$208,500	\$0	\$208,500
State	208,500	208,500	208,500	0	208,500
Federal	0	0	0	0	0
Other	412,000	0	0	0	0

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
302.00 Total Court System					
Full-Time	684	672	673	0	673
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	692	680	681	0	681
Payroll	69,467,600	73,621,900	73,936,400	758,500	74,694,900
Operational	56,086,300	56,723,700	56,065,600	0	56,065,600
Total	\$125,553,900	\$130,345,600	\$130,002,000	\$758,500	\$130,760,500
State	118,539,600	124,138,800	124,192,500	758,500	124,951,000
Federal	881,000	400,000	400,000	0	400,000
Other	6,133,300	5,806,800	5,409,500	0	5,409,500

Attorney General and Reporter

The Attorney General and Reporter is the state's chief legal officer and is appointed by the Tennessee Supreme Court for a term of eight years. The Attorney General has the following responsibilities: represents state officers and agencies in all litigation in state and federal courts; prosecutes criminal cases in the appellate courts; prosecutes securities and state contract fraud cases; represents the interests of Tennessee consumers; institutes proceedings relating to antitrust violations, consumer fraud, and environmental enforcement; provides departments, agencies, and the General Assembly with legal advice; approves all administrative regulations and leases as to form and legality; issues legal opinions to state officials; and reports opinions of the Tennessee Supreme Court, Court of Appeals, and Court of Criminal Appeals.

<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</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	346	318	318	0	318
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	346	318	318	0	318
Payroll	24,444,500	28,120,400	28,670,400	4,600	28,675,000
Operational	6,313,900	6,948,600	6,908,600	0	6,908,600
Total	\$30,758,400	\$35,069,000	\$35,579,000	\$4,600	\$35,583,600
State	21,411,400	23,746,500	24,296,500	4,600	24,301,100
Federal	0	0	0	0	0
Other	9,347,000	11,322,500	11,282,500	0	11,282,500

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	101,600	111,600	111,600	0	111,600
Operational	35,600	62,100	62,100	0	62,100
Total	\$137,200	\$173,700	\$173,700	\$0	\$173,700
State	137,200	173,700	173,700	0	173,700
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual</u> <u>2011-2012</u>	<u>Estimated</u> <u>2012-2013</u>	<u>Base</u> <u>2013-2014</u>	<u>Cost Increase</u> <u>2013-2014</u>	<u>Recommended</u> <u>2013-2014</u>
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303.08 Special Litigation

The Special Litigation program funds the use of private counsel for complex or special litigation cases requiring particular expertise. Hiring of private counsel requires approval of the Governor and the Attorney General.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	1,460,900	1,078,500	1,078,500	0	1,078,500
Total	\$1,460,900	\$1,078,500	\$1,078,500	\$0	\$1,078,500
State	30,300	289,700	289,700	0	289,700
Federal	0	0	0	0	0
Other	1,430,600	788,800	788,800	0	788,800

303.00 Total Attorney General and Reporter

Full-Time	348	320	320	0	320
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	348	320	320	0	320
Payroll	24,546,100	28,232,000	28,782,000	4,600	28,786,600
Operational	7,810,400	8,089,200	8,049,200	0	8,049,200
Total	\$32,356,500	\$36,321,200	\$36,831,200	\$4,600	\$36,835,800
State	21,578,900	24,209,900	24,759,900	4,600	24,764,500
Federal	0	0	0	0	0
Other	10,777,600	12,111,300	12,071,300	0	12,071,300

District Attorneys General Conference

District Attorneys General are elected for each of the state's 31 judicial districts and serve eight year terms. The elected officials are the state's prosecutors for all violations of state criminal statutes. In addition, the district attorneys 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 support staff 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 an agreement with the Department of Human Services.

<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</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	735	740	738	0	738
Part-Time	4	5	5	0	5
Seasonal	0	0	0	0	0
Total	739	745	743	0	743
Payroll	66,440,600	72,603,000	72,468,900	1,200,100	73,669,000
Operational	5,936,000	6,442,400	6,339,200	0	6,339,200
Total	\$72,376,600	\$79,045,400	\$78,808,100	\$1,200,100	\$80,008,200
State	65,070,300	71,312,600	71,239,300	1,056,400	72,295,700
Federal	0	0	0	0	0
Other	7,306,300	7,732,800	7,568,800	143,700	7,712,500

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	458,800	640,000	600,000	0	600,000
Total	\$458,800	\$640,000	\$600,000	\$0	\$600,000
State	250,100	479,000	439,000	0	439,000
Federal	0	0	0	0	0
Other	208,700	161,000	161,000	0	161,000

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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304.10 Executive Director

The executive director of the District Attorneys General Conference is elected every four years. The office of the executive director 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	2,323,500	2,448,900	2,514,200	6,500	2,520,700
Operational	356,100	519,200	519,200	0	519,200
Total	\$2,679,600	\$2,968,100	\$3,033,400	\$6,500	\$3,039,900
State	2,077,600	1,701,200	1,766,200	0	1,766,200
Federal	0	0	0	0	0
Other	602,000	1,266,900	1,267,200	6,500	1,273,700

304.15 IV-D Child Support Enforcement

Under contract with the Department of Human Services, some of the District Attorneys enforce child support collection orders under Title IV-D of the federal Social Security Act.

Full-Time	326	325	325	0	325
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	327	326	326	0	326
Payroll	16,703,400	17,452,300	17,519,400	127,100	17,646,500
Operational	2,249,300	2,419,200	2,419,200	0	2,419,200
Total	\$18,952,700	\$19,871,500	\$19,938,600	\$127,100	\$20,065,700
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	18,952,700	19,871,500	19,938,600	127,100	20,065,700

304.00 Total District Attorneys General Conference

Full-Time	1,088	1,092	1,090	0	1,090
Part-Time	5	6	6	0	6
Seasonal	0	0	0	0	0
Total	1,093	1,098	1,096	0	1,096
Payroll	85,467,500	92,504,200	92,502,500	1,333,700	93,836,200
Operational	9,000,200	10,020,800	9,877,600	0	9,877,600
Total	\$94,467,700	\$102,525,000	\$102,380,100	\$1,333,700	\$103,713,800
State	67,398,000	73,492,800	73,444,500	1,056,400	74,500,900
Federal	0	0	0	0	0
Other	27,069,700	29,032,200	28,935,600	277,300	29,212,900

District Public Defenders Conference

As required by the United States Constitution, district public defenders and their staff provide legal representation at trial and through the state appellate process for indigent persons charged with the commission of a crime. In Tennessee, 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>2011-2012</u>	<u>Estimated</u> <u>2012-2013</u>	<u>Base</u> <u>2013-2014</u>	<u>Cost Increase</u> <u>2013-2014</u>	<u>Recommended</u> <u>2013-2014</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	340	341	341	0	341
Part-Time	12	22	22	0	22
Seasonal	1	0	0	0	0
Total	353	363	363	0	363
Payroll	31,592,300	35,060,200	35,060,200	588,900	35,649,100
Operational	3,151,100	3,683,200	3,683,200	0	3,683,200
Total	\$34,743,400	\$38,743,400	\$38,743,400	\$588,900	\$39,332,300
State	32,799,800	36,910,800	36,910,800	588,900	37,499,700
Federal	0	0	0	0	0
Other	1,943,600	1,832,600	1,832,600	0	1,832,600

306.03 Executive Director

The executive director of the Public Defenders Conference is elected by the District Public Defenders Conference and serves a four-year term. This office provides administrative support to the conference, such as training, fiscal services, coordination of multi-district cases, legal research, and information technology support.

Full-Time	15	15	15	0	15
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	16	16	16	0	16
Payroll	1,145,600	1,346,500	1,346,500	0	1,346,500
Operational	181,200	248,100	248,100	0	248,100
Total	\$1,326,800	\$1,594,600	\$1,594,600	\$0	\$1,594,600
State	1,326,800	1,594,600	1,594,600	0	1,594,600
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</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	3,031,500	3,205,500	3,205,500	711,800	3,917,300
Total	\$3,031,500	\$3,205,500	\$3,205,500	\$711,800	\$3,917,300
State	3,031,500	3,205,500	3,205,500	711,800	3,917,300
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	1,550,400	1,639,500	1,639,500	512,900	2,152,400
Total	\$1,550,400	\$1,639,500	\$1,639,500	\$512,900	\$2,152,400
State	1,550,400	1,639,500	1,639,500	512,900	2,152,400
Federal	0	0	0	0	0
Other	0	0	0	0	0

306.00 Total District Public Defenders Conference

Full-Time	355	356	356	0	356
Part-Time	13	23	23	0	23
Seasonal	1	0	0	0	0
Total	369	379	379	0	379
Payroll	32,737,900	36,406,700	36,406,700	588,900	36,995,600
Operational	7,914,200	8,776,300	8,776,300	1,224,700	10,001,000
Total	\$40,652,100	\$45,183,000	\$45,183,000	\$1,813,600	\$46,996,600
State	38,708,500	43,350,400	43,350,400	1,813,600	45,164,000
Federal	0	0	0	0	0
Other	1,943,600	1,832,600	1,832,600	0	1,832,600

Office of the Post-Conviction Defender

The Office of the Post-Conviction Defender was created in 1995 in order to provide for the representation of any person convicted and sentenced to death who is unable to secure counsel due to indigence. This office also provides continuing legal education and consulting services to attorneys representing indigents in capital cases and recruits qualified members of the private bar who are willing to provide representation in state death penalty proceedings.

The Post-Conviction Defender Commission appoints the Post-Conviction Defender and has oversight of the office. The commission is comprised of nine members: two appointed by the Governor, two by the Speaker of the Senate, two by the Speaker of the House of Representatives, and three by the Supreme Court.

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</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	1,564,700	1,755,700	1,755,700	31,200	1,786,900
Operational	381,400	414,600	414,600	0	414,600
Total	\$1,946,100	\$2,170,300	\$2,170,300	\$31,200	\$2,201,500
State	1,946,100	2,170,300	2,170,300	31,200	2,201,500
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 to terms concurrent with the Governor's term.

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 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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316.03 Alcoholic Beverage Commission

Full-Time	74	73	73	0	73
Part-Time	3	3	3	0	3
Seasonal	0	0	0	0	0
Total	77	76	76	0	76
Payroll	2,999,200	4,643,700	4,643,700	0	4,643,700
Operational	1,408,400	2,292,300	1,638,100	0	1,638,100
Total	\$4,407,600	\$6,936,000	\$6,281,800	\$0	\$6,281,800
State	0	84,700	80,700	0	80,700
Federal	0	0	0	0	0
Other	4,407,600	6,851,300	6,201,100	0	6,201,100

Standard: Process renewal of all licenses within two (2) calendar days once a completed renewal application is submitted.

Measure: Percent of renewals processed timely to qualified applicants.

88%	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, not-for-profit organizations, and private partners.

TRICOR has a central headquarters with 23 operations at 14 correctional facilities and warehouse/distribution centers. Manufacturing and service operations include administrative support services; printing, data entry, and document imaging services; call center services; warehousing and fulfillment services; license plate manufacturing; apparel and textile manufacturing for uniforms and institutional clothing; floor manufacturing; metal fabrication; industrial cleaning supply fulfillment; packaging services; and food manufacturing, storage, and distribution with respect to the cook-chill program.

Agricultural operations are located at West Tennessee State Penitentiary, Tennessee Cook-Chill in Nashville, and Southeastern Regional Correctional Facility and include field crops and dairy operations.

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 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
316.08 TRICOR					
Full-Time	217	167	167	0	167
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	217	167	167	0	167
Payroll	7,677,400	10,038,000	10,038,000	0	10,038,000
Operational	27,007,100	28,481,900	27,267,700	1,343,200	28,610,900
Total	\$34,684,500	\$38,519,900	\$37,305,700	\$1,343,200	\$38,648,900
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	34,684,500	38,519,900	37,305,700	1,343,200	38,648,900

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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Standard: To increase the number of offenders served on an annual basis through occupational skills training, transitional programming, and transitional services.

Measure: Number of offenders served.

	1,474	1,666	1,600	75	1,675
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Standard: To 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 recidivism rate among eligible offenders.

	74.0%	70.5%	74.0%	1.0%	75.0%
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Board of Parole

Performance-Based Budget

The Board of Parole protects public safety through the orderly release of incarcerated adult felons. The board conducts parole hearings at state and local prisons and jails, and makes recommendations to the Governor regarding executive clemency. The Board of Parole is comprised of seven full-time members appointed by the Governor. Members serve six-year terms and are eligible for reappointment.

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
324.02 Board of Parole					
Full-Time	83	83	83	0	83
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	83	83	83	0	83
Payroll	5,268,900	5,597,200	5,597,200	0	5,597,200
Operational	1,610,700	1,758,700	1,615,100	0	1,615,100
Total	\$6,879,600	\$7,355,900	\$7,212,300	\$0	\$7,212,300
State	6,879,600	7,355,900	7,212,300	0	7,212,300
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: The Board of Parole will decrease the number of days to finalize a parole decision to 15 days.

Measure: Average number of days to finalize a hearing decision during the fiscal year.

13	12	15	0	15
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Standard: The Board of Parole will decrease the number of days to send notification of the final decision to the offender to 23 days.

Measure: Average number of days to send notification of the final decision to the offender.

24	17	23	0	23
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Department of Correction

Performance-Based Budget

The Tennessee Department of Correction (TDOC) protects public safety through the incarceration of felons in a variety of secured institutional settings, supervision of probationers and parolees, and management of community corrections grant programs. In addition, the department provides felons with educational and vocational training, substance abuse treatment, and pre-release programs to prepare them for community re-entrance and reduce re-offences.

The Department of Correction carries out its responsibilities through four major functional areas: Administrative and Other Services, Institutional Operations, Special Purpose Facilities, and Contract Management Facilities.

<u>Actual</u> <u>2011-2012</u>	<u>Estimated</u> <u>2012-2013</u>	<u>Base</u> <u>2013-2014</u>	<u>Cost Increase</u> <u>2013-2014</u>	<u>Recommended</u> <u>2013-2014</u>
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Administrative and Other Services

The Administrative and Other Services functional area includes Administration, State Prosecutions, Tennessee Correction Academy, Correction Release Centers, Major Maintenance, the Office of Investigations and Compliance, the Sex Offender Treatment Program, Probation and Parole Field Supervision, Community Corrections, 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	217	213	213	0	213
Part-Time	0	1	0	0	0
Seasonal	0	0	0	0	0
Total	217	214	213	0	213
Payroll	14,441,900	14,767,800	14,687,800	0	14,687,800
Operational	7,112,100	5,768,000	5,056,600	1,095,500	6,152,100
Total	\$21,554,000	\$20,535,800	\$19,744,400	\$1,095,500	\$20,839,900
State	17,663,100	15,272,900	14,887,500	1,095,500	15,983,000
Federal	630,500	600,000	600,000	0	600,000
Other	3,260,400	4,662,900	4,256,900	0	4,256,900

Standard: Reduce the average length of hospital stay.

Measure: Decrease hospital average length of stay (days) for inmates in prison.

3.5	3.5	3.9	0	3.9
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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Standard: Limit the number of substantiated incidents of sexual violence in TDOC-managed facilities (excludes CCA facilities).

Measure: The number of substantiated incidents of sexual violence in TDOC-managed facilities (excluded Corrections Corporation of America (CCA) facilities).

	7	12	10	0	10
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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	171,809,600	195,731,200	153,952,800	48,100,000	202,052,800
Total	\$171,809,600	\$195,731,200	\$153,952,800	\$48,100,000	\$202,052,800
State	170,850,100	194,931,200	153,152,800	48,100,000	201,252,800
Federal	0	0	0	0	0
Other	959,500	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.).

	92%	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	70	74	74	0	74
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	70	74	74	0	74
Payroll	3,186,800	3,624,600	3,624,600	0	3,624,600
Operational	1,509,100	1,529,400	1,529,400	0	1,529,400
Total	\$4,695,900	\$5,154,000	\$5,154,000	\$0	\$5,154,000

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
State	4,589,600	5,089,100	5,089,100	0	5,089,100
Federal	0	0	0	0	0
Other	106,300	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.

	6,939	27,300	10,100	0	10,100
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Standard: Maintain percentage of correctional officers who attain a 25% or more increase in pre-test to post-test scores following completion of in-service training.

Measure: The percent of correctional officers who attain a 25% or more increase in pre-test to post-test scores following completion of in-service training.

	56.7%	75.0%	75.0%	0	75.0%
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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	395,300	1,918,800	1,918,800	0	1,918,800
Total	\$395,300	\$1,918,800	\$1,918,800	\$0	\$1,918,800
State	395,300	1,918,800	1,918,800	0	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.

	30	120	30	0	30
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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	51	52	52	0	52
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	51	52	52	0	52

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
Payroll	3,428,300	3,250,000	3,250,000	0	3,250,000
Operational	4,455,500	4,335,500	4,335,500	6,325,000	10,660,500
Total	\$7,883,800	\$7,585,500	\$7,585,500	\$6,325,000	\$13,910,500
State	5,942,900	7,585,500	7,585,500	6,325,000	13,910,500
Federal	0	0	0	0	0
Other	1,940,900	0	0	0	0

Standard: Resolve security system calls within 48 hours.

Measure: The percent of security system calls resolved within 48 hours.

90.5%	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.

100%	99%	99%	0	99%
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329.48 Office of Investigations and Compliance

The Office of Investigations and Compliance provides internal affairs, accreditation, internal audit, canine units, apprehension, and enforcement units to support the central office, institutions, Tennessee Correction Academy, and Probation and Parole Field Supervision.

Full-Time	71	71	71	0	71
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	71	71	71	0	71
Payroll	3,546,100	3,805,600	3,805,600	0	3,805,600
Operational	562,800	602,600	602,600	0	602,600
Total	\$4,108,900	\$4,408,200	\$4,408,200	\$0	\$4,408,200
State	4,108,900	4,408,200	4,408,200	0	4,408,200
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Assign investigators to conduct both criminal and administrative investigations that pertain to the TDOC within 24 hours of Office of Investigation and Compliance (OIC) notification.

Measure: The percent of investigations that have an investigator assigned within 24 hours of OIC notification.

100%	100%	100%	0	100%
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Standard: Issue completed audits of operational compliance of TDOC facilities and departments within 30 days of inspection.

Measure: The percent of audits completed within 30 days of inspection.

100%	100%	100%	0	100%
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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329.50 Sex Offender Treatment Program

The Sex Offender Treatment Program conducts pre-trial evaluations as ordered by the courts for indigent defendants accused of a sex offense. The program also provides funding for therapy required as conditions of probation or parole for indigent offenders. The 13 member Sex Offender Treatment Board, comprised of representatives of the law enforcement, legal, and medical professions, oversees the program and develops standardized procedures for evaluation and treatment of sex offenders.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	500,600	503,600	503,600	0	503,600
Total	\$500,600	\$503,600	\$503,600	\$0	\$503,600
State	500,600	443,600	443,600	0	443,600
Federal	0	0	0	0	0
Other	0	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.

	97	100	200	0	200
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329.51 Probation and Parole Field Supervision

This program supervises offenders placed on probation by the state criminal and circuit courts and parolees. Probation and parole officers also collect supervision and criminal injuries fees, and write pre-sentence investigation reports for use by the court system and Tennessee Department of Correction.

Full-Time	1,011	1,007	1,007	0	1,007
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,011	1,007	1,007	0	1,007
Payroll	47,926,000	51,161,500	51,161,500	0	51,161,500
Operational	15,618,100	14,968,500	14,858,500	900,000	15,758,500
Total	\$63,544,100	\$66,130,000	\$66,020,000	\$900,000	\$66,920,000
State	63,459,900	65,060,500	64,950,500	0	64,950,500
Federal	0	0	0	0	0
Other	84,200	1,069,500	1,069,500	900,000	1,969,500

Standard: Improve the offender success rate by decreasing the percentage of parolees who are revoked.

Measure: Percent of total parole population served during the year whose community supervision status is revoked during the fiscal year.

	9.85%	6.80%	7.00%	0	7.00%
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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Standard: Improve the offender success rate by decreasing the percentage of probation offenders who are revoked.

Measure: Percent of total probation population served during the year whose community supervision status is revoked during the fiscal year.

	9.18%	5.20%	8.00%	0	8.00%
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329.52 Community Corrections

The Community Corrections program provides grants to locally-operated programs which provide alternatives to incarceration for non-violent felony offenders, as adjudicated by state courts. Felons sentenced to Community Corrections programs are subject to non-custodial intensive supervision, residential treatment, community service work, victim restitution, and supervision fees.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	13,280,800	14,018,100	14,018,100	0	14,018,100
Total	\$13,280,800	\$14,018,100	\$14,018,100	\$0	\$14,018,100
State	13,272,800	14,018,100	14,018,100	0	14,018,100
Federal	0	0	0	0	0
Other	8,000	0	0	0	0

Standard: Improve offender success by decreasing the percentage of the total program population who are revoked from the program prior to successful discharge.

Measure: Percent of total offender population who are revoked from the program prior to successful discharge.

	15.74%	8.90%	14.00%	0	14.00%
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329.99 Sentencing Act of 1985

During the Special Session on Corrections in 1985, the General Assembly passed legislation that included the Sentencing Act of 1985. The law requires that, for any law enacted after July 1, 1986, which results in a net increase in periods of imprisonment in state correctional facilities, there is to be appropriated from recurring revenues the estimated increased operating cost. The amount appropriated for operating costs, in current dollars, is based upon the highest cost of the next ten years, beginning with the year the additional sentence to be served impacts the correctional facilities population. Appropriations to the Sentencing Act of 1985 are used for capital outlay or for cancellation of construction bonds authorized but not yet sold.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	0	27,270,000	17,696,600	28,700	17,725,300
Total	\$0	\$27,270,000	\$17,696,600	\$28,700	\$17,725,300

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
State	0	27,262,500	17,689,100	28,700	17,717,800
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, 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	246	246	246	0	246
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	246	246	246	0	246
Payroll	10,936,300	12,174,100	12,174,100	0	12,174,100
Operational	13,466,700	13,874,000	13,385,000	2,237,200	15,622,200
Total	\$24,403,000	\$26,048,100	\$25,559,100	\$2,237,200	\$27,796,300
State	23,671,200	25,205,000	24,716,000	2,237,200	26,953,200
Federal	0	0	0	0	0
Other	731,800	843,100	843,100	0	843,100

Standard: Increase or maintain GED and vocational completions.

