

STATE OF TENNESSEE

The Budget

FISCAL YEAR 2016-2017



Bill Haslam, Governor



Bill Haslam,
Governor



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Introduction



Introduction

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BILL HASLAM
GOVERNOR
STATE OF TENNESSEE

February 1, 2016

To the members of the 109th General Assembly:

I am pleased to submit to you the fiscal year 2017 Budget for the State of Tennessee.

This budget is supported by a strengthening state economy and I am confident the projected revenue growth will support our budget recommendations being transmitted to you today.

The budget, as usual, includes funding increases to address program and inflation growth in the areas of Correction, TennCare, K-12, and higher education. I am also recommending important strategic investments in education, higher education, transportation, economic development and capital outlay; all of which are detailed in this document.

Lastly, I am recommending the revenue fluctuation reserve be increased by almost 18 percent to \$668 million.

Because every budget often presents its own unique challenges and opportunities, my administration is ready to work with you on the budget and other important issues to be covered in this legislative session.

Sincerely,

A handwritten signature in blue ink, appearing to read "Bill Haslam".

Bill Haslam



**STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
STATE CAPITOL
NASHVILLE, TENNESSEE 37243-0285
Larry B. Martin
COMMISSIONER**

February 1st, 2016

The Honorable Bill Haslam
State Capitol
Nashville, TN 37243

It is my pleasure to present to you the Budget Document for fiscal year 2017.

Although the state enters 2016 with good economic momentum, the potential deterioration in global economic activity causes us to have a more cautious outlook for Tennessee. This caution is reflected in our budget recommendation.

For fiscal year 2017, the recommended budget is based on a projected growth rate of 2.79 percent in total taxes. The total budget is \$34.78 billion of which \$16.38 billion is state appropriations; \$13.22 billion is federal; and \$5.18 billion is from other departmental revenues, higher education tuition and fees, and bonds.

Funding is recommended to address program and inflationary growth in TennCare, the K-12 Basic Education Program formula, and the outcome-based funding formula in higher education. The budget also recommends substantial funding for capital improvements and capital maintenance in both higher education and other areas of state government. To help maintain the quality of our transportation infrastructure, the budget supplements the highway fund with a \$130 million transfer from the general fund.

In our continued effort to find efficiencies within state government, the budget recommends \$96.3 million in reductions and is detailed in Volume 2. With these additional reductions, the administration will have successfully reduced spending almost \$470 million during the last five years.

With this budget, our revenue fluctuation reserve (commonly known as the Rainy Day Fund), will increase \$100 million to \$668 million. The reserve will now stand at five percent of general fund revenues.

In summary, the recommended budget is balanced. The investments proposed in education and higher education will support our long-term goal for fifty-five percent of Tennesseans to have a college degree or a certificate by the year 2025. In addition, the proposed investments in the capital fund and the transportation fund will improve the condition and quality of our state assets such as facilities and roads.

The Budget staff and I are available to assist you in working with the General Assembly on this important budget.

Respectfully submitted,

A handwritten signature in black ink that reads "Larry B. Martin".

Larry B. Martin
Commissioner of Finance and Administration

Budget Highlights

Recommended Budget, Fiscal Year 2016-2017

The total recommended state budget for fiscal year 2016-2017 is \$34.8 billion, with \$16.4 billion from state appropriations, \$13.2 billion from federal funds, and \$5.2 billion from other departmental revenues, higher education student tuition and fees, and bonds for highway construction. This is an increase of \$833.6 million in total funding and \$849.7 million in state funding from the revised 2015-2016 spending estimates. Federal funding increased by \$429.8 million, other departmental revenues decreased by \$12.2 million, and bond funding decreased by \$433.7 million.

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 show modest growth. The revised recurring current-year growth rate in the general fund is 3.40 percent compared with the actual 2014-2015 Department of Revenue collections. For fiscal year 2016-2017, before inter-fund reallocations, general fund taxes are expected to grow by \$348.9 million above the revised current-year estimate. This is a 3.25 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 steady economic recovery through fiscal year 2015-2016 and beyond.

Plan for Balancing

Supplemental appropriations in the current 2015-2016 fiscal year total \$48.5 million, \$23 million of which is in the Department of Economic and Community Development for infrastructure and job training assistance. Other programs requiring supplemental appropriations include three regional mental health hospitals (\$4.5 million), transition costs in the prison system's food service program (\$9 million), the restoration of funds previously reduced in Environment and Conservation's energy loan program (\$3.6 million), Revenue's new tax system (\$2.8 million), litigation pertaining to the Memphis aquifer (\$2 million), the restoration of funds in TennCare used to treat opiate addiction (\$1.6 million), the restoration of funds for the Court System's data repository (\$1.1 million), statewide performance pay (\$828,600), and the restoration of funds in the Treasury Department (\$20,000).

In fiscal year 2016-2017, the budget is balanced, with recurring revenues fully supporting recurring appropriations. This is accomplished by additional budget reductions in fiscal year 2016-2017. Base budgets in general fund programs throughout state government have been reduced by \$38 million and certain other programs have been increased by \$5.7 million for a net recurring base reduction of \$32.4 million in the general fund. The average general fund recurring reduction is 0.7 percent. (The reductions are detailed in **Volume 2: Base Budget Reductions**.)

Budget Highlights

A total of 175 positions will be abolished as a result of reductions implemented in this budget recommendation. At this time, 87 of these positions are filled. Those employees impacted by the position reductions will be eligible for a severance package 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. More than three-fourths of the filled position reductions are from one department, Children's Services, and result from a change in how juvenile offenders are treated.

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 2016-2017, federal participation in certain health care programs is decreasing from 65.035 percent to 64.984 percent. This requires an increase of \$3.9 million in state funding to TennCare and \$46,200 to the Department of Children's Services for foster care and adoption assistance to maintain the existing level of service in those programs.

A total of \$8.5 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 increases include: state judges (\$77,600), the attorney general (\$500), assistant district attorneys and criminal investigators (\$1.2 million), assistant public defenders and criminal investigators (\$651,700), assistant post-conviction defenders (\$34,700), the governor (\$500), trooper step increases (\$919,400) and border-state survey (\$3.3 million), and wildlife officer step increases (\$518,900) and border-state survey (\$1.8 million).

State statutes mandate that teachers at the state-run schools must be compensated based on their training and experience. To fund this requirement, \$52,800 is provided to the Department of Children's Services for the Youth Development Centers and \$107,600 to the Department of Education's Special Schools.

K-12 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 \$48.8 million. An appropriation of \$104.6 million is recommended for salary increases for teachers and other positions funded through the BEP formula, effective July 1, 2016. The amount of the salary increases will depend on each LEA's salary schedule and structure. To fund the 12th month of the cost of medical insurance for teachers in the BEP, an appropriation of \$29.5 million recurring is recommended. Instructional technology and infrastructure improvements to support classroom instruction in the LEAs are funded with \$15 million recurring. An appropriation of \$13.9 million will increase the number of teachers and translators for English Language Learner students. Adjustments to the BEP,

Budget Highlights

including baseline and stability funding for LEAs and mandatory increases for certain formula components, are funded with a recurring appropriation of \$6.5 million. An effort to place special education students in the least restrictive educational setting is funded with \$4.8 million recurring. In total, state funding for the operations of local school systems funded by the BEP formula will increase by \$223.1 million.

New programs and initiatives in K-12 education include a statewide coaching and intervention initiative that will create a network of district literacy coaches and regional coordinators (\$9 million); a kindergarten entry screener test to identify, assess, and benchmark children for kindergarten readiness (\$1 million); professional development in English and math instruction for teachers (\$3.1 million); and comprehensive assessment in grades three through high school (\$6.5 million).

Administration legislation that eliminates two assessments in grades eight and ten, provides an opportunity to re-take the ACT free of charge, and requires the Education Department to release test questions and student results from the Tennessee Comprehensive Assessment Program (TCAP) tests is funded with \$832,100 recurring. Contract services related to the State Board of Education's charter school authorization activities is funded with \$125,000 recurring. Recurring funds of \$350,000 are recommended to implement the Individualized Education Act Program, which provides options for parents of certain students with disabilities to choose education opportunities that best meet the needs of their child. Reimbursement for members of the standards review committee is funded with \$244,000 non-recurring. An appropriation of \$440,000 is recommended for school leadership training for principals.

A recommendation of \$15.2 million funds the state share of a 6.1 percent group health insurance increase for LEAs effective January 1, 2017.

The Save the Children literacy program is funded another year with a \$1 million non-recurring grant and the Alliance of Boys and Girls Clubs will receive a \$125,000 non-recurring grant.

The total amount of new funding requested for K-12 education is \$261.1 million.

Higher Education

Costs of the proposed Focus On College and University Success (FOCUS) Act are funded with a recurring appropriation of \$416,400. The FOCUS Act aims to enhance student success across higher education by providing additional support for community and technical colleges, increasing autonomy and local control of Board of Regents universities, and strengthening the Tennessee Higher Education Commission. The appropriation is for three positions – two academic affairs officers and a capital outlay director.

Increased operational costs in the University of Tennessee and Board of Regents systems are funded with a total general fund recurring recommendation of \$50 million. These funds may be used for salary increases as well as program improvements that assist the institutions in meeting

Budget Highlights

outcomes such as student progression, degree production, research and service, efficiency metrics, and other outcome measures related to institutional mission. A non-recurring appropriation of \$800,000 is recommended to award four to eight competitive grants to colleges and universities that develop action plans for addressing lagging outcomes, goals for increasing these outcomes, and metrics of success. Operating cost increases for non-formula units of higher education are funded with a recurring appropriation of \$7.1 million.

A 3.5 percent increase in group health insurance premiums effective January 1, 2016, is annualized with \$4.1 million. Six months of an anticipated 4.7 percent increase in group health insurance is funded with \$5.7 million. To encourage employee retirement savings, a recurring appropriation of \$1.6 million maintains the state's monthly 401(k) match at \$50.

In the Board of Regents system, an appropriation of \$28.7 million non-recurring is recommended for a consolidated enterprise resource planning system for community colleges. A portion of the funds will be paid back beginning in fiscal year 2022 after implementation is complete.

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 fourth year of what is expected to be a five-year commitment to this recruiting effort.

Recurring funding of \$13.2 million is recommended for need-based financial aid to serve eligible students through the Tennessee Student Assistance Awards (TSAA) program. This program provides grants to financially needy undergraduate students who are residents of Tennessee and who are attending in-state institutions.

The Labor Education Alignment Program (LEAP), which aims to eliminate skills gaps by encouraging collaboration across education and industry, is expanded with \$10 million non-recurring. A temporary administrative position is added to the program with a non-recurring appropriation of \$96,300.

Various grant programs and initiatives for higher education students are funded with a total recommendation of \$5.5 million. This amount includes \$2.5 million non-recurring and three temporary positions for a College Advisor Corps that will provide one-on-one assistance for students completing college admission forms and financial aid applications; \$1 million non-recurring for competitive Veteran Reconnect grants that will be used to train faculty and staff who work with students who have served in the armed forces; \$800,000 non-recurring for competitive grants to institutions to develop programs that will recruit and retain students eligible for the Tennessee Promise Scholarship program; \$469,100 non-recurring to expand the Seamless Alignment and Integrated Learning Support (SAILS) program to Shelby County; \$400,000 non-recurring to address remediation needs of Tennessee Promise students during the summer prior to fall semester enrollment; \$200,000 non-recurring to fund two temporary positions in the Adult Learner Program; and \$150,000 non-recurring for student outreach and Drive to 55 operations.

Budget Highlights

Recurring funds of \$383,300 are recommended to fund administrative functions in the Tennessee Higher Education Commission, Tennessee Student Assistance Corporation, and the Foreign Language Institute.

Health and Social Services

An additional \$64.3 million in recurring state funding is recommended for the TennCare program to off-set increased costs due to increased enrollment in the program. To manage that enrollment increase, an additional \$4.5 million to fund 250 eligibility determination positions is also requested. Increasing pharmaceutical and premium costs in Medicare Part B and Part D are funded with an appropriation of \$77.7 million. The higher cost of services provided to members of the Intellectual and Developmental Disabilities waiver is funded with \$588,900.

A new program for people with intellectual and developmental disabilities is recommended with an appropriation of \$19 million and eight positions. The new program, called Employment and Community First (ECF) CHOICES, will promote and support integrated, competitive employment and independent living as the first and preferred option for individuals with intellectual and developmental disabilities. Enrollment in the program will include some individuals currently on the waiting list for services from the state. A reallocation of \$5.1 million in existing state funds in the Greene Valley Developmental Center will bring the total appropriation for ECF CHOICES to \$24.1 million.

In anticipation of an expected change in federal requirements, an appropriation of \$1.7 million is requested to transition intellectually and developmentally disabled individuals from facility-based day services. A six month extension allowed under the Clover Bottom Lawsuit Exit Plan is funded with an appropriation of \$6.3 million in TennCare and \$277,900 in the Department of Intellectual and Developmental Disabilities (DIDD). TennCare's share of other cost increases in the Department of Children's Services is funded with \$1.7 million recurring.

Funding for buprenorphine, a drug used to treat opiate addiction, is restored with \$1.6 million. In fiscal year 2015-2016, the use of buprenorphine was limited to two years for TennCare enrollees.

Bureau of TennCare general fund cost increases, including the federal match rate change described in the **Federal and State Mandates** section, total \$189.8 million and are matched with \$309.6 million in federal funds for a total of \$499.4 million in new funding for the state's TennCare program.

In the Department of Health, \$1.4 million and eight new positions are recommended to respond to potential outbreaks of Hepatitis C, HCV, and HIV in the state. Emphasis will be on testing individuals and providing educational materials to at-risk populations to prevent those diseases from spreading. Administration legislation pertaining to the training of county medical examiners and death investigators is funded with \$527,800.

Budget Highlights

Various grant programs are funded with non-recurring appropriations, including the Healthy Start (\$1.5 million) and Child Health and Development (CHAD) (\$450,000) home visitation programs; sickle cell research by the Sickle Cell Foundation of Tennessee (\$75,000) and the Methodist Healthcare Foundation (\$50,000); the Health and Wellness Foundation (\$3 million); the Tennessee Men's Health Network (\$50,000); and epilepsy programs (\$103,100).

In the Department of Mental Health and Substance Abuse Services, an appropriation of \$5.5 million is requested to off-set the loss of revenue associated with changes in insurance trends for patients served at the state's regional mental health institutes. Efforts to maintain Joint Commission on Accreditation of Healthcare Organizations (JCAHO) standards at Moccasin Bend Mental Health Institute are supported with an additional \$1.5 million recurring. Also in the department, \$1.3 million is requested to fund nine new drug recovery courts, two new veteran treatment courts, and three existing veteran treatment courts. There are currently 27 counties without access to recovery court services and this appropriation will make those services available to those counties.

In the Department of Children's Services, recurring appropriations of \$5.2 million and 60 new positions related to the Brian A. Settlement Agreement are recommended. This amount includes a rate increase for private providers of services to children, a foster care rate increase, funds for growth in the adoption assistance caseload, 52 additional child protective services case managers, and other administrative costs.

Safe Communities

An appropriation of \$10.2 million and 102 new positions in the Department of Correction is recommended to fund administration legislation that will decrease admissions to state prisons by implementing a graduated sanctions system for violations of community supervision, including probation and parole. The legislation also increases the minimum period of incarceration for certain offenses such as aggravated burglary, drug trafficking, and domestic assault. Of the \$10.2 million requested for this legislation, \$9.6 million is recurring and \$575,000 is non-recurring. Separate pieces of legislation that enhance sentencing for individuals convicted of bringing contraband into a state youth development center and for individuals committing TennCare fraud are funded with \$66,300 and \$63,100 respectively.

Cost increases in contracts with non-state service providers are funded with \$2.5 million. These contract increases include Hardeman County–Whiteville (\$941,700), South Central Correctional Center (\$736,300), and the Hardeman County Incarceration Agreement (\$871,000). Cost increases in the state's sex offender treatment program are funded with an appropriation of \$1.3 million. New software for inventory and asset management is funded with \$924,000. An amount of \$600,000 is recommended to update Hepatitis C standards in the state's prison system.

A recommendation to add 12 state trooper positions to the Highway Patrol is funded with a recurring appropriation of \$413,500 and a non-recurring appropriation of \$739,200 for a total of \$1.2 million. The Department of Safety will use some existing unobligated payroll dollars to

fully fund the 12 trooper positions. A Federal Communications Commission (FCC) requirement to operate all radios on a 6.25 KHz digital bandwidth is funded with a recurring appropriation of \$1 million in the Department of Safety for maintenance and security upgrades.

Business and Economic Development

An appropriation of \$70.9 million is recommended for the Jobs4TN program in the Department of Economic and Community Development to create new opportunities for Tennessee's workforce and to support the growth and retention of the state's traditional jobs base. Of this amount, \$15 million is recurring and \$55.9 million is non-recurring. This appropriation is necessary to recruit new businesses and support workforce training, marketing, and education.

A new Rural Development Initiative to assist rural communities and distressed counties was announced at the Governor's Conference on Economic and Community Development in October 2015 and a non-recurring appropriation of \$10 million is recommended to fund that assistance. Aid to eligible areas will include help with site development, community asset improvements, marketing, strategic planning, downtown revitalization, and technical assistance. The new initiative will increase the ability of rural communities to attract businesses and enhance local economies.

The second year of a five-year commitment to fund manufacturing research at Oak Ridge is funded with a non-recurring grant of \$3 million. A recurring appropriation of \$95,000 funds an increase in assessment fees from the Federal Delta Regional Authority, which provides economic development assistance to counties in the Mississippi River Delta Region.

The fourth year of a tourism marketing task force in the Department of Tourist Development is funded with a \$5 million non-recurring appropriation.

Six additional positions needed to improve food safety, public health, and consumer protection are funded with an appropriation of \$2 million in the Department of Agriculture. The source of this funding is the agricultural regulatory fund. Producer grants given to eligible farmers through the Tennessee Agricultural Enhancement Program are increased by \$1.1 million of which \$698,300 is from state appropriation and \$396,000 is from the agricultural regulatory fund.

Natural Resources and Regulation

To reduce the maintenance backlog in state parks, a recurring appropriation of \$4 million is recommended. Also in the park system, five positions funded with \$441,500 are recommended to supplement existing staff at parks during peak attendance months. These new positions will work at multiple parks as attendance requires.

A new preservation specialist position in the Historical Commission to assist in administering the federal National Historic Preservation Act is recommended and funded with \$63,600.

Budget Highlights

Proposed administration legislation to assist local governments in the disposal of automotive fluid is funded with a \$300,000 appropriation, of which one-half is recurring and the other one-half is non-recurring.

Five new positions and \$489,600 in non-recurring appropriation is recommended for the Department of Labor and Workforce Development to comply with statutory requirements pertaining to the permitting of certain amusement devices. After two years, the five positions will be funded with program fees. Also in the department, a new statistical research position with funding of \$97,500 is recommended in the Division of Workers' Compensation.

Pay For Performance and Employee Benefits

To continue implementing pay for performance in executive branch agencies, an appropriation of \$25.8 million is recommended. This amount is the equivalent of a 4 percent across-the-board increase; however, the percentage increase each employee receives will be based on an evaluation score of valued, advanced, or outstanding. Employee evaluations will be completed on September 30, 2016, and the resulting salary increases will be effective on January 1, 2017. The six-month cost of these performance-based increases will be \$25.8 million in fiscal year 2016-2017 and the annualized cost will be \$51.7 million.

Salary increases for state employees not covered by the Tennessee Excellence, Accountability, and Management (TEAM) Act will be funded with an appropriation of \$4.2 million, which is the equivalent of a 3 percent across-the-board increase. The amount of increase each employee receives will be decided by the appointing authorities of those agencies and those increases will also be effective January 1, 2017. The annual cost of this recommendation is \$8.4 million.

Market adjustments for certain job classifications are funded with an appropriation of \$36.1 million. These adjustments are recommended to keep state salaries competitive with the salaries of similar jobs in the private sector and other non-state government agencies. Market adjustment salary increases will be effective July 1, 2016.

Changes to state employee benefits include a January 1, 2016, 3.5 percent group health insurance premium increase annualized with an appropriation of \$4.8 million. Six months of a projected 4.7 percent increase in group health insurance premiums effective January 1, 2017, is funded with \$6.6 million. A Medicare supplement for retired teachers and state employees is funded with \$8.9 million. That amount is the cost of providing a fixed contribution based on the retiree's length of service. To encourage employee retirement savings, a recurring appropriation of \$2.5 million maintains the state's 401(k) monthly match at \$50.

For state employees losing their jobs as a result of position reductions included in the recommended budget, severance packages 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) are funded with a non-recurring appropriation of \$900,000.

Information Technology

This budget recommendation also includes a plan to implement a new management structure for information technology services in state government. The new structure, known as Enterprise Information Technology (EIT) Transformation, was developed after consultation with private sector technology experts, state agencies, and the Office of Information Resources. This new initiative will implement a unified technology services delivery model that upholds uniform processes and standardizes methodologies under a single organizational structure. This will eliminate duplication of effort among state agencies and reduce information technology project failures.

Following the recommendations of an information technology consultant, 25 new positions will be established in Business Solutions Delivery (BSD), a division of Finance & Administration. Those positions and recommended NextGen salary upgrades for existing staff will be funded with an appropriation of \$5.8 million. The state's Office of Information Resources will be re-named Strategic Technology Solutions (STS) and an additional seven administrative positions funded by state agencies are recommended for that division. Sixteen state agencies will be transferring approximately 300 existing information technology positions to BSD. NextGen salary increases for staff working on the state's enterprise resource planning system, Edison, are funded with a revenue estimate of \$1.1 million to come from state agencies.

The Bureau of TennCare is requesting a new eligibility system to be funded with \$8.3 million from the TennCare Reserves and \$65.5 million in federal revenue for a total of \$73.8 million.

Non-recurring funding of \$14.6 million is recommended for the Electronic Public Health Information (EPI) System. This new system will track and manage core public health services such as immunizations; primary care patient encounters; client visits; and Women, Infants, and Children (WIC) program clients. The EPI System will also include electronic medical record functionality, something not found in the antiquated Patient Tracking Billing Management Information System (PTBMIS) currently used by the department.

An electronic medical records system is also funded in the Department of Mental Health and Substance Abuse Services with a non-recurring appropriation of \$5 million and seven positions. This new system will be used by the department's regional mental health hospitals to improve clinical, administrative, and financial operations.

The Department of Revenue requests \$12.7 million non-recurring and 16 temporary positions for a new revenue and tax collection computer system. The new system is a commercial off-the-shelf product called GenTax that has already been implemented in 20 states. It will replace the existing COBOL-based Revenue Integrated Tax System (RITS), which was implemented over 20 years ago. The Revenue department anticipates the new system will enhance customer service, increase productivity and efficiency, and offer opportunities to increase revenue collections.

Budget Highlights

Also in the area of information technology, \$630,900 is recommended to match \$420,600 in agency revenues for a total of \$1.1 million to purchase hardware, software, and contracted services to improve the security of the state's data and computer systems.

Capital Outlay

Capital outlay in fiscal year 2016-2017 totals \$429.2 million, including \$355.9 million in non-recurring current funds and \$73.3 million from federal and other sources. An appropriation of \$121.1 million is recommended for statewide capital maintenance, including \$46.2 million for general government, \$45.5 million for the Board of Regents, and \$29.4 million for the University of Tennessee. Sentencing Act funds are the source of \$12.1 million for capital maintenance in the Department of Correction.

The Facilities Revolving Fund (FRF) capital budget provides an additional \$152.2 million for projects and maintenance of state office buildings and similar facilities maintained 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 \$491.5 million on June 30, 2015, and is estimated to be \$568 million on June 30, 2016. A recommended deposit to the fund of \$100 million in fiscal year 2016-2017 will have the total revenue fluctuation reserve at \$668 million on June 30, 2017.

TennCare Reserve

The TennCare reserve consists of prior-year unspent funds appropriated to the TennCare program. The unobligated reserve, as of June 30, 2015, is \$267.7 million. A transfer of \$8.3 million is expected in the current year to fund a new eligibility system, so the balance is projected to be \$259.4 million on June 30, 2016. The balance is expected to be the same on June 30, 2017.

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 three 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. Detailed Budget Estimates – Estimates of expenditures and revenues, including all funding sources; program statements; 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

3. 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 funds 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 and two are included in the budget document. The format of the budget document is reviewed annually for clarity and content. Part three, 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 percentage of reduction compared with general fund state appropriations and with so-called discretionary appropriations. The discretionary appropriations exclude appropriations from all dedicated taxes and fees, federal aid, and other departmental revenue; and general fund appropriations for the K-12 Basic Education Program (BEP), pre-kindergarten, constitutionally and statutorily required salaries of judges, 31 district attorneys general, 31 public defenders,

The Budget Document

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.

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.

All of the 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.

The Budget Document

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.

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," and "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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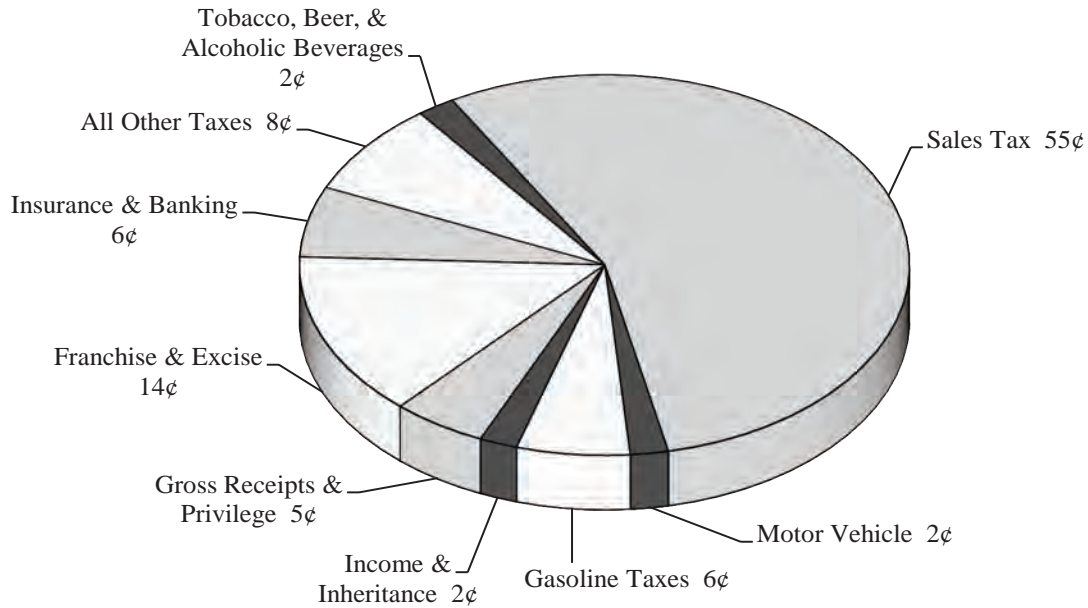
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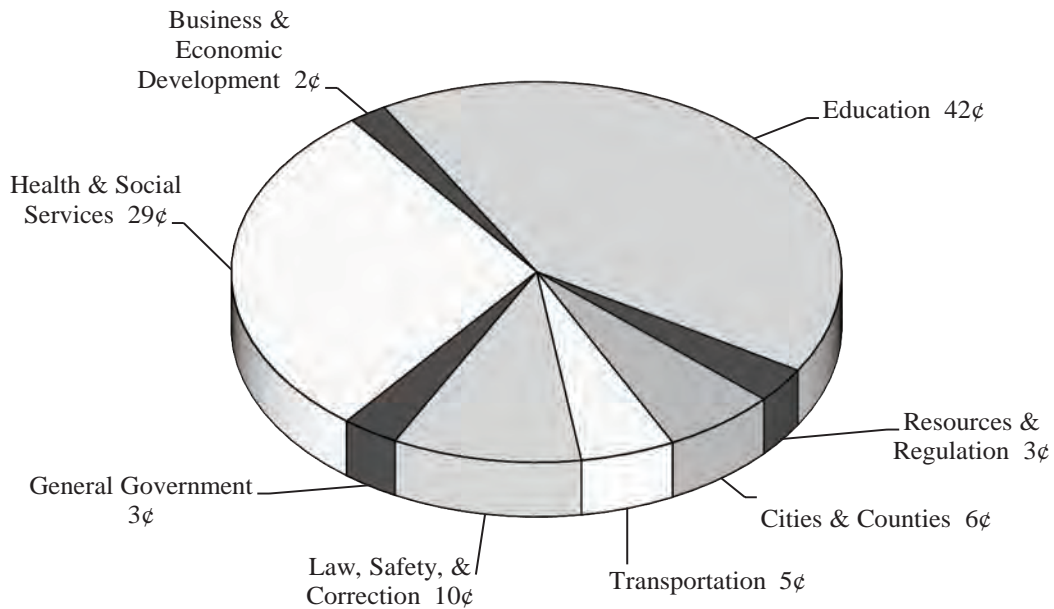
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Total State Budget

Where Your State Tax Dollar Comes From



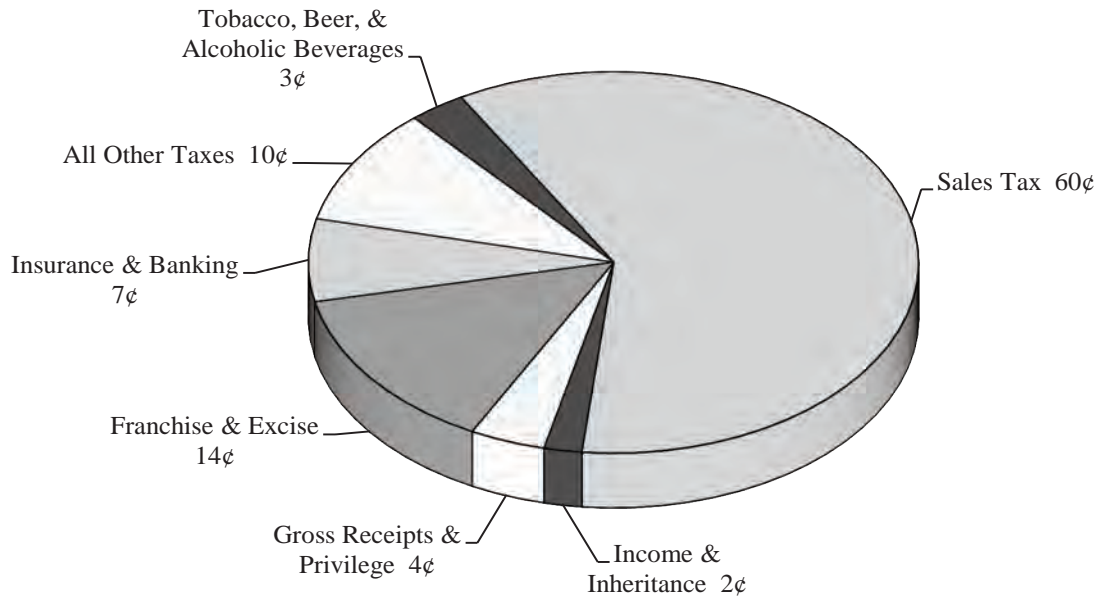
Where Your State Tax Dollar Goes



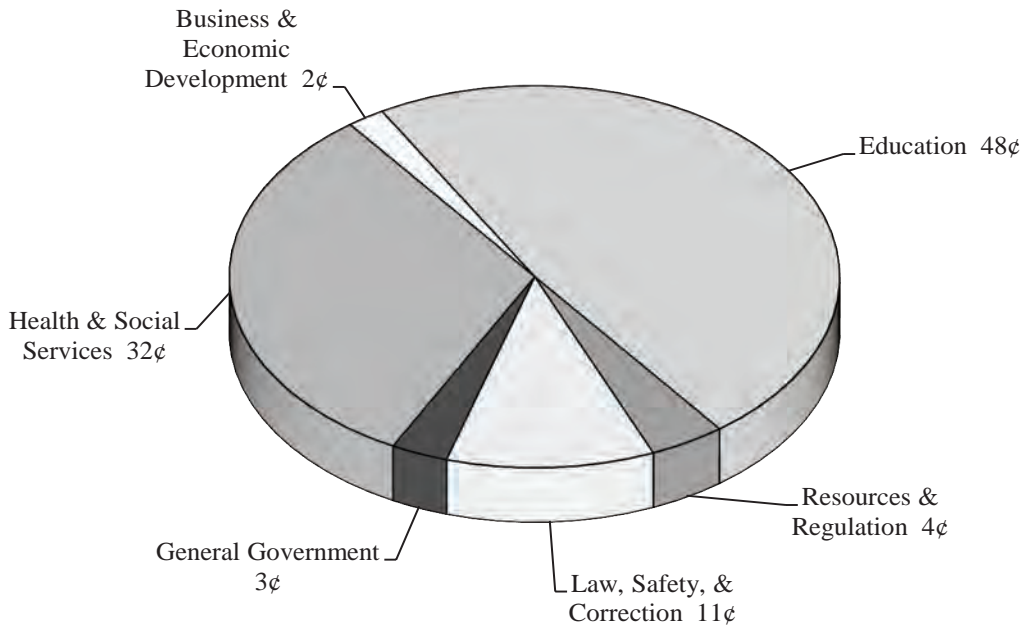
Fiscal Year 2016-2017

General Fund Budget

Where Your State Tax Dollar Comes From



Where Your State Tax Dollar Goes



Fiscal Year 2016-2017

**Total State Budget
Comparison of Programs and Revenue Sources
Fiscal Years 2014-2015, 2015-2016, and 2016-2017**

	Actual 2014-2015	Estimated 2015-2016	Recommended 2016-2017	Act. vs. Est. Difference	Est. vs. Rec. Difference
I. PROGRAMS					
ALL PROGRAMS	\$ 31,988,420,900	\$ 33,949,995,054	\$ 34,783,620,200	\$ 1,961,574,154	\$ 833,625,146
General Fund ¹	28,364,467,500	29,756,909,954	30,729,129,200	1,392,442,454	972,219,246
Department of Transportation	1,708,328,300	1,805,134,400	1,877,981,400	96,806,100	72,847,000
Debt Service Requirements	375,674,500	408,600,000	425,054,000	32,925,500	16,454,000
Capital Outlay Program	406,396,000	652,824,200	429,229,100	246,428,200	(223,595,100)
Facilities Revolving Fund	157,816,700	324,726,500	296,026,500	166,909,800	(28,700,000)
Cities & Counties - State Shared Taxes	975,737,900	1,001,800,000	1,026,200,000	26,062,100	24,400,000
II. REVENUE SOURCES					
APPROPRIATION	\$ 14,791,877,700	\$ 15,530,810,554	\$ 16,380,555,500	\$ 738,932,854	\$ 849,744,946
General Fund ¹	12,330,404,900	13,080,845,654	13,682,764,100	750,440,754	601,918,446
Department of Transportation	792,219,800 ²	728,098,900	756,856,000	(64,120,900)	28,757,100
Debt Service Requirements	375,674,500	408,600,000	425,054,000	32,925,500	16,454,000
Capital Outlay Program	310,068,000 ²	135,361,200	355,926,600	(174,706,800)	220,565,400
Facilities Revolving Fund	7,772,600	176,104,800	133,754,800	168,332,200	(42,350,000)
Cities & Counties - State Shared Taxes	975,737,900	1,001,800,000	1,026,200,000	26,062,100	24,400,000
BONDS	\$ 0	\$ 521,400,000	\$ 87,700,000	\$ 521,400,000	\$ (433,700,000)
Department of Transportation	0	83,800,000	87,700,000	83,800,000	3,900,000
Capital Outlay Program	0	437,600,000	0	437,600,000	(437,600,000)
FEDERAL	\$ 12,054,843,400	\$ 12,792,948,400	\$ 13,222,725,100	\$ 738,105,000	\$ 429,776,700
General Fund	11,175,619,600	11,823,039,400	12,210,123,200	647,419,800	387,083,800
Department of Transportation	874,198,800	960,036,500	999,710,400	85,837,700	39,673,900
Capital Outlay Program	5,025,000	9,872,500	12,891,500	4,847,500	3,019,000
CURRENT SERVICES & OTHER	\$ 5,141,699,800	\$ 5,104,836,100	\$ 5,092,639,600	\$ (36,863,700)	\$ (12,196,500)
General Fund ³	4,858,443,000	4,853,024,900	4,836,241,900	(5,418,100)	(16,783,000)
Department of Transportation	41,909,700	33,199,000	33,715,000	(8,710,700)	516,000
Capital Outlay Program	91,303,000	69,990,500	60,411,000	(21,312,500)	(9,579,500)
Facilities Revolving Fund	150,044,100 ⁴	148,621,700	162,271,700	(1,422,400)	13,650,000
TOTAL STATE BUDGET	\$ 31,988,420,900	\$ 33,949,995,054	\$ 34,783,620,200	\$ 1,961,574,154	\$ 833,625,146

¹ General Fund includes Education Lottery-funded programs.

² Includes tax revenues and bonds.

³ Includes Higher Education tuition and student fees.

⁴ Includes departmental operating revenues and bonds.

**Total State Budget
Comparison of Programs by Revenue Sources
Fiscal Years 2014-2015, 2015-2016, and 2016-2017**

	Actual 2014-2015	Estimated 2015-2016	Recommended 2016-2017	Act. vs. Est. Difference	Est. vs. Rec. Difference
I. GENERAL FUND ¹	\$ 28,364,467,500	\$ 29,756,909,954	\$ 30,729,129,200	\$ 1,392,442,454	\$ 972,219,246
Appropriation	12,330,404,900	13,080,845,654	13,682,764,100	750,440,754	601,918,446
Federal	11,175,619,600	11,823,039,400	12,210,123,200	647,419,800	387,083,800
Current Services & Other Revenue ²	4,858,443,000	4,853,024,900	4,836,241,900	(5,418,100)	(16,783,000)
II. DEPARTMENT OF TRANSPORTATION	\$ 1,708,328,300	\$ 1,805,134,400	\$ 1,877,981,400	\$ 96,806,100	\$ 72,847,000
Appropriation	792,219,800 ³	728,098,900	756,856,000	(64,120,900)	28,757,100
Federal	874,198,800	960,036,500	999,710,400	85,837,700	39,673,900
Current Services & Other Revenue	41,909,700	33,199,000	33,715,000	(8,710,700)	516,000
Bonds	0	83,800,000	87,700,000	83,800,000	3,900,000
III. DEBT SERVICE REQUIREMENTS	\$ 375,674,500	\$ 408,600,000	\$ 425,054,000	\$ 32,925,500	\$ 16,454,000
Appropriation	375,674,500	408,600,000	425,054,000	32,925,500	16,454,000
IV. CAPITAL OUTLAY PROGRAM	\$ 406,396,000	\$ 652,824,200	\$ 429,229,100	\$ 246,428,200	\$ (223,595,100)
Appropriation	310,068,000 ³	135,361,200	355,926,600	(174,706,800)	220,565,400
Federal	5,025,000	9,872,500	12,891,500	4,847,500	3,019,000
Current Services & Other Revenue	91,303,000	69,990,500	60,411,000	(21,312,500)	(9,579,500)
Bonds	0	437,600,000	0	437,600,000	(437,600,000)
V. FACILITIES REVOLVING FUND	\$ 157,816,700	\$ 324,726,500	\$ 296,026,500	\$ 166,909,800	\$ (28,700,000)
Appropriations	7,772,600	176,104,800	133,754,800	168,332,200	(42,350,000)
Current Services & Other Revenue ⁴	150,044,100	148,621,700	162,271,700	(1,422,400)	13,650,000
VI. CITIES & COUNTIES - STATE SHARED TAXES	\$ 975,737,900	\$ 1,001,800,000	\$ 1,026,200,000	\$ 26,062,100	\$ 24,400,000
Appropriation	975,737,900	1,001,800,000	1,026,200,000	26,062,100	24,400,000
VII. TOTAL STATE BUDGET	\$ 31,988,420,900	\$ 33,949,995,054	\$ 34,783,620,200	\$ 1,961,574,154	\$ 833,625,146
Appropriation	14,791,877,700	15,530,810,554	16,380,555,500	738,932,854	849,744,946
Federal	12,054,843,400	12,792,948,400	13,222,725,100	738,105,000	429,776,700
Current Services & Other Revenue ²	5,141,699,800	5,104,836,100	5,092,639,600	(36,863,700)	(12,196,500)
Bonds	0	521,400,000	87,700,000	521,400,000	(433,700,000)

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 2015-2016**

	<u>TOTAL</u>	<u>RECURRING</u>	<u>NON-RECURRING</u>
I. APPROPRIATION REQUIREMENTS			
General Fund Programs:			
2015 Appropriation Act - Work Program	\$ 13,032,770,454	\$ 12,327,488,554	\$ 705,281,900
2015 Appropriation Act - Dedicated Funds	(400,000)	0	(400,000)
2016 Supplemental Appropriations	48,475,200	0	48,475,200
Total General Fund Requirements	\$ 13,080,845,654	\$ 12,327,488,554	\$ 753,357,100
Less: Overappropriation	(86,807,800)	(86,807,800)	0
Net General Fund Requirements	\$ 12,994,037,854	\$ 12,240,680,754	\$ 753,357,100
Other Programs:			
Capital Outlay Program	\$ 135,361,200	\$ 0	\$ 135,361,200
Designated to Other Funds:			
Metro Sports Authority Debt Service	\$ 3,835,300	\$ 3,835,300	\$ 0
Dedicated Funds - Reserves	1,000,000	1,000,000	0
Sub-Total Designated to Other Funds	\$ 4,835,300	\$ 4,835,300	\$ 0
Facilities Revolving Fund:			
Facilities Revolving Fund - Operations	\$ 13,064,800	\$ 13,064,800	\$ 0
Facilities Revolving Fund - Capital Outlay	163,040,000	0	163,040,000
Sub-Total Facilities Revolving Fund	\$ 176,104,800	\$ 13,064,800	\$ 163,040,000
Total Other Programs	\$ 316,301,300	\$ 17,900,100	\$ 298,401,200
Total Appropriation Requirements	\$ 13,310,339,154	\$ 12,258,580,854	\$ 1,051,758,300
II. GENERAL FUND REVENUES AND RESERVES			
State Tax Revenue - Department of Revenue	\$ 10,777,300,000	\$ 10,736,000,000	\$ 41,300,000
State Tax Revenue - Other State Revenue	1,908,800,000	1,350,218,900	558,581,100
Miscellaneous Revenue	52,600,000	52,600,000	0
Tobacco MSA Revenue	144,600,000	132,100,000	12,500,000
Lottery for Education Account	346,200,000	345,100,000	1,100,000
Transfers, Reserves, and Other Available Funds:			
Highway Fund Transfer - Gas Inspection Act	1,100,000	1,100,000	0
Reserve for 2015-2016 Appropriations	478,800,000	0	478,800,000
Transfer to Rainy Day Fund	(76,500,000)	0	(76,500,000)
Transfer from TennCare Reserve	8,261,700	0	8,261,700
Highway Fund Transfer at June 30, 2016	(130,000,000)	0	(130,000,000)
Debt Service Fund Transfer at June 30, 2016	102,500,000	0	102,500,000
Unappropriated Budget Surplus at June 30, 2015	393,715,000	0	393,715,000
Rounding	(8,046)	(8,046)	0
Sub-Total Transfers, Reserves, and Other Available Funds	\$ 777,868,654	\$ 1,091,954	\$ 776,776,700
Total General Fund Revenues and Reserves	\$ 14,007,368,654	\$ 12,617,110,854	\$ 1,390,257,800
III. AVAILABLE FUNDS AT JUNE 30, 2016			
Available Funds	\$ 662,029,500	\$ 358,530,000	\$ 303,499,500
Revenue Unavailable Until 2017 Legislative Session	35,000,000	0	35,000,000
Total Available Funds	\$ 697,029,500	\$ 358,530,000	\$ 338,499,500
Revenue Fluctuation Reserve at June 30, 2015	\$ 491,500,000		
Revenue Fluctuation Reserve at June 30, 2016	\$ 568,000,000		

**General Fund and Education Fund
Comparison of Appropriation Requirements and State Revenues
Fiscal Year 2016-2017**

	<u>TOTAL</u>	<u>RECURRING</u>	<u>NON-RECURRING</u>
I. APPROPRIATION REQUIREMENTS			
General Fund Programs:			
Base Budget Requirements	\$ 12,327,488,554	\$ 12,327,488,554	\$ 0
Preliminary Base Budget Adjustments - General Fund	564,211,200	7,311,200	556,900,000
Base Budget Reduction Plans - General Fund	(93,564,700)	(34,984,000)	(58,580,700)
Sum Sufficient Appropriations - Dedicated Funds	(4,193,554)	(4,193,554)	0
Preliminary Base Budget Adjustments - Dedicated Funds	(10,981,600)	(10,981,600)	0
Base Budget Reduction Plans - Dedicated Funds	287,800	287,800	0
Base Budget Recommended	\$ 12,783,247,700	\$ 12,284,928,400	\$ 498,319,300
Cost Increases - Budget Recommendations			
All Programs - General Fund	\$ 882,358,000	\$ 710,750,900	\$ 171,607,100
Reserve for Administration Amendment	14,535,000	8,000,000	6,535,000
All Programs - Dedicated Funds	2,623,400	2,473,400	150,000
Total Cost Increases Recommended	\$ 899,516,400	\$ 721,224,300	\$ 178,292,100
Total General Fund Requirements	\$ 13,682,764,100	\$ 13,006,152,700	\$ 676,611,400
Less: Overappropriation	(86,807,800)	(86,807,800)	0
Less: Unallocated Base Reductions - STS	(3,030,300)	(3,030,300)	0
Net General Fund Requirements	\$ 13,592,926,000	\$ 12,916,314,600	\$ 676,611,400
Other Programs:			
Capital Outlay Program	\$ 355,926,600	\$ 0	\$ 355,926,600
Designated to Other Funds:			
Metro Sports Authority Debt Service	\$ 3,834,700	\$ 3,834,700	\$ 0
Dedicated Funds - Reserves	1,000,000	1,000,000	0
Sub-Total Designated to Other Funds	\$ 4,834,700	\$ 4,834,700	\$ 0
Facilities Revolving Fund:			
Facilities Revolving Fund - Operations	\$ 13,064,800	\$ 13,064,800	\$ 0
Facilities Revolving Fund - Capital Outlay	120,690,000	20,000,000	100,690,000
Sub-Total Facilities Revolving Fund	\$ 133,754,800	\$ 33,064,800	\$ 100,690,000
Total Other Programs	\$ 494,516,100	\$ 37,899,500	\$ 456,616,600
Total Appropriation Requirements	\$ 14,087,442,100	\$ 12,954,214,100	\$ 1,133,228,000
II. GENERAL FUND REVENUES AND RESERVES			
State Tax Revenue - Department of Revenue	\$ 11,104,400,000	\$ 11,089,900,000	\$ 14,500,000
State Tax Revenue - Department of Revenue - 2016 Legislation	(23,065,900)	(11,220,500)	(11,845,400)
State Tax Revenue - Other State Revenue	1,907,300,000	1,350,246,000	557,054,000
Miscellaneous Revenue	52,600,000	52,600,000	0
Tobacco MSA Revenue	143,800,000	132,100,000	11,700,000
Lottery for Education Account	339,800,000	339,800,000	0
Highway Fund Transfer - Gas Inspection Act	1,100,000	1,100,000	0
Available Funds at June 30, 2016	662,029,500	0	662,029,500
Unavailable Funds - 2017 Legislative Session	35,000,000	0	35,000,000
Transfer to Rainy Day Fund	(100,000,000)	0	(100,000,000)
Rounding Adjustment	36,100	36,100	0
Total General Fund Revenues and Reserves	\$ 14,122,999,700	\$ 12,954,561,600	\$ 1,168,438,100
III. AVAILABLE FUNDS AT JUNE 30, 2017			
Undesignated Fund Balance	\$ 557,600	\$ 347,500	\$ 210,100
Revenue Unavailable Until 2017 Legislative Session	35,000,000	0	35,000,000
Total Available Funds	\$ 35,557,600	\$ 347,500	\$ 35,210,100
Revenue Fluctuation Reserve at June 30, 2016	\$ 568,000,000		
Revenue Fluctuation Reserve at June 30, 2017	\$ 668,000,000		

Department of Transportation
Comparison of Appropriations and Funding Requirements
Fiscal Years 2015-2016 and 2016-2017

	2015-2016	2016-2017	Difference
I. APPROPRIATION REQUIREMENTS			
ADMINISTRATION	\$ 79,774,800	\$ 80,149,900	\$ 375,100
HEADQUARTERS OPERATIONS	\$ 25,795,500	\$ 31,706,800	\$ 5,911,300
FIELD OPERATIONS	\$ 68,862,400	\$ 63,090,200	\$ (5,772,200)
GARAGE AND FLEET OPERATIONS	\$ 25,579,200	\$ 36,112,500	\$ 10,533,300
CAPITAL IMPROVEMENTS	\$ -	\$ -	\$ -
HIGHWAY SYSTEM MAINTENANCE	\$ 302,859,000	\$ 306,323,900	\$ 3,464,900
STATE-FUNDED PROGRAMS			
Betterments	\$ 800,000	\$ 800,000	\$ -
State Aid	30,622,000	30,622,000	-
State Industrial Access	30,000,000	30,000,000	-
Local Interstate Connectors	2,000,000	2,000,000	-
Sub-Total State Funded Programs	\$ 63,422,000	\$ 63,422,000	\$ -
FEDERALLY FUNDED PROGRAMS			
Planning and Research	\$ 6,071,000	\$ 6,571,000	\$ 500,000
Interstate System	14,800,000	18,200,000	3,400,000
Forest Highways	200,000	200,000	-
Highway Infrastructure	127,644,700	150,844,700	23,200,000
Bridge Replacement	-	-	-
Transit	47,667,400	49,735,000	2,067,600
Air, Water, and Rail	49,222,900	38,200,000	(11,022,900)
Sub-Total Federally Funded Programs	\$ 245,606,000	\$ 263,750,700	\$ 18,144,700
TOTAL APPROPRIATION REQUIREMENTS	\$ 811,898,900	\$ 844,556,000	\$ 32,657,100
II. STATE FUNDING SOURCES			
Highway User Taxes	\$ 660,800,000	\$ 670,000,000	\$ 9,200,000
Sales Tax - Transportation Equity Fund	49,222,900	38,200,000	(11,022,900)
Miscellaneous Revenue	18,076,000	19,656,000	1,580,000
Bond Authorization	83,800,000	87,700,000	3,900,000
Fund Balance & Reserves	-	29,000,000	29,000,000
TOTAL STATE FUNDING SOURCES	\$ 811,898,900	\$ 844,556,000	\$ 32,657,100

Department of Transportation
Comparison of Appropriations by Funding Sources
Fiscal Years 2015-2016 and 2016-2017

	<u>2015-2016</u>	<u>2016-2017</u>	<u>Difference</u>
I. STATE FUNDS			
Administration	\$ 79,774,800	\$ 80,149,900	\$ 375,100
Headquarters Operations	25,795,500	31,706,800	5,911,300
Field Operations	68,862,400	63,090,200	(5,772,200)
Garage and Fleet Operations	25,579,200	36,112,500	10,533,300
Capital Improvements	-	-	-
Highway System Maintenance	302,859,000	306,323,900	3,464,900
State-Funded Programs	44,419,300	63,422,000	19,002,700
Federally Funded Programs	180,808,700	176,050,700	(4,758,000)
Total State Funds	<u>\$ 728,098,900</u>	<u>\$ 756,856,000</u>	<u>\$ 28,757,100</u>
II. BOND AUTHORIZATIONS			
Capital Improvements	\$ -	\$ -	\$ -
State-Funded Programs	19,002,700	-	(19,002,700)
Federally Funded Programs	64,797,300	87,700,000	22,902,700
Total Bond Authorizations	<u>\$ 83,800,000</u>	<u>\$ 87,700,000</u>	<u>\$ 3,900,000</u>
III. FEDERAL AID			
Federally Funded Programs	\$ 960,036,500	\$ 999,710,400	\$ 39,673,900
Total Federal Aid	<u>\$ 960,036,500</u>	<u>\$ 999,710,400</u>	<u>\$ 39,673,900</u>
IV. LOCAL GOVERNMENTS			
Highway System Maintenance	\$ -	\$ -	\$ -
State-Funded Programs	2,925,000	5,115,000	2,190,000
Federally Funded Programs	25,850,000	24,000,000	(1,850,000)
Total Local Governments	<u>\$ 28,775,000</u>	<u>\$ 29,115,000</u>	<u>\$ 340,000</u>
V. OTHER STATE AGENCIES			
Garage and Fleet Services	\$ 4,424,000	\$ 4,600,000	\$ 176,000
Total Other State Agencies	<u>\$ 4,424,000</u>	<u>\$ 4,600,000</u>	<u>\$ 176,000</u>
VI. GRAND TOTAL			
Administration	\$ 79,774,800	\$ 80,149,900	\$ 375,100
Headquarters Operations	25,795,500	31,706,800	5,911,300
Field Operations	68,862,400	63,090,200	(5,772,200)
Garage and Fleet Operations	30,003,200	40,712,500	10,709,300
Capital Improvements	-	-	-
Highway System Maintenance	302,859,000	306,323,900	3,464,900
State-Funded Programs	66,347,000	68,537,000	2,190,000
Federally Funded Programs	1,231,492,500	1,287,461,100	55,968,600
Grand Total	<u>\$ 1,805,134,400</u>	<u>\$ 1,877,981,400</u>	<u>\$ 72,847,000</u>

Department of Transportation
Actual Expenditures by Program and Funding Source
Fiscal Year 2014-2015

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>
Administration	\$ 60,187,600	\$ -	\$ -	\$ 60,187,600
Headquarters Operations	\$ 18,955,600	\$ -	\$ -	\$ 18,955,600
Field Operations	\$ 58,577,000	\$ -	\$ -	\$ 58,577,000
Flight Services	\$ 1,944,500	\$ -	\$ -	\$ 1,944,500
Garage and Fleet Operations	\$ 4,241,700	\$ -	\$ 4,924,300	\$ 9,166,000
Capital Improvements	\$ 1,102,100	\$ -	\$ -	\$ 1,102,100
Highway System Maintenance	\$ 283,866,200	\$ -	\$ 63,500	\$ 283,929,700
STATE-FUNDED PROGRAMS				
Betterments	\$ 3,931,900	\$ -	\$ 493,200	\$ 4,425,100
State Aid	28,113,800	-	-	28,113,800
State Industrial Access	30,596,900	-	686,500	31,283,400
Local Interstate Connectors	4,537,000	-	3,402,400	7,939,400
Sub-Total State-Funded Programs	\$ 67,179,600	\$ -	\$ 4,582,100	\$ 71,761,700
FEDERALLY FUNDED PROGRAMS				
Planning and Research	\$ 4,095,200	\$ 13,833,600	\$ 231,100	\$ 18,159,900
Interstate System	2,945,200	26,337,100	3,751,800	33,034,100
Forest Highways	-	94,600	-	94,600
Highway Infrastructure	176,827,100	785,062,600	24,341,200	986,230,900
Bridge Replacement	12,625,900	4,623,800	-	17,249,700
Transit	41,370,400	26,552,600	-	67,923,000
Air, Water, and Rail	58,301,700	17,694,500	4,015,700	80,011,900
Sub-Total Federally Funded Programs	\$ 296,165,500	\$ 874,198,800	\$ 32,339,800	\$ 1,202,704,100
TOTAL APPROPRIATIONS	\$ 792,219,800	\$ 874,198,800	\$ 41,909,700	\$ 1,708,328,300
STATE FUNDING SOURCES				
Highway User Taxes	\$ 665,367,500			
Sales Tax - Transportation Equity Fund	38,165,000			
Miscellaneous Revenue	19,541,200			
Fund Balance & Reserves	69,146,100			
TOTAL STATE FUNDING SOURCES	\$ 792,219,800			

**Department of Transportation
Enacted Budget by Program and Funding Source
Fiscal Year 2015-2016**

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>
Administration	\$ 79,774,800	\$ -	\$ -	\$ 79,774,800
Headquarters Operations	\$ 25,795,500	\$ -	\$ -	\$ 25,795,500
Field Operations	\$ 68,862,400	\$ -	\$ -	\$ 68,862,400
Garage and Fleet Operations	\$ 25,579,200	\$ -	\$ 4,424,000	\$ 30,003,200
Capital Improvements	\$ -	\$ -	\$ -	\$ -
Highway System Maintenance	\$ 302,859,000	\$ -	\$ -	\$ 302,859,000
STATE-FUNDED PROGRAMS				
Betterments	\$ 800,000	\$ -	\$ 100,000	\$ 900,000
State Aid	30,622,000	-	625,000	31,247,000
State Industrial Access	30,000,000	-	200,000	30,200,000
Local Interstate Connectors	2,000,000	-	2,000,000	4,000,000
Sub-Total State-Funded Programs	<u>\$ 63,422,000</u>	<u>\$ -</u>	<u>\$ 2,925,000</u>	<u>\$ 66,347,000</u>
FEDERALLY FUNDED PROGRAMS				
Planning and Research	\$ 6,071,000	\$ 16,100,000	\$ -	\$ 22,171,000
Interstate System	14,800,000	159,300,000	-	174,100,000
Forest Highways	200,000	700,000	-	900,000
Highway Infrastructure	127,644,700	681,274,000	23,350,000	832,268,700
Bridge Replacement	-	-	-	-
Transit	47,667,400	89,162,500	-	136,829,900
Air, Water, and Rail	49,222,900	13,500,000	2,500,000	65,222,900
Sub-Total Federally Funded Programs	<u>\$ 245,606,000</u>	<u>\$ 960,036,500</u>	<u>\$ 25,850,000</u>	<u>\$ 1,231,492,500</u>
TOTAL APPROPRIATIONS	<u>\$ 811,898,900</u>	<u>\$ 960,036,500</u>	<u>\$ 33,199,000</u>	<u>\$ 1,805,134,400</u>
STATE FUNDING SOURCES				
Highway User Taxes	\$ 660,800,000			
Sales Tax - Transportation Equity Fund	49,222,900			
Miscellaneous Revenue	18,076,000			
Bond Authorization	83,800,000			
TOTAL STATE FUNDING SOURCES	<u>\$ 811,898,900</u>			

**Department of Transportation
Recommended Budget by Program and Funding Source
Fiscal Year 2016-2017**

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>
Administration	\$ 80,149,900	\$ -	\$ -	\$ 80,149,900
Headquarters Operations	\$ 31,706,800	\$ -	\$ -	\$ 31,706,800
Field Operations	\$ 63,090,200	\$ -	\$ -	\$ 63,090,200
Garage and Fleet Operations	\$ 36,112,500	\$ -	\$ 4,600,000	\$ 40,712,500
Capital Improvements	\$ -	\$ -	\$ -	\$ -
Highway System Maintenance	\$ 306,323,900	\$ -	\$ -	\$ 306,323,900
STATE-FUNDED PROGRAMS				
Betterments	\$ 800,000	\$ -	\$ 100,000	\$ 900,000
State Aid	30,622,000	-	2,815,000	33,437,000
State Industrial Access	30,000,000	-	200,000	30,200,000
Local Interstate Connectors	2,000,000	-	2,000,000	4,000,000
Sub-Total State-Funded Programs	<u>\$ 63,422,000</u>	<u>\$ -</u>	<u>\$ 5,115,000</u>	<u>\$ 68,537,000</u>
FEDERALLY FUNDED PROGRAMS				
Planning and Research	\$ 6,571,000	\$ 17,300,000	\$ -	\$ 23,871,000
Interstate System	18,200,000	164,187,000	-	182,387,000
Forest Highways	200,000	700,000	-	900,000
Highway Infrastructure	150,844,700	711,835,000	21,500,000	884,179,700
Bridge Replacement	-	-	-	-
Transit	49,735,000	92,188,400	-	141,923,400
Air, Water, and Rail	38,200,000	13,500,000	2,500,000	54,200,000
Sub-Total Federally Funded Programs	<u>\$ 263,750,700</u>	<u>\$ 999,710,400</u>	<u>\$ 24,000,000</u>	<u>\$ 1,287,461,100</u>
TOTAL APPROPRIATIONS	<u>\$ 844,556,000</u>	<u>\$ 999,710,400</u>	<u>\$ 33,715,000</u>	<u>\$ 1,877,981,400</u>
STATE FUNDING SOURCES				
Highway User Taxes	\$ 670,000,000			
Sales Tax - Transportation Equity Fund	38,200,000			
Miscellaneous Revenue	19,656,000			
Fund Balance & Reserves	29,000,000			
Bond Authorization	87,700,000			
TOTAL STATE FUNDING SOURCES	<u>\$ 844,556,000</u>			

Comparison of Programs

Fiscal Years 2014-2015, 2015-2016, and 2016-2017

Allot. Code	Department	Actual 2014-2015	Estimated 2015-2016	Recommended 2016-2017	Act. vs. Est. Difference	Est. vs. Rec. Difference
301	Legislature	\$ 36,967,900	\$ 42,278,000	\$ 42,260,700	\$ 5,310,100	\$ (17,300)
	Appropriation	36,137,400	42,140,500	42,123,200	6,003,100	(17,300)
	Current Services and Other Revenue	830,500	137,500	137,500	(693,000)	0
301.50	Fiscal Review Committee	\$ 1,060,700	\$ 1,495,800	\$ 1,495,600	\$ 435,100	\$ (200)
	Appropriation	1,060,700	1,495,800	1,495,600	435,100	(200)
302	Court System	\$ 130,836,400	\$ 136,302,600	\$ 136,874,000	\$ 5,466,200	\$ 571,400
	Appropriation	122,557,100	129,403,600	129,975,300	6,846,500	571,700
	Federal	902,900	980,000	980,000	77,100	0
	Current Services and Other Revenue	7,376,400	5,919,000	5,918,700	(1,457,400)	(300)
303	Attorney General and Reporter	\$ 34,054,700	\$ 41,965,700	\$ 39,960,300	\$ 7,911,000	\$ (2,005,400)
	Appropriation	24,127,000	28,100,700	27,497,300	3,973,700	(603,400)
	Current Services and Other Revenue	9,927,700	13,865,000	12,463,000	3,937,300	(1,402,000)
304	District Attorneys General	\$ 105,610,800	\$ 116,244,700	\$ 116,711,900	\$ 10,633,900	\$ 467,200
	Appropriation	74,837,900	80,753,000	82,360,100	5,915,100	1,607,100
	Current Services and Other Revenue	30,772,900	35,491,700	34,351,800	4,718,800	(1,139,900)
305	Secretary of State	\$ 40,390,200	\$ 71,369,900	\$ 71,324,700	\$ 30,979,700	\$ (45,200)
	Appropriation	23,398,800	29,045,600	29,000,600	5,646,800	(45,000)
	Federal	3,927,700	30,216,800	30,216,800	26,289,100	0
	Current Services and Other Revenue	13,063,700	12,107,500	12,107,300	(956,200)	(200)
306	District Public Defenders	\$ 45,949,100	\$ 51,152,654	\$ 51,812,500	\$ 5,203,554	\$ 659,846
	Appropriation	45,235,600	50,576,654	51,236,500	5,341,054	659,846
	Current Services and Other Revenue	713,500	576,000	576,000	(137,500)	0
307	Comptroller of the Treasury	\$ 97,366,400	\$ 102,310,500	\$ 102,602,200	\$ 4,944,100	\$ 291,700
	Appropriation	80,034,800	93,083,600	93,177,300	13,048,800	93,700
	Current Services and Other Revenue	17,331,600	9,226,900	9,424,900	(8,104,700)	198,000
308	Post-Conviction Defender	\$ 1,946,800	\$ 2,350,800	\$ 2,384,800	\$ 404,000	\$ 34,000
	Appropriation	1,946,700	2,350,800	2,384,800	404,100	34,000
	Current Services and Other Revenue	100	0	0	(100)	0
309	Treasury Department	\$ 32,632,700	\$ 38,846,200	\$ 40,671,300	\$ 6,213,500	\$ 1,825,100
	Appropriation	2,170,200	3,019,900	3,093,200	849,700	73,300
	Current Services and Other Revenue	30,462,500	35,826,300	37,578,100	5,363,800	1,751,800
313	Claims and Compensation	\$ 119,041,000	\$ 115,717,400	\$ 116,056,900	\$ (3,323,600)	\$ 339,500
	Appropriation	10,724,800	17,576,000	11,410,000	6,851,200	(6,166,000)
	Federal	4,408,000	3,774,000	4,940,000	(634,000)	1,166,000
	Current Services and Other Revenue	103,908,200	94,367,400	99,706,900	(9,540,800)	5,339,500

Comparison of Programs

Fiscal Years 2014-2015, 2015-2016, and 2016-2017

Allot. Code	Department	Actual 2014-2015	Estimated 2015-2016	Recommended 2016-2017	Act. vs. Est. Difference	Est. vs. Rec. Difference
315	Executive Department	\$ 4,890,600	\$ 5,184,000	\$ 5,183,200	\$ 293,400	\$ (800)
	Appropriation	4,884,600	5,184,000	5,183,200	299,400	(800)
	Current Services and Other Revenue	6,000	0	0	(6,000)	0
316	Commissions	\$ 415,546,000	\$ 445,556,300	\$ 431,606,800	\$ 30,010,300	\$ (13,949,500)
	Appropriation	33,377,600	36,259,600	36,182,800	2,882,000	(76,800)
	Federal	298,025,000	310,513,000	305,639,900	12,488,000	(4,873,100)
	Current Services and Other Revenue	84,143,400	98,783,700	89,784,100	14,640,300	(8,999,600)
317	Finance and Administration (F&A)	\$ 242,371,800	\$ 273,759,000	\$ 329,234,700	\$ 31,387,200	\$ 55,475,700
	Appropriation	16,152,200	20,428,900	26,340,900	4,276,700	5,912,000
	Federal	22,150,200	29,423,800	57,411,900	7,273,600	27,988,100
	Current Services and Other Revenue	204,069,400	223,906,300	245,481,900	19,836,900	21,575,600
	Criminal Justice Programs¹	\$ 22,109,400	\$ 28,948,000	\$ 57,782,600	\$ 6,838,600	\$ 28,834,600
	Appropriation	4,049,400	4,605,500	4,577,100	556,100	(28,400)
	Federal	17,927,600	24,236,700	53,099,700	6,309,100	28,863,000
	Current Services and Other Revenue	132,400	105,800	105,800	(26,600)	0
	Other F&A Programs¹	\$ 220,262,400	\$ 244,811,000	\$ 271,452,100	\$ 24,548,600	\$ 26,641,100
	Appropriation	12,102,800	15,823,400	21,763,800	3,720,600	5,940,400
	Federal	4,222,600	5,187,100	4,312,200	964,500	(874,900)
	Current Services and Other Revenue	203,937,000	223,800,500	245,376,100	19,863,500	21,575,600
318	F&A, TennCare	\$ 10,051,003,300	\$ 10,415,763,700	\$ 10,851,852,500	\$ 364,760,400	\$ 436,088,800
	Appropriation	3,314,826,500	3,374,698,700	3,530,876,600	59,872,200	156,177,900
	Federal	6,098,894,000	6,514,013,000	6,787,438,900	415,119,000	273,425,900
	Current Services and Other Revenue	637,282,800	527,052,000	533,537,000	(110,230,800)	6,485,000
319	Human Resources	\$ 10,742,100	\$ 12,623,600	\$ 12,559,900	\$ 1,881,500	\$ (63,700)
	Appropriation	0	0	0	0	0
	Current Services and Other Revenue	10,742,100	12,623,600	12,559,900	1,881,500	(63,700)
321	General Services	\$ 104,603,500	\$ 128,482,100	\$ 123,488,600	\$ 23,878,600	\$ (4,993,500)
	Appropriation	7,743,900	9,811,100	10,165,000	2,067,200	353,900
	Current Services and Other Revenue	96,859,600	118,671,000	113,323,600	21,811,400	(5,347,400)
323	Veterans Services	\$ 6,454,800	\$ 6,752,700	\$ 6,779,000	\$ 297,900	\$ 26,300
	Appropriation	4,774,300	5,473,000	5,509,300	698,700	36,300
	Federal	1,123,700	1,022,700	1,022,700	(101,000)	0
	Current Services and Other Revenue	556,800	257,000	247,000	(299,800)	(10,000)
324	Board of Parole	\$ 7,105,400	\$ 7,473,200	\$ 7,421,200	\$ 367,800	\$ (52,000)
	Appropriation	7,104,600	7,472,200	7,420,200	367,600	(52,000)
	Current Services and Other Revenue	800	1,000	1,000	200	0

Comparison of Programs Fiscal Years 2014-2015, 2015-2016, and 2016-2017

Allot. Code	Department	Actual 2014-2015	Estimated 2015-2016	Recommended 2016-2017	Act. vs. Est. Difference	Est. vs. Rec. Difference
325	Agriculture	\$ 88,761,700	\$ 96,465,200	\$ 97,143,600	\$ 7,703,500	\$ 678,400
	Appropriation	66,029,100	68,775,400	68,979,800	2,746,300	204,400
	Federal	12,272,700	13,240,000	12,789,400	967,300	(450,600)
	Current Services and Other Revenue	10,459,900	14,449,800	15,374,400	3,989,900	924,600
326	Tourist Development	\$ 22,921,500	\$ 27,519,200	\$ 28,513,700	\$ 4,597,700	\$ 994,500
	Appropriation	14,220,500	18,271,700	19,270,300	4,051,200	998,600
	Current Services and Other Revenue	8,701,000	9,247,500	9,243,400	546,500	(4,100)
327	Environment and Conservation	\$ 330,123,900	\$ 368,522,200	\$ 387,346,200	\$ 38,398,300	\$ 18,824,000
	Appropriation	159,614,700	186,876,200	182,237,000	27,261,500	(4,639,200)
	Federal	76,869,400	66,656,500	87,667,900	(10,212,900)	21,011,400
	Current Services and Other Revenue	93,639,800	114,989,500	117,441,300	21,349,700	2,451,800
328	Wildlife Resources Agency	\$ 90,425,600	\$ 112,182,600	\$ 91,244,100	\$ 21,757,000	\$ (20,938,500)
	Appropriation	54,577,100	59,730,500	55,530,800	5,153,400	(4,199,700)
	Federal	24,337,300	29,001,400	25,438,200	4,664,100	(3,563,200)
	Current Services and Other Revenue	11,511,200	23,450,700	10,275,100	11,939,500	(13,175,600)
329	Correction	\$ 864,677,700	\$ 926,444,400	\$ 961,505,800	\$ 61,766,700	\$ 35,061,400
	Appropriation	847,223,200	908,894,700	943,198,500	61,671,500	34,303,800
	Federal	335,500	353,300	353,300	17,800	0
	Current Services and Other Revenue	17,119,000	17,196,400	17,954,000	77,400	757,600
330	Economic and Community Development	\$ 228,004,100	\$ 202,203,100	\$ 175,820,200	\$ (25,801,000)	\$ (26,382,900)
	Appropriation	114,389,400	168,801,500	146,501,600	54,412,100	(22,299,900)
	Federal	70,106,100	26,654,800	26,392,100	(43,451,300)	(262,700)
	Current Services and Other Revenue	43,508,600	6,746,800	2,926,500	(36,761,800)	(3,820,300)
331	Education (K-12)	\$ 5,582,312,200	\$ 5,714,836,000	\$ 6,002,916,800	\$ 132,523,800	\$ 288,080,800
	Appropriation	4,336,110,900	4,507,007,200	4,763,852,000	170,896,300	256,844,800
	Federal	1,140,410,300	1,082,286,800	1,114,013,000	(58,123,500)	31,726,200
	Current Services and Other Revenue	105,791,000	125,542,000	125,051,800	19,751,000	(490,200)
	Lottery-Funded Programs¹	\$ 14,195,800	\$ 13,500,000	\$ 13,500,000	\$ (695,800)	\$ 0
	Appropriation	13,500,000	13,500,000	13,500,000	0	0
	Current Services and Other Revenue	695,800	0	0	(695,800)	0
	Other Education (K-12) Programs¹	\$ 5,568,116,400	\$ 5,701,336,000	\$ 5,989,416,800	\$ 133,219,600	\$ 288,080,800
	Appropriation	4,322,610,900	4,493,507,200	4,750,352,000	170,896,300	256,844,800
	Federal	1,140,410,300	1,082,286,800	1,114,013,000	(58,123,500)	31,726,200
	Current Services and Other Revenue	105,095,200	125,542,000	125,051,800	20,446,800	(490,200)

Comparison of Programs Fiscal Years 2014-2015, 2015-2016, and 2016-2017

Allot. Code	Department	Actual 2014-2015	Estimated 2015-2016	Recommended 2016-2017	Act. vs. Est. Difference	Est. vs. Rec. Difference
332	Higher Education	\$ 4,128,956,600	\$ 4,305,507,000	\$ 4,410,357,100	\$ 176,550,400	\$ 104,850,100
	Appropriation	1,542,889,500	1,629,625,600	1,742,785,900	86,736,100	113,160,300
	Federal	191,012,100	218,529,200	217,269,700	27,517,100	(1,259,500)
	Current Services and Other Revenue	687,510,800	688,116,400	681,065,700	605,600	(7,050,700)
	Tuition and Student Fees	1,707,544,200	1,769,235,800	1,769,235,800	61,691,600	0
	Lottery for Education Account¹	\$ 312,821,700	\$ 332,700,000	\$ 326,300,000	\$ 19,878,300	\$ (6,400,000)
	Appropriation	312,821,700	332,700,000	326,300,000	19,878,300	(6,400,000)
	Other Higher Education Programs¹	\$ 3,816,134,900	\$ 3,972,807,000	\$ 4,084,057,100	\$ 156,672,100	\$ 111,250,100
	Appropriation	1,230,067,800	1,296,925,600	1,416,485,900	66,857,800	119,560,300
	Federal	191,012,100	218,529,200	217,269,700	27,517,100	(1,259,500)
	Current Services and Other Revenue	687,510,800	688,116,400	681,065,700	605,600	(7,050,700)
	Tuition and Student Fees	1,707,544,200	1,769,235,800	1,769,235,800	61,691,600	0
335	Commerce and Insurance	\$ 169,618,400	\$ 213,929,200	\$ 213,149,800	\$ 44,310,800	\$ (779,400)
	Appropriation	120,738,300	156,372,000	155,430,800	35,633,700	(941,200)
	Federal	848,500	295,300	324,800	(553,200)	29,500
	Current Services and Other Revenue	48,031,600	57,261,900	57,394,200	9,230,300	132,300
336	Financial Institutions	\$ 17,678,500	\$ 19,987,200	\$ 19,979,300	\$ 2,308,700	\$ (7,900)
	Appropriation	16,225,700	19,984,800	19,976,900	3,759,100	(7,900)
	Current Services and Other Revenue	1,452,800	2,400	2,400	(1,450,400)	0
337	Labor and Workforce Development	\$ 164,302,300	\$ 223,728,500	\$ 210,242,000	\$ 59,426,200	\$ (13,486,500)
	Appropriation	32,132,700	45,410,400	44,673,400	13,277,700	(737,000)
	Federal	130,577,000	169,111,700	162,292,300	38,534,700	(6,819,400)
	Current Services and Other Revenue	1,592,600	9,206,400	3,276,300	7,613,800	(5,930,100)
339	Mental Health and Substance Abuse	\$ 306,181,200	\$ 328,407,500	\$ 324,564,100	\$ 22,226,300	\$ (3,843,400)
	Appropriation	200,722,700	212,493,400	216,586,200	11,770,700	4,092,800
	Federal	57,912,500	67,106,900	61,340,000	9,194,400	(5,766,900)
	Current Services and Other Revenue	47,546,000	48,807,200	46,637,900	1,261,200	(2,169,300)
341	Military	\$ 97,330,700	\$ 69,535,500	\$ 69,325,300	\$ (27,795,200)	\$ (210,200)
	Appropriation	14,907,200	14,984,300	14,774,400	77,100	(209,900)
	Federal	80,160,300	51,735,600	51,735,300	(28,424,700)	(300)
	Current Services and Other Revenue	2,263,200	2,815,600	2,815,600	552,400	0
343	Health	\$ 559,803,200	\$ 597,931,300	\$ 609,283,400	\$ 38,128,100	\$ 11,352,100
	Appropriation	175,221,400	189,253,200	196,225,300	14,031,800	6,972,100
	Federal	234,409,500	246,598,400	251,193,500	12,188,900	4,595,100
	Current Services and Other Revenue	150,172,300	162,079,700	161,864,600	11,907,400	(215,100)
344	Intellectual and Developmental Disabilities	\$ 189,613,100	\$ 184,199,800	\$ 157,878,200	\$ (5,413,300)	\$ (26,321,600)
	Appropriation	20,161,400	23,781,700	23,975,500	3,620,300	193,800
	Current Services and Other Revenue	169,451,700	160,418,100	133,902,700	(9,033,600)	(26,515,400)

Comparison of Programs

Fiscal Years 2014-2015, 2015-2016, and 2016-2017

Allot. Code	Department	Actual 2014-2015	Estimated 2015-2016	Recommended 2016-2017	Act. vs. Est. Difference	Est. vs. Rec. Difference
345	Human Services	\$ 2,692,906,800	\$ 2,852,373,100	\$ 2,841,030,400	\$ 159,466,300	\$ (11,342,700)
	Appropriation	174,687,500	183,111,900	179,627,300	8,424,400	(3,484,600)
	Federal	2,443,249,400	2,590,245,400	2,582,411,700	146,996,000	(7,833,700)
	Current Services and Other Revenue	74,969,900	79,015,800	78,991,400	4,045,900	(24,400)
	Temporary Cash Assistance¹	\$ 83,059,500	\$ 114,293,200	\$ 112,965,500	\$ 31,233,700	\$ (1,327,700)
	Appropriation	13,961,700	13,968,900	13,968,900	7,200	0
	Federal	69,097,800	100,224,300	98,896,600	31,126,500	(1,327,700)
	Current Services and Other Revenue	0	100,000	100,000	100,000	0
	Supplemental Nutrition Assistance¹	\$ 1,909,112,700	\$ 1,909,112,700	\$ 1,909,112,700	\$ 0	\$ 0
	Federal	1,909,112,700	1,909,112,700	1,909,112,700	0	0
	Other Human Services Programs¹	\$ 700,734,600	\$ 828,967,200	\$ 818,952,200	\$ 128,232,600	\$ (10,015,000)
	Appropriation	160,725,800	169,143,000	165,658,400	8,417,200	(3,484,600)
	Federal	465,038,900	580,908,400	574,402,400	115,869,500	(6,506,000)
	Current Services and Other Revenue	74,969,900	78,915,800	78,891,400	3,945,900	(24,400)
347	Revenue	\$ 103,303,000	\$ 120,598,700	\$ 126,817,400	\$ 17,295,700	\$ 6,218,700
	Appropriation	70,341,000	86,052,100	95,339,900	15,711,100	9,287,800
	Federal	11,300	20,900	20,900	9,600	0
	Current Services and Other Revenue	32,950,700	34,525,700	31,456,600	1,575,000	(3,069,100)
348	Tennessee Bureau of Investigation	\$ 75,435,600	\$ 75,295,300	\$ 71,863,300	\$ (140,300)	\$ (3,432,000)
	Appropriation	41,030,700	41,811,700	41,069,400	781,000	(742,300)
	Federal	10,967,600	15,291,300	15,270,800	4,323,700	(20,500)
	Current Services and Other Revenue	23,437,300	18,192,300	15,523,100	(5,245,000)	(2,669,200)
349	Safety	\$ 188,497,100	\$ 198,324,000	\$ 199,984,500	\$ 9,826,900	\$ 1,660,500
	Appropriation	127,571,500	136,616,100	140,413,700	9,044,600	3,797,600
	Federal	7,820,000	9,789,200	9,345,200	1,969,200	(444,000)
	Current Services and Other Revenue	53,105,600	51,918,700	50,225,600	(1,186,900)	(1,693,100)
350	F&A, Strategic Health-Care Programs	\$ 173,760,200	\$ 264,089,900	\$ 260,240,800	\$ 90,329,700	\$ (3,849,100)
	Appropriation	47,667,000	73,045,900	14,465,000	25,378,900	(58,580,900)
	Federal	120,467,700	188,631,700	243,363,600	68,164,000	54,731,900
	Current Services and Other Revenue	5,625,500	2,412,300	2,412,200	(3,213,200)	(100)
351	Miscellaneous Appropriations	\$ 40,184,500	\$ 101,762,500	\$ 224,178,800	\$ 61,578,000	\$ 122,416,300
	Appropriation	38,592,900	100,672,500	224,178,800	62,079,600	123,506,300
	Federal	3,300	0	0	(3,300)	0
	Current Services and Other Revenue	1,588,300	1,090,000	0	(498,300)	(1,090,000)
353	Emergency and Contingency Fund	\$ 0	\$ 819,300	\$ 1,000,000	\$ 819,300	\$ 180,700
	Appropriation	0	819,300	1,000,000	819,300	180,700
355	State Building Commission	\$ 98,000	\$ 425,000	\$ 400,000	\$ 327,000	\$ (25,000)
	Appropriation	98,000	250,000	250,000	152,000	0
	Current Services and Other Revenue	0	175,000	150,000	175,000	(25,000)

Comparison of Programs Fiscal Years 2014-2015, 2015-2016, and 2016-2017

Allot. Code	Department	Actual 2014-2015	Estimated 2015-2016	Recommended 2016-2017	Act. vs. Est. Difference	Est. vs. Rec. Difference
359	Children's Services	\$ 760,997,400	\$ 736,194,600	\$ 754,063,600	\$ (24,802,800)	\$ 17,869,000
	Appropriation	304,157,800	311,329,900	296,989,700	7,172,100	(14,340,200)
	Federal	144,417,600	157,547,700	161,251,300	13,130,100	3,703,600
	Current Services and Other Revenue	312,422,000	267,317,000	295,822,600	(45,105,000)	28,505,600
	Grand Total - General Fund	\$ 28,364,467,500	\$ 29,756,909,954	\$ 30,729,129,200	\$ 1,392,442,454	\$ 972,219,246
	Appropriation	12,330,404,900	13,080,845,654	13,682,764,100	750,440,754	601,918,446
	Federal	11,175,619,600	11,823,039,400	12,210,123,200	647,419,800	387,083,800
	Current Services and Other Revenue	3,150,898,800	3,083,789,100	3,067,006,100	(67,109,700)	(16,783,000)
	Tuition and Student Fees	1,707,544,200	1,769,235,800	1,769,235,800	61,691,600	0
400	Transportation	\$ 1,708,328,300	\$ 1,805,134,400	\$ 1,877,981,400	\$ 96,806,100	\$ 72,847,000
	Appropriation	792,219,800 ²	728,098,900	756,856,000	(64,120,900)	28,757,100
	Federal	874,198,800	960,036,500	999,710,400	85,837,700	39,673,900
	Current Services and Other Revenue	41,909,700	33,199,000	33,715,000	(8,710,700)	516,000
	Bonds	0	83,800,000	87,700,000	83,800,000	3,900,000
	Debt Service Requirements	\$ 375,674,500	\$ 408,600,000	\$ 425,054,000	\$ 32,925,500	\$ 16,454,000
	Appropriation	375,674,500	408,600,000	425,054,000	32,925,500	16,454,000
	Capital Outlay Program	\$ 406,396,000	\$ 652,824,200	\$ 429,229,100	\$ 246,428,200	\$ (223,595,100)
	Appropriation	310,068,000 ²	135,361,200	355,926,600	(174,706,800)	220,565,400
	Federal	5,025,000	9,872,500	12,891,500	4,847,500	3,019,000
	Current Services and Other Revenue	91,303,000	69,990,500	60,411,000	(21,312,500)	(9,579,500)
	Bonds	0	437,600,000	0	437,600,000	(437,600,000)
	Facilities Revolving Fund	\$ 157,816,700	\$ 324,726,500	\$ 296,026,500	\$ 166,909,800	\$ (28,700,000)
	Appropriation	7,772,600	176,104,800	133,754,800	168,332,200	(42,350,000)
	Current Services and Other Revenue	150,044,100 ³	148,621,700	162,271,700	(1,422,400)	13,650,000
	Cities & Counties - State Shared Taxes	\$ 975,737,900	\$ 1,001,800,000	\$ 1,026,200,000	\$ 26,062,100	\$ 24,400,000
	Appropriation	975,737,900	1,001,800,000	1,026,200,000	26,062,100	24,400,000
	Total State Budget - All Programs	\$ 31,988,420,900	\$ 33,949,995,054	\$ 34,783,620,200	\$ 1,961,574,154	\$ 833,625,146
	Appropriation	14,791,877,700	15,530,810,554	16,380,555,500	738,932,854	849,744,946
	Federal	12,054,843,400	12,792,948,400	13,222,725,100	738,105,000	429,776,700
	Current Services and Other Revenue	3,434,155,600	3,335,600,300	3,323,403,800	(98,555,300)	(12,196,500)
	Tuition and Student Fees	1,707,544,200	1,769,235,800	1,769,235,800	61,691,600	0
	Bonds	0	521,400,000	87,700,000	521,400,000	(433,700,000)

¹ Included in departmental total.

² Transportation and Capital Outlay Program - Actual 2014-2015 includes tax revenue and bonds.

³ Facilities Revolving Fund - Actual 2014-2015 includes departmental revenue and bonds.

Funding Summary All Programs

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Recommended 2016-2017</u>
GENERAL FUND AND EDUCATION FUND			
Expenditures			
Payroll	\$ 2,500,954,300	\$ 2,764,964,654	\$ 2,786,723,500
Operational	25,863,513,200	26,991,945,300	27,942,405,700
TOTAL	\$ 28,364,467,500	\$ 29,756,909,954	\$ 30,729,129,200
Funding			
State *	\$ 12,330,404,900	\$ 13,080,845,654	\$ 13,682,764,100
Federal	11,175,619,600	11,823,039,400	12,210,123,200
Other	3,150,898,800	3,083,789,100	3,067,006,100
Tuition and Fees	1,707,544,200	1,769,235,800	1,769,235,800
DEPARTMENT OF TRANSPORTATION			
Expenditures			
Payroll	\$ 210,636,900	\$ 294,833,200	\$ 291,212,000
Operational	1,497,691,400	1,510,301,200	1,586,769,400
TOTAL	\$ 1,708,328,300	\$ 1,805,134,400	\$ 1,877,981,400
Funding			
State	\$ 792,219,800	\$ 811,898,900	\$ 844,556,000
Federal	874,198,800	960,036,500	999,710,400
Other	41,909,700	33,199,000	33,715,000
GRAND TOTAL - ALL PROGRAMS			
Expenditures			
Payroll	\$ 2,711,591,200	\$ 3,059,797,854	\$ 3,077,935,500
Operational	27,361,204,600	28,502,246,500	29,529,175,100
TOTAL	\$ 30,072,795,800	\$ 31,562,044,354	\$ 32,607,110,600
Funding			
State *	\$ 13,122,624,700	\$ 13,892,744,554	\$ 14,527,320,100
Federal	12,049,818,400	12,783,075,900	13,209,833,600
Other	3,192,808,500	3,116,988,100	3,100,721,100
Tuition and Fees	1,707,544,200	1,769,235,800	1,769,235,800

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

\$ 326,321,700	\$ 346,200,000	\$ 339,800,000
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Departmental Comparison of Recurring Appropriations from State Revenues, 2015-2016 and Base Budget 2016-2017

Program	2015-2016	Base Budget 2016-2017	Increase/ (Decrease)	Pct. Chg.
301.00 Legislature	\$ 42,123,200	\$ 42,123,200	\$ -	0.0%
301.50 Fiscal Review Committee	1,495,600	1,495,600	-	0.0%
302.00 Court System	128,225,100	128,225,100	-	0.0%
303.00 Attorney General and Reporter	26,096,800	27,496,800	1,400,000	5.4%
304.00 District Attorneys General	80,707,700	80,707,700	-	0.0%
305.00 Secretary of State	29,000,600	29,000,600	-	0.0%
306.00 District Public Defenders	50,570,154	50,570,200	46	0.0%
307.00 Comptroller of the Treasury	86,025,300	86,025,300	-	0.0%
308.00 Post-Conviction Defender	2,350,100	2,350,100	-	0.0%
309.00 Treasury Department	2,573,200	2,593,200	20,000	0.8%
313.00 Claims and Compensation	12,576,000	11,410,000	(1,166,000)	(9.3%)
315.00 Executive Department	5,182,700	5,182,700	-	0.0%
316.00 Commissions	36,161,600	36,161,200	(400)	0.0%
317.00 Finance and Administration (F&A)	<u>\$ 20,419,400</u>	<u>\$ 20,289,800</u>	<u>\$ (129,600)</u>	<u>(0.6%)</u>
Criminal Justice Programs	4,597,800	4,577,100	(20,700)	(0.5%)
Other F&A Programs	15,821,600	15,712,700	(108,900)	(0.7%)
318.00 F&A - TennCare	2,785,598,100	2,784,200,400	(1,397,700)	(0.1%)
319.00 Human Resources	-	-	-	0.0%
321.00 General Services	9,809,100	9,594,300	(214,800)	(2.2%)
323.00 Veterans Services	5,467,100	5,467,100	-	0.0%
324.00 Board of Parole	7,471,200	7,420,200	(51,000)	(0.7%)
325.00 Agriculture	68,823,500	68,281,500	(542,000)	(0.8%)
326.00 Tourist Development	14,270,300	14,270,300	-	0.0%
327.00 Environment and Conservation	182,025,600	177,431,900	(4,593,700)	(2.5%)
328.00 Wildlife Resources Agency	59,660,600	53,229,000	(6,431,600)	(10.8%)
329.00 Correction	929,422,800	927,572,700	(1,850,100)	(0.2%)
330.00 Economic and Community Development	63,111,600	62,513,200	(598,400)	(1.0%)
331.00 Education (K-12)	<u>\$ 4,503,736,600</u>	<u>\$ 4,502,736,700</u>	<u>\$ (999,900)</u>	<u>(0.0%)</u>
Lottery-Funded Programs	13,499,900	13,500,000	100	0.0%
Other K-12 Education Programs	4,490,236,700	4,489,236,700	(1,000,000)	(0.0%)
332.00 Higher Education	<u>\$ 1,611,033,700</u>	<u>\$ 1,612,127,900</u>	<u>\$ 1,094,200</u>	<u>0.1%</u>
Lottery-Funded Programs	331,600,000	326,300,000	(5,300,000)	(1.6%)
Other Higher Education Programs	1,279,433,700	1,285,827,900	6,394,200	0.5%

**Departmental Comparison of Recurring Appropriations from State Revenues,
2015-2016 and Base Budget 2016-2017**

Program	2015-2016	Base Budget 2016-2017	Increase/ (Decrease)	Pct. Chg.
335.00 Commerce and Insurance	155,645,000	155,373,000	(272,000)	(0.2%)
336.00 Financial Institutions	19,976,900	19,976,900	-	0.0%
337.00 Labor and Workforce Development	44,400,000	44,086,300	(313,700)	(0.7%)
339.00 Mental Health and Substance Abuse Services	203,799,300	203,307,200	(492,100)	(0.2%)
341.00 Military	14,953,700	14,774,400	(179,300)	(1.2%)
343.00 Health	176,841,000	174,526,100	(2,314,900)	(1.3%)
344.00 Intellectual and Developmental Disabilities	23,769,100	23,299,100	(470,000)	(2.0%)
345.00 Human Services	<u>\$ 182,800,600</u>	<u>\$ 179,585,500</u>	<u>\$ (3,215,100)</u>	<u>(1.8%)</u>
Temporary Cash Assistance	13,968,900	13,968,900	-	0.0%
Other Human Services Programs	168,831,700	165,616,600	(3,215,100)	(1.9%)
347.00 Revenue	83,164,100	81,964,100	(1,200,000)	(1.4%)
348.00 Tennessee Bureau of Investigation	41,069,400	41,069,400	-	0.0%
349.00 Safety	136,104,500	134,092,900	(2,011,600)	(1.5%)
350.00 F&A - Strategic Health-Care Programs	73,045,700	73,045,700	-	0.0%
351.00 Miscellaneous Appropriations	95,796,800	98,583,100	2,786,300	2.9%
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	311,115,500	291,698,700	(19,416,800)	(6.2%)
Total General Fund	<u><u>\$ 12,327,488,554</u></u>	<u><u>\$ 12,284,928,400</u></u>	<u><u>\$ (42,560,154)</u></u>	<u><u>(0.4%)</u></u>

**Departmental Comparison of Appropriations from State Revenues,
Recurring and Non-Recurring, for Fiscal Years 2015-2016 and 2016-2017**

Program	2015-2016 Appropriation		2016-2017 Base Recommended			2016-2017 Cost Increases		2016-2017 Total Recommended				
	Recurring	Non-Recurring	Recurring	Pct. Chg.	Non-Recurring	Recurring	Non-Recurring	Recurring	Pct. Chg.	Non-Recurring	Total	Pct. Chg.
Legislature	\$ 42,123,200	\$ 17,300	\$ 42,123,200	0.0%	\$ -	\$ -	\$ -	\$ 42,123,200	0.0%	\$ -	\$ 42,123,200	(0.0%)
Fiscal Review Committee	1,495,600	200	1,495,600	0.0%	-	-	-	1,495,600	0.0%	-	1,495,600	(0.0%)
Court System	128,225,100	1,178,500	128,225,100	0.0%	-	1,750,200	-	129,975,300	1.4%	-	129,975,300	0.4%
Attorney General and Reporter	26,096,800	2,003,900	27,496,800	5.4%	-	500	-	27,497,300	5.4%	-	27,497,300	(2.2%)
District Attorneys General	80,707,700	45,300	80,707,700	0.0%	-	1,652,400	-	82,360,100	2.1%	-	82,360,100	2.0%
Secretary of State	29,000,600	45,000	29,000,600	0.0%	-	-	-	29,000,600	0.0%	-	29,000,600	(0.2%)
District Public Defenders	50,570,154	6,500	50,570,200	0.0%	-	666,300	-	51,236,500	1.3%	-	51,236,500	1.3%
Comptroller of the Treasury	86,025,300	7,058,300	86,025,300	0.0%	-	7,152,000	-	93,177,300	8.3%	-	93,177,300	0.1%
Post-Conviction Defender	2,350,100	700	2,350,100	0.0%	-	34,700	-	2,384,800	1.5%	-	2,384,800	1.5%
Treasury Department	2,573,200	446,700	2,593,200	0.8%	-	-	500,000	2,593,200	0.8%	500,000	3,093,200	2.4%
Claims and Compensation	12,576,000	5,000,000	11,410,000	(9.3%)	-	-	-	11,410,000	(9.3%)	-	11,410,000	(35.1%)
Executive Department	5,182,700	1,300	5,182,700	0.0%	-	500	-	5,183,200	0.0%	-	5,183,200	(0.0%)
Commissions	36,161,600	98,000	36,161,200	0.0%	-	21,600	-	36,182,800	0.1%	-	36,182,800	(0.2%)
Finance and Administration (F&A)	\$ 20,419,400	\$ 9,500	\$ 20,289,800	(0.6%)	\$ -	\$ 6,051,100	\$ -	\$ 26,340,900	29.0%	\$ -	\$ 26,340,900	28.9%
Criminal Justice Programs	4,597,800	7,700	4,577,100	(0.5%)	-	-	-	4,577,100	(0.5%)	-	4,577,100	(0.6%)
Other F&A Programs	15,821,600	1,800	15,712,700	(0.7%)	-	6,051,100	-	21,763,800	37.6%	-	21,763,800	37.5%
F&A - TennCare	2,785,598,100	589,100,600	2,784,200,400	(0.1%)	556,900,000	175,255,500	14,520,700	2,959,455,900	6.2%	571,420,700	3,530,876,600	4.6%
Human Resources	-	-	-	0.0%	-	-	-	-	0.0%	-	-	0.0%
General Services	9,809,100	2,000	9,594,300	(2.2%)	-	570,700	-	10,165,000	3.6%	-	10,165,000	3.6%
Veterans Services	5,467,100	5,900	5,467,100	0.0%	-	126,500	(84,300)	5,593,600	2.3%	(84,300)	5,509,300	0.7%
Board of Parole	7,471,200	1,000	7,420,200	(0.7%)	-	-	-	7,420,200	(0.7%)	-	7,420,200	(0.7%)
Agriculture	68,823,500	(48,100)	68,281,500	(0.8%)	-	698,300	-	68,979,800	0.2%	-	68,979,800	0.3%
Tourist Development	14,270,300	4,001,400	14,270,300	0.0%	-	-	5,000,000	14,270,300	0.0%	5,000,000	19,270,300	5.5%
Environment and Conservation	182,025,600	4,850,600	177,431,900	(2.5%)	-	4,655,100	150,000	182,087,000	0.0%	150,000	182,237,000	(2.5%)
Wildlife Resources Agency	59,660,600	69,900	53,229,000	(10.8%)	-	2,301,800	-	55,530,800	(6.9%)	-	55,530,800	(7.0%)
Correction	929,422,800	(20,528,100)	927,572,700	(0.2%)	-	15,050,800	575,000	942,623,500	1.4%	575,000	943,198,500	3.8%
Economic and Community Development	63,111,600	105,689,900	62,513,200	(1.0%)	-	15,095,000	68,893,400	77,608,200	23.0%	68,893,400	146,501,600	(13.2%)

**Departmental Comparison of Appropriations from State Revenues,
Recurring and Non-Recurring, for Fiscal Years 2015-2016 and 2016-2017**

Program	2015-2016 Appropriation		2016-2017 Base Recommended			2016-2017 Cost Increases		2016-2017 Total Recommended				
	Recurring	Non-Recurring	Recurring	Pct. Chg.	Non-Recurring	Recurring	Non-Recurring	Recurring	Pct. Chg.	Non-Recurring	Total	Pct. Chg.
Education (K-12)	\$ 4,503,736,600	\$ 3,270,600	\$ 4,502,736,700	(0.0%)	\$ -	\$ 247,638,300	\$ 13,477,000	\$ 4,750,375,000	5.5%	\$ 13,477,000	\$ 4,763,852,000	5.7%
Lottery-Funded Programs	13,499,900	100	13,500,000	0.0%	-	-	-	13,500,000	0.0%	-	13,500,000	0.0%
Other K-12 Education Programs	4,490,236,700	3,270,500	4,489,236,700	(0.0%)	-	247,638,300	13,477,000	4,736,875,000	5.5%	13,477,000	4,750,352,000	5.7%
Higher Education	\$ 1,611,033,700	\$ 18,591,900	\$ 1,612,127,900	0.1%	\$ -	\$ 82,544,200	\$ 48,113,800	\$ 1,694,672,100	5.2%	\$ 48,113,800	\$ 1,742,785,900	6.9%
Lottery-Funded Programs	331,600,000	1,100,000	326,300,000	(1.6%)	-	-	-	326,300,000	(1.6%)	-	326,300,000	(1.9%)
Other Higher Education Programs	1,279,433,700	17,491,900	1,285,827,900	0.5%	-	82,544,200	48,113,800	1,368,372,100	7.0%	48,113,800	1,416,485,900	9.2%
Commerce and Insurance	155,645,000	727,000	155,373,000	(0.2%)	-	57,800	-	155,430,800	(0.1%)	-	155,430,800	(0.6%)
Financial Institutions	19,976,900	7,900	19,976,900	0.0%	-	-	-	19,976,900	0.0%	-	19,976,900	(0.0%)
Labor and Workforce Development	44,400,000	1,010,400	44,086,300	(0.7%)	-	97,500	489,600	44,183,800	(0.5%)	489,600	44,673,400	(1.6%)
Mental Health and Substance Abuse Services	203,799,300	8,694,100	203,307,200	(0.2%)	-	8,240,600	5,038,400	211,547,800	3.8%	5,038,400	216,586,200	1.9%
Military	14,953,700	30,600	14,774,400	(1.2%)	-	-	-	14,774,400	(1.2%)	-	14,774,400	(1.4%)
Health	176,841,000	12,412,200	174,526,100	(1.3%)	-	1,911,100	19,788,100	176,437,200	(0.2%)	19,788,100	196,225,300	3.7%
Intellectual and Developmental Disabilities	23,769,100	12,600	23,299,100	(2.0%)	-	123,500	552,900	23,422,600	(1.5%)	552,900	23,975,500	0.8%
Human Services	\$ 182,800,600	\$ 311,300	\$ 179,585,500	(1.8%)	\$ -	\$ 41,800	\$ -	\$ 179,627,300	(1.7%)	\$ -	\$ 179,627,300	(1.9%)
Temporary Cash Assistance	13,968,900	-	13,968,900	0.0%	-	-	-	13,968,900	0.0%	-	13,968,900	0.0%
Other Human Services Programs	168,831,700	311,300	165,616,600	(1.9%)	-	41,800	-	165,658,400	(1.9%)	-	165,658,400	(2.1%)
Revenue	83,164,100	2,888,000	81,964,100	(1.4%)	-	626,800	12,749,000	82,590,900	(0.7%)	12,749,000	95,339,900	10.8%
Tennessee Bureau of Investigation	41,069,400	742,300	41,069,400	0.0%	-	-	-	41,069,400	0.0%	-	41,069,400	(1.8%)
Safety	136,104,500	511,600	134,092,900	(1.5%)	-	5,581,600	739,200	139,674,500	2.6%	739,200	140,413,700	2.8%
F&A - Strategic Health-Care Programs	73,045,700	200	73,045,700	0.0%	(58,580,700)	-	-	73,045,700	0.0%	(58,580,700)	14,465,000	(80.2%)
Miscellaneous Appropriations	95,796,800	4,875,700	98,583,100	2.9%	-	137,806,400	(12,210,700)	236,389,500	146.8%	(12,210,700)	224,178,800	122.7%
Emergency and Contingency Fund	819,300	-	819,300	0.0%	-	180,700	-	1,000,000	22.1%	-	1,000,000	22.1%
State Building Commission	250,000	-	250,000	0.0%	-	-	-	250,000	0.0%	-	250,000	0.0%
Children's Services	311,115,500	214,400	291,698,700	(6.2%)	-	5,291,000	-	296,989,700	(4.5%)	-	296,989,700	(4.6%)
Total General Fund	\$ 12,327,488,554	\$ 753,357,100	\$ 12,284,928,400	(0.4%)	\$ 498,319,300	\$ 721,224,300	\$ 178,292,100	\$ 13,006,152,700	5.5%	\$ 676,611,400	\$ 13,682,764,100	4.6%

Available Funds Fiscal Year 2015-2016

I. Unappropriated Budget Surplus / (Deficit) at June 30, 2015	\$ 393,715,000
II. Revenue Adjustments and Other Available Funds:	
1. Dept. of Revenue Tax Base Increase at 3.4% Growth over FY 14-15 Actual	\$ 355,000,000
2. Debt Service Fund Transfer at June 30, 2016	102,500,000
3. 2015-2016 Tobacco Master Settlement Agreement at \$144.6 M (\$132.1 M Budgeted)	12,500,000
4. Miscellaneous Revenue Adjustment	3,528,000
5. Revenue Unavailable for Appropriation Until 2017 Legislative Session	<u>(35,000,000)</u>
Sub-Total Revenue Adjustments and Other Available Funds	<u>\$ 438,528,000</u>
III. Total Budget Surplus and Adjustments (I + II)	<u>\$ 832,243,000</u>
IV. Transfer to the General Fund from the TennCare Reserve (Non-recurring)	<u>8,261,700</u>
V. Total Revenue, Reserves, and Adjustments	<u>\$ 840,504,700</u>
VI. Appropriation and Transfer Requirements:	
1. Less: Transfer to Highway Fund - 49.6% of \$262 M Transferred to General Fund	\$ (130,000,000)
2. Less: 2015-2016 Supplemental Appropriations	(48,475,200)
Sub-Total Appropriation and Transfer Requirements	<u>\$ (178,475,200)</u>
VII. Total Available Funds at June 30, 2016 (III + IV)	<u>\$ 662,029,500</u>

**Supplemental Appropriations
General and Education Funds
Fiscal Year 2015-2016**

		<u>2015-2016</u>	<u>Recurring 2016-2017</u>
Court System			
302.27	General Sessions Data Repository - Restore FY 2013-2014 Appropriation	\$ 1,140,000	\$ 1,672,600
Attorney General and Reporter			
303.08	Special Litigation - Mississippi Lawsuit - Memphis Aquifer	2,000,000	-
Treasury			
309.01	Restore State Funding Reduced in FY 2014-2015	20,000	-
TennCare			
318.66	Opiate Addiction Treatment - Restore FY 2015-2016 Reduction	1,586,600	1,590,300
Environment and Conservation			
327.53	Energy Loan Program - Restore FY 2013-2014 Reserve Funds	3,600,000	-
Economic and Community Development			
330.06	Fast Track Infrastructure and Job Training Assistance	23,000,000	-
Mental Health and Substance Abuse Services			
339.11	Middle Tennessee Mental Health Institute	\$ 714,200	\$ 868,400
339.12	Western Mental Health Institute	3,485,300	4,237,300
339.17	Memphis Mental Health Institute	300,500	364,900
Sub-Total Mental Health and Substance Abuse Services		\$ 4,500,000	\$ 5,470,600
Revenue			
347.23	Tennessee Revenue Registration and Reporting System (TR3)	2,800,000	-
Miscellaneous Appropriations			
351.00	Food Service Transition Cost	\$ 9,000,000	\$ -
	FY 2015-2016 Performance Pay	828,600	1,657,200
Sub-Total Miscellaneous Appropriations		\$ 9,828,600	\$ 1,657,200
Total General Fund		\$ 48,475,200	\$ 10,390,700

**Combining Statement of Recurring Preliminary Base Budget Adjustments
and Recurring Base Budget Reductions
General Fund State Appropriations
Fiscal Year 2016-2017
Increase / (Decrease)**

Program	Preliminary Base Adjustments	Base Budget Reductions	Total
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	20,000	20,000
313.00	Claims and Compensation	(1,166,000)	(1,166,000)
Sub-Total Non-Executive		\$ (1,146,000)	\$ (1,146,000)
315.00	Executive Department	-	-
316.01	Children and Youth Commission	-	-
316.02	Aging and Disability Commission	-	-
316.03	Alcoholic Beverage Commission	-	-
316.04	Human Rights Commission	-	-
316.07	Health Services and Development Agency	-	-
316.11	Tennessee Regulatory Authority	-	-
316.12	TACIR	-	-
316.25	Arts Commission	-	-
316.27	State Museum	-	-
317.00	Finance and Administration	-	(129,600)
318.00	a. TennCare Programs	\$ -	\$ (16,263,700)
	b. TennCare Waiver Payments	-	-
	c. TennCare for Children's Services	-	374,200
	d. TennCare for Intellectual Disabilities	-	(1,100,800)
	e. TennCare for Human Services	-	-
	f. TennCare for Commerce and Insurance	-	-
	g. TennCare for F&A Office of Inspector General	-	-
Sub-Total TennCare Programs		\$ -	\$ (16,990,300)
319.00	Human Resources	-	-
321.00	General Services	-	(214,800)
323.00	Veterans Services	-	-
324.00	Board of Parole	-	(51,000)
325.00	Agriculture	-	(579,800)
326.00	Tourist Development	-	-
327.00	Environment and Conservation	-	-
328.00	Tennessee Wildlife Resources Agency	-	-
329.00	Correction	-	(1,850,100)
330.00	Economic and Community Development	-	(559,300)
331.00	Education (K-12)	-	(1,000,000)
332.00	Higher Education State-Administered Programs	\$ 6,800,000	\$ (405,800)
332.10	University of Tennessee System	-	-
332.60	State University and Community College System	-	-
Sub-Total Higher Education		\$ 6,800,000	\$ (405,800)
335.00	Commerce and Insurance	-	(272,000)
336.00	Financial Institutions	-	-
337.00	Labor and Workforce Development	-	(313,700)
339.00	Mental Health and Substance Abuse Services	-	(492,100)
341.00	Military	-	(179,300)
343.00	Health	-	(2,314,900)
344.00	Intellectual and Developmental Disabilities	-	(142,800)
345.00	Human Services	-	(3,215,100)
347.00	Revenue	-	(1,200,000)
348.00	Tennessee Bureau of Investigation	-	-
349.00	Safety	-	(921,600)
350.00	Strategic Health-Care Programs	-	-
351.00	Miscellaneous Appropriations	-	-
359.00	Children's Services	-	(4,151,800)
Sub-Total Executive		\$ 6,800,000	\$ (34,984,000)
Total - Budget File		\$ 5,654,000	\$ (34,984,000)
Overappropriation:			
305.00	Secretary of State	\$ -	\$ -
307.00	Comptroller of the Treasury	-	-
309.00	State Treasurer	-	-
300.00	Other Agencies - Reduce	-	(3,030,300)
Sub-Total Overappropriation		\$ -	\$ (3,030,300)
Grand Total		\$ 5,654,000	\$ (38,014,300)

**Preliminary Base Budget Adjustments
Fiscal Year 2016-2017
(Savings) / Cost**

	General Fund		Dedicated / Other Funds	Total
	Recurring	Non-Recurring		
Treasury				
309.01 Treasury Department - Work Program Error Correction	\$ 20,000	\$ -	\$ (20,000)	\$ -
Claims and Compensation				
313.03 Criminal Injuries Compensation - Annual Adjustment	(1,166,000)	-	-	(1,166,000)
TennCare				
318.00 Hospital Coverage Assessment	\$ -	\$ 449,800,000	\$ -	\$ 449,800,000
318.66 Nursing Home Bed Assessment	-	107,100,000	-	107,100,000
Sub-Total TennCare	\$ -	\$ 556,900,000	\$ -	\$ 556,900,000
Agriculture				
325.14 Certified Cotton Growers - Agency Request	-	-	(250,000)	(250,000)
Tennessee Wildlife Resources Agency				
328.01 Wildlife - Agency Request	\$ -	\$ -	\$ (3,747,900)	\$ (3,747,900)
328.02 Boating - Agency Request	-	-	(183,700)	(183,700)
Sub-Total Tennessee Wildlife Resources Agency	\$ -	\$ -	\$ (3,931,600)	\$ (3,931,600)
Higher Education				
332.03 Tennessee Student Assistance Awards	\$ 6,800,000	\$ -	\$ (6,800,000)	\$ -
332.19 Lottery for Education Account	-	-	(6,800,000)	(6,800,000)
Sub-Total Higher Education	\$ 6,800,000	\$ -	\$ (13,600,000)	\$ (6,800,000)
Total - Budget File	\$ 5,654,000	\$ 556,900,000	\$ (17,801,600)	\$ 544,752,400

**Departmental Comparison of 2015-2016 Recurring Appropriations, 2016-2017 Discretionary Base,
and 2016-2017 Base Budget Reductions (State Appropriation)**

Program	2015-2016 Recurring Appropriation	2016-2017								
		General Fund				Non- Recurring	Dedicated Funds	Net Reduction	Pct. Of 2015-16	Pct. Of 2016-17
		Discretionary Base	Recurring Reduction	Pct. Of 2015-16	Pct. Of 2016-17					
301.00 Legislature	\$ 42,123,200	\$ 32,525,200	\$ -	0.0%	0.0%	\$ -	\$ -	\$ -	0.0%	0.0%
301.50 Fiscal Review Committee	1,495,600	1,495,600	-	0.0%	0.0%	-	-	-	0.0%	0.0%
302.00 Court System	128,225,100	32,588,300	-	0.0%	0.0%	-	-	-	0.0%	0.0%
303.00 Attorney General and Reporter	26,096,800	22,836,100	-	0.0%	0.0%	-	-	-	0.0%	0.0%
304.00 District Attorneys General	80,707,700	74,328,400	-	0.0%	0.0%	-	-	-	0.0%	0.0%
305.00 Secretary of State	29,000,600	29,000,600	-	0.0%	0.0%	-	-	-	0.0%	0.0%
306.00 District Public Defenders	50,570,154	43,130,754	-	0.0%	0.0%	-	-	-	0.0%	0.0%
307.00 Comptroller of the Treasury	86,025,300	49,483,600	-	0.0%	0.0%	-	-	-	0.0%	0.0%
308.00 Post-Conviction Defender	2,350,100	-	-	0.0%	-	-	-	-	0.0%	-
309.00 Treasury Department	2,573,200	2,129,700	-	0.0%	0.0%	-	-	-	0.0%	0.0%
313.00 Claims and Compensation	12,576,000	-	-	0.0%	-	-	-	-	0.0%	-
Sub-Total Non-Executive	\$ 461,743,754	\$ 287,518,254	\$ -	0.0%	0.0%	\$ -	\$ -	\$ -	0.0%	0.0%
315.00 Executive Department	\$ 5,182,700	\$ 5,182,700	\$ -	0.0%	0.0%	\$ -	\$ -	\$ -	0.0%	0.0%
316.01 Children and Youth	2,488,300	2,488,300	-	0.0%	0.0%	-	-	-	0.0%	0.0%
316.02 Aging and Disability	13,725,700	13,725,700	-	0.0%	0.0%	-	-	-	0.0%	0.0%
316.04 Human Rights Commission	1,712,300	1,712,300	-	0.0%	0.0%	-	-	-	0.0%	0.0%
316.07 Health Services and Development Agency	1,204,300	1,204,300	-	0.0%	0.0%	-	-	-	0.0%	0.0%
316.11 Tennessee Regulatory Authority	6,342,800	-	-	0.0%	-	-	-	-	0.0%	-
316.12 TACIR	201,700	201,700	-	0.0%	0.0%	-	-	-	0.0%	0.0%
316.14 Council on Developmental Disabilities	204,500	204,500	-	0.0%	0.0%	-	-	-	0.0%	0.0%
316.25 Arts Commission	6,475,200	1,698,900	-	0.0%	0.0%	-	-	-	0.0%	0.0%
316.27 State Museum	3,806,800	3,806,800	-	0.0%	0.0%	-	-	-	0.0%	0.0%
317.00 Finance and Administration	20,419,400	13,964,900	(129,600)	(0.6%)	(0.9%)	-	-	(129,600)	(0.6%)	(0.9%)
318.00 TennCare Programs	\$ 2,397,973,600	\$ 2,397,973,600	\$ (16,263,700)	(0.7%)	(0.7%)	\$ -	\$ -	\$ (16,263,700)	(0.7%)	(0.7%)
TennCare Waiver Payments	238,450,300	238,450,300	-	0.0%	0.0%	-	-	-	0.0%	0.0%
TennCare for Children's Services	78,835,700	78,835,700	374,200	0.5%	0.5%	-	-	374,200	0.5%	0.5%
TennCare for Intellectual Disabilities	55,667,900	55,667,900	(1,100,800)	(2.0%)	(2.0%)	-	-	(1,100,800)	(2.0%)	(2.0%)
TennCare for Human Services	11,130,300	11,130,300	-	0.0%	0.0%	-	-	-	0.0%	0.0%
TennCare for Commerce and Insurance	1,238,400	1,238,400	-	0.0%	0.0%	-	-	-	0.0%	0.0%
TennCare for Office of Inspector General	2,301,900	2,301,900	-	0.0%	0.0%	-	-	-	0.0%	0.0%
Sub-total TennCare Programs	\$ 2,785,598,100	\$ 2,785,598,100	\$ (16,990,300)	(0.6%)	(0.6%)	\$ -	\$ -	\$ (16,990,300)	(0.6%)	(0.6%)
319.00 Human Resources	-	-	-	-	-	-	-	-	-	-
321.00 General Services	9,809,100	9,490,000	(214,800)	(2.2%)	(2.3%)	-	-	(214,800)	(2.2%)	(2.3%)
323.00 Veterans Services	5,467,100	5,467,100	-	0.0%	0.0%	-	-	-	0.0%	0.0%
324.00 Board of Parole	7,471,200	7,471,200	(51,000)	(0.7%)	(0.7%)	-	-	(51,000)	(0.7%)	(0.7%)
325.00 Agriculture	68,823,500	34,879,600	(579,800)	(0.8%)	(1.7%)	-	287,800	(292,000)	(0.4%)	(0.8%)
326.00 Tourist Development	14,270,300	14,270,300	-	0.0%	0.0%	-	-	-	0.0%	0.0%

**Departmental Comparison of 2015-2016 Recurring Appropriations, 2016-2017 Discretionary Base,
and 2016-2017 Base Budget Reductions (State Appropriation)**

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Program	2015-2016 Recurring Appropriation	2016-2017									
		General Fund					Non- Recurring	Dedicated Funds	Net Reduction	Pct. Of 2015-16	Pct. Of 2016-17
		Discretionary Base	Recurring Reduction	Pct. Of 2015-16	Pct. Of 2016-17						
327.00 Environment and Conservation	182,025,600	85,822,000	-	0.0%	0.0%	-	-	-	0.0%	0.0%	
328.00 Wildlife Resources Agency	59,660,600	-	-	0.0%	-	-	-	-	0.0%	-	
329.00 Correction	929,422,800	146,341,400	(1,850,100)	(0.2%)	(1.3%)	-	-	(1,850,100)	(0.2%)	(1.3%)	
330.00 Economic and Community Development	63,111,600	22,765,700	(559,300)	(0.9%)	(2.5%)	-	-	(559,300)	(0.9%)	(2.5%)	
331.00 Education (K-12)	4,503,736,600	156,043,300	(1,000,000)	(0.0%)	(0.6%)	-	-	(1,000,000)	(0.0%)	(0.6%)	
332.00 Higher Education State-Admin. Programs	\$ 432,379,700	\$ 29,884,600	\$ (405,800)	(0.1%)	(1.4%)	\$ -	\$ -	\$ (405,800)	(0.1%)	(1.4%)	
332.10 University of Tennessee System	503,605,700	503,605,700	-	0.0%	0.0%	-	-	-	0.0%	0.0%	
332.60 State Univ. and Comm. College System	675,048,300	675,048,300	-	0.0%	0.0%	-	-	-	0.0%	0.0%	
Sub-Total Higher Education	\$ 1,611,033,700	\$ 1,208,538,600	\$ (405,800)	(0.0%)	(0.0%)	\$ -	\$ -	\$ (405,800)	(0.0%)	(0.0%)	
335.00 Commerce and Insurance	155,645,000	7,769,300	(272,000)	(0.2%)	(3.5%)	-	-	(272,000)	(0.2%)	(3.5%)	
336.00 Financial Institutions	19,976,900	-	-	0.0%	-	-	-	-	0.0%	-	
337.00 Labor and Workforce Development	44,400,000	21,488,600	(313,700)	(0.7%)	(1.5%)	-	-	(313,700)	(0.7%)	(1.5%)	
339.00 Mental Health and Substance Abuse Svcs.	203,799,300	14,060,900	(492,100)	(0.2%)	(3.5%)	-	-	(492,100)	(0.2%)	(3.5%)	
341.00 Military	14,953,700	10,953,700	(179,300)	(1.2%)	(1.6%)	-	-	(179,300)	(1.2%)	(1.6%)	
343.00 Health	176,841,000	135,735,100	(2,314,900)	(1.3%)	(1.7%)	-	-	(2,314,900)	(1.3%)	(1.7%)	
344.00 Intellectual and Developmental Disabilities	23,769,100	23,153,500	(142,800)	(0.6%)	(0.6%)	-	-	(142,800)	(0.6%)	(0.6%)	
345.00 Human Services	182,800,600	91,606,600	(3,215,100)	(1.8%)	(3.5%)	-	-	(3,215,100)	(1.8%)	(3.5%)	
347.00 Revenue	83,164,100	69,879,500	(1,200,000)	(1.4%)	(1.7%)	-	-	(1,200,000)	(1.4%)	(1.7%)	
348.00 Tennessee Bureau of Investigation	41,069,400	29,015,400	-	0.0%	0.0%	-	-	-	0.0%	0.0%	
349.00 Safety	136,104,500	134,232,400	(921,600)	(0.7%)	(0.7%)	-	-	(921,600)	(0.7%)	(0.7%)	
350.00 Strategic Health-Care Programs	73,045,700	316,100	-	0.0%	0.0%	(58,580,700)	-	(58,580,700)	(80.2%)	NA	
351.00 Miscellaneous Appropriations	95,796,800	-	-	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	311,115,500	30,318,200	(4,151,800)	(1.3%)	(13.7%)	-	-	(4,151,800)	(1.3%)	(13.7%)	
Sub-Total Executive	\$ 11,865,744,800	\$ 5,089,406,700	\$ (34,984,000)	(0.3%)	(0.7%)	\$ (58,580,700)	\$ 287,800	\$ (93,276,900)	(0.8%)	(1.8%)	
Total Base Budget Reductions	\$ 12,327,488,554	\$ 5,376,924,954	\$ (34,984,000)	(0.3%)	(0.7%)	\$ (58,580,700)	\$ 287,800	\$ (93,276,900)	(0.8%)	(1.7%)	
Overappropriation:											
305.00 Secretary of State			\$ -					\$ -			
307.00 Comptroller of the Treasury			-					-			
309.00 State Treasurer			-					-			
300.00 State Agencies - Reduce			(3,030,300)					(3,030,300)			
Sub-Total Overappropriation			\$ (3,030,300)					\$ (3,030,300)			
Total Reductions	\$ 12,327,488,554	\$ 5,376,924,954	\$ (38,014,300)	(0.3%)	(0.7%)	\$ (58,580,700)	\$ 287,800	\$ (96,307,200)	(0.8%)	(1.8%)	

**Base Budget Reallocations
General Fund
Fiscal Year 2016-2017
Increase/(Decrease)**

I. Higher Education:	
1. Loan/Scholarship Program	\$ (300,000)
2. Academic Scholars Program	300,000
Sub-Total Higher Education	<u>\$ -</u>
II. TennCare for Intellectual and Developmental Disabilities (DIDD):	
Greene Valley Developmental Center (GVDC) Reallocation	
	\$ (14,060,900)
1. Funds for 66 GVDC Residents moving to Private ICFs	6,289,100
2. Funds for 8 GVDC Residents moving to Current Waiver Program	354,000
3. Funds for Employment and Community First (ECF) CHOICES Program	5,139,000
4. Transfer GVDC Staff to East TN Regional Office (24FT)	567,100
5. Transfer GVDC Staff to East TN Community Homes (1FT)	9,700
6. Replace Loss of Interdepartmental Revenue at Seating and Positioning Clinics	259,600
7. Allocation of Administrative Costs	1,770,000
Sub-Total TennCare for DIDD	<u>\$ 327,600</u>
III. Intellectual and Developmental Disabilities:	
Greene Valley Developmental Center Reallocation	
	\$ (648,900)
1. Funds for 66 GVDC Residents in Private ICFs	-
2. Funds for 8 GVDC Residents moving to Current Waiver Program	-
3. Funds for Employment and Community First (ECF) CHOICES Program	-
4. Transfer GVDC Staff to East TN Regional Office (24FT)	59,700
5. Transfer GVDC Staff to East TN Community Homes (1FT)	-
6. Replace Loss of Interdepartmental Revenue at Seating and Positioning Clinics	(131,500)
7. Allocation of Administrative Costs	393,100
Sub-Total Intellectual and Developmental Disabilities	<u>\$ (327,600)</u>
IV. Total Reallocations	<u><u>\$ -</u></u>

**Rainy Day Fund and Unobligated TennCare Reserve
Fiscal Years 2012-2013 Through 2016-2017**

	<u>Rainy Day Fund</u>	<u>TennCare Reserve</u>	<u>Total</u>
1. 2012-2013:			
Total Reserve at June 30, 2013	\$ 356,000,000	\$ 306,877,300	\$ 662,877,300
2. 2013-2014:			
Plus: Deposit at June 30, 2014	100,000,000	-	100,000,000
Plus: Program Savings	-	116,108,300	116,108,300
Sub-Total Reserve at June 30, 2014	\$ 456,000,000	\$ 422,985,600	\$ 878,985,600
Less: Closing Transfer to General Fund at June 30, 2014	-	(25,000,000)	(25,000,000)
Less: Additional Transfer to General Fund at June 30, 2014	-	(91,108,300)	(91,108,300)
Total Reserve at June 30, 2014	\$ 456,000,000	\$ 306,877,300	\$ 762,877,300
3. 2014-2015:			
Plus: Deposit at June 30, 2015	35,500,000	-	35,500,000
Less: Transfer to General Fund at June 30, 2015	-	(24,549,800)	(24,549,800)
Less: Expenditures from Reserve and Reversion	-	(33,013,700)	(33,013,700)
Plus: Program Savings	-	18,416,000	18,416,000
Total Reserve at June 30, 2015	\$ 491,500,000	\$ 267,729,800	\$ 759,229,800
4. 2015-2016:			
Plus: Deposit at June 30, 2016	76,500,000	-	76,500,000
Less: Transfer to General Fund at June 30, 2016	-	(8,261,700)	(8,261,700)
Total Reserve at June 30, 2016	\$ 568,000,000	\$ 259,468,100	\$ 827,468,100
5. 2016-2017:			
Plus: Deposit at June 30, 2017	100,000,000	-	100,000,000
Total Reserve at June 30, 2017	\$ 668,000,000	\$ 259,468,100	\$ 927,468,100

**Departmental Summary of Cost Increases
Fiscal Year 2016-2017**

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	1,750,200	1,750,200	0	0
303	Attorney General and Reporter	500	500	0	0
304	District Attorneys General Conference	1,937,200	1,652,400	0	284,800
305	Secretary of State	0	0	0	0
306	District Public Defenders Conference	666,300	666,300	0	0
307	Comptroller of the Treasury	7,350,000	7,152,000	0	198,000
308	Office of the Post-Conviction Defender	34,700	34,700	0	0
309	Treasury Department	2,260,000	500,000	0	1,760,000
313	Claims and Compensation	0	0	0	0
315	Executive Department	500	500	0	0
316	Commissions	2,195,600	21,600	611,500	1,562,500
317	Finance and Administration (F&A)	9,443,700	6,051,100	0	3,392,600
317.06	Criminal Justice Programs *	0	0	0	0
	Other F&A Programs *	9,443,700	6,051,100	0	3,392,600
318	F&A, TennCare	499,419,500	189,776,200	309,643,300	0
319	Human Resources	0	0	0	0
321	General Services	570,700	570,700	0	0
323	Veterans Services	42,200	42,200	0	0
324	Board of Parole	0	0	0	0
325	Agriculture	3,078,500	698,300	0	2,380,200
326	Tourist Development	5,000,000	5,000,000	0	0
327	Environment and Conservation	28,091,500	4,805,100	20,000,000	3,286,400
328	Wildlife Resources Agency	2,301,800	2,301,800	0	0
329	Correction	15,625,800	15,625,800	0	0
330	Economic and Community Development	83,988,400	83,988,400	0	0
331	Education (K-12)	261,115,300	261,115,300	0	0
	Lottery-Funded Programs *	0	0	0	0
	Other K-12 Education Programs *	261,115,300	261,115,300	0	0
332	Higher Education	130,658,000	130,658,000	0	0
	Lottery for Education Account *	0	0	0	0
	Other Higher Education Programs *	130,658,000	130,658,000	0	0
335	Commerce and Insurance	57,800	57,800	0	0
336	Financial Institutions	0	0	0	0
337	Labor and Workforce Development	587,100	587,100	0	0
339	Mental Health and Substance Abuse Services	7,808,400	13,279,000	(1,714,400)	(3,756,200)
341	Military	0	0	0	0
343	Health	22,094,200	21,699,200	50,000	345,000
344	Intellectual and Developmental Disabilities	19,641,600	676,400	0	18,965,200
345	Human Services	122,900	41,800	81,100	0
345.23	Temporary Cash Assistance *	0	0	0	0
	Other Human Services Programs *	122,900	41,800	81,100	0
347	Revenue	13,375,800	13,375,800	0	0
348	Tennessee Bureau of Investigation	0	0	0	0
349	Safety	6,640,800	6,320,800	0	320,000
350	F&A, Strategic Health-Care Programs	0	0	0	0
351	Miscellaneous Appropriations	125,595,700	125,595,700	0	0
353	Emergency and Contingency Fund	180,700	180,700	0	0
359	Children's Services	13,493,800	5,291,000	3,564,800	4,638,000
	Sub-total General Fund	\$ 1,265,129,200	\$ 899,516,400	\$ 332,236,300	\$ 33,376,500
400	Transportation	0	0	0	0
	Total All Funds	\$ 1,265,129,200	\$ 899,516,400	\$ 332,236,300	\$ 33,376,500

* These items are included in the departmental totals.

**Salary Policy Recommendation
Fiscal Year 2016-2017**

	General Fund	Dedicated
I. Discretionary Raises:		
1. State Employees Salary Pool - Annualized:		
a. 4.0% Salary Pool - Pay for Performance - TEAM Act agencies - Effective 1/1/2017	\$ 51,664,800	\$ -
b. 3.0% Salary Pool - Across the Board - Non-TEAM Act agencies - Effective 1/1/2017	8,388,000	-
c. Market Rate Adjustment	36,060,100	-
2. Higher Education - Included in Funding Formula	-	-
3. K-12 Basic Education Program (BEP) - Teachers and Other Certified Staff	104,600,000	-
4. Safety - Commissioned Officers (Troopers) - Salary Survey Raise at 5.3%	3,222,000	-
5. Commerce and Insurance - TLETA Commissioned Officers - Salary Survey Raise at 5.3%	44,500	-
6. TWRA - Wildlife Officers - Salary Survey Raise at 5.3%	-	1,782,900
Sub-Total Discretionary Raises	\$ 203,979,400	\$ 1,782,900
II. Mandated Salary Increases:		
A. Statutory Step Raises:		
1. District Attorneys General - Assistant District Attorneys and Criminal Investigators (Includes Human Services: \$41,800 State)	\$ 1,227,400	\$ -
2. District Public Defenders - Assistant Public Defenders and Investigators	651,700	-
3. Post-Conviction Defender - Assistant Post-Conviction Defenders	34,700	-
4. Commerce and Insurance - TLETA Commissioned Officers	13,300	-
5. Safety - Commissioned Officers (Troopers)	906,100	-
6. TWRA - Wildlife Officers, Biologists, and Unique Positions	-	518,900
Sub-Total Statutory Step Raises	\$ 2,833,200	\$ 518,900
B. Cost of Living Adjustments:		
1. Court System - Judges salary increase - CPI Adjustment	\$ 77,600	\$ -
2. Attorney General and Reporter statutory salary increase - CPI Adjustment	500	-
3. Governor's statutory salary increase - CPI Adjustment	500	-
Sub-Total Cost of Living Adjustments	\$ 78,600	\$ -
III. Other Salary Increases:		
1. Education - Teacher Training and Experience	\$ 107,600	\$ -
2. Children's Services - Teacher Training and Experience	52,800	-
Sub-Total Other Salary Increases	\$ 160,400	\$ -
Sub-Total Mandated and Other Salary Increases	\$ 3,072,200	\$ 518,900
Total Recommended Salary Policy	\$ 207,051,600	\$ 2,301,800

**Base Appropriations Preserved
by Proposed Legislation
Nursing Home Assessment Fee
Fiscal Year 2016-2017**

Legislation is proposed to continue the nursing home assessment fee for one year. An estimated \$107.1 million is raised by this legislation. The following base appropriation is preserved by this revenue proposal. Failure to enact this legislation will result in the following base budget reduction.

	<u>State</u>	<u>Federal</u>	<u>Total</u>
Nursing Home Reimbursement - 31.5%	\$ 107,100,000	\$ 198,760,500	\$ 305,860,500
Total	<u>\$ 107,100,000</u>	<u>\$ 198,760,500</u>	<u>\$ 305,860,500</u>

**Base Appropriations Preserved
by Proposed Legislation
Hospital Coverage Assessment
Fiscal Year 2016-2017**

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.

Description	State	Federal	Total
Essential Access Hospital Payments	\$ 35,017,000	\$ 64,983,000	\$ 100,000,000
Disproportionate Share Hospital Payments	28,613,700	53,100,000	81,713,700
Graduate Medical Education	17,508,500	32,491,500	50,000,000
Critical Access Hospital Payments	3,501,700	6,498,300	10,000,000
Medicare Part A Reimbursement	12,448,700	23,101,700	35,550,400
Provider Reimbursement	83,450,400	154,863,600	238,314,000
In-Patient Services	36,573,300	67,871,100	104,444,400
Lab and X-Ray Procedures	15,118,700	28,056,500	43,175,200
Therapies	6,138,800	11,392,100	17,530,900
Out-Patient Services	25,609,800	47,525,600	73,135,400
Office Visits	19,967,700	37,055,100	57,022,800
Additional Cost-Based Reimbursement for Critical Access	6,000,000	-	6,000,000
Hospital Payments - Unreimbursed Costs	159,851,700	296,645,700	456,497,400
Total	\$ 449,800,000	\$ 823,584,200	\$ 1,273,384,200

2016 Administration Legislation with Fiscal Impact
General Fund and Education Fund
Fiscal Year 2016-2017

Revenue Source	General Fund		Dedicated Funds	
	Recurring	Non-Recurring	Recurring	Non-Recurring
I. Tax Adjustments - (Decrease) / Increase:				
1. STS - Internal Service Funds - Portal Fees - Current Services Revenue	\$ -	\$ -	\$ 4,918,300	\$ -
2. Safety - Handgun Permit Fees - Current Services Revenue	-	-	(810,300)	-
3. Environmental Protection Fund - Medical Radiation Inspection Fees	-	-	45,700	-
4. TennCare Fraud - Fines and Restitution	42,800	-	-	-
5. Sales and Use Tax - Qualified Data Centers	(4,100,000)	-	-	-
6. Sales and Use Tax - Compressed Natural Gas Exemption	(136,700)	-	-	-
7. Franchise and Excise Taxes - Job Tax Credits - 4th Tier Counties	(800,000)	-	-	-
8. Franchise and Excise Taxes - Payments Reform	-	(11,845,400)	-	-
9. Commerce and Insurance - New Building Construction - Inspection Fees	-	-	4,800	4,800
10. Financial Institutions - Banking Fees	-	-	5,000	4,000
11. Insurance Premium Tax - Workers' Compensation	68,800	-	-	-
12. Labor - Workplace Compliance - Penalties	99,200	-	-	-
13. Labor - Unemployment Insurance Administrative Fund - Penalties and Interest	-	-	1,049,600	-
Total Tax Adjustments - (Decrease) / Increase	\$ (4,825,900)	\$ (11,845,400)	\$ 5,213,100	\$ 8,800
II. Cost Increase - (Cost) / Savings:				
1. Environment and Conservation - Used Oil Collection Fund	\$ -	\$ -	\$ (150,000)	\$ (150,000)
2. Correction - Public Safety Act of 2016 - Incarceration Costs	(7,224,600)	-	-	-
3. Correction - Public Safety Act of 2016 - Program Costs (102 FT)	(2,373,800)	(575,000)	-	-
4. Correction - Contraband in Youth Development Centers - Incarceration Costs	(66,300)	-	-	-
5. Correction - TennCare Fraud - Incarceration Costs	(63,100)	-	-	-
6. Education - Assessments (1 FT)	(832,100)	-	-	-
7. Health - Medical Examiner Training (1 FT)	(527,800)	-	-	-
Total Cost Increase - (Cost) / Savings	\$ (11,087,700)	\$ (575,000)	\$ (150,000)	\$ (150,000)

Tennessee Promise Last Dollar Scholarship Multi-Year Projection Fiscal Years 2015-2016 Through 2017-2018

The Tennessee Promise Scholarship program was created by Public Chapter 900 of the Public Acts of 2014. Promise is both a scholarship and mentoring program. The scholarship will provide funding to cover tuition and mandatory fees not covered by the Pell Grant, the Tennessee Education Lottery Scholarship, or TSAA funds. Students may use the scholarship at any of the 13 community colleges, 27 colleges of applied technology, or four-year public or private institutions offering an associate degree program. Promise will also provide guidance to each participant. Each participant will receive assistance from a mentor who will assist the student as he or she navigates the different facets of college. In addition, Promise participants must complete eight hours of community service per term enrolled, as well as maintain satisfactory academic progress (2.0 GPA) at their institution. The second class will enroll Fall 2016.

	<u>Estimated 2015-2016***</u>	<u>Estimated 2016-2017****</u>	<u>Estimated 2017-2018</u>
I. Endowments			
Original Endowment*	\$ 48,839,300	\$ 48,839,300	\$ 48,839,300
New Endowment	312,542,000	312,542,000	312,542,000
Total Endowments	<u>\$ 361,381,300</u>	<u>\$ 361,381,300</u>	<u>\$ 361,381,300</u>
II. Revenues			
Transfer from TSAC	\$ 10,000,000	\$ -	\$ -
Net Lottery Proceeds Transfer	25,064,000	14,399,000	31,375,000
Endowment Interest**	6,200,000	10,841,400	10,841,400
Special Reserve Interest**	-	826,900	894,900
Total Available Revenue	<u>\$ 41,264,000</u>	<u>\$ 26,067,300</u>	<u>\$ 43,111,300</u>
III. Expenditures			
Tennessee Promise Cost	\$ 13,700,000	\$ 23,800,000	\$ 29,900,000
IV. Surplus/Deficit	<u>\$ 27,564,000</u>	<u>\$ 2,267,300</u>	<u>\$ 13,211,300</u>
V. Balance Forward/Special Reserve	<u>\$ 27,564,000</u>	<u>\$ 29,831,300</u>	<u>\$ 43,042,600</u>

*Transfer amount includes interest of \$1,839,300.

**Assumes interest rate of 3.0%.

***Represents first year Promise Students.

****Represents first and second year Promise Students.

**Lottery for Education Account
Summary of Appropriation Requirements, Revenues, and Reserves
Fiscal Years 2014-2015 Through 2019-2020
(Millions)**

	Actual 2014-2015	Estimated 2015-2016	Recommended 2016-2017	2017-2018	Projected	
					2018-2019	2019-2020
1. Appropriation Requirements:						
Higher Education Scholarships Base	\$ 301.7	\$ 320.6	\$ 322.5	\$ 325.8	\$ 329.0	\$ 332.3
Reconnect for Community Colleges	-	1.5	-	-	-	-
Tennessee Student Assistance Corporation	2.5	2.4	2.4	2.4	2.4	2.4
Tennessee Higher Education Commission	1.8	1.4	1.4	1.4	1.4	1.4
Transfer to Tennessee Student Assistance Awards	6.8	6.8	-	-	-	-
Total Appropriation Requirements	\$ 312.8	\$ 332.7	\$ 326.3	\$ 329.6	\$ 332.8	\$ 336.1
2. Current Revenue:						
Net Education Lottery Proceeds	\$ 335.9	\$ 347.0	\$ 357.6	\$ 365.8	\$ 373.1	\$ 380.6
Lottery for Education Account - Interest	2.0	0.1	0.1	0.1	0.1	0.1
General Shortfall Reserve at prior June 30	100.0	100.0	100.0	100.0	100.0	100.0
Lottery for Education Account at prior June 30	10.0	10.0	10.0	10.0	10.0	10.0
Total Current Revenue	\$ 447.9	\$ 457.1	\$ 467.7	\$ 475.9	\$ 483.2	\$ 490.7
3. 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 Reserve	10.0	10.0	10.0	10.0	10.0	10.0
Available to Transfer to Tennessee Promise Scholarships	25.1	14.4	31.4	36.3	40.4	44.6
Total Reserve at June 30	\$ 135.1	\$ 124.4	\$ 141.4	\$ 146.3	\$ 150.4	\$ 154.6

(Dollars)

4. Scholarship Award Levels:						
HOPE 4-Year Colleges: \$3,500 Freshmen/Sophmores	\$ 4,000	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500
HOPE 4-Year Colleges: \$4,500 Juniors/Seniors	4,000	4,500	4,500	4,500	4,500	4,500
HOPE 2-Year Colleges	2,000	3,000	3,000	3,000	3,000	3,000

Number of Scholarship Award Recipients: 2014-2015 Actual - 104,000; 2015-2016 Estimate - 105,100; and 2016-2017 Recommended - 106,200.

Lottery-Funded Education Programs
Comparison of Appropriation Requirements and State Revenues
Fiscal Years 2014-2015 Through 2019-2020

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Projected 2017-2018</u>	<u>Projected 2018-2019</u>	<u>2019 - 2020</u>
I. Appropriation Requirements						
Higher Education Scholarships Base	\$ 301,706,700	\$ 320,600,000	\$ 322,500,000	\$ 325,800,000	\$ 329,000,000	\$ 332,300,000
Reconnect for Community Colleges	-	1,500,000	-	-	-	-
Tenn. Higher Education Commission	1,803,000	1,352,400	1,352,400	1,352,400	1,352,400	1,352,400
Tennessee Student Assistance Corporation (TSAC)	2,512,000	2,437,400	2,437,400	2,437,400	2,437,400	2,437,400
Tennessee Student Assistance Awards	6,800,000	6,800,000	-	-	-	-
Education - Lottery Scholarship Day	-	23,000	23,000	23,000	23,000	23,000
Rounding / Reconciling	-	(12,800)	(12,800)	(12,800)	(12,800)	(12,800)
Sub-Total Lottery for Education Acct.	\$ 312,821,700	\$ 332,700,000	\$ 326,300,000	\$ 329,600,000	\$ 332,800,000	\$ 336,100,000
After-School Programs	14,195,900	13,500,000	13,500,000	13,500,000	13,500,000	13,500,000
Total Appropriation Requirements	\$ 327,017,600	\$ 346,200,000	\$ 339,800,000	\$ 343,100,000	\$ 346,300,000	\$ 349,600,000
II. Available Revenues and Reserves						
Net Education Lottery Proceeds	\$ 335,938,000	\$ 347,024,000	\$ 357,600,000	\$ 365,800,000	\$ 373,100,000	\$ 380,600,000
Lottery for Education Account - Interest	1,947,700	75,000	75,000	75,000	75,000	75,000
Unrealized Net/Gain Loss	-	-	-	-	-	-
Unclaimed Prizes (After-School Programs)	11,847,000	13,500,000	13,500,000	13,500,000	13,500,000	13,500,000
After-School Programs - Interest Earnings	20,800	100,000	100,000	100,000	100,000	100,000
Interaccount Transfer	-	-	-	-	-	-
General Shortfall Reserve at prior June 30	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
Lottery for Education Account at prior June 30	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Unclaimed Prizes at prior June 30	27,441,700	25,113,600	25,213,600	25,313,600	25,413,600	25,513,600
Total Available Revenues and Reserves	\$ 487,195,200	\$ 495,812,600	\$ 506,488,600	\$ 514,788,600	\$ 522,188,600	\$ 529,788,600
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
Lottery for Education Account Reserve	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
After-School Programs Reserve	25,113,600	25,213,600	25,313,600	25,413,600	25,513,600	25,613,600
Available to Transfer to Tennessee Promise Scholarships	25,064,000	14,399,000	31,375,000	36,275,000	40,375,000	44,575,000
Total Available Funds at June 30	\$ 160,177,600	\$ 149,612,600	\$ 166,688,600	\$ 171,688,600	\$ 175,888,600	\$ 180,188,600

**Summary Comparison of Tennessee Personal Income
and Appropriations from State Tax Revenues
Fiscal Years 1977-1978, 2014-2015, 2015-2016, and 2016-2017**

TABLE 1

**Tennessee Personal Income
Calendar Years 1977, 2014, 2015, and 2016
(Dollars in Millions)**

Year	Personal Income ¹	Percent Growth
1977	\$ 26,805.0	-
2014	264,965.2	-
2015	277,316.5	4.66
2016	290,533.0	4.77

TABLE 2

**Appropriations from State Tax Revenues
Fiscal Years 1977-1978, 2014-2015, 2015-2016, and 2016-2017
(Dollars in Millions)**

Year	Appropriations	Percent Growth
1977-1978	\$ 1,747.3	-
2014-2015	14,066.8	-
2015-2016	14,668.4	4.28
2016-2017	15,072.5	2.75

¹ Source: U.T. Center for Business and Economic Research.

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.

Constitutional Spending Limit Summary
Appropriations from Existing State Tax Revenues
Fiscal Year 2016-2017

	Estimated 2015-2016	Estimated 2016-2017
I. Appropriated State Revenues	\$ 14,795,500,000	\$ 15,153,400,000
Less: Non-Tax Revenue	(92,100,000)	(80,900,000)
Less: Revenue unavailable for appropriation until 2017 legislative session	(35,000,000)	-
Total Appropriated from State Tax Revenues	<u>\$ 14,668,400,000</u>	<u>\$ 15,072,500,000</u>
Add: Additional State Tax Revenue - Legislation	-	-
Total State Tax Revenue	<u>\$ 14,668,400,000</u>	<u>\$ 15,072,500,000</u>
Percent Increase Over the Prior Year		2.75%
 II. Fiscal Year 2015-2016 Established Limit	 \$ 14,513,100,000	 \$ 14,674,500,000
Adjustment to Established Limit	161,400,000 *	(6,100,000) **
Fiscal Year 2016-2017 Base Appropriations Limit		<u>\$ 14,668,400,000</u>
State Economic Growth Measure		
2016 Forecasted Personal Income Growth 4.77%		<u>699,700,000</u>
Recommended Adjustment to Established Limit (@ 0.00%)	-	-
Fiscal Year 2015-2016 Revised Appropriations Limit	<u>\$ 14,674,500,000</u>	
Fiscal Year 2016-2017 Appropriations Limit		<u>\$ 15,368,100,000</u>
 III. Availability Under the Established Limit	 <u>\$ 6,100,000</u>	 <u>\$ 295,600,000</u>

* Adjustment made as a result of the amended budget in the 2015 legislative session.

** Cap reset to the appropriated state tax revenue in FY 2015-2016.

Comparison of Authorized Positions State Agencies and Higher Education

	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>Change From Current Year</u>
I. STATE AGENCIES *				
General Fund	43,108	42,471	42,776	305
Full-time	41,162	40,545	40,851	306
Part-time	1,440	1,422	1,421	(1)
Seasonal	506	504	504	0
Department of Transportation	4,662	4,646	4,646	0
Full-time	4,657	4,641	4,641	0
Part-time	5	5	5	0
Seasonal	0	0	0	0
Total State Agencies	47,770	47,117	47,422	305
Full-time	45,819	45,186	45,492	306
Part-time	1,445	1,427	1,426	(1)
Seasonal	506	504	504	0
II. HIGHER EDUCATION				
Total Positions	24,944	25,294	25,294	0
Full-time Equivalent (UT and TBR)				
Administrative	1,265	1,295	1,295	0
Professional	5,912	6,023	6,023	0
Faculty	9,486	9,642	9,642	0
Clerical and Support	8,267	8,320	8,320	0
Foreign Language Institute (FT)	14	14	14	0
III. TOTAL STATE AGENCIES AND HIGHER EDUCATION				
Total Positions	72,714	72,411	72,716	305
Full-time **	70,763	70,480	70,786	306
Part-time	1,445	1,427	1,426	(1)
Seasonal	506	504	504	0

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

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

**Fiscal Year 2016-2017
Authorized Positions Change
Recommended 2016-2017 Change from Estimated 2015-2016
Increase / (Decrease)**

	<u>Full-Time</u>	<u>Part-Time</u>	<u>Seasonal</u>	<u>Total</u>
I. 2016-2017 Total Recommended	306	(1)	-	305
II. 2016-2017 Base Budget	(759)	(1)	-	(760)
a. Base Reduction Plans	(174)	(1)	-	(175)
Children's Services	(67)	-	-	(67)
Correction	(53)	-	-	(53)
Intellectual and Developmental Disabilities	(15)	-	-	(15)
Human Services	(13)	-	-	(13)
Safety	(11)	-	-	(11)
General Services	(5)	-	-	(5)
Mental Health and Substance Abuse Services	(4)	-	-	(4)
Health	(4)	-	-	(4)
Labor and Workforce Development	(1)	(1)	-	(2)
Military	(1)	-	-	(1)
b. Miscellaneous Adjustments	(529)	-	-	(529)
Intellectual and Developmental Disabilities - Base Budget Reallocations	(542)	-	-	(542)
Education (K-12) - Position Count Correction	(1)	-	-	(1)
Commerce and Insurance - Abolishment of Athletic Commission Director	(1)	-	-	(1)
Safety - Security Services Oversight	1	-	-	1
Finance and Administration - Federal Victims of Crime Act Grant	4	-	-	4
Agriculture - Animal Welfare	5	-	-	5
Agriculture - Federal Food Programs	5	-	-	5
c. 2015-2016 Non-recurring Appropriations Not Continued in 2016-2017 Base	(56)	-	-	(56)
Health - Electronic Public Health Information System (EPI)	(24)	-	-	(24)
District Attorneys General Conference - Expired Criminal Justice Grants	(20)	-	-	(20)
Tennessee Higher Education Commission - Expired Federal Grants	(9)	-	-	(9)
Education (K-12) - Individualized Education Act	(3)	-	-	(3)
III. 2016-2017 Agency Cost Increase Requests	1,065	-	-	1,065
Intellectual and Developmental Disabilities	453	-	-	453
TennCare	258	-	-	258
Correction	102	-	-	102
Children's Services	60	-	-	60
Finance and Administration	37	-	-	37
Health	32	-	-	32
Revenue	26	-	-	26
Education (K-12)	25	-	-	25
Safety	12	-	-	12
Tennessee Higher Education Commission	9	-	-	9
Court System	7	-	-	7
Environment and Conservation	7	-	-	7
Mental Health and Substance Abuse Services	7	-	-	7
District Attorneys General Conference	6	-	-	6
Agriculture	6	-	-	6
Labor and Workforce Development	6	-	-	6
Treasury Department	5	-	-	5
Comptroller of the Treasury	4	-	-	4
Veterans Services	2	-	-	2
Alcoholic Beverage Commission	1	-	-	1

Federal Funding and Aid Trends

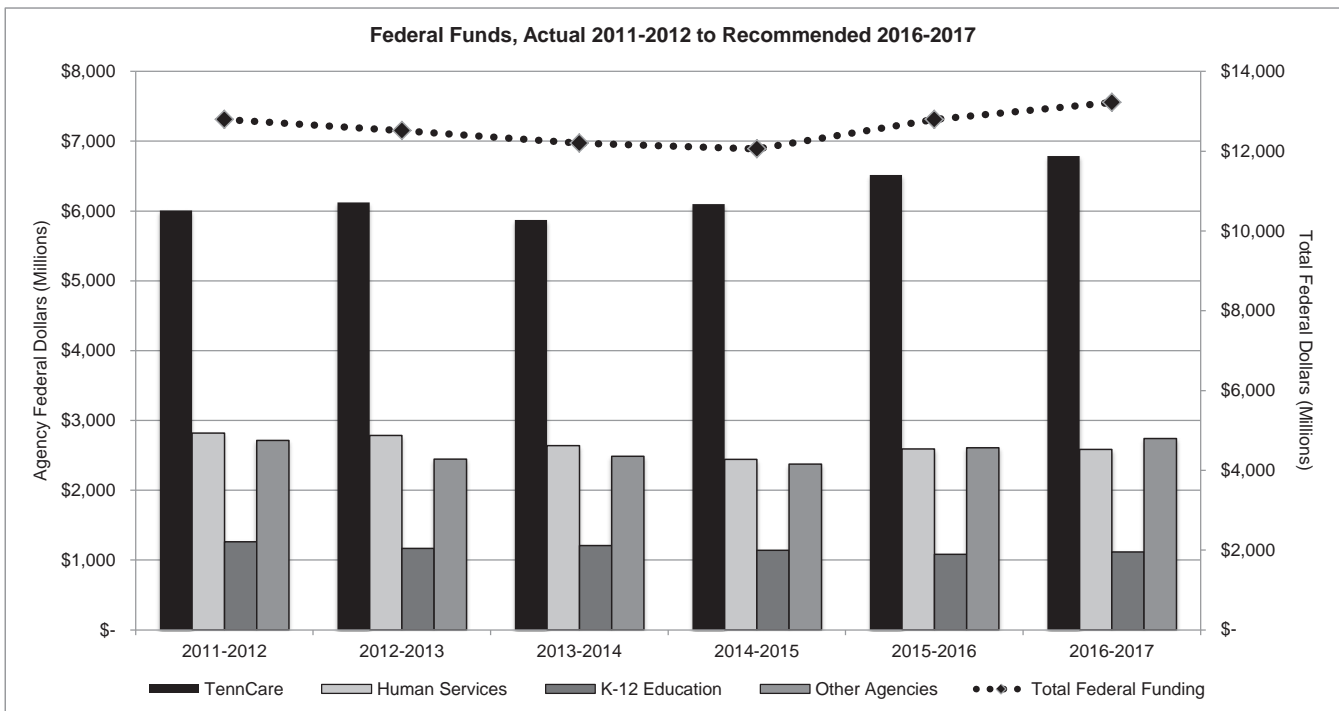
Recommended Budget, Fiscal Year 2016-2017

The total recommended budget for the fiscal year is \$34,783,620,200 with 38% from federal sources. The \$13,222,725,100 of federal funding is an increase of 3.36% from the 2015-2016 estimate. Of the total federal funding, \$6,787,438,900 (51%) is recommended for TennCare expenditures, \$2,582,411,700 (20%) for the Department of Human Services, \$1,114,013,000 (8%) for the Department of Education, and \$2,738,861,500 (21%) for all other state programs.