Measure: The number of GED and vocational recipients.

181	165	165	0	165
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</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).

	8.78	8.00	7.50	0	7.50
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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	447	440	440	0	440
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	447	440	440	0	440
Payroll	19,826,500	21,552,400	21,552,400	0	21,552,400
Operational	16,835,800	17,390,400	16,958,500	2,046,800	19,005,300
Total	\$36,662,300	\$38,942,800	\$38,510,900	\$2,046,800	\$40,557,700
State	35,138,900	37,615,800	37,183,900	2,046,800	39,230,700
Federal	0	0	0	0	0
Other	1,523,400	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.

	299	270	259	0	259
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Standard: Limit the rate of violent institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

	4.62	6.00	4.00	0	4.00
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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 close security designation.

Full-Time	188	186	186	0	186
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	188	186	186	0	186
Payroll	8,479,600	9,104,700	9,104,700	0	9,104,700
Operational	6,162,400	6,634,400	6,444,600	632,600	7,077,200
Total	\$14,642,000	\$15,739,100	\$15,549,300	\$632,600	\$16,181,900
State	14,227,600	15,197,100	15,007,300	632,600	15,639,900
Federal	0	0	0	0	0
Other	414,400	542,000	542,000	0	542,000

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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Standard: Increase or maintain GED and vocational completions.

Measure: The number of GED and vocational recipients.

	167	123	160	0	160
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Standard: Limit the rate of violent institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

	8.46	8.0	7.50	0	7.50
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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 security. 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	345	340	340	0	340
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	345	340	340	0	340
Payroll	14,866,700	16,182,500	16,182,500	0	16,182,500
Operational	10,515,000	13,255,600	12,894,300	1,204,500	14,098,800
Total	\$25,381,700	\$29,438,100	\$29,076,800	\$1,204,500	\$30,281,300
State	24,605,600	28,306,300	27,945,000	1,204,500	29,149,500
Federal	0	0	0	0	0
Other	776,100	1,131,800	1,131,800	0	1,131,800

Standard: Increase or maintain GED and vocational completions.

Measure: The number of GED and vocational recipients.

	10	174	110	0	110
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Standard: Limit the rate of violent institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

	4.62	3.00	3.00	0	3.00
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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. In January 2013, the Bledsoe Correctional Complex will be expanded to house an additional 1,444 inmates.

Full-Time	331	776	776	0	776
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	331	776	776	0	776

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
Payroll	15,379,000	32,763,100	32,763,100	4,184,100	36,947,200
Operational	8,647,000	23,395,300	21,345,500	7,981,300	29,326,800
Total	\$24,026,000	\$56,158,400	\$54,108,600	\$12,165,400	\$66,274,000
State	23,111,000	54,752,100	52,702,300	11,350,900	64,053,200
Federal	0	0	0	0	0
Other	915,000	1,406,300	1,406,300	814,500	2,220,800

Standard: Increase or maintain GED and vocational completions.

Measure: The number of GED and vocational recipients.

277	202	281	0	281
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Standard: Limit the rate of violent institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

3.54	3.00	2.75	0	2.75
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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	773	746	746	0	746
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	773	746	746	0	746
Payroll	32,140,100	35,577,000	35,577,000	0	35,577,000
Operational	22,323,400	22,320,900	21,929,400	1,304,900	23,234,300
Total	\$54,463,500	\$57,897,900	\$57,506,400	\$1,304,900	\$58,811,300
State	53,252,100	56,577,700	56,186,200	1,304,900	57,491,100
Federal	0	0	0	0	0
Other	1,211,400	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.

648	495	542	0	542
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Standard: Limit the rate of violent institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

9.61	8.00	7.50	0	7.50
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</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	318	317	317	0	317
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	318	317	317	0	317
Payroll	14,977,300	16,233,600	16,233,600	0	16,233,600
Operational	9,759,700	10,625,800	10,337,300	1,366,500	11,703,800
Total	\$24,737,000	\$26,859,400	\$26,570,900	\$1,366,500	\$27,937,400
State	24,377,600	26,432,500	26,144,000	1,366,500	27,510,500
Federal	0	0	0	0	0
Other	359,400	426,900	426,900	0	426,900

Standard: Increase or maintain GED and vocational completions.

Measure: The number of GED and vocational recipients.

	146	137	130	0	130
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Standard: Limit the rate of violent institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

	27.96	16.00	20.00	0	20.00
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329.43 Northeast Correctional Complex

The Northeast Correctional Complex (NECX), with sites in Carter and Johnson counties, is a time-building prison with a close security designation. NECX houses men and offers educational, mental health, and community service programs.

Full-Time	522	522	522	0	522
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	522	522	522	0	522
Payroll	24,391,600	24,832,600	24,832,600	0	24,832,600
Operational	15,792,200	16,805,200	16,527,900	1,632,700	18,160,600
Total	\$40,183,800	\$41,637,800	\$41,360,500	\$1,632,700	\$42,993,200
State	38,750,200	40,321,300	40,044,000	1,632,700	41,676,700
Federal	0	0	0	0	0
Other	1,433,600	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.

	432	222	431	0	431
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</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).

	4.18	5.00	4.00	0	4.00
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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	682	676	676	0	676
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	682	676	676	0	676
Payroll	30,962,000	32,968,900	32,968,900	0	32,968,900
Operational	20,594,100	19,228,700	18,888,100	1,944,900	20,833,000
Total	\$51,556,100	\$52,197,600	\$51,857,000	\$1,944,900	\$53,801,900
State	50,006,400	50,465,200	50,124,600	1,944,900	52,069,500
Federal	0	0	0	0	0
Other	1,549,700	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.

	589	423	662	0	662
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Standard: Limit the rate of violent institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

	7.58	5.00	6.75	0	6.75
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329.47 Morgan County Correctional Complex

Morgan County Correctional Complex, located in Wartburg, houses inmates of all custody levels. The facility operates educational, vocational, and substance abuse programs, and community service crews.

Full-Time	753	749	749	0	749
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	753	749	749	0	749
Payroll	34,994,000	37,030,800	37,030,800	0	37,030,800
Operational	25,287,400	29,755,600	29,169,700	2,964,900	32,134,600
Total	\$60,281,400	\$66,786,400	\$66,200,500	\$2,964,900	\$69,165,400
State	59,083,500	65,132,000	64,546,100	2,964,900	67,511,000
Federal	0	0	0	0	0
Other	1,197,900	1,654,400	1,654,400	0	1,654,400

<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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Standard: Increase or maintain GED and vocational completions.

Measure: The number of GED and vocational recipients.

433	445	477	0	477
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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	8.00	7.50	0	7.50
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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	462	457	457	0	457
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	462	457	457	0	457
Payroll	26,605,300	26,239,700	26,239,700	0	26,239,700
Operational	22,535,800	20,690,400	19,893,700	2,656,000	22,549,700
Total	\$49,141,100	\$46,930,100	\$46,133,400	\$2,656,000	\$48,789,400
State	48,799,700	46,532,700	45,736,000	2,656,000	48,392,000
Federal	0	0	0	0	0
Other	341,400	397,400	397,400	0	397,400

Standard: Increase the number of GED recipients.

Measure: The number of GED recipients.

3	11	63	0	63
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Standard: Limit the rate of violent institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

25.50	25.00	24.00	0	24.00
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Contract Management Facilities

The state prison system has three prisons operated under contracts: Hardeman County Correctional Facility, Hardeman County Correctional Facility – Whiteville, and South Central Correctional Center.

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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329.21 Hardeman County Incarceration Agreement

The Hardeman County Correctional Facility is a time-building medium-security prison and offers educational, vocational, and mental health programs. The prison is owned by Hardeman County, which contracts with a private operator.

Full-Time	2	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2	2	2	0	2
Payroll	150,300	137,800	137,800	0	137,800
Operational	37,997,500	38,664,200	38,630,300	595,600	39,225,900
Total	\$38,147,800	\$38,802,000	\$38,768,100	\$595,600	\$39,363,700
State	38,141,700	38,783,100	38,749,200	595,600	39,344,800
Federal	0	0	0	0	0
Other	6,100	18,900	18,900	0	18,900

Standard: Increase the number of GED and vocational completions.

Measure: The number of GED and vocational recipients.

	421	360	457	0	457
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Standard: Reduce the rate of institutional incidents (per 100 inmates).

Measure: The violent incident rate (per 100 inmates).

	5.38	5.00	5.00	0	5.00
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329.22 Hardeman County Agreement - Whiteville

The Hardeman County Correctional Facility at Whiteville is a time-building medium-security prison and offers educational, vocational, substance abuse, anger management, and family and pre-release counseling programs. The prison is privately owned and operated for the state's benefit under contract between the state and Hardeman County.

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	132,700	141,500	141,500	0	141,500
Operational	29,586,700	30,820,800	30,795,100	828,500	31,623,600
Total	\$29,719,400	\$30,962,300	\$30,936,600	\$828,500	\$31,765,100
State	29,706,400	30,943,600	30,917,900	828,500	31,746,400
Federal	0	0	0	0	0
Other	13,000	18,700	18,700	0	18,700

Standard: Increase the number of GED and vocational completions.

Measure: The number of GED and vocational recipients.

	397	294	534	0	534
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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Standard: Reduce the rate of institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

	8.83	5.00	7.50	0	7.50
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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	145,500	150,300	150,300	0	150,300
Operational	25,707,000	27,465,000	27,437,100	692,300	28,129,400
Total	\$25,852,500	\$27,615,300	\$27,587,400	\$692,300	\$28,279,700
State	25,841,200	27,596,600	27,568,700	692,300	28,261,000
Federal	0	0	0	0	0
Other	11,300	18,700	18,700	0	18,700

Standard: Increase the number of GED and vocational completions.

Measure: The number of GED and vocational recipients.

	376	414	347	0	347
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Standard: Reduce the rate of institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

	8.29	5.00	6.50	0	6.50
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329.00 Total Correction

Full-Time	6,493	6,878	6,878	0	6,878
Part-Time	0	1	0	0	0
Seasonal	0	0	0	0	0
Total	6,493	6,879	6,878	0	6,878
Payroll	306,516,000	341,698,500	341,618,500	4,184,100	345,802,600
Operational	480,454,600	557,572,000	499,109,000	84,537,900	583,646,900
Total	\$786,970,600	\$899,270,500	\$840,727,500	\$88,722,000	\$929,449,500
State	769,496,300	879,851,400	821,714,400	87,007,500	908,721,900
Federal	630,500	600,000	600,000	0	600,000
Other	16,843,800	18,819,100	18,413,100	1,714,500	20,127,600

Statistical Data Correctional Institutions

	TPW 329.13	TCIC 329.14	MLCF 329.16	CBCC 329.17	STRCF 329.18
Annual Admissions					
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	548	735	230	1,422	493
2011-2012	539	956	135	3,024	478
2012-2013	700	1,100	150	3,300	1,949
2013-2014	700	1,100	150	3,300	505
Annual Releases					
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	521	742	220	1,293	473
2011-2012	532	964	138	3,386	486
2012-2013	700	1,100	125	2,947	505
2013-2014	700	1,100	125	3,300	505
Average Daily Census					
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	761	1,550	417	944	913
2011-2012	785	1,537	414	774	932
2012-2013	805	1,572	440	1,110	1,551
2013-2014	805	1,572	440	1,110	2,425
Cost Per Occupancy Day (Total Expenditures)*					
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	\$82.69	\$61.90	\$92.22	\$78.79	\$67.59
2011-2012	\$84.94	\$65.17	\$96.63	\$89.60	\$70.43
2012-2013	\$88.65	\$67.87	\$98.00	\$72.66	\$99.20
2013-2014	\$94.60	\$70.69	\$100.76	\$74.74	\$74.88

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

*FY 2006-2007 to 2011-2012 are actual expenditures from all sources; 2012-13 to 2013-14 are estimates.

Statistical Data Correctional Institutions

	WTSP 329.41	RMSI 329.42	NECC 329.43	NWCC 329.45	MCCC 329.47
Annual Admissions					
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	3,729	390	758	1,061	2,600
2011-2012	3,490	406	985	1,215	3,000
2012-2013	2,600	417	775	1,216	3,000
2013-2014	2,600	417	775	1,216	3,000
Annual Releases					
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	3,702	386	764	1,038	600
2011-2012	3,498	406	962	1,230	2,935
2012-2013	2,600	406	775	1,230	3,000
2013-2014	2,600	406	775	1,230	3,000
Average Daily Census					
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	2,418	696	1,783	2,354	2,338
2011-2012	2,468	698	1,770	2,362	2,367
2012-2013	2,582	736	1,856	2,425	2,441
2013-2014	2,582	736	1,856	2,425	2,441
Cost Per Occupancy Day (Total Expenditures)*					
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	\$59.20	\$96.27	\$59.64	\$57.36	\$67.27
2011-2012	\$60.29	\$96.83	\$62.03	\$59.64	\$69.58
2012-2013	\$61.43	\$99.98	\$61.46	\$58.97	\$74.96
2013-2014	\$62.40	\$104.00	\$63.46	\$60.78	\$77.63

WTSP: West Tennessee State Penitentiary
RMSI: Riverbend Maximum Security Institution
NECC: Northeast Correctional Complex

NWCC: Northwest Correctional Complex
MCCC: Morgan County Correctional Complex

*FY 2006-2007 to 2011-2012 are actual expenditures from all sources; 2012-13 to 2013-14 are estimates.

Statistical Data Correctional Institutions

	DSNF 329.46	HCCF 329.21	HCCF-W 329.22	SCCC 329.44	Total**
Annual Admissions					
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	1,713	840	752	670	11,262
2011-2012	2,018	1,063	1,471	1,235	11,761
2012-2013	1,800	900	800	730	13,200
2013-2014	1,800	900	800	730	11,300
Annual Releases					
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	1,740	842	749	684	10,437
2011-2012	2,015	1,089	1,521	1,257	11,110
2012-2013	1,800	900	800	730	11,400
2013-2014	1,800	900	800	730	11,400
Average Daily Census					
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	711	1,966	1,492	1,631	19,974
2011-2012	724	1,970	1,496	1,629	19,926
2012-2013	800	2,016	1,536	1,676	21,546
2013-2014	800	2,016	1,536	1,676	22,420
Cost Per Occupancy Day (Total Expenditures)*					
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	\$179.06	\$51.92	\$53.21	\$43.74	\$66.20
2011-2012	\$185.45	\$52.91	\$54.28	\$43.36	\$68.45
2012-2013	\$160.72	\$52.73	\$55.23	\$45.14	\$70.70
2013-2014	\$167.09	\$53.49	\$56.66	\$46.23	\$71.12

DSNF: Lois DeBerry Special Needs Facility
HCCF-W: Hardeman Co. Correctional Facility - Whiteville

HCCF: Hardeman Co. Correctional Facility
SCCC: South Central Correctional Center

*FY 2006-2007 to 2011-2012 are actual expenditures from all sources; 2012-13 to 2013-14 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 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</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 are funded from this allotment.

341.01 Administration

Full-Time	42	42	42	0	42
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	42	42	42	0	42
Payroll	2,572,000	3,051,300	2,821,300	0	2,821,300
Operational	631,600	655,500	592,200	0	592,200
Total	\$3,203,600	\$3,706,800	\$3,413,500	\$0	\$3,413,500
State	2,706,700	2,350,800	2,450,800	0	2,450,800
Federal	388,800	1,353,000	959,700	0	959,700
Other	108,100	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.

80%	82%	84%	0	84%
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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 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</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	73	64	64	0	64
Part-Time	0	0	0	0	0
Seasonal	4	4	4	0	4
Total	77	68	68	0	68
Payroll	3,750,400	5,287,600	5,287,600	0	5,287,600
Operational	2,528,000	1,806,300	1,806,300	0	1,806,300
Total	\$6,278,400	\$7,093,900	\$7,093,900	\$0	\$7,093,900
State	1,210,100	1,085,600	1,085,600	0	1,085,600
Federal	5,067,500	5,338,400	5,338,400	0	5,338,400
Other	800	669,900	669,900	0	669,900

Standard: Implement the Planning Resource Infrastructure Development and Evaluation (PRIDE) Maintenance Program and process and complete 100% of all maintenance requests using PRIDE.

Measure: Percent of processed maintenance requests thru the PRIDE Maintenance Work Order System.

98%	100%	100%	0	100%
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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 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	199	175	175	0	175
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	199	175	175	0	175
Payroll	7,136,500	8,564,400	8,564,400	0	8,564,400
Operational	5,706,600	6,451,500	6,103,000	0	6,103,000
Total	\$12,843,100	\$15,015,900	\$14,667,400	\$0	\$14,667,400
State	1,307,000	2,461,100	2,112,600	0	2,112,600
Federal	11,533,600	12,550,100	12,550,100	0	12,550,100
Other	2,500	4,700	4,700	0	4,700

Standard: Maintain a rating of 92% or more of completed work orders in support of the facilities and equipment used by the full-time work force.

Measure: Percent of work orders completed.

96%	97%	99%	0	99%
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</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	4,642,700	7,778,400	7,778,400	0	7,778,400
Total	\$4,642,700	\$7,778,400	\$7,778,400	\$0	\$7,778,400
State	706,600	588,200	588,200	0	588,200
Federal	3,927,100	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.

	87%	87%	100%	0	100%
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341.10 Armories Utilities

Armories Utilities 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	5,052,900	6,222,100	6,222,100	0	6,222,100
Total	\$5,052,900	\$6,222,100	\$6,222,100	\$0	\$6,222,100
State	1,321,700	1,959,100	1,959,100	0	1,959,100
Federal	3,731,200	4,148,700	4,148,700	0	4,148,700
Other	0	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.

	\$1.15	\$1.03	\$1.10	0	\$1.10
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</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	107	107	107	0	107
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	107	107	107	0	107
Payroll	5,425,300	7,339,300	7,339,300	0	7,339,300
Operational	5,986,900	5,742,000	5,742,000	0	5,742,000
Total	\$11,412,200	\$13,081,300	\$13,081,300	\$0	\$13,081,300
State	2,337,800	3,036,500	3,036,500	0	3,036,500
Federal	8,914,400	9,115,700	9,115,700	0	9,115,700
Other	160,000	929,100	929,100	0	929,100

Standard: Increase the number of students trained overall by TEMA in each of four specific program areas: hazardous materials, incident management, search and rescue, and professional development.

Measure: The number of students trained overall in four program areas: hazardous materials, incident management, search and rescue, and professional development.

	5,352	8,800	5,600	0	5,600
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341.08 Homeland Security Grants

The Homeland Security Grants program provides federal funds to state and local governments to enhance readiness against terrorism. Funds are available for planning, equipment, training, exercises, and program oversight.

Full-Time	5	5	4	0	4
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	5	5	4	0	4
Payroll	616,100	327,700	251,700	0	251,700
Operational	21,882,100	54,736,200	32,771,100	0	32,771,100
Total	\$22,498,200	\$55,063,900	\$33,022,800	\$0	\$33,022,800
State	189,100	0	0	0	0
Federal	22,309,100	55,063,900	33,022,800	0	33,022,800
Other	0	0	0	0	0

<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</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 agencies are able to demonstrate response-level emergency communications within three hours of a significant event.

70%	72%	76%	0	76%
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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 for the repair and restoration of damaged bridges, buildings, and other public services and infrastructure.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	696,100	0	0	0	0
Operational	141,995,300	59,000,000	14,000,000	0	14,000,000
Total	\$142,691,400	\$59,000,000	\$14,000,000	\$0	\$14,000,000
State	12,184,100	4,000,000	4,000,000	0	4,000,000
Federal	130,507,300	55,000,000	10,000,000	0	10,000,000
Other	0	0	0	0	0

Standard: Manage public assistance grants to those affected by disaster.

Measure: Number of applicants' grants finalized.

250	60	60	0	60
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341.00 Total Military

Full-Time	426	393	392	0	392
Part-Time	0	0	0	0	0
Seasonal	4	4	4	0	4
Total	430	397	396	0	396
Payroll	20,196,400	24,570,300	24,264,300	0	24,264,300
Operational	188,426,100	142,392,000	75,015,100	0	75,015,100
Total	\$208,622,500	\$166,962,300	\$99,279,400	\$0	\$99,279,400
State	21,963,100	15,481,300	15,232,800	0	15,232,800
Federal	186,379,000	149,415,400	81,981,000	0	81,981,000
Other	280,400	2,065,600	2,065,600	0	2,065,600

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: Administrative Services, Criminal Investigations, Drug Investigations, Forensic Services, and Information Systems.

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 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
348.00 Tennessee Bureau of Investigation					
Full-Time	493	511	511	0	511
Part-Time	2	2	0	0	0
Seasonal	0	0	0	0	0
Total	495	513	511	0	511
Payroll	35,084,500	39,389,500	39,389,500	0	39,389,500
Operational	30,139,800	37,687,100	30,895,200	0	30,895,200
Total	\$65,224,300	\$77,076,600	\$70,284,700	\$0	\$70,284,700
State	32,830,500	42,377,200	40,717,500	0	40,717,500
Federal	11,718,600	15,468,600	15,212,400	0	15,212,400
Other	20,675,200	19,230,800	14,354,800	0	14,354,800

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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<u>Actual</u> <u>2011-2012</u>	<u>Estimated</u> <u>2012-2013</u>	<u>Base</u> <u>2013-2014</u>	<u>Cost Increase</u> <u>2013-2014</u>	<u>Recommended</u> <u>2013-2014</u>
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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.

36%	62%	50%	0	50%
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Department of Safety

Performance-Based Budget

The Tennessee Department of Safety (TDOS) 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 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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Administrative 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, and driver improvement hearings.

Full-Time	95	93	93	0	93
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	95	93	93	0	93
Payroll	5,801,100	6,285,500	6,277,300	0	6,277,300
Operational	2,845,500	2,879,100	2,829,600	0	2,829,600
Total	\$8,646,600	\$9,164,600	\$9,106,900	\$0	\$9,106,900
State	8,071,800	8,618,600	8,560,900	0	8,560,900
Federal	400	0	0	0	0
Other	574,400	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.

7%	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 TDOS employees resolved within 60 days.