The Bureau of TennCare receives funds from the federal Department of Health and Human Services to administer the state's Medicaid waiver program. The Tennessee Department of Human Services administers multiple federal programs, with the Supplemental Nutritional Assistance Program (formerly known as Food Stamps) being the largest. The Tennessee Department of Education also administers multiple large federal programs, receiving funds from the federal Department of Education, for such programs as grants to Local Education Agencies, Special Education, and School Nutrition programs.

	Actual 2011-2012	Actual 2012-2013	Actual 2013-2014	Actual 2014-2015	Estimated 2015-2016	Recommended 2016-2017
Total Federal Funding	\$ 12,795,749,400	\$ 12,515,208,100	\$ 12,202,777,200	\$ 12,054,843,400	\$ 12,792,948,400	\$ 13,222,725,100
TennCare	6,006,634,400	6,121,001,200	5,869,611,000	6,098,894,000	6,514,013,000	6,787,438,900
Human Services	2,816,629,800	2,783,887,400	2,639,508,800	2,443,249,400	2,590,245,400	2,582,411,700
K-12 Education	1,260,533,200	1,165,116,700	1,207,130,800	1,140,410,300	1,082,286,800	1,114,013,000
Other Agencies	2,711,952,000	2,445,202,800	2,486,526,600	2,372,289,700	2,606,403,200	2,738,861,500

	Percent Change FY 2016 to 2017	Average Annual Percent Change FY 2012 to 2017
Total Federal Funding	3.36%	0.66%
TennCare	4.20%	2.47%
Human Services	-0.30%	-1.72%
K-12 Education	2.93%	-2.44%
Other Agencies	5.08%	0.20%



Since fiscal year 2011-2012, non-TennCare federal funding has remained flat from the expiration of non-recurring sources, including American Recovery and Reinvestment Act and Race to the Top funds. In the TennCare program, a flat trend in federal funding from fiscal years 2011-2012 to 2014-2015 is offset by increased federal funding in fiscal years 2015-2016 and 2016-2017. The increases in 2015-2016 and 2016-2017 are largely due to medical inflation and utilization in the program, increased cost-sharing for dual-eligible enrollees, implementation of an information system, and implementation of a new waiver for intellectually and developmentally disabled enrollees. The impacts to the TennCare budget are displayed elsewhere in this budget.

Significant Federal Funding Program Actions - 2009 to 2016

In February 2009, Congress passed the American Recovery and Reinvestment Act (ARRA). From state fiscal year 2008-2009 to 2013-2014, the act awarded over \$6 billion to the State of Tennessee. The funds awarded included enhanced Medicaid matching funds, grants to Local Education Agencies, increased Supplemental Nutrition Assistance Program (Food Stamp) benefits, special education grants, and infrastructure grants for highways and bridges.

Also, the State of Tennessee applied for and won a \$500 million multi-year grant in 2010 to improve educational outcomes as part of the Race to the Top program outlined in ARRA. This funding was fully obligated by June 30, 2014.

Another federal aid development is the passage of the Budget Control Act of 2011, a law designed to provide for an increase in the federal debt limit while reducing long-term budget deficits. Most significantly for the states, the act established spending caps on discretionary spending programs through federal fiscal year 2021 and included automatic procedures to reduce spending over a 10-year period by over \$1.2 trillion. The automatic spending cuts, known as sequestration, were triggered on January 2, 2013 and effective March 1, 2013. As a result, 242 state-administered federal programs in Tennessee were reduced \$71.8 million for fiscal year 2013-2014. The Bipartisan Budget Act of 2015 raised the discretionary program spending caps in federal fiscal years 2016 and 2017 while also extending the imposition of sequestration spending caps beyond 2021 to federal fiscal year 2025. As a result, there are no additional sequestration reductions of federally funded programs in state fiscal years 2015-2016 or 2016-2017.

Fiscal 2017 Outlook

For fiscal year 2016-2017, increased aid from the federal government is recommended largely in the TennCare program. Of the total cost increase from federal sources of \$332,236,300, the share directed to the TennCare program is \$309,643,300. A factor reducing the federal aid estimate in both the TennCare and Department of Children's Services budgets is the loss of federal funds due to a decrease in the Federal Medical Assistance Percentage (FMAP). The FMAP is the rate at which the federal government matches state appropriation expenditures in the programs. The FMAP formula measures a state's personal income relative to the nation. The revised FMAP reduced fiscal year 2016-2017 federal funding by \$3,967,600 in TennCare and the Department of Children's Services. An increase in state appropriations is recommended to offset this loss of federal funds.

Tennessee Economic Overview

Recommended Budget, Fiscal Year 2016 – 2017

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

The state economy entered 2016 with good momentum, building on the strength of the national economy, which was buoyed by a healthy pace of job creation and a rebounding housing sector. The global economy will be the primary risk factor confronting the state economy in 2016. A slowdown in economic activity abroad, brought about in large part by a slowdown in the Chinese economy, has rippled across the global marketplace. China's slowdown has led to a dramatic reduction in the demand for commodities including petroleum products. As a result, prices for these goods have fallen precipitously. As the global economy has faltered, the value of the dollar has risen in international currency markets, reducing the attractiveness of exports from Tennessee and the U.S. A silver lining is lower gasoline prices which have freed up purchasing power, in turn helping to support consumer spending. While the outlook for 2016 and 2017 is largely positive, especially given the newfound strength and resiliency of the domestic economy, further deterioration in global economic activity will dampen growth in Tennessee.

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

Once again, U.S. economic growth had a poor showing in the first quarter of last year, and once again it was the result of one-time events, including adverse weather. Growth improved in subsequent quarters yielding annualized growth in inflation-adjusted gross domestic product (GDP) of 2.4 percent in 2015. The national labor market showed strong job growth, including almost 300,000 new jobs in December, and an unemployment rate that fell to 5.0 percent. Consumer spending was a major economic driver, building on an improving labor market and decent earnings growth. Automobile sales, including light trucks, were especially strong. The nation's housing market generally showed improvement over the year. The Federal Reserve demonstrated its confidence in the economy by increasing the federal funds rate from zero to 0.25 percent, the first rate increase in nine years. The only real threat to economic growth was the slowdown in the global economy, driven by a slowdown in China and its large manufacturing sector.

Strong economic growth for the nation carried over to the Tennessee economy. Nonfarm job growth in Tennessee came in at 1.8 percent, slightly below the nation's rate of job creation, and the state's manufacturing sector saw another year of net job growth. The unemployment rate drifted down to 5.6 percent in November, marking significant improvement over the 6.6 percent rate that prevailed in November 2014. Despite these labor market gains, the state's labor force participation rate remains severely depressed. Nominal personal income was up 4.7 percent in 2015, significant improvement over the 3.7 percent gain in 2014.

Short-Term Economic Outlook

The economic outlook for 2016 and 2017 points to healthy, sustained growth for the

state and the national economies. Consumer spending and ongoing improvement in the housing market will be major economic drivers. With gasoline prices continuing to edge down due to a combination of growing supply and sagging demand, consumers will be in a strong position to help offset any headwinds from the global economy. Exports will continue to struggle and private investment is expected to grow at a modest rate. The Federal Reserve is expected to raise interest rates by at least a percentage point over the course of the year unless economic weakness emerges.

Inflation-adjusted gross domestic product for the nation will be up 2.7 percent in 2016 and 2.9 percent in 2017. Consumer spending will grow by at least 3 percent this year and next year, with stronger growth taking place in the durable goods sector which includes automobiles. Nonfarm employment will be up 1.7 percent in 2016 and 1.3 percent in 2017. Slower rates of job creation will occur as labor markets tighten further. Consumer price inflation will show only 1.2 percent

growth as energy prices help restrain the overall level of price increase. The value of residential fixed investment will be up 9.5 percent and 9.6 percent in 2016 and 2017 as the nation's housing sector moves closer to full recovery from the depths of the Great Recession.

Tennessee's inflation-adjusted gross domestic product should experience 2.3 percent growth in 2016, slightly below the growth rate anticipated for the national economy. In Tennessee, nominal personal income should be up 4.8 percent for the calendar year and up 4.6 percent for the 2016-2017 fiscal year. Nonfarm employment will grow 1.8 percent and the state's manufacturing sector will see job growth of 0.7 percent. The state's transportation equipment sector will help lead the manufacturing sector forward in both 2016 and 2017. The state unemployment rate will average 5.6 percent in 2016 compared to a U.S. unemployment rate of 4.9 percent. The higher state rate is a continuation of a trend that was established before the Great Recession.

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

Tennessee Characteristics

Population

	2000	2005	2010	2014
Total Population (April 1, July 1, April 1, July 1) ¹	5,689,427	5,991,057	6,346,105	6,549,352

Population by Grand Division ¹

East Tennessee	2,108,321	2,210,700	2,327,544	2,378,534
Middle Tennessee	2,081,255	2,250,472	2,455,911	2,600,741
West Tennessee	1,499,851	1,529,885	1,562,650	1,570,077

Metropolitan Statistical Area Population ^{1, 2}

Chattanooga, TN-GA	476,611	499,564	528,143	544,559
Tennessee Portion	347,142	358,471	378,812	394,331
Georgia Portion	129,469	141,093	149,331	150,228
Clarksville, TN-KY	219,727	237,633	260,625	278,353
Tennessee Portion	134,725	151,122	172,331	189,961
Kentucky Portion	85,002	86,511	88,294	88,392
Cleveland, TN	104,012	109,410	115,788	119,705
Jackson, TN	121,969	126,192	130,011	130,225
Johnson City, TN	181,585	189,182	198,716	201,091
Kingsport-Bristol, TN - Bristol, VA	298,564	302,519	309,544	308,079
Tennessee Portion	206,671	209,002	213,656	213,782
Virginia Portion	91,893	93,517	95,888	94,297
Knoxville, TN	748,231	790,669	837,571	857,585
Memphis, TN-MS-AR	1,213,285	1,271,965	1,324,829	1,343,230
Tennessee Portion	977,574	1,003,054	1,027,138	1,039,437
Arkansas Portion	50,855	50,244	50,902	49,548
Mississippi Portion	184,856	218,667	246,789	254,245
Morristown, TN	102,444	107,703	113,951	115,713
Nashville-Davidson - Murfreesboro - Franklin, TN	1,381,412	1,511,310	1,670,890	1,792,649
Total Tennessee Metropolitan Statistical Area Population	4,305,765	4,556,115	4,858,864	5,054,479
Total Tennessee Non-Metropolitan Population	1,383,662	1,434,942	1,487,241	1,494,873

Demographic Characteristics ¹

Percent of Population by Age Group:

Under Age 5	6.6%	6.7%	6.4%	6.1%
Age 5 to 17	18.0%	17.1%	17.1%	16.7%
Age 18 to 24	9.6%	9.0%	9.6%	9.6%
Age 25 to 64	53.4%	55.0%	53.4%	52.5%
Age 65 and Older	12.4%	12.2%	13.5%	15.1%

Percent of Population by Race:

White	80.2%	79.6%	77.5%	77.6%
Black or African American	16.4%	16.4%	16.7%	16.9%
American Indian and Alaska Native	0.3%	0.3%	0.3%	0.3%
Asian and Pacific Islander	1.0%	1.3%	1.5%	1.6%
Other	2.1%	2.4%	4.0%	3.6%

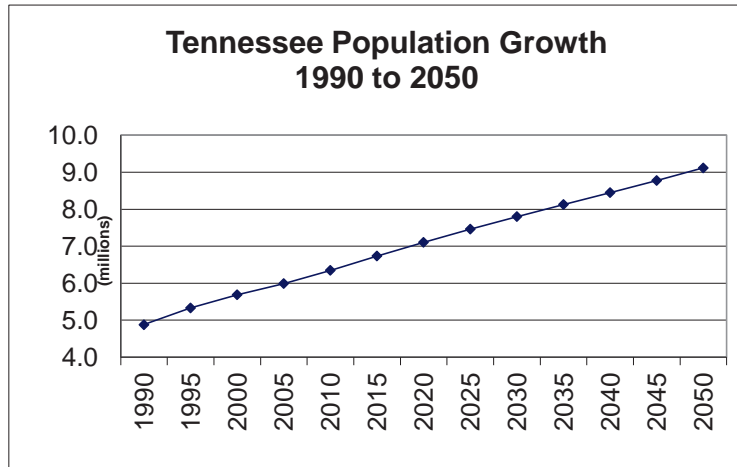
Hispanic Population (Percent of Total Population)

	2.2%	3.0%	4.6%	4.9%
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Place of Birth of Tennessee Residents:

Born in Tennessee	64.7%	62.5%	61.0%	60.9%
Born in Another State	31.9%	33.1%	33.7%	33.4%
Born Outside the United States	0.6%	0.6%	0.8%	0.8%
Born in a Foreign Country	2.8%	3.8%	4.5%	4.9%
Naturalized Citizen	0.9%	1.2%	1.5%	1.8%
Not a Citizen	1.9%	2.6%	3.0%	3.1%

Tennessee Population 1990 to 2050 ³



Year	Population
1990	4,877,203
1995	5,326,936
2000	5,689,283
2005	5,991,057
2010	6,346,105
2015	6,735,022
2020	7,107,296
2025	7,460,624
2030	7,799,933
2035	8,127,930
2040	8,449,472
2045	8,775,821
2050	9,117,105

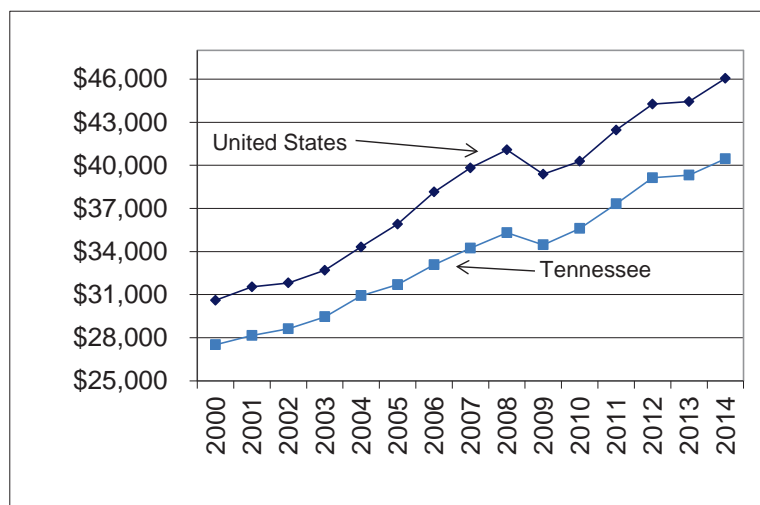
Education Characteristics

	1999-2000	2004-2005	2009-2010	2013-2014
Public School Enrollment and Expenditures ⁴				
Total Number of Public Schools	1,611	1,693	1,746	1,762
Total K-12 Public School Average Daily Attendance (ADA)	842,733	867,134	894,764	913,119
Total Operating Expenditures (in thousands)	\$ 4,885,072	\$ 6,387,036	\$ 7,849,989	\$ 8,534,277
Public School Per Pupil Expenditures (based on ADA)	\$ 5,794	\$ 7,366	\$ 8,773	\$ 9,346
<hr/>				
	2000	2005	2010	2014
Educational Attainment ⁵				
Population 25 Years and Over				
Less Than 9th Grade	9.6%	7.0%	6.3%	5.4%
9th to 12th Grade, No Diploma	14.5%	11.8%	10.1%	8.8%
High School Graduate (includes equivalency)	31.6%	34.5%	33.5%	33.3%
Some College, No Degree	20.0%	19.3%	20.8%	20.5%
Associate Degree	4.7%	5.6%	6.2%	6.7%
Bachelor's Degree	12.8%	14.1%	14.6%	16.2%
Graduate or Professional Degree	6.8%	7.7%	8.5%	9.1%
Percent High School Graduate or Higher				
United States	80.4%	84.2%	85.6%	86.9%
Tennessee	75.9%	81.2%	83.6%	85.8%
Percent Bachelor's Degree or Higher				
United States	24.4%	27.2%	28.2%	30.1%
Tennessee	19.6%	21.8%	23.1%	25.3%

Income and Poverty

	2000	2005	2010	2014
Tennessee's Per Capita Income as a Percent of the U.S.	89.9%	88.3%	88.4%	87.9%
Tennessee's Rank in U.S. by Per Capita Income	34	36	35	36

Tennessee and United States Per Capita Income ⁶



Year	United States	Tennessee
2000	\$ 30,602	\$ 27,503
2001	31,540	28,147
2002	31,815	28,613
2003	32,692	29,454
2004	34,316	30,925
2005	35,904	31,695
2006	38,144	33,072
2007	39,821	34,227
2008	41,082	35,307
2009	39,376	34,468
2010	40,277	35,601
2011	42,453	37,323
2012	44,266	39,137
2013	44,438	39,312
2014	46,049	40,457

% Change 2000-2014 50.5% 47.1%

Percentage of Population Below Poverty ⁷

	1999	2005	2010	2014
United States	12.4%	13.3%	15.3%	15.5%
Tennessee	13.5%	15.5%	17.7%	18.3%

Tennessee Gross Domestic Product ⁸

	2000	2005	2010	2014
Gross Domestic Product - Percentage by Industry				
Private industries	88.3%	87.8%	87.5%	88.1%
Agriculture, Forestry, Fishing, and Hunting	0.6%	0.6%	0.5%	0.8%
Mining	0.3%	0.4%	0.6%	0.5%
Utilities	0.6%	0.5%	0.7%	0.5%
Construction	4.6%	4.2%	3.5%	3.5%
Manufacturing	18.7%	18.0%	15.3%	16.1%
Durable Goods	10.6%	11.3%	7.8%	9.0%
Nondurable Goods	8.1%	6.7%	7.5%	7.1%
Wholesale Trade	7.0%	6.9%	6.8%	6.7%
Retail Trade	8.3%	8.1%	7.5%	6.9%
Transportation and Warehousing, Excluding Postal Service	5.0%	5.1%	4.7%	4.6%
Information	2.8%	3.4%	3.4%	2.9%
Finance and Insurance	5.6%	5.1%	5.1%	5.4%
Real Estate and Rental and Leasing	10.3%	9.7%	11.4%	11.3%
Professional, Scientific, and Technical Services	4.7%	5.0%	5.4%	5.5%
Management of Companies and Enterprises	0.9%	0.9%	1.2%	1.7%
Administrative and Waste Services	3.6%	4.1%	4.0%	4.2%
Educational Services	0.8%	1.0%	1.0%	1.0%
Health Care and Social Assistance	7.2%	7.8%	9.7%	9.7%
Arts, Entertainment, and Recreation	0.9%	1.0%	1.0%	1.1%
Accommodation and Food Services	3.3%	3.2%	3.1%	3.1%
Other Services, Except Government	3.1%	2.8%	2.6%	2.6%
Government	11.7%	12.2%	12.5%	11.9%
Gross Domestic Product (millions of current dollars)				
United States	\$10,225,879	\$13,022,458	\$14,869,544	\$17,316,314
Tennessee	\$ 182,844	\$ 228,730	\$ 253,671	\$ 300,604
Tennessee as a Percent of U.S.	1.79%	1.76%	1.71%	1.74%
Tennessee's Rank in U.S.	19	18	21	19

Civilian Labor Force ⁹

	2000	2005	2010	2014
Civilian Labor Force	2,871,500	2,942,300	3,084,100	3,011,500
Employment	2,756,500	2,778,500	2,783,000	2,810,900
Unemployment	115,000	163,800	301,100	200,600
Unemployment Rate	4.0%	5.6%	9.8%	6.7%

Employment by Industry ⁹

	2000	2005	2010	2014
Non-Farm Employment - Percentage by Industry				
Goods Producing	22.7%	19.5%	15.4%	15.5%
Natural Resources, Mining, and Construction	4.8%	4.6%	4.0%	3.9%
Manufacturing	17.9%	14.9%	11.4%	11.6%
Durable Goods	11.0%	9.3%	6.7%	7.3%
Nondurable Goods	6.9%	5.6%	4.7%	4.3%
Service Providing	77.3%	80.5%	84.6%	84.5%
Trade, Transportation, and Utilities	21.5%	21.8%	21.2%	21.0%
Wholesale Trade	4.8%	4.8%	4.5%	4.4%
Retail Trade	11.6%	11.8%	11.7%	11.4%
Transportation, Warehousing, and Utilities	5.1%	5.2%	5.0%	5.2%
Information	2.0%	1.8%	1.7%	1.6%
Financial Activities	5.1%	5.2%	5.2%	5.0%
Professional and Business Services	11.0%	11.4%	11.6%	13.2%
Educational and Health Services	10.2%	12.0%	14.3%	14.3%
Leisure and Hospitality	8.6%	9.5%	10.0%	10.5%
Other Services	4.3%	3.7%	4.0%	3.8%
Government	14.6%	15.1%	16.6%	15.1%
Federal	2.0%	1.8%	2.0%	1.7%
State and Local	12.6%	13.3%	14.6%	13.4%

Physical Characteristics ¹⁰

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 2000 and 2010 Censuses. July 1 data from the 2005 and 2012 American Community Survey.

² Metropolitan Statistical Area (MSA) population is based on the 2013 MSA definitions published by the U. S. Office of Management and Budget (OMB) in OMB Bulletin 13-01, February 28, 2013.

³ 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 2050.

⁴ Source: Tennessee Department of Education, *Annual Statistical Report*.

⁵ Source: U.S. Bureau of the Census, American Community Survey.

⁶ Source: U.S. Bureau of Economic Analysis.

⁷ Source: U.S. Bureau of the Census, 2000 Census, and 2005, 2010, and 2012 American Community Survey.

⁸ Source: U.S. Bureau of Economic Analysis.

⁹ Source: Tennessee Department of Labor and Workforce Development.

¹⁰ Source: U.S. Bureau of the Census, *Statistical Abstract of the United States*.

Full-Time Employees Overlapped Over 90 Days

Agency	Count
301.00 Legislature	39
302.00 Court System	12
305.00 Secretary of State	2
307.00 Comptroller of the Treasury	1
309.00 Treasury Department	1
315.00 Executive Department	3
316.03 Alcoholic Beverage Commission	1
316.12 Advisory Commission on Intergovernmental Relations	3
316.20 Tennessee Housing Development Agency	1
316.27 State Museum	1
317.00 Finance and Administration	12
318.00 Finance and Administration, Bureau of TennCare	133
319.00 Human Resources	1
321.00 General Services	2
324.00 Board of Parole	1
325.00 Agriculture	8
327.00 Environment and Conservation	13
328.00 Tennessee Wildlife Resources Agency	1
329.00 Correction	112
331.00 Education (K-12)	16
332.00 Higher Education - State Administered Programs	2
337.00 Labor and Workforce Development	4
339.00 Mental Health and Substance Abuse Services	6
341.00 Military	6
343.00 Health	1
344.00 Intellectual and Developmental Disabilities	7
345.00 Human Services	11
347.00 Revenue	8
348.00 Tennessee Bureau of Investigation	11
349.00 Safety	16
359.00 Children's Services	31
400.00 Transportation	192
Total	658

Based on Edison extract of full-time employees overlapped greater than 90 days as of 1/18/2016.

State Revenues



State Revenues

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State Tax Revenues

Introduction

Recommended Budget, Fiscal Year 2016-2017

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 State 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 State 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 State 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 at the end of the state revenues section in subsection entitled "State Funding Board, Range of Tax Revenue Estimates." This letter states the economic assumptions affecting the State 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 are three charts included to show collections by fund. The distribution of taxes among the funds on these charts is as provided by law as it existed last year for 2014-2015, actual revenue and as it exists currently for 2015-2016, and 2016-2017 estimates. The funds on the distribution charts, for the budget document presentation, are general fund, education (trust) fund, highway (transportation) fund, debt service fund, and cities and counties (local government) fund. (For information about the inclusion of certain special revenue fund taxes and fees in the general fund estimates, see the "Budget Process" section).

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.

The next subsection titled "Tax Expenditures" presents two tax exemption charts labeled "Items Not in Sales Tax Base" and "Major Tax Exemptions", as required by law.

Subsequently, 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.

Comparison Statement of State Revenues

Estimated
July 1, 2014 – June 30, 2017

Comparison Statement of State Revenues
Actual and Estimated July 1, 2014 - June 30, 2017

SOURCE OF REVENUE

Department of Revenue	Actual 2014-2015	Estimated 2015-2016	Estimated 2016-2017	Percent Required
Sales and Use Tax	\$ 7,706,018,700	\$ 8,008,200,000	\$ 8,280,100,000	3.40%
Gasoline Tax	631,824,400	626,400,000	632,700,000	1.01%
Motor Fuel Tax	165,504,800	168,500,000	170,200,000	1.01%
Gasoline Inspection Tax	64,827,700	65,400,000	66,100,000	1.07%
Motor Vehicle Registration Tax	261,832,500	255,300,000	261,700,000	2.51%
Income Tax	303,353,500	325,600,000	341,000,000	4.73%
Privilege Tax	308,789,900	319,600,000	333,100,000	4.22%
Gross Receipts Tax - TVA	348,601,200	348,900,000	355,000,000	1.75%
Gross Receipts Tax - Other	28,722,600	18,900,000	31,200,000	65.08%
Beer Tax	16,917,200	17,000,000	17,100,000	0.59%
Alcoholic Beverage Tax	56,992,800	59,200,000	61,600,000	4.05%
Franchise Tax	746,787,100	740,400,000	753,100,000	1.72%
Excise Tax	1,417,698,900	1,375,100,000	1,398,600,000	1.71%
Inheritance and Estate Tax	70,173,100	41,300,000	14,500,000	-64.89%
Tobacco Tax	263,327,100	260,700,000	260,700,000	0.00%
Motor Vehicle Title Fees	12,098,400	18,500,000	18,800,000	1.62%
Mixed Drink Tax	85,982,900	88,700,000	93,100,000	4.96%
Business Tax	153,340,900	146,700,000	155,200,000	5.79%
Severance Tax	2,138,900	2,000,000	2,000,000	0.00%
Coin-operated Amusement Tax	303,800	300,000	300,000	0.00%
Unauthorized Substance Tax	600	0	0	NA
Sub-Total Department of Revenue	\$ 12,645,237,000	\$ 12,886,700,000	\$ 13,246,100,000	2.79%
Other State Revenue				
Dept. of Commerce and Insurance	\$ 851,226,000	\$ 843,900,000	\$ 854,400,000	1.24%
E-911 Emergency Communications	81,078,000	111,900,000	111,900,000	0.00%
Dept. of Financial Institutions	18,636,000	20,000,000	20,000,000	0.00%
Wildlife Resources Agency	51,354,000	57,800,000	53,600,000	-7.27%
Dept. of Agriculture	12,648,000	10,600,000	10,400,000	-1.89%
Regulatory Board Fees	40,561,000	42,400,000	42,400,000	0.00%
Tennessee Regulatory Authority	5,462,000	6,400,000	6,400,000	0.00%
Secretary of State	40,376,000	35,000,000	35,000,000	0.00%
Dept. of Safety	36,730,000	43,800,000	41,000,000	-6.39%
Dept. of Revenue	7,999,000	6,000,000	6,000,000	0.00%
State Treasurer	2,377,000	3,700,000	3,700,000	0.00%
Dept. of Education	1,430,000	1,700,000	1,700,000	0.00%
Dept. of Health	12,529,000	14,000,000	14,000,000	0.00%
Dept. of Environment and Conservation	69,068,000	76,700,000	72,400,000	-5.61%
Miscellaneous Revenue	104,198,000	66,600,000	66,100,000	-0.75%
Nursing Home Tax	122,885,000	118,500,000	118,500,000	0.00%
Hospital Coverage Assessment	448,340,000	449,800,000	449,800,000	0.00%
Sub-Total Other State Revenue	\$ 1,906,897,000	\$ 1,908,800,000	\$ 1,907,300,000	-0.08%
Total State Revenue	\$ 14,552,134,000	\$ 14,795,500,000	\$ 15,153,400,000	2.42%

**Distribution of Actual Revenue by Fund
Fiscal Year 2014-2015**

SOURCE OF REVENUE

Department of Revenue	Total Revenue	General Fund	Education Fund	Highway Fund	Debt Service Fund	Cities & Counties *
Sales and Use Tax *	\$ 7,706,018,700	\$2,834,249,200	\$4,436,396,100	\$ 38,165,000	\$ 54,661,900	\$ 342,546,500
Gasoline Tax	631,824,400	10,244,900	0	291,691,200	88,700,000	241,188,300
Motor Fuel Tax	165,504,800	3,136,500	0	118,800,500	0	43,567,800
Gasoline Inspection Tax	64,827,700	18,862,100	0	33,948,600	0	12,017,000
Motor Vehicle Registration Tax	261,832,500	44,500,000	70,000	217,262,500	0	0
Income Tax	303,353,500	197,881,200	0	0	0	105,472,300
Privilege Tax	308,789,900	310,061,900	133,700	0	0	(1,405,700)
Gross Receipts Tax - TVA	348,601,200	192,931,700	0	0	0	155,669,500
Gross Receipts Tax - Other	28,722,600	24,211,000	0	4,511,600	0	0
Beer Tax	16,917,200	11,311,700	0	2,156,100	0	3,449,400
Alcoholic Beverage Tax	56,992,800	47,087,500	0	0	0	9,905,300
Franchise Tax	746,787,100	728,787,100	0	0	18,000,000	0
Excise Tax	1,417,698,900	1,188,565,900	0	0	210,038,100	19,094,900
Inheritance and Estate Tax	70,173,100	70,173,100	0	0	0	0
Tobacco Tax	263,327,100	30,776,600	232,550,500	0	0	0
Motor Vehicle Title Fees	12,098,400	9,398,400	0	0	2,700,000	0
Mixed Drink Tax	85,982,900	0	42,989,000	0	0	42,993,900
Business Tax	153,340,900	153,340,900	0	0	0	0
Severance Tax	2,138,900	900,200	0	0	0	1,238,700
Coin-operated Amusement Tax	303,800	303,800	0	0	0	0
Unauthorized Substance Tax	600	600	0	0	0	0
Sub-Total Department of Revenue	\$ 12,645,237,000	\$5,876,724,300	\$4,712,139,300	\$ 706,535,500	\$ 374,100,000	\$ 975,737,900
Other State Revenue						
Dept. of Commerce and Insurance	\$ 851,226,000	\$ 851,226,000	\$ 0	\$ 0	\$ 0	\$ 0
E-911 Emergency Communications	81,078,000	81,078,000	0	0	0	0
Dept. of Financial Institutions	18,636,000	18,636,000	0	0	0	0
Wildlife Resources Agency	51,354,000	51,354,000	0	0	0	0
Dept. of Agriculture	12,648,000	12,648,000	0	0	0	0
Regulatory Board Fees	40,561,000	40,561,000	0	0	0	0
Tennessee Regulatory Authority	5,462,000	5,462,000	0	0	0	0
Secretary of State	40,376,000	40,376,000	0	0	0	0
Dept. of Safety	36,730,000	36,730,000	0	0	0	0
Dept. of Revenue	7,999,000	7,999,000	0	0	0	0
State Treasurer	2,377,000	2,377,000	0	0	0	0
Dept. of Education	1,430,000	0	1,430,000	0	0	0
Dept. of Health	12,529,000	12,529,000	0	0	0	0
Dept. of Environment and Conservation	69,068,000	69,068,000	0	0	0	0
Miscellaneous Revenue	104,198,000	104,198,000	0	0	0	0
Nursing Home Tax	122,885,000	122,885,000	0	0	0	0
Hospital Coverage Assessment	448,340,000	448,340,000	0	0	0	0
Sub-Total Other State Revenue	\$ 1,906,897,000	\$1,905,467,000	\$ 1,430,000	\$ 0	\$ 0	\$ 0
Total State Revenue	\$ 14,552,134,000	\$7,782,191,300	\$4,713,569,300	\$ 706,535,500	\$ 374,100,000	\$ 975,737,900

* 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 Revised Estimated Revenue by Fund
Fiscal Year 2015-2016**

SOURCE OF REVENUE

Department of Revenue	Total Revenue	General Fund	Education Fund	Highway Fund	Debt Service Fund	Cities & Counties *
Sales and Use Tax *	\$ 8,008,200,000	\$2,948,300,000	\$4,610,300,000	\$ 38,200,000	\$ 55,500,000	\$ 355,900,000
Gasoline Tax	626,400,000	10,100,000	0	288,300,000	88,800,000	239,200,000
Motor Fuel Tax	168,500,000	3,100,000	0	121,100,000	0	44,300,000
Gasoline Inspection Tax	65,400,000	19,200,000	0	34,200,000	0	12,000,000
Motor Vehicle Registration Tax	255,300,000	43,500,000	100,000	211,700,000	0	0
Income Tax	325,600,000	212,400,000	0	0	0	113,200,000
Privilege Tax	319,600,000	319,400,000	200,000	0	0	0
Gross Receipts Tax - TVA	348,900,000	193,000,000	0	0	0	155,900,000
Gross Receipts Tax - Other	18,900,000	15,900,000	0	3,000,000	0	0
Beer Tax	17,000,000	11,400,000	0	2,100,000	0	3,500,000
Alcoholic Beverage Tax	59,200,000	49,000,000	0	0	0	10,200,000
Franchise Tax	740,400,000	722,400,000	0	0	18,000,000	0
Excise Tax	1,375,100,000	1,109,100,000	0	0	244,000,000	22,000,000
Inheritance and Estate Tax	41,300,000	41,300,000	0	0	0	0
Tobacco Tax	260,700,000	30,800,000	229,900,000	0	0	0
Motor Vehicle Title Fees	18,500,000	15,800,000	0	0	2,700,000	0
Mixed Drink Tax	88,700,000	0	44,300,000	0	0	44,400,000
Business Tax	146,700,000	146,700,000	0	0	0	0
Severance Tax	2,000,000	800,000	0	0	0	1,200,000
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	\$ 12,886,700,000	\$5,892,500,000	\$4,884,800,000	\$ 698,600,000	\$ 409,000,000	\$1,001,800,000
Other State Revenue						
Dept. of Commerce and Insurance	\$ 843,900,000	\$ 843,900,000	\$ 0	\$ 0	\$ 0	\$ 0
E-911 Emergency Communications	111,900,000	111,900,000	0	0	0	0
Dept. of Financial Institutions	20,000,000	20,000,000	0	0	0	0
Wildlife Resources Agency	57,800,000	57,800,000	0	0	0	0
Dept. of Agriculture	10,600,000	10,600,000	0	0	0	0
Regulatory Board Fees	42,400,000	42,400,000	0	0	0	0
Tennessee Regulatory Authority	6,400,000	6,400,000	0	0	0	0
Secretary of State	35,000,000	35,000,000	0	0	0	0
Dept. of Safety	43,800,000	43,800,000	0	0	0	0
Dept. of Revenue	6,000,000	6,000,000	0	0	0	0
State Treasurer	3,700,000	3,700,000	0	0	0	0
Dept. of Education	1,700,000	0	1,700,000	0	0	0
Dept. of Health	14,000,000	14,000,000	0	0	0	0
Dept. of Environment and Conservation	76,700,000	76,700,000	0	0	0	0
Miscellaneous Revenue	66,600,000	66,600,000	0	0	0	0
Nursing Home Tax	118,500,000	118,500,000	0	0	0	0
Hospital Coverage Assessment	449,800,000	449,800,000	0	0	0	0
Sub-Total Other State Revenue	\$ 1,908,800,000	\$1,907,100,000	\$ 1,700,000	\$ 0	\$ 0	\$ 0
Total State Revenue	\$ 14,795,500,000	\$7,799,600,000	\$4,886,500,000	\$ 698,600,000	\$ 409,000,000	\$1,001,800,000

* 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 2016-2017**

SOURCE OF REVENUE

Department of Revenue	Total Revenue	General Fund	Education Fund	Highway Fund	Debt Service Fund	Cities & Counties *
Sales and Use Tax *	\$ 8,280,100,000	\$3,051,100,000	\$4,766,900,000	\$ 38,200,000	\$ 57,400,000	\$ 366,500,000
Gasoline Tax	632,700,000	10,200,000	0	288,900,000	92,100,000	241,500,000
Motor Fuel Tax	170,200,000	3,200,000	0	122,300,000	0	44,700,000
Gasoline Inspection Tax	66,100,000	19,400,000	0	34,700,000	0	12,000,000
Motor Vehicle Registration Tax	261,700,000	44,500,000	100,000	217,100,000	0	0
Income Tax	341,000,000	222,500,000	0	0	0	118,500,000
Privilege Tax	333,100,000	332,900,000	200,000	0	0	0
Gross Receipts Tax - TVA	355,000,000	196,000,000	0	0	0	159,000,000
Gross Receipts Tax - Other	31,200,000	26,300,000	0	4,900,000	0	0
Beer Tax	17,100,000	11,500,000	0	2,100,000	0	3,500,000
Alcoholic Beverage Tax	61,600,000	50,900,000	0	0	0	10,700,000
Franchise Tax	753,100,000	735,100,000	0	0	18,000,000	0
Excise Tax	1,398,600,000	1,139,500,000	0	0	237,100,000	22,000,000
Inheritance and Estate Tax	14,500,000	14,500,000	0	0	0	0
Tobacco Tax	260,700,000	30,800,000	229,900,000	0	0	0
Motor Vehicle Title Fees	18,800,000	16,100,000	0	0	2,700,000	0
Mixed Drink Tax	93,100,000	0	46,500,000	0	0	46,600,000
Business Tax	155,200,000	155,200,000	0	0	0	0
Severance Tax	2,000,000	800,000	0	0	0	1,200,000
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	\$ 13,246,100,000	\$6,060,800,000	\$5,043,600,000	\$ 708,200,000	\$ 407,300,000	\$1,026,200,000
Other State Revenue						
Dept. of Commerce and Insurance	\$ 854,400,000	\$ 854,400,000	\$ 0	\$ 0	\$ 0	\$ 0
E-911 Emergency Communications	111,900,000	111,900,000	0	0	0	0
Dept. of Financial Institutions	20,000,000	20,000,000	0	0	0	0
Wildlife Resources Agency	53,600,000	53,600,000	0	0	0	0
Dept. of Agriculture	10,400,000	10,400,000	0	0	0	0
Regulatory Board Fees	42,400,000	42,400,000	0	0	0	0
Tennessee Regulatory Authority	6,400,000	6,400,000	0	0	0	0
Secretary of State	35,000,000	35,000,000	0	0	0	0
Dept. of Safety	41,000,000	41,000,000	0	0	0	0
Dept. of Revenue	6,000,000	6,000,000	0	0	0	0
State Treasurer	3,700,000	3,700,000	0	0	0	0
Dept. of Education	1,700,000	0	1,700,000	0	0	0
Dept. of Health	14,000,000	14,000,000	0	0	0	0
Dept. of Environment and Conservation	72,400,000	72,400,000	0	0	0	0
Miscellaneous Revenue	66,100,000	66,100,000	0	0	0	0
Nursing Home Tax	118,500,000	118,500,000	0	0	0	0
Hospital Coverage Assessment	449,800,000	449,800,000	0	0	0	0
Sub-Total Other State Revenue	\$ 1,907,300,000	\$1,905,600,000	\$ 1,700,000	\$ 0	\$ 0	\$ 0
Total State Revenue	\$ 15,153,400,000	\$7,966,400,000	\$5,045,300,000	\$ 708,200,000	\$ 407,300,000	\$1,026,200,000

* 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, 2014 - June 30, 2017
To Support Statement of State Revenues

	Actual 2014-2015	Estimated 2015-2016	Estimated 2016-2017
<u>Commerce and Insurance Regulatory Boards</u>			
State Board of Accountancy	\$ 975,000	\$ 1,376,000	\$ 1,217,000
State Board of Examiners for Architects and Engineers	1,441,000	1,663,000	1,809,000
Tennessee Auctioneer Commission	250,000	333,000	308,000
Board of Barber Examiners	406,000	448,000	399,000
Tennessee Collection Service Board	361,000	320,000	431,000
Licensing Contractors, Home Improvement, and Interior Designers	2,494,000	2,989,000	3,079,000
State Board of Cosmetology	1,716,000	2,047,000	2,933,000
Board of Funeral Directors and Embalmers	431,000	1,088,000	499,000
Board of Examiners for Land Surveyors	25,000	435,000	27,000
Board of Alarm Contractors	683,000	768,000	811,000
Private Investigators Licensing and Regulation	193,000	205,000	225,000
Private Protective Services Licensing and Regulation	1,158,000	1,647,000	1,391,000
Board of Polygraph Examiners	1,000	6,000	6,000
Real Estate Appraiser Commission	605,000	960,000	736,000
Registration of Geologists	98,000	141,000	119,000
Tennessee Real Estate Commission	2,281,000	2,536,000	2,547,000
Tennessee Motor Vehicle Commission	2,061,000	1,919,000	2,544,000
Race Track Licensing	2,000	0	0
Locksmith Licensing Board	89,000	115,000	106,000
Private Probation Registration	126,000	166,000	156,000
Home Inspectors License	69,000	96,000	87,000
Scrap Metal Dealers Registration	126,000	96,000	156,000
Soil Scientist Licensing	21,000	4,000	24,000
Tennessee Athletic Commission	54,000	202,000	62,000
Court Reporting Services	20,000	115,000	19,000
Debt Management Services	62,000	113,000	100,000
Health Club Registration	21,000	67,000	60,000
Beauty Pageant Registration	0	2,000	1,700
Sub-Total: Commerce and Insurance	\$ 15,769,000	\$ 19,857,000	\$ 19,852,700
<u>Health Regulatory Boards</u>			
Board of Chiropractic Examiners	\$ 193,000	\$ 193,800	\$ 193,800
Board of Dentistry	1,180,000	964,800	964,800
Board of Dietitian / Nutritionist Examiners	88,000	57,800	57,800
Board of Dispensing Opticians	143,000	62,400	62,400
State Board of Electrolysis Examiners	9,000	10,000	10,000
Council for Licensing Hearing Instrument Specialists	83,000	35,200	35,200
Board of Social Worker Certification and Licensure	444,000	268,600	268,600
Board of Medical Examiners	3,207,000	3,976,400	3,976,400
Tennessee Medical Laboratory Board	671,000	615,600	615,600
Board of Nursing and Certified Medication Aide Licensure	6,984,000	5,958,100	5,951,300
Board of Examiners for Nursing Home Administrators	110,000	77,500	77,500
Board of Occupational and Physical Therapy Examiners	591,000	436,400	436,400
Massage Licensure Board	737,000	554,100	554,100
State Board of Athletic Trainers	84,000	77,200	77,200
Board of Respiratory Care	335,000	203,600	203,600
State Board of Optometry	209,000	120,900	120,900
Board of Osteopathic Examination	245,000	152,300	152,300
Board of Pharmacy	2,955,000	2,577,800	2,577,800
Board of Registration for Podiatry	103,000	88,900	88,900
Board of Cert. for Prof. Counselors, and Marital and Family Therapists	275,000	159,500	159,500
Board of Examiners in Psychology	306,000	189,300	189,300
Board for Communication Disorders and Sciences	168,000	109,200	109,200
Committee on Physician Assistants	248,000	160,000	160,000
Board of Veterinary Medical Examiners	590,000	621,300	621,300
Alcohol and Drug Abuse Counselors	72,000	66,100	66,100
Board of Midwifery	21,000	8,600	8,600
Board of Acupuncture	38,000	12,000	12,000
Board of Clinical Perfusionists	21,000	9,200	9,200
Reflexologist License	19,000	8,200	8,200
Polysomnographic Professional Standards Board	49,000	37,200	37,200
Pain Management Clinic Certificate	46,000	134,500	134,500
Medical Spas Licensure	0	62,500	31,200
Sub-Total: Health	\$ 20,224,000	\$ 18,009,000 *	\$ 17,970,900 *
<u>Other Regulatory Boards</u>			
State Regulatory Fee	\$ 2,838,000	\$ 2,500,000	\$ 2,500,000
State Board of Law Examiners	891,000	858,800	858,700
Health Services Development Agency	839,000	1,204,700	1,204,300
Adjustment	0	(29,500)	13,400
Sub-Total: Other	\$ 4,568,000	\$ 4,534,000	\$ 4,576,400
Total Regulatory Boards	\$ 40,561,000	\$ 42,400,000	\$ 42,400,000

* Includes \$2,481,100 allocated for administration costs in 343.01

Tax Expenditures

Recommended Budget, Fiscal Year 2016-2017

Tennessee Code Annotated 9-4-5106(a)(1)(B) requires the Budget Document to include a schedule of exemptions from state taxes. This section is intended to fulfill that statutory obligation.

Under the law, the budget document is required to identify all exemptions from state taxes, to the extent that it is practicable, and estimate the amount of revenue that would have been collected by the state in the ensuing fiscal year, if the exemptions were not to exist. No format or reporting period is specified.

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 fiscal year 2016-2017. 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. Second, 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 that 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 2016-2017 Estimated Loss</u>	
	<u>State</u>	<u>Local *</u>
Administrative and Support Services	\$ 423,000,000	\$ 151,100,000
Collection Agencies and Credit Bureaus	38,600,000	13,800,000
Employment Services	220,200,000	78,600,000
Investigation and Security Services	64,800,000	23,200,000
Mail, Document Reproduction, and Call Centers	23,000,000	8,200,000
Services to Buildings and Dwellings	76,400,000	27,300,000
Construction Services	\$ 720,000,000	\$ 257,100,000
Construction of Buildings	212,000,000	75,700,000
Heavy and Civil Engineering Construction	78,800,000	28,100,000
Specialty Trade Contractors	429,200,000	153,300,000
Educational Services	\$ 35,800,000	\$ 12,900,000
Educational Services (for-profit)	31,200,000	11,200,000
Educational Services (nonprofit)	4,600,000	1,700,000
Finance, Insurance, and Real Estate	\$ 223,800,000	\$ 80,000,000
Investment Banking, Securities Brokerage, and Related	111,700,000	39,900,000
Insurance Agents and Related	11,900,000	4,300,000
Real Estate Agents and Brokers	100,200,000	35,800,000
Health Care and Social Services (For-profit)	\$ 963,700,000	\$ 344,300,000
Physicians and Dentists	523,200,000	186,900,000
Other Health Practitioners	64,400,000	23,000,000
Hospitals	127,900,000	45,700,000
Nursing and Residential Care Facilities	115,300,000	41,200,000
Outpatient Care Centers	39,900,000	14,300,000
Medical and Diagnostic Laboratories	36,700,000	13,100,000
Other Selected Health Services	18,600,000	6,600,000
Social and Community Services	37,700,000	13,500,000
Health Care and Social Services (Nonprofit)	\$ 552,300,000	\$ 197,300,000
Hospitals	457,700,000	163,500,000
Nursing and Residential Care Facilities	33,500,000	12,000,000
Outpatient Care Centers	24,100,000	8,600,000
Other Selected Health Services	7,900,000	2,800,000
Social and Community Services	29,100,000	10,400,000
Information Services	\$ 64,100,000	\$ 22,700,000
Data Processing Services	33,600,000	12,000,000
Movie Production and Sound Recording Studios	11,900,000	4,200,000
Cable TV Subscriptions (exempt amount)	11,800,000	4,200,000
Newspaper Subscriptions and Sales	6,800,000	2,300,000
Media Advertising Sales	\$ 123,000,000	\$ 43,900,000
Newspaper Advertising	26,400,000	9,400,000
Radio Advertising	31,500,000	11,300,000
Television Advertising (Broadcast and Cable)	65,100,000	23,200,000
Personal Services	\$ 117,100,000	\$ 41,800,000
Coin-operated Laundry	2,200,000	800,000
Death Care Services	16,000,000	5,700,000
Diet and Weight Loss	1,800,000	700,000
Hair, Nail, and Skin Care Services	47,700,000	17,000,000
Non-Profit Amusement and Membership Organizations	49,400,000	17,600,000
Professional and Technical Services	\$ 770,400,000	\$ 274,900,000
Accounting, Tax Return Preparation, and Payroll	109,200,000	39,000,000
Advertising and Public Relations	44,900,000	16,000,000
Architectural Services	32,300,000	11,500,000
Engineering Services	119,000,000	42,500,000
All other Architectural, Engineering, and Related	23,200,000	8,300,000
Specialized Design Services	17,800,000	6,300,000
Computer Systems Design and Related Services	61,700,000	22,000,000
Legal Services (for-profit and nonprofit)	189,700,000	67,700,000
Management, Scientific, and Technical Consulting	141,800,000	50,600,000
Scientific Research and Development (for-profit and nonprofit)	30,800,000	11,000,000
Transportation Services (Local Trucking only)	\$ 66,600,000	\$ 23,800,000
Truck Transportation (Local)	66,600,000	23,800,000
Total Revenue Loss	\$ 4,059,800,000	\$ 1,449,800,000

* Local revenue loss calculated based on an average local sales tax rate of 2.50%.

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 2016-2017 Estimated Loss	
		State	Local
	Sales and Use Tax	\$ 3,247,000,000	\$ 1,025,500,000
67-6-329(a)(1)	Gasoline	707,200,000	242,500,000
67-6-329(a)(2)	Motor vehicle fuel (diesel fuel)	255,700,000	87,700,000
67-6-217	Aviation fuel (reduced rate)	47,400,000	45,500,000
67-6-207(a)(9)	Gasoline/diesel fuel for agriculture	21,900,000	7,800,000
67-6-314, 320	Prescription drugs, insulin, and related	469,000,000	167,500,000
67-6-319	Prescription drug samples	28,700,000	10,200,000
67-6-334	Energy fuels sold for residential use	362,700,000	129,500,000
67-6-206(b)(1-2), 702(b)	Energy and water sales to manufacturers (reduced rate)	227,900,000	81,400,000
67-6-206(b)(2-8)	Energy and water sales to manufacturers for direct processing (exempt)	56,200,000	20,100,000
67-6-102(44), 206(a), 207, 702(b)	Industrial and farm machinery and equipment	239,900,000	51,400,000
67-6-228(a)	Food sales (reduced rate)	231,300,000	5,300,000
67-6-329(a)(13)	Packaging sold for resale or use	123,600,000	42,400,000
67-6-329(a)(3), (18)	School books and lunches	13,400,000	4,800,000
67-6-329(a)(4-5)	Membership dues of civic organizations and business associations	16,100,000	5,700,000
67-6-316	Prescription eyewear and optical goods	18,500,000	6,600,000
67-6-103(f), 226, 714	Cable television (exempt portion)	12,200,000	4,400,000
67-6-329(a)(10)	Newspaper periodical sales	10,900,000	3,900,000
67-6-303	Motor vehicles sold to active-duty or non-resident military personnel	8,000,000	600,000
67-6-216	Non-material cost of manufactured homes (reduced rate)	3,400,000	-
67-6-301	Agricultural Products	203,100,000	54,300,000
67-6-219, 702(e)	Sales to common carriers (reduced rate)	9,100,000	3,600,000
67-6-330(a)(16)	Physical fitness facility fees	14,300,000	5,100,000
67-6-313(g), 321	Railroad rolling stock, materials, and repairs	5,900,000	1,300,000
67-6-309(a)	Film and transcription rentals	4,800,000	1,700,000
67-6-102(44)(H)(i)	Certain warehouse equipment	5,400,000	1,000,000
67-6-207(a)(10-17)	Fertilizers, pesticides, seeds, and related items to nurseries	8,800,000	3,200,000
67-6-335	Dentists	113,000,000	30,300,000
	All other remaining exemptions	28,600,000	7,700,000
	Corporate Franchise and Excise Tax	\$ 135,200,000	\$ -
67-4-2109	Jobs credit (Franchise and Excise)	50,100,000	NA
67-4-2108	Cap on value of inventories (Franchise)	24,600,000	NA
67-4-2009	Industrial machinery credit (Franchise and Excise)	60,500,000	NA
	Motor Vehicle Registration Fees	\$ 5,000,000	\$ -
55-4-223	Government vehicles	1,800,000	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	700,000	NA
55-4-113(6)	Special zone tags - Class 1	500,000	NA
55-4-113(6), 124	Special zone tags - Class 2	1,700,000	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	\$ 276,200,000	\$ -
67-4-405(b)	Gas, Water, and Electric Companies - Govt. operations exempt	273,700,000	NA
67-4-405(d)	Gas, Water, and Electric Companies - Franchise and excise tax credit	400,000	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	2,000,000	NA
	Miscellaneous Taxes	\$ 16,800,000	\$ 9,900,000
67-2-104(a)	Standard Exemption on the income tax	16,400,000	9,900,000
67-4-409(b)(4)	Mortgage Tax - \$2,000 exemption	400,000	NA
	Total Revenue Loss	\$ 3,680,200,000	\$ 1,035,400,000

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 5.0% (TCA 67-6-228(a)). Also, rates varying from 1% to 8.25% apply to other items and services including the following: 1.5% for energy fuels used by manufacturers and nurserymen; and 1% for water used by manufacturers (TCA 67-6-206(b)(1) 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 addition, amounts from the tax on interstate telecommunication services sold to businesses are earmarked to the

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

		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 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 Municipal Technical Advisory Service (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

<p>Counties.....</p>	<p>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 is 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)).</p>
<p>GASOLINE TAX.....\$0.20 on each gallon of gasoline sold, stored, or distributed in the state (TCA 67-3-201 and 60-4-102).</p>	
<p>General Fund.....</p>	<p>Approximately 1.6% (TCA 67-3-901).</p>
<p>Highway Fund.....</p>	<p>Approximately 60.3%, less an amount to the Debt Service Fund (TCA 67-3-901).</p>
<p>Debt Service Fund</p>	<p>Amount required from Highway Fund apportionment (TCA 9-9-103 and 67-3-901).</p>
<p>Cities</p>	<p>Approximately 12.7% based on population (TCA 54-4-203 and 67-3-901).</p>
<p>Counties.....</p>	<p>Approximately 25.4% based ¼ on population, ¼ on area, and ½ divided equally (TCA 54-4-103 and 67-3-901).</p>
<p>MOTOR FUEL TAX\$0.17 on each gallon of diesel fuel and all fuel other than gasoline, except dyed fuel under IRS rules for motor vehicles, trains, and aircraft (TCA 67-3-202 and 67-3-1404); 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).</p>	
<p>General Fund.....</p>	<p>Approximately 2.0% (TCA 67-3-905, 67-3-908, and 67-3-901(k)).</p>

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Highway Fund.....	Approximately 71.8%, less an amount to the Debt Service Fund, and less 2% to the General Fund (TCA 67-3-905, 67-3-908, and 67-3-901 (k)).
Debt Service Fund.....	Amount required from Highway Fund apportionment (TCA 9-9-105, 9-9-106, 67-3-905, and 67-3-908).
Cities	Approximately 8.7% based on population (TCA 54-4-203, 67-3-905, and 67-3-908).
Counties.....	Approximately 17.5% based $\frac{1}{4}$ on population, $\frac{1}{4}$ on area, and $\frac{1}{2}$ divided equally (TCA 54-4-103, 67-3-905, and 67-3-908).

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

.....\$0.01 for each gallon of gasoline and most other volatile fuels sold, used, or stored (TCA 67-3-203); an additional \$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 Department 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)).

**Collecting Agency
and Classification**

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) players on a team roster for more than 15 days, \$15 marriage license fee (plus a \$62.50 marriage license fee for couples not completing a premarital preparation course), a

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

packaged automotive oil fee (\$0.02 per quart), a 3% surcharge tax on certain rental motor vehicles, a \$250 per conviction blood alcohol testing fee, a \$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 or other first responder. The tire tax, automotive oil fee, and a portion of the litigation taxes are reported under the "Other State Revenue" section of the revenue statement (TCA 16-15-5007, 16-22-109, 36-3-610, 36-6-413, 38-6-103, 39-13-101, 39-13-102, 39-13-111, 39-13-709, 39-17-420, 16-22-109, 55-10-403, 55-10-419, 67-4-409, 67-4-411, 67-4-602, 40-24-107, 67-4-1603, 67-4-1701 through 67-4-1703, 67-4-1901, 68-211-1006, 67-4-803, and 67-4-804).

General Fund.....	100% less certain litigation taxes earmarked for various retirement funds. Portions of litigation taxes are earmarked for the Corrections Institute, driver education and highway safety, criminal injuries compensation, victims of crime assistance, State Court Clerks Conference, General Sessions Judges Conference, staffing expenses of the state administrative director of the courts, indigent defense attorneys' compensation, civil legal representation of indigents, drug court treatment programs, electronic fingerprint imaging systems for local law enforcement agencies, and the Statewide Automated Victim Information and Notification System Fund. The state's 95% share of the sex offender tax is earmarked for treatment programs. Civil penalties from violation of domestic protection orders are earmarked for domestic violence community education. A portion of the realty transfer tax is
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**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

designated for the 1986 Wetland Acquisition Fund, Local Parks Acquisition Fund, State Lands Acquisition Fund, and Agricultural Resources Conservation Fund (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 (TBI) Toxicology Unit Testing Fund (TCA 55-10-419) and all of the \$250 fee per conviction for violating drug laws is earmarked for the TBI drug chemistry unit, drug testing fund (TCA 39-17-420). Of the \$40 ignition interlock fee, \$30.50 is allocated to the interlock assistance fund; \$4.50 to the Tennessee Hospital Association; \$1.25 to the Department of Mental Health, alcohol and drug addiction treatment

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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. 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

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

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

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

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

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

**ALCOHOLIC
BEVERAGE**

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

General Fund.....82.5% of distilled spirit and wine gallonage taxes, calculated on the total collections, less \$0.04 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 are retained for administration as departmental revenue by the Department of General Services (TCA 57-9-115, 12-2-207 and 12-2-209).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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 67-4-2106).
General Fund.....	100% less an amount to the Debt Service Fund (TCA 67-4-2120).
Debt Service Fund	Amount required from General Fund apportionment (TCA 9-9-103).
EXCISE TAX	6.5% of net earnings of all business conducted for a profit in this state. The tax applies to business entities that enjoy some form of limited liability protection. Current year losses may be carried forward as many as 15 years in computing net earnings subject to tax (TCA 67-4-2006 and 67-4-2007).
General Fund.....	Remaining balance after cities, counties, and Debt Service Fund distribution (TCA 67-4-2017).
Debt Service Fund	Amount required from General Fund apportionment (TCA 9-9-103).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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 was \$1 million, for 2013 the exemption was \$1.25 million, in 2014 the exemption was \$2 million, and in 2015 is \$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 67-4-1002 through 67-4-1005, 67-4-1015, 67-4-1020, 47-25-308 and 47-25-309).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

General Fund..... Approximately 11.7%. From the pre-2007 tax about, .06% of the \$.01 tax per cigarette (\$.20 per package of 20) (4% of taxes from tobacco other than cigarettes and proceeds from sale of confiscated tobacco products and 100% of the \$.0005 per pack enforcement fee, all earmarked for administration). From the 2007 cigarette tax increase of \$.021 per cigarette (\$.42 package of 20), \$.001 per cigarette (\$.02 per package) is earmarked for the Trauma System Fund and \$21 million annually is earmarked for the Department of Agriculture (except that in 2010-2011, \$11 million was earmarked for the Education Fund) (TCA 67-4-1025).

Education Fund Approximately 88.3%. 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 77.3% (including \$0.50 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 22.7% (including \$1.50 of the \$5.50 fee, earmarked for debt service on a State Parks bond issue) (TCA 55-6-101).

MIXED DRINK

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

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

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

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

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

**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\$0.75 per ton of severed coal in the state 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 (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.....Tax on merchants, peddlers, or privileges 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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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 6% of the gross amount of
all dollars collected from an enrollee
or on an enrollee's behalf. Companies
writing fire insurance and lines of
business having fire coverage as a part
of the risk rate pay a 0.75% tax on that
portion of the premium applicable to
fire risk. All other companies, except
captive insurance companies, workers'
compensation insurance companies
and surplus lines insurance companies,
pay a tax rate of 2.5% on gross
premiums paid by or for policyholders
residing in state or on property located
in state. Companies writing fire
insurance or lines of business having
fire coverage as a part of the risk rate
pay an additional 0.75% tax on the
premium applicable to fire risk. The
minimum aggregate tax on insurance
companies is \$150. Captive insurance
companies are taxed at various rates

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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 and for promoting the Tennessee captive insurance industry.)

WORKERS'

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

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

**911 EMERGENCY
COMMUNICATIONS
FUND**

A monthly surcharge of \$1.16 is charged to all users and subscribers for service capable of contacting a 911 network. Collected funds are used to

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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. Service providers or dealers may retain up to 3% of the fees collected for administrative expenses (TCA 7-86-128, 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

STATE-CHARTERED

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

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

CREDIT UNION

SUPERVISIONAnnual supervision fee received from state chartered credit unions calculated on a pro rata basis in proportion to its assets reported in its June 30 call report with a maximum assessment not to exceed eighty percent (80%) of the allocated amount for any credit union with an asset size greater than one billion dollars (\$1,000,000,000) (TCA 45-4-1002).

General Fund.....100% (TCA 45-4-1002).

NON-DEPOSITORY

LICENSINGFees received from the issuance of various non-depository industry profession licenses, examinations and other fees (TCA 45-1, 45-5, 45-7, 45-13, 45-8, 45-15, 45-17, 45-18, 47-30, 56-37-103).

General Fund..... 100%.

**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**

FUNDAll money collected from fees, licenses, certifications, registrations, fines, examinations, civil penalties (TCA 4-3-204), and damages pursuant to the following: Plant Pest Act (TCA 43-6-part 1), Insecticide, Fungicide, and Rodenticide Act (TCA 43-8-parts 1, 2 & 3), Seed Law of 1986 (TCA 43-10), Commercial Fertilizer Law of 1969 (TCA 43-11-part 1), Agricultural Liming Materials Act (TCA 43-11-part 4), (TCA 43-26-103) relative to industrial hemp, Commercial Feed Law of 1972 (TCA 44-6), (TCA 44-7) relative to marks, brands, registration, and certification, Livestock Dealer Act (TCA 44-10-part 2), (TCA 44-11) relative to livestock sales, (TCA 44-16) relative to baby chicks, (TCA 47-16) relative to weights and measures, Food and Drug Cosmetic Act (TCA 53-1), Egg Law (TCA 53-2), Dairy Law (TCA 53-3), (TCA 53-7) relative to meat and poultry inspections, Retail Food Safety Act (TCA 53-8-part 2), Application of Pesticides Act of 1978 (TCA 62-21).

General Fund.....100% (TCA 43-1-701 and 43-1-703).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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).

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%.

**AGRICULTURE
INSPECTIONS,
LICENSES, FEES,
AND FINES**

.....Petroleum Quality Inspection penalties and fines (TCA 47-18-1307), tobacco penalties and fines (39-17-1509), (TCA 43-32-105) relative to commodity/grain standards.

General Fund..... 100%.

Regulatory Board Fees

**REGULATORY
BOARDS**

.....Fees received from the issuance of licenses and permits to engage in certain professions or activities and the licensing of certain health-care facilities or labs (TCA 4-3-1304, 4-29-121, 9-4-5117, 20-9-611, Title 55, Chapter 17, Titles 46, 62, and 63, 68-11-216, 68-29-113, and other provisions of Title 68).

General Fund..... 100%.

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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 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 Tennessee Regulatory Authority to ensure the availability of affordable residential basic, local exchange telephone service. Fees are required by Tennessee Regulatory Authority 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).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

TELEMARKETING.....A fee of \$500 per year for access to a database of telephone numbers of residential subscribers who object to receiving telephone solicitations. The Authority may also impose a civil penalty up to a maximum of \$2,000 for each violation of state laws regulating telephone solicitation (TCA 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.....Dealers collect a surcharge of \$1.16 from consumers on the retail sale of communications service or prepaid communications service. Such surcharge shall fully fund the mandatory disbursements to emergency communications districts, the operational expenses of the emergency communications board and the Tennessee Relay Services/Telecommunications Devices Access Program. Funding to the Tennessee Regulatory Authority for the Tennessee Relay Services/Telecommunications Devices Access Program shall not to exceed the total cost of the TRS/TDAP program in 2012 and the reserve fund for such program shall not exceed \$1,000,000 (TCA 7-86-128, TCA 65-21-115).

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

GAS SAFETY

INSPECTION.....Annual fee for the inspection and supervision of safety standards to all gas distribution systems (not applicable to gas companies subject to TCA 65-4-301). Fees based on

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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

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

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

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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Secretary of State

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

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

Department of Safety

CLASSIFIED

DRIVER'S

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

General Fund 100%.

FINES AND

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

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

LITIGATION

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

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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Department of Revenue

MOTOR

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

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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Department of Health

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

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

General Fund..... 100%.

**TATTOO
PARLORS AND
ARTISTS**

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

General Fund..... 100%.

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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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

Department of Environment and Conservation

**TENNESSEE
ENVIRONMENTAL
PROTECTION**

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

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

**SOLID WASTE
MANAGEMENT**

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

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

**DRYCLEANER
ENVIRONMENTAL
RESPONSE FUND**.....

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

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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

OIL AND GAS

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

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

AUTOMOTIVE

OIL FEE.....\$0.02 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

ANNUAL

NURSING HOME

ASSESSMENTAnnual assessment, payable in monthly installments, equal to 4.75% of covered nursing facilities net patient service revenue as defined by TCA 71-5-1001. Also, a five percent (5.0%) penalty of the amount due if not paid on or before the due date. Authorization for the Annual Nursing Home Assessment expires on June 30, 2016 (TCA 71-5-1003 and 71-5-1006).

General Fund.....100% (earmarked for the Nursing Home Assessment Trust Fund 71-5-1002).

**INTERMEDIATE
CARE FACILITIES
FOR INDIVIDUALS
WITH INTELLECTUAL
DISABILITIES
(ICF/IID) GROSS**

RECEIPTS TAX.....A five and one-half percent (5.5%) monthly gross receipts tax on revenue generated from ICF/IID 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, 2016 (TCA 71-5-703 and 71-5-704).

General Fund.....100% (earmarked for the Maintenance of Coverage Trust Fund TCA 71-5-705).

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). The department 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

Memorandum

To: Honorable Bill Haslam, Governor

Honorable Randy McNally, Chairman
Senate Finance, Ways, & Means Committee

Honorable Charles Sargent, Chairman
House Finance, Ways, & Means Committee

From: Justin P. Wilson, Comptroller of the Treasury
Tre Hargett, Secretary of State
David H. Lillard Jr., State Treasurer
Larry B. Martin, Commissioner, Finance and Administration

Date: December 8, 2015

Subject: State Funding Board Growth Projections for FY 2015-16 and FY 2016-17

The State Funding Board met on November 13, 2015, to hear presentations on the State’s economic outlook for the remainder of fiscal year 2015-2016 and for fiscal year 2016-2017. The Board reconvened on November 23, 2015, to discuss revenue growth projections and to arrive at consensus estimates.

Total State Taxes and General Fund Revenue Growth Estimates

The Board is charged, in Tennessee Code Annotated Section 9-4-5202(e), with the responsibility of developing consensus estimates 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, 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.

Pursuant to Tennessee Code Annotated Section 9-4-5202(b), the Tennessee Department of Revenue provides to the Board estimates of growth in franchise and excise tax revenue and includes in that estimation

whether the growth is recurring or non-recurring. Additionally, the Board shall, pursuant to Tennessee Code Annotated Section 9-4-5202(e), identify and report whether any growth in franchise and excise tax revenue is recurring or non-recurring. To fulfill these statutory obligations, the Department of Revenue reported non-recurring franchise and excise tax revenue growth of \$150,000,000. The consensus total tax and general fund tax revenue growth estimates displayed below are for recurring growth and do not account for the non-recurring growth of \$150,000,000.

The Board heard testimony regarding the economy from Mr. Lee Jones of the Federal Reserve Bank of Atlanta; Dr. William Fox of the University of Tennessee; Commissioner Richard Roberts of the Tennessee Department of Revenue; and Mr. Robert Currey of the legislative Fiscal Review Committee. The state tax revenue growth estimates provided by each of the presenters are summarized in two attachments to this memorandum.

Multiple presenters cautioned that while Tennessee’s actual tax collections in the current fiscal year are outpacing budgeted revenue estimates, several concerns could impact our future growth. Such factors included Japan, one of our largest trade partners, recently falling into recession; the fact that our retail sales were only stable to flat; and the fact that lower gas prices, although adding to consumer income, may not continue.

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

	FY 2015-2016		FY 2016-2017	
	Low	High	Low	High
Total State Taxes	2.80%	3.30%	2.50%	3.00%
General Fund	2.90%	3.40%	2.75%	3.25%

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 2015 session of the General Assembly. Again, these ranges are for recurring tax revenue growth.

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

The State Funding Board also heard 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.

The Board heard testimony regarding the lottery from Mr. Robert Currey of the legislative Fiscal Review Committee, and Mr. Andy Davis, Chief Financial and Technology Officer of the Tennessee Education Lottery Corporation. The Net Lottery Proceeds growth estimates provided by each of the presenters are summarized in two attachments to this memorandum.

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 necessary 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 testimony from Mr. Tim Phelps, Associate Executive Director for Grants and Scholarship Programs of Tennessee Student Assistance Corporation. The lottery-

funded scholarship programs as authorized through the 2015 session of the General Assembly include Hope Scholarship, General Assembly Merit Scholarship, ASPIRE Award, Hope Access Grant, Wilder-Naifeh Technical Skills Grant, Non-traditional Student Grant, Foster Child Tuition Grant, Dual Enrollment Grant, Math & Science Teacher Loan Forgiveness Program, Helping Heroes Grant, the STEP UP Scholarship 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	FY2015-2016	FY2016-2017	FY2017-2018	FY2018-2019	FY2019-20
Low	\$341,970,000	\$348,100,000	\$352,600,000	\$357,200,000	\$361,800,000
High	\$347,024,000	\$357,600,000	\$365,800,000	\$373,100,000	\$380,600,000

The State Funding Board considered the joint projections for lottery scholarship and grant program funding needs provided by TSAC and accepted their recommended projections. These estimates and projections assume no new legislative changes regarding the TELC and its authority or 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 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 Department of Education

cc: The Honorable Ron Ramsey
The Honorable Beth Harwell

COMPARISON OF ESTIMATED STATE TAX REVENUE FOR FISCAL YEAR 2015-2016

(Accrual - Basis Estimates)

A-110

SOURCE OF REVENUE	2015-2016									
	2014-2015		JULY 1, 2015		% CHANGE		DR. FOX		% CHANGE	
	PRELIMINARY	ACTUAL	BUDGETED	OVER 14-15	DR. FOX	OVER 14-15	FISCAL REVIEW	OVER 14-15	REVENUE DEPT.	OVER 14-15
DEPARTMENT OF REVENUE	ACCRUAL	ESTIMATE	ACTUAL	ESTIMATE	ACTUAL	ESTIMATE	ACTUAL	ESTIMATE	ACTUAL	ACTUAL
Sales and Use Tax	\$ 7,706,059,500	\$ 7,894,200,000	2.44%	\$ 8,153,100,000	5.80%	\$ 8,190,000,000	6.28%	\$ 8,140,900,000	5.64%	
Gasoline Tax	631,824,300	626,400,000	-0.86%	647,600,000	2.50%	651,000,000	3.03%	646,800,000	2.37%	
Motor Fuel Tax	165,504,800	168,500,000	1.81%	169,600,000	2.47%	168,000,000	1.51%	170,300,000	2.90%	
Gasoline Inspection Tax	64,827,700	65,400,000	0.88%	66,100,000	1.96%	66,200,000	2.12%	66,000,000	1.81%	
Motor Vehicle Registration Tax	261,832,400	255,300,000	-2.49%	267,000,000	1.97%	266,000,000	1.59%	269,100,000	2.78%	
Income Tax	303,353,500	267,500,000	-11.82%	315,500,000	4.00%	300,000,000	-1.11%	325,600,000	7.33%	
Privilege Tax - Less Earmarked Portion ¹	308,789,900	295,700,000	-4.24%	329,900,000	6.84%	319,000,000	3.31%	319,600,000	3.50%	
Gross Receipts Tax - Total	377,323,900	383,600,000	1.66%	375,700,000	-0.43%	374,912,000	-0.64%	367,800,000	-2.52%	
Gross Receipts Tax - TVA	348,601,300	354,000,000	1.55%	347,900,000	-0.20%	348,912,000	0.09%	348,900,000	0.09%	
Gross Receipts Tax - Other	28,722,600	29,600,000	3.05%	27,800,000	-3.21%	26,000,000	-9.48%	18,900,000	-34.20%	
Beer Tax	16,917,200	17,500,000	3.45%	18,000,000	6.40%	18,100,000	6.99%	17,000,000	0.49%	
Alcoholic Beverage Tax	56,992,800	60,000,000	5.28%	59,300,000	4.05%	62,000,000	8.79%	59,200,000	3.87%	
Franchise & Excise Taxes	2,164,486,100	1,937,900,000	-10.47%	2,164,500,000	0.00%	2,190,000,000	1.18%	2,102,200,000	-2.88%	
Inheritance and Estate Tax	70,173,100	41,300,000	-41.15%	50,000,000	-28.75%	45,000,000	-35.87%	34,100,000	-51.41%	
Tobacco Tax	263,327,000	245,000,000	-6.96%	263,300,000	-0.01%	253,000,000	-3.92%	260,700,000	-1.00%	
Motor Vehicle Title Fees	12,098,400	18,000,000	48.78%	18,400,000	52.09%	18,300,000	51.26%	18,500,000	52.91%	
Mixed Drink Tax	85,983,000	88,700,000	3.16%	92,900,000	8.04%	94,000,000	9.32%	95,100,000	10.60%	
Business Tax	153,340,900	142,700,000	-6.94%	157,900,000	2.97%	143,000,000	-6.74%	146,700,000	-4.33%	
Severance Tax	2,138,900	2,600,000	21.56%	2,100,000	-1.82%	2,000,000	-6.49%	1,800,000	-15.84%	
Coin-Operated Amusement Tax	303,800	300,000	-1.25%	300,000	-1.25%	300,000	-1.25%	300,000	-1.25%	
Unauthorized Substance Tax	600	-	NA	-	NA	-	NA	-	NA	
TOTAL DEPARTMENT OF REVENUE	\$ 12,645,277,800	\$ 12,510,600,000	-1.07%	\$ 13,151,200,000	4.00%	\$ 13,160,812,000	4.08%	\$ 13,041,700,000	3.13%	
GENERAL FUND ONLY ²	\$ 10,588,862,800	\$ 10,422,300,000	-1.57%	\$ 11,003,800,000	3.92%	\$ 11,015,312,000	4.03%	\$ 10,890,200,000	2.85%	
Budgeted Est. Compared to New Est. - Total				\$ 640,600,000		\$ 650,212,000		\$ 531,100,000		
Budgeted Est. Compared to New Est. - Gen. Fund				\$ 581,500,000		\$ 593,012,000		\$ 467,900,000		

SELECTED TAXES	ACTUAL	BUDGETED	%	DR. FOX	%	FISCAL REVIEW	%	REVENUE DEPT.	%
SALES AND USE TAX	\$ 7,706,059,500	\$ 7,894,200,000	2.44%	\$ 8,153,100,000	5.80%	\$ 8,190,000,000	6.28%	\$ 8,140,900,000	5.64%
FRANCHISE AND EXCISE TAXES	2,164,486,100	1,937,900,000	-10.47%	2,164,500,000	0.00%	2,190,000,000	1.18%	2,102,200,000	-2.88%
INCOME TAX	303,353,500	267,500,000	-11.82%	315,500,000	4.00%	300,000,000	-1.11%	325,600,000	7.33%
ROAD USER TAXES	1,123,989,200	1,115,600,000	-0.75%	1,150,300,000	2.34%	1,151,200,000	2.42%	1,152,200,000	2.51%
ALL OTHER TAXES	1,347,389,500	1,295,400,000	-3.86%	1,367,800,000	1.51%	1,329,612,000	-1.32%	1,320,800,000	-1.97%

¹ Privilege Tax estimates are reduced by \$43.0 million for the earmarked portion of the tax.

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

**COMPARISON OF ESTIMATED STATE TAX REVENUE FOR
FISCAL YEAR 2016-2017**

Schedule 2

(Accrual - Basis Estimates)

2016-2017

DEPARTMENT OF REVENUE	% CHANGE		% CHANGE		% CHANGE	
	DR. FOX ESTIMATE	OVER 15-16 ESTIMATE	FISCAL REVIEW ESTIMATE	OVER 15-16 ESTIMATE	REVENUE DEPT. ESTIMATE	OVER 15-16 ESTIMATE
Sales and use Tax	\$ 8,479,200,000	4.00%	\$ 8,560,000,000	4.52%	\$ 8,575,700,000	5.34%
Gasoline Tax	654,100,000	1.00%	660,500,000	1.46%	656,200,000	1.45%
Motor Fuel Tax	173,000,000	2.00%	170,000,000	1.19%	172,400,000	1.23%
Gasoline Inspection Tax	66,800,000	1.06%	66,900,000	1.06%	67,000,000	1.52%
Motor Vehicle Registration Tax	269,700,000	1.01%	270,000,000	1.50%	276,300,000	2.68%
Income Tax	328,200,000	4.03%	270,000,000	-10.00%	341,000,000	4.73%
Privilege Tax - Less Earmarked Portion (1)	352,300,000	6.79%	329,000,000	3.13%	333,100,000	4.22%
Gross Receipts Tax - Total	382,700,000	1.86%	384,000,000	2.42%	386,200,000	5.00%
Gross Receipts Tax - TVA	354,900,000	2.01%	356,000,000	2.03%	355,000,000	1.75%
Gross Receipts Tax - Other	27,800,000	0.00%	28,000,000	7.69%	31,200,000	65.08%
Beer Tax	18,200,000	1.11%	18,400,000	1.66%	17,100,000	0.59%
Alcoholic Beverage Tax	61,700,000	4.05%	64,000,000	3.23%	61,600,000	4.05%
Franchise & Excise Taxes	2,207,800,000	2.00%	2,290,000,000	4.57%	2,195,000,000	4.41%
Inheritance and Estate Tax	40,000,000	-20.00%	20,000,000	-55.56%	14,500,000	-57.48%
Tobacco Tax	260,700,000	-0.99%	251,000,000	-0.79%	258,700,000	-0.77%
Motor Vehicle Title Fees	18,600,000	1.09%	18,500,000	1.09%	18,800,000	1.62%
Mixed Drink Tax	99,400,000	7.00%	99,000,000	5.32%	104,200,000	9.57%
Business Tax	162,600,000	2.98%	148,000,000	3.50%	155,200,000	5.79%
Severance Tax	2,200,000	4.76%	2,000,000	0.00%	2,000,000	11.11%
Coin Operated Amusement Tax	200,000	-33.33%	300,000	0.00%	300,000	0.00%
Unauthorized Substance Tax	-	NA	-	NA	-	NA
TOTAL DEPARTMENT OF REVENUE	\$ 13,577,400,000	3.24%	\$ 13,621,600,000	3.50%	\$ 13,635,300,000	4.55%
GENERAL FUND ONLY (2)	\$ 11,393,300,000	3.54%	\$ 11,450,100,000	3.95%	\$ 11,433,400,000	4.99%
Growth over FY 14 Budgeted Est. - Total	\$ 1,066,800,000		\$ 1,111,000,000		\$ 1,124,700,000	
Growth over FY 14 Budgeted Est. - Gen. Fund	\$ 971,000,000		\$ 1,027,800,000		\$ 1,011,100,000	
Revised Est. Compared to New Est. - Total	\$ 426,200,000		\$ 460,788,000		\$ 593,600,000	
Revised Est. Compared to New Est. - Gen. Fund	\$ 389,500,000		\$ 434,788,000		\$ 543,200,000	
SELECTED TAXES	DR. FOX	%	FISCAL REVIEW	%	REVENUE DEPT.	%
SALES AND USE TAX	\$ 8,479,200,000	4.00%	\$ 8,560,000,000	4.52%	\$ 8,575,700,000	5.34%
FRANCHISE AND EXCISE TAXES	2,207,800,000	2.00%	2,290,000,000	4.57%	2,195,000,000	4.41%
INCOME TAX	328,200,000	4.03%	270,000,000	-10.00%	341,000,000	4.73%
ROAD USER TAXES	1,163,600,000	1.16%	1,167,400,000	1.41%	1,171,900,000	1.71%
ALL OTHER TAXES	1,398,600,000	2.25%	1,334,200,000	0.35%	1,351,700,000	2.34%

(1) Privilege Tax estimates are reduced by \$43.0 million for the earmarked portion of the tax.

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

III-V

Net Lottery Proceeds Estimates
Actual 2014-2015 and Estimated 2015-2016 Through 2019-2020
November 2015

	2014-2015	2015-2016		2016-2017		2017-2018		2018-2019		2019-2020	
	Actual	Revised	%	Estimated	%	Estimated	%	Estimated	%	Estimated	%
Lottery Corporation											
Low	335,937,700	341,862,000	1.76%	348,000,000	1.80%	355,000,000	2.01%	362,000,000	1.97%	369,000,000	1.93%
High	335,937,700	350,216,000	4.25%	357,000,000	1.94%	366,000,000	2.52%	375,000,000	2.46%	384,000,000	2.40%
Fiscal Review Staff											
Low	335,937,700	341,200,000	1.57%	348,500,000	2.14%						
Median	335,937,700	345,900,000	2.97%	355,400,000	2.75%	360,020,000	1.30%	364,700,000	1.30%	369,441,000	1.30%
High	335,937,700	350,600,000	4.36%	362,300,000	3.34%						
Recommended Range											
Low	335,937,700	341,970,000	1.80%	348,100,000	1.80%	352,600,000	1.30%	357,200,000	1.30%	361,800,000	1.30%
High	335,937,700	347,024,000	3.30%	357,600,000	3.05%	365,800,000	2.30%	373,100,000	2.00%	380,600,000	2.00%



STATE OF TENNESSEE
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November 13, 2015

MEMORANDUM

TO: State Funding Board

FROM: Tim Phelps, Tennessee Student Assistance Corporation

SUBJECT: Tennessee Education Lottery Scholarship Program Projections

Pursuant to T.C.A 4-51-111(c)(2)(A)(ii), the Tennessee Higher Education Commission (THEC) and Tennessee Student Assistance Corporation (TSAC) have collaborated with the University of Tennessee Center for Business and Economic Research (CBER) to project expenditures in lottery scholarship and grant programs through the 2020-21 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, STEP UP Scholarship, and the Math & Science Teacher Loan Forgiveness Program.

Fiscal Year	TELS Expenditures Low	TELS Expenditures Baseline	TELS Expenditures High	Recipients
2014-15 actual	N/A	\$304.1M	N/A	104,000
2015-16 estimated	\$301.1M	\$307.2M	\$316.4M	105,100
2016-17 estimated	\$304.1M	\$310.3M	\$319.6M	106,200
2017-18 estimated	\$307.1M	\$313.4M	\$322.8M	107,200
2018-19 estimated	\$310.2M	\$316.5M	\$326.0M	108,300
2019-20 estimated	\$313.3M	\$319.7M	\$329.3M	109,400
2020-21 estimated	\$316.4M	\$322.9M	\$332.6M	110,500

**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.

As previously mentioned, there are changes that take effect for the current 2015-16 academic year. The HOPE Scholarship award amounts for entering freshmen have changed and the Wilder-Naifeh Reconnect program has begun.

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, 2014, and June 30, 2015**

	June 30, 2014	June 30, 2015
Assets		
Cash and Cash Equivalents	\$ 1,904,079,000	\$ 2,195,557,000
Receivables, net	1,133,144,000	1,117,286,000
Due from Other Funds	300,396,000	275,735,000
Due from Component Units	349,000	165,000
Inventories, at Cost	12,514,000	11,520,000
Prepayments	1,806,000	1,968,000
Loans Receivable, net	30,000	6,063,000
Net Investment in Capital Leases	259,000	0
	\$ 3,352,577,000	\$ 3,608,294,000
 Liabilities, Deferred Inflows of Resources, and Fund Balance		
Liabilities:		
Accounts Payable and Accruals	\$ 953,303,000	\$ 760,635,000
Due to Other Funds	10,966,000	10,989,000
Due to Component Units	18,232,000	17,712,000
Unearned Revenue	245,407,000	245,841,000
	\$ 1,227,908,000	\$ 1,035,177,000
Deferred Inflows of Resources	\$ 47,512,000	\$ 9,630,000
Fund Balance:		
Nonspendable - Inventories	\$ 12,514,000	\$ 11,520,000
Nonspendable - Accounts Receivable	8,561,000	8,664,000
Restricted	68,331,000	69,540,000
Committed	281,969,000	302,603,000
Assigned - Appropriations for 2014-2015	272,500,000	0
Assigned - Appropriations for 2015-2016	0	478,800,000
Assigned - Other Reserves	865,996,000	807,145,000
Unassigned - Revenue Fluctuation Reserve	456,000,000	491,500,000
Unassigned - Reserve for Future Requirements	111,268,000	393,700,000
Unassigned - Fund Balance	18,000	15,000
	\$ 2,077,157,000	\$ 2,563,487,000
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 3,352,577,000	\$ 3,608,294,000

Education Fund
Comparative Balance Sheet
June 30, 2014, and June 30, 2015

	June 30, 2014	June 30, 2015
Assets		
Cash and Cash Equivalents	\$ 1,348,000	\$ 4,007,000
Investments	373,254,000	8,021,000
Receivables, net	574,819,000	637,657,000
Due from Other Funds	258,000	438,000
Due from Component Units	94,670,000	96,281,000
Inventories	60,000	120,000
Restricted Assets - Investments	0	361,381,000
Total Assets	\$ 1,044,409,000	\$ 1,107,905,000
 Liabilities, Deferred Inflows of Resources, and Fund Balance		
Liabilities:		
Accounts Payable and Accruals	\$ 133,393,000	\$ 186,668,000
Due to Other Funds	297,678,000	272,704,000
Due to Component Units	11,166,000	7,120,000
Unearned Revenue	2,229,000	3,676,000
Total Liabilities	\$ 444,466,000	\$ 470,168,000
 Deferred Inflows of Resources	\$ 55,658,000	\$ 61,733,000
 Fund Balance:		
Nonspendable - Inventories	\$ 60,000	\$ 121,000
Nonspendable - Permanent Fund and Endowment Corpus	0	361,381,000
Restricted - Lottery Scholarships	422,542,000	135,064,000
Restricted - Energy Efficient Schools	4,679,000	3,237,000
Restricted - After School Program	27,442,000	25,114,000
Restricted - State Endowment	48,970,000	15,914,000
Restricted - Other	990,000	353,000
Committed	9,411,000	8,583,000
Assigned	30,191,000	26,237,000
Total Fund Balance	\$ 544,285,000	\$ 576,004,000
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 1,044,409,000	\$ 1,107,905,000

**Highway Fund
Comparative Balance Sheet
June 30, 2014, and June 30, 2015**

	<u>June 30, 2014</u>	<u>June 30, 2015</u>
Assets		
Cash and Cash Equivalents	\$ 450,379,000	\$ 511,474,000
Receivables, net	211,292,000	204,180,000
Inventories, at Cost	9,196,000	9,456,000
Loans Receivable, net	<u>1,509,000</u>	<u>1,377,000</u>
Total Assets	<u>\$ 672,376,000</u>	<u>\$ 726,487,000</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance		
Liabilities:		
Accounts Payable and Accruals	\$ 163,036,000	\$ 190,508,000
Due to Other Funds	1,439,000	917,000
Due to Component Units	2,080,000	3,398,000
Unearned Revenue	<u>3,167,000</u>	<u>3,461,000</u>
Total Liabilities	<u>\$ 169,722,000</u>	<u>\$ 198,284,000</u>
Deferred Inflows of Resources	<u>\$ 22,277,000</u>	<u>\$ 27,515,000</u>
Fund Balances:		
Nonspendable - Inventories	\$ 9,196,000	\$ 9,456,000
Restricted	3,310,000	42,014,000
Committed	279,862,000	257,346,000
Assigned	<u>188,009,000</u>	<u>191,872,000</u>
Total Fund Balance	<u>\$ 480,377,000</u>	<u>\$ 500,688,000</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 672,376,000</u>	<u>\$ 726,487,000</u>

Debt Management

Recommended Budget, Fiscal Year 2016-2017

The State Funding Board is empowered as the sole governing body over the issuance of general obligation debt for Tennessee. The board was created by the 45th General Assembly with passage of Public Chapter 126, Public Acts of 1887, codified as Title 9, Chapter 9, and Section 101 of the Tennessee Code.

By statute, the state's full faith and credit, as well as ten percent of all state tax revenue collected by the Department of Revenue and allocated to the general fund, the debt service fund and the highway fund are pledged for the payment of principal and interest on all state bonds issued after July 2013.

For the fiscal year ending June 30, 2015, the debt limit calculation produced a maximum annual debt service debt limit of \$695,735,980. The annual debt service requirement on the state's outstanding debt, authorized but unissued debt, and proposed bond authorizations in the fiscal year 2016-2017 budget total \$335,354,000, 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.

Tennessee issued \$340 million in additional general obligation debt in the first six months of fiscal year 2015-2016. As of June 30, 2015, Tennessee's total general obligation bonded indebtedness was \$1,575,935,000, excluding the Facilities Revolving Fund (FRF). This debt was issued entirely for institutional and building construction.

In the spring of fiscal 2015, the first session of the 109th General Assembly approved new general obligation bond authorizations in the amount of \$521,400,000. Of this amount, institutional and building bonds accounted for \$236,800,000, economic and community development grants \$200,800,000, and highway bonds \$83,800,000.

The state's practice of using surplus cash 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 State Funding Board cancelled \$84,500,000 in highway construction bonds and \$13,220,064 in regular general obligation 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 \$1,649,065,100, which includes \$796.0 million in capital construction bonds, \$789.1 million in highway fund authorizations, \$30.8 million in FRF bonds, and \$33.1 million in data processing equipment and software bonds.

The recommended 2016-2017 Capital Budget is funded entirely from surplus cash in the amount of \$355,926,600 and \$73,302,500 from federal funds and other sources.

Debt Service Fund
Statement of Revenues, Expenditures, and Requirements
July 1, 2014 - June 30, 2017

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Estimated 2016-2017</u>
Unreserved Fund Balance, July 1	\$ 5,783,963.34	\$ 9,708,000.00	\$ 14,590,000.00
Tax Revenues:			
Sales Tax	\$ 54,661,859.57	\$ 55,500,000.00	\$ 57,400,000.00
Gasoline Tax	88,700,000.00	88,800,000.00	92,100,000.00
Franchise Tax	18,000,000.00	18,000,000.00	18,000,000.00
Excise Tax	210,038,140.43	244,000,000.00	237,100,000.00
Motor Vehicle Title Fees	2,700,000.00	2,700,000.00	2,700,000.00
Total Tax Revenues	\$ 374,100,000.00	\$ 409,000,000.00	\$ 407,300,000.00
Other Revenues:			
Sports Authority	\$ 3,839,409.66	\$ 3,835,000.00	\$ 3,835,000.00
Motlow State - Smyrna Center	112,398.92	108,000.00	104,000.00
University of Memphis - Land Bank	466,270.00	0.00	555,000.00
State Technology Centers	0.00	0.00	3,740,000.00
State Veterans' Homes - Refinancing	693,789.43	539,000.00	533,000.00
Premium on Bond Sales	158,260.42	0.00	0.00
Net Refunding Bond Premium	228,562.01	0.00	0.00
Federal Highway Bridge Funds (80% Match)	0.00	0.00	9,600,000.00
Total Other Revenues	\$ 5,498,690.44	\$ 4,482,000.00	\$ 18,367,000.00
Total Available Funds	\$ 385,382,653.78	\$ 423,190,000.00	\$ 440,257,000.00
Appropriations, Transfers, and Fund Balance			
Debt Service Appropriations for:			
Outstanding Bonds @ July 1	\$ 204,203,868.01	\$ 200,784,000.00	\$ 189,944,000.00
Bond Sale - July 2015	0.00	2,786,000.00	27,908,000.00
Refunding Bonds - July 2015	0.00	(270,000.00)	(98,000.00)
Capital Outlay - Unissued Bonds (\$796,020,000)	0.00	0.00	104,600,000.00
Highway Bridges - Unissued Bonds (\$146,100,000)	0.00	0.00	12,000,000.00
Short Term Interest	189,600.80	200,000.00	0.00
Debt Issuance Expense	1,740,951.41	1,800,000.00	1,000,000.00
Total Debt Service Appropriations	\$ 206,134,420.22	\$ 205,300,000.00	\$ 335,354,000.00
Transfers to Other Funds:			
Highway Fund - Bonds Cancelled	\$ 84,500,000.00	\$ 85,800,000.00	\$ 89,700,000.00
Highway Fund - Bridge Bonds - Debt Service	4,200,000.00	3,000,000.00	0.00
General Fund	72,000,000.00	102,500,000.00	0.00
Capital Projects Fund - Safety Communication System	7,000,000.00	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	440,064.00	0.00	0.00
Capital Projects Fund - Bonds Cancelled	0.00	3,600,000.00	0.00
Total Transfers to Other Funds	\$ 169,540,064.00	\$ 203,300,000.00	\$ 89,700,000.00
Total Appropriations and Transfers	\$ 375,674,484.22	\$ 408,600,000.00	\$ 425,054,000.00
Unreserved Fund Balance, June 30			
Net Receivables	\$ 4,879,380.20	\$ 5,000,000.00	\$ 5,000,000.00
Cash and Cash Equivalents	4,828,789.36	9,590,000.00	10,203,000.00
Total Fund Balance, June 30	\$ 9,708,169.56	\$ 14,590,000.00	\$ 15,203,000.00

**Debt Service Fund
Comparative Balance Sheet
June 30, 2014, and June 30, 2015**

	June 30, 2014	June 30, 2015
Assets		
Cash and Cash Equivalents	\$ 1,135,000	\$ 4,829,000
Taxes Receivable	5,495,000	5,879,000
Loans Receivable	10,382,000	9,666,000
Total Assets	\$ 17,012,000	\$ 20,374,000
 Liabilities and Fund Balance		
Liabilities:		
Payables and Accruals	\$ 170,000	\$ 247,000
Total Liabilities	\$ 170,000	\$ 247,000
Deferred Inflows of Resources	\$ 11,058,000	\$ 10,419,000
Fund Balance:		
Unreserved	\$ 5,784,000	\$ 9,708,000
Total Fund Balance	\$ 5,784,000	\$ 9,708,000
Total Liabilities and Fund Balance	\$ 17,012,000	\$ 20,374,000

Bond Fund
Statement of Bonds Authorized and Unissued
June 30, 2014 - June 30, 2016

Year	Authority	Description	June 30, 2014	June 30, 2015	June 30, 2016 *
1996	Chapter 945	State Parks	\$ 77,365.99	\$ 77,365.99	\$ 77,365.99
1996	Chapter 952	Capital Outlay	512,587.21	300,000.00	300,000.00
1996	Chapter 952	Data Processing Equipment	20,000,000.00	20,000,000.00	20,000,000.00
1997	Chapter 535	Capital Outlay	1,272,316.75	972,010.62	961,859.29
1998	Chapter 1103	Capital Outlay	500,813.64	375,666.27	375,666.27
1999	Chapter 401	Capital Outlay	758,214.73	758,214.73	133,022.74
2000	Chapter 984	Capital Outlay	1,839,676.39	1,501,312.91	335,957.84
2001	Chapter 462	Capital Outlay	633,774.34	633,774.34	633,774.34
2001	Chapter 462	Facilities Revolving Fund	25,122,794.85	6,313,403.69	1,657,931.38
2002	Chapter 852	Capital Outlay	247,922.43	175,592.10	175,592.10
2002	Chapter 852	Facilities Revolving Fund	2,421,701.98	2,421,701.98	2,421,701.98
2003	Chapter 296	Capital Outlay	296,877.22	296,877.22	296,877.22
2003	Chapter 338	Capital Outlay	3,000,000.00	234,877.02	234,877.02
2004	Chapter 958	Capital Outlay	5,282,180.30	4,891,214.27	4,265,595.02
2004	Chapter 958	Facilities Revolving Fund	475,346.63	435,220.68	0.00
2005	Chapter 501	Capital Outlay	963,379.32	963,379.32	963,379.32
2005	Chapter 501	Facilities Revolving Fund	3,122,451.44	3,109,307.01	2,420,944.63
2005	Chapter 502	Higher Education	5,459,538.21	5,459,538.21	5,459,538.21
2006	Chapter 962	Capital Outlay	36,800,820.87	35,335,375.31	34,575,212.98
2006	Chapter 962	Facilities Revolving Fund	8,350,026.99	6,548,520.95	6,352,061.20
2006	Chapter 962	Enterprise Resource Planning Software	21,899,930.67	17,519,930.67	13,139,930.67
2006	Chapter 962	Highway Construction	83,500,000.00	0.00	0.00
2007	Chapter 591	Capital Outlay	21,231,062.93	19,244,236.46	17,987,543.88
2007	Chapter 591	Higher Education - Board of Regents	5,485,208.03	5,045,144.03	5,045,144.03
2007	Chapter 591	Facilities Revolving Fund	12,941,723.54	5,521,177.97	5,406,881.76
2007	Chapter 591	Highway Construction	83,800,000.00	83,800,000.00	0.00
2008	Chapter 1119	Higher Education	2,395,284.52	2,293,486.99	293,486.99
2008	Chapter 1202	Capital Outlay	8,918,063.50	8,918,063.50	8,918,063.50
2008	Chapter 1202	Facilities Revolving Fund	19,636,870.56	5,657,792.93	5,657,792.93
2008	Chapter 1202	Highway Construction	87,700,000.00	87,700,000.00	87,700,000.00
2009	Chapter 552	Capital Outlay	39,994,290.71	33,806,686.00	28,799,013.91
2009	Chapter 552	Facilities Revolving Fund	1,064,599.26	822,377.81	822,377.81
2009	Chapter 552	Highway Construction	80,000,000.00	80,000,000.00	80,000,000.00
2009	Chapter 552	Highway Construction - Bridges	200,000.00	0.00	0.00
2010	Chapter 1109	Capital Outlay	6,793,031.40	1,683,084.85	1,233,084.85
2010	Chapter 1109	Facilities Revolving Fund	16,400,000.00	2,365,579.16	1,465,579.16
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	58,600,000.00	58,600,000.00
2011	Chapter 470	Capital Outlay	40,667,349.55	35,204,232.17	22,142,343.70
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 - ECD Grants	8,000,000.00	8,000,000.00	8,000,000.00
2011	Chapter 470	Facilities Revolving Fund	7,900,000.00	5,170,550.11	4,600,000.00
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
2012	Chapter 1024	Capital Outlay	227,800,000.00	182,310,604.67	136,592,669.75
2012	Chapter 1024	Capital Outlay - Communication System	56,000,000.00	49,000,000.00	42,000,000.00
2012	Chapter 1024	Facilities Revolving Fund	1,000,000.00	0.00	0.00
2012	Chapter 1024	Highway Construction	79,000,000.00	78,000,000.00	77,000,000.00
2013	Chapter 452	Capital Outlay	185,000,000.00	183,678,840.02	140,696,303.50
2013	Chapter 452	Highway Construction	81,000,000.00	81,000,000.00	80,000,000.00
2014	Chapter 813	Capital Outlay	31,700,000.00	31,700,000.00	29,723,565.99
2014	Chapter 813	Capital Outlay - ECD Grants	52,400,000.00	52,400,000.00	0.00
2014	Chapter 813	Highway Construction	83,500,000.00	83,500,000.00	83,500,000.00
2015	Chapter 424	Capital Outlay	0.00	236,800,000.00	236,800,000.00
2015	Chapter 424	Capital Outlay - ECD Grants	0.00	200,800,000.00	35,000,000.00
2015	Chapter 424	Highway Construction	0.00	83,800,000.00	83,800,000.00
Total Bonds Authorized and Unissued			\$ 1,823,065,203.96	\$ 2,087,645,139.96	\$ 1,649,065,139.96
Summary by Purpose:					
		Capital Outlay	\$ 778,029,758.04	\$ 1,136,859,577.00	\$ 796,019,938.44
		Facilities Revolving Fund	98,435,515.25	38,365,632.29	30,805,270.85
		Highway Construction	729,500,000.00	728,800,000.00	643,000,000.00
		Highway Construction - Bridges	175,200,000.00	146,100,000.00	146,100,000.00
		Data Processing Equipment	20,000,000.00	20,000,000.00	20,000,000.00
		Enterprise Resource Planning Software	21,899,930.67	17,519,930.67	13,139,930.67
Total Bonds Authorized and Unissued			\$ 1,823,065,203.96	\$ 2,087,645,139.96	\$ 1,649,065,139.96

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

Bond Fund
Statement of Bonds Sold
July 1, 2013 - June 30, 2016

Year	Authority	Description	July 1, 2013 - June 30, 2014	July 1, 2014 - June 30, 2015	July 1, 2015 - June 30, 2016
1996	Chapter 952	Capital Outlay	\$ 0.00	\$ 212,587.21	\$ 0.00
1997	Chapter 535	Capital Outlay	0.00	300,306.13	10,151.33
1998	Chapter 1103	Capital Outlay	0.00	125,147.37	0.00
1999	Chapter 401	Capital Outlay	0.00	0.00	625,191.99
2000	Chapter 984	Capital Outlay	0.00	338,363.48	1,165,355.07
2001	Chapter 462	Facilities Revolving Fund	0.00	18,809,391.16	4,655,472.31
2002	Chapter 852	Capital Outlay	0.00	72,330.33	0.00
2003	Chapter 338	Capital Outlay	0.00	2,765,122.98	0.00
2004	Chapter 958	Capital Outlay	0.00	390,966.03	625,619.25
2004	Chapter 958	Facilities Revolving Fund	0.00	40,125.95	435,220.68
2005	Chapter 501	Facilities Revolving Fund	0.00	13,144.43	688,362.38
2006	Chapter 962	Capital Outlay	0.00	1,465,445.56	760,162.33
2006	Chapter 962	Facilities Revolving Fund	0.00	1,801,506.04	196,459.75
2007	Chapter 591	Capital Outlay	0.00	1,986,826.47	1,256,692.58
2007	Chapter 591	Facilities Revolving Fund	0.00	7,420,545.57	114,296.21
2008	Chapter 1119	Higher Education	0.00	101,797.53	2,000,000.00
2008	Chapter 1202	Facilities Revolving Fund	0.00	13,979,077.63	0.00
2009	Chapter 552	Capital Outlay	0.00	4,787,604.71	3,607,672.09
2009	Chapter 552	Facilities Revolving Fund	0.00	242,221.45	0.00
2010	Chapter 1109	Capital Outlay	0.00	5,109,946.55	450,000.00
2010	Chapter 1109	Facilities Revolving Fund	0.00	14,034,420.84	900,000.00
2011	Chapter 470	Capital Outlay	0.00	5,463,117.38	13,061,888.47
2011	Chapter 470	Facilities Revolving Fund	0.00	2,729,449.89	570,550.11
2012	Chapter 1024	Capital Outlay	0.00	45,489,395.33	45,717,934.92
2012	Chapter 1024	Facilities Revolving Fund	0.00	1,000,000.00	0.00
2013	Chapter 452	Capital Outlay	0.00	1,321,159.98	42,982,536.52
2014	Chapter 813	Capital Outlay	0.00	0.00	1,976,434.01
2014	Chapter 813	Capital Outlay - ECD Grants	0.00	0.00	52,400,000.00
2015	Chapter 424	Capital Outlay - ECD Grants	0.00	0.00	165,800,000.00
Total Bonds Sold			\$ 0.00	\$ 130,000,000.00	\$ 340,000,000.00
Summary by Purpose:					
		Capital Outlay	\$ 0.00	\$ 69,930,117.04	\$ 332,439,638.56
		Facilities Revolving Fund	0.00	60,069,882.96	7,560,361.44
		Total Bonds Sold	\$ 0.00	\$ 130,000,000.00	\$ 340,000,000.00

Bond Fund
Statement of Appropriations in Lieu of Issuing Bonds
Statement of Bonds Cancelled
July 1, 2013 - June 30, 2016

Year	Authority	Description	July 1, 2013 - June 30, 2014	July 1, 2014 - June 30, 2015	July 1, 2015 - June 30, 2016 *
2005	Chapter 501	Highway Construction	\$ 76,000,000.00	\$ 0.00	\$ 0.00
2006	Chapter 962	Enterprise Resource Planning Software	4,380,000.00	4,380,000.00	4,380,000.00
2006	Chapter 962	Highway Construction	0.00	83,500,000.00	0.00
2007	Chapter 591	Higher Education - Board of Regents - Univ. of Memphis	782,598.00	440,064.00	0.00
2007	Chapter 591	Highway Construction	0.00	0.00	83,800,000.00
2008	Chapter 1193	Highway Construction - State Route 840	27,600,000.00	0.00	0.00
2009	Chapter 552	Capital Outlay	1,400,000.00	1,400,000.00	1,400,000.00
2012	Chapter 1024	Capital Outlay - Safety Communication System	7,000,000.00	7,000,000.00	7,000,000.00
2012	Chapter 1024	Highway Construction	1,000,000.00	1,000,000.00	1,000,000.00
2013	Chapter 452	Highway Construction	0.00	0.00	1,000,000.00
Total Appropriations in Lieu of Issuing Bonds			\$ 118,162,598.00	\$ 97,720,064.00	\$ 98,580,000.00
2011	Chapter 472	Capital Outlay - Hemlock Bonds Cancelled	\$ 134,400,000.00	\$ 0.00	\$ 0.00
Summary by Purpose:					
		Capital Outlay	\$ 143,582,598.00	\$ 8,840,064.00	\$ 8,400,000.00
		Facilities Revolving Fund	0.00	0.00	0.00
		Highway Construction	77,000,000.00	84,500,000.00	85,800,000.00
		Highway Construction - State Route 840	27,600,000.00	0.00	0.00
		Enterprise Resource Planning Software	4,380,000.00	4,380,000.00	4,380,000.00
Total Appropriations in Lieu of Issuing Bonds			\$ 252,562,598.00	\$ 97,720,064.00	\$ 98,580,000.00

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

Note: Chapter 453, Public Acts of 2013 (Section 6, Item 2(b)), cancelled the following bond authorization that was converted to federal financing:

2009 Chapter 552 Highway Construction - Bridges \$ 58,200,000.00

Chapter 919, Public Acts of 2014 (Section 6, Item 2(b)), cancelled the following bond authorizations that was converted to federal financing:

2009 Chapter 552 Highway Construction - Bridges \$ 200,000.00

2010 Chapter 1109 Highway Construction - Bridges \$ 28,900,000.00

Bond Fund
Statement of Bonded Indebtedness
Principal and Interest on Bonded Debt
June 30, 2015

<u>Fiscal Year</u>	<u>Outstanding Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015 - 2016	\$ 135,407,000	\$ 65,377,000	\$ 200,784,000
2016 - 2017	130,411,000	59,533,000	189,944,000
2017 - 2018	121,926,000	53,464,000	175,390,000
2018 - 2019	113,944,000	48,302,000	162,246,000
2019 - 2020	111,420,000	43,458,000	154,878,000
2020 - 2021	105,497,000	38,702,000	144,199,000
2021 - 2022	105,632,000	34,007,000	139,639,000
2022 - 2023	98,683,000	29,480,000	128,163,000
2023 - 2024	98,454,000	25,446,000	123,900,000
2024 - 2025	90,202,000	21,846,000	112,048,000
2025 - 2026	89,551,000	18,117,000	107,668,000
2026 - 2027	83,210,000	14,656,000	97,866,000
2027 - 2028	79,642,000	11,524,000	91,166,000
2028 - 2029	73,880,000	8,089,000	81,969,000
2029 - 2030	49,969,000	4,951,000	54,920,000
2030 - 2031	40,228,000	3,031,000	43,259,000
2031 - 2032	32,372,000	1,344,000	33,716,000
2032 - 2033	9,557,000	471,000	10,028,000
2033 - 2034	2,975,000	223,000	3,198,000
2034 - 2035	2,975,000	74,000	3,049,000
Total	<u>\$ 1,575,935,000</u>	<u>\$ 482,095,000</u>	<u>\$ 2,058,030,000</u>

NOTE: The statement excludes bonds for the facilities revolving fund. Debt service for the bonds is appropriated to the facilities revolving fund and is expended in the fund. At June 30, 2015, the outstanding principal was \$196,080,000 and interest was \$65,697,000.

Capital Outlay and Facilities Program



Capital Outlay and Facilities Program

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Capital Budget

Recommended Budget, Fiscal Year 2016-2017

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 and departments 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

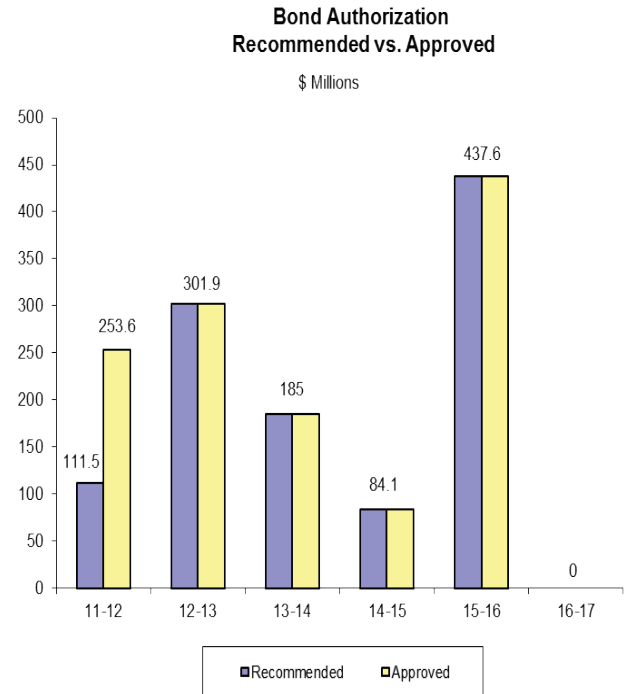
utility or service systems, land with or without buildings, appurtenances, site improvements or permanent betterments, and initial equipment to furnish and operate a new or improved facility that requires the assistance of a design professional or costs \$100,000 or more.

The fiscal year 2016-2017 capital outlay budget recommends \$429,229,100 divided between capital improvement projects and capital maintenance requests. The recommendation includes \$274.7 million for higher education projects, \$20.0 million for Drive to 55 capital projects, \$54.7 million for state parks, \$12.8 million for military facilities, and various upgrades to state facilities.

Capital Improvement Projects — Capital improvement projects recommended for fiscal year 2016-2017 total \$291,549,100, including \$234,835,600 from state appropriation. Federal and other funding sources account for the remainder of the total amount. Projects from dedicated sources of revenue are also recommended for the Tennessee Wildlife Resources Agency totaling \$140,000.

Capital Maintenance — Capital maintenance projects are recommended at a level of \$137,680,000. A state appropriation of \$121,091,000 is requested. Federal and 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 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 — Total capital maintenance, capital improvements, and Facilities Revolving Fund requests will require no new bond authorizations. 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 \$152,220,000 is recommended for capital maintenance and capital improvement projects. The total recommended amount is funded with \$100,690,000 in state appropriation. Departmental and other funding sources account for the remainder of the total 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 2016-2017**

	<u>COUNTY</u>	<u>TOTAL</u>	<u>STATE</u>	<u>BONDS</u>	<u>FEDERAL</u>	<u>OTHER</u>
Children's Services						
Maintenance	Statewide	\$ 5,440,000	\$ 5,440,000	\$ 0	\$ 0	\$ 0
New John S. Wilder YDC (Planning)	Fayette	600,000	600,000	0	0	0
Sub-Total Children's Services		\$ 6,040,000	\$ 6,040,000	\$ 0	\$ 0	\$ 0
Commerce and Insurance						
Maintenance	Statewide	\$ 1,290,000	\$ 1,290,000	\$ 0	\$ 0	\$ 0
Correction						
Maintenance	Statewide	\$ 12,100,000	\$ 0	\$ 0	\$ 0	\$ 12,100,000
DeBerry Special Needs Facility Transport Hub	Davidson	2,000,000	0	0	0	2,000,000
Sub-Total Correction		\$ 14,100,000	\$ 0	\$ 0	\$ 0	\$ 14,100,000
Education						
Maintenance	Statewide	\$ 1,680,000	\$ 1,680,000	\$ 0	\$ 0	\$ 0
TSB Campus Utilization Study	Davidson	380,000	380,000	0	0	0
Sub-Total Education		\$ 2,060,000	\$ 2,060,000	\$ 0	\$ 0	\$ 0
Environment and Conservation						
Maintenance	Statewide	\$ 16,750,000	\$ 16,750,000	\$ 0	\$ 0	\$ 0
Cummins Falls SP New Visitor Center	Jackson	2,950,000	2,950,000	0	0	0
Fall Creek Falls SP Village Green Visitor Ctr.	Bledsoe	3,000,000	3,000,000	0	0	0
Statewide Infrastructure Reduction Project	Statewide	750,000	750,000	0	0	0
State Parks Hospitality Operations	Statewide	30,397,000	30,397,000	0	0	0
State Parks Small Projects	Statewide	500,000	500,000	0	0	0
Davy Crockett SP Exhibits & Facilities Upgrades	Greene	350,000	0	0	0	350,000
Sub-Total Environment and Conservation		\$ 54,697,000	\$ 54,347,000	\$ 0	\$ 0	\$ 350,000
General Services						
Statewide Maintenance	Statewide	\$ 4,500,000	\$ 4,500,000	\$ 0	\$ 0	\$ 0
State Museum Bridge Funding	Davidson	14,700,000	0	0	0	14,700,000
Emergency and Contingency	Statewide	5,000,000	5,000,000	0	0	0
National Museum of African American Music	Davidson	2,000,000	2,000,000	0	0	0
Sub-Total General Services		\$ 26,200,000	\$ 11,500,000	\$ 0	\$ 0	\$ 14,700,000
Historical Commission						
Maintenance	Statewide	\$ 840,000	\$ 840,000	\$ 0	\$ 0	\$ 0
James K. Polk Home Orman Bldg. Demolition	Maury	150,000	150,000	0	0	0
Sub-Total Historical Commission		\$ 990,000	\$ 990,000	\$ 0	\$ 0	\$ 0
Human Services						
Tennessee Rehabilitation Center Master Plan	Rutherford	\$ 150,000	\$ 150,000	\$ 0	\$ 0	\$ 0
Intellectual and Developmental Disabilities						
Maintenance	Statewide	\$ 4,670,000	\$ 4,670,000	\$ 0	\$ 0	\$ 0
Mental Health and Substance Abuse Services						
Maintenance	Statewide	\$ 8,550,000	\$ 8,550,000	\$ 0	\$ 0	\$ 0
Military						
Maintenance	Statewide	\$ 4,140,000	\$ 1,885,000	\$ 0	\$ 2,255,000	\$ 0
Knoxville-Sutherland RC Renovation	Knox	5,510,000	2,755,000	0	2,755,000	0
Clarksville RC Parking Improvements	Montgomery	580,000	145,000	0	435,000	0
Murfreesboro RC Parking Improvements	Rutherford	950,000	237,500	0	712,500	0
Force Protection Upgrades	Statewide	1,582,100	1,582,100	0	0	0
Sub-Total Military		\$ 12,762,100	\$ 6,604,600	\$ 0	\$ 6,157,500	\$ 0

**Proposed Capital Appropriations
from Bonds, Current Funds, and Other Revenues
Fiscal Year 2016-2017**

	<u>COUNTY</u>	<u>TOTAL</u>	<u>STATE</u>	<u>BONDS</u>	<u>FEDERAL</u>	<u>OTHER</u>
Veterans Homes Board						
Maintenance	Statewide	\$ 190,000	\$ 190,000	\$ 0	\$ 0	\$ 0
Veterans Services						
Maintenance	Statewide	\$ 2,680,000	\$ 446,000	\$ 0	\$ 2,234,000	\$ 0
Gulf Wars Monuments	Davidson	190,000	156,000	0	0	34,000
Sub-Total Veterans Services		\$ 2,870,000	\$ 602,000	\$ 0	\$ 2,234,000	\$ 34,000
Higher Education (All Systems)						
Drive to 55 Program Capacity Fund	Statewide	\$ 20,000,000	\$ 20,000,000	\$ 0	\$ 0	\$ 0
Tennessee Board of Regents						
Maintenance	Statewide	\$ 45,490,000	\$ 45,490,000	\$ 0	\$ 0	\$ 0
TSU Health Science Facility	Davidson	38,800,000	29,100,000	0	4,500,000	5,200,000
TTU Laboratory Science Bldg. & Infrastructure	Putnam	85,500,000	71,250,000	0	0	14,250,000
Campbell Co. Higher Ed. Ctr. Lab Expansion	Campbell	600,000	600,000	0	0	0
Sub-Total Tennessee Board of Regents		\$ 170,390,000	\$ 146,440,000	\$ 0	\$ 4,500,000	\$ 19,450,000
University of Tennessee						
Maintenance	Statewide	\$ 29,360,000	\$ 29,360,000	\$ 0	\$ 0	\$ 0
UTC Academic Classroom Bldgs. Renovation	Hamilton	35,910,000	28,433,000	0	0	7,477,000
UTHSC Dentistry Faculty Practice/Research Bldg.	Shelby	39,000,000	34,700,000	0	0	4,300,000
Sub-Total University of Tennessee		\$ 104,270,000	\$ 92,493,000	\$ 0	\$ 0	\$ 11,777,000
Grand Total		\$ 429,229,100	\$ 355,926,600	\$ 0	\$ 12,891,500	\$ 60,411,000
Sub-Total Capital Maintenance		137,680,000	121,091,000	0	4,489,000	12,100,000
Sub-Total Capital Improvements		291,549,100	234,835,600	0	8,402,500	48,311,000
Sub-Total Higher Education:		\$ 294,660,000	\$ 258,933,000	\$ 0	\$ 4,500,000	\$ 31,227,000
Capital Maintenance		74,850,000	74,850,000	0	0	0
Capital Improvements		219,810,000	184,083,000	0	4,500,000	31,227,000
Sub-Total Other Agencies:		\$ 134,569,100	\$ 96,993,600	\$ 0	\$ 8,391,500	\$ 29,184,000
Capital Maintenance		62,830,000	46,241,000	0	4,489,000	12,100,000
Capital Improvements		71,739,100	50,752,600	0	3,902,500	17,084,000

**Proposed Capital Maintenance Appropriations
from Bonds, Current Funds, and Other Revenues
Fiscal Year 2016-2017**

	COUNTY	TOTAL	STATE	BONDS	FEDERAL	OTHER
Children's Services						
Mountain View and Wilder YDCs Gymnasium HVAC	Various	\$ 1,140,000	\$ 1,140,000	\$ 0	\$ 0	\$ 0
Wilder YDC Electrical Network Upgrades	Fayette	2,300,000	2,300,000	0	0	0
Wilder YDC Sanitary Systems Repairs	Fayette	2,000,000	2,000,000	0	0	0
Sub-Total Children's Services		\$ 5,440,000	\$ 5,440,000	\$ 0	\$ 0	\$ 0
Commerce and Insurance						
TN Fire Academy Dormitory HVAC Replacement	Bedford	\$ 840,000	\$ 840,000	\$ 0	\$ 0	\$ 0
TN Fire Academy Audio-Visual Equipment Replacement	Bedford	450,000	450,000	0	0	0
Sub-Total Commerce and Insurance		\$ 1,290,000	\$ 1,290,000	\$ 0	\$ 0	\$ 0
Correction						
Parking and Paving Repairs Phase II	Statewide	\$ 3,000,000	\$ 0	\$ 0	\$ 0	\$ 3,000,000
Security Electronics Updates Phase II	Statewide	2,100,000	0	0	0	2,100,000
ADA Accessibility Upgrades	Statewide	500,000	0	0	0	500,000
WTSP HVAC Equipment Replacement	Lauderdale	3,000,000	0	0	0	3,000,000
High Security Cells Prototypical Compliance	Statewide	1,000,000	0	0	0	1,000,000
Sallyports Upgrades Phase III	Statewide	2,500,000	0	0	0	2,500,000
Sub-Total Correction		\$ 12,100,000	\$ 0	\$ 0	\$ 0	\$ 12,100,000
Education						
TSB Auditorium Upgrades	Davidson	\$ 550,000	\$ 550,000	\$ 0	\$ 0	\$ 0
TSD Various Buildings Roof Repairs and Replacements	Knox	690,000	690,000	0	0	0
TSD HVAC Replacements	Knox	440,000	440,000	0	0	0
Sub-Total Education		\$ 1,680,000	\$ 1,680,000	\$ 0	\$ 0	\$ 0
Environment and Conservation						
Edgar Evins SP Sewage Treatment Plant Upgrade	DeKalb	\$ 2,200,000	\$ 2,200,000	\$ 0	\$ 0	\$ 0
Chickasaw SP Sewage Treatment Plant Upgrade	Henderson	2,200,000	2,200,000	0	0	0
Statewide Facilities Roof Replacements	Statewide	5,550,000	5,550,000	0	0	0
Warriors' Path SP Deferred Maintenance	Sullivan	6,800,000	6,800,000	0	0	0
Sub-Total Environment and Conservation		\$ 16,750,000	\$ 16,750,000	\$ 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
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 of Art Maintenance Grant	Davidson	300,000	300,000	0	0	0
Sub-Total General Services		\$ 4,500,000	\$ 4,500,000	\$ 0	\$ 0	\$ 0
Historical Commission						
Rocky Mount Building Repairs and Site Upgrades	Sullivan	\$ 840,000	\$ 840,000	\$ 0	\$ 0	\$ 0
Intellectual and Developmental Disabilities						
Clover Bottom Essential Maintenance	Davidson	\$ 4,300,000	\$ 4,300,000	\$ 0	\$ 0	\$ 0
Clover Bottom Roof Replacements	Davidson	370,000	370,000	0	0	0
Sub-Total Intellectual and Developmental Disabilities		\$ 4,670,000	\$ 4,670,000	\$ 0	\$ 0	\$ 0
Mental Health and Substance Abuse Services						
Middle TN Mental Health Institute Roof Replacement	Davidson	\$ 5,150,000	\$ 5,150,000	\$ 0	\$ 0	\$ 0
Moccasin Bend MHI Roof Replacement	Hamilton	2,730,000	2,730,000	0	0	0
Middle TN MHI Fire Alarm System Upgrades	Davidson	670,000	670,000	0	0	0
Sub-Total Mental Health and Substance Abuse Services		\$ 8,550,000	\$ 8,550,000	\$ 0	\$ 0	\$ 0

**Proposed Capital Maintenance Appropriations
from Bonds, Current Funds, and Other Revenues
Fiscal Year 2016-2017**

	COUNTY	TOTAL	STATE	BONDS	FEDERAL	OTHER
Military						
Morristown RC Re-roof and Facility Update	Hamblen	\$ 130,000	\$ 65,000	\$ 0	\$ 65,000	\$ 0
Clarksville RC Windows and Doors Replacement	Montgomery	230,000	115,000	0	115,000	0
Monteagle RC Re-roof and Facility Update	Grundy	660,000	330,000	0	330,000	0
Lexington RC Energy Updates and Re-roof	Henderson	710,000	355,000	0	355,000	0
Tullahoma RC Re-roof and Facility Update	Coffee	590,000	295,000	0	295,000	0
Milan RC Re-roof and Facility Update	Gibson	740,000	185,000	0	555,000	0
Livingston RC Re-roof and Facility Update	Overton	200,000	100,000	0	100,000	0
Ripley RC Energy Updates and Re-roof	Lauderdale	880,000	440,000	0	440,000	0
Sub-Total Military		\$ 4,140,000	\$ 1,885,000	\$ 0	\$ 2,255,000	\$ 0
Veterans Homes Board						
Knoxville Veterans Home HVAC Upgrades	Knox	\$ 190,000	\$ 190,000	\$ 0	\$ 0	\$ 0
Veterans Services						
Middle TN Veterans Cemetery Essential Maintenance	Davidson	\$ 2,680,000	\$ 446,000	\$ 0	\$ 2,234,000	\$ 0
Tennessee Board of Regents						
ADA Compliance	Statewide	\$ 800,000	\$ 800,000	\$ 0	\$ 0	\$ 0
Management Support Services	Statewide	1,000,000	1,000,000	0	0	0
TCAT Oneida Bldg. Stabilization and Corrections	Scott	210,000	210,000	0	0	0
WSCC ADA and Mechanical Systems Updates	Hamblen	780,000	780,000	0	0	0
TCAT Dickson Roof Replacements	Hickman	550,000	550,000	0	0	0
CHSCC Instructural Materials Bldg. Roof Replacement	Hamilton	500,000	500,000	0	0	0
RSOC Oak Ridge Campus Roof Replacement	Anderson	450,000	450,000	0	0	0
COSCC Several Buildings Roof Replacements	Maury	700,000	700,000	0	0	0
Cookeville Higher Education Campus Roof Repairs	Putnam	750,000	750,000	0	0	0
TCAT Covington Moisture Remediation	Tipton	720,000	720,000	0	0	0
MTSU Saunders Fine Arts Bldg. HVAC Updates	Rutherford	1,830,000	1,830,000	0	0	0
ETSU Storm Water Drainage Repairs	Washington	2,000,000	2,000,000	0	0	0
VSCC Ramer Building HVAC Updates	Sumner	400,000	400,000	0	0	0
MTSU Energy Recovery Boiler Repair	Rutherford	880,000	880,000	0	0	0
JSCC Elevator Modernization	Madison	360,000	360,000	0	0	0
APSU Music/Mass Comm HVAC Replacement	Montgomery	1,530,000	1,530,000	0	0	0
STCC Roof Replacements and Envelope Repairs	Shelby	1,110,000	1,110,000	0	0	0
DSCC Gymnasium Mechanical Updates	Dyer	310,000	310,000	0	0	0
TCAT MPE and Infrastructure Updates	Statewide	1,880,000	1,880,000	0	0	0
PSCC HVAC Updates	Knox	750,000	750,000	0	0	0
CLSCC Plumbing and Sewer Modernization	Bradley	750,000	750,000	0	0	0
NSCC Building Controls Updates	Sullivan	430,000	430,000	0	0	0
UoM Building Envelope Repairs	Shelby	3,000,000	3,000,000	0	0	0
MSCC Exterior Buildings Repairs	Moore	620,000	620,000	0	0	0
TCAT McKenzie Doors Replacement	Carroll	190,000	190,000	0	0	0
TTU Several Buildings Upgrades	Putnam	5,340,000	5,340,000	0	0	0
TSU Migration Implementation	Davidson	2,620,000	2,620,000	0	0	0
VSCC Roof Replacements and Envelope Repairs	Sumner	320,000	320,000	0	0	0
RSOC O'Brien Building Roof Replacement	Roane	370,000	370,000	0	0	0
UoM Several Buildings HVAC Replacement	Shelby	2,350,000	2,350,000	0	0	0
MTSU Several Buildings Electrical Updates	Rutherford	1,600,000	1,600,000	0	0	0
CHSCC Elevator Updates	Hamilton	990,000	990,000	0	0	0
MTSU BAS Control Panel Replacements	Rutherford	790,000	790,000	0	0	0
WSCC Chiller and Cooling Tower Replacement	Hamblen	780,000	780,000	0	0	0
APSU Browning Hall Mechanical Updates	Montgomery	1,530,000	1,530,000	0	0	0
JSCC Science Building HVAC Update	Madison	520,000	520,000	0	0	0
COSCC Powerhouse System Repairs Ph. II	Maury	300,000	300,000	0	0	0
STCC Mechanical Systems Modernization	Shelby	1,110,000	1,110,000	0	0	0
MTSU Several Buildings Exterior Repairs	Rutherford	1,630,000	1,630,000	0	0	0

**Proposed Capital Maintenance Appropriations
from Bonds, Current Funds, and Other Revenues
Fiscal Year 2016-2017**

	<u>COUNTY</u>	<u>TOTAL</u>	<u>STATE</u>	<u>BONDS</u>	<u>FEDERAL</u>	<u>OTHER</u>
RSCC Campus-Wide Paving	Roane	\$ 160,000	\$ 160,000	\$ 0	\$ 0	\$ 0
TTU Several Bldgs. Waterproofing & Exterior Repairs	Putnam	1,800,000	1,800,000	0	0	0
DSCC Interior Gym Repairs	Dyer	220,000	220,000	0	0	0
CLSCC Classroom Renovations	Bradley	330,000	330,000	0	0	0
TCAT Memphis Doors and Hardware Replacement	Shelby	230,000	230,000	0	0	0
Sub-Total Tennessee Board of Regents		\$ 45,490,000	\$ 45,490,000	\$ 0	\$ 0	\$ 0
University of Tennessee						
ADA Compliance	Statewide	\$ 800,000	\$ 800,000	\$ 0	\$ 0	\$ 0
UTK Window Replacements and Masonry Repairs	Knox	5,400,000	5,400,000	0	0	0
UTC Roof Replacements	Hamilton	4,500,000	4,500,000	0	0	0
UTIA Vet. Medicine Bldg. Improvements Ph. II	Knox	6,700,000	6,700,000	0	0	0
UTM Roof Replacements & Masonry Repairs	Weakley	3,960,000	3,960,000	0	0	0
UTHSC Security Upgrades Ph. II	Shelby	8,000,000	8,000,000	0	0	0
Sub-Total University of Tennessee		\$ 29,360,000	\$ 29,360,000	\$ 0	\$ 0	\$ 0
Grand Total		\$ 137,680,000	\$ 121,091,000	\$ 0	\$ 4,489,000	\$ 12,100,000
Sub-Total Higher Education		\$ 74,850,000	\$ 74,850,000	\$ 0	\$ 0	\$ 0
Sub-Total Other		\$ 62,830,000	\$ 46,241,000	\$ 0	\$ 4,489,000	\$ 12,100,000

**Projects Funded from Dedicated Revenues
Fiscal Year 2016-2017**

<u>COUNTY</u>	<u>TOTAL</u>	<u>STATE</u>	<u>BONDS</u>	<u>FEDERAL</u>	<u>OTHER</u>
Tennessee Wildlife Resources Agency					
Region 2 - Red River Boating Access Area	\$ 140,000	\$ 0	\$ 0	\$ 105,000	\$ 35,000
Total Tennessee Wildlife Resources Agency	\$ 140,000	\$ 0	\$ 0	\$ 105,000	\$ 35,000
Total Dedicated Funds	\$ 140,000	\$ 0	\$ 0	\$ 105,000	\$ 35,000

Proposed Capital Projects from School Bonds and Other Sources Fiscal Year 2016-2017

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

	TOTAL	TSSBA	INSTITUTIONAL/ AUXILIARY	OTHER
State University and Community College System (Tennessee Board of Regents)				
East Tennessee State University				
Johnson City Day Center	\$ 1,000,000	\$ 0	\$ 0	\$ 1,000,000
Outdoor Track and Field Facility	4,200,000	0	15,000	4,185,000
Total ETSU	\$ 5,200,000	\$ 0	\$ 15,000	\$ 5,185,000
Middle Tennessee State University				
Academic Classroom Building	\$ 1,600,000	\$ 0	\$ 1,600,000	\$ 0
Health and Wellness Building Addition	12,000,000	3,500,000	2,250,000	6,250,000
Total MTSU	\$ 13,600,000	\$ 3,500,000	\$ 3,850,000	\$ 6,250,000
University of Memphis				
Park Avenue Physical Plant	\$ 1,050,000	\$ 0	\$ 1,050,000	\$ 0
Total UoM	\$ 1,050,000	\$ 0	\$ 1,050,000	\$ 0
Community College System				
Community College Additions and Renovations	\$ 2,988,000	\$ 0	\$ 985,000	\$ 2,003,000
Total CC System	\$ 2,988,000	\$ 0	\$ 985,000	\$ 2,003,000
Jackson State Community College				
Physical Plant Service Bldg. Repairs and Updates	\$ 1,000,000	\$ 0	\$ 1,000,000	\$ 0
Total JSCC	\$ 1,000,000	\$ 0	\$ 1,000,000	\$ 0
Nashville State Community College				
Clarksville Modular Space	\$ 550,000	\$ 0	\$ 550,000	\$ 0
New Academic Building Parking	490,000	0	490,000	0
Total NSCC	\$ 1,040,000	\$ 0	\$ 1,040,000	\$ 0
Northeast State Community College				
Amphitheater Plaza and Stage	\$ 500,000	\$ 0	\$ 500,000	\$ 0
Total NESCC	\$ 500,000	\$ 0	\$ 500,000	\$ 0
Pellissippi State Community College				
Blount Modular Classroom Building	\$ 370,000	\$ 0	\$ 370,000	\$ 0
Building Entrance Upgrades	230,000	0	230,000	0
Clayton Performing Arts Center Lighting Upgrades	230,000	0	230,000	0
Division Street Renovations	650,000	0	650,000	0
Division Street Student Parking	820,000	0	820,000	0
Hardin Valley Courtyard Improvements	1,950,000	0	1,950,000	0
Magnolia Courtyard Improvements	250,000	0	250,000	0
Magnolia Print Shop Relocation	150,000	0	150,000	0
Magnolia Student Parking	600,000	0	600,000	0
Paving and Repairs	500,000	0	500,000	0
Strawberry Plains Envelope Repairs	2,900,000	0	2,900,000	0
Strawberry Plains Repaving	300,000	0	300,000	0
Theater Modular Building	370,000	0	370,000	0
Total PSCC	\$ 9,320,000	\$ 0	\$ 9,320,000	\$ 0
Roane State Community College				
Electrical System Upgrade	\$ 320,000	\$ 0	\$ 320,000	\$ 0
Total RSCC	\$ 320,000	\$ 0	\$ 320,000	\$ 0

**Proposed Capital Projects from School Bonds and Other Sources
Fiscal Year 2016-2017**

	<u>TOTAL</u>	<u>TSSBA</u>	<u>INSTITUTIONAL/ AUXILIARY</u>	<u>OTHER</u>
Volunteer State Community College				
Campus Access Control and Security Improvements	\$ 350,000	\$ 0	\$ 350,000	\$ 0
Campus Lighting Control Improvements	100,000	0	100,000	0
Parking Lot and Street Improvements	400,000	0	400,000	0
Warf Lab Upgrades	200,000	0	200,000	0
Sevier Co. Campus Maples Marshall Improvements	400,000	0	0	400,000
Total VSCC	\$ 1,450,000	\$ 0	\$ 1,050,000	\$ 400,000
Tennessee College of Applied Technology				
TCAT Master Plan Improvements Phase II	\$ 1,920,000	\$ 0	\$ 1,920,000	\$ 0
Total TCAT	\$ 1,920,000	\$ 0	\$ 1,920,000	\$ 0
Total Tennessee Board of Regents	\$ 38,388,000	\$ 3,500,000	\$ 21,050,000	\$ 13,838,000
University of Tennessee System				
University of Tennessee Knoxville				
IT Improvements and Infrastructure	\$ 5,000,000	\$ 0	\$ 5,000,000	\$ 0
Classroom Upgrades	5,000,000	0	5,000,000	0
Campus Beautification Projects	2,000,000	0	2,000,000	0
Athletics Scoreboard Replacements	2,000,000	0	2,000,000	0
Environmental Utilities Saving Projects	5,000,000	5,000,000	0	0
Campus Beautification Projects - Volunteer Blvd. Ph. II	3,750,000	3,750,000	0	0
Total UT Knoxville	\$ 22,750,000	\$ 8,750,000	\$ 14,000,000	\$ 0
University of Tennessee Chattanooga				
Athletic Facility Phase II	\$ 19,000,000	\$ 19,000,000	\$ 0	\$ 0
Total UT Chattanooga	\$ 19,000,000	\$ 19,000,000	\$ 0	\$ 0
UT Health Science Center				
Student Alumni Center Renovations	\$ 1,000,000	\$ 0	\$ 1,000,000	\$ 0
Office Building Renovations	1,500,000	0	1,500,000	0
Energy Performance Contract	30,000,000	30,000,000	0	0
Total UTHSC	\$ 32,500,000	\$ 30,000,000	\$ 2,500,000	\$ 0
UT Institute of Agriculture				
Greenville 4-H Center Lodge Phase II	\$ 3,100,000	\$ 0	\$ 0	\$ 3,100,000
Total UTIA	\$ 3,100,000	\$ 0	\$ 0	\$ 3,100,000
University of Tennessee Martin				
Entrepreneurial Epicenter	\$ 4,300,000	\$ 0	\$ 0	\$ 4,300,000
Total UTM	\$ 4,300,000	\$ 0	\$ 0	\$ 4,300,000
Total University of Tennessee	\$ 81,650,000	\$ 57,750,000	\$ 16,500,000	\$ 7,400,000
Grand Total	\$ 120,038,000	\$ 61,250,000	\$ 37,550,000	\$ 21,238,000

**Capital Outlay Project Descriptions
Fiscal Year 2016-2017**

	Total Project Cost
Children's Services	
Objective: Provide safe and secure surroundings for youth development residents.	
Maintenance Funds to repair, maintain, and update facilities.	\$ 5,440,000
New John S. Wilder YDC (Planning) Funds are provided for construction planning and site feasibility studies for a new youth development center to replace the current John S. Wilder Youth Development Center.	600,000
Sub-Total Children's Services	\$ 6,040,000
Commerce and Insurance	
Objective: Provide training to emergency personnel.	
Maintenance Funds to repair, maintain, and update facilities.	\$ 1,290,000
Correction	
Objective: Provide safe and secure facilities to house inmates.	
Maintenance Funds to repair, maintain, and update facilities.	\$ 12,100,000
DeBerry Special Needs Facility Transport Hub Funds are provided for the construction of a secure perimeter transportation facility and an administrative structure to support classification and transportation needs of the department.	2,000,000
Sub-Total Correction	\$ 14,100,000
Education	
Objective: Provide a safe and secure environment for learning.	
Maintenance Funds to repair, maintain, and update facilities.	\$ 1,680,000
Tennessee School for the Blind Campus Utilization Study Funds are provided for a campus utilization study to assist in determining the useful life of buildings, mechanical systems, equipment, and future capital needs.	380,000
Sub-Total Education	\$ 2,060,000
Environment and Conservation	
Objective: Increase visitation to the state's parks and historic areas.	
Maintenance Funds to repair, maintain, and update facilities.	\$ 16,750,000
Cummins Falls State Park New Visitor Center Funds are provided for the construction of a new visitor center.	2,950,000
Fall Creek Falls State Park Village Green Visitor Center Funds are provided for the construction of a new visitor center located in the Village Green area of the state park.	3,000,000
Statewide Infrastructure Reduction Project Funds are provided for the demolition, removal, and disposal of deteriorated structures no longer in use.	750,000

**Capital Outlay Project Descriptions
Fiscal Year 2016-2017**

	Total Project Cost
State Parks Hospitality Operations	\$ 30,397,000
Funds are provided for the enhancement of state park hospitality operations at Fall Creek Falls and Montgomery Bell State Parks. Funds support the demolition of older facilities, the construction of a new inn, cabin and villa renovations, restaurant renovations, and golf course pro shop maintenance at Fall Creek Falls State Park. Additionally, funds support renovations to the inn, restaurant, and golf course pro shop maintenance at Montgomery Bell State Park.	
State Parks Small Projects	500,000
Funds are provided for various projects to support public recreation including, but not limited to, the construction of equipment sheds, picnic shelters, restrooms, and park exhibits.	
Davy Crockett State Park Exhibits and Facilities Upgrades	350,000
Funds are provided for the renovation of mechanical, lighting, and other building systems at the park visitor center. Funds support ADA upgrades and the construction of exhibit space within the visitor center. The state lands acquisition fund serves as the source of funding for this project.	
Sub-Total Environment and Conservation	\$ 54,697,000
General Services	
Objective: Maintain, repair, and update general government facilities.	
Maintenance	\$ 4,500,000
Funds to maintain, repair, and update general government facilities.	
State Museum Bridge Funding	14,700,000
Funds are provided through residual bond sources to assist the new state museum project execute construction and other project contracts. As gift funds are raised and recognized, this amount will be decreased accordingly.	
Emergency and Contingency Funds	5,000,000
Funds to handle unforeseen and emergency situations that arise during the fiscal year.	
National Museum of African American Music	2,000,000
Grant to provide capital support to the National Museum of African American Music in Nashville.	
Sub-Total General Services	\$ 26,200,000
Historical Commission	
Objective: Protect, preserve, interpret, operate, maintain, and administer state historic sites.	
Maintenance	\$ 840,000
Funds to maintain, repair, and update facilities.	
James K. Polk Home Orman Building Demolition	150,000
Funds are provided for the demolition of a non-historic structure and related infrastructure located on the James K. Polk Home State Historic Site. Funds also support the construction of a security fence and all related site work.	
Sub-Total Historical Commission	\$ 990,000
Human Services	
Objective: Provide facilities to support rehabilitation services.	
Tennessee Rehabilitation Center Master Plan	\$ 150,000
Funds are provided for a master plan study to assist in determining the useful life of buildings, mechanical systems, equipment, and future capital needs.	