88%	80%	80%	0	80%
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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349.07 Motor Vehicle Operations

Motor Vehicle Operations provides all commissioned officers with a vehicle to enforce traffic laws on state roads. The program also provides pool cars for other departmental staff to carry out services, such as school bus inspections, driver training, and repair of communication towers and radio repeater sites.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	10,945,500	12,451,100	11,551,100	0	11,551,100
Total	\$10,945,500	\$12,451,100	\$11,551,100	\$0	\$11,551,100
State	10,945,500	12,451,100	11,551,100	0	11,551,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Replace pursuit vehicles at 125,000 miles.

Measure: Percent of pursuit vehicles operating with mileage in excess of 125,000 miles.

37%	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	0	10,000	10,000	0	10,000
Total	\$0	\$10,000	\$10,000	\$0	\$10,000
State	0	10,000	10,000	0	10,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Maintain communication sites so that reliable radio coverage is provided for TDOS law enforcement personnel.

Measure: Number of communication sites maintained and managed by TDOS.

42	42	42	0	42
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Standard: Maintain communication sites so that reliable radio coverage is provided for TDOS law enforcement personnel.

Measure: Percent of communications sites inspected a minimum of three times per year.

98%	75%	75%	0	75%
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</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, and analyzes and processes traffic crashes administered by the Highway Patrol and local police agencies.

Full-Time	87	86	85	0	85
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	87	86	85	0	85
Payroll	3,886,400	5,029,300	4,959,800	0	4,959,800
Operational	2,401,100	2,789,000	2,774,000	0	2,774,000
Total	\$6,287,500	\$7,818,300	\$7,733,800	\$0	\$7,733,800
State	168,500	905,400	820,900	0	820,900
Federal	134,500	173,700	173,700	0	173,700
Other	5,984,500	6,739,200	6,739,200	0	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.

38%	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.

79%	75%	80%	0	80%
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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. This division also administers the Financial Responsibility Law, which involves canceling and restoring driving privileges.

Full-Time	472	462	459	0	459
Part-Time	23	23	23	0	23
Seasonal	0	0	0	0	0
Total	495	485	482	0	482
Payroll	17,065,000	20,432,700	20,250,000	0	20,250,000
Operational	22,878,800	23,280,700	23,000,700	1,000,000	24,000,700
Total	\$39,943,800	\$43,713,400	\$43,250,700	\$1,000,000	\$44,250,700
State	6,765,800	10,115,600	9,652,900	1,000,000	10,652,900
Federal	1,720,500	2,328,100	2,328,100	0	2,328,100
Other	31,457,500	31,269,700	31,269,700	0	31,269,700

<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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Standard: Provide service to customers in a professional, efficient, and timely manner.

Measure: Percent of driver service centers that processed applicants within 30 minutes of issuing a ticket from the queuing system.

35%	45%	45%	0	45%
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Standard: Increase the percentage of non-test driver license transactions conducted without requiring the customer to visit a driver service center.

Measure: Percent of driver license issuance transactions conducted via Internet, mail, or at a county clerk office.

34%	48%	34%	0	34%
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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	1,080	1,074	1,075	0	1,075
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,080	1,074	1,075	0	1,075
Payroll	76,685,700	86,108,000	86,174,500	1,612,700	87,787,200
Operational	19,510,600	17,701,500	17,481,500	0	17,481,500
Total	\$96,196,300	\$103,809,500	\$103,656,000	\$1,612,700	\$105,268,700
State	83,201,500	90,684,600	90,531,100	1,612,700	92,143,800
Federal	5,636,600	6,774,600	6,774,600	0	6,774,600
Other	7,358,200	6,350,300	6,350,300	0	6,350,300

Standard: Reduce highway fatalities in Tennessee.

Measure: Number of fatalities per 100 million vehicular miles traveled.

1.40	1.41	1.30	0	1.30
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Standard: Reduce highway fatalities in Tennessee.

Measure: Percent of time that THP is able to respond to fatal/injury crashes within 15 minutes.

45%	50%	50%	0	50%
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	<u>Actual</u> <u>2011-2012</u>	<u>Estimated</u> <u>2012-2013</u>	<u>Base</u> <u>2013-2014</u>	<u>Cost Increase</u> <u>2013-2014</u>	<u>Recommended</u> <u>2013-2014</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	8,500	350,000	350,000	0	350,000
Total	\$8,500	\$350,000	\$350,000	\$0	\$350,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	8,500	350,000	350,000	0	350,000

Standard: Offset operational expenses for auto theft investigations through proceeds obtained as a result of selling seized property.

Measure: Percent of operational expenses for auto theft investigations funded through the sale of seized property.

5.2%	10%	5%	0	5%
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349.15 Office of Homeland Security

The Office of Homeland Security develops, coordinates, and implements a comprehensive strategy to secure the State of Tennessee from terrorist threats and attacks. The office has three regional offices, located in East, Middle, and West Tennessee, to assist local officials with planning, training, and conducting exercises; effectively using federal grants; and improving communications. The state also has 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 the Tennessee Fusion Center, which enhances the state's ability to analyze terrorism information and improves information sharing among state, local, and federal agencies.

Full-Time	26	26	26	0	26
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	26	26	26	0	26
Payroll	1,883,900	2,248,800	1,850,800	0	1,850,800
Operational	950,300	3,642,200	3,540,200	0	3,540,200
Total	\$2,834,200	\$5,891,000	\$5,391,000	\$0	\$5,391,000
State	1,489,000	1,739,700	1,729,700	0	1,729,700
Federal	0	0	0	0	0
Other	1,345,200	4,151,300	3,661,300	0	3,661,300

<u>Actual</u> <u>2011-2012</u>	<u>Estimated</u> <u>2012-2013</u>	<u>Base</u> <u>2013-2014</u>	<u>Cost Increase</u> <u>2013-2014</u>	<u>Recommended</u> <u>2013-2014</u>
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Standard: Train law enforcement, public 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.

7,409	5,000	5,000	0	5,000
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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 and experienced rider courses.

Full-Time	2	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2	2	2	0	2
Payroll	92,000	126,100	126,100	0	126,100
Operational	397,300	443,000	388,000	0	388,000
Total	\$489,300	\$569,100	\$514,100	\$0	\$514,100
State	471,000	514,100	514,100	0	514,100
Federal	0	0	0	0	0
Other	18,300	55,000	0	0	0

Standard: Increase enrollment in the Basic Rider and Experienced Rider courses.

Measure: Number of students enrolled in a certified motorcycle rider education course.

8,911	7,800	7,800	0	7,800
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Standard: Ensure the quality of program instruction through annual site visits.

Measure: Percent of MREP training sites inspected a minimum of three times per fiscal year.

85%	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	119,400	174,000	174,000	1,500	175,500
Operational	37,000	177,500	97,500	0	97,500
Total	\$156,400	\$351,500	\$271,500	\$1,500	\$273,000

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
State	156,400	271,500	271,500	1,500	273,000
Federal	0	0	0	0	0
Other	0	80,000	0	0	0

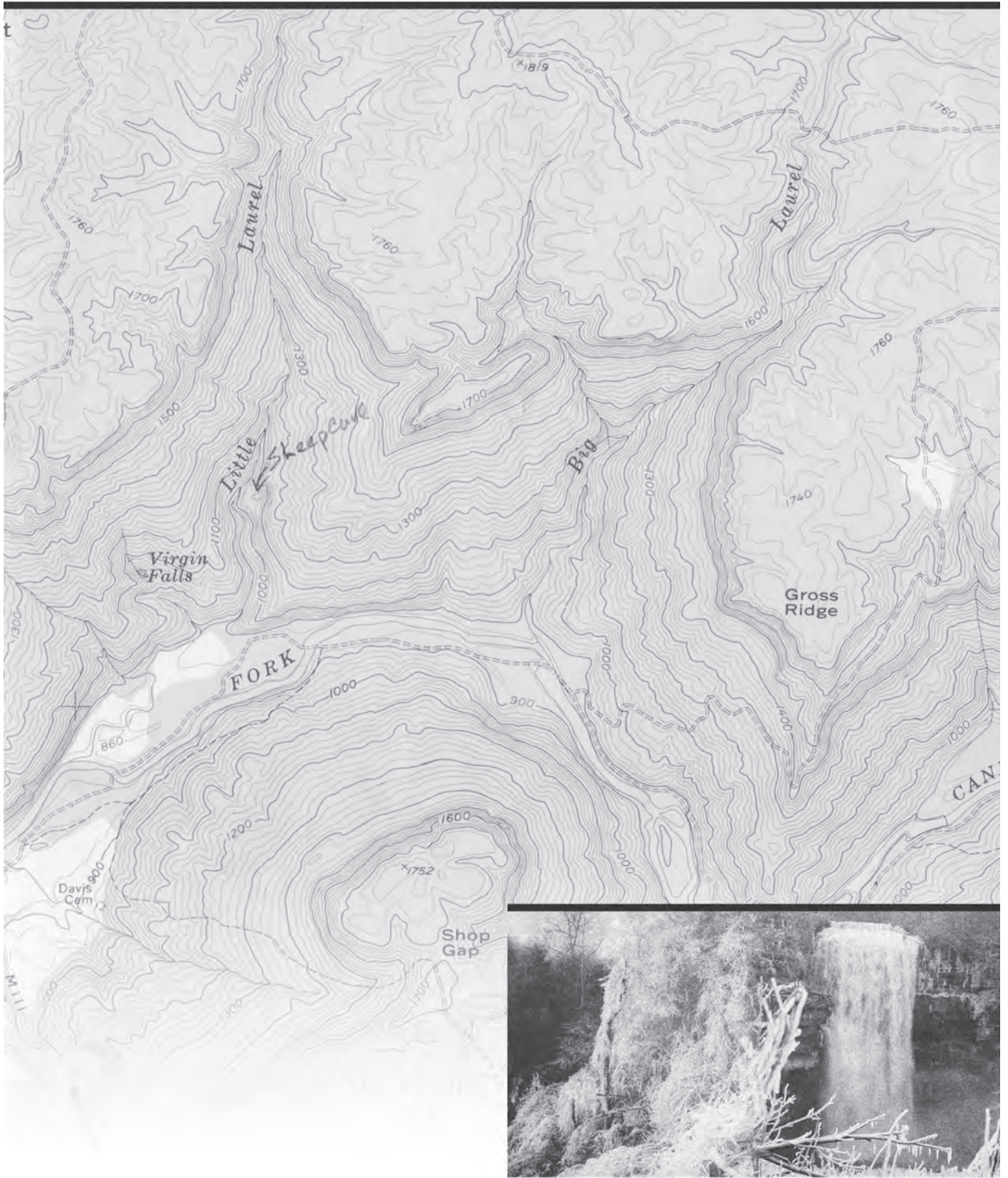
Standard: Increase public awareness of safe driving principles.

Measure: Number of safety education presentations held to promote safe highways.

	3,183	3,500	3,500	0	3,500
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349.00 Total Safety

Full-Time	1,764	1,745	1,742	0	1,742
Part-Time	23	23	23	0	23
Seasonal	0	0	0	0	0
Total	1,787	1,768	1,765	0	1,765
Payroll	105,533,500	120,404,400	119,812,500	1,614,200	121,426,700
Operational	59,974,600	63,724,100	62,022,600	1,000,000	63,022,600
Total	\$165,508,100	\$184,128,500	\$181,835,100	\$2,614,200	\$184,449,300
State	111,269,500	125,310,600	123,642,200	2,614,200	126,256,400
Federal	7,492,000	9,276,400	9,276,400	0	9,276,400
Other	46,746,600	49,541,500	48,916,500	0	48,916,500



Resources and Regulation

Resources and Regulation

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Resources and Regulation

Recommended Budget, Fiscal Year 2013 – 2014

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.

Cost Increases 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 cost increases 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 program performance measures.

Resources and Regulation Total Personnel and Funding

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Recommended 2013-2014</u>
Personnel			
Full Time	5,526	5,324	5,229
Part Time	1,017	982	934
Seasonal	329	297	297
TOTAL	<u>6,872</u>	<u>6,603</u>	<u>6,460</u>
Expenditures			
Payroll	\$ 303,519,300	\$ 346,679,500	\$ 344,257,100
Operational	481,996,100	637,657,200	530,128,000
TOTAL	<u>\$ 785,515,400</u>	<u>\$ 984,336,700</u>	<u>\$ 874,385,100</u>
Funding			
State	\$ 329,157,800	\$ 410,015,700	\$ 408,025,800
Federal	305,876,200	353,503,500	268,111,900
Other	150,481,400	220,817,500	198,247,400

Resources and Regulation
Recommended Budget for Fiscal Year 2013-2014
By Funding Source

Department	State	Federal	Other	Total
316.25 Arts Commission	6,407,600	1,044,200	537,800	7,989,600
316.27 State Museum	3,464,600	0	5,000	3,469,600
327.00 Environment and Conservation	180,028,000	73,297,900	118,387,000	371,712,900
328.00 Tennessee Wildlife Resources Agency	55,616,800	27,300,300	9,847,300	92,764,400
335.00 Commerce and Insurance	105,200,700	295,300	53,288,300	158,784,300
336.00 Financial Institutions	9,775,100	0	8,316,000	18,091,100
337.00 Labor and Workforce Development	47,533,000	166,174,200	7,866,000	221,573,200
Total	\$408,025,800	\$268,111,900	\$198,247,400	\$874,385,100

Resources and Regulation
Cost Increases for Fiscal Year 2013-2014

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Arts Commission					
• Arts Grants					
To provide non-recurring 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 the Arts license plate reserve.					
316.25 Arts Commission	\$0	\$0	\$300,000	\$300,000	0
Sub-total	\$0	\$0	\$300,000	\$300,000	0
Total Arts Commission	\$0	\$0	\$300,000	\$300,000	0

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	\$596,700	\$0	\$0	\$596,700	0
328.02 Boating Safety	\$81,400	\$0	\$0	\$81,400	0
Sub-total	\$678,100	\$0	\$0	\$678,100	0

• Salary Survey

To provide funding for a salary increase for the annual salary survey for the agency's officers, biologists, and other unique positions.

328.01 Wildlife Resources Agency	\$397,600	\$0	\$0	\$397,600	0
328.02 Boating Safety	\$54,200	\$0	\$0	\$54,200	0
Sub-total	\$451,800	\$0	\$0	\$451,800	0

Total Tennessee Wildlife Resources Agency	\$1,129,900	\$0	\$0	\$1,129,900	0
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Commerce and Insurance

• 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	\$12,600	\$0	\$0	\$12,600	0
Sub-total	\$12,600	\$0	\$0	\$12,600	0

Resources and Regulation

Cost Increases for Fiscal Year 2013-2014

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Salary Survey					
To provide funding for the salary increase for the annual border-states commissioned officer salary survey results.					
335.11 Tennessee Law Enforcement Training Academy	\$14,000	\$0	\$0	\$14,000	0
Sub-total	<u>\$14,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$14,000</u>	<u>0</u>
• Police Pay Supplements					
To provide funding for police pay supplement programs [T.C.A. 38-8-111(a)]. Local police officers are eligible for the annual \$600 pay supplement upon successful completion of at least 40 hours of in-service training.					
335.12 POST Commission	\$34,400	\$0	\$0	\$34,400	0
Sub-total	<u>\$34,400</u>	<u>\$0</u>	<u>\$0</u>	<u>\$34,400</u>	<u>0</u>
Total Commerce and Insurance	<u>\$61,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$61,000</u>	<u>0</u>

Financial Institutions

• Bank Examination Staffing

To provide funding for eight additional Financial Institution Examiner positions. The current economic environment has negatively impacted the state's banking system and placed a considerable strain on the banking division's examination resources. The number of challenged institutions has increased and more frequent and in-depth examinations are required. In addition, the assets of the state banking system have nearly doubled in the past 10 years, adding to the examination workload. These positions are necessary to keep the department adequately staffed to meet the increase in workload. Funding is from dedicated bank examination fees.

336.00 Financial Institutions	\$711,700	\$0	\$0	\$711,700	8
Sub-total	<u>\$711,700</u>	<u>\$0</u>	<u>\$0</u>	<u>\$711,700</u>	<u>8</u>

• Training and Compliance Staffing

To provide funding for a Consumer Compliance Specialist and Training Director position. The Consumer Compliance Specialist position will serve as the department's liaison between federal banking agencies and community depository institutions as federal examinations occur. A Training Director position is needed to better train the examination staff and to aid in the department's accreditation assessment. Accreditation is crucial to maintain the confidence of the public and federal banking agencies. Funding is from dedicated bank examination fees.

336.00 Financial Institutions	\$233,900	\$0	\$0	\$233,900	2
Sub-total	<u>\$233,900</u>	<u>\$0</u>	<u>\$0</u>	<u>\$233,900</u>	<u>2</u>

Total Financial Institutions	<u>\$945,600</u>	<u>\$0</u>	<u>\$0</u>	<u>\$945,600</u>	<u>10</u>
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Resources and Regulation
Cost Increases for Fiscal Year 2013-2014

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Labor and Workforce Development					
• Jobs4TN Website					
To provide recurring funding for improvements to the labor market and career information website named Jobs4TN.gov. Funds will be used to purchase a yearly license for a program that shows all available jobs from national job boards; local job boards; green job boards; fortune 100 companies; federal, state, and local government sites; national recruiters; military branch sites; major hospitals; major nonprofits; newspapers; volunteer sites; chambers of commerce; and websites of major employers.					
337.01 Administration	\$243,500	\$0	\$0	\$243,500	0
Sub-total	\$243,500	\$0	\$0	\$243,500	0
• Employment Security					
To provide non-recurring funding to offset declining federal revenues in the state's unemployment insurance program. The department will provide a plan to operate within recurring federal revenues beyond fiscal year 2013-2014.					
337.10 Employment Security	\$4,000,000	(\$4,000,000)	\$0	\$0	0
Sub-total	\$4,000,000	(\$4,000,000)	\$0	\$0	0
• Administration Legislation - Workers' Compensation					
To provide funding for the Workers' Compensation Reform Act of 2013, which proposes to shift adjudication from the Courts to an administrative system. Funding includes \$1,200,000 in workers' compensation fees paid by employers and \$600,000 from the General Fund.					
337.03 Workers' Compensation	\$1,800,000	\$0	\$0	\$1,800,000	0
Sub-total	\$1,800,000	\$0	\$0	\$1,800,000	0
Total Labor and Workforce Development	\$6,043,500	(\$4,000,000)	\$0	\$2,043,500	0
Total Resources and Regulation	\$8,180,000	(\$4,000,000)	\$300,000	\$4,480,000	10

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. These opportunities include 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 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</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	1,206,000	1,289,900	1,364,900	0	1,364,900
Operational	7,168,700	8,584,600	6,324,700	300,000	6,624,700
Total	\$8,374,700	\$9,874,500	\$7,689,600	\$300,000	\$7,989,600
State	6,465,200	7,098,100	6,407,600	0	6,407,600
Federal	1,057,900	1,044,200	1,044,200	0	1,044,200
Other	851,600	1,732,200	237,800	300,000	537,800

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.

98%	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 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 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 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
316.27 State Museum					
Full-Time	47	43	43	0	43
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	47	43	43	0	43
Payroll	2,223,000	2,293,600	2,318,600	0	2,318,600
Operational	1,538,700	1,601,300	1,151,000	0	1,151,000
Total	\$3,761,700	\$3,894,900	\$3,469,600	\$0	\$3,469,600
State	3,741,800	3,664,600	3,464,600	0	3,464,600
Federal	13,100	225,300	0	0	0
Other	6,800	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.

130,456	100,000	100,000	0	100,000
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Standard: The museum will showcase art and/or artifacts of unique cultural value to statewide audiences by providing changing exhibitions with a focus on Tennessee history.

Measure: Number of temporary changing exhibitions dedicated to Tennessee or cultural significance.

6	3	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 four functional areas: Administration, Tennessee State Parks and Conservation Services, Environment, and Energy Assistance.

<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</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	196	211	212	0	212
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	196	211	212	0	212
Payroll	12,323,200	14,981,300	14,981,300	0	14,981,300
Operational	3,414,600	3,484,600	3,484,600	0	3,484,600
Total	\$15,737,800	\$18,465,900	\$18,465,900	\$0	\$18,465,900
State	4,812,800	6,588,400	6,588,400	0	6,588,400
Federal	3,306,200	2,680,200	2,680,200	0	2,680,200
Other	7,618,800	9,197,300	9,197,300	0	9,197,300

Standard: Maintain the percentage of Administration’s actual expenditures as compared to department’s total expenditures.

Measure: Percent increase in Administration’s actual expenditures as compared to department’s total expenditures.

0%	0%	0%	0	0%
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Tennessee State Parks and Conservation Services

Tennessee State Parks and Conservation Services provides a variety of services that maintain state natural areas for preservation, historical significance, and outdoor enjoyment.

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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327.03 Recreation Educational Services

The Recreation Educational Services division assists public recreation providers and promotes recreation development through grants, technical assistance, and monitoring 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	803,900	928,200	928,200	0	928,200
Operational	3,104,700	4,354,700	4,354,700	0	4,354,700
Total	\$3,908,600	\$5,282,900	\$5,282,900	\$0	\$5,282,900
State	623,500	807,100	807,100	0	807,100
Federal	1,840,700	2,291,300	2,291,300	0	2,291,300
Other	1,444,400	2,184,500	2,184,500	0	2,184,500

Standard: Increase the number of or expand existing local, state, or federal trails or greenways.

Measure: Number of local, state, or federal trails or greenways developed or expanded by grant funding and/or for which consultation services contributed to the development or expansion.

	10	12	12	0	12
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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 additional counties or municipalities in underserved areas that create an organized parks and recreation delivery system.

	3	0	3	0	3
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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	853,300	933,000	933,000	0	933,000
Operational	2,827,800	2,521,900	1,901,800	0	1,901,800
Total	\$3,681,100	\$3,454,900	\$2,834,800	\$0	\$2,834,800
State	2,922,600	2,420,200	2,285,200	0	2,285,200
Federal	756,200	984,700	499,600	0	499,600
Other	2,300	50,000	50,000	0	50,000

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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Standard: Survey and add properties to the National Register of Historic Places.

Measure: Number of properties added to the National Register of Historic Places.