**Capital Outlay Project Descriptions
Fiscal Year 2016-2017**

	Total Project Cost
Intellectual and Developmental Disabilities	
Objective: Provide alternative residential settings for clients and plan for the future.	
Maintenance	\$ 4,670,000
Funds to maintain, repair, and update facilities.	
Mental Health and Substance Abuse Services	
Objective: Provide facilities to support comprehensive rehabilitation services in a positive and productive learning environment to people with disabilities.	
Maintenance	\$ 8,550,000
Funds to maintain, repair, and update facilities.	
Military	
Objective: Expand and renovate military facilities.	
Maintenance	\$ 4,140,000
Funds to repair, maintain, and update facilities.	
Knoxville-Sutherland RC Renovation	5,510,000
Funds are provided for interior renovations, mechanical, lighting, and plumbing systems updates; ADA upgrades; and exterior repairs. The project also includes the installation of fire alarm and sprinkler systems and all related work.	
Clarksville RC Parking Improvements	580,000
Funds are provided for the expansion of facility parking areas and drainage upgrades at all parking areas. The project supports the construction and installation of dumpster pads, security measures, drive upgrades, and solar powered security lighting.	
Murfreesboro RC Parking Improvements	950,000
Funds are provided for the expansion of facility parking areas and drainage upgrades at all parking areas. The project supports the construction and installation of motor vehicle storage facilities, dumpster pads, security measures, drive upgrades, and solar powered security lighting.	
Force Protection Upgrades	1,582,100
Funds are provided for the installation of security measures including emergency phone systems, window film, magnetic locks, camera systems, privacy screens, and bollards at facilities statewide.	
Sub-Total Military	\$ 12,762,100
Veterans Homes Board	
Objective: Expand and renovate state veteran long-term care facilities.	
Maintenance	\$ 190,000
Funds to repair, maintain, and update facilities.	
Veterans Services	
Objective: Expand and renovate state veteran cemetery facilities.	
Maintenance	\$ 2,680,000
Funds to repair, maintain, and update facilities.	
Gulf Wars Monuments	190,000
Funds are provided for the creation of monuments recognizing veterans of conflicts in the Middle East. A portion of the funds for this project is from private donations.	
Sub-Total Veterans Affairs	\$ 2,870,000

**Capital Outlay Project Descriptions
Fiscal Year 2016-2017**

	<u>Total Project Cost</u>
Higher Education	
Objective: Expand and enhance facilities for student and faculty needs.	
Drive to 55 Program Capacity Fund	\$ 20,000,000
Funds are provided for the establishment of a capital grant fund to support institutional efforts in achieving Drive to 55 goals. Projects supported by this fund will include programmatic infrastructure costs, equipment acquisitions, renovations or expansions of facilities, and program technology needs.	
Tennessee Board of Regents	
Objective: Expand and enhance facilities for student and faculty needs.	
Maintenance	\$ 45,490,000
Funds to repair, maintain, and update higher education institution facilities. See Capital Maintenance Project Descriptions for additional details.	
TSU Health Science Facility	38,800,000
Funds are provided for the construction of a new facility to house the nursing, occupational therapy, physical therapy, cardio-respiratory therapy, and health management programs. Funds also support the demolition of Elliot Hall and a portion of Clement Hall.	
TTU Laboratory Science Building and Infrastructure	85,500,000
Funds are provided for the construction of a new laboratory sciences building and all related infrastructure.	
Campbell County Higher Education Center Lab Expansion	600,000
Funds are provided for the expansion of laboratory space at the Campbell County Higher Education Center.	
Sub-Total Tennessee Board of Regents	<u>\$ 170,390,000</u>
University of Tennessee	
Objective: Expand and enhance facilities to students and faculty needs.	
Maintenance	\$ 29,360,000
Funds to repair, maintain, and update higher education institution facilities. See Capital Maintenance Project Descriptions for additional details.	
UTC Academic Classroom Buildings Renovation	35,910,000
Funds are provided for the expansion and renovation of the Lupton Library and Fine Arts Center.	
UTHSC Dentistry Faculty Practice/Research Building	39,000,000
Funds are provided for the construction of a new College of Dentistry building. Funds also support renovations to existing College of Dentistry facilities and the construction of a connecting walkway.	
Sub-Total University of Tennessee	<u>\$ 104,270,000</u>
Grand Total	<u><u>\$ 429,229,100</u></u>

**Capital Maintenance Project Descriptions
Fiscal Year 2016-2017**

	Total Project Cost
Children's Services	
Mountain View and Wilder YDCs Gymnasium HVAC Funds are provided for the replacement of current ventilation systems with new HVAC systems and all related work.	\$ 1,140,000
Wilder YDC Electrical Network Upgrades Funds are provided for upgrades to the electrical distribution network, repairs to remediate ground water penetration issues, and all related work.	2,300,000
Wilder YDC Sanitary Systems Repairs Funds are provided for repairs to sanitary sewer systems and all related work.	2,000,000
Sub-Total Children's Services	\$ 5,440,000
Commerce and Insurance	
TN Fire Academy Dormitory HVAC Replacement Funds are provided for the replacement of geothermal HVAC systems for all dormitories at the Tennessee Fire Services and Code Academy.	\$ 840,000
TN Fire Academy Audio-Visual Equipment Replacement Funds are provided for the replacement and installation of audio-visual equipment in facility classrooms and conference rooms.	450,000
Sub-Total Commerce and Insurance	\$ 1,290,000
Correction	
Parking and Paving Repairs Phase II Funding is provided for a multi-phase security and infrastructure project to repave perimeter and related roadways, and parking areas at all institutions statewide. Funds also support the correction of drainage issues and all related work.	\$ 3,000,000
Security Electronics Updates Phase II Funds are provided for the replacement of surveillance, fire suppression, and back-up power supply systems at various institutions statewide.	2,100,000
ADA Accessibility Upgrades Funds are provided for the replacement of panel walls and ADA upgrades to shower facilities at selected institutions.	500,000
WTSP HVAC Equipment Replacement Funds are provided for the replacement of HVAC systems, building automation systems, and all related work.	3,000,000
High Security Cells Prototypical Compliance Funds are provided for upgrades to existing high security cells at various institutions. This project includes upgrades to security measures, showers, floor drains, and all related work.	1,000,000
Sallyports Upgrades Phase III Funding is provided to continue the upgrades of vehicle sallyports and pedestrian gates/traps statewide.	2,500,000
Sub-Total Correction	\$ 12,100,000
Education	
Tennessee School for the Blind Auditorium Upgrades Funds are provided for upgrades to facility seating, lighting systems, flooring, stage equipment, and all related work.	\$ 550,000

**Capital Maintenance Project Descriptions
Fiscal Year 2016-2017**

	Total Project Cost
<p>Tennessee School for the Deaf Various Buildings Roof Repairs and Replacements Funds are provided for roof replacements, repairs, and all related work at the maintenance and elementary school buildings.</p>	\$ 690,000
<p>Tennessee School for the Deaf HVAC Replacements Funds are provided for the replacement of HVAC systems and all related work at buildings 420 and 421.</p>	440,000
Sub-Total Education	\$ 1,680,000
Environment and Conservation	
<p>Edgar Evins State Park Sewage Treatment Plant Upgrade Funds are provided for the replacement of waste treatment systems and all related work.</p>	\$ 2,200,000
<p>Chickasaw State Park Sewage Treatment Plant Upgrade Funds are provided for the replacement of waste treatment systems and all related work.</p>	2,200,000
<p>Statewide Facilities Roof Replacements Funds are provided for roof replacements at various facilities in state parks throughout Tennessee.</p>	5,550,000
<p>Warriors' Path State Park Deferred Maintenance Funds are provided for upgrades to recreation vehicle campgrounds, electrical and utility systems, waste water systems, marina facilities, boat slips, maintenance facilities, visitor center, and offices.</p>	6,800,000
Sub-Total Environment and Conservation	\$ 16,750,000
General Services	
<p>ADA Compliance Capital maintenance activities, including facility assessments, associated with compliance with the Americans with Disabilities Act and other disabilities-related issues.</p>	\$ 800,000
<p>Management Support Services This project provides funding for consultant services regarding support for state construction-related activities.</p>	1,000,000
<p>Environmental Consultants 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.</p>	1,000,000
<p>State Owned Buildings OSHA Compliance Provide inspection and training services to building employees to insure compliance with OSHA directives.</p>	800,000
<p>TPAC Annual Maintenance Grant Grant to provide state maintenance assistance for the Tennessee Performing Arts Center.</p>	300,000
<p>National Civil Rights Museum Maintenance Grant Grant to provide maintenance support to the National Civil Rights Museum in Memphis.</p>	300,000
<p>Watkins College of Art Maintenance Grant Grant to provide state maintenance assistance for the Watkins College of Art in Nashville.</p>	300,000
Sub-Total General Services	\$ 4,500,000

**Capital Maintenance Project Descriptions
Fiscal Year 2016-2017**

	Total Project Cost
Historical Commission	
<p>Rocky Mount Building Repairs and Site Upgrades Funds are provided for roof replacement and interior repairs at the visitor center. Funds also support fencing repairs and the repaving of roadways and pedestrian paths.</p>	\$ 840,000
Intellectual and Developmental Disabilities	
<p>Clover Bottom Essential Maintenance Funds are provided for the replacement of steam lines and valves, air handler units, boiler control systems, water chillers at various buildings campus-wide. Funds also support interior updates to buildings, hazardous material abatement, paving, and all related work.</p>	\$ 4,300,000
<p>Clover Bottom Roof Replacements Funding is provided for roof replacements and all related work at facilities campus-wide.</p>	370,000
<p>Sub-Total Intellectual and Developmental Disabilities</p>	\$ 4,670,000
Mental Health and Substance Abuse Services	
<p>Middle TN Mental Health Institute Roof Replacement Funds are provided for roof replacement and all related work at the Middle Tennessee Mental Health Institute.</p>	\$ 5,150,000
<p>Moccasin Bend Mental Health Institute Roof Replacement Funds are provided for roof replacement and all related work at Moccasin Bend Mental Health Institute.</p>	2,730,000
<p>Middle TN Mental Health Institute Fire Alarm System Upgrades Funds are provided for the replacement of the fire alarm system and all related work at Middle Tennessee Health Institute.</p>	670,000
<p>Sub-Total Mental Health and Substance Abuse Services</p>	\$ 8,550,000
Military	
<p>Morristown Readiness Center Re-roof and Facility Update Funds are provided for roof replacement, structural repairs, remediation of interior water damage, and all related work.</p>	\$ 130,000
<p>Clarksville Readiness Center Windows and Doors Replacement Funds are provided for envelope repairs, windows replacement, doors replacement, and all related work.</p>	230,000
<p>Monteagle Readiness Center Re-roof and Facility Update Funds are provided for roof and insulation replacement, exterior masonry repairs, interior repairs, environmental remediation, and all related work.</p>	660,000
<p>Lexington Readiness Center Energy Updates and Re-roof Funds are provided for roof replacement and upgrades to HVAC, water heating, lighting, and electrical systems. Funds also support interior repairs, environmental remediation, exterior repairs, and all related work.</p>	710,000
<p>Tullahoma Readiness Center Re-roof and Facility Update Funds are provided for roof replacement, exterior masonry repairs, interior repairs, environmental remediation, upgrades to plumbing and drainage systems, and all related work.</p>	590,000
<p>Milan Readiness Center Re-roof and Facility Update Funds are provided for roof replacement, exterior repairs, remediation of interior water damage, and all related work. Funds also support repairs to an exterior metal storage building.</p>	740,000

**Capital Maintenance Project Descriptions
Fiscal Year 2016-2017**

	Total Project Cost
Livingston Readiness Center Re-roof and Facility Update Funds are provided for roof replacement, exterior repairs, remediation of interior water damage, exterior door repairs, and all related work.	\$ 200,000
Ripley Readiness Center Energy Updates and Re-roof Funds are provided for roof replacement and upgrades to HVAC, water heating, lighting, and electrical systems. Funds also support interior repairs, environmental remediation, exterior repairs, and all related work.	880,000
Sub-Total Military	\$ 4,140,000
Veterans Homes Board	
Knoxville Veterans Home HVAC Upgrades Funds are provided for HVAC system upgrades and all related work at the Knoxville Veterans Home.	\$ 190,000
Veterans Services	
Middle Tennessee Veterans Cemetery Essential Maintenance Funds are provided to clean, raise, and realign headstones to meet federal standards.	\$ 2,680,000
Tennessee Board of Regents	
ADA Compliance Capital maintenance activities, including facility assessments, associated with compliance with the Americans with Disabilities Act and other disabilities-related issues.	\$ 800,000
Management Support Services This project provides funding for consultant services regarding support for state construction-related activities.	1,000,000
TCAT Oneida Building Stabilization and Corrections Funds are provided for structural repairs, building stabilization, exterior and interior repairs due to building instability, and all related work.	210,000
Walters State CC ADA and Mechanical Upgrades Funds are provided for upgrades to mechanical, HVAC, lighting, and electrical systems campus-wide. Funds also support ADA upgrades to facilities throughout campus.	780,000
TCAT Dickson Roof Replacements Funds are provided for roof replacements and all related work at multiple facilities campus-wide.	550,000
Chattanooga State CC Instructural Materials Building Roof Replacement Funds are provided for roof replacement and all related work.	500,000
Roane State CC Oak Ridge Campus Roof Replacement Funds are provided for facility roof replacement and all related work.	450,000
Columbia State CC Several Buildings Roof Replacements Funds are provided for roof replacements and all related work at multiple facilities campus-wide.	700,000
Cookeville Higher Education Campus Roof Repairs Funds are provided for roof assessments, repairs, replacement, and all related work.	750,000
TCAT Covington Moisture Remediation Funds are provided for moisture remediation efforts including the replacement of plumbing systems and insulation. Funds also support slab and exterior wall repairs, drainage system upgrades, and all related work.	720,000

**Capital Maintenance Project Descriptions
Fiscal Year 2016-2017**

	<u>Total Project Cost</u>
Middle Tennessee State University Saunders Fine Arts Building HVAC Updates Funds are provided for upgrading facility HVAC systems, chilled water systems, window repairs, and all related work.	\$ 1,830,000
ETSU Storm Water Drainage Repairs Funds are provided to repair and replace the storm water sewer systems and all related work in flood prone areas on campus.	2,000,000
Volunteer State CC Ramer Building HVAC Updates Funds are provided for upgrades to the facility HVAC system and all related work.	400,000
Middle Tennessee State University Energy Recovery Boiler Repair Funds are provided for repairs to the boiler system and all related work.	880,000
Jackson State CC Elevator Modernization Phase II Funds are provided for the second phase of campus-wide elevator modernization.	360,000
Austin Peay State University Music/Mass Communications HVAC Replacement Funds are provided for HVAC replacement and all related work.	1,530,000
Southwest Tennessee CC Roof Replacements and Envelope Repairs Funds are provided for roof replacements, windows replacement, and envelope repairs at various buildings.	1,110,000
Dyersburg State CC Gymnasium Mechanical Updates Funds are provided for updates and all related work to the mechanical, plumbing, HVAC, and energy management systems at the E.H. Lannom Gymnasium.	310,000
TCAT MPE and Infrastructure Updates Phase I Funds are provided for mechanical, plumbing, electrical, HVAC, and fire protection systems upgrades at TCAT locations statewide.	1,880,000
Pellissippi State CC HVAC Updates Funds are provided for updates to cooling towers, HVAC systems, and control systems at various buildings on campus.	750,000
Cleveland State CC Plumbing and Sewer Modernization Funds are provided for the replacement of plumbing systems, sewer lines and systems, and all related work.	750,000
Northeast State CC Building Controls Updates Funds are provided for upgrades to building automation systems and all related work in various facilities.	430,000
University of Memphis Building Envelope Repairs Funds are provided for envelope repairs including masonry repairs, concrete and limestone repairs, windows replacement, door replacement, and all related work.	3,000,000
Motlow State CC Exterior Building Repairs Funds are provided for the repairs of roofs, windows, doors, and all related work on various buildings.	620,000
TCAT McKenzie Doors Replacement Funds are provided for maintenance and replacement of all doors and locks.	190,000
Tennessee Technological University Several Buildings Upgrades Funds are provided for updates to building systems and spaces in accordance with the master plan. Project will also include all necessary abatement of asbestos materials.	5,340,000

**Capital Maintenance Project Descriptions
Fiscal Year 2016-2017**

	<u>Total Project Cost</u>
Tennessee State University Migration Implementation	\$ 2,620,000
Funds are provided for upgrades to building systems, furniture replacement, interior renovations, upgrades to security and fire suppression systems, and all related work to several buildings in accordance with the master plan.	
Volunteer State CC Roof Replacements and Envelope Repairs	320,000
Funds are provided for roof replacements, repairs to interior structure envelopes, and all related work.	
Roane State CC Oak O'Brien Building Roof Replacement	370,000
Funds are provided for facility re-roof and all related work.	
University of Memphis Several Buildings HVAC Replacement	2,350,000
Funds are provided for the replacement of HVAC systems and components in three academic buildings.	
Middle Tennessee State University Several Buildings Electrical Updates	1,600,000
Funds are provided for upgrades to the electrical systems in three facilities.	
Chattanooga State CC Elevator Updates	990,000
Funds are provided for the modernization of campus elevators to meet building code requirements.	
Middle Tennessee State University BAS Control Panel Replacements	790,000
Funds are provided for the replacement of building automation system controllers in multiple facilities.	
Walters State CC Chiller and Cooling Tower Replacement	780,000
Funds are provided for the replacement of chillers, cooling towers, boilers, and all related work.	
Austin Peay State University Browning Hall Mechanical Updates	1,530,000
Funds are provided for upgrades to the facility HVAC system and all related work.	
Jackson State CC Science Building HVAC Update	520,000
Funds are provided for upgrades to the facility HVAC system, building control systems, and all related work.	
Columbia State CC Powerhouse System Repairs Phase II	300,000
Funds are provided for upgrades to equipment and core powerhouse systems including HVAC, plumbing, electrical, and control systems.	
Southwest Tennessee CC Mechanical Systems Modernization	1,110,000
Funds are provided for mechanical systems upgrades including HVAC systems in various buildings.	
Middle Tennessee State Several Buildings Exterior Repairs	1,630,000
Funds are provided for exterior and envelope repairs on multiple buildings.	
Roane State CC Campus-Wide Paving	160,000
Funds are provided for the repair and repaving of parking lots and roadways.	
Tennessee Technological University Several Buildings Waterproofing & Exterior Repairs	1,800,000
Funds are provided for exterior repairs, masonry repairs, window replacement, waterproofing, and all related work at multiple facilities.	
Dyersburg State CC Interior Gym Repairs	220,000
Funds are provided for the replacement of bleachers, electrical systems upgrades, stair and handrail replacements, and the renovation of concession areas.	

**Capital Maintenance Project Descriptions
Fiscal Year 2016-2017**

	Total Project Cost
Cleveland State CC Classroom Upgrades Funds are provided for upgrades to classrooms including furniture replacement, interior renovations, and all related work.	\$ 330,000
TCAT Memphis Doors and Hardware Replacement Funds are provided for the replacement of exterior and stairwell entry doors and associated hardware. Funds also support the installation of ADA compliant entry doors.	230,000
Sub-Total Tennessee Board of Regents	\$ 45,490,000
University of Tennessee	
ADA Compliance Capital maintenance activities, including facility assessments, associated with compliance with the Americans with Disabilities Act and other disabilities-related issues.	\$ 800,000
University of Tennessee-Knoxville Window Replacements and Masonry Repairs Funds are provided for masonry repairs, window replacements, structural remediation, and entry door replacements at several facilities.	5,400,000
University of Tennessee-Chattanooga Roof Replacements Funds are provided for roof replacements and all related work for multiple buildings.	4,500,000
UTIA College of Veterinary Medicine Building Improvements Phase II Funds are provided for the replacement of windows, skylights, HVAC systems, and lighting systems. Funds also support the replacement of emergency power equipment, freezers, and coolers.	6,700,000
University of Tennessee-Martin Roof Replacements and Masonry Repairs Funds are provided for roof replacements and all related work for Clement Hall and the Elam Center. Funds also support exterior repairs on the Elam Center and Fieldhouse.	3,960,000
University of Tennessee Health Science Center Security Upgrades Phase II Funds are provided to upgrade security surveillance systems and wireless keyless access systems campus-wide. Funds also support renovations necessary for the emergency operations center and all related work.	8,000,000
Sub-Total University of Tennessee	\$ 29,360,000
Grand Total Capital Maintenance	\$ 137,680,000

**Projected First-Year Operating Costs for New Facilities
Recommended as Projects for Fiscal Year 2016-2017**

	<u>COUNTY</u>	<u>TOTAL</u>	<u>UTILITIES</u>	<u>MAINTENANCE</u>	<u>PROGRAM*</u>	<u>ADDITIONAL PERSONNEL</u>
Environment and Conservation						
Cummins Falls SP New Visitor Center	Jackson	\$ 9,000	\$ 9,000	\$ 0	\$ 0	0
Fall Creek Falls SP Village Green Visitor Ctr.	Bledsoe	9,600	9,600	0	0	0
Sub-Total Environment and Conservation		\$ 18,600	\$ 18,600	\$ 0	\$ 0	0
Tennessee Board of Regents						
TTU Laboratory Science Bldg. & Infrastructure	Putnam	\$ 976,600	\$ 267,500	\$ 550,000	\$ 159,100	3
University of Tennessee						
UTC Academic Classroom Bldgs. Renovation	Hamilton	\$ 113,900	\$ 39,700	\$ 74,200	\$ 0	0
UTHSC Dentistry Faculty Practice/Research Bldg.	Shelby	669,200	278,500	390,700	0	0
Sub-Total University of Tennessee		\$ 783,100	\$ 318,200	\$ 464,900	\$ 0	0
Grand Total		\$ 1,778,300	\$ 604,300	\$ 1,014,900	\$ 159,100	3

* 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

ADA	Americans with Disabilities Act	Re-Roof	Replace Roof
APSU	Austin Peay State University	Renov.	Renovation
BAS	Building Automation Systems	RSCC	Roane State Community College
Bldg(s).	Building(s)	SCRHO	South Central Regional Health Office
CC	Community College	SP	State Park
CHSCC	Chattanooga State Community College	STCC	Southwest Tennessee Community College
CLSCC	Cleveland State Community College	STREAM	State of TN Real Estate Asset Management
COSCC	Columbia State Community College	Sys.	System
Co.	County	TN	Tennessee
CoM	College of Medicine	TBR	Tennessee Board of Regents
Cpx.	Complex	TCAT	Tennessee College of Applied Technology
Ctr.	Center	TDEC	Tennessee Dept. of Environment & Conservation
DCS	Department of Children's Services	TDOT	Tennessee Department of Transportation
Demo	Demolition	TEMA	Tennessee Emergency Management Agency
DOC	Department of Correction	THEC	Tennessee Higher Education Commission
DSCC	Dyersburg State Community College	THP	Tennessee Highway Patrol
EMS	Energy Management System	TLETA	Tennessee Law Enforcement Training Academy
ETSU	East Tennessee State University	TPAC	Tennessee Performing Arts Center
HVAC	Heating, Ventilation, & Air Conditioning	TPW	Tennessee Prison for Women
HQ	Headquarters	TSB	Tennessee School for the Blind
Impvts.	Improvements	TSD	Tennessee School for the Deaf
Info.	Information	TSU	Tennessee State University
IT	Information Technology	TTU	Tennessee Technological University
JSCC	Jackson State Community College	TWRA	Tennessee Wildlife Resources Agency
Maint.	Maintenance	Univ.	University
MCRHO	Mid-Cumberland Regional Health Office	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
MPE	Mechanical, Plumbing, & Electrical	UTK	University of Tennessee Knoxville
MSCC	Motlow State Community College	UTM	University of Tennessee Martin
MTSU	Middle Tennessee State University	UT	University of Tennessee
NESCC	Northeast State Community College	Vet.	Veterinary
NASCC	Nashville State Community College	VSCC	Volunteer State Community College
NWRHO	Northwest Regional Health Office	WMA	Wildlife Management Area
OSHA	Occupational Safety & Health Administration	WSCC	Walters State Community College
Ph.	Phase	WTSP	West Tennessee State Penitentiary
PSCC	Pellissippi State Community College	YDC	Youth Development Center
RC	Readiness Center		

Facilities Revolving Fund

Recommended Budget, Fiscal Year 2016-2017

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>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>	<u>Base</u> <u>2016-2017</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	57,374,300	51,044,700	51,044,700
Total	\$57,374,300	\$51,044,700	\$51,044,700
State	7,517,200	7,517,200	7,517,200
Federal	0	0	0
Other	49,857,100	43,527,500	43,527,500

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 Facilities Maintenance.

Payroll	0	0	0
Operational	3,054,000	3,845,100	3,845,100
Total	\$3,054,000	\$3,845,100	\$3,845,100
State	0	0	0
Federal	0	0	0
Other	3,054,000	3,845,100	3,845,100

	<u>Actual</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>	<u>Base</u> <u>2016-2017</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 Leases and Space Planning.

Payroll	0	0	0
Operational	47,767,700	45,016,700	45,016,700
Total	\$47,767,700	\$45,016,700	\$45,016,700
State	0	5,547,600	5,547,600
Federal	0	0	0
Other	47,767,700	39,469,100	39,469,100

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	25,511,100	200,920,000	152,220,000
Total	\$25,511,100	\$200,920,000	\$152,220,000
State	0	163,040,000	100,690,000
Federal	0	0	0
Other	25,511,100	37,880,000	51,530,000

501.05 FRF Debt Service

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

Payroll	0	0	0
Operational	24,109,600	23,900,000	23,900,000
Total	\$24,109,600	\$23,900,000	\$23,900,000
State	255,400	0	0
Federal	0	0	0
Other	23,854,200	23,900,000	23,900,000

501.08 FRF Supplemental Capital Maintenance Fund

The FRF Supplemental Capital Maintenance Fund provides additional recurring funds to recognize that the existing FRF program is unable to support the cost of the ongoing maintenance requirements of existing FRF assets.

Payroll	0	0	0
Operational	0	0	20,000,000
Total	\$0	\$0	\$20,000,000
State	0	0	20,000,000
Federal	0	0	0
Other	0	0	0

Facilities Revolving Fund

	<u>Actual</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>	<u>Base</u> <u>2016-2017</u>
501.00 Total Facilities Revolving Fund			
Payroll	0	0	0
Operational	157,816,700	324,726,500	296,026,500
Total	\$157,816,700	\$324,726,500	\$296,026,500
State	7,772,600	176,104,800	133,754,800
Federal	0	0	0
Other	150,044,100	148,621,700	162,271,700

**Facilities Revolving Fund (FRF)
Proposed Capital Appropriations
From Bonds, General Fund, and FRF Current Funds
Fiscal Year 2016-2017**

	COUNTY	TOTAL	GENERAL FUND CURRENT	CURRENT	FRF OTHER*	MAINT. FUND
Capital Improvements:						
New Jackson Crime Lab Consolidated Facility	Madison	\$ 25,720,000	\$ 25,720,000	\$ 0	\$ 0	\$ 0
Legislative Plaza Garage (Planning)	Davidson	1,100,000	1,100,000	0	0	0
Cockrill Bend Firing Range (Planning)	Davidson	2,600,000	2,600,000	0	0	0
RS Gass Complex Abandoned Buildings Demolition	Davidson	1,510,000	1,510,000	0	0	0
Rachel Jackson Building Diesel Line Installation	Davidson	130,000	130,000	0	0	0
New Jackson THP District Headquarters	Madison	8,760,000	8,760,000	0	0	0
Library and Archives Bldg. Elevator Backup Power	Davidson	440,000	440,000	0	0	0
State Museum Bridge Funding	Davidson	17,700,000	0	0	17,700,000	0
Sub-Total Capital Improvements		\$ 57,960,000	\$ 40,260,000	\$ 0	\$ 17,700,000	\$ 0
Capital Maintenance:						
War Memorial Bldg. Interior and Exterior Renov. (Planning)	Davidson	\$ 4,630,000	\$ 0	\$ 0	\$ 4,630,000	\$ 0
John Sevier State Office Bldg. Interior Renovations	Davidson	28,310,000	8,310,000	0	0	20,000,000
Statewide Building Security Upgrades	Statewide	9,840,000	8,840,000	0	1,000,000	0
TDEC Field Office Roof Replacement	Davidson	1,170,000	0	0	1,170,000	0
Rachel Jackson Bldg. Interior Renovations (Planning)	Davidson	1,000,000	0	0	1,000,000	0
Statewide Interior Renovation Upgrades	Statewide	18,530,000	18,530,000	0	0	0
Rachel Jackson Bldg. Exterior Drain and Slab Repair	Davidson	570,000	0	0	570,000	0
MCRHO Exterior Envelope Repairs	Davidson	430,000	0	0	430,000	0
Tennessee Tower Garage Structural Repairs	Davidson	1,410,000	0	0	1,410,000	0
RS Gass State Laboratory Exterior Envelope Repairs	Davidson	1,920,000	0	0	1,920,000	0
NWRHO Roof Replacement	Obion	530,000	0	0	530,000	0
THP Communications Bldg. Roof Replacement	Davidson	250,000	0	0	250,000	0
Empower TN Implementation Phase II	Statewide	24,000,000	24,000,000	0	0	0
Drivers Services Center Roof Replacement	Davidson	160,000	0	0	160,000	0
NWRHO Generator Replacement	Obion	360,000	0	0	360,000	0
SCRHO Roof Replacement	Maury	400,000	0	0	400,000	0
Capital Projects Product Standardization Project	Statewide	150,000	150,000	0	0	0
Tennessee Residence Security Bldg. Renovations	Davidson	600,000	600,000	0	0	0
Sub-Total Capital Maintenance		\$ 94,260,000	\$ 60,430,000	\$ 0	\$ 13,830,000	\$ 20,000,000
Grand Total		\$ 152,220,000	\$ 100,690,000	\$ 0	\$ 31,530,000	\$ 20,000,000

*Other funding is a combination of FRF reserves and residual bond funds.

**Proposed Facilities Revolving Fund Project Descriptions
Fiscal Year 2016-2017**

Objective: Provide efficient management of state facilities.

	Total Project Cost
Capital Improvements:	
New Jackson Crime Lab Consolidated Facility Funds are provided for the construction of a new consolidated crime laboratory facility in Jackson.	\$ 25,720,000
Legislative Plaza Garage (Planning) Planning funds are provided for the conversion of Legislative Plaza (offices) into additional parking areas.	1,100,000
Cockrill Bend Firing Range (Planning) Planning funds are provided for the construction of a consolidated law enforcement firing range at the Cockrill Bend site.	2,600,000
RS Gass Complex Abandoned Buildings Demolition Funds are provided for the demolition of two abandoned buildings and all related work.	1,510,000
Rachel Jackson Building Diesel Line Installation Funds are provided for the installation of a diesel supply line to support building generators and all related work.	130,000
New Jackson Tennessee Highway Patrol District Headquarters Funds are provided for the construction of a new district headquarters building in Jackson.	8,760,000
Library and Archives Building Elevator Backup Power Funds are provided for the installation of elevator backup power generation systems in the Library and Archives Building. Project includes all related work.	440,000
State Museum Bridge Funding Funds are provided through residual bond sources to assist the new state museum project execute construction and other project contracts. As gift funds are raised and recognized, this amount will be decreased accordingly.	17,700,000
Total Capital Improvements	\$ 57,960,000
Capital Maintenance:	
War Memorial Building Interior and Exterior Renovations (Planning) Funds are provided for planning and design to modernize building mechanical, HVAC, lighting, plumbing, and fire suppression systems. Funds also support planning and design work for exterior repairs and building finishes. Funding for this project is from FRF reserves.	\$ 4,630,000
John Sevier State Office Building Interior Renovations Funds are provided for interior renovations including renovations to floors, offices, conference rooms, server rooms, elevator systems, and libraries. Funds also support the replacement of finishes, windows, generators, HVAC systems, and building control systems. Building system commissioning services are also supported by this project. Funding for this project is comprised of \$8,310,000 in state appropriations and \$20,000,000 in FRF Supplemental Capital Maintenance funds.	28,310,000

**Proposed Facilities Revolving Fund Project Descriptions
Fiscal Year 2016-2017**

	<u>Total Project Cost</u>
Statewide Building Security Upgrades	\$ 9,840,000
Funds are provided for upgrades to security systems in state owned facilities in accordance with security consultant studies. Funding for this project is comprised of \$8,840,000 in state appropriations and \$1,000,000 in FRF reserves.	
TDEC Field Office Roof Replacement	1,170,000
Funds are provided for roof replacement and all related work. Funding for this project is from FRF reserves.	
Rachel Jackson Building Interior Renovations (Planning)	1,000,000
Funds are provided for planning and design to modernize building interiors. Funding for this project is from FRF reserves.	
Statewide Interior Renovations and Furniture Upgrades	18,530,000
Funds are provided for interior renovations, information technology infrastructure, furniture upgrades, and all related work at multiple facilities.	
Rachel Jackson Building Exterior Drain and Slab Repair	570,000
Funds are provided for drainage system repairs, building slab repairs, and all related work. Funding for this project is from FRF reserves.	
Mid-Cumberland Regional Health Office Exterior Repairs	430,000
Funds are provided for building envelope repairs including waterproofing, window replacements, drainage modifications, and all related work. Funding for this project is from FRF reserves.	
Tennessee Tower Garage Structural Repairs	1,410,000
Funds are provided for structural repairs, sealing and striping of floors, water intrusion corrections, and all related work. Funding for this project is from FRF reserves.	
RS Gass State Laboratory Exterior Envelope Repairs	1,920,000
Funds are provided for exterior repairs including masonry repairs, waterproofing, drainage modifications, paving, and all related work. Funding for this project is from FRF reserves.	
Northwest Regional Health Office Roof Replacement	530,000
Funds are provided for roof replacement and all related work. Funding for this project is from FRF reserves.	
Tennessee Highway Patrol Communications Building Roof Replacement	250,000
Funds are provided for roof replacement and all related work. Funding for this project is from FRF reserves.	
Empower Tennessee Implementation Phase II	24,000,000
Funds are provided as the second phase of a statewide initiative to reduce building energy consumption. Projects supported by these funds include lighting retrofits, lighting controls, building envelope repairs, building automation systems, HVAC replacement, and other projects to optimize energy efficiency in buildings statewide.	
Drivers Services Center Roof Replacement	160,000
Funds are provided for gutters, downspouts, and roof replacement. Funding for this project is from FRF reserves.	
Northwest Regional Health Office Generator Replacement	360,000
Funds are provided for the replacement of building generator and all related work. Funding for this project is from FRF reserves.	

**Proposed Facilities Revolving Fund Project Descriptions
Fiscal Year 2016-2017**

	Total Project Cost
<p>South Central Regional Health Office Roof Replacement Funds are provided for roof replacement and all related work. Funding for this project is from FRF reserves.</p>	\$ 400,000
<p>Capital Projects Product Standardization Project Funds are provided for consulting contracts to standardize equipment and product selections for projects in state owned facilities.</p>	150,000
<p>Tennessee Residence Security Building Renovations Funds are provided for exterior repairs, interior renovations, upgrades to building mechanical, electrical, and plumbing systems, and all related work.</p>	600,000
Total Capital Maintenance	<u>\$ 94,260,000</u>
Grand Total FRF Capital Outlay	<u><u>\$ 152,220,000</u></u>

Program Statements by Functional Area



Program Statements by Functional Area

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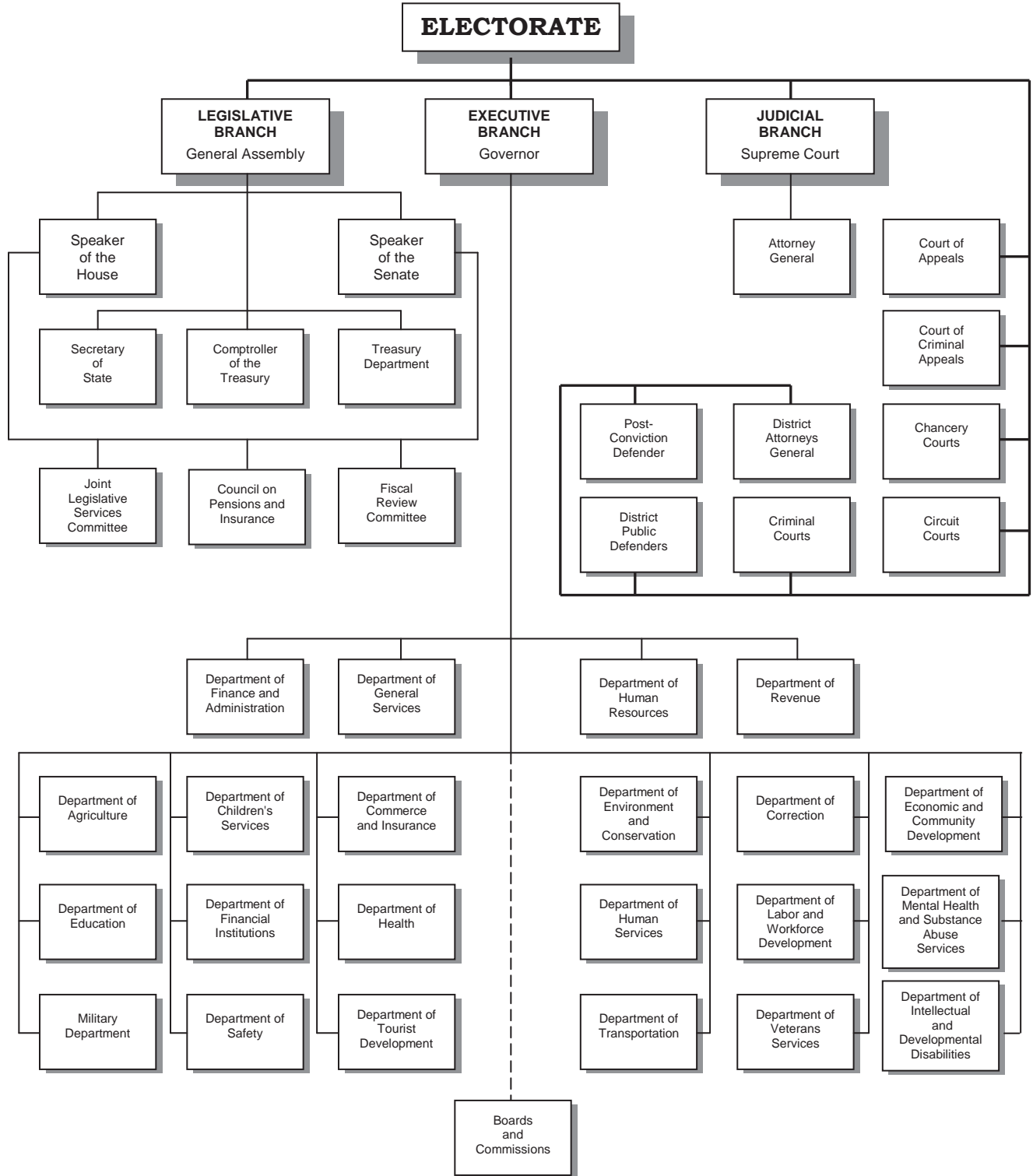


Tennessee State Government Organizational Chart.....B-5

Recommended Budget for Fiscal Year 2016-2017 by Functional AreaB-7

TENNESSEE STATE GOVERNMENT ORGANIZATIONAL CHART

FISCAL YEAR 2016 - 2017



**Recommended Budget for Fiscal Year 2016-2017
By Functional Area**

Functional Area	State	Federal	Other	Total
General Government	556,545,400	95,298,900	566,453,400	1,218,297,700
Education	6,506,637,900	1,331,282,700	2,575,353,300 *	10,413,273,900
Health and Social Services	4,476,368,000	10,118,087,000	1,253,898,400	15,848,353,400
Law, Safety, and Correction	1,440,330,200	77,711,600	202,560,200	1,720,602,000
Resources and Regulation	468,130,900	276,603,100	188,932,100	933,666,100
Transportation, Business, and Economic Development	1,079,307,700	1,310,850,300	82,759,500	2,472,917,500
Total	\$14,527,320,100	\$13,209,833,600	\$4,869,956,900	\$32,607,110,600

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

General Government



General Government

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General Government

Recommended Budget, Fiscal Year 2016 – 2017

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 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 state office buildings and support the Facilities Revolving Fund (FRF). The Facilities Revolving Fund provides funding for self-perpetuating maintenance and renovation 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 division within the Department of General Services is responsible for capital improvement, maintenance projects, and energy management in state-owned facilities. The division is also responsible for effectively managing, operating, and maintaining state office buildings. The Real Estate Asset Management division 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 Services.

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; (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.

General Government Total Personnel and Funding

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Recommended 2016-2017</u>
Personnel			
Full-Time	4,362	4,473	4,661
Part-Time	175	175	175
Seasonal	28	28	28
TOTAL	4,565	4,676	4,864
Expenditures			
Payroll	\$ 307,058,500	\$ 358,344,800	\$ 382,986,900
Operational	544,417,900	677,057,800	835,310,800
TOTAL	\$ 851,476,400	\$ 1,035,402,600	\$ 1,218,297,700
Funding			
State	\$ 302,677,600	\$ 423,331,900	\$ 556,545,400
Federal	32,810,800	66,075,800	95,298,900
Other	515,988,000	545,994,900	566,453,400

General Government
Recommended Budget for Fiscal Year 2016-2017
By Funding Source

Department	State	Federal	Other	Total
301.00 Legislature	42,123,200	0	137,500	42,260,700
301.50 Fiscal Review Committee	1,495,600	0	0	1,495,600
305.00 Secretary of State	29,000,600	30,216,800	12,107,300	71,324,700
307.00 Comptroller of the Treasury	93,177,300	0	9,424,900	102,602,200
309.00 Treasury Department	3,093,200	0	37,578,100	40,671,300
313.00 Claims and Compensation	11,410,000	4,940,000	99,706,900	116,056,900
315.00 Executive Department	5,183,200	0	0	5,183,200
316.04 Human Rights Commission	1,712,300	783,000	0	2,495,300
316.11 Tennessee Regulatory Authority	6,364,400	903,600	1,431,000	8,699,000
316.12 Advisory Commission on Intergovernmental Relations	201,700	0	2,848,700	3,050,400
317.00 Finance and Administration	26,340,900	57,411,900	245,481,900	329,234,700
319.00 Human Resources	0	0	12,559,900	12,559,900
321.00 General Services	10,165,000	0	113,323,600	123,488,600
323.00 Veterans Services	5,509,300	1,022,700	247,000	6,779,000
347.00 Revenue	95,339,900	20,900	31,456,600	126,817,400
351.00 Miscellaneous Appropriations	224,178,800	0	0	224,178,800
353.00 Emergency and Contingency Fund	1,000,000	0	0	1,000,000
355.00 State Building Commission	250,000	0	150,000	400,000
Total	\$556,545,400	\$95,298,900	\$566,453,400	\$1,218,297,700

General Government
Cost Increases for Fiscal Year 2016-2017

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Comptroller of the Treasury					
• Property Tax Relief					
To provide additional recurring funds for the Property Tax Relief program. These funds provide tax relief to eligible low-income, elderly, and disabled persons. Certain disabled veterans or their surviving spouses are also eligible for the program.					
307.10 Tax Relief	\$7,000,000	\$0	\$0	\$7,000,000	0
Sub-total	\$7,000,000	\$0	\$0	\$7,000,000	0
• Local Government Audit					
To provide recurring funds for two full-time legislative auditor positions to perform local government audits for Washington and McMinn counties.					
307.08 Office of Local Government	\$0	\$0	\$198,000	\$198,000	2
Sub-total	\$0	\$0	\$198,000	\$198,000	2
• State Bond Programs - Debt Management System Analysis					
To provide recurring funds for one full-time bond accountant and one full-time time bond analyst position. These positions will provide additional support necessary for the entry, review, and approval of transactions in the debt management system.					
307.07 Office of State and Local Finance	\$152,000	\$0	\$0	\$152,000	2
Sub-total	\$152,000	\$0	\$0	\$152,000	2
Total Comptroller of the Treasury	\$7,152,000	\$0	\$198,000	\$7,350,000	4

Treasury Department

• College Savings					
To provide non-recurring funds for incentives and the marketing of the College Savings Program.					
309.03 TN Stars College Savings 529 Program	\$500,000	\$0	\$0	\$500,000	0
Sub-total	\$500,000	\$0	\$0	\$500,000	0
• Information Technology Systems Vendor Support					
To provide recurring funds for vendor support internal management systems. Of the \$970,000 in recurring program revenue, \$50,000 will support the cash management accounting system TANDEM, \$500,000 will fund the state retirement management system CONCORD, \$100,000 will fund paperless imaging licenses, and \$320,000 will fund Origami, the new risk management system.					
309.01 Treasury Department	\$0	\$0	\$970,000	\$970,000	0
Sub-total	\$0	\$0	\$970,000	\$970,000	0

General Government
Cost Increases for Fiscal Year 2016-2017

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• State Pooled Investment Fund Bank Fees					
To provide recurring funds to cover bank fees related to the management of the state pooled investment fund.					
309.01 Treasury Department	\$0	\$0	\$350,000	\$350,000	0
Sub-total	\$0	\$0	\$350,000	\$350,000	0
• Investments and Analysis					
To provide recurring funds for two full-time positions. These positions will provide research, support, and quantitative analysis for the state's investment portfolio. Funding for these positions is available from administrative program revenue.					
309.01 Treasury Department	\$0	\$0	\$250,000	\$250,000	2
Sub-total	\$0	\$0	\$250,000	\$250,000	2
• Unclaimed Property					
To provide recurring funding for two service counselor positions to answer customer calls and free up other existing staff to focus on processing claims, reducing backlog, and better streamlining operations. Currently the Unclaimed Property staff has to answer all calls from a potential claimant inquiring about unclaimed property, in addition to reviewing the claims, and approving or requesting more information as appropriate. Program revenue of the Treasury Department will cover these costs.					
309.01 Treasury Department	\$0	\$0	\$120,000	\$120,000	2
Sub-total	\$0	\$0	\$120,000	\$120,000	2
• Financial Literacy Commission					
To provide recurring funds for one full-time position for the Tennessee Financial Literacy Commission. A position in Financial Literacy is needed to allow the commission to enhance current efforts through teacher training, and explore future opportunities that further the department's mission to equip Tennesseans to make sound financial decisions. Program revenue of Financial Literacy will cover these costs.					
309.01 Treasury Department	\$0	\$0	\$70,000	\$70,000	1
Sub-total	\$0	\$0	\$70,000	\$70,000	1
Total Treasury Department	\$500,000	\$0	\$1,760,000	\$2,260,000	5
Executive Department					
• Statutory Salary Increase					
To provide recurring funding for the Governor's salary adjustment required by TCA 8-1-102. By law, the salary is linked to the salary of the chief justice of the Supreme Court.					
315.01 Governor's Office	\$500	\$0	\$0	\$500	0
Sub-total	\$500	\$0	\$0	\$500	0
Total Executive Department	\$500	\$0	\$0	\$500	0

General Government
Cost Increases for Fiscal Year 2016-2017

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Tennessee Regulatory Authority					
• Captioned Telephone Relay Services - 2014 Public Chapter 795					
To provide recurring funds to enact 2014 Public Chapter 795 for the Telecommunications Devices Access Program. These funds will provide for captioned telephone relay services as part of the 911 surcharge fee collected by the Emergency Communications Board.					
316.11 Tennessee Regulatory Authority	\$0	\$0	\$1,200,000	\$1,200,000	0
Sub-total	\$0	\$0	\$1,200,000	\$1,200,000	0
• Gas Pipeline Safety					
To provide recurring funds for additional federally mandated training courses for gas pipeline engineers. These dedicated state funds will receive a federal match.					
316.11 Tennessee Regulatory Authority	\$21,600	\$69,600	\$0	\$91,200	0
Sub-total	\$21,600	\$69,600	\$0	\$91,200	0
Total Tennessee Regulatory Authority	\$21,600	\$69,600	\$1,200,000	\$1,291,200	0

Finance and Administration

• Enterprise Information Technology - Business Solutions Delivery (BSD)					
To provide positions and recurring funds for NextGen salaries to implement a new management structure for information technology services.					
317.20 Business Solutions Delivery	\$5,758,800	\$0	\$0	\$5,758,800	25
Sub-total	\$5,758,800	\$0	\$0	\$5,758,800	25
• Enterprise Information Technology - Strategic Technology Solutions (STS)					
To provide administrative positions and recurring interdepartmental funding for Strategic Technology Solutions (STS).					
317.03 Strategic Technology Solutions	\$0	\$0	\$1,164,400	\$1,164,400	7
Sub-total	\$0	\$0	\$1,164,400	\$1,164,400	7
• Enterprise Information Technology - Enterprise Resources Planning					
To provide recurring interdepartmental funding for NextGen salaries for staff in Edison.					
317.17 Enterprise Resource Planning	\$0	\$0	\$1,062,400	\$1,062,400	0
Sub-total	\$0	\$0	\$1,062,400	\$1,062,400	0

General Government
Cost Increases for Fiscal Year 2016-2017

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Enterprise Information Technology - Administration					
To provide recurring funds for two additional positions to process human resource transactions resulting from transferring agency information technology staff to BSD.					
317.01 Division of Administration	\$53,800	\$0	\$114,300	\$168,100	2
Sub-total	\$53,800	\$0	\$114,300	\$168,100	2
• Strategic Technology Solutions (STS) Security Initiatives					
To provide recurring funds to improve the security of data and systems through the addition of security hardware, software, and services.					
317.03 Strategic Technology Solutions	\$0	\$0	\$1,051,500	\$1,051,500	0
Sub-total	\$0	\$0	\$1,051,500	\$1,051,500	0
• Capital Projects Accounting					
To provide recurring funds for two additional capital projects accounting positions.					
317.01 Division of Administration	\$155,900	\$0	\$0	\$155,900	2
Sub-total	\$155,900	\$0	\$0	\$155,900	2
• Budget Analyst					
To provide recurring funds for one new position to help maximize the potential of the newly developed budget management system, and to support all staff by enhancing the ability to review, analyze, and report budget information.					
317.02 Division of Budget	\$82,600	\$0	\$0	\$82,600	1
Sub-total	\$82,600	\$0	\$0	\$82,600	1
Total Finance and Administration	\$6,051,100	\$0	\$3,392,600	\$9,443,700	37
General Services					
• Governor's Books From Birth Foundation					
To provide recurring funding for increased enrollment, book purchases, mailing costs, and reading initiatives.					
321.21 Governor's Books from Birth Fund	\$570,700	\$0	\$0	\$570,700	0
Sub-total	\$570,700	\$0	\$0	\$570,700	0
Total General Services	\$570,700	\$0	\$0	\$570,700	0

General Government
Cost Increases for Fiscal Year 2016-2017

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Veterans Services					
• Parkers Crossroads					
To provide recurring funds for two positions necessary to establish operations at the proposed veterans cemetery at Parkers Crossroads. The two positions will not be necessary until the final quarter of fiscal year 2016-2017.					
323.00 Veterans Services	\$42,200	\$0	\$0	\$42,200	2
Sub-total	\$42,200	\$0	\$0	\$42,200	2
Total Veterans Services	\$42,200	\$0	\$0	\$42,200	2
Revenue					
• Revenue Modernization Act - 2015 Public Chapter 514					
To provide funds to enact the Revenue Modernization Act of 2015, Public Chapter 514. The final fiscal note recommended an additional four positions in fiscal year 2016-2017. A total of \$21,400 is non-recurring and \$350,600 will be recurring.					
347.13 Taxpayer Services Division	\$101,200	\$0	\$0	\$101,200	2
347.14 Audit Division	\$270,800	\$0	\$0	\$270,800	2
Sub-total	\$372,000	\$0	\$0	\$372,000	4
• James Lee Atwood Jr. Law - 2015 Public Chapter 511					
To provide recurring funds to enact 2015 legislation that requires the implementation of an efficient insurance verification program to enforce existing financial responsibility requirements. These funds will provide for six additional positions to accommodate the increase in revoked registrations.					
347.17 Vehicle Services Division	\$276,200	\$0	\$0	\$276,200	6
Sub-total	\$276,200	\$0	\$0	\$276,200	6
• Revenue and Tax Collection System Replacement					
To provide non-recurring funds to begin the process of developing a new revenue and tax collection system.					
347.23 Tennessee Revenue Registration and Reporting System	\$12,727,600	\$0	\$0	\$12,727,600	16
Sub-total	\$12,727,600	\$0	\$0	\$12,727,600	16
Total Revenue	\$13,375,800	\$0	\$0	\$13,375,800	26

General Government
Cost Increases for Fiscal Year 2016-2017

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Miscellaneous Appropriations					
• Pay for Performance Salary Pool					
To provide a pool of recurring funds equivalent to a 4 percent salary increase for employee compensation adjustments based on performance evaluations. The percentage of salary increase each employee receives will be based on an evaluation score of Valued, Advanced, or Outstanding. These increases will be effective January 1, 2017, with a recurring annualized cost of \$51,664,800.					
351.00 Miscellaneous Appropriations	\$25,832,400	\$0	\$0	\$25,832,400	0
Sub-total	\$25,832,400	\$0	\$0	\$25,832,400	0
• Salary Pool for Non-TEAM Act Agencies					
To provide a pool of recurring funds equivalent to a 3 percent salary increase for employee compensation increases to be allocated by the appointing authorities of agencies not covered in the Tennessee Excellence, Accountability, and Management (TEAM) Act. These increases will be effective January 1, 2017, with a recurring annualized cost of \$8,388,000.					
351.00 Miscellaneous Appropriations	\$4,194,000	\$0	\$0	\$4,194,000	0
Sub-total	\$4,194,000	\$0	\$0	\$4,194,000	0
• Market Adjustment					
To provide a pool of recurring funds for salary market adjustments for state employees effective July 1, 2016.					
351.00 Miscellaneous Appropriations	\$36,060,100	\$0	\$0	\$36,060,100	0
Sub-total	\$36,060,100	\$0	\$0	\$36,060,100	0
• State Employee - 401(k) State Match					
To provide recurring funds to maintain the 401(k) state match at \$50.					
351.00 Miscellaneous Appropriations	\$2,500,000	\$0	\$0	\$2,500,000	0
Sub-total	\$2,500,000	\$0	\$0	\$2,500,000	0
• Group Health Insurance - Annualize January 1, 2016 Rate Increase					
To provide recurring funds for the annualized state share of a 3.5 percent group health insurance premium increase. Additional funding for eligible higher education employees is included in departmental budget for Higher Education. The total increase to the general fund is \$8,900,000.					
351.00 Miscellaneous Appropriations	\$4,800,000	\$0	\$0	\$4,800,000	0
Sub-total	\$4,800,000	\$0	\$0	\$4,800,000	0

General Government

Cost Increases for Fiscal Year 2016-2017

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Group Health Insurance - January 1, 2017 Rate Increase					
To provide recurring funds for the state share of a 4.7 percent group health insurance premium increase. This is funded for six months in The Recommended Budget. Additional funding for eligible higher education employees (\$5,704,700) is included in the departmental budget for Higher Education. Funding for the state share of a 6.1 percent group health insurance premium for teachers and other licensed K-12 employees funded by the BEP (\$15,186,600) is recommended in the Department of Education's budget. The total increase to the general fund is \$27,491,300.					
351.00 Miscellaneous Appropriations	\$6,600,000	\$0	\$0	\$6,600,000	0
Sub-total	\$6,600,000	\$0	\$0	\$6,600,000	0
• Retiree Health Insurance					
To provide recurring 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	\$8,910,000	\$0	\$0	\$8,910,000	0
Sub-total	\$8,910,000	\$0	\$0	\$8,910,000	0
• Administration Amendment					
To provide funds for the cost of legislation amendments proposed by the administration. From the appropriation, \$8,000,000 is recurring and \$6,535,000 is non-recurring.					
351.00 Miscellaneous Appropriations	\$14,535,000	\$0	\$0	\$14,535,000	0
Sub-total	\$14,535,000	\$0	\$0	\$14,535,000	0
• Legislative Initiatives					
To provide funds for legislative initiatives. From the appropriation, \$4,000,000 is recurring and \$4,000,000 is non-recurring.					
351.00 Miscellaneous Appropriations	\$8,000,000	\$0	\$0	\$8,000,000	0
Sub-total	\$8,000,000	\$0	\$0	\$8,000,000	0
• Internet Protocol Telephony (IPT) System Conversion					
To provide funds needed for the conversion of the current analog phone systems at the Regional Mental Health Institutes to the IPT system. Transition costs will include cabling upgrades, phone equipment, and phone service. Of the appropriation, \$166,600 is recurring and \$1,330,700 is non-recurring.					
351.00 Miscellaneous Appropriations	\$1,497,300	\$0	\$0	\$1,497,300	0
Sub-total	\$1,497,300	\$0	\$0	\$1,497,300	0

General Government

Cost Increases for Fiscal Year 2016-2017

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Strategic Technology Solutions (STS) Security Initiatives					
To provide recurring funds needed to improve the security of data and systems through the addition of security hardware, software, and services.					
351.00 Miscellaneous Appropriations	\$630,900	\$0	\$0	\$630,900	0
Sub-total	<u>\$630,900</u>	<u>\$0</u>	<u>\$0</u>	<u>\$630,900</u>	<u>0</u>
• Enterprise Information Technology					
To provide recurring funds to implement a new management structure for information technology services. From the appropriation, \$637,400 will be used to reclass Edison staff to NextGen positions; and \$698,600 will be used to fund new administrative positions in Strategic Technology Solutions (STS).					
351.00 Miscellaneous Appropriations	\$1,336,000	\$0	\$0	\$1,336,000	0
Sub-total	<u>\$1,336,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,336,000</u>	<u>0</u>
• Risk Management - Actuarial Adjustment					
To provide non-recurring funds to increase reserve requirements (year three of three).					
351.00 Miscellaneous Appropriations	\$3,200,000	\$0	\$0	\$3,200,000	0
Sub-total	<u>\$3,200,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,200,000</u>	<u>0</u>
• Severance Benefits					
To provide non-recurring funds for severance benefits based on the positions included in Volume II, Base Budget Reductions.					
351.00 Miscellaneous Appropriations	\$900,000	\$0	\$0	\$900,000	0
Sub-total	<u>\$900,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$900,000</u>	<u>0</u>
• Facilities Revolving Fund					
To provide recurring funds for a Davidson County rent adjustment.					
351.00 Miscellaneous Appropriations	\$3,750,000	\$0	\$0	\$3,750,000	0
Sub-total	<u>\$3,750,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,750,000</u>	<u>0</u>
• TN Arts Academy Foundation					
To provide non-recurring funds for the TN Arts Academy Foundation.					
351.00 Miscellaneous Appropriations	\$100,000	\$0	\$0	\$100,000	0
Sub-total	<u>\$100,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$100,000</u>	<u>0</u>

General Government
Cost Increases for Fiscal Year 2016-2017

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Families Free					
To provide non-recurring funds to Families Free for assistance for babies born addicted to drugs.					
351.00 Miscellaneous Appropriations	\$100,000	\$0	\$0	\$100,000	0
Sub-total	\$100,000	\$0	\$0	\$100,000	0
• Risk Management					
To provide recurring funds for a risk management premium increase.					
351.00 Miscellaneous Appropriations	\$1,000,000	\$0	\$0	\$1,000,000	0
Sub-total	\$1,000,000	\$0	\$0	\$1,000,000	0
• National Organization of Black Elected Women (NOBEL)					
To provide non-recurring funds for the NOBEL conference to be held in Tennessee.					
351.00 Miscellaneous Appropriations	\$150,000	\$0	\$0	\$150,000	0
Sub-total	\$150,000	\$0	\$0	\$150,000	0
• Chair of Excellence in Accounting					
To provide non-recurring funds for a Chair of Excellence in Accounting Trust at Middle Tennessee State University.					
351.00 Miscellaneous Appropriations	\$1,500,000	\$0	\$0	\$1,500,000	0
Sub-total	\$1,500,000	\$0	\$0	\$1,500,000	0
Total Miscellaneous Appropriations	\$125,595,700	\$0	\$0	\$125,595,700	0
Emergency and Contingency Fund					
• Emergency and Contingency					
To provide additional recurring funds for the Emergency and Contingency Fund.					
353.00 Emergency and Contingency Fund	\$180,700	\$0	\$0	\$180,700	0
Sub-total	\$180,700	\$0	\$0	\$180,700	0
Total Emergency and Contingency Fund	\$180,700	\$0	\$0	\$180,700	0
Total General Government	\$153,490,300	\$69,600	\$6,550,600	\$160,110,500	74

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 serve 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 Tennessee's General Assembly is the House of Representatives. The state is divided into 99 House districts, each electing one representative. Representatives are elected to serve two-year terms, with all representatives standing for election at the same time.

<u>Actual</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>	<u>Base</u> <u>2016-2017</u>	<u>Cost Increase</u> <u>2016-2017</u>	<u>Recommended</u> <u>2016-2017</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	1,683,700	2,026,200	2,026,200	0	2,026,200
Operational	3,612,600	2,592,600	2,592,400	0	2,592,400
Total	\$5,296,300	\$4,618,800	\$4,618,600	\$0	\$4,618,600
State	4,561,900	4,601,800	4,601,600	0	4,601,600
Federal	0	0	0	0	0
Other	734,400	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. 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 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
Payroll	5,708,300	7,130,600	7,130,600	0	7,130,600
Operational	1,493,600	1,531,500	1,530,500	0	1,530,500
Total	\$7,201,900	\$8,662,100	\$8,661,100	\$0	\$8,661,100
State	7,188,300	8,592,100	8,591,100	0	8,591,100
Federal	0	0	0	0	0
Other	13,600	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: 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	26,400	68,900	68,900	0	68,900
Total	\$26,400	\$68,900	\$68,900	\$0	\$68,900
State	26,400	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

The 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 House committees.

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	14,080,300	15,083,600	15,083,600	0	15,083,600
Operational	2,136,800	3,433,700	3,425,200	0	3,425,200
Total	\$16,217,100	\$18,517,300	\$18,508,800	\$0	\$18,508,800
State	16,171,100	18,488,800	18,480,300	0	18,480,300
Federal	0	0	0	0	0
Other	46,000	28,500	28,500	0	28,500

	<u>Actual</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>	<u>Base</u> <u>2016-2017</u>	<u>Cost Increase</u> <u>2016-2017</u>	<u>Recommended</u> <u>2016-2017</u>
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301.08 State Senate

The 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 Senate committees.

Full-Time	101	101	101	0	101
Part-Time	54	54	54	0	54
Seasonal	0	0	0	0	0
Total	155	155	155	0	155
Payroll	7,148,600	8,675,300	8,675,300	0	8,675,300
Operational	1,077,600	1,735,600	1,728,000	0	1,728,000
Total	\$8,226,200	\$10,410,900	\$10,403,300	\$0	\$10,403,300
State	8,189,700	10,388,900	10,381,300	0	10,381,300
Federal	0	0	0	0	0
Other	36,500	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	28,620,900	32,915,700	32,915,700	0	32,915,700
Operational	8,347,000	9,362,300	9,345,000	0	9,345,000
Total	\$36,967,900	\$42,278,000	\$42,260,700	\$0	\$42,260,700
State	36,137,400	42,140,500	42,123,200	0	42,123,200
Federal	0	0	0	0	0
Other	830,500	137,500	137,500	0	137,500

Fiscal Review Committee

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

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

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</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	1,038,400	1,462,100	1,462,100	0	1,462,100
Operational	22,300	33,700	33,500	0	33,500
Total	\$1,060,700	\$1,495,800	\$1,495,600	\$0	\$1,495,600
State	1,060,700	1,495,800	1,495,600	0	1,495,600
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, State Library Services, and the Economic Council on Women.

<u>Actual</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>	<u>Base</u> <u>2016-2017</u>	<u>Cost Increase</u> <u>2016-2017</u>	<u>Recommended</u> <u>2016-2017</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	165	165	165	0	165
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	165	165	165	0	165
Payroll	11,081,100	13,905,100	13,905,100	0	13,905,100
Operational	4,344,900	3,657,800	3,615,700	0	3,615,700
Total	\$15,426,000	\$17,562,900	\$17,520,800	\$0	\$17,520,800
State	5,977,400	10,404,600	10,362,500	0	10,362,500
Federal	0	300,000	300,000	0	300,000
Other	9,448,600	6,858,300	6,858,300	0	6,858,300

305.02 State Election Commission

The State Election Commission, in conformity with Title II 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 serve 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.

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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	108,300	123,100	123,100	0	123,100
Operational	1,428,900	1,474,500	1,474,500	0	1,474,500
Total	\$1,537,200	\$1,597,600	\$1,597,600	\$0	\$1,597,600
State	1,537,200	1,597,600	1,597,600	0	1,597,600
Federal	0	0	0	0	0
Other	0	0	0	0	0

305.03 Public Documents

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

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	242,000	392,700	392,700	0	392,700
Total	\$242,000	\$392,700	\$392,700	\$0	\$392,700
State	242,000	392,700	392,700	0	392,700
Federal	0	0	0	0	0
Other	0	0	0	0	0

305.07 Bureau of Ethics and Campaign Finance

In the 2009 legislative session, the Bureau of Ethics and Campaign Finance was created by merging the Registry of Election Finance and the Ethics Commission, which remain in two distinct divisions. The Registry of Election Finance administers and enforces parts or all of the following provisions: the Campaign Financial Disclosure Act of 1980, the Registry of Election Finance Act, the Campaign Contributions Act of 1995, and the Gubernatorial Inauguration Financial Disclosure Act. The Ethics Commission administers and enforces parts or all of the 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.

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	857,400	1,032,200	1,032,200	0	1,032,200
Operational	260,900	158,100	157,900	0	157,900
Total	\$1,118,300	\$1,190,300	\$1,190,100	\$0	\$1,190,100
State	480,100	675,200	675,000	0	675,000
Federal	0	0	0	0	0
Other	638,200	515,100	515,100	0	515,100

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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305.09 Charitable Solicitations and Charitable Gaming

The Charitable Solicitations and Charitable Gaming division is responsible for the registration and regulation of charitable organizations. The division also registers and regulates professional solicitors, professional 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	945,200	1,581,900	1,581,900	0	1,581,900
Operational	323,700	246,900	246,700	0	246,700
Total	\$1,268,900	\$1,828,800	\$1,828,600	\$0	\$1,828,600
State	0	148,300	148,100	0	148,100
Federal	0	0	0	0	0
Other	1,268,900	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 (HAVA), requiring changes and improvements in the electoral process. The Secretary of State is responsible for implementing and administering these mandatory changes. Improved changes include voting systems, provisional voting, and establishing a statewide voter registration database. Funds are provided 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	648,300	27,500,000	27,500,000	0	27,500,000
Total	\$648,300	\$27,500,000	\$27,500,000	\$0	\$27,500,000
State	0	0	0	0	0
Federal	647,000	26,500,000	26,500,000	0	26,500,000
Other	1,300	1,000,000	1,000,000	0	1,000,000

305.13 Records Management

The Records Management Division is the primary records management agency for Tennessee state government. The Records Management Division 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	8	8	0	8
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	7	8	8	0	8
Payroll	423,200	564,400	564,400	0	564,400
Operational	530,000	629,100	628,900	0	628,900
Total	\$953,200	\$1,193,500	\$1,193,300	\$0	\$1,193,300

Secretary of State

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	953,200	1,193,500	1,193,300	0	1,193,300

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

The 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	90	90	90	0	90
Part-Time	3	3	3	0	3
Seasonal	0	0	0	0	0
Total	93	93	93	0	93
Payroll	5,696,700	6,335,300	6,335,300	0	6,335,300
Operational	6,251,000	5,954,900	5,953,300	0	5,953,300
Total	\$11,947,700	\$12,290,200	\$12,288,600	\$0	\$12,288,600
State	8,548,000	8,804,400	8,802,800	0	8,802,800
Federal	2,654,100	2,820,700	2,820,700	0	2,820,700
Other	745,600	665,100	665,100	0	665,100

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	54	54	54	0	54
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	54	54	54	0	54
Payroll	3,324,400	3,823,700	3,823,700	0	3,823,700
Operational	3,694,900	3,758,000	3,757,100	0	3,757,100
Total	\$7,019,300	\$7,581,700	\$7,580,800	\$0	\$7,580,800
State	6,387,600	6,790,600	6,789,700	0	6,789,700
Federal	626,600	596,100	596,100	0	596,100
Other	5,100	195,000	195,000	0	195,000

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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Economic Council on Women

305.08 Economic Council on Women

The 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 pertaining to 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	163,800	187,300	187,300	0	187,300
Operational	65,500	44,900	44,900	0	44,900
Total	\$229,300	\$232,200	\$232,200	\$0	\$232,200
State	226,500	232,200	232,200	0	232,200
Federal	0	0	0	0	0
Other	2,800	0	0	0	0

305.00 Total Secretary of State

Full-Time	353	354	354	0	354
Part-Time	10	10	10	0	10
Seasonal	0	0	0	0	0
Total	363	364	364	0	364
Payroll	22,600,100	27,553,000	27,553,000	0	27,553,000
Operational	17,790,100	43,816,900	43,771,700	0	43,771,700
Total	\$40,390,200	\$71,369,900	\$71,324,700	\$0	\$71,324,700
State	23,398,800	29,045,600	29,000,600	0	29,000,600
Federal	3,927,700	30,216,800	30,216,800	0	30,216,800
Other	13,063,700	12,107,500	12,107,300	0	12,107,300

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 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</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.

Full-Time	10	19	19	0	19
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	10	19	19	0	19
Payroll	1,174,500	1,676,200	1,676,200	0	1,676,200
Operational	240,100	2,103,600	2,103,100	0	2,103,100
Total	\$1,414,600	\$3,779,800	\$3,779,300	\$0	\$3,779,300
State	1,301,800	3,670,400	3,669,900	0	3,669,900
Federal	0	0	0	0	0
Other	112,800	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, and payroll. The office also supports the Comptroller of the Treasury in the areas of policy and contracts.

Full-Time	53	28	28	0	28
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	53	28	28	0	28
Payroll	4,713,500	2,445,500	2,445,500	0	2,445,500
Operational	6,846,200	1,000,500	999,600	0	999,600
Total	\$11,559,700	\$3,446,000	\$3,445,100	\$0	\$3,445,100
State	9,502,900	3,446,000	3,445,100	0	3,445,100
Federal	0	0	0	0	0
Other	2,056,800	0	0	0	0

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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307.16 Division of Technology Solutions

The Division of Technology Services provides administrative and support services for information technology to the various divisions and boards in the Comptroller's Office.

Full-Time	0	29	29	0	29
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	29	29	0	29
Payroll	0	2,835,900	2,835,900	0	2,835,900
Operational	0	4,362,500	4,362,500	0	4,362,500
Total	\$0	\$7,198,400	\$7,198,400	\$0	\$7,198,400
State	0	6,925,900	6,925,900	0	6,925,900
Federal	0	0	0	0	0
Other	0	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 the Office of Research. Together, they form the Offices of Research and Education Accountability. They 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, which is 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	12	12	12	0	12
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	12	12	12	0	12
Payroll	1,094,300	1,169,300	1,169,300	0	1,169,300
Operational	79,700	112,300	112,100	0	112,100
Total	\$1,174,000	\$1,281,600	\$1,281,400	\$0	\$1,281,400
State	1,174,000	1,281,600	1,281,400	0	1,281,400
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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Audit Services

The Divisions of Audit are responsible for conducting post-audits of the state's Comprehensive Annual Financial Report and other entities and grantees as required by federal and state law, so as to be in compliance with Government Auditing Standards. The department also audits all counties, or in lieu of a state audit, accepts an audit prepared by either a certified public accountant or a licensed public accountant. The department also audits all municipalities, schools, and utility districts in the state. The divisions set rates for nursing facilities that participate in the state TennCare program and conduct financial-related reviews of Managed Care Organizations (MCOs) and Behavioral Health Organizations (BHOs).

307.04 Division of State Audit

The Division of State Audit is responsible for providing independent 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	202	196	196	0	196
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	202	196	196	0	196
Payroll	15,356,200	16,468,100	16,468,100	0	16,468,100
Operational	1,366,300	1,425,200	1,422,500	0	1,422,500
Total	\$16,722,500	\$17,893,300	\$17,890,600	\$0	\$17,890,600
State	9,036,000	13,064,400	13,061,700	0	13,061,700
Federal	0	0	0	0	0
Other	7,686,500	4,828,900	4,828,900	0	4,828,900

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	97	94	94	0	94
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	97	94	94	0	94
Payroll	8,311,200	8,814,900	8,814,900	0	8,814,900
Operational	580,700	794,600	743,000	0	743,000
Total	\$8,891,900	\$9,609,500	\$9,557,900	\$0	\$9,557,900
State	7,589,900	8,322,300	8,270,700	0	8,270,700
Federal	0	0	0	0	0
Other	1,302,000	1,287,200	1,287,200	0	1,287,200

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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307.06 Legal, Investigations, and Public Affairs

The Division of Legal, Investigations, and Public Affairs 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	25	26	26	0	26
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	25	26	26	0	26
Payroll	1,912,100	2,374,700	2,374,700	0	2,374,700
Operational	248,800	268,000	267,700	0	267,700
Total	\$2,160,900	\$2,642,700	\$2,642,400	\$0	\$2,642,400
State	2,149,000	2,580,200	2,579,900	0	2,579,900
Federal	0	0	0	0	0
Other	11,900	62,500	62,500	0	62,500

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 U.S. 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	0	0	2	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	16	0	0	2	2
Payroll	1,098,600	0	0	184,000	184,000
Operational	140,800	0	0	14,000	14,000
Total	\$1,239,400	\$0	\$0	\$198,000	\$198,000
State	1,073,500	0	0	0	0
Federal	0	0	0	0	0
Other	165,900	0	0	198,000	198,000

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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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 areas of municipal finance.

Full-Time	16	16	16	2	18
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	16	16	16	2	18
Payroll	1,320,200	1,480,800	1,480,800	142,000	1,622,800
Operational	107,100	122,600	122,400	10,000	132,400
Total	\$1,427,300	\$1,603,400	\$1,603,200	\$152,000	\$1,755,200
State	852,400	1,019,000	1,018,800	152,000	1,170,800
Federal	0	0	0	0	0
Other	574,900	584,400	584,400	0	584,400

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	103	116	116	0	116
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	103	116	116	0	116
Payroll	6,491,300	8,253,200	8,253,200	0	8,253,200
Operational	1,456,300	1,832,000	1,830,500	0	1,830,500
Total	\$7,947,600	\$10,085,200	\$10,083,700	\$0	\$10,083,700
State	6,234,400	8,235,700	8,234,200	0	8,234,200
Federal	0	0	0	0	0
Other	1,713,200	1,849,500	1,849,500	0	1,849,500

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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307.10 Tax Relief

The Tax Relief program provides state funds to reimburse homeowners who meet legal requirements for all or for part of local 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 administrators 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	32,120,300	35,415,100	28,415,100	7,000,000	35,415,100
Total	\$32,120,300	\$35,415,100	\$28,415,100	\$7,000,000	\$35,415,100
State	32,120,300	35,415,100	28,415,100	7,000,000	35,415,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

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 member named by the Governor at the city level, and one member named by the Governor at the county level.

Full-Time	12	11	11	0	11
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	20	19	19	0	19
Payroll	873,200	983,800	983,800	0	983,800
Operational	245,200	252,100	251,900	0	251,900
Total	\$1,118,400	\$1,235,900	\$1,235,700	\$0	\$1,235,700
State	957,900	1,128,400	1,128,200	0	1,128,200
Federal	0	0	0	0	0
Other	160,500	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 TCA 67-5-1301. Assessments are certified to counties and cities for the billing and collection of property taxes for these properties.

Full-Time	13	12	12	0	12
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	13	12	12	0	12

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
Payroll	1,063,200	997,600	997,600	0	997,600
Operational	111,200	122,000	121,800	0	121,800
Total	\$1,174,400	\$1,119,600	\$1,119,400	\$0	\$1,119,400
State	1,049,400	994,600	994,400	0	994,400
Federal	0	0	0	0	0
Other	125,000	125,000	125,000	0	125,000

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	10,415,400	7,000,000	7,000,000	0	7,000,000
Total	\$10,415,400	\$7,000,000	\$7,000,000	\$0	\$7,000,000
State	6,993,300	7,000,000	7,000,000	0	7,000,000
Federal	0	0	0	0	0
Other	3,422,100	0	0	0	0

307.00 Total Comptroller of the Treasury

Full-Time	559	559	559	4	563
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	567	567	567	4	571
Payroll	43,408,300	47,500,000	47,500,000	326,000	47,826,000
Operational	53,958,100	54,810,500	47,752,200	7,024,000	54,776,200
Total	\$97,366,400	\$102,310,500	\$95,252,200	\$7,350,000	\$102,602,200
State	80,034,800	93,083,600	86,025,300	7,152,000	93,177,300
Federal	0	0	0	0	0
Other	17,331,600	9,226,900	9,226,900	198,000	9,424,900

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 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</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, the TN STARS College Savings 529 Program, and the Baccalaureate Education System Trust (BEST). BEST is a pre-paid college tuition savings plan closed to new enrollees. The department also assists the three-member Claims Commission and directs the staff of the Claims Administration and Risk Management divisions.

Full-Time	266	282	282	5	287
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	266	282	282	5	287
Payroll	22,166,900	25,993,400	26,014,800	394,000	26,408,800
Operational	8,321,300	10,186,100	10,229,800	1,366,000	11,595,800
Total	\$30,488,200	\$36,179,500	\$36,244,600	\$1,760,000	\$38,004,600
State	268,700	728,300	801,600	0	801,600
Federal	0	0	0	0	0
Other	30,219,500	35,451,200	35,443,000	1,760,000	37,203,000

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	407,200	407,300	407,300	0	407,300
Total	\$407,200	\$407,300	\$407,300	\$0	\$407,300

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
State	407,200	407,300	407,300	0	407,300
Federal	0	0	0	0	0
Other	0	0	0	0	0

309.03 TN Stars College Savings 529 Program

The TN STARS College Savings 529 Program houses both the Baccalaureate Education System Trust (BEST) and the marquee program known as the TN Stars College Savings 529 Plan. The BEST plan allows anyone to pay for higher education costs in advance on behalf of a beneficiary but has closed to new enrollees. The TN STARS plan is an investment program established under section 529 of the federal tax code that allows for tax-free earnings on investments to fund qualified higher educational expenses. The program 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	1,477,200	1,545,900	1,045,900	500,000	1,545,900
Total	\$1,477,200	\$1,545,900	\$1,045,900	\$500,000	\$1,545,900
State	1,420,700	1,420,800	920,800	500,000	1,420,800
Federal	0	0	0	0	0
Other	56,500	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	186,500	250,000	250,000	0	250,000
Total	\$186,500	\$250,000	\$250,000	\$0	\$250,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	186,500	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

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
Payroll	0	0	0	0	0
Operational	73,600	463,500	463,500	0	463,500
Total	\$73,600	\$463,500	\$463,500	\$0	\$463,500
State	73,600	463,500	463,500	0	463,500
Federal	0	0	0	0	0
Other	0	0	0	0	0
309.00 Total Treasury Department					
Full-Time	266	282	282	5	287
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	266	282	282	5	287
Payroll	22,166,900	25,993,400	26,014,800	394,000	26,408,800
Operational	10,465,800	12,852,800	12,396,500	1,866,000	14,262,500
Total	\$32,632,700	\$38,846,200	\$38,411,300	\$2,260,000	\$40,671,300
State	2,170,200	3,019,900	2,593,200	500,000	3,093,200
Federal	0	0	0	0	0
Other	30,462,500	35,826,300	35,818,100	1,760,000	37,578,100

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 department oversees the Criminal Injuries Compensation Fund, Risk Management Fund, and Unclaimed Property.

<u>Actual</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>	<u>Base</u> <u>2016-2017</u>	<u>Cost Increase</u> <u>2016-2017</u>	<u>Recommended</u> <u>2016-2017</u>
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313.03 Criminal Injuries Compensation

The Criminal Injuries Compensation Program assists those 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 are 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	11,942,500	16,350,000	16,350,000	0	16,350,000
Total	\$11,942,500	\$16,350,000	\$16,350,000	\$0	\$16,350,000
State	7,524,900	12,576,000	11,410,000	0	11,410,000
Federal	4,408,000	3,774,000	4,940,000	0	4,940,000
Other	9,600	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	62,682,500	60,617,400	61,456,900	0	61,456,900
Total	\$62,682,500	\$60,617,400	\$61,456,900	\$0	\$61,456,900

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
State	3,199,900	0	0	0	0
Federal	0	0	0	0	0
Other	59,482,600	60,617,400	61,456,900	0	61,456,900

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	44,416,000	33,750,000	38,250,000	0	38,250,000
Total	\$44,416,000	\$33,750,000	\$38,250,000	\$0	\$38,250,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	44,416,000	33,750,000	38,250,000	0	38,250,000

313.21 Educator Liability Trust Fund

The educator liability trust fund was established with non-recurring funds through 2015 Public Chapter 491. The fund provides personal liability coverage to teachers free of charge to ensure that teachers are adequately covered minimizing their own personal expense.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	0	5,000,000	0	0	0
Total	\$0	\$5,000,000	\$0	\$0	\$0
State	0	5,000,000	0	0	0
Federal	0	0	0	0	0
Other	0	0	0	0	0

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	119,041,000	115,717,400	116,056,900	0	116,056,900
Total	\$119,041,000	\$115,717,400	\$116,056,900	\$0	\$116,056,900
State	10,724,800	17,576,000	11,410,000	0	11,410,000
Federal	4,408,000	3,774,000	4,940,000	0	4,940,000
Other	103,908,200	94,367,400	99,706,900	0	99,706,900

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 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
315.01 Governor's Office					
Full-Time	39	39	39	0	39
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	39	39	39	0	39
Payroll	3,843,000	4,161,900	4,161,900	500	4,162,400
Operational	1,047,600	1,022,100	1,020,800	0	1,020,800
Total	\$4,890,600	\$5,184,000	\$5,182,700	\$500	\$5,183,200
State	4,884,600	5,184,000	5,182,700	500	5,183,200
Federal	0	0	0	0	0
Other	6,000	0	0	0	0

Tennessee Human Rights Commission

The Tennessee Human Rights Commission (THRC) is charged with the responsibility of ensuring fair and equal treatment for all Tennesseans in employment, housing, and public accommodations without regard to race, color, religion, sex, age, handicap, or national origin. The THRC also monitors other state agencies' compliance with civil rights laws in the expenditure of federal funds 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 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</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	1,772,500	1,980,800	1,980,800	0	1,980,800
Operational	482,200	515,500	514,500	0	514,500
Total	\$2,254,700	\$2,496,300	\$2,495,300	\$0	\$2,495,300
State	1,657,000	1,712,900	1,712,300	0	1,712,300
Federal	572,400	783,400	783,000	0	783,000
Other	25,300	0	0	0	0

Tennessee Regulatory Authority

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

<u>Actual</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>	<u>Base</u> <u>2016-2017</u>	<u>Cost Increase</u> <u>2016-2017</u>	<u>Recommended</u> <u>2016-2017</u>
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316.11 Tennessee Regulatory Authority

Full-Time	61	61	61	0	61
Part-Time	5	5	5	0	5
Seasonal	0	0	0	0	0
Total	66	66	66	0	66
Payroll	4,541,400	5,678,600	5,678,600	0	5,678,600
Operational	1,847,200	1,731,600	1,729,200	1,291,200	3,020,400
Total	\$6,388,600	\$7,410,200	\$7,407,800	\$1,291,200	\$8,699,000
State	4,907,000	6,345,000	6,342,800	21,600	6,364,400
Federal	614,200	834,200	834,000	69,600	903,600
Other	867,400	231,000	231,000	1,200,000	1,431,000

Advisory Commission on Intergovernmental Relations

In 1978, the General Assembly created the Tennessee Advisory Commission on Intergovernmental Relations (TACIR) to monitor the operation of federal, state, and local government relations and to make recommendations for improvement to the General Assembly. The commission is comprised of 25 members representing the executive branch, legislative branch, county and municipal governments, and the public. TACIR is a permanent, non-partisan forum for the discussion of intergovernmental issues and may initiate studies in accordance with legislative proposals and constitutional amendments. The commission also responds to requests for technical assistance from the General Assembly, state agencies, and local governments.

Current studies and activities directed by the General Assembly for TACIR include: the property assessment system in Tennessee; Tennessee's growth policy, annexation, and incorporation law; an ongoing inventory of public infrastructure needs; and a utility district study.

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

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</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	1,808,500	2,101,000	2,101,000	0	2,101,000
Operational	917,400	970,400	949,400	0	949,400
Total	\$2,725,900	\$3,071,400	\$3,050,400	\$0	\$3,050,400
State	0	221,700	201,700	0	201,700
Federal	0	0	0	0	0
Other	2,725,900	2,849,700	2,848,700	0	2,848,700

Department of Finance and Administration

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, Enterprise IT Transformation, 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 document.

<u>Actual</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>	<u>Base</u> <u>2016-2017</u>	<u>Cost Increase</u> <u>2016-2017</u>	<u>Recommended</u> <u>2016-2017</u>
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Administrative Services

Administrative Services 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	94	80	81	4	85
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	94	80	81	4	85
Payroll	7,113,100	6,913,500	6,977,500	260,000	7,237,500
Operational	1,104,200	3,201,000	3,105,100	64,000	3,169,100
Total	\$8,217,300	\$10,114,500	\$10,082,600	\$324,000	\$10,406,600
State	2,177,200	3,110,800	3,079,800	209,700	3,289,500
Federal	0	0	0	0	0
Other	6,040,100	7,003,700	7,002,800	114,300	7,117,100

317.04 Benefits Administration

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	100	100	100	0	100
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	100	100	100	0	100

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
Payroll	6,317,900	7,202,600	7,202,600	0	7,202,600
Operational	2,678,000	3,231,700	3,230,600	0	3,230,600
Total	\$8,995,900	\$10,434,300	\$10,433,200	\$0	\$10,433,200
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	8,995,900	10,434,300	10,433,200	0	10,433,200

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	19	19	23	0	23
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	19	19	23	0	23
Payroll	1,388,800	1,813,100	2,086,300	0	2,086,300
Operational	20,720,600	27,134,900	55,696,300	0	55,696,300
Total	\$22,109,400	\$28,948,000	\$57,782,600	\$0	\$57,782,600
State	4,049,400	4,605,500	4,577,100	0	4,577,100
Federal	17,927,600	24,236,700	53,099,700	0	53,099,700
Other	132,400	105,800	105,800	0	105,800

317.10 State Architect's Office

The State Architect's Office 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	6	6	6	0	6
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	6	6	6	0	6
Payroll	557,100	719,600	719,600	0	719,600
Operational	598,500	120,400	120,200	0	120,200
Total	\$1,155,600	\$840,000	\$839,800	\$0	\$839,800
State	1,155,600	840,000	839,800	0	839,800
Federal	0	0	0	0	0
Other	0	0	0	0	0

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 program also provides training and support services to increase service-learning and civic engagement, especially for at-risk youth. In addition, Volunteer Tennessee administers national competitive AmeriCorps grants and the Governor's Volunteer Star Awards.

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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	349,200	500,300	500,300	0	500,300
Operational	4,075,700	4,929,600	4,054,600	0	4,054,600
Total	\$4,424,900	\$5,429,900	\$4,554,900	\$0	\$4,554,900
State	244,500	231,000	230,900	0	230,900
Federal	4,149,100	5,187,100	4,312,200	0	4,312,200
Other	31,300	11,800	11,800	0	11,800

Fiscal and Management Services

Fiscal Management Services develops and implements policies pertaining to the fiscal and managerial aspects of state government, including budgeting and accounting.

317.02 Division of Budget

In accordance with budget recommendations of the Governor and the Commissioner of Finance and Administration, the Division of Budget prepares the annual budget document and general appropriations bill for transmittal to the General Assembly. The division also is responsible for preparing the annual work program (enacted budget allotments) by adjusting the proposed budget document to reflect final legislative action on the appropriations act and bond authorization act. The budget document 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.

Full-Time	30	30	30	1	31
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
Total	32	32	32	1	33
Payroll	2,925,700	3,343,500	3,343,500	82,600	3,426,100
Operational	681,100	601,700	601,200	0	601,200
Total	\$3,606,800	\$3,945,200	\$3,944,700	\$82,600	\$4,027,300
State	3,606,800	3,945,200	3,944,700	82,600	4,027,300
Federal	0	0	0	0	0
Other	0	0	0	0	0

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).

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
Full-Time	169	200	200	0	200
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	169	200	200	0	200
Payroll	9,533,800	15,438,300	15,438,300	0	15,438,300
Operational	3,546,400	2,738,700	2,288,800	0	2,288,800
Total	\$13,080,200	\$18,177,000	\$17,727,100	\$0	\$17,727,100
State	1,465,100	1,678,800	1,678,700	0	1,678,700
Federal	0	0	0	0	0
Other	11,615,100	16,498,200	16,048,400	0	16,048,400

Enterprise IT Transformation

Enterprise IT Transformation (EIT) is a new statewide initiative. EIT focuses on transforming state information technology towards a unified model that upholds uniform processes and standardized methodologies under a single organizational structure. As a part of the EIT initiative, the following divisions will be under the management of the state's Chief Information Officer: Strategic Technology Solutions (STS), Enterprise Resource Planning, and Business Solutions Delivery.

317.03 Strategic Technology Solutions

Strategic Technology Solutions (STS), formerly known as the Office of Information Resources, 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. Strategic Technology Solutions (STS) provides for statewide data, voice, and video operations; information systems planning; information technology training; and security policy, direction, and protection. Strategic Technology Solutions (STS) 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	369	411	380	7	387
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	369	411	380	7	387
Payroll	30,530,500	39,003,300	36,800,800	890,000	37,690,800
Operational	110,263,700	115,371,100	110,580,300	1,325,900	111,906,200
Total	\$140,794,200	\$154,374,400	\$147,381,100	\$2,215,900	\$149,597,000
State	0	2,250,000	2,250,000	0	2,250,000
Federal	73,500	0	0	0	0
Other	140,720,700	152,124,400	145,131,100	2,215,900	147,347,000

317.17 Enterprise Resource Planning

The Enterprise Resource Planning (ERP) division delivers an integrated enterprise software solution for addressing the state's administrative functions, such as human resources, payroll, personnel, financial management, and procurement. Effective July 1, 2016, the ERP division will come under the management of the state's Chief Information Officer.

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
Full-Time	101	104	104	0	104
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	101	104	104	0	104
Payroll	9,183,300	9,869,700	9,869,700	1,062,400	10,932,100
Operational	22,572,400	18,701,700	18,700,100	0	18,700,100
Total	\$31,755,700	\$28,571,400	\$28,569,800	\$1,062,400	\$29,632,200
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	31,755,700	28,571,400	28,569,800	1,062,400	29,632,200

317.20 Business Solutions Delivery

Business Solutions Delivery (BSD) provides project management resources to help successfully implement large and complex agency information technology projects. BSD develops standard methodologies, tools, and measurements to help agencies achieve desired project outcomes. A portion of the recommended increase of positions and funding in BSD reflect the transfer of existing information technology positions from state agencies. Effective November 15, 2015, the BSD division came under the management of the state's Chief Information Officer.

Full-Time	21	96	326	25	351
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	21	96	326	25	351
Payroll	2,637,700	6,359,800	30,773,300	4,740,300	35,513,600
Operational	1,299,500	1,484,500	2,623,300	1,018,500	3,641,800
Total	\$3,937,200	\$7,844,300	\$33,396,600	\$5,758,800	\$39,155,400
State	3,453,600	3,767,600	3,688,800	5,758,800	9,447,600
Federal	0	0	0	0	0
Other	483,600	4,076,700	29,707,800	0	29,707,800

TennCare Fraud and Abuse Prevention

317.12 Office of Inspector General

The Office of Inspector General 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	49	49	49	0	49
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	49	49	49	0	49
Payroll	3,457,500	3,867,100	3,867,100	0	3,867,100
Operational	837,100	1,212,900	1,211,500	0	1,211,500
Total	\$4,294,600	\$5,080,000	\$5,078,600	\$0	\$5,078,600
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	4,294,600	5,080,000	5,078,600	0	5,078,600

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
317.00 Total Finance and Administration					
Full-Time	965	1,102	1,306	37	1,343
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
Total	967	1,104	1,308	37	1,345
Payroll	73,994,600	95,030,800	117,579,000	7,035,300	124,614,300
Operational	168,377,200	178,728,200	202,212,000	2,408,400	204,620,400
Total	\$242,371,800	\$273,759,000	\$319,791,000	\$9,443,700	\$329,234,700
State	16,152,200	20,428,900	20,289,800	6,051,100	26,340,900
Federal	22,150,200	29,423,800	57,411,900	0	57,411,900
Other	204,069,400	223,906,300	242,089,300	3,392,600	245,481,900

Department of Human Resources

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 Tennessee Excellence, Accountability and Management (TEAM) Act of 2012. DOHR 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 five major program areas of DOHR are Executive Administration, Strategic Learning Solutions, HR Management Services, Office of the General Counsel, and HR Operations.

<u>Actual</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>	<u>Base</u> <u>2016-2017</u>	<u>Cost Increase</u> <u>2016-2017</u>	<u>Recommended</u> <u>2016-2017</u>
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319.01 Executive Administration

Executive Administration is responsible for the development and implementation of best practice policies and procedures for human resource management within the state and the overall direction of the agency.

Full-Time	16	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	16	2	2	0	2
Payroll	1,263,700	261,400	261,400	0	261,400
Operational	1,211,100	1,137,000	887,100	0	887,100
Total	\$2,474,800	\$1,398,400	\$1,148,500	\$0	\$1,148,500
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	2,474,800	1,398,400	1,148,500	0	1,148,500

319.02 Strategic Learning Solutions

Strategic Learning Solutions (SLS) consults and partners with executive leaders to create a customized learning strategy for their agency that develops and sustains a high performing workforce. SLS is charged with assisting agencies with all their professional learning and development, leadership development, talent management and succession planning needs, and creating customized learning programs that maximize employee potential and develops targeted results to achieve strategic business goals and objectives.

Full-Time	17	21	21	0	21
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	17	21	21	0	21
Payroll	1,031,600	1,541,000	1,633,200	0	1,633,200
Operational	1,315,300	1,204,800	1,171,400	0	1,171,400
Total	\$2,346,900	\$2,745,800	\$2,804,600	\$0	\$2,804,600
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	2,346,900	2,745,800	2,804,600	0	2,804,600

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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319.03 HR Management Services

HR Management Services administers state employee compensation and position classifications. This division is also responsible for developing and administering preferred service position assessments, informing applicants about employment and promotional opportunities, and processing general employee transactions such as appointments, transfers, promotions, separations, and attendance and leave adjustments.

Full-Time	75	67	66	0	66
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	75	67	66	0	66
Payroll	4,351,200	4,543,200	4,456,500	0	4,456,500
Operational	141,900	140,700	126,600	0	126,600
Total	\$4,493,100	\$4,683,900	\$4,583,100	\$0	\$4,583,100
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	4,493,100	4,683,900	4,583,100	0	4,583,100

319.05 Office of the General Counsel

The Office of the General Counsel oversees all legal issues within DOHR, offering counsel and advice to state agencies and individuals on employment law matters. This office oversees all departmental legislative affairs, administers oversight over all media and public records requests, and houses the Ethics Compliance Officer for DOHR. In addition, the Office of General Counsel manages many services provided to state employees. The program areas include the Board of Appeals, Employee Relations, Legal Services, and Equal Employment Opportunity.

Full-Time	18	18	12	0	12
Part-Time	18	18	18	0	18
Seasonal	0	0	0	0	0
Total	36	36	30	0	30
Payroll	1,236,700	1,497,600	1,146,300	0	1,146,300
Operational	190,600	369,400	319,800	0	319,800
Total	\$1,427,300	\$1,867,000	\$1,466,100	\$0	\$1,466,100
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,427,300	1,867,000	1,466,100	0	1,466,100

319.06 HR Operations

HR Operations is comprised of Fiscal Services, Quality Assurance and Records Management, Human Resources, and Research and Planning.

Full-Time	0	28	35	0	35
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	28	35	0	35
Payroll	0	1,828,500	2,422,300	0	2,422,300
Operational	0	100,000	135,300	0	135,300
Total	\$0	\$1,928,500	\$2,557,600	\$0	\$2,557,600

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	0	1,928,500	2,557,600	0	2,557,600
319.00 Total Human Resources					
Full-Time	126	136	136	0	136
Part-Time	18	18	18	0	18
Seasonal	0	0	0	0	0
Total	144	154	154	0	154
Payroll	7,883,200	9,671,700	9,919,700	0	9,919,700
Operational	2,858,900	2,951,900	2,640,200	0	2,640,200
Total	\$10,742,100	\$12,623,600	\$12,559,900	\$0	\$12,559,900
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	10,742,100	12,623,600	12,559,900	0	12,559,900

Department of General Services

The Department of General Services (DGS) acts as a support organization for other state departments and agencies. The department provides support through Administrative Services, Property Management Services, Interdepartmental Support Services, and the Governor's Books from Birth Fund.

<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</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

Administration provides assistance to all programs in DGS, establishes and directs the official policies related to departmental agency services, and provides fiscal, personnel, and legal services to the department.

Full-Time	47	37	36	0	36
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	47	37	36	0	36
Payroll	3,307,300	3,719,100	3,609,300	0	3,609,300
Operational	1,895,900	2,751,000	2,703,200	0	2,703,200
Total	\$5,203,200	\$6,470,100	\$6,312,500	\$0	\$6,312,500
State	123,200	125,800	0	0	0
Federal	0	0	0	0	0
Other	5,080,000	6,344,300	6,312,500	0	6,312,500

321.15 Office of Information Technology Services (OITS)

The Office of Information Technology Services provides funding for information technology services provided by the Department of Finance and Administration, Strategic Technology Solutions (STS).

Full-Time	15	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	15	0	0	0	0
Payroll	1,136,900	0	0	0	0
Operational	375,500	2,253,700	2,252,500	0	2,252,500
Total	\$1,512,400	\$2,253,700	\$2,252,500	\$0	\$2,252,500
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,512,400	2,253,700	2,252,500	0	2,252,500

Property Management Services

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

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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321.06 Motor Vehicle Management

Motor Vehicle Management (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	25	25	21	0	21
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	25	25	21	0	21
Payroll	1,534,300	1,577,400	1,290,200	0	1,290,200
Operational	41,832,100	44,517,500	44,293,600	0	44,293,600
Total	\$43,366,400	\$46,094,900	\$45,583,800	\$0	\$45,583,800
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	43,366,400	46,094,900	45,583,800	0	45,583,800

321.07 Real Estate Asset Management

Real Estate Asset Management 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.

Full-Time	111	108	108	0	108
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	111	108	108	0	108
Payroll	7,408,000	9,512,300	9,512,300	0	9,512,300
Operational	7,040,700	7,978,300	7,882,100	0	7,882,100
Total	\$14,448,700	\$17,490,600	\$17,394,400	\$0	\$17,394,400
State	4,099,900	4,585,400	4,494,900	0	4,494,900
Federal	0	0	0	0	0
Other	10,348,800	12,905,200	12,899,500	0	12,899,500

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	354,700	9,425,000	5,425,000	0	5,425,000
Total	\$354,700	\$9,425,000	\$5,425,000	\$0	\$5,425,000

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
State	354,700	1,425,000	1,425,000	0	1,425,000
Federal	0	0	0	0	0
Other	0	8,000,000	4,000,000	0	4,000,000

Interdepartmental Support Services

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

321.02 Postal Services

Postal Services 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	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	1,606,700	1,816,800	1,816,800	0	1,816,800
Operational	15,596,200	19,200,900	18,513,000	0	18,513,000
Total	\$17,202,900	\$21,017,700	\$20,329,800	\$0	\$20,329,800
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	17,202,900	21,017,700	20,329,800	0	20,329,800

321.09 Printing and Media Services

Printing and Media Services 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	66	66	66	0	66
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	66	66	66	0	66
Payroll	3,042,500	3,611,400	3,611,400	0	3,611,400
Operational	4,074,700	4,238,100	4,134,600	0	4,134,600
Total	\$7,117,200	\$7,849,500	\$7,746,000	\$0	\$7,746,000
State	0	320,800	320,300	0	320,300
Federal	0	0	0	0	0
Other	7,117,200	7,528,700	7,425,700	0	7,425,700

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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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 \$50,000, 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	82	82	82	0	82
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	82	82	82	0	82
Payroll	5,468,100	6,516,000	6,420,000	0	6,420,000
Operational	3,205,600	2,877,800	2,969,000	0	2,969,000
Total	\$8,673,700	\$9,393,800	\$9,389,000	\$0	\$9,389,000
State	62,000	0	0	0	0
Federal	0	0	0	0	0
Other	8,611,700	9,393,800	9,389,000	0	9,389,000

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	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	1,426,900	1,756,700	1,756,700	0	1,756,700
Operational	2,193,300	3,376,000	3,374,100	0	3,374,100
Total	\$3,620,200	\$5,132,700	\$5,130,800	\$0	\$5,130,800
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	3,620,200	5,132,700	5,130,800	0	5,130,800

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.

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	3,104,100	3,354,100	3,354,100	570,700	3,924,800
Total	\$3,104,100	\$3,354,100	\$3,354,100	\$570,700	\$3,924,800
State	3,104,100	3,354,100	3,354,100	570,700	3,924,800
Federal	0	0	0	0	0
Other	0	0	0	0	0
321.00 Total General Services					
Full-Time	421	393	388	0	388
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	421	393	388	0	388
Payroll	24,930,700	28,509,700	28,016,700	0	28,016,700
Operational	79,672,800	99,972,400	94,901,200	570,700	95,471,900
Total	\$104,603,500	\$128,482,100	\$122,917,900	\$570,700	\$123,488,600
State	7,743,900	9,811,100	9,594,300	570,700	10,165,000
Federal	0	0	0	0	0
Other	96,859,600	118,671,000	113,323,600	0	113,323,600

Veterans Services

The Department of Veterans Services 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 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
323.00 Veterans Services					
Full-Time	98	97	97	2	99
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	98	97	97	2	99
Payroll	4,751,600	5,128,000	5,078,400	39,000	5,117,400
Operational	1,703,200	1,624,700	1,658,400	3,200	1,661,600
Total	\$6,454,800	\$6,752,700	\$6,736,800	\$42,200	\$6,779,000
State	4,774,300	5,473,000	5,467,100	42,200	5,509,300
Federal	1,123,700	1,022,700	1,022,700	0	1,022,700
Other	556,800	257,000	247,000	0	247,000

Department of Revenue

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, and Disaster Relief functions.

<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</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	94	88	89	0	89
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	94	88	89	0	89
Payroll	7,509,500	7,586,400	7,646,400	0	7,646,400
Operational	1,753,700	1,752,200	21,501,600	0	21,501,600
Total	\$9,263,200	\$9,338,600	\$29,148,000	\$0	\$29,148,000
State	5,981,800	6,280,300	18,300,500	0	18,300,500
Federal	4,500	0	0	0	0
Other	3,276,900	3,058,300	10,847,500	0	10,847,500

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, which includes 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	79	76	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	79	76	0	0	0
Payroll	5,685,100	6,846,600	0	0	0
Operational	9,784,200	13,029,700	0	0	0
Total	\$15,469,300	\$19,876,300	\$0	\$0	\$0

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
State	7,699,100	12,439,300	0	0	0
Federal	3,800	0	0	0	0
Other	7,766,400	7,437,000	0	0	0

347.22 Computerized Title and Registration System

The Computerized Title and Registration System division's primary mission is to improve the processing of titling and registration transactions from customer contact through point-of-sale, inventory, financial reporting, and balancing with the Department of Revenue and the State of Tennessee county clerks.

Full-Time	12	15	5	0	5
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	12	15	5	0	5
Payroll	1,043,100	1,459,600	748,300	0	748,300
Operational	2,589,100	3,330,000	4,041,300	0	4,041,300
Total	\$3,632,200	\$4,789,600	\$4,789,600	\$0	\$4,789,600
State	3,632,200	4,789,600	4,789,600	0	4,789,600
Federal	0	0	0	0	0
Other	0	0	0	0	0

347.23 Tennessee Revenue Registration and Reporting System

The Tennessee Revenue Registration and Reporting System's division develops and will operate the next generation of the state's tax administration system. This platform will handle tax functions for the Department of Revenue, including the filing of returns and payments, as well as supporting auditing and collection of delinquent taxes. This centralized system will include state-of-the art reporting features and a taxpayer access portal for secure online transactions.

Full-Time	0	0	0	16	16
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	16	16
Payroll	0	0	0	1,531,000	1,531,000
Operational	0	7,063,800	0	11,196,600	11,196,600
Total	\$0	\$7,063,800	\$0	\$12,727,600	\$12,727,600
State	0	2,800,000	0	12,727,600	12,727,600
Federal	0	0	0	0	0
Other	0	4,263,800	0	0	0

Support Services

Support Services programs provide assistance to the operations of revenue collection services.

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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347.13 Taxpayer Services Division

The Taxpayer Services Division is responsible for taxpayer registration, taxpayer education, taxpayer assistance, and correction of posting errors. The program has employees in various locations across the state.

Full-Time	108	111	111	2	113
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	108	111	111	2	113
Payroll	5,732,600	6,297,000	6,297,000	82,600	6,379,600
Operational	2,414,400	2,210,200	2,209,000	18,600	2,227,600
Total	\$8,147,000	\$8,507,200	\$8,506,000	\$101,200	\$8,607,200
State	6,438,300	6,912,600	6,834,800	101,200	6,936,000
Federal	0	0	0	0	0
Other	1,708,700	1,594,600	1,671,200	0	1,671,200

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	119	110	110	0	110
Part-Time	4	4	4	0	4
Seasonal	0	0	0	0	0
Total	123	114	114	0	114
Payroll	5,516,200	6,106,400	6,106,400	0	6,106,400
Operational	877,500	1,247,300	1,246,000	0	1,246,000
Total	\$6,393,700	\$7,353,700	\$7,352,400	\$0	\$7,352,400
State	2,815,600	4,186,700	4,057,700	0	4,057,700
Federal	0	0	0	0	0
Other	3,578,100	3,167,000	3,294,700	0	3,294,700

347.17 Vehicle Services Division

The Vehicle Services Division is responsible for issuing, recording, and enforcing ownership titles; regulating the sale and distribution of vehicle license plates; and regulating these activities through 95 county clerks. The program is centrally located in the Nashville area.

Full-Time	97	93	93	6	99
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	97	93	93	6	99
Payroll	5,235,800	5,416,400	5,416,400	247,800	5,664,200
Operational	13,803,800	13,070,700	13,055,600	28,400	13,084,000
Total	\$19,039,600	\$18,487,100	\$18,472,000	\$276,200	\$18,748,200

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
State	16,870,800	16,941,700	16,926,600	276,200	17,202,800
Federal	0	0	0	0	0
Other	2,168,800	1,545,400	1,545,400	0	1,545,400

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.

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 division'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 various locations throughout the state.

Full-Time	127	127	127	0	127
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	127	127	127	0	127
Payroll	7,344,500	7,712,500	7,712,500	0	7,712,500
Operational	1,141,200	1,148,500	1,146,800	0	1,146,800
Total	\$8,485,700	\$8,861,000	\$8,859,300	\$0	\$8,859,300
State	5,054,700	5,644,200	5,489,400	0	5,489,400
Federal	0	0	0	0	0
Other	3,431,000	3,216,800	3,369,900	0	3,369,900

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. This is accomplished through 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	356	356	356	2	358
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	356	356	356	2	358

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
Payroll	26,430,200	27,882,300	27,882,300	208,800	28,091,100
Operational	3,768,600	4,043,100	4,037,000	62,000	4,099,000
Total	\$30,198,800	\$31,925,400	\$31,919,300	\$270,800	\$32,190,100
State	19,175,000	21,661,700	21,170,500	270,800	21,441,300
Federal	3,000	20,900	20,900	0	20,900
Other	11,020,800	10,242,800	10,727,900	0	10,727,900

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	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	1,201,400	1,350,900	1,350,900	0	1,350,900
Operational	337,500	295,100	294,100	0	294,100
Total	\$1,538,900	\$1,646,000	\$1,645,000	\$0	\$1,645,000
State	1,538,900	1,646,000	1,645,000	0	1,645,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Disaster Relief

The Disaster Relief division 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	0	250,000	250,000	0	250,000
Total	\$0	\$250,000	\$250,000	\$0	\$250,000
State	0	250,000	250,000	0	250,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>	<u>Base</u> <u>2016-2017</u>	<u>Cost Increase</u> <u>2016-2017</u>	<u>Recommended</u> <u>2016-2017</u>
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347.21 Tax Refund Interest Expense

The Tax Refund Interest Expense 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	1,134,600	2,500,000	2,500,000	0	2,500,000
Total	\$1,134,600	\$2,500,000	\$2,500,000	\$0	\$2,500,000
State	1,134,600	2,500,000	2,500,000	0	2,500,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

347.00 Total Revenue

Full-Time	1,011	995	910	26	936
Part-Time	4	4	4	0	4
Seasonal	0	0	0	0	0
Total	1,015	999	914	26	940
Payroll	65,698,400	70,658,100	63,160,200	2,070,200	65,230,400
Operational	37,604,600	49,940,600	50,281,400	11,305,600	61,587,000
Total	\$103,303,000	\$120,598,700	\$113,441,600	\$13,375,800	\$126,817,400
State	70,341,000	86,052,100	81,964,100	13,375,800	95,339,900
Federal	11,300	20,900	20,900	0	20,900
Other	32,950,700	34,525,700	31,456,600	0	31,456,600

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 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
351.00 Miscellaneous Appropriations					
Full-Time	8	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	8	0	0	0	0
Payroll	0	0	0	0	0
Operational	40,184,500	101,762,500	98,583,100	125,595,700	224,178,800
Total	\$40,184,500	\$101,762,500	\$98,583,100	\$125,595,700	\$224,178,800
State	38,592,900	100,672,500	98,583,100	125,595,700	224,178,800
Federal	3,300	0	0	0	0
Other	1,588,300	1,090,000	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 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</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	180,700	1,000,000
Total	\$0	\$819,300	\$819,300	\$180,700	\$1,000,000
State	0	819,300	819,300	180,700	1,000,000
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>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>	<u>Base</u> <u>2016-2017</u>	<u>Cost Increase</u> <u>2016-2017</u>	<u>Recommended</u> <u>2016-2017</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	98,000	425,000	400,000	0	400,000
Total	\$98,000	\$425,000	\$400,000	\$0	\$400,000
State	98,000	250,000	250,000	0	250,000
Federal	0	0	0	0	0
Other	0	175,000	150,000	0	150,000

**General Government
Priority Goals and Measures**

<u>Goal</u>	<u>Measure</u>	<u>Measure Frequency</u>	<u>Baseline</u>	<u>Most Recent</u>	<u>Target</u>
Department of Finance and Administration					
Improve and/or incorporate basic period closing accounting disciplines into the back office accounting business model of four executive branch departments to help improve the usefulness, timeliness, and reliability of departmental and statewide financial reporting.					
	Identify and meet with four executive branch departments before 10/31/15.	Fiscal Quarterly	0	2	4
	For four of four selected departments, all departmental closing tasks for 6/30/16 are completed by the due dates set forth in the closing schedule developed by the Division of Accounts. This will be evaluated as meeting the commitment if no more than a total of eight approved due date extensions and tasks are completed after the due date.	Fiscal Quarterly	0	0	4
	The accounting offices of four identified executive branch departments have begun operating within centralized accounting initiative on or before 9/30/16.	Fiscal Quarterly	0	0	4
Deliver successful agency business applications through the on-time completion of milestones toward full solution implementation.					
	Average customer satisfaction score of 4.2 of 5.0 across all Business Solutions Delivery projects (conducted at least twice a year).	Fiscal Quarterly	4.00	4.65	4.20
Produce the Governor's Proposed Budget by 2/1/16.					
	Number of Missed Deadlines:	Fiscal Quarterly	0	2	0
	1. Aug. 15th: Budget Instructions out to agencies				
	2. Oct. 1st: Budget Request due from agencies (out of Finance & Administration control)				
	3. Nov. 12th: Budget Hearing material is distributed to agencies (prior to hearings)				
	4. End of Nov.: Budget Hearings complete				
	5. End of Dec.: Complete Actual, Base, Expansions, Reorgs. and Other Adjustments				
	6. End of Dec.: Nov. thru Feb. 1st: Governor decisions (out of Finance & Administration control)				
	7. Jan. 16th: B-Section to Print Shop				
	8. Jan. 23rd: A-Section to Print Shop				
	9. Jan. 25th: Volume 2 to Print Shop				
	10. Feb. 1st: Budget Document is submitted to the General Assembly.				
Keep the state's IT systems operational with high customer satisfaction ratings.					
	Achieve a combined 95 percent average customer service rating of "Good" or "Superior" annually.	Fiscal Quarterly	84.0%	97.7%	95.0%

**General Government
Priority Goals and Measures**

<u>Goal</u>	<u>Measure</u>	<u>Measure Frequency</u>	<u>Baseline</u>	<u>Most Recent</u>	<u>Target</u>
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Department of Human Resources

By June 2016, utilizing the statewide learning and development model, implement a learning track for supervisors in the following levels: Level I Fundamental Management Skills, Level II Advanced Management Skills, and Level III Fundamental Leadership Skills.

Of the 8,400 supervisors, there are three targets based on percentage for completing the Level I Certificate for Fundamental Management Skills.	Calendar Quarterly	0	Not Available	25%
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Of the 8,400 supervisors, there are three targets based on percentage for completing the Level II Certification for Advanced Management Skills.	Calendar Quarterly	0	Not Available	5%
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Of the 8,400 supervisors, there are three targets based on percentage for completing the Level III Certification for Fundamental Leadership Skills.	Calendar Quarterly	0	Not Available	3%
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By June 2016, offer to a minimum of four appointing authorities and their leadership teams the state's workforce and succession planning model that consists of ten talent management practices designed to recruit and retain top talent.

Number of executive branch executives and leadership groups participating in workforce development and succession planning.	Calendar Quarterly	16 Agencies	Not Available	20 Agencies
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Department of General Services

Central Procurement Office - Provide improved procurement services at lower costs.

Total spend of select contracts.	Monthly	\$662,000,000	\$631,684,000	\$642,140,000
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Percent of customers satisfied.	Monthly	85.00%	94.75%	87.00%
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State of Tennessee Real Estate Asset Management - Provide improved facility management at lower costs.

Total facility management spend (excludes utilities and state administrative costs).	Fiscal Year (June 30)	\$31,087,768	Not Available	\$30,474,991
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Total spend of utilities.	Fiscal Year (June 30)	\$16,500,000	Not Available	\$16,137,000
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Percent of customers satisfied.	Monthly	85.0%	99.2%	87.0%
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Veterans Services

Increase the number of veterans connecting with available jobs at Veterans Services outreach/job fair events and partnerships by June 2016.

Number of attendees (Year to Date (YTD)).	Monthly	730	0	1,095
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**General Government
Priority Goals and Measures**

<u>Goal</u>	<u>Measure</u>	<u>Measure Frequency</u>	<u>Baseline</u>	<u>Most Recent</u>	<u>Target</u>
Establish in-person connections with campus leadership and student veteran organizations at a third of higher education campuses by June 2016.	Percent of higher education institutions contacted (YTD).	Monthly	0%	46%	30%
Increase efficiency in claims assistance by enabling county service officers to file electronic claims to decrease claims processing times by June 2016.	Percent of county service offices filing electronic claims (YTD).	Monthly	48%	74%	93%
Increase the number of online pre-registration for burials with increased communication and improved technology by June 2016.	Number of online pre-registrations (YTD).	Monthly	1,020	285	2,500
Increase the number of Veteran Treatment Courts or veteran dockets supported by Veterans Services and partners by June 2016.	Percent of Veteran Treatment Courts supported by Veterans Services and partners (YTD).	Monthly	75%	75%	100%
Department of Revenue					
Maintain timely depositing of all tax collections within 24 hours of receipt and reporting of revenue collections within 10 days after the end of each month.					
	Funds deposited within 24 hours of receipt.	Monthly	100%	100%	100%
	Collections reported by the 10th of each following month.	Monthly	100%	100%	100%
Leverage Customer Service Solution to improve information available to customers.					
	Number of customer service solution articles available 24/7.	Monthly	500	574	625
	Median customer service solution ticket full resolution time (hours).	Monthly	2.3	2.1	2

Education



Education

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Education

Recommended Budget, Fiscal Year 2016 – 2017

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. TSAC also administers the Tennessee Promise Endowment Scholarship program.

The lottery scholarships are funded through the Lottery for Education Account. The majority of these funds are made available for scholarships at post-secondary institutions. Scholarships include the Tennessee HOPE Scholarship, Needs-Base Supplemental Award, Dual Enrollment, Wilder-Naifeh Technical Skills Grant, and Non-Traditional student.

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.

Education Total Personnel and Funding

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Recommended 2016-2017</u>
Personnel			
Full-Time *	26,386	26,766	26,787
Part-Time	70	69	69
Seasonal	0	0	0
TOTAL	26,456	26,835	26,856
Expenditures			
Payroll	\$ 98,460,900	\$ 120,220,400	\$ 122,773,100
Operational	9,612,807,900	9,900,122,600	10,290,500,800
TOTAL	\$ 9,711,268,800	\$ 10,020,343,000	\$ 10,413,273,900
Funding			
State **	\$ 5,879,000,400	\$ 6,136,632,800	\$ 6,506,637,900
Federal	1,331,422,400	1,300,816,000	1,331,282,700
Other	793,301,800	813,658,400	806,117,500
Tuition/Fees	1,707,544,200	1,769,235,800	1,769,235,800

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

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

\$ 326,321,700	\$ 346,200,000	\$ 339,800,000
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Education
Recommended Budget for Fiscal Year 2016-2017
By Funding Source

Department	State	Federal	Other	Total
331.00 Education (K-12)	4,763,852,000	1,114,013,000	125,051,800	6,002,916,800
332.00 Higher Education	1,742,785,900	217,269,700	2,450,301,500 *	4,410,357,100
Total	\$6,506,637,900	\$1,331,282,700	\$2,575,353,300	\$10,413,273,900

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

Education
Cost Increases for Fiscal Year 2016-2017

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Education (K-12)					
• Basic Education Program - Teacher Compensation					
To provide recurring funds for the enhancement of compensation for teachers and other positions to be distributed to each Local Education Agency (LEA) and administered according to each LEA's salary schedule and compensation structure. This increase is effective July 1, 2016.					
331.25 Basic Education Program	\$104,600,000	\$0	\$0	\$104,600,000	0
Sub-total	\$104,600,000	\$0	\$0	\$104,600,000	0
• Basic Education Program - Growth and Inflationary Costs					
To provide recurring funds for Basic Education Program (BEP) formula growth and inflationary costs.					
331.25 Basic Education Program	\$48,800,000	\$0	\$0	\$48,800,000	0
Sub-total	\$48,800,000	\$0	\$0	\$48,800,000	0
• Basic Education Program - Health Insurance					
To provide recurring funds for a 12th month of insurance in the BEP.					
331.25 Basic Education Program	\$29,480,000	\$0	\$0	\$29,480,000	0
Sub-total	\$29,480,000	\$0	\$0	\$29,480,000	0
• Basic Education Program - Technology					
To provide recurring funds for LEAs for instructional technology and infrastructure improvements to support classroom instruction.					
331.25 Basic Education Program	\$15,000,000	\$0	\$0	\$15,000,000	0
Sub-total	\$15,000,000	\$0	\$0	\$15,000,000	0
• Basic Education Program - English Language Learners					
To provide recurring funds for additional teachers and translators for English language learner students.					
331.25 Basic Education Program	\$13,901,000	\$0	\$0	\$13,901,000	0
Sub-total	\$13,901,000	\$0	\$0	\$13,901,000	0
• Basic Education Program - Other Improvements					
To provide recurring funds for other formula adjustments, including baseline and stability funding for LEAs as well as related mandatory increases for other formula components.					
331.25 Basic Education Program	\$6,483,000	\$0	\$0	\$6,483,000	0
Sub-total	\$6,483,000	\$0	\$0	\$6,483,000	0

Education

Cost Increases for Fiscal Year 2016-2017

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Basic Education Program - Special Education					
To provide recurring funds to revise special education funding caseload allocations to incentivize student placement in the least restrictive educational setting according to the student's unique needs and Individualized Education Plan (IEPs).					
331.25 Basic Education Program	\$4,801,000	\$0	\$0	\$4,801,000	0
Sub-total	\$4,801,000	\$0	\$0	\$4,801,000	0
• Group Health Insurance - January 1, 2017					
To provide recurring funds for the state share of a 6.1 percent group health insurance increase for LEAs for January 1, 2017. This is funded for six months in the recommended budget.					
331.25 Basic Education Program	\$15,186,600	\$0	\$0	\$15,186,600	0
Sub-total	\$15,186,600	\$0	\$0	\$15,186,600	0
• Statewide Literacy Coaching and Intervention Initiative					
To provide non-recurring funds for the Statewide Literacy Coaching and Intervention Initiative that will build capacity in LEAs to improve literacy by creating a network of district literacy coaches and regional coordinators.					
331.39 Centers of Regional Excellence (CORE)	\$9,008,000	\$0	\$0	\$9,008,000	18
Sub-total	\$9,008,000	\$0	\$0	\$9,008,000	18
• Kindergarten Entry Screener					
To provide recurring funds to Office of Early Learning within the department for the implementation of the Kindergarten Entry Screener program to identify, assess, and measure benchmarks for kindergarten readiness.					
331.32 Early Childhood Education	\$1,000,000	\$0	\$0	\$1,000,000	0
Sub-total	\$1,000,000	\$0	\$0	\$1,000,000	0
• Professional Development					
To provide non-recurring funds for professional development to teachers as a result of new English language arts and math standards.					
331.05 Academic Offices	\$3,100,000	\$0	\$0	\$3,100,000	0
Sub-total	\$3,100,000	\$0	\$0	\$3,100,000	0
• Assessments					
To provide recurring funds for the state's comprehensive assessment program in grades three through high school, including recommendations from the Task Force on Student Testing and Assessment.					
331.11 Data and Research	\$6,532,000	\$0	\$0	\$6,532,000	0
Sub-total	\$6,532,000	\$0	\$0	\$6,532,000	0

Education

Cost Increases for Fiscal Year 2016-2017

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Legislation - Assessments					
To provide recurring funds for administration legislation that eliminates two assessments in grades eight and ten, provides one free ACT re-take to qualifying students, and requires the department to release test questions and student results on the Tennessee Comprehensive Assessment Program (TCAP) assessments.					
331.11 Data and Research	\$832,100	\$0	\$0	\$832,100	1
Sub-total	\$832,100	\$0	\$0	\$832,100	1
• Charter School Authorization					
To provide recurring funds and a position for contract services related to the State Board of Education's charter school authorization activities.					
331.07 State Board of Education	\$125,000	\$0	\$0	\$125,000	1
Sub-total	\$125,000	\$0	\$0	\$125,000	1
• Individualized Education Act					
To provide recurring funds for the implementation of the Individualized Education Act Program, which provides options for parents of certain students with disabilities to choose the education opportunities that best meet the individual needs of their child by giving them direct access to state and local public education funds associated with their child.					
331.36 Special Education Services	\$350,000	\$0	\$0	\$350,000	4
Sub-total	\$350,000	\$0	\$0	\$350,000	4
• Standards Review Process					
To provide non-recurring funds to reimburse standards review committee members involved in the state's standard review process of major curriculum areas.					
331.07 State Board of Education	\$244,000	\$0	\$0	\$244,000	0
Sub-total	\$244,000	\$0	\$0	\$244,000	0
• Alliance of Boys and Girls Clubs					
To provide non-recurring funds for the Tennessee Alliance of Boys and Girls Clubs.					
331.45 College, Career and Technical Education	\$125,000	\$0	\$0	\$125,000	0
Sub-total	\$125,000	\$0	\$0	\$125,000	0
• Save the Children Literacy Grant					
To provide non-recurring funds for the 11th year of the Save the Children Literacy Grant to target literacy improvement, focusing on grades one through three in under-served schools (schools that 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 2016-2017

	State	Federal	Other	Total	Positions
• School Leadership Training for Principals					
To provide recurring funds for school leadership training for principals.					
331.05 Academic Offices	\$440,000	\$0	\$0	\$440,000	1
Sub-total	\$440,000	\$0	\$0	\$440,000	1
• Teacher Training and Experience					
To provide recurring funds for growth in teacher training and experience at the state special schools.					
331.90 Alvin C. York Institute	\$22,400	\$0	\$0	\$22,400	0
331.91 Tennessee School for the Blind	\$33,400	\$0	\$0	\$33,400	0
331.92 Tennessee School for the Deaf	\$40,000	\$0	\$0	\$40,000	0
331.93 West Tennessee School for the Deaf	\$11,800	\$0	\$0	\$11,800	0
Sub-total	\$107,600	\$0	\$0	\$107,600	0
Total Education (K-12)	\$261,115,300	\$0	\$0	\$261,115,300	25

Higher Education - State Administered Programs

• Need-Based Student Financial Aid					
To provide recurring funds for need-based financial aid to serve 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 118,000 eligible students applied for the TSAA for the 2015-16 academic year but were not awarded due to lack of funds. This improvement would serve approximately 7,110 students. Consistent with the Drive to 55 and the Complete College Tennessee Act, the Tennessee Student Assistance Corporation's (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	\$13,200,000	\$0	\$0	\$13,200,000	0
Sub-total	\$13,200,000	\$0	\$0	\$13,200,000	0
• Labor Education Alignment Program (LEAP) 2.0					
To provide non-recurring funds for the expansion of the Labor Education Alignment Program (LEAP), which aims to eliminate skills gaps across the state in a proactive, data-driven, and coordinated manner by encouraging collaboration across education and industry.					
332.09 THEC Grants	\$10,000,000	\$0	\$0	\$10,000,000	0
Sub-total	\$10,000,000	\$0	\$0	\$10,000,000	0

Education

Cost Increases for Fiscal Year 2016-2017

	State	Federal	Other	Total	Positions
• Labor Education Alignment Program (LEAP)					
To provide non-recurring funds for a position that will provide coordination, administrative/fiscal oversight, and leadership for LEAP, which aims to eliminate skills gaps across the state in a proactive, data-driven, and coordinated manner by encouraging collaboration across education and industry.					
332.01 Tennessee Higher Education Commission	\$96,300	\$0	\$0	\$96,300	1
Sub-total	\$96,300	\$0	\$0	\$96,300	1
• Institutional Outcome Improvement Fund					
To provide non-recurring funds to award four to eight competitive grants to institutions that develop action plans for addressing lagging outcomes, goals for increases in these outcomes of focus, and metrics for how to measure success.					
332.09 THEC Grants	\$800,000	\$0	\$0	\$800,000	0
Sub-total	\$800,000	\$0	\$0	\$800,000	0
• Focus On College and University Success (FOCUS) Act					
To provide recurring funds and positions for the administration and implementation of the Focus On College and University Success (FOCUS) Act that aims to enhance student success across higher education by providing additional support for community and technical colleges, increasing autonomy and local control of Tennessee Board of Regents universities, and strengthening the Tennessee Higher Education Commission. These positions include two academic affairs officers and a capital outlay director.					
332.01 Tennessee Higher Education Commission	\$416,400	\$0	\$0	\$416,400	3
Sub-total	\$416,400	\$0	\$0	\$416,400	3
• Adult Learner					
To provide non-recurring funding for positions that will provide administrative/fiscal oversight and leadership for the Adult Learner Program. The Adult Learner Program provides grants to institutions to locate and recruit adults with some college education but no degree to finish their degree.					
332.01 Tennessee Higher Education Commission	\$200,000	\$0	\$0	\$200,000	2
Sub-total	\$200,000	\$0	\$0	\$200,000	2
• Drive to 55 Operating Fund					
To provide non-recurring funds for student outreach for the Tennessee Promise Scholarship and Tennessee Reconnect programs, which offer last-dollar scholarships to Tennessee's community and technical colleges, as well as the Tennessee College Advisor site and general Drive to 55 operations.					
332.09 THEC Grants	\$150,000	\$0	\$0	\$150,000	0
Sub-total	\$150,000	\$0	\$0	\$150,000	0

Education
Cost Increases for Fiscal Year 2016-2017

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Veteran Reconnect Grants					
To provide non-recurring funds for competitive grants focused on improving the success of student veterans enrolled in Tennessee colleges and universities by enhancing training for faculty and staff who work with veterans.					
332.09 THEC Grants	\$1,000,000	\$0	\$0	\$1,000,000	0
Sub-total	\$1,000,000	\$0	\$0	\$1,000,000	0
• Tennessee Promise Forward Grants					
To provide non-recurring funds for competitive grants to institutions to develop programs to recruit and retain students eligible to participate in the Tennessee Promise Scholarship Program.					
332.09 THEC Grants	\$800,000	\$0	\$0	\$800,000	0
Sub-total	\$800,000	\$0	\$0	\$800,000	0
• Tennessee Promise Bridge Grants					
To provide non-recurring funds for a structured summer academic program for Tennessee Promise students to address remediation needs and gain college success skills prior to enrolling in the fall semester.					
332.09 THEC Grants	\$400,000	\$0	\$0	\$400,000	0
Sub-total	\$400,000	\$0	\$0	\$400,000	0
• College Advisor Corps					
To provide non-recurring funds for one-on-one assistance for students during the college admissions and financial aid application processes and throughout the transition from high school to higher education.					
332.01 Tennessee Higher Education Commission	\$245,200	\$0	\$0	\$245,200	3
332.09 THEC Grants	\$2,210,600	\$0	\$0	\$2,210,600	0
Sub-total	\$2,455,800	\$0	\$0	\$2,455,800	3
• Seamless Alignment and Integrated Learning Support (SAILS) Program					
To provide non-recurring funds for the expansion of the SAILS Program in Shelby County to allow increased capacity in high-demand areas, as well as fund the continued development of the SAILS English Program. SAILS introduces the college developmental math curriculum in the high school senior year. Students who successfully complete the program are ready to take college math courses, accelerating their path to graduation.					
332.09 THEC Grants	\$469,100	\$0	\$0	\$469,100	0
Sub-total	\$469,100	\$0	\$0	\$469,100	0

Education
Cost Increases for Fiscal Year 2016-2017

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• THEC/TSAC Operations					
To provide recurring funds for administrative/fiscal oversight, coordination, and leadership of the Tennessee Higher Education Commission (THEC) and the Tennessee Student Assistance Corporation (TSAC).					
332.01 Tennessee Higher Education Commission	\$137,300	\$0	\$0	\$137,300	0
332.02 Contract Education	\$99,200	\$0	\$0	\$99,200	0
332.05 Tennessee Student Assistance Corporation	\$69,400	\$0	\$0	\$69,400	0
332.07 Loan/Scholarship Programs	\$57,400	\$0	\$0	\$57,400	0
332.14 Foreign Language Institute	\$20,000	\$0	\$0	\$20,000	0
Sub-total	<u>\$383,300</u>	<u>\$0</u>	<u>\$0</u>	<u>\$383,300</u>	<u>0</u>
Total Higher Education - State Administered Programs	\$30,370,900	\$0	\$0	\$30,370,900	9

University of Tennessee System

• University of Tennessee - Outcome Growth - Formula Units

To provide recurring funds associated with greater institutional productivity, such as increases in student progression, degree production, and other outcome measures related to the institutional mission for formula units. Funds may be used for salary increases as well as program improvements that assist the institutions in meeting their outcomes.

332.40 UT Chattanooga	\$2,420,500	\$0	\$0	\$2,420,500	0
332.42 UT Knoxville	\$10,423,100	\$0	\$0	\$10,423,100	0
332.44 UT Martin	\$1,554,900	\$0	\$0	\$1,554,900	0
Sub-total	<u>\$14,398,500</u>	<u>\$0</u>	<u>\$0</u>	<u>\$14,398,500</u>	<u>0</u>

• Pediatric Physician Scientists Recruiting

To provide non-recurring funds to the University of Tennessee Health Science Center for year four of five to match funds provided by St. Jude Children's Research Hospital. Funds will be utilized to recruit pediatric physician scientists.

332.30 UT Health Science Center	\$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>

Education
Cost Increases for Fiscal Year 2016-2017

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• 401(k) State Match					
To provide recurring funds for the 401(k) state match monthly portion for employees of the University of Tennessee system.					
332.10 UT University-Wide Administration	\$56,000	\$0	\$0	\$56,000	0
332.15 UT Institute for Public Service	\$3,600	\$0	\$0	\$3,600	0
332.16 UT Municipal Technical Advisory Service	\$4,000	\$0	\$0	\$4,000	0
332.17 UT County Technical Assistance Service	\$3,000	\$0	\$0	\$3,000	0
332.23 UT Space Institute	\$7,700	\$0	\$0	\$7,700	0
332.25 UT Agricultural Experiment Station	\$29,500	\$0	\$0	\$29,500	0
332.26 UT Agricultural Extension Service	\$42,200	\$0	\$0	\$42,200	0
332.28 UT Veterinary Medicine	\$24,400	\$0	\$0	\$24,400	0
332.30 UT Health Science Center	\$134,600	\$0	\$0	\$134,600	0
332.40 UT Chattanooga	\$84,500	\$0	\$0	\$84,500	0
332.42 UT Knoxville	\$291,400	\$0	\$0	\$291,400	0
332.44 UT Martin	\$64,100	\$0	\$0	\$64,100	0
Sub-total	<u>\$745,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$745,000</u>	<u>0</u>

• Group Health Insurance - January 1, 2016

To provide recurring funds for the state share of a 3.5 percent group health insurance premium increase for January 1, 2016. This is funded for six months in the recommended budget.

332.10 UT University-Wide Administration	\$46,000	\$0	\$0	\$46,000	0
332.15 UT Institute for Public Service	\$10,900	\$0	\$0	\$10,900	0
332.16 UT Municipal Technical Advisory Service	\$7,900	\$0	\$0	\$7,900	0
332.17 UT County Technical Assistance Service	\$6,200	\$0	\$0	\$6,200	0
332.23 UT Space Institute	\$11,500	\$0	\$0	\$11,500	0
332.25 UT Agricultural Experiment Station	\$74,700	\$0	\$0	\$74,700	0
332.26 UT Agricultural Extension Service	\$117,000	\$0	\$0	\$117,000	0
332.28 UT Veterinary Medicine	\$58,200	\$0	\$0	\$58,200	0
332.30 UT Health Science Center	\$424,800	\$0	\$0	\$424,800	0
332.40 UT Chattanooga	\$187,500	\$0	\$0	\$187,500	0
332.42 UT Knoxville	\$635,800	\$0	\$0	\$635,800	0
332.44 UT Martin	\$125,000	\$0	\$0	\$125,000	0
Sub-total	<u>\$1,705,500</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,705,500</u>	<u>0</u>

Education
Cost Increases for Fiscal Year 2016-2017

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Group Health Insurance - January 1, 2017					
To provide recurring funds for the state share of a 4.7 percent group health insurance premium increase for January 1, 2017. This is funded for six months in the recommended budget.					
332.10 UT University-Wide Administration	\$65,600	\$0	\$0	\$65,600	0
332.15 UT Institute for Public Service	\$14,600	\$0	\$0	\$14,600	0
332.16 UT Municipal Technical Advisory Service	\$10,900	\$0	\$0	\$10,900	0
332.17 UT County Technical Assistance Service	\$7,500	\$0	\$0	\$7,500	0
332.23 UT Space Institute	\$15,600	\$0	\$0	\$15,600	0
332.25 UT Agricultural Experiment Station	\$101,700	\$0	\$0	\$101,700	0
332.26 UT Agricultural Extension Service	\$162,000	\$0	\$0	\$162,000	0
332.28 UT Veterinary Medicine	\$78,100	\$0	\$0	\$78,100	0
332.30 UT Health Science Center	\$597,200	\$0	\$0	\$597,200	0
332.40 UT Chattanooga	\$247,400	\$0	\$0	\$247,400	0
332.42 UT Knoxville	\$877,800	\$0	\$0	\$877,800	0
332.44 UT Martin	\$172,700	\$0	\$0	\$172,700	0
Sub-total	\$2,351,100	\$0	\$0	\$2,351,100	0
• University of Tennessee - Operating Increase - Non-formula					
To provide recurring funds to non-formula units to offset inflationary cost increases. Funds may be used for salary increases as well as program improvements.					
332.10 UT University-Wide Administration	\$122,400	\$0	\$0	\$122,400	0
332.15 UT Institute for Public Service	\$136,600	\$0	\$0	\$136,600	0
332.16 UT Municipal Technical Advisory Service	\$76,400	\$0	\$0	\$76,400	0
332.17 UT County Technical Assistance Service	\$46,800	\$0	\$0	\$46,800	0
332.23 UT Space Institute	\$206,300	\$0	\$0	\$206,300	0
332.25 UT Agricultural Experiment Station	\$664,600	\$0	\$0	\$664,600	0
332.26 UT Agricultural Extension Service	\$815,900	\$0	\$0	\$815,900	0
332.28 UT Veterinary Medicine	\$437,900	\$0	\$0	\$437,900	0
332.30 UT Health Science Center	\$3,400,900	\$0	\$0	\$3,400,900	0
Sub-total	\$5,907,800	\$0	\$0	\$5,907,800	0
Total University of Tennessee System	\$28,107,900	\$0	\$0	\$28,107,900	0

Education
Cost Increases for Fiscal Year 2016-2017

	State	Federal	Other	Total	Positions
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State University and Community College System

• **Tennessee Board of Regents - Outcome Growth - Formula Units**

To provide recurring funds associated with greater institutional productivity, such as increases in student progression, degree production, and other outcome measures related to the institutional mission for formula units. Funds may be used for salary increases as well as program improvements that assist the institutions in meeting their outcomes.

332.70 Austin Peay State University	\$2,137,100	\$0	\$0	\$2,137,100	0
332.72 East Tennessee State University	\$2,897,500	\$0	\$0	\$2,897,500	0
332.74 University of Memphis	\$5,422,800	\$0	\$0	\$5,422,800	0
332.75 Middle Tennessee State University	\$4,794,300	\$0	\$0	\$4,794,300	0
332.77 Tennessee State University	\$1,777,800	\$0	\$0	\$1,777,800	0
332.78 Tennessee Technological University	\$2,252,100	\$0	\$0	\$2,252,100	0
332.89 Tennessee Community Colleges	\$12,319,900	\$0	\$0	\$12,319,900	0
332.98 Tennessee Colleges of Applied Technology	\$4,000,000	\$0	\$0	\$4,000,000	0
Sub-total	\$35,601,500	\$0	\$0	\$35,601,500	0

• **Tennessee Board of Regents - Operating Increase - Non-formula**

To provide recurring funds to non-formula units to offset inflationary cost increases. Funds may be used for salary increases as well as program improvements.

332.60 Tennessee Board of Regents	\$137,700	\$0	\$0	\$137,700	0
332.62 TSU McMinnville Center	\$14,500	\$0	\$0	\$14,500	0
332.63 TSU Institute of Agricultural and Environmental Research	\$59,000	\$0	\$0	\$59,000	0
332.64 TSU Cooperative Education	\$80,800	\$0	\$0	\$80,800	0
332.65 ETSU College of Medicine	\$760,000	\$0	\$0	\$760,000	0
332.67 ETSU Family Practice	\$162,400	\$0	\$0	\$162,400	0
332.68 TSU McIntire-Stennis Forestry Research	\$4,600	\$0	\$0	\$4,600	0
Sub-total	\$1,219,000	\$0	\$0	\$1,219,000	0

Education
Cost Increases for Fiscal Year 2016-2017

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• 401(k) State Match					
To provide recurring funds for the 401(k) state match monthly portion for employees of the University of Tennessee system.					
332.60 Tennessee Board of Regents	\$8,100	\$0	\$0	\$8,100	0
332.62 TSU McMinnville Center	\$300	\$0	\$0	\$300	0
332.65 ETSU College of Medicine	\$22,600	\$0	\$0	\$22,600	0
332.67 ETSU Family Practice	\$5,900	\$0	\$0	\$5,900	0
332.70 Austin Peay State University	\$42,000	\$0	\$0	\$42,000	0
332.72 East Tennessee State University	\$91,400	\$0	\$0	\$91,400	0
332.74 University of Memphis	\$83,200	\$0	\$0	\$83,200	0
332.75 Middle Tennessee State University	\$125,600	\$0	\$0	\$125,600	0
332.77 Tennessee State University	\$45,400	\$0	\$0	\$45,400	0
332.78 Tennessee Technological University	\$70,300	\$0	\$0	\$70,300	0
332.89 Tennessee Community Colleges	\$312,200	\$0	\$0	\$312,200	0
332.98 Tennessee Colleges of Applied Technology	\$61,000	\$0	\$0	\$61,000	0
Sub-total	<u>\$868,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$868,000</u>	<u>0</u>
• Group Health Insurance - January 1, 2016					
To provide recurring funds for the state share of a 3.5 percent group health insurance premium increase for January 1, 2016. This is funded for six months in the current budget year.					
332.60 Tennessee Board of Regents	\$21,500	\$0	\$0	\$21,500	0
332.65 ETSU College of Medicine	\$55,700	\$0	\$0	\$55,700	0
332.67 ETSU Family Practice	\$9,900	\$0	\$0	\$9,900	0
332.70 Austin Peay State University	\$137,100	\$0	\$0	\$137,100	0
332.72 East Tennessee State University	\$266,100	\$0	\$0	\$266,100	0
332.74 University of Memphis	\$351,700	\$0	\$0	\$351,700	0
332.75 Middle Tennessee State University	\$347,400	\$0	\$0	\$347,400	0
332.77 Tennessee State University	\$159,700	\$0	\$0	\$159,700	0
332.78 Tennessee Technological University	\$177,000	\$0	\$0	\$177,000	0
332.89 Tennessee Community Colleges	\$731,900	\$0	\$0	\$731,900	0
332.98 Tennessee Colleges of Applied Technology	\$136,500	\$0	\$0	\$136,500	0
Sub-total	<u>\$2,394,500</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,394,500</u>	<u>0</u>

Education
Cost Increases for Fiscal Year 2016-2017

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Group Health Insurance - January 1, 2017					
To provide recurring funds for the state share of a 4.7 percent group health insurance premium increase for January 1, 2017. This is funded for six months in the recommended budget.					
332.60 Tennessee Board of Regents	\$28,800	\$0	\$0	\$28,800	0
332.65 ETSU College of Medicine	\$77,700	\$0	\$0	\$77,700	0
332.67 ETSU Family Practice	\$14,000	\$0	\$0	\$14,000	0
332.70 Austin Peay State University	\$187,300	\$0	\$0	\$187,300	0
332.72 East Tennessee State University	\$372,600	\$0	\$0	\$372,600	0
332.74 University of Memphis	\$499,300	\$0	\$0	\$499,300	0
332.75 Middle Tennessee State University	\$478,600	\$0	\$0	\$478,600	0
332.77 Tennessee State University	\$219,900	\$0	\$0	\$219,900	0
332.78 Tennessee Technological University	\$247,300	\$0	\$0	\$247,300	0
332.89 Tennessee Community Colleges	\$1,033,000	\$0	\$0	\$1,033,000	0
332.98 Tennessee Colleges of Applied Technology	\$195,100	\$0	\$0	\$195,100	0
Sub-total	\$3,353,600	\$0	\$0	\$3,353,600	0
• Community Colleges Shared Services Initiative					
To provide non-recurring funds for a consolidated enterprise resource planning system for community colleges. A portion of the funds will be paid back beginning in fiscal year 2022, after implementation is complete.					
332.60 Tennessee Board of Regents	\$28,742,600	\$0	\$0	\$28,742,600	0
Sub-total	\$28,742,600	\$0	\$0	\$28,742,600	0
Total State University and Community College System	\$72,179,200	\$0	\$0	\$72,179,200	0
Total Higher Education	\$130,658,000	\$0	\$0	\$130,658,000	9
Total Education	\$391,773,300	\$0	\$0	\$391,773,300	34

Department of Education (K-12)

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 141 local school districts or local education agencies (LEAs). LEAs operate the state's kindergarten, elementary, secondary, and vocational schools.

<u>Actual</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>	<u>Base</u> <u>2016-2017</u>	<u>Cost Increase</u> <u>2016-2017</u>	<u>Recommended</u> <u>2016-2017</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; core offices; and public information.

Full-Time	81	81	81	0	81
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	81	81	81	0	81
Payroll	6,404,600	7,934,600	7,934,600	0	7,934,600
Operational	1,652,400	2,291,600	1,809,800	0	1,809,800
Total	\$8,057,000	\$10,226,200	\$9,744,400	\$0	\$9,744,400
State	5,118,800	6,312,300	6,308,000	0	6,308,000
Federal	2,815,100	3,837,500	3,360,000	0	3,360,000
Other	123,100	76,400	76,400	0	76,400

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 any charter schools authorized by the board. The board has several primary responsibilities, including regularly revising and updating the Master Plan for improving education in the state, establishing policies, and guidelines for public education in grades K-12 and providing transparency and oversight for implementation and results of K-12 policies and initiatives. The board is also in charge of facilitating the state's standards revision process. The board is administratively attached to the Department of Education.

Full-Time	8	10	9	1	10
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	8	10	9	1	10
Payroll	733,200	984,500	884,500	92,500	977,000
Operational	232,400	660,100	241,500	276,500	518,000
Total	\$965,600	\$1,644,600	\$1,126,000	\$369,000	\$1,495,000

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
State	965,600	1,292,500	1,126,000	369,000	1,495,000
Federal	0	0	0	0	0
Other	0	352,100	0	0	0

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 LEAs. The programs are Basic Education Program; Early Childhood Education; After-School Programs; Energy Efficient Schools Initiative; Career Ladder; Grants-In-Aid; Driver Education; Technology, Infrastructure, and Support Systems; Data and Research; Academic Offices; and Centers of Regional Excellence (CORE).

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	4,072,064,900	4,231,083,000	4,231,083,000	238,251,600	4,469,334,600
Total	\$4,072,064,900	\$4,231,083,000	\$4,231,083,000	\$238,251,600	\$4,469,334,600
State	4,072,064,900	4,231,083,000	4,231,083,000	238,251,600	4,469,334,600
Federal	0	0	0	0	0
Other	0	0	0	0	0

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, and Head Start.

Full-Time	27	32	32	0	32
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	27	32	32	0	32
Payroll	1,857,400	2,528,800	2,528,800	0	2,528,800
Operational	89,839,500	106,509,400	106,364,900	1,000,000	107,364,900
Total	\$91,696,900	\$109,038,200	\$108,893,700	\$1,000,000	\$109,893,700
State	91,545,500	91,235,500	91,234,400	1,000,000	92,234,400
Federal	147,100	17,802,700	17,659,300	0	17,659,300
Other	4,300	0	0	0	0

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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331.19 After-School Programs Special Account

After-School program grants 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 began 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	186,900	204,500	204,500	0	204,500
Operational	14,008,900	13,295,500	13,295,500	0	13,295,500
Total	\$14,195,800	\$13,500,000	\$13,500,000	\$0	\$13,500,000
State	13,500,000	13,500,000	13,500,000	0	13,500,000
Federal	0	0	0	0	0
Other	695,800	0	0	0	0

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 that 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 that 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	152,100	187,300	187,300	0	187,300
Operational	1,333,600	4,215,400	4,215,400	0	4,215,400
Total	\$1,485,700	\$4,402,700	\$4,402,700	\$0	\$4,402,700
State	0	0	0	0	0
Federal	40,900	0	0	0	0
Other	1,444,800	4,402,700	4,402,700	0	4,402,700

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 to those evaluated as outstanding and that accept additional responsibilities, as applicable.

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</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	31,044,300	24,000,000	24,000,000	0	24,000,000
Total	\$31,044,300	\$24,000,000	\$24,000,000	\$0	\$24,000,000
State	31,044,300	24,000,000	24,000,000	0	24,000,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

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, and the Science Alliance museums. Other grants, funded on a non-recurring basis, also are included in this 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	4,896,800	5,000,600	4,000,600	1,000,000	5,000,600
Total	\$4,896,800	\$5,000,600	\$4,000,600	\$1,000,000	\$5,000,600
State	4,896,800	5,000,600	4,000,600	1,000,000	5,000,600
Federal	0	0	0	0	0
Other	0	0	0	0	0

331.43 Driver Education

Driver Education utilizes earmarked funds from a portion of the privilege taxes on litigation to support a driver education program for the purpose of teaching highway safety and good driving skills to teenage drivers.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	1,511,300	1,700,000	1,700,000	0	1,700,000
Total	\$1,511,300	\$1,700,000	\$1,700,000	\$0	\$1,700,000
State	1,511,300	1,700,000	1,700,000	0	1,700,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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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	16	16	16	0	16
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	16	16	16	0	16
Payroll	1,232,400	1,656,900	1,656,900	0	1,656,900
Operational	8,588,100	1,954,500	1,953,800	0	1,953,800
Total	\$9,820,500	\$3,611,400	\$3,610,700	\$0	\$3,610,700
State	2,917,400	2,411,400	2,410,700	0	2,410,700
Federal	0	200,000	200,000	0	200,000
Other	6,903,100	1,000,000	1,000,000	0	1,000,000

331.11 Data and Research

Data and Research is organized to collect, secure, analyze, and report strategic data in innovative and meaningful ways. From the classroom to the Legislature, the division's work informs quality decision-making and inspires purposeful action to continuously improve educational outcomes for Tennessee students. The division encompasses the offices of Accountability, Assessment Logistics, Data Management and Reporting, and Policy and Continuous Improvement, as well as the Research and Strategy unit. Key functions include, but are not limited to, district and school accountability, state report card, strategic plan monitoring, Tennessee Comprehensive Assessment Program (TCAP) administration, National Assessment of Educational Progress (NAEP) - the Nation's Report Card - administration, and external research partnerships. Collectively, the division works to ensure that data is accurate, actionable, and accessible within and beyond the department.

Full-Time	19	20	20	1	21
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	19	20	20	1	21
Payroll	1,825,400	2,331,700	2,333,800	100,000	2,433,800
Operational	34,124,200	45,376,800	45,087,900	7,264,100	52,352,000
Total	\$35,949,600	\$47,708,500	\$47,421,700	\$7,364,100	\$54,785,800
State	29,634,500	38,865,700	38,614,800	7,364,100	45,978,900
Federal	4,674,500	8,702,800	8,706,900	0	8,706,900
Other	1,640,600	140,000	100,000	0	100,000

331.05 Academic Offices

The Office of the Chief Academic Officer provides services in areas of standards development and review, content development and support, materials support, and assessment design. The office supports all academic divisions in the areas of training, design, logistics and delivery, policy, communications, and research. Through the Teachers and Leaders division, the office ensures that there are effective teachers and leaders in classrooms and schools across the state via professional learning. The Teachers and Leaders division manages policy implementation and issuance of teacher and leader licensure, approval of educator preparation programs, salary and differentiated pay plans, educator recognition, educator evaluation, and support for recruitment. The division also selects, trains, and supports the Governor's Academy for School Leadership and Teach Tennessee Fellows in the transition to teaching and leading.

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
Full-Time	39	41	41	1	42
Part-Time	10	10	10	0	10
Seasonal	0	0	0	0	0
Total	49	51	51	1	52
Payroll	2,939,100	3,683,100	3,706,000	88,000	3,794,000
Operational	2,440,000	5,449,700	5,302,100	3,452,000	8,754,100
Total	\$5,379,100	\$9,132,800	\$9,008,100	\$3,540,000	\$12,548,100
State	4,491,700	6,705,500	6,453,900	3,540,000	9,993,900
Federal	7,100	1,286,800	1,421,700	0	1,421,700
Other	880,300	1,140,500	1,132,500	0	1,132,500

331.39 Centers of Regional Excellence (CORE)

Centers of Regional Excellence (CORE) provide differentiated support to school districts in implementing the department's strategic priorities. The department has eight regional offices throughout the state. The offices are part of a statewide system of support, prioritizing districts with priority schools, focus schools, and other Title I schools in need. CORE teams work closely with district leaders one-on-one and in collaborative teams around data-driven decision making, instructional improvement, and leader and teacher effectiveness.

Full-Time	56	56	56	18	74
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	56	56	56	18	74
Payroll	4,495,700	5,272,100	5,272,100	1,820,000	7,092,100
Operational	815,800	744,000	744,000	7,188,000	7,932,000
Total	\$5,311,500	\$6,016,100	\$6,016,100	\$9,008,000	\$15,024,100
State	2,784,400	2,242,800	2,242,800	9,008,000	11,250,800
Federal	2,483,700	3,771,100	3,771,100	0	3,771,100
Other	43,400	2,200	2,200	0	2,200

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, 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.

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
Full-Time	22	22	22	0	22
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	22	22	22	0	22
Payroll	1,630,700	1,965,300	1,965,300	0	1,965,300
Operational	375,664,200	327,937,100	347,935,500	0	347,935,500
Total	\$377,294,900	\$329,902,400	\$349,900,800	\$0	\$349,900,800
State	0	470,000	470,000	0	470,000
Federal	377,288,800	329,432,400	349,430,800	0	349,430,800
Other	6,100	0	0	0	0

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 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 to 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, allowed 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 2015-2016 was the final year of Race to the Top funds.

Full-Time	4	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	4	0	0	0	0
Payroll	886,800	25,000	0	0	0
Operational	60,662,000	100,000	0	0	0
Total	\$61,548,800	\$125,000	\$0	\$0	\$0
State	200	0	0	0	0
Federal	61,548,600	125,000	0	0	0
Other	0	0	0	0	0

331.55 Achievement School District

The Achievement School District (ASD) was established to turnaround the bottom five percent of public schools. The ASD, as a local education agency, authorizes charter operators to run schools and directly manages schools. The ASD was created as part of the Race to the Top initiative.

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
Full-Time	222	226	226	0	226
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	222	226	226	0	226
Payroll	17,620,400	24,185,300	24,185,300	0	24,185,300
Operational	58,752,700	78,540,100	78,540,000	0	78,540,000
Total	\$76,373,100	\$102,725,400	\$102,725,300	\$0	\$102,725,300
State	0	3,800	3,800	0	3,800
Federal	0	0	0	0	0
Other	76,373,100	102,721,600	102,721,500	0	102,721,500

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	11	12	12	0	12
Part-Time	1	0	0	0	0
Seasonal	0	0	0	0	0
Total	12	12	12	0	12
Payroll	1,067,600	2,011,800	2,011,800	0	2,011,800
Operational	57,165,800	46,861,800	46,861,400	0	46,861,400
Total	\$58,233,400	\$48,873,600	\$48,873,200	\$0	\$48,873,200
State	21,489,000	20,198,600	20,198,500	0	20,198,500
Federal	36,056,900	28,395,500	28,395,200	0	28,395,200
Other	687,500	279,500	279,500	0	279,500

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	31	38	35	4	39
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	31	38	35	4	39

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
Payroll	2,752,500	3,602,400	3,455,400	276,700	3,732,100
Operational	238,751,100	249,144,400	248,996,100	73,300	249,069,400
Total	\$241,503,600	\$252,746,800	\$252,451,500	\$350,000	\$252,801,500
State	570,700	1,012,500	711,600	350,000	1,061,600
Federal	240,920,800	251,734,300	251,739,900	0	251,739,900
Other	12,100	0	0	0	0

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	200	200	200	0	200
Part-Time	14	14	14	0	14
Seasonal	0	0	0	0	0
Total	214	214	214	0	214
Payroll	10,818,700	14,515,100	14,515,100	0	14,515,100
Operational	20,031,300	20,562,200	20,206,600	0	20,206,600
Total	\$30,850,000	\$35,077,300	\$34,721,700	\$0	\$34,721,700
State	9,533,700	12,125,200	11,772,900	0	11,772,900
Federal	8,286,000	10,369,100	10,365,800	0	10,365,800
Other	13,030,300	12,583,000	12,583,000	0	12,583,000

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 LEAs for all eligible students participating in the School Lunch and School Breakfast programs. Student eligibility is based on federal income poverty guidelines.

Full-Time	23	23	23	0	23
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	23	23	23	0	23
Payroll	1,627,500	2,364,200	2,364,200	0	2,364,200
Operational	381,522,200	406,405,700	415,405,000	0	415,405,000
Total	\$383,149,700	\$408,769,900	\$417,769,200	\$0	\$417,769,200
State	4,807,600	4,809,500	4,809,500	0	4,809,500
Federal	378,342,100	403,955,400	412,954,700	0	412,954,700
Other	0	5,000	5,000	0	5,000

331.45 College, Career and Technical Education

The Division of College, Career and Technical Education (CCTE) is responsible for providing specialized education courses and supports to the state's middle and high school students that will prepare them for postsecondary education, industry certifications, and careers. This includes providing direction to the LEAs in establishing and maintaining programs of study in 16 recognized career clusters. The division is also responsible for the growth and promotion of the state's recognized early postsecondary courses and exams, including dual enrollment, dual credit, and Advanced Placement. Also, CCTE oversees the department's commitment to school counseling, as well as other programs and initiatives, including ACT strategies, the Governor's Schools, and student career technical organizations.

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
Full-Time	41	44	44	0	44
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	41	44	44	0	44
Payroll	3,283,300	4,120,300	4,137,800	0	4,137,800
Operational	31,644,600	26,606,700	28,646,600	125,000	28,771,600
Total	\$34,927,900	\$30,727,000	\$32,784,400	\$125,000	\$32,909,400
State	6,080,900	8,037,800	6,761,800	125,000	6,886,800
Federal	27,741,400	22,614,200	25,947,600	0	25,947,600
Other	1,105,600	75,000	75,000	0	75,000

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.