	258	250	175	0	175
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Standard: Review projects to ensure they are in compliance with the National Historic Preservation Act of 1966 as amended. (The U.S. National Park Service requires 95% or greater response within 30 calendar days.)

Measure: Percent of review and compliance projects reviewed within 30 calendar days from date of formal receipt.

	100%	100%	100%	0	100%
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327.06 Land and Water Conservation Fund

The Land and Water Conservation Fund provides grants to assist in preserving, developing, and assuring accessibility to outdoor recreation resources. This federal program provides grants for the acquisition and development of public outdoor recreation areas and facilities. The Recreation Educational Services Division administers these grants to local governments and agencies that provide recreational areas and parks.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	0	750,000	750,000	0	750,000
Total	\$0	\$750,000	\$750,000	\$0	\$750,000
State	0	0	0	0	0
Federal	0	750,000	750,000	0	750,000
Other	0	0	0	0	0

Standard: Increase to 100% 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%	100%	0	100%
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327.18 Maintenance of Historic Sites

The Maintenance of Historic Sites program ensures that state-owned historical sites are properly maintained according to historic preservation standards and for visitation by the public. Sites are maintained through contractual agreements between the Tennessee Historical Commission and non-profit organizations.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	307,900	285,000	285,000	0	285,000
Total	\$307,900	\$285,000	\$285,000	\$0	\$285,000

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
State	276,900	285,000	285,000	0	285,000
Federal	0	0	0	0	0
Other	31,000	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.

70%	100%	80%	0	80%
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327.08 Archaeology

The Archaeology program operates a statewide program of archaeological surveying, excavation, research, publication of findings, custodianship of artifacts, and 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	10	10	0	10
Part-Time	0	0	0	0	0
Seasonal	5	0	0	0	0
Total	14	10	10	0	10
Payroll	549,100	757,700	687,700	0	687,700
Operational	129,700	188,100	158,100	0	158,100
Total	\$678,800	\$945,800	\$845,800	\$0	\$845,800
State	552,400	885,300	785,300	0	785,300
Federal	0	0	0	0	0
Other	126,400	60,500	60,500	0	60,500

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%
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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	1,054	976	976	0	976
Part-Time	246	241	241	0	241
Seasonal	324	297	297	0	297
Total	1,624	1,514	1,514	0	1,514

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
Payroll	47,982,000	48,722,200	48,722,200	0	48,722,200
Operational	32,815,900	33,210,700	30,754,700	0	30,754,700
Total	\$80,797,900	\$81,932,900	\$79,476,900	\$0	\$79,476,900
State	43,917,700	45,101,300	42,395,300	0	42,395,300
Federal	411,800	121,000	121,000	0	121,000
Other	36,468,400	36,710,600	36,960,600	0	36,960,600

Standard: Improve self-sufficiency in state parks resort facilities.

Measure: Percent of operational self-sufficiency at all Tennessee State Parks' resort facilities (cabins, camping, inns, restaurants, golf courses, gift shops, and marinas.)

100%	100%	100%	0	100%
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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.

42%	43%	43%	0	43%
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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	2,171,500	2,693,700	2,693,700	0	2,693,700
Total	\$2,171,500	\$2,693,700	\$2,693,700	\$0	\$2,693,700
State	2,171,500	2,214,100	2,214,100	0	2,214,100
Federal	0	0	0	0	0
Other	0	479,600	479,600	0	479,600

Standard: Effectively complete maintenance projects and coordinate major emergency repairs with available funds.

Measure: Percent of major maintenance funds encumbered or spent.

97%	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

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
Payroll	0	0	0	0	0
Operational	86,700	0	0	0	0
Total	\$86,700	\$0	\$0	\$0	\$0
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	86,700	0	0	0	0

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	1,778,600	3,718,700	3,718,700	0	3,718,700
Total	\$1,778,600	\$3,718,700	\$3,718,700	\$0	\$3,718,700
State	1,766,800	3,718,700	3,718,700	0	3,718,700
Federal	0	0	0	0	0
Other	11,800	0	0	0	0

Standard: Effectively and efficiently distribute grants to local governments.

Measure: Percent of funds awarded in biennial grant cycle. (Note: Grants are awarded once every other year.)

Not Applicable 95% Not Applicable 0 Not Applicable

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	3,061,100	4,626,000	3,087,500	0	3,087,500
Total	\$3,061,100	\$4,626,000	\$3,087,500	\$0	\$3,087,500
State	3,007,400	3,087,500	3,087,500	0	3,087,500
Federal	0	1,538,500	0	0	0
Other	53,700	0	0	0	0

<u>Actual</u> <u>2011-2012</u>	<u>Estimated</u> <u>2012-2013</u>	<u>Base</u> <u>2013-2014</u>	<u>Cost Increase</u> <u>2013-2014</u>	<u>Recommended</u> <u>2013-2014</u>
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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.

85%	85%	85%	0	85%
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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	99,300	100,000	100,000	0	100,000
Total	\$99,300	\$100,000	\$100,000	\$0	\$100,000
State	99,300	100,000	100,000	0	100,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Make payment of State Lands Compensation Fund money within a 30-day period of time upon receipt of notification from the Department of Finance and Administration. Current policy requires this within a 90-day period.

Measure: Percent of funds released to local governments within 30 days of notification from the Department of Finance and Administration.

100%	100%	100%	0	100%
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327.50 Tennessee Heritage Conservation Trust Fund

The Tennessee Heritage Conservation Trust Fund was established in 2005 to protect and conserve significant natural areas throughout Tennessee. Through strategic partnerships with landowners, government agencies, non-profit organizations, and private companies, the program provides funds for acquisition of property and easements that preserve and protect the state's physical, cultural, archaeological, historical, and environmental resources.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	60,000	1,000,000	1,000,000	0	1,000,000
Total	\$60,000	\$1,000,000	\$1,000,000	\$0	\$1,000,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	60,000	1,000,000	1,000,000	0	1,000,000

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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Standard: Preserve undeveloped open spaces, undeveloped natural areas, and state's heritage because of their importance to citizens' physical and mental health.

Measure: Acres conserved (obligations).

	1,000	1,000	0	0	0
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Standard: Use state dollars to leverage funds from partners to support projects that preserve open spaces and state's heritage.

Measure: Partner dollars leveraged with state funds (obligations).

	0	\$1,250,000	0	0	0
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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	9,000	42,000	42,000	0	42,000
Total	\$9,000	\$42,000	\$42,000	\$0	\$42,000
State	8,400	42,000	42,000	0	42,000
Federal	0	0	0	0	0
Other	600	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	80	60	60	0	60
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	80	60	60	0	60

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
Payroll	4,360,400	3,084,200	3,084,200	0	3,084,200
Operational	901,300	557,200	557,200	0	557,200
Total	\$5,261,700	\$3,641,400	\$3,641,400	\$0	\$3,641,400
State	1,659,700	539,900	539,900	0	539,900
Federal	54,800	0	0	0	0
Other	3,547,200	3,101,500	3,101,500	0	3,101,500

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.

310	700	350	0	350
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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	7	7	0	7
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	13	7	7	0	7
Payroll	764,600	567,300	567,300	0	567,300
Operational	312,700	220,700	220,700	0	220,700
Total	\$1,077,300	\$788,000	\$788,000	\$0	\$788,000
State	507,300	140,400	140,400	0	140,400
Federal	194,800	92,400	232,100	0	232,100
Other	375,200	555,200	415,500	0	415,500

Standard: Complete four geologic maps and reports for public distribution.

Measure: Number of geologic maps and reports completed.

3	3	3	0	3
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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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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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327.23 Used Oil Collection Program

The Used Oil Collection Program promotes the proper disposal of used oil, and staff of the division of Solid Waste Management inspects used oil facilities. The program provides technical and financial assistance to local governments and private agencies that provide used oil collection centers. The program also provides general information to the public on proper disposal of oil, location of oil disposal facilities, and other information pertinent to the proper handling of oil.

Full-Time	4	4	4	0	4
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	4	4	4	0	4
Payroll	67,100	264,600	264,600	0	264,600
Operational	315,500	841,300	841,300	0	841,300
Total	\$382,600	\$1,105,900	\$1,105,900	\$0	\$1,105,900
State	381,400	1,104,900	1,104,900	0	1,104,900
Federal	0	0	0	0	0
Other	1,200	1,000	1,000	0	1,000

Standard: Increase the percent of used oil being collected from do-it-yourselfers for reuse and recycling.

Measure: Percent per year increase of used oil collected for reuse and/or recycling.

-6%	4%	4%	0	4%
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327.26 West Tennessee River Basin Authority

The West Tennessee River Basin Authority (WTRBA), administratively attached to the Department of Environment and Conservation and governed by a board of directors, works to preserve the natural flow and function of the Hatchie, Obion, and Forked Deer rivers. Services include environmentally sensitive stream maintenance in the river basins; maintenance of flood control sediment retention structures; collection of timber easements; and restoration, in a self-sustaining manner, of natural streams and floodplains.

Full-Time	17	16	16	0	16
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	17	16	16	0	16
Payroll	816,600	945,500	945,500	0	945,500
Operational	602,200	406,000	406,000	0	406,000
Total	\$1,418,800	\$1,351,500	\$1,351,500	\$0	\$1,351,500
State	1,023,200	956,400	956,400	0	956,400
Federal	0	0	0	0	0
Other	395,600	395,100	395,100	0	395,100

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 structural deficiencies) completed.

58	55	55	0	55
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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327.24 West Tennessee River Basin Authority Maintenance

The West Tennessee River Basin Authority Maintenance program provides funds for maintenance projects for the West Tennessee River Basin Authority. These projects ensure the safe and efficient operation of flood control structures such as dams, sediment retention structures, and grade control structures.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	2,642,800	1,815,500	1,215,500	0	1,215,500
Total	\$2,642,800	\$1,815,500	\$1,215,500	\$0	\$1,215,500
State	1,215,400	1,215,500	1,215,500	0	1,215,500
Federal	747,600	0	0	0	0
Other	679,800	600,000	0	0	0

Standard: Perform major maintenance on structures and construct stream-floodplain restoration projects throughout West Tennessee.

Measure: Number of major maintenance or stream-floodplain restoration projects completed.

4	3	4	0	4
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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	4	4	0	4
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	5	4	4	0	4
Payroll	69,500	478,300	478,300	0	478,300
Operational	834,700	1,432,100	1,432,100	0	1,432,100
Total	\$904,200	\$1,910,400	\$1,910,400	\$0	\$1,910,400
State	902,200	1,910,400	1,910,400	0	1,910,400
Federal	0	0	0	0	0
Other	2,000	0	0	0	0

Standard: Oversee the cleanup of dry cleaning solvent impacted sites that are progressing toward cleanup through ongoing environmental response activities.

Measure: Percent of identified dry cleaning remediation sites at which cleanup has been initiated.

85%	35%	35%	0	35%
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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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	132	132	0	132
Part-Time	12	12	12	0	12
Seasonal	0	0	0	0	0
Total	161	144	144	0	144
Payroll	8,310,900	9,946,300	9,946,300	0	9,946,300
Operational	2,585,100	7,921,500	7,921,500	0	7,921,500
Total	\$10,896,000	\$17,867,800	\$17,867,800	\$0	\$17,867,800
State	18,900	1,104,700	1,104,700	0	1,104,700
Federal	1,552,100	1,239,500	1,239,500	0	1,239,500
Other	9,325,000	15,523,600	15,523,600	0	15,523,600

Standard: Attain the March 12, 2008 EPA national ambient air quality standard (0.075 parts per million) for ozone by the EPA attainment dates.

Measure: Average design values of all ozone-monitoring sites in the state for ozone ambient concentrations in parts per million (ppm).

0.071 ppm	0.076 ppm	0.075 ppm	0	0.075 ppm
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Standard: Attain the new, more restrictive EPA national ambient air quality standard (annual average of 15 µg/m³ and daily average of 35 µg/m³) for fine particulate matter at all monitors in the state by the EPA attainment dates.

Measure: Average annual values of all PM_{2.5} fine particulates (in µg/m³) monitoring sites.

10.6 µg/m ³	12.6 µg/m ³	12.5 µg/m ³	0	12.5 µg/m ³
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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	59	59	0	59
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	63	59	59	0	59
Payroll	3,933,400	4,350,700	4,350,700	0	4,350,700
Operational	1,199,900	1,616,200	1,616,200	0	1,616,200
Total	\$5,133,300	\$5,966,900	\$5,966,900	\$0	\$5,966,900

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
State	514,400	610,400	610,400	0	610,400
Federal	115,800	70,700	152,500	0	152,500
Other	4,503,100	5,285,800	5,204,000	0	5,204,000

Standard: Meet the required percentage of registered inspectors' follow-up inspections in fiscal year 2013-2014.

Measure: Percent of inspections performed by registered inspectors that are verified for quality assurance purposes.

10%	10%	10%	0	10%
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327.33 Clean Water and Drinking Water State Revolving Fund

The Clean Water and Drinking Water State Revolving Fund provides funds to cities, counties, and utility districts for the creation and maintenance of wastewater and drinking water facilities. This division administers two low-interest revolving-fund loan programs, the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund.

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	1,183,900	1,567,100	1,567,100	0	1,567,100
Operational	45,006,600	52,708,700	49,762,200	0	49,762,200
Total	\$46,190,500	\$54,275,800	\$51,329,300	\$0	\$51,329,300
State	6,934,900	6,714,000	6,714,000	0	6,714,000
Federal	39,252,600	47,561,800	44,615,300	0	44,615,300
Other	3,000	0	0	0	0

Standard: Complete a thorough and appropriate evaluation of prospective borrowers' technical, managerial, and financial abilities to ensure their ability to repay loan amounts in full and on time, as well as borrowers' ability to maintain regulatory compliance.

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	224	203	203	0	203
Part-Time	8	9	9	0	9
Seasonal	0	0	0	0	0
Total	232	212	212	0	212
Payroll	13,015,200	15,101,900	15,101,900	0	15,101,900
Operational	11,156,600	7,515,600	7,415,600	0	7,415,600
Total	\$24,171,800	\$22,617,500	\$22,517,500	\$0	\$22,517,500
State	11,125,800	9,424,700	9,324,700	0	9,324,700
Federal	5,332,500	3,309,000	3,309,000	0	3,309,000
Other	7,713,500	9,883,800	9,883,800	0	9,883,800

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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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.

92.2%	90.0%	90.0%	0	90.0%
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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	134	120	120	0	120
Part-Time	8	12	12	0	12
Seasonal	0	0	0	0	0
Total	142	132	132	0	132
Payroll	8,429,000	9,112,100	9,112,100	0	9,112,100
Operational	2,822,900	3,365,000	3,365,000	0	3,365,000
Total	\$11,251,900	\$12,477,100	\$12,477,100	\$0	\$12,477,100
State	1,033,300	1,786,000	1,786,000	0	1,786,000
Federal	3,201,600	3,779,600	3,779,600	0	3,779,600
Other	7,017,000	6,911,500	6,911,500	0	6,911,500

Standard: Increase the percentage of landfill/solid waste facilities in significant operational compliance.

Measure: Percent of landfill/solid waste facilities in significant operational compliance.

94%	97%	97%	0	97%
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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	51	44	44	0	44
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	51	44	44	0	44
Payroll	2,979,600	3,286,800	3,286,800	0	3,286,800
Operational	967,700	3,219,700	3,219,700	0	3,219,700
Total	\$3,947,300	\$6,506,500	\$6,506,500	\$0	\$6,506,500
State	973,100	0	0	0	0
Federal	2,891,200	6,406,500	6,406,500	0	6,406,500
Other	83,000	100,000	100,000	0	100,000

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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Standard: Increase the cumulative percentage of the Oak Ridge Reservation available for reuse where remediation is complete as defined under approved final CERCLA Records of Decision.

Measure: Percent of active major Environmental Restoration projects TDEC participates with DOE/EPA.

	100%	100%	100%	0	100%
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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	0	500,000	500,000	0	500,000
Total	\$0	\$500,000	\$500,000	\$0	\$500,000
State	0	500,000	500,000	0	500,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Fund reclamation projects in order to eliminate the safety hazards that are posed by abandoned mine sites.

Measure: 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	59	59	0	59
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	60	59	59	0	59
Payroll	3,208,500	4,470,500	4,470,500	0	4,470,500
Operational	2,651,400	7,187,100	7,187,100	0	7,187,100
Total	\$5,859,900	\$11,657,600	\$11,657,600	\$0	\$11,657,600
State	20,200	1,000,000	1,000,000	0	1,000,000
Federal	1,765,700	1,989,900	1,989,900	0	1,989,900
Other	4,074,000	8,667,700	8,667,700	0	8,667,700

<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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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.

14%	10%	10%	0	10%
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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.

53%	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	76	71	71	0	71
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	76	71	71	0	71
Payroll	4,682,800	5,274,700	5,274,700	0	5,274,700
Operational	1,470,600	2,027,900	1,878,900	0	1,878,900
Total	\$6,153,400	\$7,302,600	\$7,153,600	\$0	\$7,153,600
State	817,600	1,002,200	1,002,200	0	1,002,200
Federal	2,195,500	2,523,600	2,374,600	0	2,374,600
Other	3,140,300	3,776,800	3,776,800	0	3,776,800

Standard: Conduct training, inspections, and enforcement actions to ensure community and non-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%	96%	0	96%
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Standard: Conduct a regular program of inspections to ensure that public water supplies comply with state and federal drinking health standards; monitoring, reporting, and operational requirements; and construction standards to protect public health.

Measure: Percent of the Public Water Systems that have been inspected through the Sanitary Survey Process.

100%	100%	100%	0	100%
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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327.40 Groundwater Protection

The Groundwater Protection program regulates subsurface sewage disposal systems. The program grants construction permits, inspects, and approves underground septic systems for wastewater disposal areas lacking wastewater treatment plants. In addition, the division is responsible for inspecting septic tank maintenance and recommending alternative methods of wastewater disposal for areas unable to support conventional underground septic systems.

Full-Time	74	74	74	0	74
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	74	74	74	0	74
Payroll	5,088,200	5,630,400	5,630,400	0	5,630,400
Operational	1,110,200	2,088,800	1,088,800	0	1,088,800
Total	\$6,198,400	\$7,719,200	\$6,719,200	\$0	\$6,719,200
State	3,004,600	3,155,400	2,155,400	0	2,155,400
Federal	68,500	0	0	0	0
Other	3,125,300	4,563,800	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.

	6,500	6,000	6,000	0	6,000
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327.41 Underground Storage Tanks

The Underground Storage Tanks program regulates the installation of underground petroleum storage tanks and performs mandatory inspections of these tanks. The division issues certificates, collects fees, reimburses allowable environmental investigation costs to eligible tank owners and operators, and manages the Tennessee petroleum underground storage tanks fund.

Full-Time	84	84	84	0	84
Part-Time	8	0	0	0	0
Seasonal	0	0	0	0	0
Total	92	84	84	0	84
Payroll	4,796,000	5,709,200	5,709,200	0	5,709,200
Operational	16,980,000	19,467,600	19,467,600	0	19,467,600
Total	\$21,776,000	\$25,176,800	\$25,176,800	\$0	\$25,176,800
State	17,183,000	23,099,500	23,099,500	0	23,099,500
Federal	4,463,600	2,077,300	2,077,300	0	2,077,300
Other	129,400	0	0	0	0

Standard: Inspect all active underground storage tank facilities every three years.

Measure: Percent of active, registered underground storage tank facilities inspected annually.

	40%	36%	36%	0	36%
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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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	1,157,900	1,371,400	1,371,400	0	1,371,400
Operational	6,511,800	9,869,600	9,869,600	0	9,869,600
Total	\$7,669,700	\$11,241,000	\$11,241,000	\$0	\$11,241,000
State	7,627,100	11,241,000	11,241,000	0	11,241,000
Federal	0	0	0	0	0
Other	42,600	0	0	0	0

Standard: Increase the percentage of electronic waste collected annually at public collection sites for reuse and recycling.

Measure: Percent increase of electronic waste collected annually for reuse and/or recycling.

46%	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	40,626,400	52,728,500	52,658,000	0	52,658,000
Total	\$40,626,400	\$52,728,500	\$52,658,000	\$0	\$52,658,000
State	40,609,800	52,728,500	52,658,000	0	52,658,000
Federal	0	0	0	0	0
Other	16,600	0	0	0	0

Standard: Allocate fees to fund environmental protection activities.

Measure: Amount of fees used to fund environmental protection activities.

\$40,626,400	\$52,757,000	\$52,757,000	0	\$52,757,000
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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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 completes 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	8	8	0	8
Part-Time	4	4	4	0	4
Seasonal	0	0	0	0	0
Total	13	12	12	0	12
Payroll	399,300	493,300	493,300	0	493,300
Operational	532,400	425,500	425,500	0	425,500
Total	\$931,700	\$918,800	\$918,800	\$0	\$918,800
State	97,900	0	0	0	0
Federal	391,900	233,300	233,300	0	233,300
Other	441,900	685,500	685,500	0	685,500

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.

	383	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.

	5,785	5,100	5,100	0	5,100
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327.45 Office of Sustainable Practices

The Office of Sustainable Practices provides non-regulatory assistance to businesses, schools, government agencies, industries, organizations, and individuals. Program staff inform and advise these groups to minimize potentially adverse effects on the environment, encourage business compliance efforts, notify affected industries of regulatory requirements, publish information, provide training, conduct inspections, and promote outreach activities.

Full-Time	19	14	12	0	12
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	19	14	12	0	12
Payroll	1,116,800	1,024,600	969,900	0	969,900
Operational	337,100	143,700	143,700	0	143,700
Total	\$1,453,900	\$1,168,300	\$1,113,600	\$0	\$1,113,600
State	537,900	621,200	621,200	0	621,200
Federal	301,300	240,500	122,400	0	122,400
Other	614,700	306,600	370,000	0	370,000

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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Standard: Provide businesses, government, schools, local communities, 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.

	11,354	5,000	5,000	0	5,000
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Energy Assistance

The Office of Energy Programs 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.

327.52 Office of Energy Programs

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	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	641,100	828,400	828,400	0	828,400
Operational	41,298,300	10,967,400	3,284,900	0	3,284,900
Total	\$41,939,400	\$11,795,800	\$4,113,300	\$0	\$4,113,300
State	34,800	34,800	34,800	0	34,800
Federal	40,124,300	451,700	423,800	0	423,800
Other	1,780,300	11,309,300	3,654,700	0	3,654,700

Standard: Promote energy efficiency, renewable energy, conservation, and alternative energy sources.

Measure: Number of students reached through Energy Education Programs.

	80,716	90,000	95,000	0	95,000
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327.53 Energy Loan Programs

The Energy Loan Programs are organized as revolving loan programs to assist for-profit businesses, non-profit organizations, private institutions or 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	5,200,000	5,200,000	0	5,200,000
Total	\$0	\$5,200,000	\$5,200,000	\$0	\$5,200,000

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
State	0	0	0	0	0
Federal	0	5,200,000	0	0	0
Other	0	0	5,200,000	0	5,200,000
327.00 Total Environment and Conservation					
Full-Time	2,395	2,230	2,229	0	2,229
Part-Time	286	278	278	0	278
Seasonal	329	297	297	0	297
Total	3,010	2,805	2,804	0	2,804
Payroll	127,532,300	139,829,700	139,705,000	0	139,705,000
Operational	230,733,000	249,201,000	232,007,900	0	232,007,900
Total	\$358,265,300	\$389,030,700	\$371,712,900	\$0	\$371,712,900
State	156,381,800	184,139,500	180,028,000	0	180,028,000
Federal	108,968,700	83,541,500	73,297,900	0	73,297,900
Other	92,914,800	121,349,700	118,387,000	0	118,387,000

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</u> <u>2011-2012</u>	<u>Estimated</u> <u>2012-2013</u>	<u>Base</u> <u>2013-2014</u>	<u>Cost Increase</u> <u>2013-2014</u>	<u>Recommended</u> <u>2013-2014</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	631	629	629	0	629
Part-Time	10	10	10	0	10
Seasonal	0	0	0	0	0
Total	641	639	639	0	639
Payroll	38,713,700	42,711,900	42,711,900	994,300	43,706,200
Operational	21,618,000	33,743,800	31,038,500	0	31,038,500
Total	\$60,331,700	\$76,455,700	\$73,750,400	\$994,300	\$74,744,700
State	30,757,700	39,797,100	40,770,200	994,300	41,764,500
Federal	22,590,400	22,139,800	23,182,600	0	23,182,600
Other	6,983,600	14,518,800	9,797,600	0	9,797,600

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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Standard: Provide recreational opportunities for the sportsmen in Tennessee.

Measure: Annual harvest of white-tailed deer by hunters.

	167,789	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	35	35	35	0	35
Part-Time	45	45	44	0	44
Seasonal	0	0	0	0	0
Total	80	80	79	0	79
Payroll	4,547,500	5,482,300	5,482,300	135,600	5,617,900
Operational	4,065,900	9,096,000	5,480,500	0	5,480,500
Total	\$8,613,400	\$14,578,300	\$10,962,800	\$135,600	\$11,098,400
State	5,671,700	6,603,600	6,810,400	135,600	6,946,000
Federal	2,906,200	3,782,900	4,117,700	0	4,117,700
Other	35,500	4,191,800	34,700	0	34,700

Standard: Reduce number of boating fatalities by enforcing boating safety laws.

Measure: Number of boating fatalities per 100,000 boats.

	9.3	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	4,296,800	6,521,300	6,521,300	0	6,521,300
Total	\$4,296,800	\$6,521,300	\$6,521,300	\$0	\$6,521,300
State	4,070,600	6,506,300	6,506,300	0	6,506,300
Federal	176,000	0	0	0	0
Other	50,200	15,000	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.

	209,091	209,000	214,000	0	214,000
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</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	368,800	400,000	400,000	0	400,000
Total	\$368,800	\$400,000	\$400,000	\$0	\$400,000
State	368,200	400,000	400,000	0	400,000
Federal	0	0	0	0	0
Other	600	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	666	664	664	0	664
Part-Time	55	55	54	0	54
Seasonal	0	0	0	0	0
Total	721	719	718	0	718
Payroll	43,261,200	48,194,200	48,194,200	1,129,900	49,324,100
Operational	30,349,500	49,761,100	43,440,300	0	43,440,300
Total	\$73,610,700	\$97,955,300	\$91,634,500	\$1,129,900	\$92,764,400
State	40,868,200	53,307,000	54,486,900	1,129,900	55,616,800
Federal	25,672,600	25,922,700	27,300,300	0	27,300,300
Other	7,069,900	18,725,600	9,847,300	0	9,847,300

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 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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Administration

The Administration division includes the office of the commissioner, fiscal services, management information services, personnel, legal services, and audit consulting and oversight. This division supports the operations of each division within the department.

335.01 Administration

Full-Time	89	87	88	0	88
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	89	87	88	0	88
Payroll	5,177,000	6,215,600	6,319,100	0	6,319,100
Operational	1,352,400	1,070,300	1,070,300	0	1,070,300
Total	\$6,529,400	\$7,285,900	\$7,389,400	\$0	\$7,389,400
State	1,269,600	1,305,700	1,305,700	0	1,305,700
Federal	0	0	0	0	0
Other	5,259,800	5,980,200	6,083,700	0	6,083,700

Standard: Respond to and complete requests for information systems services within the following timeframes upon receipt: by committed completion date.

Measure: Percent of completed requests by the committed completion date.

95%	95%	95%	0	95%
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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 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</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	120	113	110	0	110
Part-Time	0	5	5	0	5
Seasonal	0	0	0	0	0
Total	120	118	115	0	115
Payroll	5,928,900	7,650,600	7,547,100	0	7,547,100
Operational	4,022,300	5,776,900	5,787,500	0	5,787,500
Total	\$9,951,200	\$13,427,500	\$13,334,600	\$0	\$13,334,600
State	0	92,900	0	0	0
Federal	209,900	0	0	0	0
Other	9,741,300	13,334,600	13,334,600	0	13,334,600

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%	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	957,300	1,354,500	1,354,500	0	1,354,500
Operational	783,400	862,100	862,100	0	862,100
Total	\$1,740,700	\$2,216,600	\$2,216,600	\$0	\$2,216,600
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,740,700	2,216,600	2,216,600	0	2,216,600

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</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 30 days of receipt.

Measure: Percent of applications examined within 30 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	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	753,200	893,600	893,600	0	893,600
Operational	563,900	639,600	414,600	0	414,600
Total	\$1,317,100	\$1,533,200	\$1,308,200	\$0	\$1,308,200
State	1,315,000	1,226,200	1,226,200	0	1,226,200
Federal	0	0	0	0	0
Other	2,100	307,000	82,000	0	82,000

Standard: Provide a response to questions, inquiries, or telephone calls in which a response was requested within three working days.

Measure: Percent of questions, inquiries, and telephone calls in which a response was given within three working days.

	100%	100%	100%	0	100%
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Standard: Upon receipt of a written or electronic complaint, Consumer Affairs will forward a reply to the consumer within seven business days.

Measure: Percent of initial responses sent to consumers within seven business days of receipt.

	99%	100%	100%	0	100%
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335.15 Real Estate Education and Recovery Fund

The Real Estate Education and Recovery Fund is available for paying court-awarded claims to consumers. Interest earned by the fund is used to further the education of real estate licensees and consumers.

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

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
Payroll	0	0	0	0	0
Operational	16,400	291,700	291,700	0	291,700
Total	\$16,400	\$291,700	\$291,700	\$0	\$291,700
State	0	291,700	291,700	0	291,700
Federal	0	0	0	0	0
Other	16,400	0	0	0	0

Standard: Conduct a minimum of twelve educational seminars for licensees annually.

Measure: Number of seminars conducted annually.

	24	12	12	0	12
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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	51,000	81,700	81,700	0	81,700
Total	\$51,000	\$81,700	\$81,700	\$0	\$81,700
State	50,800	81,700	81,700	0	81,700
Federal	0	0	0	0	0
Other	200	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	169,000	363,900	363,900	0	363,900
Total	\$169,000	\$363,900	\$363,900	\$0	\$363,900
State	168,800	363,900	363,900	0	363,900
Federal	0	0	0	0	0
Other	200	0	0	0	0

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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Standard: Reduce the Burial Services reserve deficit.

Measure: Percent by which the reserve deficit is reduced using the Cemetery Consumer Protection Fund.

	16.64%	5.00%	5.00%	0	5.00%
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335.20 Pre-Need Funeral Consumer Protection Fund

The Pre-Need Funeral Consumer Protection Fund was established in 2007 by the General Assembly to register pre-need funeral retailers and to provide consumer protection for any receivership action taken against a pre-need funeral seller.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	192,100	100,100	100,100	0	100,100
Total	\$192,100	\$100,100	\$100,100	\$0	\$100,100
State	12,100	100,100	100,100	0	100,100
Federal	0	0	0	0	0
Other	180,000	0	0	0	0

Standard: Reduce the Burial Services reserve deficit.

Measure: Percent the reserve deficit is reduced using the Pre-Need Funeral Consumer Protection Fund.

	27.69%	5.00%	5.00%	0	5.00%
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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	16	16	0	16
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	19	16	16	0	16
Payroll	1,118,700	1,678,700	1,678,700	0	1,678,700
Operational	576,200	720,400	597,400	0	597,400
Total	\$1,694,900	\$2,399,100	\$2,276,100	\$0	\$2,276,100
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,694,900	2,399,100	2,276,100	0	2,276,100

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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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.

	99%	98%	98%	0	98%
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Standard: Perform monthly tests of compliance with the statutory claims processing timeliness standards for all TennCare HMOs, PLHSOs, and TPAs, as required by the interagency agreement with TennCare Bureau.

Measure: Percent of monthly tests of compliance performed within the statutory claims processing timeliness standards for TennCare HMOs, PLSHOs, and TPAs.

	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	200	195	195	0	195
Part-Time	115	115	115	0	115
Seasonal	0	0	0	0	0
Total	315	310	310	0	310
Payroll	7,638,400	11,525,400	11,525,400	0	11,525,400
Operational	5,875,200	7,853,200	7,853,200	0	7,853,200
Total	\$13,513,600	\$19,378,600	\$19,378,600	\$0	\$19,378,600
State	12,176,000	18,779,900	18,779,900	0	18,779,900
Federal	0	0	0	0	0
Other	1,337,600	598,700	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 of a completed/approved application.

	95%	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.

	84%	75%	75%	0	75%
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</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	20	20	0	20
Seasonal	0	0	0	0	0
Total	50	21	21	0	21
Payroll	92,000	148,000	148,000	0	148,000
Operational	29,400	99,000	99,000	0	99,000
Total	\$121,400	\$247,000	\$247,000	\$0	\$247,000
State	121,400	247,000	247,000	0	247,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Issue licenses to applicants upon submission of completed, approved application.

Measure: Number of licenses issued upon receipt of completed, approved application.

	318	500	500	0	500
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Standard: Regulate permitted events in accordance with the applicable rules and regulations.

Measure: Number of permitted events regulated.

	15	25	25	0	25
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335.22 Corrections Institute

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.

Full-Time	13	15	15	0	15
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	13	15	15	0	15
Payroll	636,300	743,000	743,000	0	743,000
Operational	263,900	747,200	747,200	0	747,200
Total	\$900,200	\$1,490,200	\$1,490,200	\$0	\$1,490,200
State	811,100	1,430,200	1,430,200	0	1,430,200
Federal	0	0	0	0	0
Other	89,100	60,000	60,000	0	60,000

<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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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, we can ensure that all facilities are inspected and re-inspected by December 31st, as mandated.

127	126	126	0	126
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Standard: Train and monitor as many as possible local correctional officers in both basic and in-service training within each preceding calendar year. This is a continuing process because of the high turnover rate in the jail environment.

Measure: Number of officers trained or monitored in a calendar year.

6,719	7,500	7,650	0	7,650
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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	746,700	867,300	867,300	0	867,300
Operational	48,273,800	76,825,400	68,083,300	0	68,083,300
Total	\$49,020,500	\$77,692,700	\$68,950,600	\$0	\$68,950,600
State	47,869,600	63,140,100	63,140,100	0	63,140,100
Federal	1,041,800	0	0	0	0
Other	109,100	14,552,600	5,810,500	0	5,810,500

Standard: Provide sufficient oversight to assist ECDs in emerging from financial distress.

Measure: Number of ECDs deemed financially distressed pursuant to TCA §7-86-304(d) for over 24 months.

3	1	0	0	0
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Standard: Ensure that every ECD is an integral component of the statewide Next Generation 911 Internet Protocol (IP) platform.

Measure: Number of Public Safety Answering Points (PSAP's) connected to the Next Generation 911 IP infrastructure (for non-wireline 911 service).

86	100	140	0	140
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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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	154	154	0	154
Part-Time	0	9	9	0	9
Seasonal	0	0	0	0	0
Total	160	163	163	0	163
Payroll	7,693,000	8,747,900	8,747,900	0	8,747,900
Operational	7,485,400	12,457,200	11,995,300	0	11,995,300
Total	\$15,178,400	\$21,205,100	\$20,743,200	\$0	\$20,743,200
State	0	0	0	0	0
Federal	281,200	609,000	271,300	0	271,300
Other	14,897,200	20,596,100	20,471,900	0	20,471,900

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.

	98.5%	95.0%	95.0%	0	95.0%
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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.

	100%	85%	90%	0	90%
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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	26	23	23	0	23
Part-Time	100	92	92	0	92
Seasonal	0	0	0	0	0
Total	126	115	115	0	115

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
Payroll	1,878,700	1,995,000	1,995,000	0	1,995,000
Operational	2,015,800	1,723,400	1,723,400	0	1,723,400
Total	\$3,894,500	\$3,718,400	\$3,718,400	\$0	\$3,718,400
State	3,022,000	2,765,400	2,765,400	0	2,765,400
Federal	4,700	24,000	24,000	0	24,000
Other	867,800	929,000	929,000	0	929,000

Standard: Provide training to fire service and other emergency first responders.

Measure: Percent of basic recruit trainees certified following completion of basic training course.

93%	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	2	0	0	0	0
Part-Time	9	0	0	0	0
Seasonal	0	0	0	0	0
Total	11	0	0	0	0
Payroll	121,500	5,900	0	0	0
Operational	4,167,100	4,121,100	4,109,600	0	4,109,600
Total	\$4,288,600	\$4,127,000	\$4,109,600	\$0	\$4,109,600
State	4,288,600	4,127,000	4,109,600	0	4,109,600
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.

3,170	3,500	3,600	0	3,600
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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.

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
Full-Time	25	23	23	0	23
Part-Time	2	1	1	0	1
Seasonal	0	0	0	0	0
Total	27	24	24	0	24
Payroll	1,578,400	1,601,800	1,601,800	26,600	1,628,400
Operational	2,131,400	2,180,800	2,130,800	0	2,130,800
Total	\$3,709,800	\$3,782,600	\$3,732,600	\$26,600	\$3,759,200
State	2,329,600	2,363,200	2,350,700	26,600	2,377,300
Federal	0	0	0	0	0
Other	1,380,200	1,419,400	1,381,900	0	1,381,900

Standard: Provide effective training of new law enforcement recruits hired by agencies served by TLETA.

Measure: Average number of points gained by class on pre- and post-tests, using the Peace Officers Training (POST) certified Basic Police School knowledge test.

30.1	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.

48	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	5	5	0	5
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	6	5	5	0	5
Payroll	286,600	299,900	299,900	0	299,900
Operational	8,252,200	8,690,900	8,690,900	34,400	8,725,300
Total	\$8,538,800	\$8,990,800	\$8,990,800	\$34,400	\$9,025,200
State	8,538,200	8,947,500	8,947,500	34,400	8,981,900
Federal	0	0	0	0	0
Other	600	43,300	43,300	0	43,300

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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<u>Actual</u> <u>2011-2012</u>	<u>Estimated</u> <u>2012-2013</u>	<u>Base</u> <u>2013-2014</u>	<u>Cost Increase</u> <u>2013-2014</u>	<u>Recommended</u> <u>2013-2014</u>
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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.

13,307	13,828	14,381	0	14,381
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335.00 Total Commerce and Insurance

Full-Time	708	679	677	0	677
Part-Time	275	242	242	0	242
Seasonal	0	0	0	0	0
Total	983	921	919	0	919
Payroll	34,606,700	43,727,200	43,721,300	26,600	43,747,900
Operational	86,220,900	124,604,900	115,002,000	34,400	115,036,400
Total	\$120,827,600	\$168,332,100	\$158,723,300	\$61,000	\$158,784,300
State	81,972,800	105,262,500	105,139,700	61,000	105,200,700
Federal	1,537,600	633,000	295,300	0	295,300
Other	37,317,200	62,436,600	53,288,300	0	53,288,300

Department of Financial Institutions

Performance-Based Budget

The Tennessee Department of Financial Institutions (TDFI) 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 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
336.00 Financial Institutions					
Full-Time	161	161	161	10	171
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	161	161	161	10	171
Payroll	10,999,700	13,228,400	13,228,400	906,400	14,134,800
Operational	3,093,100	3,917,100	3,917,100	39,200	3,956,300
Total	\$14,092,800	\$17,145,500	\$17,145,500	\$945,600	\$18,091,100
State	6,362,700	8,829,500	8,829,500	945,600	9,775,100
Federal	0	0	0	0	0
Other	7,730,100	8,316,000	8,316,000	0	8,316,000

Standard: Pursuant to statute, regulate and examine Tennessee state-chartered banks and Tennessee state-chartered credit unions.

Measure: TDFI examinations and joint TDFI / FDIC or Federal Reserve Bank (FRB) examinations of Tennessee state-chartered banks and joint TDFI/NCUA examinations of Tennessee state-chartered credit unions.

176	170	165	0	165
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Standard: Regulate licensed non-depository financial institutions for compliance with all applicable state and federal laws and regulations.

Measure: Percent of non-depository financial institutions, excluding mortgage businesses, examined by the department's Compliance Division.

90%	90%	100%	0	100%
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<u>Actual</u> <u>2011-2012</u>	<u>Estimated</u> <u>2012-2013</u>	<u>Base</u> <u>2013-2014</u>	<u>Cost Increase</u> <u>2013-2014</u>	<u>Recommended</u> <u>2013-2014</u>
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Standard: Regulate licensed non-depository financial institutions for compliance with all applicable state and federal laws and regulations.

Measure: Percent of non-depository mortgage businesses examined by the department's Compliance Division.

100%	45%	100%	0	100%
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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 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</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	75	75	71	0	71
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
Total	77	77	73	0	73
Payroll	7,099,000	5,703,200	5,533,900	0	5,533,900
Operational	3,970,500	4,748,900	4,240,400	243,500	4,483,900
Total	\$11,069,500	\$10,452,100	\$9,774,300	\$243,500	\$10,017,800
State	3,474,800	3,185,000	2,629,600	243,500	2,873,100
Federal	7,026,300	7,233,100	7,110,700	0	7,110,700
Other	568,400	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.

3.5%	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	94	93	93	0	93
Part-Time	3	3	3	0	3
Seasonal	0	0	0	0	0
Total	97	96	96	0	96

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
Payroll	6,087,600	7,448,100	7,448,100	0	7,448,100
Operational	1,476,800	2,020,300	2,020,300	0	2,020,300
Total	\$7,564,400	\$9,468,400	\$9,468,400	\$0	\$9,468,400
State	3,487,000	5,030,600	5,030,600	0	5,030,600
Federal	4,059,900	4,403,200	4,403,200	0	4,403,200
Other	17,500	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.

	7,111	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.

	13,495	9,500	9,500	0	9,500
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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	351,400	407,600	370,900	0	370,900
Operational	157,100	216,200	181,800	0	181,800
Total	\$508,500	\$623,800	\$552,700	\$0	\$552,700
State	331,600	380,400	361,400	0	361,400
Federal	120,900	126,400	120,200	0	120,200
Other	56,000	117,000	71,100	0	71,100

Standard: Maintain the number of employee training hours in mine safety to ensure preparedness for mine emergencies.

Measure: Number of hours that employees are trained in mine safety.

	34	50	50	0	50
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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	60	60	0	60
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	56	60	60	0	60
Payroll	3,091,500	3,523,300	3,843,000	0	3,843,000
Operational	720,300	988,400	988,400	0	988,400
Total	\$3,811,800	\$4,511,700	\$4,831,400	\$0	\$4,831,400

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
State	3,727,600	4,449,900	4,769,600	0	4,769,600
Federal	0	0	0	0	0
Other	84,200	61,800	61,800	0	61,800

Standard: Maintain the percentage of boiler and pressure vessel delinquents (any boiler or pressure vessel that is overdue for inspection by more than 90 days) at or below 4%.

Measure: Percent of delinquent boiler inspections.

	8.3%	4.0%	4.0%	0	4.0%
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Standard: Maintain a minimum of 120 hours of elevator deputy training annually to ensure the latest state and/or national safety/operational techniques are maintained.

Measure: Number of training hours completed by elevator deputy inspectors.

	198	180	180	0	180
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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	166	164	157	0	157
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	166	164	157	0	157
Payroll	9,976,700	11,242,400	10,931,200	0	10,931,200
Operational	2,218,800	2,527,600	2,191,400	1,800,000	3,991,400
Total	\$12,195,500	\$13,770,000	\$13,122,600	\$1,800,000	\$14,922,600
State	12,052,400	13,581,600	12,938,700	1,800,000	14,738,700
Federal	0	0	0	0	0
Other	143,100	188,400	183,900	0	183,900

Standard: Maintain the percentage of Benefit Review Conferences (BRC) mediated and settled.

Measure: Number/percent of BRCs mediated and settled.

	3,835 (69%)	3,000 (67%)	3,000 (67%)	0	3,000 (67%)
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Standard: Improve compliance of the Tennessee Workers' Compensation Act by collecting Uninsured Employer Fund (UEF) Penalties.

Measure: Total amount of UEF Penalties collected.

	\$1,093,394	\$1,300,000	\$1,125,000	0	\$1,125,000
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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337.15 Workers' Compensation Employee Misclassification Education and Enforcement Fund

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	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	275,700	280,800	284,300	0	284,300
Operational	92,900	49,600	46,100	0	46,100
Total	\$368,600	\$330,400	\$330,400	\$0	\$330,400
State	366,200	330,400	330,400	0	330,400
Federal	0	0	0	0	0
Other	2,400	0	0	0	0

Standard: Conduct investigations of employers each month in order to reduce the number of misclassified employees pursuant to the Workers' Compensation Act.