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	178	178	178	0	178
Part-Time	17	17	17	0	17
Seasonal	0	0	0	0	0
Total	195	195	195	0	195
Payroll	9,702,500	10,821,100	10,821,100	33,400	10,854,500
Operational	1,829,900	1,907,300	1,901,700	0	1,901,700
Total	\$11,532,400	\$12,728,400	\$12,722,800	\$33,400	\$12,756,200
State	10,603,600	11,815,400	11,809,800	33,400	11,843,200
Federal	0	0	0	0	0
Other	928,800	913,000	913,000	0	913,000

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	238	238	238	0	238
Part-Time	11	11	11	0	11
Seasonal	0	0	0	0	0
Total	249	249	249	0	249

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
Payroll	12,538,000	13,300,700	13,300,700	40,000	13,340,700
Operational	3,152,800	3,510,700	2,854,200	0	2,854,200
Total	\$15,690,800	\$16,811,400	\$16,154,900	\$40,000	\$16,194,900
State	15,337,500	16,268,000	15,611,500	40,000	15,651,500
Federal	0	0	0	0	0
Other	353,300	543,400	543,400	0	543,400

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	36	36	36	0	36
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
Total	45	45	45	0	45
Payroll	2,175,000	2,487,500	2,487,500	11,800	2,499,300
Operational	572,700	410,000	408,800	0	408,800
Total	\$2,747,700	\$2,897,500	\$2,896,300	\$11,800	\$2,908,100
State	2,474,700	2,674,800	2,673,600	11,800	2,685,400
Federal	0	0	0	0	0
Other	273,000	222,700	222,700	0	222,700

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	67	67	67	0	67
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	75	75	75	0	75
Payroll	4,709,700	5,058,400	5,058,400	22,400	5,080,800
Operational	1,218,100	999,700	996,900	0	996,900
Total	\$5,927,800	\$6,058,100	\$6,055,300	\$22,400	\$6,077,700
State	4,648,600	5,003,200	5,000,400	22,400	5,022,800
Federal	57,300	60,000	60,000	0	60,000
Other	1,221,900	994,900	994,900	0	994,900

	<u>Actual</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>	<u>Base</u> <u>2016-2017</u>	<u>Cost Increase</u> <u>2016-2017</u>	<u>Recommended</u> <u>2016-2017</u>
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331.97 Major Maintenance

The major maintenance program provides funds for major repairs that 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	153,100	329,100	239,100	0	239,100
Total	\$153,100	\$329,100	\$239,100	\$0	\$239,100
State	89,200	239,100	239,100	0	239,100
Federal	0	0	0	0	0
Other	63,900	90,000	0	0	0

331.00 Total Education (K-12)

Full-Time	1,324	1,345	1,341	25	1,366
Part-Time	70	69	69	0	69
Seasonal	0	0	0	0	0
Total	1,394	1,414	1,410	25	1,435
Payroll	88,639,500	109,240,600	109,011,100	2,484,800	111,495,900
Operational	5,493,672,700	5,605,595,400	5,632,790,400	258,630,500	5,891,420,900
Total	\$5,582,312,200	\$5,714,836,000	\$5,741,801,500	\$261,115,300	\$6,002,916,800
State	4,336,110,900	4,507,007,200	4,502,736,700	261,115,300	4,763,852,000
Federal	1,140,410,300	1,082,286,800	1,114,013,000	0	1,114,013,000
Other	105,791,000	125,542,000	125,051,800	0	125,051,800

Statistical Data State Special Schools

	York Institute <u>331.90</u>	TN School for the Blind <u>331.91</u>	TN School for the Deaf <u>331.92</u>	West TN School for the Deaf <u>331.93</u>
Annual Admissions				
2009-2010	770	11	37	60
2010-2011	725	9	42	60
2011-2012	708	25	50	6
2012-2013	688	34	24	10
2013-2014	623	13	28	10
2014-2015	667	13	45	4
2015-2016	640	20	30	7
2016-2017	653	20	30	5
Annual Releases				
2009-2010	180	8	24	10
2010-2011	215	9	30	9
2011-2012	227	10	29	2
2012-2013	219	12	38	4
2013-2014	196	4	38	4
2014-2015	224	4	41	1
2015-2016	182	5	40	3
2016-2017	203	5	40	5
Average Daily Census				
2009-2010	689	208	165	44
2010-2011	644	158	218	49
2011-2012	650	150	203	50
2012-2013	635	143	188	52
2013-2014	600	125	178	52
2014-2015	579	143	182	50
2015-2016	617	130	180	45
2016-2017	598	130	180	50
Cost Per Occupancy Day				
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	\$56.33	\$456.27	\$487.57	\$250.71
2013-2014	\$64.40	\$531.37	\$532.52	\$279.13
2014-2015	\$56.88	\$448.03	\$478.96	\$305.30
2015-2016	\$54.55	\$543.95	\$518.87	\$357.72
2016-2017	\$56.46	\$545.14	\$499.84	\$323.12

Higher Education

The mission of the state-sponsored higher education program is to provide affordable, high-quality, post-secondary education to Tennesseans. Higher Education also provides services through research, medical, agricultural, and public service programs. Emphasis is placed on the coordination of higher education, student financial aid, and special programs designed to improve the overall quality of education. The University of Tennessee, the State University and Community College System, the Tennessee Higher Education Commission, and the Tennessee Student Assistance Corporation work together to accomplish these activities.

<u>Actual</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>	<u>Base</u> <u>2016-2017</u>	<u>Cost Increase</u> <u>2016-2017</u>	<u>Recommended</u> <u>2016-2017</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 the UT System and one from the TBR System. 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, administering tuition waiver and discount programs, authorizing the operation of post-secondary educational institutions, researching and analyzing the Education Lottery Scholarship program, and coordinating Drive to 55 initiatives.

332.01 Tennessee Higher Education Commission

This program provides funds for the staffing and other operating costs of the THEC.

Full-Time	65	71	62	9	71
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	65	71	62	9	71
Payroll	5,612,500	6,851,200	6,255,100	893,500	7,148,600
Operational	7,848,000	8,060,300	6,802,800	201,700	7,004,500
Total	\$13,460,500	\$14,911,500	\$13,057,900	\$1,095,200	\$14,153,100
State	1,405,500	3,217,700	2,873,900	1,095,200	3,969,100
Federal	4,907,400	5,840,800	4,581,500	0	4,581,500
Other	7,147,600	5,853,000	5,602,500	0	5,602,500

	<u>Actual</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>	<u>Base</u> <u>2016-2017</u>	<u>Cost Increase</u> <u>2016-2017</u>	<u>Recommended</u> <u>2016-2017</u>
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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	2,125,800	2,110,800	2,076,800	99,200	2,176,000
Total	\$2,125,800	\$2,110,800	\$2,076,800	\$99,200	\$2,176,000
State	2,125,800	2,110,800	2,076,800	99,200	2,176,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

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. This allotment also houses the majority of the Drive to 55 initiatives the state is undertaking.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	15,417,200	10,435,300	7,635,300	15,829,700	23,465,000
Total	\$15,417,200	\$10,435,300	\$7,635,300	\$15,829,700	\$23,465,000
State	14,211,200	8,578,400	5,778,400	15,829,700	21,608,100
Federal	952,000	1,286,900	1,286,900	0	1,286,900
Other	254,000	570,000	570,000	0	570,000

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

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
Payroll	0	0	0	0	0
Operational	17,769,000	17,414,600	17,134,000	0	17,134,000
Total	\$17,769,000	\$17,414,600	\$17,134,000	\$0	\$17,134,000
State	17,769,000	17,414,600	17,134,000	0	17,134,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

332.11 Campus Centers of Emphasis

Like the Centers of Excellence assists four-year universities, the Campus Centers of Emphasis program provides supplemental funding to demonstrably excellent programs at each of the state's public two-year institutions. Administered by THEC, each center is designed to work closely with local business and industry to strengthen specified academic disciplines with positive impact on job placement.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	1,282,600	1,257,000	1,236,700	0	1,236,700
Total	\$1,282,600	\$1,257,000	\$1,236,700	\$0	\$1,236,700
State	1,282,600	1,257,000	1,236,700	0	1,236,700
Federal	0	0	0	0	0
Other	0	0	0	0	0

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.

Currently, 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; marketing and administering the Tennessee Education Lottery Scholarship program; and administering the Tennessee Promise Endowment Scholarship program.

The U.S. Federal Budget for 2014-2015 included a reduction of the compensation guaranty agencies receive for rehabilitating loans from the Federal Family Education Loan Program. As a result, the program is expected to end by December 31, 2016.

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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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	62,285,900	74,562,500	74,562,500	13,200,000	87,762,500
Total	\$62,285,900	\$74,562,500	\$74,562,500	\$13,200,000	\$87,762,500
State	55,485,900	67,762,500	74,562,500	13,200,000	87,762,500
Federal	0	0	0	0	0
Other	6,800,000	6,800,000	0	0	0

332.04 Federal Family Education Loan Program (FFELP)

The Federal Family Education Loan Program (FFELP) services low-interest loans for students and parents. The U.S. Federal Budget for 2014-2015 included a reduction of the compensation guaranty agencies receive for rehabilitating loans from the FFELP. This program is expected to end by December 31, 2016.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	123,763,700	158,900,000	158,900,000	0	158,900,000
Total	\$123,763,700	\$158,900,000	\$158,900,000	\$0	\$158,900,000
State	0	0	0	0	0
Federal	120,251,300	150,000,000	150,000,000	0	150,000,000
Other	3,512,400	8,900,000	8,900,000	0	8,900,000

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	53	56	56	0	56
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	53	56	56	0	56
Payroll	4,208,900	4,128,600	4,128,600	0	4,128,600
Operational	20,688,700	25,036,900	24,412,300	69,400	24,481,700
Total	\$24,897,600	\$29,165,500	\$28,540,900	\$69,400	\$28,610,300
State	1,184,500	2,076,700	1,452,500	69,400	1,521,900
Federal	946,600	2,523,600	2,523,400	0	2,523,400
Other	22,766,500	24,565,200	24,565,000	0	24,565,000

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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332.06 Academic Scholars Program

The Academic Scholars Program provides funds for the Ned McWherter and Christa McAuliffe scholars programs. The Ned McWherter Scholars program is intended to encourage academically superior Tennessee high school graduates to attend college in Tennessee. The Christa McAuliffe Scholarship program is a merit-based grant awarded to Tennessee students committed to teaching.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	579,000	790,500	1,090,500	0	1,090,500
Total	\$579,000	\$790,500	\$1,090,500	\$0	\$1,090,500
State	411,800	411,800	711,800	0	711,800
Federal	0	0	0	0	0
Other	167,200	378,700	378,700	0	378,700

332.07 Loan/Scholarship Programs

Loan/Scholarship Programs encourages exemplary students who are Tennessee residents and U.S. citizens to enter the teaching, 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	1,233,000	3,416,700	3,116,700	57,400	3,174,100
Total	\$1,233,000	\$3,416,700	\$3,116,700	\$57,400	\$3,174,100
State	804,700	1,220,800	920,800	57,400	978,200
Federal	0	0	0	0	0
Other	428,300	2,195,900	2,195,900	0	2,195,900

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. 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 are also funded from the appropriation to the Lottery for Education Account.

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</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	312,821,700	332,700,000	326,300,000	0	326,300,000
Total	\$312,821,700	\$332,700,000	\$326,300,000	\$0	\$326,300,000
State	312,821,700	332,700,000	326,300,000	0	326,300,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

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	2,281,100	1,917,400	1,917,400	20,000	1,937,400
Total	\$2,281,100	\$1,917,400	\$1,917,400	\$20,000	\$1,937,400
State	414,100	426,500	426,500	20,000	446,500
Federal	0	0	0	0	0
Other	1,867,000	1,490,900	1,490,900	0	1,490,900

332.00 Total Higher Education - State Administered Programs

Full-Time	132	141	132	9	141
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	132	141	132	9	141
Payroll	9,821,400	10,979,800	10,383,700	893,500	11,277,200
Operational	568,095,700	636,602,000	625,185,000	29,477,400	654,662,400
Total	\$577,917,100	\$647,581,800	\$635,568,700	\$30,370,900	\$665,939,600
State	407,916,800	437,176,800	433,473,900	30,370,900	463,844,800
Federal	127,057,300	159,651,300	158,391,800	0	158,391,800
Other	42,943,000	50,753,700	43,703,000	0	43,703,000

University of Tennessee

The University of Tennessee (UT) is a statewide land grant institution governed by a Board of Trustees. The University of Tennessee offers academic programs in a large number of specialized areas at the bachelor's, master's, and doctoral levels. In addition to the traditional teaching mission, the UT system is engaged in a number of research and public service activities. The UT system has campuses in Knoxville, Chattanooga, Martin, and Memphis, where the medical units are located.

Note: Position counts shown below are for full-time, unrestricted education and general employees only. Headcount figures are for Fall 2014 and Fall 2015. Federal revenues, tuition and fees, and other revenues are unrestricted current funds derived from education and general sources, and auxiliary enterprise sources.

<u>Actual</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>	<u>Base</u> <u>2016-2017</u>	<u>Cost Increase</u> <u>2016-2017</u>	<u>Recommended</u> <u>2016-2017</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	64	68	68	0	68
Professional	154	147	147	0	147
Faculty	1	0	0	0	0
Clerical/Support	75	73	73	0	73
Total	294	288	288	0	288
Headcount	0	0	0	0	0
State	4,717,800	4,917,400	4,859,900	290,000	5,149,900
Federal	0	0	0	0	0
Other	18,981,500	17,666,600	17,666,600	0	17,666,600
Tuition/Fees	0	0	0	0	0
Total	\$23,699,300	\$22,584,000	\$22,526,500	\$290,000	\$22,816,500

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

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
Headcount	0	0	0	0	0
State	5,688,900	5,806,700	5,806,700	0	5,806,700
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$5,688,900	\$5,806,700	\$5,806,700	\$0	\$5,806,700

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 program 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	4	4	4	0	4
Professional	14	12	12	0	12
Faculty	0	0	0	0	0
Clerical/Support	11	11	11	0	11
Total	29	27	27	0	27
Headcount	0	0	0	0	0
State	5,251,400	5,425,100	5,420,500	165,700	5,586,200
Federal	164,300	100,000	100,000	0	100,000
Other	760,400	1,021,800	1,021,800	0	1,021,800
Tuition/Fees	0	0	0	0	0
Total	\$6,176,100	\$6,546,900	\$6,542,300	\$165,700	\$6,708,000

332.16 UT Municipal Technical Advisory Service

The UT 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	35	34	34	0	34
Faculty	0	0	0	0	0
Clerical/Support	11	10	10	0	10
Total	48	46	46	0	46
Headcount	0	0	0	0	0

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
State	2,901,500	3,037,800	3,033,400	99,200	3,132,600
Federal	0	0	0	0	0
Other	3,319,700	3,416,200	3,416,200	0	3,416,200
Tuition/Fees	0	0	0	0	0
Total	\$6,221,200	\$6,454,000	\$6,449,600	\$99,200	\$6,548,800

332.17 UT County Technical Assistance Service

The UT County Technical Assistance Service provides the state's 95 county governments with technical assistance and information on most aspects of county government, including financial, environmental, and legislative.

Full-Time					
Administrative	1	1	1	0	1
Professional	28	28	28	0	28
Faculty	0	0	0	0	0
Clerical/Support	6	6	6	0	6
Total	35	35	35	0	35
Headcount	0	0	0	0	0
State	1,766,100	1,861,400	1,858,100	63,500	1,921,600
Federal	0	0	0	0	0
Other	3,177,800	3,148,700	3,148,700	0	3,148,700
Tuition/Fees	0	0	0	0	0
Total	\$4,943,900	\$5,010,100	\$5,006,800	\$63,500	\$5,070,300

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	18	18	18	0	18
Professional	84	81	81	0	81
Faculty	92	93	93	0	93
Clerical/Support	118	114	114	0	114
Total	312	306	306	0	306
Headcount	0	0	0	0	0
State	25,587,300	26,416,100	26,380,600	870,500	27,251,100
Federal	8,178,500	8,224,500	8,224,500	0	8,224,500
Other	6,185,700	4,213,400	4,213,400	0	4,213,400
Tuition/Fees	0	0	0	0	0
Total	\$39,951,500	\$38,854,000	\$38,818,500	\$870,500	\$39,689,000

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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332.26 UT Agricultural Extension Service

The UT Agricultural Extension Service is an off-campus unit of the UT Institute of Agriculture. The 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.

Full-Time					
Administrative	14	15	15	0	15
Professional	261	270	270	0	270
Faculty	52	57	57	0	57
Clerical/Support	147	150	150	0	150
Total	474	492	492	0	492
Headcount	0	0	0	0	0
State	31,086,600	32,435,900	32,384,200	1,137,100	33,521,300
Federal	12,662,500	9,218,000	9,218,000	0	9,218,000
Other	5,255,400	5,842,300	5,842,300	0	5,842,300
Tuition/Fees	0	0	0	0	0
Total	\$49,004,500	\$47,496,200	\$47,444,500	\$1,137,100	\$48,581,600

332.28 UT Veterinary Medicine

The UT College of Veterinary Medicine is located on the agricultural campus of the University of Tennessee in Knoxville. Departments include Comparative Medicine, Pathology, Large Animal Clinical Sciences, and Small Animal Clinical Sciences. The college offers a Doctor of Veterinary Medicine and a joint Doctor of Veterinary Medicine and Masters in Public Health.

Full-Time					
Administrative	8	8	8	0	8
Professional	39	31	31	0	31
Faculty	104	107	107	0	107
Clerical/Support	173	187	187	0	187
Total	324	333	333	0	333
Headcount	357	349	349	0	349
State	16,555,300	17,407,600	17,379,800	598,600	17,978,400
Federal	812,000	960,700	960,700	0	960,700
Other	14,577,700	14,123,300	14,123,300	0	14,123,300
Tuition/Fees	11,503,100	11,550,300	11,550,300	0	11,550,300
Total	\$43,448,100	\$44,041,900	\$44,014,100	\$598,600	\$44,612,700

Medical Education Unit

The Medical Education Program of the University of Tennessee plays an important role in meeting the state's health care needs. With the goal of providing high-quality health care to all geographic regions of the state, the medical education program trains physicians and other health care professionals.

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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332.30 UT Health Science Center

The UT Health Science Center in Memphis focuses on meeting the state's health care needs. The campus is divided into eight colleges including Allied Health, Dentistry, Graduate Health Sciences, Health Science Engineering, Medicine, Nursing, Pharmacy, and Social Work. The program also includes the UT Family and UT College of Medicine programs.

Full-Time					
Administrative	106	104	104	0	104
Professional	310	324	324	0	324
Faculty	584	611	611	0	611
Clerical/Support	806	814	814	0	814
Total	1,806	1,853	1,853	0	1,853
Headcount	2,976	3,076	3,076	0	3,076
State	132,516,700	138,204,900	134,984,800	7,557,500	142,542,300
Federal	10,365,700	9,988,000	9,988,000	0	9,988,000
Other	28,215,400	30,601,800	30,601,800	0	30,601,800
Tuition/Fees	78,753,100	81,950,500	81,950,500	0	81,950,500
Total	\$249,850,900	\$260,745,200	\$257,525,100	\$7,557,500	\$265,082,600

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 appropriations 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
State	10,734,200	5,852,900	5,852,900	0	5,852,900
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$10,734,200	\$5,852,900	\$5,852,900	\$0	\$5,852,900

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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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	8	8	8	0	8
Professional	12	12	12	0	12
Faculty	17	22	22	0	22
Clerical/Support	40	37	37	0	37
Total	77	79	79	0	79
Headcount	130	112	112	0	112
State	7,924,200	8,196,800	8,187,700	241,100	8,428,800
Federal	146,600	185,600	185,600	0	185,600
Other	317,300	267,600	267,600	0	267,600
Tuition/Fees	1,365,900	1,293,200	1,293,200	0	1,293,200
Total	\$9,754,000	\$9,943,200	\$9,934,100	\$241,100	\$10,175,200

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	115	131	131	0	131
Professional	206	217	217	0	217
Faculty	481	476	476	0	476
Clerical/Support	335	320	320	0	320
Total	1,137	1,144	1,144	0	1,144
Headcount	11,670	11,380	11,380	0	11,380
State	37,585,900	41,771,200	42,829,800	2,939,900	45,769,700
Federal	638,800	234,300	234,300	0	234,300
Other	21,333,700	19,974,000	19,974,000	0	19,974,000
Tuition/Fees	101,724,200	100,866,800	100,866,800	0	100,866,800
Total	\$161,282,600	\$162,846,300	\$163,904,900	\$2,939,900	\$166,844,800

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	279	299	299	0	299
Professional	700	738	738	0	738
Faculty	1,378	1,412	1,412	0	1,412
Clerical/Support	1,586	1,565	1,565	0	1,565
Total	3,943	4,014	4,014	0	4,014
Headcount	26,923	27,384	27,384	0	27,384

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
State	179,376,300	188,226,200	187,435,600	12,228,100	199,663,700
Federal	18,437,400	17,430,000	17,430,000	0	17,430,000
Other	230,739,200	224,781,600	224,781,600	0	224,781,600
Tuition/Fees	363,294,000	387,288,500	387,288,500	0	387,288,500
Total	\$791,846,900	\$817,726,300	\$816,935,700	\$12,228,100	\$829,163,800

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 is in science and math teaching.

Full-Time					
Administrative	55	57	57	0	57
Professional	120	119	119	0	119
Faculty	310	310	310	0	310
Clerical/Support	278	277	277	0	277
Total	763	763	763	0	763
Headcount	7,042	6,827	6,827	0	6,827
State	26,313,800	27,962,700	27,713,500	1,916,700	29,630,200
Federal	57,100	35,000	35,000	0	35,000
Other	14,714,700	15,991,100	15,991,100	0	15,991,100
Tuition/Fees	58,905,500	58,747,300	58,747,300	0	58,747,300
Total	\$99,991,100	\$102,736,100	\$102,486,900	\$1,916,700	\$104,403,600

Total University of Tennessee System

Full-Time					
Administrative	674	715	715	0	715
Professional	1,963	2,013	2,013	0	2,013
Faculty	3,019	3,088	3,088	0	3,088
Clerical/Support	3,586	3,564	3,564	0	3,564
Total	9,242	9,380	9,380	0	9,380
Headcount	49,098	49,128	49,128	0	49,128
State	488,006,000	507,522,700	504,127,500	28,107,900	532,235,400
Federal	51,462,900	46,376,100	46,376,100	0	46,376,100
Other	347,578,500	341,048,400	341,048,400	0	341,048,400
Tuition/Fees	615,545,800	641,696,600	641,696,600	0	641,696,600
Total	\$1,502,593,200	\$1,536,643,800	\$1,533,248,600	\$28,107,900	\$1,561,356,500

State University and Community College System

The State University and Community College System consists of four-year universities, two-year community colleges, and colleges of applied technology, 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.

The Focus On College and University Success (FOCUS) Act will allow four-year institutions currently governed by the Board of Regents to eventually appoint their own independent governing boards.

Note: Position counts shown below are for full-time, unrestricted education and general employees only. Headcount figures are for Fall 2014 and Fall 2015. Federal revenues, tuition and fees, and other revenues are unrestricted current funds derived from education and general sources and from auxiliary enterprise sources.

<u>Actual</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>	<u>Base</u> <u>2016-2017</u>	<u>Cost Increase</u> <u>2016-2017</u>	<u>Recommended</u> <u>2016-2017</u>
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332.60 Tennessee Board of Regents

This program 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	29	29	29	0	29
Professional	68	69	69	0	69
Faculty	0	0	0	0	0
Clerical/Support	37	36	36	0	36
Total	134	134	134	0	134
Headcount	0	0	0	0	0
State	5,141,200	5,473,700	5,465,400	28,938,700	34,404,100
Federal	0	0	0	0	0
Other	19,759,400	20,171,900	20,171,900	0	20,171,900
Tuition/Fees	0	0	0	0	0
Total	\$24,900,600	\$25,645,600	\$25,637,300	\$28,938,700	\$54,576,000

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 Tennessee State University (TSU) Avon Williams Campus in downtown Nashville, and statewide oversight.

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</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	10,048,800	10,256,900	10,256,900	0	10,256,900
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$10,048,800	\$10,256,900	\$10,256,900	\$0	\$10,256,900

Agricultural Units

Agricultural units are an important part of TSU in its capacity as a land grant institution. As a land grant institution, TSU receives federal funds from the U.S. Department of Agriculture (USDA) to help finance agricultural research and extension at the Institute of Agricultural and Environmental Research (IAgER) and the TSU Cooperative Extension program. The state appropriations match federal grant funds.

332.63 TSU Institute of Agricultural and Environmental Research

The TSU IAgER is the principal agricultural and environmental research division of TSU. The institute's multi-disciplinary research efforts are in the areas of animal and alternative livestock; economics and policy; nursery, medicinal, and alternative food crops; environmental protection and enhancement; and food safety, nutrition, and family well-being.

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	2,278,500	2,341,100	2,340,600	59,000	2,399,600
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$2,278,500	\$2,341,100	\$2,340,600	\$59,000	\$2,399,600

332.62 TSU McMinnville Center

The Tennessee State University McMinnville Center, an 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.

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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
State	560,700	575,800	575,500	14,800	590,300
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$560,700	\$575,800	\$575,500	\$14,800	\$590,300

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	50	15	15	0	15
Faculty	2	1	1	0	1
Clerical/Support	11	4	4	0	4
Total	63	20	20	0	20
Headcount	0	0	0	0	0
State	3,108,900	3,208,500	3,207,300	80,800	3,288,100
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$3,108,900	\$3,208,500	\$3,207,300	\$80,800	\$3,288,100

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

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
State	179,400	183,400	183,400	4,600	188,000
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$179,400	\$183,400	\$183,400	\$4,600	\$188,000

Medical Education Units

To help meet the health needs of the citizens of eastern Tennessee, the East Tennessee State University (ETSU) Quillen College of Medicine provides medical study and training for students who wish to become physicians or other health-care professionals. Through family medicine residency programs, the college encourages its students to enter into family health practice in the rural communities of East Tennessee. The College of Pharmacy trains pharmacists for placement in community pharmacies and rural hospital settings.

332.65 ETSU College of Medicine

The ETSU Quillen College of Medicine provides medical study and training for students interested in primary care as physicians or health care professionals. The college's focus is on practice in under-served rural communities. The college also is committed to biomedical research and to improving health care in northeast Tennessee and the surrounding Appalachia region.

Full-Time Administrative	6	5	5	0	5
Professional	83	84	84	0	84
Faculty	152	156	156	0	156
Clerical/Support	110	111	111	0	111
Total	351	356	356	0	356
Headcount	288	283	283	0	283
State	28,971,400	30,218,700	30,166,900	916,000	31,082,900
Federal	973,400	970,000	970,000	0	970,000
Other	12,239,800	14,353,500	14,353,500	0	14,353,500
Tuition/Fees	9,734,300	9,401,000	9,401,000	0	9,401,000
Total	\$51,918,900	\$54,943,200	\$54,891,400	\$916,000	\$55,807,400

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.

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
Full-Time					
Administrative	2	1	1	0	1
Professional	16	15	15	0	15
Faculty	34	35	35	0	35
Clerical/Support	15	15	15	0	15
Total	67	66	66	0	66
Headcount	324	323	323	0	323
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	108,300	35,000	35,000	0	35,000
Tuition/Fees	10,637,400	11,224,700	11,224,700	0	11,224,700
Total	\$10,745,700	\$11,259,700	\$11,259,700	\$0	\$11,259,700

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	20	20	20	0	20
Faculty	31	31	31	0	31
Clerical/Support	56	56	56	0	56
Total	107	107	107	0	107
Headcount	0	0	0	0	0
State	6,136,700	6,455,500	6,447,000	192,200	6,639,200
Federal	0	0	0	0	0
Other	8,851,600	8,747,000	8,747,000	0	8,747,000
Tuition/Fees	0	0	0	0	0
Total	\$14,988,300	\$15,202,500	\$15,194,000	\$192,200	\$15,386,200

Universities

The four-year universities of the State University and Community College System offer undergraduate and graduate studies 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 are also provided in field biology and creative arts.

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
Full-Time					
Administrative	33	34	34	0	34
Professional	208	218	218	0	218
Faculty	383	385	385	0	385
Clerical/Support	269	270	270	0	270
Total	893	907	907	0	907
Headcount	9,729	9,730	9,730	0	9,730
State	34,281,800	37,040,500	37,816,700	2,503,500	40,320,200
Federal	203,800	150,000	150,000	0	150,000
Other	15,839,900	17,675,700	17,675,700	0	17,675,700
Tuition/Fees	74,625,100	75,787,600	75,787,600	0	75,787,600
Total	\$124,950,600	\$130,653,800	\$131,430,000	\$2,503,500	\$133,933,500

332.72 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	45	46	46	0	46
Professional	420	443	443	0	443
Faculty	653	647	647	0	647
Clerical/Support	487	486	486	0	486
Total	1,605	1,622	1,622	0	1,622
Headcount	13,823	13,743	13,743	0	13,743
State	48,140,300	56,547,600	51,621,800	3,627,600	55,249,400
Federal	1,608,100	1,500,000	1,500,000	0	1,500,000
Other	33,840,000	35,130,000	35,130,000	0	35,130,000
Tuition/Fees	122,402,500	133,578,800	133,578,800	0	133,578,800
Total	\$205,990,900	\$226,756,400	\$221,830,600	\$3,627,600	\$225,458,200

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	69	63	63	0	63
Professional	694	655	655	0	655
Faculty	993	990	990	0	990
Clerical/Support	738	783	783	0	783
Total	2,494	2,491	2,491	0	2,491
Headcount	21,059	20,585	20,585	0	20,585

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
State	91,415,100	98,871,200	95,957,100	6,357,000	102,314,100
Federal	4,228,200	4,096,200	4,096,200	0	4,096,200
Other	76,586,800	72,332,600	72,332,600	0	72,332,600
Tuition/Fees	185,719,000	185,336,900	185,336,900	0	185,336,900
Total	\$357,949,100	\$360,636,900	\$357,722,800	\$6,357,000	\$364,079,800

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	58	58	0	58
Professional	579	613	613	0	613
Faculty	999	1,011	1,011	0	1,011
Clerical/Support	504	501	501	0	501
Total	2,163	2,183	2,183	0	2,183
Headcount	22,731	22,512	22,512	0	22,512
State	82,955,900	86,020,200	84,835,600	5,745,900	90,581,500
Federal	815,300	950,000	950,000	0	950,000
Other	49,748,000	50,687,700	50,687,700	0	50,687,700
Tuition/Fees	185,927,700	186,273,200	186,273,200	0	186,273,200
Total	\$319,446,900	\$323,931,100	\$322,746,500	\$5,745,900	\$328,492,400

332.77 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	60	60	60	0	60
Professional	283	295	295	0	295
Faculty	412	414	414	0	414
Clerical/Support	288	299	299	0	299
Total	1,043	1,068	1,068	0	1,068
Headcount	9,028	9,169	9,169	0	9,169
State	32,134,300	32,954,100	31,458,600	2,202,800	33,661,400
Federal	2,490,200	2,500,000	2,500,000	0	2,500,000
Other	27,965,700	29,100,200	29,100,200	0	29,100,200
Tuition/Fees	87,040,200	86,789,500	86,789,500	0	86,789,500
Total	\$149,630,400	\$151,343,800	\$149,848,300	\$2,202,800	\$152,051,100

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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332.78 Tennessee Technological University

Tennessee Technological University is a comprehensive university located in Cookeville. While the university's strength is in technology and engineering, other academic divisions include agriculture and human sciences, arts and sciences, business, education, interdisciplinary studies, and graduate studies. The university's three centers of excellence are energy systems research, manufacturing, and water resources.

Full-Time					
Administrative	34	37	37	0	37
Professional	331	348	348	0	348
Faculty	448	448	448	0	448
Clerical/Support	328	334	334	0	334
Total	1,141	1,167	1,167	0	1,167
Headcount	11,366	10,922	10,922	0	10,922
State	38,464,300	39,386,900	39,851,000	2,746,700	42,597,700
Federal	854,900	870,200	870,200	0	870,200
Other	28,798,500	24,985,900	24,985,900	0	24,985,900
Tuition/Fees	101,847,500	100,532,000	100,532,000	0	100,532,000
Total	\$169,965,200	\$165,775,000	\$166,239,100	\$2,746,700	\$168,985,800

Community Colleges

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	181	196	196	0	196
Professional	1,103	1,133	1,133	0	1,133
Faculty	1,839	1,895	1,895	0	1,895
Clerical/Support	1,639	1,656	1,656	0	1,656
Total	4,762	4,880	4,880	0	4,880
Headcount	86,193	86,740	86,740	0	86,740
State	207,741,800	218,955,400	217,998,800	14,397,000	232,395,800
Federal	1,270,300	1,397,200	1,397,200	0	1,397,200
Other	14,147,600	14,365,000	14,365,000	0	14,365,000
Tuition/Fees	283,988,600	304,354,100	304,354,100	0	304,354,100
Total	\$507,148,300	\$539,071,700	\$538,115,100	\$14,397,000	\$552,512,100

Tennessee Colleges of Applied Technology

The state's 27 colleges of applied technology provide occupational training tailored to the specific needs of businesses and industries in the geographic regions they serve. Each school is

Higher Education

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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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 Colleges of Applied Technology

This program provides funds for the staffing and operational costs of the colleges that provide post-secondary vocational education, as described above.

Full-Time					
Administrative	49	49	49	0	49
Professional	91	99	99	0	99
Faculty	519	539	539	0	539
Clerical/Support	196	202	202	0	202
Total	855	889	889	0	889
Headcount	10,893	13,739	13,739	0	13,739
State	55,407,600	56,436,600	56,343,900	4,392,600	60,736,500
Federal	47,700	68,200	68,200	0	68,200
Other	9,103,700	8,729,800	8,729,800	0	8,729,800
Tuition/Fees	30,076,100	34,261,400	34,261,400	0	34,261,400
Total	\$94,635,100	\$99,496,000	\$99,403,300	\$4,392,600	\$103,795,900

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
Total State University and Community College System					
Full-Time					
Administrative	591	580	580	0	580
Professional	3,949	4,010	4,010	0	4,010
Faculty	6,467	6,554	6,554	0	6,554
Clerical/Support	4,681	4,756	4,756	0	4,756
Total	15,688	15,900	15,900	0	15,900
Headcount	185,434	187,746	187,746	0	187,746
State	646,966,700	684,926,100	674,526,500	72,179,200	746,705,700
Federal	12,491,900	12,501,800	12,501,800	0	12,501,800
Other	296,989,300	296,314,300	296,314,300	0	296,314,300
Tuition/Fees	1,091,998,400	1,127,539,200	1,127,539,200	0	1,127,539,200
Total	\$2,048,446,300	\$2,121,281,400	\$2,110,881,800	\$72,179,200	\$2,183,061,000

Grand Total Higher Education

Full-Time					
Administrative	1,397	1,436	1,427	9	1,436
Professional	5,912	6,023	6,023	0	6,023
Faculty	9,486	9,642	9,642	0	9,642
Clerical/Support	8,267	8,320	8,320	0	8,320
Part-Time	0	0	0	0	0
Total	25,062	25,421	25,412	9	25,421
Headcount	234,532	236,874	236,874	0	236,874
State	1,542,889,500	1,629,625,600	1,612,127,900	130,658,000	1,742,785,900
Federal	191,012,100	218,529,200	217,269,700	0	217,269,700
Other	687,510,800	688,116,400	681,065,700	0	681,065,700
Tuition/Fees	1,707,544,200	1,769,235,800	1,769,235,800	0	1,769,235,800
Total	\$4,128,956,600	\$4,305,507,000	\$4,279,699,100	\$130,658,000	\$4,410,357,100

**Education
Priority Goals and Measures**

<u>Goal</u>	<u>Measure</u>	<u>Measure Frequency</u>	<u>Baseline</u>	<u>Most Recent</u>	<u>Target</u>
Department of Education (K-12)					
Double the number of educators completing state-led courses on reading instruction.					
	Number of teachers that have completed/enrolled in state reading courses.	Calendar Quarterly	7,500	9,900	13,500
Raise the number of students earning early post-secondary credits and industry certifications.					
	Number of students graduating with early post-secondary credits (this includes scoring ≥ 3 on Advanced Placement, scoring ≥ 4 on International Baccalaureate exam, successfully scoring above cut-off score for statewide dual credit courses, or earning a passing grade on a dual enrollment course). Measured in early post-secondary credits.	Fiscal Year (June 30)	36,000	36,000	37,800
	Number of students graduating with industry certifications. Measured in industry certifications.	Fiscal Year (June 30)	2,700	2,700	3,000
Strengthen lines of communication with teachers through the Commissioner of Education's Classroom Chronicles Tour.					
	Number of teachers the Commissioner of Education has spoken to since beginning the Classroom Chronicles tour in February 2015.	Monthly	4,000	7,444	10,000

Health and Social Services



Health and Social Services

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Health and Social Services

Recommended Budget, Fiscal Year 2016 – 2017

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
- Council on Developmental Disabilities
- 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 Supplemental Nutrition Assistance Program (SNAP) 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.

Cover Tennessee provides comprehensive health coverage to uninsured children and seriously ill adults who can afford health coverage but who have been turned down by insurance companies. 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.

Health and Social Services Total Personnel and Funding

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Recommended 2016-2017</u>
Personnel			
Full-Time	16,961	16,471	16,572
Part-Time	217	216	216
Seasonal	0	0	0
TOTAL	17,178	16,687	16,788
Expenditures			
Payroll	\$ 957,428,200	\$ 1,031,393,200	\$ 1,021,446,700
Operational	13,822,024,200	14,396,508,900	14,826,906,700
TOTAL	\$ 14,779,452,400	\$ 15,427,902,100	\$ 15,848,353,400
Funding			
State	\$ 4,254,202,300	\$ 4,385,339,300	\$ 4,476,368,000
Federal	9,126,964,400	9,794,690,700	10,118,087,000
Other	1,398,285,700	1,247,872,100	1,253,898,400

Health and Social Services
Recommended Budget for Fiscal Year 2016-2017
By Funding Source

Department	State	Federal	Other	Total
316.01 Commission on Children and Youth	2,488,300	1,228,100	690,000	4,406,400
316.02 Commission on Aging and Disability	13,725,700	28,205,600	0	41,931,300
316.07 Health Services and Development Agency	1,204,300	0	0	1,204,300
316.14 Council on Developmental Disabilities	204,100	1,654,300	40,000	1,898,400
318.00 Finance and Administration, Bureau of TennCare	3,530,876,600	6,787,438,900	533,537,000	10,851,852,500
339.00 Mental Health and Substance Abuse Services	216,586,200	61,340,000	46,637,900	324,564,100
343.00 Health	196,225,300	251,193,500	161,864,600	609,283,400
344.00 Intellectual and Developmental Disabilities	23,975,500	0	133,902,700	157,878,200
345.00 Human Services	179,627,300	2,582,411,700	78,991,400	2,841,030,400
350.00 Strategic Health-Care Programs	14,465,000	243,363,600	2,412,200	260,240,800
359.00 Children's Services	296,989,700	161,251,300	295,822,600	754,063,600
Total	\$4,476,368,000	\$10,118,087,000	\$1,253,898,400	\$15,848,353,400

Health and Social Services
Cost Increases for Fiscal Year 2016-2017

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Commission on Aging and Disability					
• Older Americans Act and Health Insurance Counseling					
To provide recurring funds resulting from an increase in federal grants for the Older Americans Act and Health Insurance Counseling programs.					
316.02 Commission on Aging and Disability	\$0	\$541,900	\$0	\$541,900	0
Sub-total	\$0	\$541,900	\$0	\$541,900	0
Total Commission on Aging and Disability	\$0	\$541,900	\$0	\$541,900	0
Finance and Administration, Bureau of TennCare					
• Medical Inflation and Utilization					
To provide recurring funds for the managed care organization program to recognize increased enrollment.					
318.66 TennCare Medical Services	\$64,264,100	\$119,258,500	\$0	\$183,522,600	0
Sub-total	\$64,264,100	\$119,258,500	\$0	\$183,522,600	0
• Medicare Services					
To provide recurring funds for Medicare payments on behalf of dual eligible members by \$46,000,000 for Part D due to increased pharmacy costs of approximately 11% and \$90,668,000 for an increase in the monthly premiums for Part B.					
318.72 Medicare Services	\$77,749,200	\$58,918,800	\$0	\$136,668,000	0
Sub-total	\$77,749,200	\$58,918,800	\$0	\$136,668,000	0
• Employment and Community First (ECF) CHOICES Program					
To provide recurring funds and positions for the new ECF CHOICES program for persons with intellectual and developmental disabilities, many of whom are currently on the waiting list. The ECF CHOICES program will promote and support integrated, competitive employment and independent living as the first and preferred option for individuals with intellectual and developmental disabilities.					
318.65 TennCare Administration	\$267,200	\$403,300	\$0	\$670,500	8
318.66 TennCare Medical Services	\$18,773,200	\$34,838,500	\$0	\$53,611,700	0
Sub-total	\$19,040,400	\$35,241,800	\$0	\$54,282,200	8

Health and Social Services

Cost Increases for Fiscal Year 2016-2017

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Federal Match Rate Change					
To provide recurring funds to replace a loss of federal funds resulting from a decrease in the Federal Medical Assistance Percentage (FMAP) rate from 65.035% in fiscal year 2015-2016 to 64.984% in fiscal year 2016-2017. The FMAP rate is the rate at which the federal government matches state appropriation expenditures in the TennCare program.					
318.66 TennCare Medical Services	\$3,227,100	(\$3,227,100)	\$0	\$0	0
318.70 Supplemental Payments	\$28,600	(\$28,600)	\$0	\$0	0
318.71 Intellectual Disabilities Services	\$459,600	(\$459,600)	\$0	\$0	0
318.72 Medicare Services	\$206,100	(\$206,100)	\$0	\$0	0
Sub-total	\$3,921,400	(\$3,921,400)	\$0	\$0	0
• Aging Caregiver Bill					
To provide recurring funds to annualize funding for 2015 Public Chapter 430 relative to placement of individuals with intellectual disabilities into home and community based services (HCBS) waivers when their caregiver is age 80 or older.					
318.66 TennCare Medical Services	\$234,000	\$434,300	\$0	\$668,300	0
318.71 Intellectual Disabilities Services	\$74,900	\$138,900	\$0	\$213,800	0
Sub-total	\$308,900	\$573,200	\$0	\$882,100	0
• Restoration of Buprenorphine Limits					
To provide recurring funds to restore a reduction enacted in fiscal year 2015-2016 which restricted the coverage of buprenorphine, a drug used to treat opiate addiction, to two years.					
318.66 TennCare Medical Services	\$1,590,300	\$2,951,300	\$0	\$4,541,600	0
Sub-total	\$1,590,300	\$2,951,300	\$0	\$4,541,600	0
• Eligibility System Development					
To provide non-recurring funds for the development of a new eligibility system. The source of the state funding is a transfer to the general fund from the TennCare reserve.					
318.65 TennCare Administration	\$8,261,700	\$65,499,200	\$0	\$73,760,900	0
Sub-total	\$8,261,700	\$65,499,200	\$0	\$73,760,900	0
• Eligibility Staffing					
To provide recurring funds for additional eligibility determination staffing due to growth in enrollment.					
318.65 TennCare Administration	\$4,460,200	\$12,330,600	\$0	\$16,790,800	250
Sub-total	\$4,460,200	\$12,330,600	\$0	\$16,790,800	250
• Intellectual and Developmental Disabilities Waiver Cost Growth					
To provide recurring funds for the inflation of the cost of current waiver enrollees.					
318.71 Intellectual Disabilities Services	\$588,900	\$1,076,800	\$0	\$1,665,700	0
Sub-total	\$588,900	\$1,076,800	\$0	\$1,665,700	0

Health and Social Services

Cost Increases for Fiscal Year 2016-2017

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Intellectual and Developmental Disabilities Waiver - Community-Based Day Services					
To provide recurring funds for an increase in waiver costs due to a transition from facility-based day services in anticipation of changes in federal requirements.					
318.71 Intellectual Disabilities Services	\$1,669,200	\$3,097,500	\$0	\$4,766,700	0
Sub-total	<u>\$1,669,200</u>	<u>\$3,097,500</u>	<u>\$0</u>	<u>\$4,766,700</u>	<u>0</u>
• TennCare for Department of 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	\$1,662,900	\$2,975,100	\$0	\$4,638,000	0
Sub-total	<u>\$1,662,900</u>	<u>\$2,975,100</u>	<u>\$0</u>	<u>\$4,638,000</u>	<u>0</u>
• TennCare for Intellectual and Developmental Disabilities					
To provide non-recurring funds for the TennCare share of cost increases recommended for the Department of Intellectual and Developmental Disabilities.					
318.71 Intellectual Disabilities Services	\$6,259,000	\$11,641,900	\$0	\$17,900,900	0
Sub-total	<u>\$6,259,000</u>	<u>\$11,641,900</u>	<u>\$0</u>	<u>\$17,900,900</u>	<u>0</u>
Total Finance and Administration, Bureau of TennCare	<u>\$189,776,200</u>	<u>\$309,643,300</u>	<u>\$0</u>	<u>\$499,419,500</u>	<u>258</u>

Mental Health and Substance Abuse Services

• Regional Mental Health Institute Revenue Estimates					
To provide recurring funds to reflect revenue loss associated with the changes in insurance coverage trends for patients in crisis served at the Regional Mental Health Institutes.					
339.11 Middle Tennessee Mental Health Institute	\$868,400	(\$343,400)	(\$525,000)	\$0	0
339.12 Western Mental Health Institute	\$4,237,300	(\$1,117,500)	(\$3,119,800)	\$0	0
339.17 Memphis Mental Health Institute	\$364,900	(\$253,500)	(\$111,400)	\$0	0
Sub-total	<u>\$5,470,600</u>	<u>(\$1,714,400)</u>	<u>(\$3,756,200)</u>	<u>\$0</u>	<u>0</u>
• Moccasin Bend Compliance Costs					
To provide recurring funds for an increase in the costs for compliance with The Joint Commission on Accreditation of Healthcare Organizations standards at Moccasin Bend Mental Health Institute.					
339.16 Moccasin Bend Mental Health Institute	\$1,500,000	\$0	\$0	\$1,500,000	0
Sub-total	<u>\$1,500,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,500,000</u>	<u>0</u>

Health and Social Services

Cost Increases for Fiscal Year 2016-2017

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Recovery and Veterans Courts					
To provide recurring funds for nine new recovery courts, two new veteran treatment courts, and three existing veteran treatment courts. With this funding 27 more counties will have access to recovery court services making recovery court services available statewide. These courts will serve 700 more people annually.					
339.03 Community Substance Abuse Services	\$1,270,000	\$0	\$0	\$1,270,000	0
Sub-total	\$1,270,000	\$0	\$0	\$1,270,000	0
• Electronic Clinical Records System - Year 1 of 2					
To provide non-recurring funds and positions for the establishment of an Electronic Clinical Records System at the department's regional mental health institutes to improve clinical, administrative, and financial operations.					
339.01 Administrative Services Division	\$482,400	\$0	\$0	\$482,400	4
339.11 Middle Tennessee Mental Health Institute	\$1,168,200	\$0	\$0	\$1,168,200	1
339.12 Western Mental Health Institute	\$1,168,200	\$0	\$0	\$1,168,200	1
339.16 Moccasin Bend Mental Health Institute	\$1,168,200	\$0	\$0	\$1,168,200	1
339.17 Memphis Mental Health Institute	\$1,051,400	\$0	\$0	\$1,051,400	0
Sub-total	\$5,038,400	\$0	\$0	\$5,038,400	7
Total Mental Health and Substance Abuse Services	\$13,279,000	(\$1,714,400)	(\$3,756,200)	\$7,808,400	7

Health

• Electronic Public Health Information System (EPI)

To provide non-recurring funds for the EPI system. The department maintains a legacy system, Patient Tracking Billing Management Information System (PTBMIS), for tracking and managing core public health services that is nearing the end of its serviceable life and must be replaced. This system is currently the primary tracker of immunizations; primary care patient encounters; client visits (local health department level); and Women, Infants, and Children (WIC) program clients. These funds will be used for the design, development, and implementation of the new EPI system, which provides a platform to create and maintain electronic medical records; increases functionality and efficiency of record utilization, claims processing, disease surveillance and management; and is compatible with federal and private partner provider systems.

343.01 Administration	\$1,334,700	\$0	\$0	\$1,334,700	14
343.60 Health Services	\$13,225,300	\$0	\$0	\$13,225,300	10
Sub-total	\$14,560,000	\$0	\$0	\$14,560,000	24

Health and Social Services Cost Increases for Fiscal Year 2016-2017

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Administration Legislation - Medical Examiner Training					
To provide recurring funds for training to county medical examiners and death investigators.					
343.01 Administration	\$527,800	\$0	\$0	\$527,800	0
Sub-total	\$527,800	\$0	\$0	\$527,800	0
• Hepatitis C					
To provide recurring funds and positions for detecting and responding to Hepatitis C, HCV, and HIV. The Centers for Disease Control and Prevention has identified 41 counties in Tennessee that are at high risk of outbreaks of these diseases. These funds will allow the department to monitor the amount of disease and how and where it is spreading, and will help prevent and respond to outbreaks. Investigators working for the department will be able to test individuals for hepatitis and other related diseases and to initiate prevention activities, such as the distribution of educational material to at-risk populations in order to prevent the further spread of disease.					
343.08 Laboratory Services	\$295,100	\$0	\$0	\$295,100	1
343.49 Communicable and Environmental Disease and Emergency Preparedness	\$287,800	\$0	\$0	\$287,800	3
343.60 Health Services	\$800,400	\$0	\$0	\$800,400	4
Sub-total	\$1,383,300	\$0	\$0	\$1,383,300	8
• Data Management System					
To provide recurring funds to upgrade the State Trauma Registry system to be compliant with International Classification of Diseases, 10th Revision (ICD-10) coding regulations.					
343.07 Emergency Medical Services	\$0	\$50,000	\$345,000	\$395,000	0
Sub-total	\$0	\$50,000	\$345,000	\$395,000	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
• Epilepsy Program - Grant Continuation					
To provide non-recurring funds for the Epilepsy Program.					
343.52 Community and Medical Services	\$103,100	\$0	\$0	\$103,100	0
Sub-total	\$103,100	\$0	\$0	\$103,100	0

Health and Social Services

Cost Increases for Fiscal Year 2016-2017

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Home Visiting Programs					
To provide non-recurring funds for the Healthy Start and Child Health and Development (CHAD) home visiting programs. Of these funds, \$1,500,000 is for Healthy Start and \$450,000 is for CHAD.					
343.47 Family Health and Wellness	\$1,500,000	\$0	\$0	\$1,500,000	0
343.60 Health Services	\$450,000	\$0	\$0	\$450,000	0
Sub-total	\$1,950,000	\$0	\$0	\$1,950,000	0
• Health and Wellness Foundation					
To provide non-recurring funds for the Health and Wellness Foundation.					
343.60 Health Services	\$3,000,000	\$0	\$0	\$3,000,000	0
Sub-total	\$3,000,000	\$0	\$0	\$3,000,000	0
• Men's Health Network - Grant Increase					
To provide non-recurring funds to increase the grant to the Tennessee Men's Health Network.					
343.52 Community and Medical Services	\$50,000	\$0	\$0	\$50,000	0
Sub-total	\$50,000	\$0	\$0	\$50,000	0
Total Health	\$21,699,200	\$50,000	\$345,000	\$22,094,200	32

Intellectual and Developmental Disabilities

• Greene Valley Developmental Center - Six Month Extension					
To provide non-recurring funds for continued operations at Greene Valley Developmental Center for six months as provided by the Clover Bottom Lawsuit Exit Plan. These funds will allow time for the construction of private Intermediate Care Facilities (ICF) homes. The interdepartmental funding is from TennCare and is comprised of \$6,259,000 in state appropriation and \$11,641,900 in federal revenue.					
344.12 Greene Valley Developmental Center	\$277,900	\$0	\$18,965,200	\$19,243,100	452
Sub-total	\$277,900	\$0	\$18,965,200	\$19,243,100	452
• Seating and Positioning - Mobile Unit					
To provide funds for a mobile unit to provide services to people who are unable to travel to the clinics and for an additional therapy position needed to meet anticipated demand. Of these funds, \$123,500 is recurring and includes on-going payroll and operational costs and \$275,000 is non-recurring for the purchase of the mobile unit.					
344.35 Seating and Positioning Clinics	\$398,500	\$0	\$0	\$398,500	1
Sub-total	\$398,500	\$0	\$0	\$398,500	1
Total Intellectual and Developmental Disabilities	\$676,400	\$0	\$18,965,200	\$19,641,600	453

Health and Social Services Cost Increases for Fiscal Year 2016-2017

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Human Services					
• Child Support Assistant District Attorneys Step Raises					
To provide recurring funds for the mandated salary increase required in TCA 8-7-201 for the assistant district attorneys in the IV-D Child Support Enforcement program.					
345.13 Child Support	\$41,800	\$81,100	\$0	\$122,900	0
Sub-total	\$41,800	\$81,100	\$0	\$122,900	0
Total Human Services	\$41,800	\$81,100	\$0	\$122,900	0

Children's Services

• Brian A. Settlement Agreement

To provide recurring funds for expenditures related to the Brian A. Settlement Agreement. This includes funds for 52 additional Child Protective Services case managers at a cost of \$3,685,900; three additional positions for licensing, provider quality, and risk management at a cost of \$215,400; four new programmers for the Tennessee Family and Child Tracking System (TFACTS) at a cost of \$430,800; an additional regional nurse at a cost of \$88,400; a private provider rate increase at a cost of \$4,831,600; foster care rate increase at a cost of \$389,000; and funds for the growth in the caseload of adoption assistance at a cost of \$3,799,900. The other funding from the TennCare program is comprised of \$1,662,900 in state appropriation and \$2,975,100 in federal revenue.

359.10 Administration	\$253,300	\$88,200	\$177,700	\$519,200	5
359.30 Custody Services	\$1,553,600	\$864,700	\$2,802,300	\$5,220,600	0
359.40 Adoption Services	\$1,945,500	\$1,854,400	\$0	\$3,799,900	0
359.50 Child and Family Management	\$1,439,600	\$803,700	\$1,658,000	\$3,901,300	55
Sub-total	\$5,192,000	\$3,611,000	\$4,638,000	\$13,441,000	60

• Teacher Training and Experience Compensation

To provide recurring funds for salary increases to teachers at youth developmental center schools according to their level of training and experience as required by TCA 49-50-1003(d) and 4-6-14(d). This increase will assure that salaries for teachers at the youth developmental centers are comparable to other public school teachers.

359.60 John S. Wilder Youth Development Center	\$19,100	\$0	\$0	\$19,100	0
359.62 Woodland Hills Youth Development Center	\$12,000	\$0	\$0	\$12,000	0
359.63 Mountain View Youth Development Center	\$21,700	\$0	\$0	\$21,700	0
Sub-total	\$52,800	\$0	\$0	\$52,800	0

Health and Social Services
Cost Increases for Fiscal Year 2016-2017

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Federal Match Rate Change					
To provide recurring funds to replace a loss of federal funds resulting from a decrease in the Federal Medical Assistance Percentage (FMAP) rate in the IV-E Adoption Assistance and Foster Care programs from 65.035% in fiscal year 2015-2016 to 64.984% in fiscal year 2016-2017.					
359.30 Custody Services	\$24,400	(\$24,400)	\$0	\$0	0
359.40 Adoption Services	\$21,800	(\$21,800)	\$0	\$0	0
Sub-total	\$46,200	(\$46,200)	\$0	\$0	0
Total Children's Services	\$5,291,000	\$3,564,800	\$4,638,000	\$13,493,800	60
Total Health and Social Services	\$230,763,600	\$312,166,700	\$20,192,000	\$563,122,300	810

Commission on Children and Youth

The Commission on Children and Youth works with state agencies, juvenile courts, child advocacy groups, interested citizens, and other organizations to improve services to children. The commission also administers the federal Juvenile Justice and Delinquency Prevention Grant, the federal Juvenile Accountability Block Grant, and other federal and state grant funds for juvenile justice programs.

The commission is comprised of 21 members appointed by the Governor. Four 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 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
316.01 Commission on Children and Youth					
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	1,831,300	2,332,300	2,332,300	0	2,332,300
Operational	1,892,400	2,075,000	2,074,100	0	2,074,100
Total	\$3,723,700	\$4,407,300	\$4,406,400	\$0	\$4,406,400
State	2,204,100	2,489,200	2,488,300	0	2,488,300
Federal	791,800	1,228,100	1,228,100	0	1,228,100
Other	727,800	690,000	690,000	0	690,000

Commission on Aging and Disability

The Commission on Aging and Disability is responsible for networking aging or disabled adults needing in-home services with state, federal, and local programs.

The commission is comprised of 22 members. The Governor appoints 19 members, including a member of his staff. The commissioners of Health, Mental Health and Substance Abuse Services, Intellectual and Developmental Disabilities, Human Services, and Veterans Services, the director of TennCare, and the executive director of the Council on Developmental Disabilities are ex-officio, voting members. The speakers of the Senate and House of Representatives appoint one non-voting member each. The 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 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
316.02 Commission on Aging and Disability					
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	2,029,700	2,264,800	2,264,800	0	2,264,800
Operational	36,982,700	39,125,600	39,124,600	541,900	39,666,500
Total	\$39,012,400	\$41,390,400	\$41,389,400	\$541,900	\$41,931,300
State	13,342,000	13,726,200	13,725,700	0	13,725,700
Federal	25,668,300	27,664,200	27,663,700	541,900	28,205,600
Other	2,100	0	0	0	0

Health Services and Development Agency

The Health Services and Development Agency is responsible for regulating the health-care industry through the certificate-of-need program. The agency requires certification of need for the establishment or modification of health-care facilities and the reporting of financial and statistical data from these facilities. The certificate-of-need program assures that health-care projects are accomplished in an orderly, economical manner, consistent with the development of an adequate and effective health-care system.

The agency is governed by a board comprised of 11 members. The Governor appoints six 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</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>	<u>Base</u> <u>2016-2017</u>	<u>Cost Increase</u> <u>2016-2017</u>	<u>Recommended</u> <u>2016-2017</u>
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316.07 Health Services and Development Agency

Full-Time	10	10	10	0	10
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	18	18	18	0	18
Payroll	871,900	881,300	881,300	0	881,300
Operational	190,500	323,400	323,000	0	323,000
Total	\$1,062,400	\$1,204,700	\$1,204,300	\$0	\$1,204,300
State	1,050,600	1,204,700	1,204,300	0	1,204,300
Federal	0	0	0	0	0
Other	11,800	0	0	0	0

Council on Developmental Disabilities

The Council on Developmental Disabilities is authorized by the federal Developmental Disabilities Act (Public Law 106-402). The Council on Developmental Disabilities is responsible for improving state policies, practices and public and private partnerships that affect Tennesseans with developmental disabilities and their families. The council works with all state agencies, local government, and private organizations to link programs and services in more efficient and effective ways to benefit individuals with developmental disabilities.

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 operates as an independent office in the executive branch, guided by citizen members appointed by the Governor. The council's executive director is hired and supervised by the council chairperson. The council programs are carried out according to an approved state plan, which meets all federal and state administrative regulations.

<u>Actual</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>	<u>Base</u> <u>2016-2017</u>	<u>Cost Increase</u> <u>2016-2017</u>	<u>Recommended</u> <u>2016-2017</u>
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316.14 Council on 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	723,700	849,300	855,400	0	855,400
Operational	665,000	1,090,500	1,043,000	0	1,043,000
Total	\$1,388,700	\$1,939,800	\$1,898,400	\$0	\$1,898,400
State	161,300	204,500	204,100	0	204,100
Federal	1,153,600	1,655,300	1,654,300	0	1,654,300
Other	73,800	80,000	40,000	0	40,000

Department of Finance and Administration, Bureau of TennCare

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, behavioral health services, and long-term services and supports to people who meet program eligibility requirements.

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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318.65 TennCare Administration

TennCare Administration establishes policy, provides oversight, and directs the TennCare program. This division provides funds for the staffing, contractual and other operational costs necessary for administration of the program, and for determination of client eligibility for services.

Full-Time	779	781	781	258	1,039
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	779	781	781	258	1,039
Payroll	52,677,600	59,255,100	59,255,100	15,324,900	74,580,000
Operational	191,700,200	184,677,300	184,660,700	75,897,300	260,558,000
Total	\$244,377,800	\$243,932,400	\$243,915,800	\$91,222,200	\$335,138,000
State	90,795,400	87,903,900	87,895,600	12,989,100	100,884,700
Federal	151,525,000	154,476,600	154,468,300	78,233,100	232,701,400
Other	2,057,400	1,551,900	1,551,900	0	1,551,900

318.66 TennCare Medical Services

TennCare Medical Services provides funding for traditional basic health care, behavioral health services, and long-term services and support under the Medicaid waiver program. The program provides funding to other state agencies and to managed care organizations, which provide basic medical and behavioral health services in addition to long-term services and supports. State agencies that provide medical care are funded from this division and include the Department of Children's Services and the Department of Health. Beginning in fiscal year 2017, the Employment and Community First (ECF) CHOICES program will provide home and community-based services (HCBS) to individuals with intellectual and developmental disabilities through TennCare's managed care 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	7,366,915,700	7,720,153,500	7,676,705,700	246,982,200	7,923,687,900
Total	\$7,366,915,700	\$7,720,153,500	\$7,676,705,700	\$246,982,200	\$7,923,687,900

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
State	2,296,953,700	2,359,016,000	2,331,753,500	89,751,600	2,421,505,100
Federal	4,472,598,000	4,869,849,300	4,847,244,000	157,230,600	5,004,474,600
Other	597,364,000	491,288,200	497,708,200	0	497,708,200

318.70 Supplemental Payments

Supplemental Payments includes funding for Essential Access Hospitals, Critical Access Hospitals, Federally Qualified Health Clinics, Disproportionate Share Hospitals, 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.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	905,944,000	911,170,400	911,861,100	0	911,861,100
Total	\$905,944,000	\$911,170,400	\$911,861,100	\$0	\$911,861,100
State	286,178,600	271,769,200	272,373,800	28,600	272,402,400
Federal	581,968,700	605,189,300	605,275,400	-28,600	605,246,800
Other	37,796,700	34,211,900	34,211,900	0	34,211,900

318.71 Intellectual Disabilities Services

Intellectual Disabilities Services provides administrative oversight and funding for three HCBS waivers for persons with intellectual disabilities. These waivers are the Self-Determination waiver, Comprehensive Aggregate Capped waiver, and the Statewide waiver. The Department of Intellectual and Developmental Disabilities is the administrative lead agency for these waiver programs. Upon implementation of the ECF CHOICES program, the current HCBS waivers for individuals with intellectual disabilities will be closed to new enrollees with only a few narrow exceptions. 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	932,988,700	936,526,900	915,969,900	24,547,100	940,517,000
Total	\$932,988,700	\$936,526,900	\$915,969,900	\$24,547,100	\$940,517,000
State	333,179,400	334,726,800	327,776,200	9,051,600	336,827,800
Federal	599,744,600	601,800,100	588,128,700	15,495,500	603,624,200
Other	64,700	0	65,000	0	65,000

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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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	600,777,100	603,980,500	603,980,500	136,668,000	740,648,500
Total	\$600,777,100	\$603,980,500	\$603,980,500	\$136,668,000	\$740,648,500
State	307,719,400	321,282,800	321,301,300	77,955,300	399,256,600
Federal	293,057,700	282,697,700	282,679,200	58,712,700	341,391,900
Other	0	0	0	0	0

318.00 Total Finance and Administration, Bureau of TennCare

Full-Time	779	781	781	258	1,039
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	779	781	781	258	1,039
Payroll	52,677,600	59,255,100	59,255,100	15,324,900	74,580,000
Operational	9,998,325,700	10,356,508,600	10,293,177,900	484,094,600	10,777,272,500
Total	\$10,051,003,300	\$10,415,763,700	\$10,352,433,000	\$499,419,500	\$10,851,852,500
State	3,314,826,500	3,374,698,700	3,341,100,400	189,776,200	3,530,876,600
Federal	6,098,894,000	6,514,013,000	6,477,795,600	309,643,300	6,787,438,900
Other	637,282,800	527,052,000	533,537,000	0	533,537,000

Department of Mental Health and Substance Abuse Services

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 (RMHIs), 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 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</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	197	195	177	4	181
Part-Time	5	5	5	0	5
Seasonal	0	0	0	0	0
Total	202	200	182	4	186
Payroll	14,309,600	16,506,400	14,586,100	441,500	15,027,600
Operational	3,106,200	3,395,300	4,723,700	40,900	4,764,600
Total	\$17,415,800	\$19,901,700	\$19,309,800	\$482,400	\$19,792,200
State	12,273,600	14,074,200	13,562,600	482,400	14,045,000
Federal	2,742,100	3,570,100	3,252,000	0	3,252,000
Other	2,400,100	2,257,400	2,495,200	0	2,495,200

Mental Health and Substance Abuse Services

The Mental Health and Substance Abuse Services division provides services for individuals suffering from mental illness or a substance-related disorder through a comprehensive network of community service providers, as well as through the state's four regional mental health institutes.

The state's four RMHIs provide inpatient services to increase the functionality, productivity, and quality of life for severely mentally-ill adults. The RMHIs are accredited by the Joint Commission as psychiatric hospitals. The institutes provide the following services: acute

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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treatment services for adults who need emergency and generally short-term inpatient care; rehabilitation services for chronically ill adults who typically require basic living, socialization, and vocational skills training; gero-psychiatric services primarily to persons age 60 and older, many of whom need nursing care; and 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, recovery 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	57,630,600	65,180,000	61,621,400	1,270,000	62,891,400
Total	\$57,630,600	\$65,180,000	\$61,621,400	\$1,270,000	\$62,891,400
State	21,457,100	26,172,800	23,810,100	1,270,000	25,080,100
Federal	31,445,900	33,982,100	32,973,800	0	32,973,800
Other	4,727,600	5,025,100	4,837,500	0	4,837,500

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	99,185,200	104,134,600	102,945,200	0	102,945,200
Total	\$99,185,200	\$104,134,600	\$102,945,200	\$0	\$102,945,200
State	76,794,800	77,878,600	77,878,600	0	77,878,600
Federal	16,349,700	20,377,800	19,188,400	0	19,188,400
Other	6,040,700	5,878,200	5,878,200	0	5,878,200

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</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	587	579	579	1	580
Part-Time	1	0	0	0	0
Seasonal	0	0	0	0	0
Total	588	579	579	1	580
Payroll	35,034,600	35,443,000	35,443,000	111,100	35,554,100
Operational	10,655,700	11,076,900	10,241,400	1,057,100	11,298,500
Total	\$45,690,300	\$46,519,900	\$45,684,400	\$1,168,200	\$46,852,600
State	32,121,400	32,701,200	31,865,700	2,036,600	33,902,300
Federal	1,801,800	1,863,000	1,863,000	-343,400	1,519,600
Other	11,767,100	11,955,700	11,955,700	-525,000	11,430,700

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	452	445	445	1	446
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	452	445	445	1	446
Payroll	26,505,500	28,421,300	28,421,300	111,100	28,532,400
Operational	6,186,100	10,175,700	6,622,300	1,057,100	7,679,400
Total	\$32,691,600	\$38,597,000	\$35,043,600	\$1,168,200	\$36,211,800
State	20,533,600	23,797,800	20,244,400	5,405,500	25,649,900
Federal	977,200	2,066,300	1,866,300	-1,117,500	748,800
Other	11,180,800	12,732,900	12,932,900	-3,119,800	9,813,100

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	447	460	460	1	461
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	447	460	460	1	461
Payroll	24,909,600	25,969,600	25,969,600	111,100	26,080,700
Operational	10,203,100	8,747,000	7,164,700	2,557,100	9,721,800
Total	\$35,112,700	\$34,716,600	\$33,134,300	\$2,668,200	\$35,802,500
State	23,251,000	22,463,800	20,881,500	2,668,200	23,549,700
Federal	3,787,400	4,169,600	2,932,900	0	2,932,900
Other	8,074,300	8,083,200	9,319,900	0	9,319,900

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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339.17 Memphis Mental Health Institute

Memphis Mental Health Institute was established in Memphis in 1962, is accredited as a psychiatric hospital, and operates 55 beds.

Full-Time	185	186	186	0	186
Part-Time	1	0	0	0	0
Seasonal	0	0	0	0	0
Total	186	186	186	0	186
Payroll	11,615,000	12,991,700	12,991,700	0	12,991,700
Operational	6,008,200	5,916,000	5,575,300	1,051,400	6,626,700
Total	\$17,623,200	\$18,907,700	\$18,567,000	\$1,051,400	\$19,618,400
State	13,841,200	14,955,000	14,614,300	1,416,300	16,030,600
Federal	808,400	1,078,000	978,000	-253,500	724,500
Other	2,973,600	2,874,700	2,974,700	-111,400	2,863,300

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	831,800	450,000	450,000	0	450,000
Total	\$831,800	\$450,000	\$450,000	\$0	\$450,000
State	450,000	450,000	450,000	0	450,000
Federal	0	0	0	0	0
Other	381,800	0	0	0	0

339.00 Total Mental Health and Substance Abuse Services

Full-Time	1,868	1,865	1,847	7	1,854
Part-Time	7	5	5	0	5
Seasonal	0	0	0	0	0
Total	1,875	1,870	1,852	7	1,859
Payroll	112,374,300	119,332,000	117,411,700	774,800	118,186,500
Operational	193,806,900	209,075,500	199,344,000	7,033,600	206,377,600
Total	\$306,181,200	\$328,407,500	\$316,755,700	\$7,808,400	\$324,564,100
State	200,722,700	212,493,400	203,307,200	13,279,000	216,586,200
Federal	57,912,500	67,106,900	63,054,400	-1,714,400	61,340,000
Other	47,546,000	48,807,200	50,394,100	-3,756,200	46,637,900

Statistical Data Mental Health Institutes

	Lakeshore* 339.10	Middle Tennessee 339.11	Western 339.12	Moccasin Bend 339.16	Memphis 339.17	Total
Annual Admissions						
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	2,881	1,211	2,340	1,440	10,272
2012-2013	0	3,157	975	2,763	1,184	8,079
2013-2014	0	3,150	1,000	3,150	1,200	8,500
2014-2015	0	3,702	1,046	3,442	1,547	9,737
2015-2016	0	3,571	1,050	3,400	1,550	9,571
2016-2017	0	3,571	1,050	3,400	1,550	9,571
Annual Releases						
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	2,854	1,202	2,305	1,433	10,194
2012-2013	0	3,139	971	2,752	1,186	8,048
2013-2014	0	3,150	1,000	3,200	1,200	8,550
2014-2015	0	3,739	1,038	3,429	1,546	9,752
2015-2016	0	3,590	1,040	3,400	1,550	9,580
2016-2017	0	3,590	1,040	3,400	1,550	9,580
Average Daily Census						
2009-2010	166	172	121	102	60	621
2010-2011	153	163	119	101	56	592
2011-2012	95	166	114	104	59	538
2012-2013	0	167	132	131	49	479
2013-2014	0	177	119	137	47	480
2014-2015	0	181	128	136	47	492
2015-2016	0	178	128	136	47	489
2016-2017	0	178	128	136	47	489
Cost Per Occupancy Day**						
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	\$684.65	\$696.83	\$746.89	\$647.54	\$896.88	\$717.70
2012-2013	\$0.00	\$697.85	\$658.96	\$592.12	\$1,063.61	\$719.71
2013-2014	\$0.00	\$701.55	\$742.18	\$651.05	\$1,048.09	\$731.14
2014-2015	\$0.00	\$691.60	\$699.73	\$707.35	\$1,027.29	\$730.14
2015-2016	\$0.00	\$714.06	\$823.88	\$697.46	\$1,099.16	\$775.20
2016-2017	\$0.00	\$721.14	\$775.08	\$721.24	\$1,143.60	\$775.89

* Lakeshore Mental Health Institute closed at the end of fiscal year 2011-2012.

** Last column indicates average cost per day for all institutions.

Department of Health

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 areas: Administrative and Support Services, Health Licensure and Regulation, and Health Services.

<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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Administrative and Support Services

Administrative and Support Services provides direction, coordination, review, and basic support services to the Department of Health, including administrative services, audit, information technology, and general counsel.

343.01 Administration

Administration provides for the overall policy direction and management of the department as well as the human resources, legal, internal audit, accounting, budgeting, and information technology services.

Full-Time	274	305	289	14	303
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	274	305	289	14	303
Payroll	17,454,700	25,337,800	24,000,900	1,334,700	25,335,600
Operational	6,231,100	4,866,100	4,846,000	527,800	5,373,800
Total	\$23,685,800	\$30,203,900	\$28,846,900	\$1,862,500	\$30,709,400
State	18,567,700	23,922,200	22,497,400	1,862,500	24,359,900
Federal	4,833,100	5,701,000	5,734,100	0	5,734,100
Other	285,000	580,700	615,400	0	615,400

Health Licensure and Regulation

Health Licensure and Regulation regulates the health-care industry through the certification of health-care facilities, emergency medical services, and the regulation of certain health-care professionals. In addition, the division licenses the commercial breeding of companion animals and coordinates and administers the trauma system fund.

343.05 Health Licensure and Regulation

This program includes funds for staff that provide policy, direction, and support to Health Licensure and Regulation and monitors the quality of health care. Civil rights compliance, health-care facility licensure, and the health-care federal certification program are administered by the division. The division also certifies providers for the participation in federal Medicare and Medicaid programs. Health Licensure and Regulation monitors facility compliance with the state minimum standards, federal standards of care, and conditions of participation through facility surveys and incident investigations.

Full-Time	178	179	180	0	180
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	178	179	180	0	180

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
Payroll	11,803,200	13,331,100	13,457,000	0	13,457,000
Operational	4,136,900	4,803,000	4,792,800	0	4,792,800
Total	\$15,940,100	\$18,134,100	\$18,249,800	\$0	\$18,249,800
State	2,555,700	8,901,600	9,017,300	0	9,017,300
Federal	12,182,600	8,024,000	8,024,000	0	8,024,000
Other	1,201,800	1,208,500	1,208,500	0	1,208,500

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 cost of maintaining required standards for designation and uncompensated care cost 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	82,700	87,600	87,600	0	87,600
Operational	7,768,500	8,412,400	8,412,400	0	8,412,400
Total	\$7,851,200	\$8,500,000	\$8,500,000	\$0	\$8,500,000
State	7,851,200	8,500,000	8,500,000	0	8,500,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

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 is also responsible for statewide, multi-agency emergency medical disaster planning, training, and operations, as identified in the Tennessee Emergency Management plan.

Full-Time	17	17	17	0	17
Part-Time	13	13	13	0	13
Seasonal	0	0	0	0	0
Total	30	30	30	0	30
Payroll	908,800	1,136,700	1,136,700	0	1,136,700
Operational	506,800	549,900	548,700	395,000	943,700
Total	\$1,415,600	\$1,686,600	\$1,685,400	\$395,000	\$2,080,400
State	48,100	7,900	6,700	0	6,700
Federal	25,800	3,200	3,200	50,000	53,200
Other	1,341,700	1,675,500	1,675,500	345,000	2,020,500

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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343.10 Health Related Boards

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	136	136	0	136
Part-Time	185	186	186	0	186
Seasonal	0	0	0	0	0
Total	320	322	322	0	322
Payroll	8,492,500	9,302,200	9,302,200	0	9,302,200
Operational	5,127,400	7,512,500	8,480,700	0	8,480,700
Total	\$13,619,900	\$16,814,700	\$17,782,900	\$0	\$17,782,900
State	13,450,400	15,527,900	15,489,800	0	15,489,800
Federal	0	0	0	0	0
Other	169,500	1,286,800	2,293,100	0	2,293,100

Health Services

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 preventative services, with an emphasis on health promotion, disease prevention, and health access. Services are provided through the following programs: General Environmental Health; Family Health and Wellness; Communicable and Environmental Disease and Emergency Preparedness; Community and Medical Services; Special Supplemental Nutrition Program for Women, Infants, and Children (WIC); and Health Services.

343.08 Laboratory Services

Laboratory Services offer 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	132	142	146	1	147
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	132	142	146	1	147
Payroll	8,334,300	9,727,700	9,923,200	67,100	9,990,300
Operational	10,870,100	11,880,500	11,880,900	228,000	12,108,900
Total	\$19,204,400	\$21,608,200	\$21,804,100	\$295,100	\$22,099,200
State	7,298,800	6,093,800	6,275,000	295,100	6,570,100
Federal	1,943,600	1,997,800	2,012,500	0	2,012,500
Other	9,962,000	13,516,600	13,516,600	0	13,516,600

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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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.