Measure: Number of investigations conducted annually.

	1,000	1,500	1,500	0	1,500
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Standard: Ensure that investigations are conducted on employers most likely to be in violation.

Measure: Percent of employers investigated who are found in violation of the Workers' Compensation Act.

	28%	50%	50%	0	50%
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337.08 Second Injury Fund

The Second Injury Fund appropriation provides funding to pay the disability claims of previously injured employees that suffer additional injury on the job, resulting in permanent and total disability. In addition, the fund also encourages employers to hire workers with disabilities. Funding is provided from the workers' compensation premium tax.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	6,307,900	10,147,400	10,147,400	0	10,147,400
Total	\$6,307,900	\$10,147,400	\$10,147,400	\$0	\$10,147,400
State	5,909,600	9,872,400	9,872,400	0	9,872,400
Federal	0	0	0	0	0
Other	398,300	275,000	275,000	0	275,000

<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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Standard: Pay awards from the Second Injury Fund to previously disabled employees who suffered an at-work injury that left them permanently and totally disabled, thus unable to ever return to work.

Measure: Awards paid from the Second Injury Fund.

\$6,342,560	\$5,900,000	\$5,900,000	0	\$5,900,000
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Labor Standards

337.06 Labor Standards

The Labor Standards division enforces labor laws, protecting wage earners from unfair practices through the Wage Regulation Act, protecting children through the Child Labor Act, and protecting state-funded construction work through the Prevailing Wage Act. This program also conducts statistical research on work-related injuries, illnesses, and fatalities. The program also provides an employee assistance professional program that assists employees with personal concerns that might hinder job performance.

Full-Time	24	23	23	0	23
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	24	23	23	0	23
Payroll	879,300	1,163,200	1,163,200	0	1,163,200
Operational	272,800	370,800	307,100	0	307,100
Total	\$1,152,100	\$1,534,000	\$1,470,300	\$0	\$1,470,300
State	1,002,000	1,328,700	1,273,300	0	1,273,300
Federal	150,100	205,300	197,000	0	197,000
Other	0	0	0	0	0

Standard: Conduct at least 50 lectures per year to promote child labor safety education and awareness.

Measure: Number of lectures delivered.

58	50	50	0	50
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Standard: Maintain the number of child labor prohibited occupation violations at or below 5% as a result of increased lecture outreach programs.

Measure: Percent of child labor inspections found with prohibited occupation violations.

1.24%	5.00%	5.00%	0	5.00%
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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.

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
Full-Time	36	28	28	0	28
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	36	28	28	0	28
Payroll	2,633,700	3,468,600	3,468,600	0	3,468,600
Operational	59,465,300	78,329,500	64,954,000	0	64,954,000
Total	\$62,099,000	\$81,798,100	\$68,422,600	\$0	\$68,422,600
State	0	0	0	0	0
Federal	62,099,000	81,720,100	68,344,600	0	68,344,600
Other	0	78,000	78,000	0	78,000

Standard: Meet or exceed the goal to place into employment 76% of the adult participants who exit the program between July 1, 2012 and June 30, 2013.

Measure: Percent of adult participants exiting program and entering employment participants.

78.1%	79.0%	80.0%	0	80.0%
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Standard: Meet or exceed the goal to place into employment 83% of the dislocated workers who exit the program between July 1, 2012 and June 30, 2013.

Measure: Percent of dislocated-worker participants exiting program and entering employment.

86.73%	87.50%	88.00%	0	88.00%
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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	884,700	925,800	963,000	0	963,000
Operational	15,602,900	15,665,000	14,627,800	0	14,627,800
Total	\$16,487,600	\$16,590,800	\$15,590,800	\$0	\$15,590,800
State	3,014,100	4,039,200	3,889,200	0	3,889,200
Federal	13,473,500	12,551,600	11,701,600	0	11,701,600
Other	0	0	0	0	0

Standard: Raise the number of General Educational Development (GED) diplomas issued.

Measure: Number of GED diplomas issued.

9,159	16,000	16,000	0	16,000
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Standard: Raise the percentage of students completing a level of education in the Adult Education program.

Measure: Percent of students completing a level of education.

56.21%	80.00%	80.00%	0	80.00%
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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Employment Security

337.10 Employment Security

The Employment Security division provides job availability data to the general public. The division's primary programs are unemployment insurance, job service, and labor market information. The unemployment insurance program determines eligibility and pays unemployment insurance benefits to workers who are unemployed through no fault of their own, and collects appropriate premiums from liable employers. The job service program has administrative responsibility for providing a basic labor exchange system, job placement, and development services to special applicant groups, such as veterans, Job Training Partnership Act applicants, senior citizens, food stamp recipients, and Temporary Assistance for Needy Families (Families First) recipients. The Employment Security Division also collects, analyzes, and maintains data on the economic and demographic characteristics of the labor force in Tennessee.

Full-Time	1,055	1,061	970	0	970
Part-Time	378	384	337	0	337
Seasonal	0	0	0	0	0
Total	1,433	1,445	1,307	0	1,307
Payroll	52,410,800	63,953,500	59,655,600	0	59,655,600
Operational	32,606,900	84,923,500	26,163,200	0	26,163,200
Total	\$85,017,700	\$148,877,000	\$85,818,800	\$0	\$85,818,800
State	0	5,516,300	394,300	4,000,000	4,394,300
Federal	81,696,600	135,897,100	78,296,900	-4,000,000	74,296,900
Other	3,321,100	7,463,600	7,127,600	0	7,127,600

Standard: Pay Unemployment Insurance first benefit payments within 14 days after the week ending date of the first compensable week in the benefit year.

Measure: First payment promptness (within 14 days).

	78.4%	87.0%	87.0%	0	87.0%
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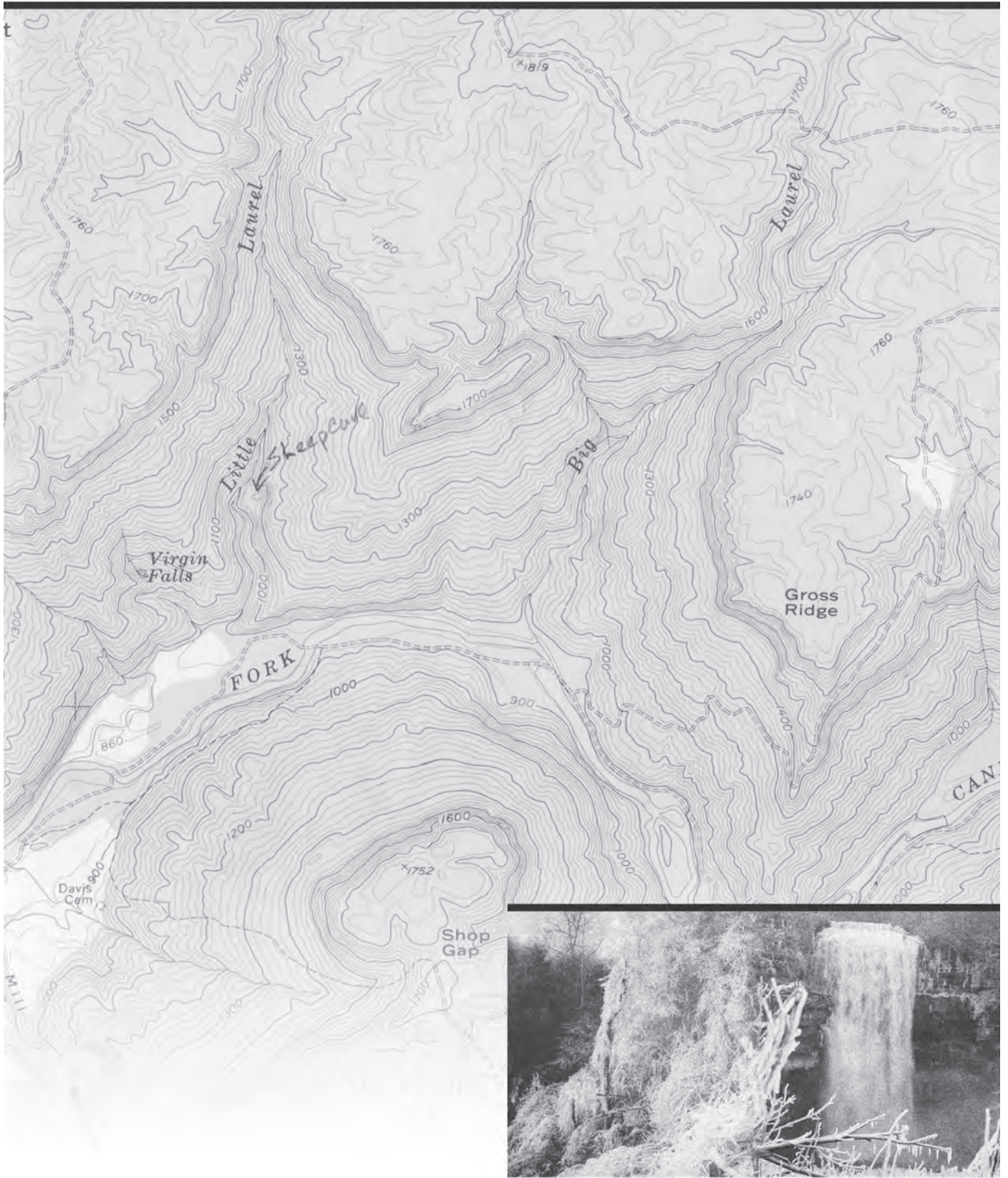
Standard: Exceed the negotiated standard for Wagner-Peyser Entered Employment Rate.

Measure: Entered employment rate for Job Service participants.

	52%	68%	68%	0	68%
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337.00 Total Labor and Workforce Development

Full-Time	1,529	1,527	1,425	0	1,425
Part-Time	401	407	360	0	360
Seasonal	0	0	0	0	0
Total	1,930	1,934	1,785	0	1,785
Payroll	83,690,400	98,116,500	93,661,800	0	93,661,800
Operational	122,892,200	199,987,200	125,867,900	2,043,500	127,911,400
Total	\$206,582,600	\$298,103,700	\$219,529,700	\$2,043,500	\$221,573,200
State	33,365,300	47,714,500	41,489,500	6,043,500	47,533,000
Federal	168,626,300	242,136,800	170,174,200	-4,000,000	166,174,200
Other	4,591,000	8,252,400	7,866,000	0	7,866,000



Transportation, Business, and Economic Development

Transportation, Business, and Economic Development



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Transportation, Business, and Economic Development

Recommended Budget, Fiscal Year 2013 – 2014

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.

Cost Increases 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 cost increases 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 program performance measures.

Transportation, Business, and Economic Development Total Personnel and Funding

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Recommended 2013-2014</u>
Personnel			
Full Time	5,824	5,810	5,804
Part Time	10	11	9
Seasonal	215	205	180
TOTAL	6,049	6,026	5,993
Expenditures			
Payroll	\$ 284,807,300	\$ 340,042,100	\$ 342,149,400
Operational	2,209,360,900	2,181,491,200	1,977,762,900
TOTAL	\$ 2,494,168,200	\$ 2,521,533,300	\$ 2,319,912,300
Funding			
State	\$ 1,042,293,000	\$ 1,017,512,400	\$ 1,006,175,900
Federal	1,355,910,400	1,360,265,400	1,229,954,400
Other	95,964,800	143,755,500	83,782,000

**Transportation, Business and Economic Development
Recommended Budget for Fiscal Year 2013-2014
By Funding Source**

Department	State	Federal	Other	Total
316.20 Tennessee Housing Development Agency	0	227,547,300	19,985,400	247,532,700
325.00 Agriculture	66,806,400	11,223,500	10,573,200	88,603,100
326.00 Tourist Development	19,390,200	0	8,778,200	28,168,400
330.00 Economic and Community Development	105,179,300	25,856,400	6,681,200	137,716,900
400.00 Transportation	814,800,000	965,327,200	37,764,000	1,817,891,200
Total	\$1,006,175,900	\$1,229,954,400	\$83,782,000	\$2,319,912,300

Transportation, Business and Economic Development Cost Increases for Fiscal Year 2013-2014

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Tourist Development					
• Welcome Center Staffing and Operations					
To provide funding for 10 positions and operating expenses for a new I-40 welcome center in Haywood County.					
326.03 Welcome Centers	\$0	\$0	\$518,400	\$518,400	10
Sub-total	\$0	\$0	\$518,400	\$518,400	10
• Marketing Task Force					
To provide funding for a Tourism Marketing Task Force.					
326.01 Administration and Marketing	\$8,000,000	\$0	\$0	\$8,000,000	0
Sub-total	\$8,000,000	\$0	\$0	\$8,000,000	0
• Grant - NCAA Women's Basketball Final Four					
To provide a non-recurring grant to the National Collegiate Athletics Association for the operation of the women's basketball Final Four in Nashville in 2014.					
326.01 Administration and Marketing	\$100,000	\$0	\$0	\$100,000	0
Sub-total	\$100,000	\$0	\$0	\$100,000	0
Total Tourist Development	\$8,100,000	\$0	\$518,400	\$8,618,400	10

Economic and Community Development

• Jobs4TN

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. The appropriation, of which \$5 million is recurring and \$25 million is non-recurring, is necessary for the recruitment of new businesses, including support of workforce training, marketing, and education initiatives.

330.06 FastTrack Infrastructure and Job Training Assistance	\$30,000,000	\$0	\$0	\$30,000,000	0
Sub-total	\$30,000,000	\$0	\$0	\$30,000,000	0

• Film and Television Incentive Program

To provide funding (\$11,400,000 non-recurring and \$2,000,000 recurring) for the Tennessee Film and Television Incentive Fund in order to provide incentive grants for the production of films and television shows in Tennessee. Productions must meet specific eligibility requirements as determined by the Tennessee Film, Entertainment, and Music Commission. This funding will allow the commission to continue to recruit and develop Tennessee's film and television industry.

330.17 Film and Television Incentive Fund	\$13,400,000	\$0	\$0	\$13,400,000	0
Sub-total	\$13,400,000	\$0	\$0	\$13,400,000	0

**Transportation, Business and Economic Development
Cost Increases for Fiscal Year 2013-2014**

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Total Economic and Community Development	\$43,400,000	\$0	\$0	\$43,400,000	0
Total Transportation, Business and Economic Development	\$51,500,000	\$0	\$518,400	\$52,018,400	10

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. The agency received proceeds from the National Mortgage Settlement fund which are being utilized to support activities aimed to prevent foreclosures.

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 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
316.20 Tennessee Housing Development Agency					
Full-Time	242	242	242	0	242
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	242	242	242	0	242
Payroll	15,342,200	17,304,100	17,304,100	0	17,304,100
Operational	247,554,600	275,954,300	230,228,600	0	230,228,600
Total	\$262,896,800	\$293,258,400	\$247,532,700	\$0	\$247,532,700
State	0	0	0	0	0
Federal	253,929,900	238,773,000	227,547,300	0	227,547,300
Other	8,966,900	54,485,400	19,985,400	0	19,985,400

Standard: Preserve affordable housing stock in Tennessee by annually rehabilitating at least 180 units with HOME funds.

Measure: The number of units rehabilitated with HOME funds.

264	250	180	0	180
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<u>Actual</u> <u>2011-2012</u>	<u>Estimated</u> <u>2012-2013</u>	<u>Base</u> <u>2013-2014</u>	<u>Cost Increase</u> <u>2013-2014</u>	<u>Recommended</u> <u>2013-2014</u>
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Standard: Provide eligible families with safe, sound, affordable rental housing at a reasonable subsidy level by annually achieving the HUD performance rating of High in management of the Housing Choice Voucher Program.

Measure: Based upon HUD's 14 key indicators of PHA performance, annually achieve an overall performance rating of High in management of the Housing Choice Voucher Program.

High	High	High	0	High
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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</u> <u>2011-2012</u>	<u>Estimated</u> <u>2012-2013</u>	<u>Base</u> <u>2013-2014</u>	<u>Cost Increase</u> <u>2013-2014</u>	<u>Recommended</u> <u>2013-2014</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	71	69	68	0	68
Part-Time	0	0	0	0	0
Seasonal	1	0	0	0	0
Total	72	69	68	0	68
Payroll	5,052,400	5,027,800	5,040,400	0	5,040,400
Operational	5,150,100	6,084,300	6,084,300	0	6,084,300
Total	\$10,202,500	\$11,112,100	\$11,124,700	\$0	\$11,124,700
State	4,867,600	5,645,500	5,615,000	0	5,615,000
Federal	5,124,800	5,260,000	5,260,000	0	5,260,000
Other	210,100	206,600	249,700	0	249,700

<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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Standard: Maximize use of commodities allocated from 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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Standard: Improve water quality in Tennessee with federal funds made available by the EPA and approved in the 319 Management Program Document

Measure: Percent of available funds received from EPA encumbered into grant contracts to address nonpoint source pollution, consistent with approved program management plans.

100%	100%	100%	0	100%
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325.08 Agricultural Resources Conservation Fund

The Agricultural Resources Conservation Fund provides grants to landowners, producers, and managers for the installation of best management practices aimed at solving water quality problems associated with agricultural operations. Funds also support a variety of educational programs.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	4,381,600	3,187,500	3,187,500	0	3,187,500
Total	\$4,381,600	\$3,187,500	\$3,187,500	\$0	\$3,187,500
State	3,006,100	3,187,500	3,187,500	0	3,187,500
Federal	63,000	0	0	0	0
Other	1,312,500	0	0	0	0

Standard: Improve water quality in Tennessee through the installation of Best Management Practices with funding provided through grant contracts.

Measure: Percent of appropriated funds encumbered into grant contracts pursuant to TCA 67-4-409(1), to abate nonpoint source water pollution from agricultural operations, consistent with program guidelines.

100%	100%	100%	0	100%
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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

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
Payroll	0	0	0	0	0
Operational	95,800	126,700	126,700	0	126,700
Total	\$95,800	\$126,700	\$126,700	\$0	\$126,700
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	95,800	126,700	126,700	0	126,700

Standard: Reimburse administrative costs.

Measure: Percent of administrative cost 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	218,200	607,500	607,500	0	607,500
Total	\$218,200	\$607,500	\$607,500	\$0	\$607,500
State	217,800	607,500	607,500	0	607,500
Federal	0	0	0	0	0
Other	400	0	0	0	0

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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Standard: Maintain collection of assessments.

Measure: Percent of assessments collected.

97.4%	100%	100%	0	100%
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Market Development

325.06 Market Development

The Market Development division works to maximize economic opportunities for Tennessee agriculture through innovative marketing programs and promotional services. The division works to develop domestic and foreign markets for Tennessee agricultural and forest products and to attract agriculture and forest industry to the state. Marketing efforts promote a variety of products, including horticultural material, livestock, fruits and vegetables, value-added products, aquaculture, Tennessee wines, and other products. Grants promote market development initiatives and non-profit agricultural fairs and livestock shows throughout the state.

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
Full-Time	35	33	32	0	32
Part-Time	2	1	1	0	1
Seasonal	0	0	0	0	0
Total	37	34	33	0	33
Payroll	1,936,100	2,133,700	2,091,500	0	2,091,500
Operational	20,020,500	18,557,500	18,627,800	0	18,627,800
Total	\$21,956,600	\$20,691,200	\$20,719,300	\$0	\$20,719,300
State	18,206,200	20,248,400	20,375,900	0	20,375,900
Federal	402,200	307,800	266,800	0	266,800
Other	3,348,200	135,000	76,600	0	76,600

Standard: Encourage Investments in Tennessee's agri-economy.

Measure: Amount of agri-industry investments facilitated by division's activities.

	\$78,500,000	\$30,500,000	\$31,000,000	0	\$31,000,000
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Standard: Increase production improvement opportunities for Tennessee farmers.

Measure: Number of projects approved for agricultural enhancement core programs.

	5,327	5,200	5,200	0	5,200
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325.17 Beef Promotion Board

The Beef Promotion Board supports in-state research, education and promotion of beef. The program collects a 50-cent assessment on each head of cattle sold in Tennessee. The board consists of representatives from the Tennessee Livestock Market Association, Tennessee Cattlemen's Association, Tennessee Farm Bureau Federation, Tennessee Dairy Association, and Tennessee Beef Cattle Improvement 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	0	235,000	235,000	0	235,000
Total	\$0	\$235,000	\$235,000	\$0	\$235,000
State	0	235,000	235,000	0	235,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

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 laboratory supports regulatory efforts.

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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325.05 Regulatory Services

Regulatory Services monitors agricultural raw materials, products, and services to assure quality, consumer protection, public safety, a fair market place, and a safe and wholesome food supply. Statutes direct responsibility for the registration, licensing, sampling, inspection of items pertaining to human and animal health safety, consumer protection, truth in labeling, and free movement of plants and animals.

Full-Time	214	210	208	0	208
Part-Time	1	3	2	0	2
Seasonal	3	3	3	0	3
Total	218	216	213	0	213
Payroll	12,537,400	13,255,400	13,029,100	0	13,029,100
Operational	5,994,700	6,645,900	6,646,000	0	6,646,000
Total	\$18,532,100	\$19,901,300	\$19,675,100	\$0	\$19,675,100
State	11,763,400	12,595,900	11,912,400	0	11,912,400
Federal	1,556,000	1,991,300	1,998,600	0	1,998,600
Other	5,212,700	5,314,100	5,764,100	0	5,764,100

Standard: Decrease the number of retail food stores scoring below target on routine inspections.

Measure: Percent of retail food stores receiving a passing sanitation inspection score on routine inspections.

	98.6%	98.0%	98.0%	0	98.0%
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Standard: Increase pesticide complaint investigations completed on target.

Measure: Percent of pesticide-related consumer complaint investigations completed within the established guideline of 90 days.

	64%	85%	85%	0	85%
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325.16 Agricultural Regulatory Fund

The Agricultural Regulatory Fund provides funding to the divisions of Administration and Grants and Regulatory Services to help defray the costs of administering regulatory programs. The funds are used for permitting, monitoring, investigating, enforcing, and administering such areas as pesticide product registration, pesticide dealer licenses and fees, plant certification fees, plant and soil testing fees, and pathology. Licensing and product registrations and civil penalties are deposited into the fund.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	3,069,300	3,158,500	3,158,500	0	3,158,500
Total	\$3,069,300	\$3,158,500	\$3,158,500	\$0	\$3,158,500
State	2,354,400	3,038,500	3,038,500	0	3,038,500
Federal	0	0	0	0	0
Other	714,900	120,000	120,000	0	120,000

<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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Standard: Maximize work plan expenditures funded with Agricultural Regulatory Fund dollars.

Measure: Percent of work plan estimated expenditures transferred at year-end.

100%	100%	100%	0	100%
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Forestry

The Forestry division provides operational support and maintenance to Tennessee's abundant public and private forest resources.

325.10 Forestry Operations

Forestry Operations provides numerous land management and protection services to Tennessee's forests. These include fire suppression, water quality protection, insect and disease control, landowner assistance, tree improvement, seedling production, product utilization and promotion, urban forestry, and state forest management.

Full-Time	317	317	304	0	304
Part-Time	2	2	1	0	1
Seasonal	211	202	177	0	177
Total	530	521	482	0	482
Payroll	17,060,900	18,611,800	17,252,100	0	17,252,100
Operational	15,939,400	12,535,100	12,359,500	0	12,359,500
Total	\$33,000,300	\$31,146,900	\$29,611,600	\$0	\$29,611,600
State	19,113,500	22,868,500	21,677,400	0	21,677,400
Federal	10,119,900	4,042,300	3,698,100	0	3,698,100
Other	3,766,900	4,236,100	4,236,100	0	4,236,100

Standard: Reduce annual losses of forest resources and other assets due to wildfire.

Measure: Average size of fires, in acres.

11.8	10	10	0	10
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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.

531	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	128,300	273,800	157,200	0	157,200
Total	\$128,300	\$273,800	\$157,200	\$0	\$157,200

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
State	128,300	157,200	157,200	0	157,200
Federal	0	0	0	0	0
Other	0	116,600	0	0	0

Standard: Utilize available funds for needed maintenance.

Measure: Percent of available funding used for facilities and communications maintenance.

	85.3%	95.0%	95.0%	0	95.0%
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325.00 Total Agriculture

Full-Time	637	629	612	0	612
Part-Time	5	6	4	0	4
Seasonal	215	205	180	0	180
Total	857	840	796	0	796
Payroll	36,586,800	39,028,700	37,413,100	0	37,413,100
Operational	54,997,900	51,411,800	51,190,000	0	51,190,000
Total	\$91,584,700	\$90,440,500	\$88,603,100	\$0	\$88,603,100
State	59,657,300	68,584,000	66,806,400	0	66,806,400
Federal	17,265,900	11,601,400	11,223,500	0	11,223,500
Other	14,661,500	10,255,100	10,573,200	0	10,573,200

Department of Tourist Development

Performance-Based Budget

The Department of Tourist Development is responsible for planning and implementing marketing and service programs that increase the economic impact of tourism. These programs are designed to enhance Tennessee's image as a primary tourist destination in order to increase the number of travelers and tourists coming to Tennessee. The department assists smaller communities in developing new tourism programs to positively impact local economic development. In addition, the department provides visitors to Tennessee's welcome centers with a safe, positive impression of Tennessee. The department is organized into two divisions: Administration and Marketing and Welcome Centers.

<u>Actual</u> <u>2011-2012</u>	<u>Estimated</u> <u>2012-2013</u>	<u>Base</u> <u>2013-2014</u>	<u>Cost Increase</u> <u>2013-2014</u>	<u>Recommended</u> <u>2013-2014</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	29	0	29
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	28	28	29	0	29
Payroll	2,075,100	2,172,000	2,260,100	0	2,260,100
Operational	8,906,100	10,019,300	8,712,300	8,100,000	16,812,300
Total	\$10,981,200	\$12,191,300	\$10,972,400	\$8,100,000	\$19,072,400
State	10,240,800	10,884,100	9,925,200	8,100,000	18,025,200
Federal	0	0	0	0	0
Other	740,400	1,307,200	1,047,200	0	1,047,200

Standard: Increase travel generated sales.

Measure: Annual gross sales for travel-related businesses in Tennessee, as based on actual Department of Revenue data reporting the economic impact trends on Tennessee's economy.

\$7,766,172,000	\$7,067,721,000	\$6,997,043,790	0	\$6,997,043,790
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</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 15 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	142	142	10	152
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	132	142	142	10	152
Payroll	5,002,900	5,786,000	5,786,000	338,500	6,124,500
Operational	2,863,700	2,791,600	2,791,600	179,900	2,971,500
Total	\$7,866,600	\$8,577,600	\$8,577,600	\$518,400	\$9,096,000
State	1,495,000	1,365,000	1,365,000	0	1,365,000
Federal	0	0	0	0	0
Other	6,371,600	7,212,600	7,212,600	518,400	7,731,000

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.

	12,800	15,600	15,600	0	15,600
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326.00 Total Tourist Development

Full-Time	160	170	171	10	181
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	160	170	171	10	181
Payroll	7,078,000	7,958,000	8,046,100	338,500	8,384,600
Operational	11,769,800	12,810,900	11,503,900	8,279,900	19,783,800
Total	\$18,847,800	\$20,768,900	\$19,550,000	\$8,618,400	\$28,168,400
State	11,735,800	12,249,100	11,290,200	8,100,000	19,390,200
Federal	0	0	0	0	0
Other	7,112,000	8,519,800	8,259,800	518,400	8,778,200

Department of Economic and Community Development

Performance-Based Budget

The Department of Economic and Community Development (ECD) is the arm of state government concerned with aiding existing businesses in their efforts to expand and create jobs, promoting the location and expansion of business and industry in Tennessee, assisting communities in being prepared for economic development opportunities, managing state and federal programs that provide development resources, and forming strategic partnerships inside and outside state government with the ultimate end of making Tennessee the number one location in the southeast for high quality jobs. The department's programs are presented in five groupings: Administrative Services, Business Development and Services, Job Training and Job Skills, and Community Development.

The department's headquarters are located in Nashville with nine regional jobs base camps across the state and foreign office representatives in China, Canada, Japan, and Germany maintaining and providing ECD's presence, assistance, and programs in Tennessee and internationally.

	<u>Actual</u> <u>2011-2012</u>	<u>Estimated</u> <u>2012-2013</u>	<u>Base</u> <u>2013-2014</u>	<u>Cost Increase</u> <u>2013-2014</u>	<u>Recommended</u> <u>2013-2014</u>
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Administrative Services

330.01 Administrative Services

Administrative Services provides administrative and support services to the department and is responsible for the daily operations and procedures of the department. Activities include internal policy, legal, communications (including public information), graphic and media services, research, human resources, information technology, internal audit and consulting, fiscal services, and budgeting. Administrative Services is subdivided into eleven sections: commissioner's office, budget and fiscal, human resources, legal, internal audit and consulting, contracting, contract monitoring, information technology, research and special projects, communications and creative services, and smart growth.

Full-Time	59	45	45	0	45
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	59	45	45	0	45
Payroll	4,727,000	4,246,900	4,130,300	0	4,130,300
Operational	1,757,500	1,945,900	1,945,900	0	1,945,900
Total	\$6,484,500	\$6,192,800	\$6,076,200	\$0	\$6,076,200
State	6,063,200	5,333,900	5,217,300	0	5,217,300
Federal	210,100	309,700	309,700	0	309,700
Other	211,200	549,200	549,200	0	549,200

Standard: Have 100% departmental participation in the S.M.A.R.T. performance review process.

Measure: Percent of ECD team members participating in the S.M.A.R.T. performance review process.

Not Applicable	100%	100%	0	100%
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<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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Standard: Through targeted media relations, have a ratio of 5:1 positive to negative media impressions for news stories about the department.

Measure: Ratio of positive to negative media impressions for news stories about the department.

Not Applicable	5:1	5:1	0	5:1
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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, nationwide, and internationally. This also includes close contact with regional industrial development agencies, regulatory boards, utility 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. Business Development is subdivided into four areas representing the following: project management; regional business development and services; administrative functions of the FastTrack Infrastructure Development and Jobs Training Assistance Programs, and the Tennessee Film, Entertainment, and Music Commission, an organization tasked with promoting economic development by attracting entertainment industry business to Tennessee.

Full-Time	54	52	52	0	52
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	54	52	52	0	52
Payroll	4,198,400	4,560,300	4,654,600	0	4,654,600
Operational	23,283,400	17,441,100	2,092,900	0	2,092,900
Total	\$27,481,800	\$22,001,400	\$6,747,500	\$0	\$6,747,500
State	9,423,700	6,053,500	6,170,100	0	6,170,100
Federal	189,700	1,000,100	229,600	0	229,600
Other	17,868,400	14,947,800	347,800	0	347,800

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 announced jobs created as a result of recruitment and expansion projects.

23,549	13,500	4,100	0	4,100
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Standard: Promote new investment in the state through the recruitment of new and existing industry to locate and expand in the state.

Measure: Private capital investment leveraged as a result of recruitment and expansion projects.

\$4,132,235,617	\$2,000,000,000	\$590,400,000	0	\$590,400,000
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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330.05 Innovation Programs

Innovation Programs is tasked with raising the state's profile in innovation-based economic development by focusing on innovation, commercialization, investment, technology, and entrepreneurship. Innovation is the process that translates knowledge into economic growth and social well-being through a consideration of scientific, technological, organizational, financial, and commercial activities.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	19,857,900	22,008,300	382,900	0	382,900
Total	\$19,857,900	\$22,008,300	\$382,900	\$0	\$382,900
State	10,199,800	307,900	257,900	0	257,900
Federal	9,657,900	21,700,400	125,000	0	125,000
Other	200	0	0	0	0

Standard: Attract new jobs and retain existing jobs by assisting early-stage companies and existing business by providing expanded access to capital and other support services.

Measure: Total cumulative jobs resulting from TNInvestco Program activities.

	1,119	1,600	2,100	0	2,100
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Standard: Promote new investment in the state by supporting innovation, entrepreneurship, commercialization and access to capital.

Measure: Total cumulative private investment resulting of Innovation Program activities.

	\$96,000,000	\$135,000,000	\$175,000,000	0	\$175,000,000
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330.20 Headquarters Relocation Assistance

The Headquarters Relocation Assistance program assists companies to locate their regional, national, or international headquarters in Tennessee. The program will reimburse relocation expenses to qualified headquarters facilities. A qualified headquarters facility is one in which the company has made a minimum \$10,000,000 capital investment and created at least 100 headquarters staff jobs paying 150% of the average occupational wage in Tennessee for the year in which the job was created.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	4,393,800	8,000,000	6,000,000	0	6,000,000
Total	\$4,393,800	\$8,000,000	\$6,000,000	\$0	\$6,000,000
State	4,393,800	6,000,000	6,000,000	0	6,000,000
Federal	0	0	0	0	0
Other	0	2,000,000	0	0	0

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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Standard: Assist qualified headquarters relocations through reimbursement of relocation expenses.

Measure: Number of qualifying headquarters relocations assisted.

Not Applicable	2	2	0	2
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330.22 TNInvestco Tax Credits

The TNInvestco program was authorized by TCA 4-28-101 to increase the flow of capital to innovative new companies headquartered in Tennessee and in the early stages of development.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	13,958,500	31,100,000	30,000,000	0	30,000,000
Total	\$13,958,500	\$31,100,000	\$30,000,000	\$0	\$30,000,000
State	13,958,500	31,100,000	30,000,000	0	30,000,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Job Training and Job Skills

330.13 Tennessee Job Skills Program

The Tennessee Job Skills program is a workforce development incentive grant program designed to assist existing employers in elevating the skills of their employees, enhancing employment opportunities, and meeting the needs of existing and new industries through the provision of training grants to eligible employers. Priority is given to the creation and retention of jobs and employers in industries that promote high-skill, high-wage jobs. Industries of particular focus include technology, emerging occupations, and skilled manufacturing jobs.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	1,237,000	5,285,200	5,285,200	0	5,285,200
Total	\$1,237,000	\$5,285,200	\$5,285,200	\$0	\$5,285,200
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,237,000	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.

863	500	400	0	400
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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Community Development

The Community Development area 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. Community Development also administers federal Community Development Block Grants, Appalachian Regional Commission grants, and Delta Regional Authority grants; and administers the Main Street, Tennessee Downtowns, Retire Tennessee, and Three-Star community preparedness programs.

330.04 Policy and Federal Programs

The Policy and Federal Programs division works to drive economic and community development policy and manage and execute the department's federal programs. The division provides professional project administration and technical assistance to all communities in the state. Included in this division's purview are the following federal programs: the Community Development Block Grant (CDBG), the Appalachian Regional Commission, and the Delta Regional Authority.

Full-Time	9	7	7	0	7
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	9	7	7	0	7
Payroll	772,700	491,500	491,500	0	491,500
Operational	33,771,500	194,805,000	25,028,200	0	25,028,200
Total	\$34,544,200	\$195,296,500	\$25,519,700	\$0	\$25,519,700
State	717,400	480,500	480,500	0	480,500
Federal	33,826,800	194,748,100	24,971,300	0	24,971,300
Other	0	67,900	67,900	0	67,900

Standard: The CDBG projects ensure at least 70% of those served will be persons of low- to moderate-income.

Measure: Percent of low- to moderate-income persons served.

73%	70%	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.

47%	40%	40%	0	40%
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330.15 Economic Development District Grants

The Development District Act of 1965 established nine development districts in order to provide the most effective and efficient means for cities and counties to conduct regional planning and economic development. The districts prepare and maintain long-range plans and policies for regional development, including transportation, water and wastewater infrastructure, water and air quality, solid waste management, and open space and recreation planning. This allotment provides funding for state grants to the development districts. Local government contributions are required to receive funding.

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</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	1,470,400	1,950,100	1,500,100	0	1,500,100
Total	\$1,470,400	\$1,950,100	\$1,500,100	\$0	\$1,500,100
State	1,470,400	1,950,100	1,500,100	0	1,500,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Build an open and communicative business relationship with development districts across Tennessee to foster a coordination of development efforts.

Measure: Number of times department representatives provide advisory support to development districts.

36	36	36	0	36
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330.06 FastTrack Infrastructure and Job Training Assistance

The FastTrack Infrastructure Development and Job Training Assistance program provides industrial water, wastewater, and transportation infrastructure grants to local governments and businesses for job creation and retention. Additionally, the program provides training grants when there is a commitment by an eligible business for the creation or retention of private sector jobs or when there is a direct impact on employment and investment opportunities in the future. Training includes classroom and on-the-job instruction for both pre- and post- employment needs.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	53,527,800	65,497,900	10,497,900	30,000,000	40,497,900
Total	\$53,527,800	\$65,497,900	\$10,497,900	\$30,000,000	\$40,497,900
State	53,287,500	65,157,400	10,157,400	30,000,000	40,157,400
Federal	0	0	0	0	0
Other	240,300	340,500	340,500	0	340,500

Standard: Assist in the creation of jobs through the provision of infrastructure development, training assistance, and economic development grants.

Measure: Number of jobs created or upgraded in which FastTrack funding was provided.

24,080	12,500	4,100	6,467	10,567
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Standard: Promote new investment in the state through the provision of infrastructure development, training assistance, and economic development grants.

Measure: Private capital investment leveraged as a result of FastTrack funding.

\$4,715,089,591	\$1,800,000,000	\$590,400,000	\$931,213,873	\$1,521,613,873
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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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 to encourage the production of films, movies, and television 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
Payroll	0	0	0	0	0
Operational	2,075,400	5,048,600	48,600	13,400,000	13,448,600
Total	\$2,075,400	\$5,048,600	\$48,600	\$13,400,000	\$13,448,600
State	2,058,800	0	0	13,400,000	13,400,000
Federal	0	0	0	0	0
Other	16,600	5,048,600	48,600	0	48,600

Standard: Create job opportunities for experience and exposure to Tennessee film and television professionals, in order to foster a viable film and television production industry in the state of Tennessee.

Measure: Full time equivalent jobs created as a result of film and television productions that receive incentives under the program.

172	50	30	134	164
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330.07 Community and Rural Development

The Community and Rural Development division is responsible for providing advice and technical assistance on community development, economic development, planning, and other services to local governments, chambers of commerce and other agencies, groups, and individuals. Included within the division are the Main Street Program, the Tennessee Downtowns program, and the Retire Tennessee Program.

Full-Time	5	7	7	0	7
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	5	7	7	0	7
Payroll	856,600	632,700	632,700	0	632,700
Operational	2,064,900	1,626,100	1,626,100	0	1,626,100
Total	\$2,921,500	\$2,258,800	\$2,258,800	\$0	\$2,258,800
State	2,440,500	1,996,000	1,996,000	0	1,996,000
Federal	59,900	220,800	220,800	0	220,800
Other	421,100	42,000	42,000	0	42,000

Standard: Through the provision of the Select Tennessee Sites Program, provide cities and counties with a standardized site evaluation and certification system.

Measure: Number of Tennessee sites evaluated.

13	35	30	0	30
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<u>Actual</u> <u>2011-2012</u>	<u>Estimated</u> <u>2012-2013</u>	<u>Base</u> <u>2013-2014</u>	<u>Cost Increase</u> <u>2013-2014</u>	<u>Recommended</u> <u>2013-2014</u>
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Standard: Through provision of the Main Street Program and related principals, assist cities in development of a plan to revitalize downtown districts.

Measure: Number of certified Main Street communities and those pursuing Main Street principals through the Tennessee Downtowns program.

46	56	61	0	61
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330.00 Total Economic and Community Development

Full-Time	127	111	111	0	111
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	127	111	111	0	111
Payroll	10,554,700	9,931,400	9,909,100	0	9,909,100
Operational	157,398,100	354,708,200	84,407,800	43,400,000	127,807,800
Total	\$167,952,800	\$364,639,600	\$94,316,900	\$43,400,000	\$137,716,900
State	104,013,600	118,379,300	61,779,300	43,400,000	105,179,300
Federal	43,944,400	217,979,100	25,856,400	0	25,856,400
Other	19,994,800	28,281,200	6,681,200	0	6,681,200

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 eight allotment codes: Headquarters, Bureau of Administration, Bureau of Environment and Planning, Bureau of Engineering, Bureau of Operations, Field Engineering, Field Construction, and Field Maintenance Operations.

<u>Actual</u> <u>2011-2012</u>	<u>Estimated</u> <u>2012-2013</u>	<u>Base</u> <u>2013-2014</u>	<u>Cost Increase</u> <u>2013-2014</u>	<u>Recommended</u> <u>2013-2014</u>
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401.00 Headquarters

The Headquarters allotment code consists of divisions that report directly to the commissioner. Headquarters' functions include community relations, constituent services, civil rights, legal, internal audit, and payment of risk management fund premiums for property and liability insurance. Headquarters' services also include the licensing of Tennessee's public-use airports, monitoring of compliance with federal grant assurances, and providing flight services for state government. Sales tax collected on aviation fuel, as part of the Transportation Equity Fund, is used for construction and capital improvements of airports.

Full-Time	148	141	141	0	141
Part-Time	5	5	5	0	5
Seasonal	0	0	0	0	0
Total	153	146	146	0	146
Payroll	8,632,700	10,304,300	10,994,600	0	10,994,600
Operational	80,661,500	132,257,000	157,764,300	0	157,764,300
Reallocated	0	0	0	0	0
Total	\$89,294,200	\$142,561,300	\$168,758,900	\$0	\$168,758,900
State	59,453,100	89,368,300	99,966,700	0	99,966,700
Federal	27,699,300	49,631,700	66,225,200	0	66,225,200
Other	2,141,800	3,561,300	2,567,000	0	2,567,000

Standard: Utilize the TDOT website, news releases, social media, new capabilities to produce videos, and other communication efforts to promote the Tennessee 511 system.

Measure: Number of incoming calls to the Tennessee 511 system.

900,000	910,000	710,000	0	710,000
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402.00 Bureau of Administration

The Bureau of Administration supports the operations of the department. Bureau 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.

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
Full-Time	282	267	267	0	267
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	282	267	267	0	267
Payroll	14,285,100	17,056,600	17,499,000	0	17,499,000
Operational	37,920,000	45,729,200	47,835,000	0	47,835,000
Reallocated	0	0	0	0	0
Total	\$52,205,100	\$62,785,800	\$65,334,000	\$0	\$65,334,000
State	6,757,000	49,910,400	49,899,000	0	49,899,000
Federal	44,801,500	12,433,600	14,933,900	0	14,933,900
Other	646,600	441,800	501,100	0	501,100

Standard: Increase seat belt usage in Tennessee.

Measure: Percent of seat belt usage in Tennessee.

84%	88%	88%	0	88%
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405.00 Bureau of Environment and Planning

The Bureau of Environment and Planning provides transportation and traffic planning, monitors environmental impacts of transportation projects, and distributes mass transit grants. Sales tax collected on commercial water vessels and rail fuel, as part of the Transportation Equity Fund, is used for construction and capital improvements of water port facilities and shortline rail systems. In addition, this division ensures the safety of the state's waterways and railways through routine inspections. The bureau also controls outdoor advertising and easements.

Full-Time	256	279	279	0	279
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	256	279	279	0	279
Payroll	15,258,500	19,007,100	19,973,000	0	19,973,000
Operational	132,482,700	111,843,200	136,712,500	0	136,712,500
Reallocated	0	0	0	0	0
Total	\$147,741,200	\$130,850,300	\$156,685,500	\$0	\$156,685,500
State	80,680,200	61,841,200	67,111,000	0	67,111,000
Federal	64,749,800	68,159,900	88,748,500	0	88,748,500
Other	2,311,200	849,200	826,000	0	826,000

Standard: Seventy percent of Environmental Assessments will advance within 14 months from a Federal Highway Administration approval to study completion.

Measure: Percent of Environmental Assessments advanced within 14 months from a Federal Highway Administration approval to study completion.

50%	75%	80%	0	80%
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<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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Standard: Increase the number of safety projects implemented by 10% annually to improve roadways and at-grade railroad crossings to support strategies in Tennessee's Strategic Highway Safety Plan and help reduce the fatality rate on Tennessee roadways.

Measure: Number of safety projects approved and funded.

172	95	105	0	105
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403.00 Bureau of Engineering

The Bureau of Engineering provides the programming and scheduling of transportation pre-construction activities. Responsibilities include development of construction standards, administration of highway and bridge maintenance programs, and maintenance of materials standards. Improvement of state highways, not classified as construction or reconstruction projects, are administered under the Highway Betterments program. Connector routes to the interstate system are funded with a 50 percent state match through the Local Interstate Connector program. The bureau also administers the Capital Improvements program, providing funding for the construction or replacement of Department of Transportation facilities. Other services provided by the bureau include administration of roadway and bridge design, right-of-way acquisition, highway incident management, and intelligent transportation systems.

Full-Time	488	487	487	0	487
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	488	487	487	0	487
Payroll	31,013,600	43,504,500	41,194,500	0	41,194,500
Operational	252,880,800	157,696,700	138,309,000	0	138,309,000
Reallocated	0	0	0	0	0
Total	\$283,894,400	\$201,201,200	\$179,503,500	\$0	\$179,503,500
State	71,180,800	88,199,000	78,479,800	0	78,479,800
Federal	193,981,900	106,901,900	97,380,200	0	97,380,200
Other	18,731,700	6,100,300	3,643,500	0	3,643,500

Standard: Reduce the fatality rate by 2% annually on Tennessee roadways by expanding traffic safety information systems and other engineering efforts.

Measure: Percent reduction in the number of fatalities per 100 million vehicular miles traveled.

9%	2%	2%	0	2%
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Standard: The sum of the deck area of 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.

96%	95%	95%	0	95%
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	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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404.00 Bureau of Operations

The Bureau of Operations consists of four different functions which include Field Engineering, Field Construction, Field Maintenance, and Garage and Fleet Operations. Field Engineering services include preliminary engineering, roadway and bridge design, traffic engineering, utility relocations, right-of-way acquisitions, construction, materials testing, and maintenance on the statewide highway system. Field Construction performs a variety of project work, including civil engineering, geological surveying, planning, and construction of highways and bridges. Other services include congestion mitigations, hazard elimination, highway safety, emergency relief, and air quality improvements. Field Maintenance Operations provide routine maintenance of state and interstate highways and bridges. Other responsibilities include highway incident management, highway beautification, and environmental compliance. Garage and Fleet Operations acquires, maintains, and repairs the department's mobile equipment, including its vehicle fleet. This division is also responsible for the acquisition of consumable inventory items and fixed assets, as well as the maintenance and repair of equipment. In fiscal year 2013-2014, the Bureau of Operations will absorb the functions of Field Engineering, Field Construction, Field Maintenance Operations, and Garage and Fleet Operations.

Full-Time	2,255	2,255	2,255	0	2,255
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2,255	2,255	2,255	0	2,255
Payroll	98,210,700	118,098,000	119,288,000	0	119,288,000
Operational	533,991,500	443,187,500	449,627,700	0	449,627,700
Reallocated	0	0	0	0	0
Total	\$632,202,200	\$561,285,500	\$568,915,700	\$0	\$568,915,700
State	306,027,000	264,856,800	252,115,600	0	252,115,600
Federal	315,179,500	287,270,000	307,597,500	0	307,597,500
Other	10,995,700	9,158,700	9,202,600	0	9,202,600

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.

78%	75%	75%	0	75%
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412.00 Field Engineering

Field Engineering services include preliminary engineering, roadway and bridge design, traffic engineering, utility relocations, right-of-way acquisitions, construction, materials testing, and maintenance on the statewide highway system. The State Aid program provides transportation funding to local governments. Funding to pave roads in the State Aid system are provided on a 75% state/25% local funding basis; funds to replace or rehabilitate bridges are provided on an 80% state/20% local funding basis.

Full-Time	72	72	72	0	72
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	72	72	72	0	72

	<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
Payroll	3,631,100	3,846,100	4,056,400	0	4,056,400
Operational	177,653,400	174,698,700	182,828,000	0	182,828,000
Reallocated	0	0	0	0	0
Total	\$181,284,500	\$178,544,800	\$186,884,400	\$0	\$186,884,400
State	99,130,500	85,343,800	92,216,000	0	92,216,000
Federal	79,178,800	80,245,000	82,844,400	0	82,844,400
Other	2,975,200	12,956,000	11,824,000	0	11,824,000

Standard: The average clearance time for all highway lane blockage incidents in urban HELP service areas should be within 90 minutes for 92% of the HELP operator responses.

Measure: Percent of highway lane blockage incidents in urban HELP service areas cleared within 90 minutes.

94%	96%	92%	0	92%
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Standard: The Pavement Quality Index (PQI) should be at least 4.2 on Tennessee Interstates.

Measure: Statewide average Pavement Quality Index (PQI) on interstate routes.

4.3	4.2	4.0	0	4.0
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418.00 Field Construction

Field Construction performs a variety of project work, including civil engineering, geological surveying, planning, and construction of highways and bridges. Construction is provided through the state highway construction, interstate construction, and state industrial access programs. Projects consist of maintenance of the interstate highway system, construction and maintenance of industrial highways and industrial access roads under contract agreement with local governments, and high priority projects. Other services include congestion mitigation, hazard elimination, highway safety, emergency relief, and air quality improvements.

Full-Time	357	357	357	0	357
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	357	357	357	0	357
Payroll	15,101,500	19,727,800	20,469,900	0	20,469,900
Operational	499,042,100	384,604,400	399,372,500	0	399,372,500
Reallocated	0	0	0	0	0
Total	\$514,143,600	\$404,332,200	\$419,842,400	\$0	\$419,842,400
State	194,743,800	111,321,900	107,008,600	0	107,008,600
Federal	311,986,000	284,217,900	304,000,900	0	304,000,900
Other	7,413,800	8,792,400	8,832,900	0	8,832,900

Standard: The percent of contracts completed by original contract completion date will be 78%.

Measure: Percent of contracts completed by original completion date.

74%	78%	70%	0	70%
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<u>Actual 2011-2012</u>	<u>Estimated 2012-2013</u>	<u>Base 2013-2014</u>	<u>Cost Increase 2013-2014</u>	<u>Recommended 2013-2014</u>
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Standard: The percent difference in final project construction contract costs and the original contract bid award amounts will be no more than 8%.

Measure: Percent difference in project construction contract costs, closed out, and contract award amounts.

12%	10%	8%	0	8%
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419.00 Field Maintenance Operations

Field Maintenance Operations provides routine maintenance of state and interstate highways and bridges. The Forest Highways program is administered in this code which provides funds for the construction and maintenance of park roads, parkways, and public-land highways, including the Foothills Parkway in the Great Smoky Mountains. Other responsibilities of Field Maintenance Operations include highway incident management, highway beautification, and environmental compliance.

Full-Time	800	800	800	0	800
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	800	800	800	0	800
Payroll	29,112,400	34,275,500	35,663,100	0	35,663,100
Operational	23,008,500	36,589,300	36,303,700	0	36,303,700
Reallocated	0	0	0	0	0
Total	\$52,120,900	\$70,864,800	\$71,966,800	\$0	\$71,966,800
State	48,913,900	67,458,600	68,003,300	0	68,003,300
Federal	3,193,400	3,051,900	3,596,600	0	3,596,600
Other	13,600	354,300	366,900	0	366,900

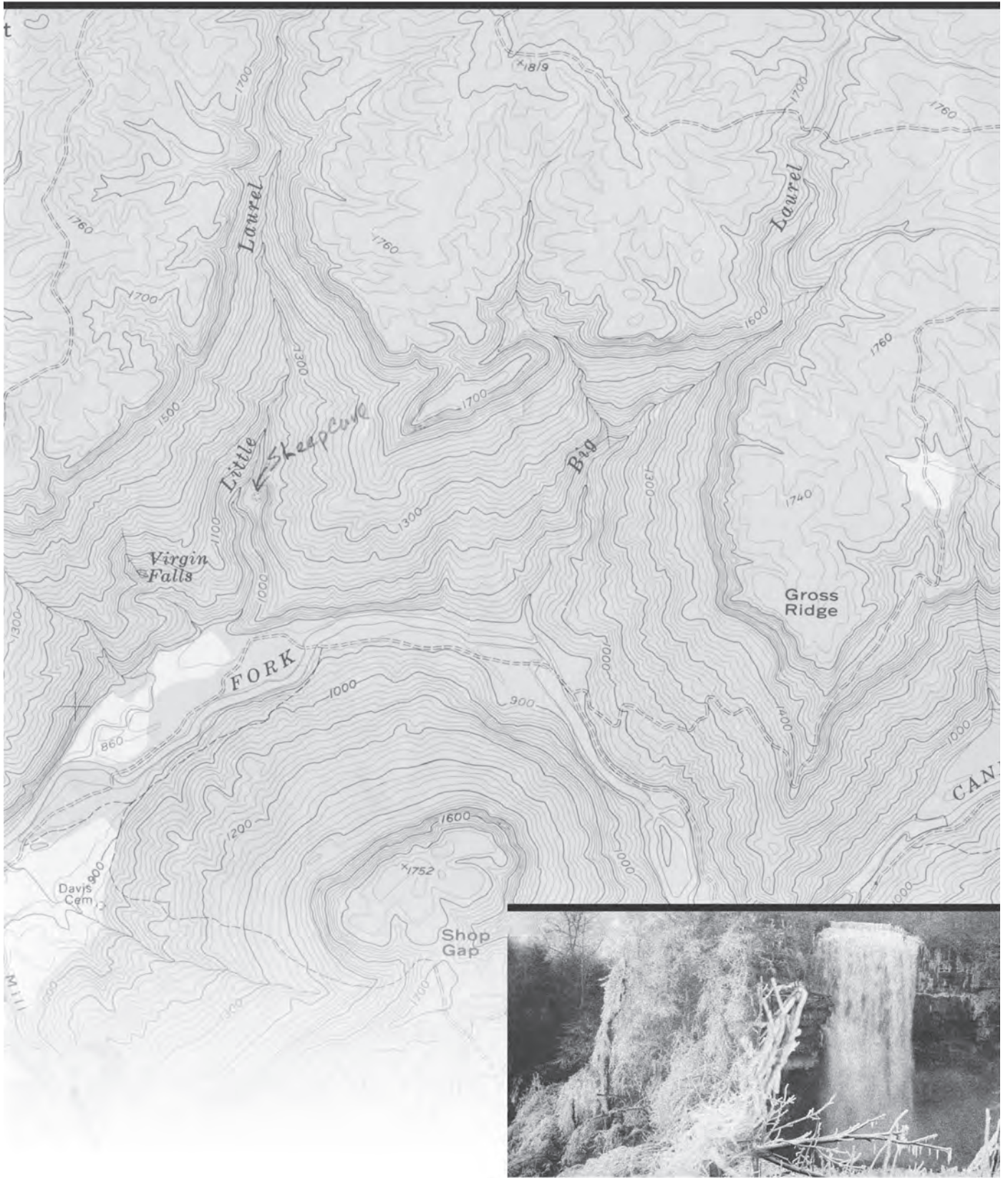
Standard: TDOT's Maintenance Rating Index (MRI) related to maintaining roadways will be equal to or greater than 85.

Measure: The condition level for the combination of interstate and state-maintained roads.

89	90	85	0	85
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400.00 Total Transportation

Full-Time	4,658	4,658	4,658	0	4,658
Part-Time	5	5	5	0	5
Seasonal	0	0	0	0	0
Total	4,663	4,663	4,663	0	4,663
Payroll	215,245,600	265,819,900	269,138,500	0	269,138,500
Operational	1,737,640,500	1,486,606,000	1,548,752,700	0	1,548,752,700
Reallocated	0	0	0	0	0
Total	\$1,952,886,100	\$1,752,425,900	\$1,817,891,200	\$0	\$1,817,891,200
State	866,886,300	818,300,000	814,800,000	0	814,800,000
Federal	1,040,770,200	891,911,900	965,327,200	0	965,327,200
Other	45,229,600	42,214,000	37,764,000	0	37,764,000



Budget Process

Budget Process



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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

The Budget Process

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) a cost increase 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 the Real Estate Asset Management office. 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 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.

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 are now 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, 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. All executive branch agencies have been phased in and submit performance-based budgets. 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 are 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 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

The Budget Process

Means committees. The Governmental Accountability Commission -- comprised of the Comptroller of the Treasury, Executive Director of the Fiscal Review Committee, and the Directors 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 required the phase-in of strategic planning and performance-based budgeting by 2011-2012 for all executive branch agencies.

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 Division Budget Execution	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 standard and measure 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 standards and measures, 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

Basis of Budgeting and Accounting

Education 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
Criminal Injuries Compensation
911 Emergency Communications Fund
Motorcycle Rider Education
Driver Education
Anti-Theft Unit
Board of Professional Responsibility
Tennessee Lawyers Assistance Program
Continuing Legal Education
Help America Vote Act
Beef Promotion Board.

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

Records Management
Risk Management Fund
TRICOR
Office of Information Resources
Division of Accounts
Enterprise Resource Planning
Postal Services
Motor Vehicle Management
Printing and Media Services
Procurement Office
Warehousing and Distribution
Human Resources Executive Administration
Human Resources Development
Human Resources Technical Services
Human Resources Employee Development.

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), 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 Departments 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 after-school programs;

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

Capital Projects Fund – used to account for the acquisition or construction of all major governmental capital facilities.

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; and,

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

All of the governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this basis, revenues are recognized when they become 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.

Principal revenue sources considered susceptible to accrual include taxes, federal funds, local funds and investment income. Taxes and similarly measurable fees and fines, are considered to be available if collected within 60 days after fiscal year-end. Grants and similar items are recognized as revenue when all eligibility requirements imposed by the provider have been met, and the amount is received during the current period or within six months after fiscal year-end. The state uses this same six month availability period for most other measurable revenues. However, tobacco and similar litigation settlement proceeds are generally considered available if collection is expected within 12 months after fiscal year-end. Licenses, permits, and other similar miscellaneous revenue items are considered measurable and available only when cash is received by the state.

Basis of Budgeting and Accounting

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

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

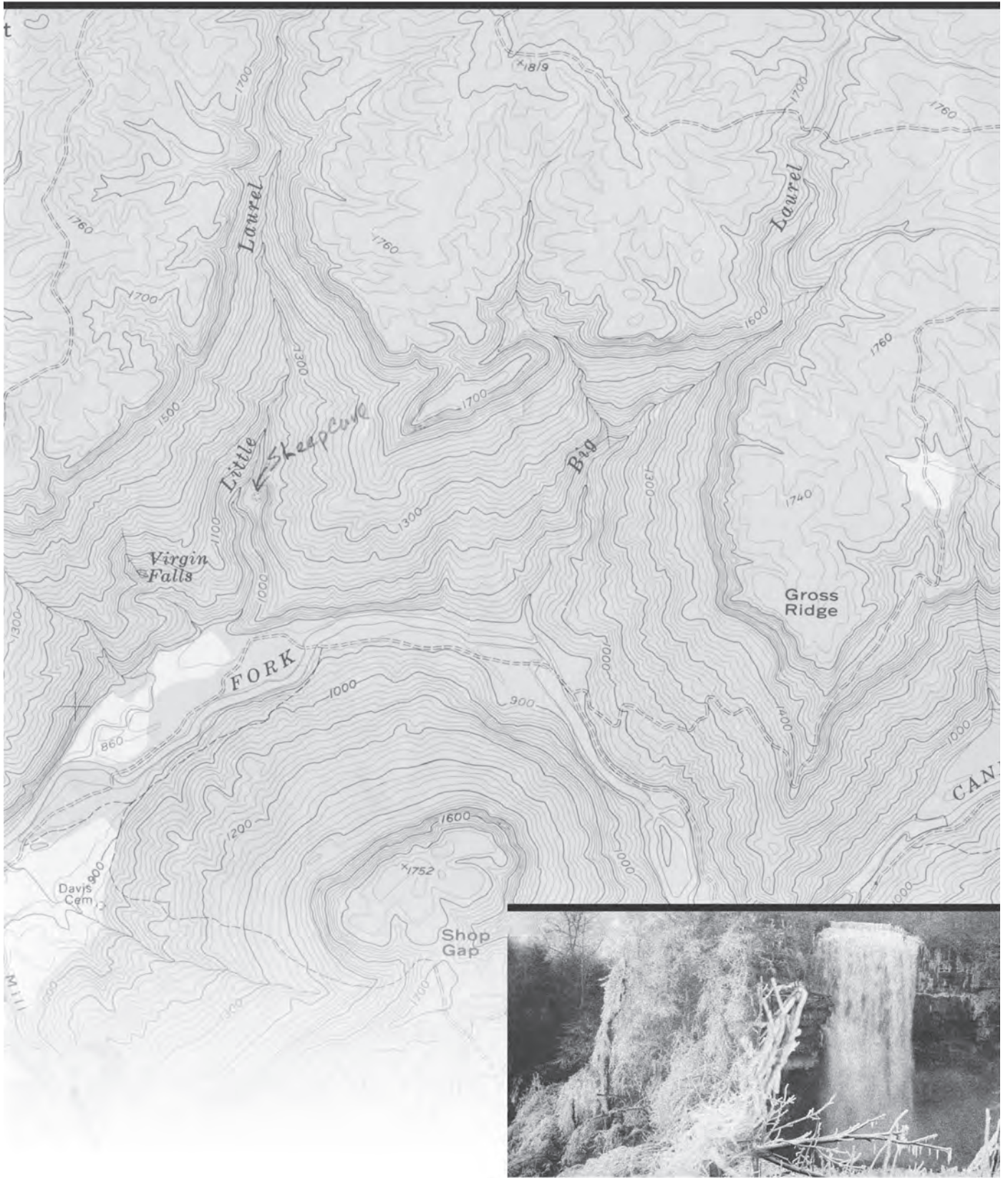
Private-Purpose Trust Funds – used to report trust arrangements under which the principal and income benefit individuals, private organizations, or other governments; and,

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

Fiduciary fund types are used to account for resources held in a trustee or agency capacity for others and cannot be used to support the government's own programs. 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:

Federal Family Education Loan Program
Tennessee Student Assistance Corporation
(TSAC)
Community Services Agency
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.



Glossary and Index

Glossary and Index



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Glossary of Budget Terms

A

Accrual Basis of Accounting - Records revenues in the period in which they are earned and become measurable; expenses are recorded in the period incurred, if measurable.

Agency - Any department, commission, board, authority, government-owned corporation, or other independent governmental entity.

Allotment - Funds established for agency expenditure, in accordance with the appropriations made by the General Assembly.

Allotment Code - The five-digit number used to designate a program or programs for budgeting and accounting purposes.

Appropriation - The amount authorized by the General Assembly to be allocated from a fund to an allotment code. Also, in the context of funding type, the general state revenue allocated to an allotment code by the General Assembly.

Appropriations Bill - Annual legislation authorizing the allocation and expenditure of funds for a two-year period: the year of bill passage and the subsequent year. The bill also sets policies, assigns certain responsibilities, and at times, specifies legislative intent on certain issues.

Authorized Positions - The maximum number of positions an agency may establish at any given time; authorized positions must receive legislative approval by legislation, by expansion, or by inclusion in the Governor's recommended budget document.

B

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.

Brian A. - A settlement agreement, signed in July 2001, which requires reform of child welfare services provided by the Department of Children's Services.

Budget Request - The annual spending and revenue plan submitted by each agency for review by the Department of Finance and Administration, the State Comptroller, and the Fiscal Review Committee.

Glossary of Budget Terms

C

Capital Budget - The portion of the budget devoted to proposed additions or maintenance to capital assets and the means of financing those additions.

Capital Maintenance - Major non-routine repairs and replacements unrelated to new construction. Improvements of this type have a cost of \$100,000 or more.

Capital Outlay - Expenditures which result in the acquisition of or addition to major fixed assets (e.g., land, buildings, and equipment related to construction).

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.

Cost Increases - Increases in departmental budgets needed to implement mandated requirements, compensate for revenue reductions, initiate new programs, or enhance the base level.

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 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.

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.

Glossary of Budget Terms

Encumbrance - Commitments related to unexecuted contracts for goods and services issued by the Central Procurement Office, 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, which insures bank deposits up to \$250,000.

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 that 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.

FRF Capital Projects Fund - The fund used to account for financial resources related to the acquisition, construction, or maintenance of major capital facilities.

FRF Debt Service - Expenses for principal, interest, and discounts on bonds and other types of borrowed money.

Fund - A repository of money set aside for a specific purpose.

Fund Balance - Excess of the assets of a fund over its liabilities and reserves.

G

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.

Glossary of Budget Terms

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

Head Count – The number of students enrolled at an institution regardless of the number of hours taken.

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.

HUD - The federal Housing and Urban Development Agency, which 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.

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

LEA - Local education agencies, which are defined as any county, city, or special school district, unified school district, school district of any metropolitan form of government, or any other school system established by law.

Liability - An obligation that legally binds the state to settle a debt.

LSTA - The federal Library Services and Technology Act provides for the sharing of resources among libraries to promote equal delivery of library services to the public.

M

MCO - Managed Care Organizations, which 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.

Glossary of Budget Terms

N

NCUA - The National Credit Union Administration, which 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.

Operating Budget - That money which is necessary to maintain a program, excluding the cost of capital construction.

Other Revenue - A collection of funding sources, excluding state appropriations and federal funds. These funding sources are generally from local governments, current services, and interdepartmental activities.

Overappropriation - The anticipated savings resulting from position vacancies and other unexpended funds.

Overlaps - Term used when an appointing authority places more than one incumbent in a single position in an overlap status. This is subject to budgetary limits as well as approval of the Commissioner of Human Resources.

P

Performance-Based Budgeting - Process to identify objectives, activities, and performance indicators for each budget unit. This process was fully implemented for all executive agencies as of fiscal year 2011-2012.

Performance Measure - A quantitative or qualitative indicator that is used to assess performance.

Performance Standard - A desired level of performance of a program, measured by outcome or output.

PLHSO - Prepaid Limited Health Service Organizations, which 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).

Reappropriation - The extension of the termination date for the availability of appropriated money.

Glossary of Budget Terms

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 cost increases.

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.

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 Department of Correction, 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.

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**.

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, which is used to assess academic progress of Tennessee students at specified points in their academic career.

Glossary of Budget Terms

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, which 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.

Tobacco Master Settlement Agreement (TMSA) - 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, which 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 in the Department of Commerce and Insurance reconciles claims submitted by Trading Partner Agreements.

TRUST - The Title and Registration User's System of Tennessee, which 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 2013-2014

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