Full-Time	123	122	122	0	122
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	123	122	122	0	122
Payroll	7,048,800	7,661,200	7,712,400	0	7,712,400
Operational	4,032,500	3,974,300	3,961,600	0	3,961,600
Total	\$11,081,300	\$11,635,500	\$11,674,000	\$0	\$11,674,000
State	4,102,500	3,677,900	3,491,000	0	3,491,000
Federal	2,960,800	3,195,600	3,421,000	0	3,421,000
Other	4,018,000	4,762,000	4,762,000	0	4,762,000

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 surveillance, and environmental surveys that are conducted in schools, child care facilities, and state correctional institutions.

Full-Time	108	107	106	0	106
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	108	107	106	0	106
Payroll	7,291,300	7,528,000	7,435,600	0	7,435,600
Operational	3,901,700	4,952,400	4,945,200	0	4,945,200
Total	\$11,193,000	\$12,480,400	\$12,380,800	\$0	\$12,380,800
State	10,953,400	12,306,800	12,207,200	0	12,207,200
Federal	192,500	85,000	85,000	0	85,000
Other	47,100	88,600	88,600	0	88,600

343.47 Family Health and Wellness

Family Health and Wellness 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. Additionally, funding for the Diabetes Prevention and Health Improvement program is budgeted in Family Health and Wellness.

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
Full-Time	95	110	109	0	109
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	95	110	109	0	109
Payroll	6,453,000	8,059,400	8,272,600	0	8,272,600
Operational	36,695,800	36,891,600	35,822,700	1,500,000	37,322,700
Total	\$43,148,800	\$44,951,000	\$44,095,300	\$1,500,000	\$45,595,300
State	12,410,900	8,424,600	6,699,300	1,500,000	8,199,300
Federal	24,353,800	28,736,500	29,606,100	0	29,606,100
Other	6,384,100	7,789,900	7,789,900	0	7,789,900

343.49 Communicable and Environmental Disease and Emergency Preparedness

The Communicable and Environmental Disease Services program works with staff in regional and local health departments to provide epidemiological services. These activities include epidemiological investigations of acute communicable diseases; tuberculosis control services; administration of immunizations against vaccine-preventable diseases; 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	163	189	188	3	191
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	163	189	188	3	191
Payroll	10,706,000	16,274,000	16,437,300	227,800	16,665,100
Operational	53,522,500	51,444,600	51,769,100	60,000	51,829,100
Total	\$64,228,500	\$67,718,600	\$68,206,400	\$287,800	\$68,494,200
State	10,634,300	11,608,900	10,458,700	287,800	10,746,500
Federal	37,918,700	45,977,000	47,615,000	0	47,615,000
Other	15,675,500	10,132,700	10,132,700	0	10,132,700

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, community prevention initiative, diabetes prevention and control, heart disease and stroke prevention, and traumatic brain injury treatment.

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
Full-Time	20	24	24	0	24
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	20	24	24	0	24
Payroll	1,475,900	1,712,000	1,712,000	0	1,712,000
Operational	15,295,600	18,653,100	15,719,900	278,100	15,998,000
Total	\$16,771,500	\$20,365,100	\$17,431,900	\$278,100	\$17,710,000
State	14,547,800	14,032,100	11,178,400	278,100	11,456,500
Federal	1,311,500	1,564,300	1,564,300	0	1,564,300
Other	912,200	4,768,700	4,689,200	0	4,689,200

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 breastfeeding 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	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	118,775,600	128,739,800	128,739,800	0	128,739,800
Total	\$118,775,600	\$128,739,800	\$128,739,800	\$0	\$128,739,800
State	0	0	0	0	0
Federal	75,628,100	83,606,800	83,606,800	0	83,606,800
Other	43,147,500	45,133,000	45,133,000	0	45,133,000

343.60 Health Services

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 WIC program, described above.

Full-Time	1,648	1,650	1,636	14	1,650
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
Total	1,650	1,652	1,638	14	1,652
Payroll	98,098,800	107,893,900	106,681,600	1,357,600	108,039,200
Operational	114,788,700	107,199,500	101,110,300	16,118,100	117,228,400
Total	\$212,887,500	\$215,093,400	\$207,791,900	\$17,475,700	\$225,267,600

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
State	72,800,600	76,249,500	68,705,300	17,475,700	86,181,000
Federal	73,059,000	67,707,200	69,471,500	0	69,471,500
Other	67,027,900	71,136,700	69,615,100	0	69,615,100
343.00 Total Health					
Full-Time	2,894	2,982	2,954	32	2,986
Part-Time	200	201	201	0	201
Seasonal	0	0	0	0	0
Total	3,094	3,183	3,155	32	3,187
Payroll	178,150,000	208,051,600	206,159,100	2,987,200	209,146,300
Operational	381,653,200	389,879,700	381,030,100	19,107,000	400,137,100
Total	\$559,803,200	\$597,931,300	\$587,189,200	\$22,094,200	\$609,283,400
State	175,221,400	189,253,200	174,526,100	21,699,200	196,225,300
Federal	234,409,500	246,598,400	251,143,500	50,000	251,193,500
Other	150,172,300	162,079,700	161,519,600	345,000	161,864,600

Department of Intellectual and Developmental Disabilities

The Department of Intellectual and Developmental Disabilities (DIDD) 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.

<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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Administration

344.01 Intellectual Disabilities Services Administration

Intellectual Disabilities Services Administration is responsible for oversight of the two developmental centers, 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, training, technical assistance, and consultation in specialty areas.

Full-Time	273	277	242	0	242
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	273	277	242	0	242
Payroll	19,523,400	20,668,300	17,762,000	0	17,762,000
Operational	5,861,900	7,038,200	7,212,900	0	7,212,900
Total	\$25,385,300	\$27,706,500	\$24,974,900	\$0	\$24,974,900
State	507,400	1,797,100	1,524,800	0	1,524,800
Federal	0	0	0	0	0
Other	24,877,900	25,909,400	23,450,100	0	23,450,100

Community Services

Three regional offices coordinate services for individuals in the community and for individuals transitioning from institutional settings to the community. Additional alternatives to institutional residential settings are provided at state-operated Intermediate Care Facilities (ICFs) for the intellectually disabled at community homes serving East, Middle, and West 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.

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</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	17,766,800	17,542,900	17,542,900	0	17,542,900
Total	\$17,766,800	\$17,542,900	\$17,542,900	\$0	\$17,542,900
State	11,799,700	13,103,800	13,103,800	0	13,103,800
Federal	0	0	0	0	0
Other	5,967,100	4,439,100	4,439,100	0	4,439,100

344.04 Protection from Harm

The Protection from Harm division serves as a safeguard for the service recipient and focuses on investigation, complaint resolution, and incident management.

Full-Time	63	62	62	0	62
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	64	63	63	0	63
Payroll	4,644,700	4,658,900	4,658,900	0	4,658,900
Operational	498,000	303,800	494,100	0	494,100
Total	\$5,142,700	\$4,962,700	\$5,153,000	\$0	\$5,153,000
State	0	281,400	281,400	0	281,400
Federal	0	0	0	0	0
Other	5,142,700	4,681,300	4,871,600	0	4,871,600

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	153	147	130	0	130
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	153	147	130	0	130
Payroll	9,942,200	10,688,300	9,080,100	0	9,080,100
Operational	2,707,200	2,942,000	2,306,100	0	2,306,100
Total	\$12,649,400	\$13,630,300	\$11,386,200	\$0	\$11,386,200
State	1,216,300	2,386,900	1,615,200	0	1,615,200
Federal	0	0	0	0	0
Other	11,433,100	11,243,400	9,771,000	0	9,771,000

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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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	125	119	119	0	119
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	125	119	119	0	119
Payroll	7,615,300	8,291,700	7,945,200	0	7,945,200
Operational	2,926,300	2,617,300	2,647,200	0	2,647,200
Total	\$10,541,600	\$10,909,000	\$10,592,400	\$0	\$10,592,400
State	823,500	525,800	506,100	0	506,100
Federal	0	0	0	0	0
Other	9,718,100	10,383,200	10,086,300	0	10,086,300

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	104	102	127	0	127
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	104	102	127	0	127
Payroll	6,612,700	7,282,500	8,333,500	0	8,333,500
Operational	1,739,000	1,807,400	1,882,600	0	1,882,600
Total	\$8,351,700	\$9,089,900	\$10,216,100	\$0	\$10,216,100
State	57,500	450,600	493,900	0	493,900
Federal	0	0	0	0	0
Other	8,294,200	8,639,300	9,722,200	0	9,722,200

344.35 Seating and Positioning Clinics

The three assistive technology clinics located in East, Middle, and West Tennessee provide custom wheelchairs and positioning equipment to individuals with intellectual and developmental disabilities.

Full-Time	30	26	27	1	28
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	30	26	27	1	28
Payroll	1,906,500	1,881,900	2,005,800	50,800	2,056,600
Operational	1,414,500	1,098,500	1,303,200	347,700	1,650,900
Total	\$3,321,000	\$2,980,400	\$3,309,000	\$398,500	\$3,707,500
State	2,423,800	1,737,400	2,557,800	398,500	2,956,300
Federal	0	0	0	0	0
Other	897,200	1,243,000	751,200	0	751,200

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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344.40 West Tennessee Community Homes

West Tennessee Community Homes are ICFs for individuals with severe to profound intellectual, physical, and medical challenges.

Full-Time	215	208	217	0	217
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	215	208	217	0	217
Payroll	11,194,100	11,295,100	12,338,600	0	12,338,600
Operational	7,119,300	5,718,700	5,525,100	0	5,525,100
Total	\$18,313,400	\$17,013,800	\$17,863,700	\$0	\$17,863,700
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	18,313,400	17,013,800	17,863,700	0	17,863,700

344.41 Middle Tennessee Community Homes

Middle Tennessee Community Homes are ICFs for individuals with severe to profound intellectual, physical, and medical challenges.

Full-Time	193	175	175	0	175
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	193	175	175	0	175
Payroll	2,984,500	7,763,500	8,747,700	0	8,747,700
Operational	2,685,800	4,592,500	4,890,800	0	4,890,800
Total	\$5,670,300	\$12,356,000	\$13,638,500	\$0	\$13,638,500
State	0	95,900	95,900	0	95,900
Federal	0	0	0	0	0
Other	5,670,300	12,260,100	13,542,600	0	13,542,600

344.42 East Tennessee Community Homes

East Tennessee Community Homes are ICFs for individuals with severe to profound intellectual, physical, and medical challenges.

Full-Time	243	244	245	0	245
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	243	244	245	0	245
Payroll	10,568,900	11,572,400	11,881,400	0	11,881,400
Operational	5,199,700	4,818,400	5,624,400	0	5,624,400
Total	\$15,768,600	\$16,390,800	\$17,505,800	\$0	\$17,505,800
State	0	56,000	56,000	0	56,000
Federal	0	0	0	0	0
Other	15,768,600	16,334,800	17,449,800	0	17,449,800

Developmental Centers

The department 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,

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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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 was licensed for 20 beds. Clover Bottom Developmental Center was closed in the fall of 2015.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	5,492,100	400,600	0	0	0
Operational	8,967,300	1,200,300	0	0	0
Total	\$14,459,400	\$1,600,900	\$0	\$0	\$0
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	14,459,400	1,600,900	0	0	0

344.12 Greene Valley Developmental Center

Greene Valley Developmental Center was established in Greeneville in 1960 and is licensed for 100 beds. Greene Valley Developmental Center is scheduled to close in fiscal year 2016-2017.

Full-Time	621	567	0	452	452
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	621	567	0	452	452
Payroll	32,400,400	29,780,900	0	12,080,100	12,080,100
Operational	14,265,100	14,809,200	0	7,163,000	7,163,000
Total	\$46,665,500	\$44,590,100	\$0	\$19,243,100	\$19,243,100
State	0	648,900	0	277,900	277,900
Federal	0	0	0	0	0
Other	46,665,500	43,941,200	0	18,965,200	18,965,200

344.15 Harold Jordan Center

The Harold Jordan Center provides three residential programs to individuals with intellectual disabilities: a forensic services program, a behavior stabilization program, and ICF services for people with a need for a high level of structure. The facility is licensed for 24 beds.

Full-Time	70	66	66	0	66
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	70	66	66	0	66
Payroll	3,106,700	3,180,400	3,258,400	0	3,258,400
Operational	2,414,000	2,116,100	2,695,700	0	2,695,700
Total	\$5,520,700	\$5,296,500	\$5,954,100	\$0	\$5,954,100

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
State	3,276,500	2,597,900	2,964,200	0	2,964,200
Federal	0	0	0	0	0
Other	2,244,200	2,698,600	2,989,900	0	2,989,900

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	56,700	130,000	100,000	0	100,000
Total	\$56,700	\$130,000	\$100,000	\$0	\$100,000
State	56,700	100,000	100,000	0	100,000
Federal	0	0	0	0	0
Other	0	30,000	0	0	0

344.00 Total Intellectual and Developmental Disabilities

Full-Time	2,090	1,993	1,410	453	1,863
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	2,091	1,994	1,411	453	1,864
Payroll	115,991,500	117,464,500	86,011,600	12,130,900	98,142,500
Operational	73,621,600	66,735,300	52,225,000	7,510,700	59,735,700
Total	\$189,613,100	\$184,199,800	\$138,236,600	\$19,641,600	\$157,878,200
State	20,161,400	23,781,700	23,299,100	676,400	23,975,500
Federal	0	0	0	0	0
Other	169,451,700	160,418,100	114,937,500	18,965,200	133,902,700

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				
2009-2010	0	0	2	2
2010-2011	0	0	2	2
2011-2012	0	0	2	2
2012-2013	0	0	0	0
2013-2014	0	0	0	0
2014-2015	0	18	0	18
2015-2016	0	0	0	0
2016-2017	0	0	0	0
Annual Releases				
2009-2010	51	13	13	77
2010-2011	0	73	48	121
2011-2012	0	36	43	79
2012-2013	0	0	0	0
2013-2014	0	14	0	14
2014-2015	0	12	27	39
2015-2016	0	0	18	18
2016-2017	0	0	68	68
Average Daily Census				
2009-2010	51	114	249	414
2010-2011	6	72	224	302
2011-2012	0	51	140	191
2012-2013	0	47	135	182
2013-2014	0	43	120	163
2014-2015	0	36	106	142
2015-2016	0	38	80	118
2016-2017	0	24	68	92
Cost Per Occupancy Day**				
2009-2010	\$1,183.56	\$1,377.78	\$814.00	\$1,014.77
2010-2011	\$2,120.50	\$1,483.65	\$830.99	\$1,012.21
2011-2012	\$0.00	\$1,426.52	\$955.16	\$1,081.02
2012-2013	\$0.00	\$1,525.36	\$1,019.12	\$1,149.85
2013-2014	\$0.00	\$1,677.22	\$1,151.38	\$1,290.10
2014-2015	\$0.00	\$1,520.56	\$1,206.14	\$1,285.85
2015-2016	\$0.00	\$495.93	\$1,522.89	\$1,192.17
2016-2017	\$0.00	\$679.69	\$775.31	\$750.37

* Clover Bottom data includes the Harold Jordan Center.

** Last column indicates average cost per day for all institutions.

Statistical Data
Intellectual Disabilities Community Homes

	West Tennessee 344.40	Middle Tennessee 344.41	East Tennessee 344.42	Total
Annual Admissions				
2009-2010	11	0	0	11
2010-2011	25	0	19	44
2011-2012	3	0	35	38
2012-2013	4	0	4	8
2013-2014	8	11	0	19
2014-2015	0	28	12	40
2015-2016	0	0	0	0
2016-2017	0	0	0	0
Annual Releases				
2009-2010	0	0	0	0
2010-2011	2	0	2	4
2011-2012	2	0	0	2
2012-2013	5	0	4	9
2013-2014	4	0	0	4
2014-2015	0	0	0	0
2015-2016	0	0	0	0
2016-2017	0	0	0	0
Average Daily Census				
2009-2010	12	0	0	12
2010-2011	39	0	9	48
2011-2012	47	0	27	74
2012-2013	46	0	50	96
2013-2014	46	2	52	100
2014-2015	47	15	58	120
2015-2016	48	32	64	144
2016-2017	48	36	64	148
Cost Per Occupancy Day*				
2009-2010	\$2,814.09	\$0.00	\$0.00	\$2,844.47
2010-2011	\$1,110.45	\$0.00	\$843.84	\$1,060.46
2011-2012	\$1,089.54	\$0.00	\$866.73	\$1,008.24
2012-2013	\$1,115.18	\$0.00	\$812.71	\$957.64
2013-2014	\$1,112.27	\$1,105.21	\$793.75	\$946.50
2014-2015	\$1,067.53	\$1,035.67	\$744.86	\$907.59
2015-2016	\$968.45	\$1,054.99	\$699.74	\$868.26
2016-2017	\$1,019.62	\$1,037.94	\$749.39	\$907.22

* Last column indicates average cost per day for all community homes.

Department of Human Services

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 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</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	528	530	523	0	523
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	528	530	523	0	523
Payroll	32,264,400	40,170,100	39,701,400	0	39,701,400
Operational	27,228,700	27,929,200	28,566,400	0	28,566,400
Total	\$59,493,100	\$68,099,300	\$68,267,800	\$0	\$68,267,800
State	24,763,500	28,036,300	28,060,200	0	28,060,200
Federal	28,655,400	32,458,300	32,604,400	0	32,604,400
Other	6,074,200	7,604,700	7,603,200	0	7,603,200

345.10 Quality Improvement and Strategic Solutions

Quality Improvement and Strategic Solutions provides staff development, program performance, and improved customer service. The division consists of performance management and 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.

Full-Time	97	97	91	0	91
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	97	97	91	0	91
Payroll	4,850,200	6,167,400	5,883,300	0	5,883,300
Operational	418,800	702,700	699,800	0	699,800
Total	\$5,269,000	\$6,870,100	\$6,583,100	\$0	\$6,583,100
State	2,308,300	3,726,600	3,612,900	0	3,612,900
Federal	2,827,600	2,883,900	2,728,400	0	2,728,400
Other	133,100	259,600	241,800	0	241,800

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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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	15,537,000	16,574,200	16,574,200	0	16,574,200
Total	\$15,537,000	\$16,574,200	\$16,574,200	\$0	\$16,574,200
State	7,636,600	7,812,200	7,812,200	0	7,812,200
Federal	6,924,900	7,318,200	7,318,200	0	7,318,200
Other	975,500	1,443,800	1,443,800	0	1,443,800

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	141	124	124	0	124
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	141	124	124	0	124
Payroll	8,975,600	9,506,800	9,506,800	0	9,506,800
Operational	1,139,800	1,413,500	1,409,200	0	1,409,200
Total	\$10,115,400	\$10,920,300	\$10,916,000	\$0	\$10,916,000
State	4,968,000	4,795,800	4,793,500	0	4,793,500
Federal	4,026,900	5,131,600	5,129,900	0	5,129,900
Other	1,120,500	992,900	992,600	0	992,600

Adult and Family Services

Adult and Family Services include Family Assistance, Temporary Assistance to Needy Families (TANF), Child Care Benefits, SNAP 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, Supplemental Nutrition Assistance Program Benefits, and Eligibility Determination.

Families First is the state's TANF program that distributes cash grants and provides employment, training, education, and support services for families with financial need and dependent children deprived of parental support and/or care. The goals of the Families First program are to: provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives; end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage; prevent and reduce the incidence of

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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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 Supplemental Nutrition Assistance Program helps ensure that eligible low-income families and individuals are able to obtain a nutritious diet. The program is the cornerstone of the federal food assistance programs and provides crucial support to needy households and to those making the transition from welfare to work. The goal of the program is to eliminate hunger and reduce the incidence of food insecurity.

The Eligibility Determination unit determines eligibility for the Families First-TANF program, SNAP, and provides administrative support to TennCare for Medicaid eligibility determination, 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	114,284,100	178,795,600	178,795,600	0	178,795,600
Total	\$114,284,100	\$178,795,600	\$178,795,600	\$0	\$178,795,600
State	19,001,300	19,307,200	19,307,200	0	19,307,200
Federal	89,354,400	153,088,400	153,088,400	0	153,088,400
Other	5,928,400	6,400,000	6,400,000	0	6,400,000

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	83,059,500	114,293,200	112,965,500	0	112,965,500
Total	\$83,059,500	\$114,293,200	\$112,965,500	\$0	\$112,965,500

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
State	13,961,700	13,968,900	13,968,900	0	13,968,900
Federal	69,097,800	100,224,300	98,896,600	0	98,896,600
Other	0	100,000	100,000	0	100,000

345.25 Supplemental Nutrition Assistance Program

The Supplemental Nutrition Assistance Program (SNAP) 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 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	1,909,112,700	1,909,112,700	1,909,112,700	0	1,909,112,700
Total	\$1,909,112,700	\$1,909,112,700	\$1,909,112,700	\$0	\$1,909,112,700
State	0	0	0	0	0
Federal	1,909,112,700	1,909,112,700	1,909,112,700	0	1,909,112,700
Other	0	0	0	0	0

345.30 Family Assistance Services

The Family Assistance Services program provides eligibility determination for the Families First, SNAP, and administrative support to TennCare for Medicaid eligibility determination. In addition, SNAP recipients receive nutrition education and outreach services. Families First clients receive job training, employment career services, and counseling. Family Assistance Services also provides supervision and administrative support to the Department of Human Services offices in each of Tennessee's 95 counties.

Full-Time	2,478	2,112	2,112	0	2,112
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2,478	2,112	2,112	0	2,112
Payroll	112,154,100	114,232,000	109,483,400	0	109,483,400
Operational	56,282,200	68,272,400	67,567,100	0	67,567,100
Total	\$168,436,300	\$182,504,400	\$177,050,500	\$0	\$177,050,500
State	74,295,400	75,034,500	72,232,300	0	72,232,300
Federal	82,606,100	96,270,300	93,622,800	0	93,622,800
Other	11,534,800	11,199,600	11,195,400	0	11,195,400

345.49 Community Services

The Community Services program provides a range of social services, including child care, child care provider licensing, adult protective services, child and adult nutrition, summer food service, child care facilities loan fund, homemaker, refugee assistance, and emergency and support services. Services are provided through a mix of state employees, quasi-governmental entities, and private entities. These services are funded by a combination of state appropriations, the federal Social Services and Community Services block grants, other federal programs, and other sources, including funding from the Department of Children's Services, the Department of Health, and the Bureau of TennCare.

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
Full-Time	433	434	434	0	434
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	433	434	434	0	434
Payroll	21,356,600	24,822,000	24,822,000	0	24,822,000
Operational	104,549,300	106,660,300	107,727,400	0	107,727,400
Total	\$125,905,900	\$131,482,300	\$132,549,400	\$0	\$132,549,400
State	4,768,200	5,277,100	5,016,800	0	5,016,800
Federal	117,123,000	120,275,300	121,603,000	0	121,603,000
Other	4,014,700	5,929,900	5,929,600	0	5,929,600

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	143	142	142	0	142
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	143	142	142	0	142
Payroll	7,777,100	8,781,500	8,781,500	0	8,781,500
Operational	69,889,200	83,124,000	82,767,400	122,900	82,890,300
Total	\$77,666,300	\$91,905,500	\$91,548,900	\$122,900	\$91,671,800
State	14,020,300	15,617,500	15,265,300	41,800	15,307,100
Federal	32,890,600	44,378,200	44,373,800	81,100	44,454,900
Other	30,755,400	31,909,800	31,909,800	0	31,909,800

Rehabilitation Services

The Rehabilitation Services section provides direct services to persons with disabilities and determines eligibility for federal Social Security disability income programs.

345.70 Rehabilitation Services

The Rehabilitation 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. Rehabilitation services include any services described in an individual plan for employment that are necessary to assist an individual with a disability in preparing for, securing, retaining, or regaining an employment outcome that is consistent with the strengths and abilities of the individual. The program includes the Tennessee Rehabilitation Center in Smyrna and other locations throughout the state.

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
Full-Time	608	608	608	0	608
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	608	608	608	0	608
Payroll	26,333,200	33,129,800	33,052,800	0	33,052,800
Operational	44,865,900	44,826,700	39,641,600	0	39,641,600
Total	\$71,199,100	\$77,956,500	\$72,694,400	\$0	\$72,694,400
State	8,964,200	9,535,800	9,516,200	0	9,516,200
Federal	47,967,200	57,057,300	51,814,800	0	51,814,800
Other	14,267,700	11,363,400	11,363,400	0	11,363,400

345.71 Disability Determination

The Disability Determination program, in partnership with the U.S. Social Security Administration, ascertains whether an individual is qualified for disability insurance benefits or Supplemental Security Income benefits from the U.S. Social Security Administration.

Full-Time	469	468	468	0	468
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	469	468	468	0	468
Payroll	23,183,400	26,496,100	26,496,100	0	26,496,100
Operational	29,645,000	37,362,900	37,353,300	0	37,353,300
Total	\$52,828,400	\$63,859,000	\$63,849,400	\$0	\$63,849,400
State	0	0	0	0	0
Federal	52,662,800	62,046,900	62,037,600	0	62,037,600
Other	165,600	1,812,100	1,811,800	0	1,811,800

345.00 Total Human Services

Full-Time	4,897	4,515	4,502	0	4,502
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	4,897	4,515	4,502	0	4,502
Payroll	236,894,600	263,305,700	257,727,300	0	257,727,300
Operational	2,456,012,200	2,589,067,400	2,583,180,200	122,900	2,583,303,100
Total	\$2,692,906,800	\$2,852,373,100	\$2,840,907,500	\$122,900	\$2,841,030,400
State	174,687,500	183,111,900	179,585,500	41,800	179,627,300
Federal	2,443,249,400	2,590,245,400	2,582,330,600	81,100	2,582,411,700
Other	74,969,900	79,015,800	78,991,400	0	78,991,400

Department of Finance and Administration, Strategic Health-Care Programs

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 includes Health-Care Planning and Innovation and Cover Tennessee Health-Care Programs, which are AccessTN, Cover Kids, and CoverRx.

<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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350.10 Health-Care Planning and Innovation

Health-Care Planning and Innovation includes electronic health initiatives and administrative costs for the Cover Tennessee Health-Care Programs.

Full-Time	8	8	8	0	8
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	8	8	8	0	8
Payroll	773,200	1,091,700	1,091,700	0	1,091,700
Operational	4,202,800	8,033,400	8,033,100	0	8,033,100
Total	\$4,976,000	\$9,125,100	\$9,124,800	\$0	\$9,124,800
State	973,700	853,800	853,600	0	853,600
Federal	2,175,700	8,020,900	8,020,900	0	8,020,900
Other	1,826,600	250,400	250,300	0	250,300

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 three programs. AccessTN and CoverKids were created to provide health insurance to adults and children who are uninsured or uninsurable. CoverRx was created as a pharmacy assistance program for low-income adults without pharmacy coverage.

350.40 AccessTN

The AccessTN program was created by law in 2006 to make health care coverage available to uninsurable Tennesseans. This program operated as a high-risk pool for those who were denied insurance previously due to disqualifying medical conditions. On December 31, 2014 the program transitioned from a self-insured health insurance pool to purchasing off-market health coverage for 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	0	3,848,700	0	0	0
Total	\$0	\$3,848,700	\$0	\$0	\$0

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
State	0	3,848,700	0	0	0
Federal	0	0	0	0	0
Other	0	0	0	0	0

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. The program provides comprehensive health-care benefits, including dental 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	157,985,900	239,817,700	239,817,600	0	239,817,600
Total	\$157,985,900	\$239,817,700	\$239,817,600	\$0	\$239,817,600
State	38,110,200	58,345,000	3,613,000	0	3,613,000
Federal	118,292,000	180,610,800	235,342,700	0	235,342,700
Other	1,583,700	861,900	861,900	0	861,900

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 100 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	10,798,300	11,298,400	11,298,400	0	11,298,400
Total	\$10,798,300	\$11,298,400	\$11,298,400	\$0	\$11,298,400
State	8,583,100	9,998,400	9,998,400	0	9,998,400
Federal	0	0	0	0	0
Other	2,215,200	1,300,000	1,300,000	0	1,300,000

350.00 Total Strategic Health-Care Programs

Full-Time	8	8	8	0	8
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	8	8	8	0	8
Payroll	773,200	1,091,700	1,091,700	0	1,091,700
Operational	172,987,000	262,998,200	259,149,100	0	259,149,100
Total	\$173,760,200	\$264,089,900	\$260,240,800	\$0	\$260,240,800
State	47,667,000	73,045,900	14,465,000	0	14,465,000
Federal	120,467,700	188,631,700	243,363,600	0	243,363,600
Other	5,625,500	2,412,300	2,412,200	0	2,412,200

Department of Children's Services

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</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>	<u>Base</u> <u>2016-2017</u>	<u>Cost Increase</u> <u>2016-2017</u>	<u>Recommended</u> <u>2016-2017</u>
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359.10 Administration

Administration provides funds for staffing and other operating costs necessary for administration of the department. Administration also provides internal support, leadership, and direction that lead to improved program performance and success in the ultimate goal of reintegration of children into the community. This program also assists in compliance with state law, departmental policies, and American Correctional Association standards.

Full-Time	451	449	432	5	437
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	451	449	432	5	437
Payroll	33,353,700	35,469,500	34,548,600	444,200	34,992,800
Operational	22,223,400	17,865,200	18,155,200	75,000	18,230,200
Total	\$55,577,100	\$53,334,700	\$52,703,800	\$519,200	\$53,223,000
State	31,335,900	30,354,900	30,436,000	253,300	30,689,300
Federal	7,048,100	6,397,100	6,155,100	88,200	6,243,300
Other	17,193,100	16,582,700	16,112,700	177,700	16,290,400

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

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
Payroll	0	0	0	0	0
Operational	43,309,100	38,642,200	38,642,200	0	38,642,200
Total	\$43,309,100	\$38,642,200	\$38,642,200	\$0	\$38,642,200
State	23,896,400	23,910,000	23,910,000	0	23,910,000
Federal	7,696,500	12,232,200	12,232,200	0	12,232,200
Other	11,716,200	2,500,000	2,500,000	0	2,500,000

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	290,017,900	276,644,000	282,967,300	5,220,600	288,187,900
Total	\$290,017,900	\$276,659,000	\$282,982,300	\$5,220,600	\$288,202,900
State	77,946,900	84,359,100	74,215,700	1,578,000	75,793,700
Federal	48,088,600	50,171,400	50,582,000	840,300	51,422,300
Other	163,982,400	142,128,500	158,184,600	2,802,300	160,986,900

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	4,615,600	4,119,700	4,119,700	0	4,119,700
Total	\$4,615,600	\$4,119,700	\$4,119,700	\$0	\$4,119,700
State	2,469,700	4,119,700	4,119,700	0	4,119,700
Federal	0	0	0	0	0
Other	2,145,900	0	0	0	0

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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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	0	15,000	15,000	0	15,000
Operational	88,739,400	89,899,300	89,899,300	3,799,900	93,699,200
Total	\$88,739,400	\$89,914,300	\$89,914,300	\$3,799,900	\$93,714,200
State	44,195,000	44,974,600	44,974,600	1,967,300	46,941,900
Federal	44,543,500	44,863,200	44,863,200	1,832,600	46,695,800
Other	900	76,500	76,500	0	76,500

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	3,291	3,296	3,296	55	3,351
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	3,291	3,296	3,296	55	3,351
Payroll	191,085,300	194,572,100	193,975,100	3,076,300	197,051,400
Operational	48,225,700	45,537,300	47,647,600	825,000	48,472,600
Total	\$239,311,000	\$240,109,400	\$241,622,700	\$3,901,300	\$245,524,000
State	87,051,000	91,560,900	84,694,600	1,439,600	86,134,200
Federal	37,040,900	43,883,800	43,854,000	803,700	44,657,700
Other	115,219,100	104,664,700	113,074,100	1,658,000	114,732,100

Juvenile Justice

The department operates three youth development centers that provide individualized treatment programs and services to juvenile offenders that contribute 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 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</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	200	215	191	0	191
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	201	216	192	0	192
Payroll	10,892,200	11,272,500	9,993,500	19,100	10,012,600
Operational	3,116,400	2,605,500	2,391,500	0	2,391,500
Total	\$14,008,600	\$13,878,000	\$12,385,000	\$19,100	\$12,404,100
State	13,212,800	13,419,500	11,988,900	19,100	12,008,000
Federal	0	0	0	0	0
Other	795,800	458,500	396,100	0	396,100

359.62 Woodland Hills Youth Development Center

Woodland Hills Youth Development Center, located in Nashville, includes the Woodland Hills and New Vision Campuses, and is a regional hardware-secure treatment program for delinquent youth ages 13 to 18 who are committed by the courts to the department.

Full-Time	201	100	91	0	91
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	201	100	91	0	91
Payroll	9,772,100	4,968,400	5,030,300	12,000	5,042,300
Operational	2,779,700	1,941,300	1,862,100	0	1,862,100
Total	\$12,551,800	\$6,909,700	\$6,892,400	\$12,000	\$6,904,400
State	11,774,800	6,457,300	6,458,400	12,000	6,470,400
Federal	0	0	0	0	0
Other	777,000	452,400	434,000	0	434,000

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 are committed by the courts to the department.

Full-Time	205	190	173	0	173
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	205	190	173	0	173
Payroll	10,007,100	10,252,400	9,087,800	21,700	9,109,500
Operational	2,416,600	1,990,100	1,834,500	0	1,834,500
Total	\$12,423,700	\$12,242,500	\$10,922,300	\$21,700	\$10,944,000
State	11,912,500	11,803,800	10,530,700	21,700	10,552,400
Federal	0	0	0	0	0
Other	511,200	438,700	391,600	0	391,600

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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359.80 Major Maintenance

The Major Maintenance program provides institutional maintenance funds for the state youth development centers in the event of an emergency, as well as assists 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	443,200	385,100	385,100	0	385,100
Total	\$443,200	\$385,100	\$385,100	\$0	\$385,100
State	362,800	370,100	370,100	0	370,100
Federal	0	0	0	0	0
Other	80,400	15,000	15,000	0	15,000

359.00 Total Children's Services

Full-Time	4,348	4,250	4,183	60	4,243
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	4,349	4,251	4,184	60	4,244
Payroll	255,110,400	256,564,900	252,665,300	3,573,300	256,238,600
Operational	505,887,000	479,629,700	487,904,500	9,920,500	497,825,000
Total	\$760,997,400	\$736,194,600	\$740,569,800	\$13,493,800	\$754,063,600
State	304,157,800	311,329,900	291,698,700	5,291,000	296,989,700
Federal	144,417,600	157,547,700	157,686,500	3,564,800	161,251,300
Other	312,422,000	267,317,000	291,184,600	4,638,000	295,822,600

Statistical Data Youth Development Centers

	Wilder 359.60	Taft 359.61	Woodland Hills 359.62	Mountain View 359.63	New Visions 359.64	Total
Annual Admissions						
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	185	0	147	182	0	514
2013-2014	160	0	147	182	0	489
2014-2015	148	0	57	105	0	310
2015-2016	160	0	38	135	0	333
2016-2017	160	0	38	135	0	333
Annual Releases						
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	151	0	167	173	0	491
2013-2014	151	0	167	173	0	491
2014-2015	144	0	101	143	0	388
2015-2016	150	0	57	155	0	362
2016-2017	150	0	57	155	0	362
Average Daily Census						
2009-2010	104	88	103	102	21	418
2010-2011	105	90	114	102	19	430
2011-2012	107	80	114	101	20	422
2012-2013	133	0	118	112	0	363
2013-2014	135	0	118	112	0	365
2014-2015	132	0	58	88	0	278
2015-2016	133	0	38	76	0	247
2016-2017	133	0	38	76	0	247
Cost Per Occupancy Day *						
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	\$289.59	\$374.22	\$271.46	\$304.85	\$497.45	\$314.05
2012-2013	\$263.55	\$0.00	\$266.89	\$294.65	\$0.00	\$294.72
2013-2014	\$264.71	\$0.00	\$323.86	\$298.34	\$0.00	\$294.15
2014-2015	\$290.76	\$0.00	\$592.91	\$386.79	\$0.00	\$384.19
2015-2016	\$285.10	\$0.00	\$496.81	\$440.12	\$0.00	\$365.37
2016-2017	\$255.52	\$0.00	\$497.79	\$394.52	\$0.00	\$335.56

* Last column indicates average cost per day for all institutions.

**Health and Social Services
Priority Goals and Measures**

<u>Goal</u>	<u>Measure</u>	<u>Measure Frequency</u>	<u>Baseline</u>	<u>Most Recent</u>	<u>Target</u>
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Department of Finance and Administration, Bureau of TennCare

By the end of state fiscal year 2016, ensure that TennCare spending remains within budget neutrality limits for the program's Waiver Demonstration Year 2016 and Children's Health Insurance Program (CHIP) spending remains within the CHIP allotment for federal fiscal year 2016.

Number of quarters in that TennCare spending remains within budget neutrality limits (as reported to Centers for Medicare and Medicaid Services (CMS)) and CHIP spending remains within the CHIP allotment for Tennessee. Target is to maintain expenditures below the projected spend for the traditional federal fee-for-service program.	Fiscal Quarterly	4	4	4
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Number of quarterly CMS 64 and CMS 21 expenditure reports for Medicaid and CHIP submitted timely (within 30 days of the quarter-end, as required by CMS). All quarterly expenditure reports will be filed with CMS within 30 days of the quarter-end.	Fiscal Quarterly	2	2	2
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During state fiscal year 2016, ensure compliance with all of the 72 Special Terms and Conditions (STCs) issued by CMS for the TennCare demonstration.

Unit: Quarterly count of percent of STCs for which TennCare has reported compliance.	Fiscal Quarterly	100%	100%	100%
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By the end of state fiscal year 2016, ensure that Managed Care Organization (MCO) contracts have been regularly monitored throughout the year and that all deliverables have been received, distributed to, and reviewed by the appropriate TennCare staff persons.

Percent of MCO deliverables that are delivered to business owners timely.	Fiscal Quarterly	85%	90%	90%
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Department of Mental Health and Substance Abuse Services

Actively work with Regional Mental Health Institute (RMHI) leadership on continuing efforts to improve outcomes for patient care while containing cost.

Number of individuals admitted to a RMHI.	Fiscal Quarterly	9,737	2,373	9,500
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Percent of patient satisfaction.	Fiscal Year (June 30)	87.6%	Not Applicable	88.0%
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Maintain and improve community mental health and substance abuse services.

Number of people served in the public mental health and substance abuse system.	Fiscal Year (June 30)	357,627	Not Applicable	357,627
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Number of people served in the Behavioral Health Safety Net (BHSN).	Fiscal Quarterly	32,533	17,019	30,000
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Number of individuals served in substance abuse treatment programs.	Fiscal Quarterly	20,664	5,322	20,664
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**Health and Social Services
Priority Goals and Measures**

<u>Goal</u>	<u>Measure</u>	<u>Measure Frequency</u>	<u>Baseline</u>	<u>Most Recent</u>	<u>Target</u>
	Number of individuals receiving treatment for prescription opioid abuse.	Fiscal Quarterly	6,294	1,449	6,294
Provide effective education and prevention services.	Number of certified "Recovery Faith-Based Organizations."	Fiscal Year (June 30)	21	Not Applicable	50

Department of Health

Protect, promote and improve the health of people in Tennessee by increasing the number of Department of Health staff and community partners participating in initiatives that focus on healthy weight and nutrition, tobacco prevention, infant mortality, immunizations, substance abuse, unintended pregnancy, built environment or other public health Primary Prevention Initiative (PPI) areas.

Number of public health staff participating in PPI.	Monthly	2,198	1,859	2,600
Replication of successful/effective PPI projects.	Monthly	23	42	35
Number of community-led PPI projects.	Monthly	0	38	10

Tobacco settlement funds continue to be utilized by 95 county health councils in three focus areas: reduce smoking during pregnancy, reduce child interaction with secondhand smoke, and reduce smoking initiation by Tennessee youth. These three focus areas result in improved birth outcomes and lower costs, reduced childhood asthma cases and reduced percentage of Tennesseans smoking.

Percent of babies born to women enrolled in pregnancy smoking programs that are low birth weight.	Calendar Year	13.5%	Not Available	12.2%
Percent of counties reporting tobacco prevention programs in schools.	Calendar Year	75%	Not Available	85%

Reduce prescription drug abuse in Tennessee by improving the ease of use and capabilities of the controlled substances database as a clinical tool.

Amount of Morphine Milligram Equivalents (MME) prescribed in TN (year to date).	Fiscal Quarterly	8.93 Billion MME	2.21 Billion MME	8.48 Billion MME
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Increase the number of school based run clubs or graduated competitive individually based school located physical activity programs.

Number of school based run clubs or equivalent (e.g., swim clubs, fit clubs).	Fiscal Quarterly	10	10	20
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Department of Intellectual and Developmental Disabilities (DIDD)

Continue to integrate the people DIDD supports into the broader community.

Receive final approval from the Magistrate Judge on Sections I-IX of the Exit Plan. Number of subsections completed.	Fiscal Year (June 30)	26	12	26
Receive final approval from the Magistrate Judge on Section X of the Exit Plan. Completion of subsections and number of people transitioned.	Fiscal Year (June 30)	88	12	88

**Health and Social Services
Priority Goals and Measures**

<u>Goal</u>	<u>Measure</u>	<u>Measure Frequency</u>	<u>Baseline</u>	<u>Most Recent</u>	<u>Target</u>
Transition 18 people.		Fiscal Year (June 30)	18	12	18
Operate the Home and Community Based Medicaid Waiver Programs (1915c) within recently modified CMS expectations in order to ensure continued federal reimbursements and minimize state liabilities, thereby maximizing the number of persons receiving services.					
	Maintain overall compliance with new CMS approved performance measures.	Monthly	86%	97%	86%
Implement the Aging Caregivers law for people on the Waiting List to enroll in the Self Determination Waiver in accordance with TCA Title 33, Public Chapter 5, Part 1.					
	Number of qualified respondents.	Monthly	151	2	151

Department of Human Services

By June 2016, improve customer service by increasing application processing timeliness in Families First (FF), Supplemental Nutrition Assistance Program (SNAP), Vocational Rehabilitation (VR), and by maintaining the SNAP active error rates below the national average.

Percent of applications processed timely (within 45 days) for FF.	Monthly	93.18%	94.40%	95.00%
Percent of applications processed timely (within 30 days) for SNAP.	Monthly	80.00%	91.22%	82.00%
Percent of applications processed timely (within 60 days) for VR.	Monthly	91.16%	99.06%	93.00%
SNAP active error rate.	Monthly	1.52%	1.20%	below 2%

Department of Children's Services

Improve the efficiency of the child abuse hotline.

Percent of calls answered in 20 seconds or less.	Monthly	60%	83%	80%
Percent of dropped calls.	Monthly	10%	4%	5%

Improve the percentage of children with current Early and Periodic Screening, Diagnosis, and Treatment (EPSD&T) health checks.

Percent of children with EPSD&T exams performed annually.	Monthly	90%	96%	95%
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Law, Safety, and Correction



Law, Safety, and Correction

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Law, Safety, and Correction

Recommended Budget, Fiscal Year 2016 – 2017

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.

Law, Safety, and Correction Total Personnel and Funding

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Recommended 2016-2017</u>
Personnel			
Full-Time	12,156	11,893	11,892
Part-Time	100	97	97
Seasonal	4	4	4
TOTAL	12,260	11,994	11,993
Expenditures			
Payroll	\$ 765,325,600	\$ 819,164,654	\$ 822,177,100
Operational	847,757,500	871,005,900	898,424,900
TOTAL	\$ 1,613,083,100	\$ 1,690,170,554	\$ 1,720,602,000
Funding			
State	\$ 1,306,541,500	\$ 1,400,963,754	\$ 1,440,330,200
Federal	100,206,900	78,176,400	77,711,600
Other	206,334,700	211,030,400	202,560,200

Law, Safety, and Correction
Recommended Budget for Fiscal Year 2016-2017
By Funding Source

Department	State	Federal	Other	Total
302.00 Court System	129,975,300	980,000	5,918,700	136,874,000
303.00 Attorney General and Reporter	27,497,300	0	12,463,000	39,960,300
304.00 District Attorneys General Conference	82,360,100	0	34,351,800	116,711,900
306.00 District Public Defenders Conference	51,236,500	0	576,000	51,812,500
308.00 Office of the Post-Conviction Defender	2,384,800	0	0	2,384,800
316.03 Alcoholic Beverage Commission	0	27,000	7,955,700	7,982,700
316.08 TRICOR	0	0	54,775,700	54,775,700
324.00 Board of Parole	7,420,200	0	1,000	7,421,200
329.00 Correction	943,198,500	353,300	17,954,000	961,505,800
341.00 Military	14,774,400	51,735,300	2,815,600	69,325,300
348.00 Tennessee Bureau of Investigation	41,069,400	15,270,800	15,523,100	71,863,300
349.00 Safety	140,413,700	9,345,200	50,225,600	199,984,500
Total	\$1,440,330,200	\$77,711,600	\$202,560,200	\$1,720,602,000

Law, Safety, and Correction
Cost Increases for Fiscal Year 2016-2017

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Court System					
• Mandated Salary Increase					
To provide recurring funding for the judges' Consumer Price Index (CPI) salary adjustment required by TCA 8-23-103, effective July 1, 2016.					
302.01 Appellate and Trial Courts	\$77,600	\$0	\$0	\$77,600	0
Sub-total	\$77,600	\$0	\$0	\$77,600	0
• General Sessions Data Repository					
To provide recurring funding and positions for the collection of General Sessions' caseload data, pursuant to TCA 16-1-117.					
302.27 Administrative Office of the Courts	\$1,672,600	\$0	\$0	\$1,672,600	7
Sub-total	\$1,672,600	\$0	\$0	\$1,672,600	7
Total Court System	\$1,750,200	\$0	\$0	\$1,750,200	7

Attorney General and Reporter

• Mandated Salary Increase					
To provide recurring 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	\$500	\$0	\$0	\$500	0
Sub-total	\$500	\$0	\$0	\$500	0
Total Attorney General and Reporter	\$500	\$0	\$0	\$500	0

District Attorneys General Conference

• Statutory Salary Step Raises					
To provide recurring funding for the assistant district attorneys' and criminal investigators' salary increase required by TCA 8-7-201, 8-7-226, and 8-7-230. These step raises are based on employees' service anniversary dates.					
304.01 District Attorneys General	\$1,185,600	\$0	\$161,900	\$1,347,500	0
304.15 IV-D Child Support Enforcement	\$0	\$0	\$122,900	\$122,900	0
Sub-total	\$1,185,600	\$0	\$284,800	\$1,470,400	0
• Prosecution Staffing					
To provide recurring funding for three assistant district attorneys and three criminal secretaries.					
304.01 District Attorneys General	\$466,800	\$0	\$0	\$466,800	6
Sub-total	\$466,800	\$0	\$0	\$466,800	6
Total District Attorneys General Conference	\$1,652,400	\$0	\$284,800	\$1,937,200	6

Law, Safety, and Correction
Cost Increases for Fiscal Year 2016-2017

	<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 recurring 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.					
306.01 District Public Defenders	\$651,700	\$0	\$0	\$651,700	0
Sub-total	\$651,700	\$0	\$0	\$651,700	0
• Statutory Increase for Shelby County and Davidson County					
To provide recurring funding for increased state support of the county public defender offices in Davidson and Shelby counties as required by TCA 8-14-210.					
306.10 Shelby County Public Defender	\$10,200	\$0	\$0	\$10,200	0
306.12 Davidson County Public Defender	\$4,400	\$0	\$0	\$4,400	0
Sub-total	\$14,600	\$0	\$0	\$14,600	0
Total District Public Defenders Conference	\$666,300	\$0	\$0	\$666,300	0

Office of the Post-Conviction Defender

• Statutory Salary Step Raises					
To provide recurring funding for step raises for assistant post-conviction defenders required by TCA 40-30-209(b) and 8-14-207.					
308.00 Office of the Post-Conviction Defender	\$34,700	\$0	\$0	\$34,700	0
Sub-total	\$34,700	\$0	\$0	\$34,700	0
Total Office of the Post-Conviction Defender	\$34,700	\$0	\$0	\$34,700	0

Alcoholic Beverage Commission

• Additional Staffing					
To provide recurring funding for a programmer analyst position to help with website development. This position is funded with revenue overcollections.					
316.03 Alcoholic Beverage Commission	\$0	\$0	\$62,500	\$62,500	1
Sub-total	\$0	\$0	\$62,500	\$62,500	1
Total Alcoholic Beverage Commission	\$0	\$0	\$62,500	\$62,500	1

Law, Safety, and Correction
Cost Increases for Fiscal Year 2016-2017

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Correction					
• Contract Inflaters					
To provide recurring funding for the Hardeman County Agreement contract inflator (\$871,000), Hardeman County - Whiteville contract inflator (\$941,700), and the South Central Correctional Center contract inflator (\$736,300).					
329.21 Hardeman County Incarceration Agreement	\$871,000	\$0	\$0	\$871,000	0
329.22 Hardeman County Agreement - Whiteville	\$941,700	\$0	\$0	\$941,700	0
329.44 South Central Correctional Center	\$736,300	\$0	\$0	\$736,300	0
Sub-total	<u>\$2,549,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,549,000</u>	<u>0</u>
• Sex Offender Treatment Program					
To provide recurring funding for increased expenditures in the Sex Offender Treatment Program.					
329.50 Sex Offender Treatment Program	\$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>
• Service Now Licenses					
To provide recurring funding for Service Now licenses for inventory and asset management.					
329.01 Administration	\$924,000	\$0	\$0	\$924,000	0
Sub-total	<u>\$924,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$924,000</u>	<u>0</u>
• Hepatitis C Treatment Standards					
To provide recurring funding for updated Hepatitis C treatment standards.					
329.46 Lois M. DeBerry Special Needs Facility	\$600,000	\$0	\$0	\$600,000	0
Sub-total	<u>\$600,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$600,000</u>	<u>0</u>
• Administration Legislation - Contraband in Youth Development Centers					
To provide recurring funding for increased incarceration costs of proposed legislation concerning enhanced sentencing for criminal activity related to contraband in Youth Development Centers.					
329.99 Sentencing Act of 1985	\$66,300	\$0	\$0	\$66,300	0
Sub-total	<u>\$66,300</u>	<u>\$0</u>	<u>\$0</u>	<u>\$66,300</u>	<u>0</u>
• Administration Legislation - TennCare Fraud					
To provide recurring funding for increased incarceration costs of proposed legislation concerning enhanced sentencing for criminal activity related to TennCare fraud.					
329.99 Sentencing Act of 1985	\$63,100	\$0	\$0	\$63,100	0
Sub-total	<u>\$63,100</u>	<u>\$0</u>	<u>\$0</u>	<u>\$63,100</u>	<u>0</u>

Law, Safety, and Correction

Cost Increases for Fiscal Year 2016-2017

	State	Federal	Other	Total	Positions
• Administration Legislation - Public Safety					
To provide funding and position authorizations to implement a graduated sanctions system for violations of community supervision (including probation and parole) to reduce admissions to state prisons. Also, this item provides funding for the increased incarceration cost of increasing the minimum period of incarceration for certain offenses (aggravated burglary, drug trafficking, and domestic assault) to 85 percent of the sentence imposed, while also reducing the penalty imposed for the offense of theft. Of the total cost of implementing this legislation, the amount of \$575,000 is non-recurring and the amount of \$9,598,400 is recurring.					
329.01 Administration	\$447,100	\$0	\$0	\$447,100	2
329.04 State Prosecutions	(\$8,207,500)	\$0	\$0	(\$8,207,500)	0
329.13 Tennessee Prison for Women	\$174,300	\$0	\$0	\$174,300	3
329.14 Turney Center Industrial Complex	\$174,300	\$0	\$0	\$174,300	3
329.41 West Tennessee State Penitentiary	\$166,100	\$0	\$0	\$166,100	3
329.45 Northwest Correctional Complex	\$63,800	\$0	\$0	\$63,800	1
329.51 Probation and Parole Field Supervision	\$10,130,700	\$0	\$0	\$10,130,700	90
329.99 Sentencing Act of 1985	\$7,224,600	\$0	\$0	\$7,224,600	0
Sub-total	\$10,173,400	\$0	\$0	\$10,173,400	102
Total Correction	\$15,625,800	\$0	\$0	\$15,625,800	102

Safety

• Statutory Salary Step Raises

To provide recurring funding for the mandated annual trooper salary step increase required by TCA 4-7-206, effective July 1, 2016.

349.03 Highway Patrol	\$906,100	\$0	\$0	\$906,100	0
Sub-total	\$906,100	\$0	\$0	\$906,100	0

• Statewide Communications System Maintenance

To provide recurring funding for maintenance and security upgrades for the statewide radio network as required by Federal Communication Commission regulations. Other funding is from local governments that use the system.

349.16 Communications	\$1,040,000	\$0	\$320,000	\$1,360,000	0
Sub-total	\$1,040,000	\$0	\$320,000	\$1,360,000	0

• Manpower Increase of Troopers

To provide funding for 12 additional state trooper positions. The troopers will be assigned to road enforcement duties. Of the total cost of this increase, the amount of \$413,500 is recurring and the amount of \$739,200 is non-recurring. The department will fund the recurring cost of seven trooper positions from existing equity.

349.03 Highway Patrol	\$1,152,700	\$0	\$0	\$1,152,700	12
Sub-total	\$1,152,700	\$0	\$0	\$1,152,700	12

Law, Safety, and Correction
Cost Increases for Fiscal Year 2016-2017

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Salary Survey for Commissioned Officers					
To provide recurring funding for a salary increase for the annual commissioned officer salary survey results, pursuant to TCA 4-7-201. The salary increase will be effective July 1, 2016. The survey averages the current compensation levels of commissioned officers in the eight adjacent states.					
349.03 Highway Patrol	\$3,222,000	\$0	\$0	\$3,222,000	0
Sub-total	\$3,222,000	\$0	\$0	\$3,222,000	0
Total Safety	\$6,320,800	\$0	\$320,000	\$6,640,800	12
Total Law, Safety, and Correction	\$26,050,700	\$0	\$667,300	\$26,718,000	128

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 sometimes 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>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>	<u>Base</u> <u>2016-2017</u>	<u>Cost Increase</u> <u>2016-2017</u>	<u>Recommended</u> <u>2016-2017</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, Court Interpreter Services, 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	430	432	432	0	432
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	430	432	432	0	432

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
Payroll	58,787,600	59,923,400	59,923,400	77,600	60,001,000
Operational	2,521,100	2,402,600	2,366,900	0	2,366,900
Total	\$61,308,700	\$62,326,000	\$62,290,300	\$77,600	\$62,367,900
State	61,244,900	62,298,700	62,263,000	77,600	62,340,600
Federal	0	0	0	0	0
Other	63,800	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	2,276,900	2,301,900	2,301,900	0	2,301,900
Operational	169,200	280,200	279,800	0	279,800
Total	\$2,446,100	\$2,582,100	\$2,581,700	\$0	\$2,581,700
State	832,200	824,400	824,300	0	824,300
Federal	0	0	0	0	0
Other	1,613,900	1,757,700	1,757,400	0	1,757,400

302.09 Guardian Ad Litem

The Guardian Ad Litem program provides funding for advocates appointed by the court to represent the best interests of an indigent child or a person determined to be incompetent in cases involving dependency, neglect, abuse, or custodial disputes.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	5,458,400	6,047,500	6,047,500	0	6,047,500
Total	\$5,458,400	\$6,047,500	\$6,047,500	\$0	\$6,047,500
State	5,458,400	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	28,739,700	30,468,000	30,468,000	0	30,468,000
Total	\$28,739,700	\$30,468,000	\$30,468,000	\$0	\$30,468,000

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
State	28,511,300	30,463,000	30,463,000	0	30,463,000
Federal	0	0	0	0	0
Other	228,400	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. A small portion of funds are used for continuing education of professional bail bond agents.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	3,483,000	3,327,900	3,327,900	0	3,327,900
Total	\$3,483,000	\$3,327,900	\$3,327,900	\$0	\$3,327,900
State	3,483,000	3,327,900	3,327,900	0	3,327,900
Federal	0	0	0	0	0
Other	0	0	0	0	0

302.12 Verbatim Transcripts

The Verbatim Transcripts program provides funding for personnel and operational costs of court reporting and verbatim transcripts.

Full-Time	41	40	40	0	40
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	41	40	40	0	40
Payroll	2,168,400	2,882,000	2,882,000	0	2,882,000
Operational	1,308,100	1,049,800	1,049,500	0	1,049,500
Total	\$3,476,500	\$3,931,800	\$3,931,500	\$0	\$3,931,500
State	3,476,500	3,931,800	3,931,500	0	3,931,500
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	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	59,300	71,300	71,300	0	71,300
Operational	1,990,800	2,370,900	2,370,900	0	2,370,900
Total	\$2,050,100	\$2,442,200	\$2,442,200	\$0	\$2,442,200
State	2,050,100	2,442,200	2,442,200	0	2,442,200
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</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	118,900	127,300	127,300	0	127,300
Total	\$118,900	\$127,300	\$127,300	\$0	\$127,300
State	64,600	60,300	60,300	0	60,300
Federal	0	0	0	0	0
Other	54,300	67,000	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	73	74	74	7	81
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	74	75	75	7	82
Payroll	5,730,200	6,382,600	6,382,600	598,100	6,980,700
Operational	5,791,600	5,658,800	4,517,800	1,074,500	5,592,300
Total	\$11,521,800	\$12,041,400	\$10,900,400	\$1,672,600	\$12,573,000
State	8,464,300	9,777,700	8,636,700	1,672,600	10,309,300
Federal	902,900	980,000	980,000	0	980,000
Other	2,154,600	1,283,700	1,283,700	0	1,283,700

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

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
Payroll	513,800	687,500	687,500	0	687,500
Operational	2,571,200	2,512,600	2,512,200	0	2,512,200
Total	\$3,085,000	\$3,200,100	\$3,199,700	\$0	\$3,199,700
State	2,318,000	2,587,100	2,586,700	0	2,586,700
Federal	0	0	0	0	0
Other	767,000	613,000	613,000	0	613,000

302.15 Tennessee State Law Libraries

The three state law libraries provide legal resources to the state judiciary. The libraries are located in Nashville, Knoxville, and Jackson.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	68,500	74,500	74,500	0	74,500
Total	\$68,500	\$74,500	\$74,500	\$0	\$74,500
State	68,500	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	266,500	263,700	263,700	0	263,700
Total	\$266,500	\$263,700	\$263,700	\$0	\$263,700
State	222,300	223,700	223,700	0	223,700
Federal	0	0	0	0	0
Other	44,200	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	623,400	908,300	908,300	0	908,300
Total	\$623,400	\$908,300	\$908,300	\$0	\$908,300

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
State	330,200	410,100	410,100	0	410,100
Federal	0	0	0	0	0
Other	293,200	498,200	498,200	0	498,200

302.22 State Court Clerks' Conference

The State Court Clerks' Conference provides education and legal updates to the clerks, as required by law.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	219,800	260,100	260,100	0	260,100
Total	\$219,800	\$260,100	\$260,100	\$0	\$260,100
State	219,800	260,100	260,100	0	260,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

302.30 Appellate Court Clerks

The Appellate Court Clerks' offices are located at the Supreme Court buildings in Nashville, Knoxville, and Jackson and are responsible for administrative matters of the Supreme Court, Court of Appeals, and Court of Criminal Appeals.

Full-Time	30	30	30	0	30
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	30	30	30	0	30
Payroll	1,864,000	2,038,000	2,038,000	0	2,038,000
Operational	309,300	297,900	297,600	0	297,600
Total	\$2,173,300	\$2,335,900	\$2,335,600	\$0	\$2,335,600
State	481,400	708,800	708,500	0	708,500
Federal	0	0	0	0	0
Other	1,691,900	1,627,100	1,627,100	0	1,627,100

Professional Standards

This functional area is responsible for maintaining professional standards of licensed attorneys; it includes the Board of Law Examiners, Board of Professional Responsibility, Tennessee Lawyers Assistance Program, Continuing Legal Education, and Client Protection Fund.

302.35 Board of Law Examiners

The Board of Law Examiners governs the examination and admission of attorneys applying to practice law in Tennessee.

Full-Time	13	14	14	0	14
Part-Time	7	7	7	0	7
Seasonal	0	0	0	0	0
Total	20	21	21	0	21

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
Payroll	555,400	534,400	534,400	0	534,400
Operational	378,000	324,400	324,300	0	324,300
Total	\$933,400	\$858,800	\$858,700	\$0	\$858,700
State	890,800	858,800	858,700	0	858,700
Federal	0	0	0	0	0
Other	42,600	0	0	0	0

302.40 Board of Professional Responsibility

The Board of Professional Responsibility reviews and investigates allegations of attorney misconduct and imposes disciplinary action on those who violate professional standards. Also, the board publishes ethics opinions, conducts seminars, and operates an ethics hotline for attorneys. The board is funded from a dedicated annual registration fee set by Supreme Court Rule and paid by each attorney.

Full-Time	32	32	32	0	32
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	32	32	32	0	32
Payroll	2,430,700	2,478,000	2,478,000	0	2,478,000
Operational	975,700	1,047,200	1,046,800	0	1,046,800
Total	\$3,406,400	\$3,525,200	\$3,524,800	\$0	\$3,524,800
State	3,124,100	3,525,200	3,524,800	0	3,524,800
Federal	0	0	0	0	0
Other	282,300	0	0	0	0

302.50 Tennessee Lawyers Assistance Program

The Lawyers Assistance Program provides education and assistance to members of the bench and bar suffering from physical or mental disabilities that impair their ability to practice or to serve. The program is funded from a dedicated annual registration fee set by Supreme Court Rule and paid by each attorney.

Full-Time	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	287,000	360,800	360,800	0	360,800
Operational	166,000	118,700	118,600	0	118,600
Total	\$453,000	\$479,500	\$479,400	\$0	\$479,400
State	375,800	479,500	479,400	0	479,400
Federal	0	0	0	0	0
Other	77,200	0	0	0	0

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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302.60 Continuing Legal Education

The Continuing Legal Education staff administers Supreme Court Rule 21, which governs 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	481,100	491,300	491,300	0	491,300
Operational	455,100	402,500	402,400	0	402,400
Total	\$936,200	\$893,800	\$893,700	\$0	\$893,700
State	875,300	893,800	893,700	0	893,700
Federal	0	0	0	0	0
Other	60,900	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	67,700	208,500	208,500	0	208,500
Total	\$67,700	\$208,500	\$208,500	\$0	\$208,500
State	65,600	208,500	208,500	0	208,500
Federal	0	0	0	0	0
Other	2,100	0	0	0	0

302.00 Total Court System

Full-Time	662	665	665	7	672
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	670	673	673	7	680
Payroll	75,154,400	78,151,200	78,151,200	675,700	78,826,900
Operational	55,682,000	58,151,400	56,972,600	1,074,500	58,047,100
Total	\$130,836,400	\$136,302,600	\$135,123,800	\$1,750,200	\$136,874,000
State	122,557,100	129,403,600	128,225,100	1,750,200	129,975,300
Federal	902,900	980,000	980,000	0	980,000
Other	7,376,400	5,919,000	5,918,700	0	5,918,700

Attorney General and Reporter

The Attorney General and Reporter is the state's chief legal officer and is appointed by the Tennessee Supreme Court for a term of eight years. The Attorney General has the following responsibilities: represents state officers and agencies in all litigation in state and federal courts; prosecutes criminal cases in the appellate courts; prosecutes securities and state contract fraud cases; represents the interests of Tennessee consumers; institutes proceedings relating to antitrust violations, consumer fraud, and environmental enforcement; provides departments, agencies, and the General Assembly with legal advice; approves all administrative regulations and leases as to form and legality; issues legal opinions to state officials; and reports opinions of the Tennessee Supreme Court, Court of Appeals, and Court of Criminal Appeals.

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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303.01 Attorney General and Reporter

The personnel and operational costs of the office of the Attorney General and Reporter are funded in this program.

Full-Time	318	321	321	0	321
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	318	321	321	0	321
Payroll	26,363,000	31,570,400	31,522,200	500	31,522,700
Operational	6,167,000	7,138,000	7,132,100	0	7,132,100
Total	\$32,530,000	\$38,708,400	\$38,654,300	\$500	\$38,654,800
State	23,646,000	25,632,200	26,980,100	500	26,980,600
Federal	0	0	0	0	0
Other	8,884,000	13,076,200	11,674,200	0	11,674,200

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 website.

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	91,300	116,600	164,800	0	164,800
Operational	38,100	62,200	62,200	0	62,200
Total	\$129,400	\$178,800	\$227,000	\$0	\$227,000
State	129,400	178,800	227,000	0	227,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</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	1,395,300	3,078,500	1,078,500	0	1,078,500
Total	\$1,395,300	\$3,078,500	\$1,078,500	\$0	\$1,078,500
State	351,600	2,289,700	289,700	0	289,700
Federal	0	0	0	0	0
Other	1,043,700	788,800	788,800	0	788,800

303.00 Total Attorney General and Reporter

Full-Time	320	323	323	0	323
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	320	323	323	0	323
Payroll	26,454,300	31,687,000	31,687,000	500	31,687,500
Operational	7,600,400	10,278,700	8,272,800	0	8,272,800
Total	\$34,054,700	\$41,965,700	\$39,959,800	\$500	\$39,960,300
State	24,127,000	28,100,700	27,496,800	500	27,497,300
Federal	0	0	0	0	0
Other	9,927,700	13,865,000	12,463,000	0	12,463,000

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 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</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	779	783	763	6	769
Part-Time	10	9	9	0	9
Seasonal	0	0	0	0	0
Total	789	792	772	6	778
Payroll	73,458,500	80,678,400	79,089,100	1,759,700	80,848,800
Operational	6,902,400	6,596,900	6,783,600	54,600	6,838,200
Total	\$80,360,900	\$87,275,300	\$85,872,700	\$1,814,300	\$87,687,000
State	72,850,400	78,283,500	78,254,600	1,652,400	79,907,000
Federal	0	0	0	0	0
Other	7,510,500	8,991,800	7,618,100	161,900	7,780,000

304.05 Education, Training, and Strategic Planning

Education, Training, and Strategic Planning affects 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	576,600	659,400	595,800	0	595,800
Total	\$576,600	\$659,400	\$595,800	\$0	\$595,800
State	380,700	450,700	434,800	0	434,800
Federal	0	0	0	0	0
Other	195,900	208,700	161,000	0	161,000

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</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	2,591,400	2,702,000	2,702,000	0	2,702,000
Operational	608,300	601,100	600,600	0	600,600
Total	\$3,199,700	\$3,303,100	\$3,302,600	\$0	\$3,302,600
State	1,606,800	2,018,800	2,018,300	0	2,018,300
Federal	0	0	0	0	0
Other	1,592,900	1,284,300	1,284,300	0	1,284,300

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	325	349	349	0	349
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	326	350	350	0	350
Payroll	18,993,300	21,238,400	21,238,400	122,900	21,361,300
Operational	2,480,300	3,768,500	3,765,200	0	3,765,200
Total	\$21,473,600	\$25,006,900	\$25,003,600	\$122,900	\$25,126,500
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	21,473,600	25,006,900	25,003,600	122,900	25,126,500

304.00 Total District Attorneys General Conference

Full-Time	1,131	1,159	1,139	6	1,145
Part-Time	11	10	10	0	10
Seasonal	0	0	0	0	0
Total	1,142	1,169	1,149	6	1,155
Payroll	95,043,200	104,618,800	103,029,500	1,882,600	104,912,100
Operational	10,567,600	11,625,900	11,745,200	54,600	11,799,800
Total	\$105,610,800	\$116,244,700	\$114,774,700	\$1,937,200	\$116,711,900
State	74,837,900	80,753,000	80,707,700	1,652,400	82,360,100
Federal	0	0	0	0	0
Other	30,772,900	35,491,700	34,067,000	284,800	34,351,800

District Public Defenders Conference

As required by the United States Constitution and the Tennessee 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 are appointed as counsel for indigent persons in any criminal prosecution or juvenile delinquency proceeding involving the possible deprivation of liberty or in any habeas corpus or other post-conviction proceeding. Twenty-nine judicial districts participate directly in the District Public Defenders Conference. The public defenders for Shelby and Davidson counties receive direct appropriations with no administrative support or control from the conference.

<u>Actual</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>	<u>Base</u> <u>2016-2017</u>	<u>Cost Increase</u> <u>2016-2017</u>	<u>Recommended</u> <u>2016-2017</u>
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306.01 District Public Defenders

The personnel and operational costs of the District Public Defenders, assistant public defenders, investigators, and support staff are funded in this program.

Full-Time	341	342	342	0	342
Part-Time	24	22	22	0	22
Seasonal	0	0	0	0	0
Total	365	364	364	0	364
Payroll	34,216,000	38,018,254	38,018,300	651,700	38,670,000
Operational	3,278,700	4,123,900	4,117,600	0	4,117,600
Total	\$37,494,700	\$42,142,154	\$42,135,900	\$651,700	\$42,787,600
State	36,781,200	41,566,154	41,559,900	651,700	42,211,600
Federal	0	0	0	0	0
Other	713,500	576,000	576,000	0	576,000

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	1,323,900	1,440,800	1,440,800	0	1,440,800
Operational	192,100	268,300	268,100	0	268,100
Total	\$1,516,000	\$1,709,100	\$1,708,900	\$0	\$1,708,900
State	1,516,000	1,709,100	1,708,900	0	1,708,900
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>	<u>Base</u> <u>2016-2017</u>	<u>Cost Increase</u> <u>2016-2017</u>	<u>Recommended</u> <u>2016-2017</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	4,829,100	5,081,700	5,081,700	10,200	5,091,900
Total	\$4,829,100	\$5,081,700	\$5,081,700	\$10,200	\$5,091,900
State	4,829,100	5,081,700	5,081,700	10,200	5,091,900
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	2,109,300	2,219,700	2,219,700	4,400	2,224,100
Total	\$2,109,300	\$2,219,700	\$2,219,700	\$4,400	\$2,224,100
State	2,109,300	2,219,700	2,219,700	4,400	2,224,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

306.00 Total District Public Defenders Conference

Full-Time	356	357	357	0	357
Part-Time	25	23	23	0	23
Seasonal	0	0	0	0	0
Total	381	380	380	0	380
Payroll	35,539,900	39,459,054	39,459,100	651,700	40,110,800
Operational	10,409,200	11,693,600	11,687,100	14,600	11,701,700
Total	\$45,949,100	\$51,152,654	\$51,146,200	\$666,300	\$51,812,500
State	45,235,600	50,576,654	50,570,200	666,300	51,236,500
Federal	0	0	0	0	0
Other	713,500	576,000	576,000	0	576,000

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 Oversight Commission and has oversight of the office. The commission is comprised of nine members: three appointed by the Governor, three by the Speaker of the Senate, and three by the Speaker of the House of Representatives.

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
308.00 Office of the Post-Conviction Defender					
Full-Time	19	20	20	0	20
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	19	20	20	0	20
Payroll	1,567,900	1,935,400	1,935,400	34,700	1,970,100
Operational	378,900	415,400	414,700	0	414,700
Total	\$1,946,800	\$2,350,800	\$2,350,100	\$34,700	\$2,384,800
State	1,946,700	2,350,800	2,350,100	34,700	2,384,800
Federal	0	0	0	0	0
Other	100	0	0	0	0

Alcoholic Beverage Commission

The Alcoholic Beverage Commission (ABC) regulates the liquor industry and enforces liquor laws and certain drug laws. The commission is governed by three members appointed by the Governor 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 underage 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 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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316.03 Alcoholic Beverage Commission

Full-Time	73	85	85	1	86
Part-Time	3	3	3	0	3
Seasonal	0	0	0	0	0
Total	76	88	88	1	89
Payroll	4,557,100	5,593,800	5,593,800	60,500	5,654,300
Operational	1,617,700	4,705,600	2,326,400	2,000	2,328,400
Total	\$6,174,800	\$10,299,400	\$7,920,200	\$62,500	\$7,982,700
State	0	0	0	0	0
Federal	20,600	27,000	27,000	0	27,000
Other	6,154,200	10,272,400	7,893,200	62,500	7,955,700

Tennessee Rehabilitative Initiative in Correction

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, non-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; industrial cleaning supply fulfillment; packaging services; and food manufacturing, storage, and distribution with respect to the Cook Chill program.

Agricultural operations, which include field crops and dairy operations, are located at West Tennessee State Penitentiary, Tennessee Cook Chill in Nashville, and Bledsoe County Correctional Complex.

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 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
316.08 TRICOR					
Full-Time	167	167	167	0	167
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	167	167	167	0	167
Payroll	8,031,700	10,248,800	10,248,800	0	10,248,800
Operational	47,432,300	44,533,500	44,526,900	0	44,526,900
Total	\$55,464,000	\$54,782,300	\$54,775,700	\$0	\$54,775,700
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	55,464,000	54,782,300	54,775,700	0	54,775,700

Board of Parole

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 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
324.02 Board of Parole					
Full-Time	84	85	81	0	81
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	84	85	81	0	81
Payroll	5,848,800	6,062,000	5,691,400	0	5,691,400
Operational	1,256,600	1,411,200	1,729,800	0	1,729,800
Total	\$7,105,400	\$7,473,200	\$7,421,200	\$0	\$7,421,200
State	7,104,600	7,472,200	7,420,200	0	7,420,200
Federal	0	0	0	0	0
Other	800	1,000	1,000	0	1,000

Department of Correction

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 to reduce re-offenses.

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 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</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 diagnostic 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	269	269	241	2	243
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	269	269	241	2	243
Payroll	19,497,000	19,826,000	17,312,300	121,500	17,433,800
Operational	7,163,900	20,049,700	6,603,700	1,249,600	7,853,300
Total	\$26,660,900	\$39,875,700	\$23,916,000	\$1,371,100	\$25,287,100
State	23,473,700	36,180,300	20,622,200	1,371,100	21,993,300
Federal	335,500	353,300	353,300	0	353,300
Other	2,851,700	3,342,100	2,940,500	0	2,940,500

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.

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</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	167,519,800	173,252,300	173,252,300	-8,207,500	165,044,800
Total	\$167,519,800	\$173,252,300	\$173,252,300	(\$8,207,500)	\$165,044,800
State	166,865,400	172,452,300	172,452,300	-8,207,500	164,244,800
Federal	0	0	0	0	0
Other	654,400	800,000	800,000	0	800,000

329.06 Correction Academy

The Tennessee Correction Academy serves as the state's primary training and staff development center for TDOC and a specialty training site for other law enforcement and selected emergency management-type agencies. Additionally, training is provided to Juvenile Justice entities. The academy provides pre-service, in-service, and specialized training schools or certification programs.

Full-Time	81	91	84	0	84
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	81	91	84	0	84
Payroll	3,832,900	4,652,900	4,368,200	0	4,368,200
Operational	2,035,800	1,707,400	1,656,300	0	1,656,300
Total	\$5,868,700	\$6,360,300	\$6,024,500	\$0	\$6,024,500
State	5,837,800	6,295,400	5,959,600	0	5,959,600
Federal	0	0	0	0	0
Other	30,900	64,900	64,900	0	64,900

329.28 Correction Release Centers

The Correction Release Centers offer programs to assist offenders in transitioning back into society. The programs consist of transitional housing for qualifying offenders who have been granted parole, diversion programs such as drug courts, and a residential program consisting of pre-release treatment and job training for TDOC offenders who have been recommended for parole and are within 60 days of release from prison.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	1,495,700	1,918,800	1,918,800	0	1,918,800
Total	\$1,495,700	\$1,918,800	\$1,918,800	\$0	\$1,918,800
State	1,495,700	1,918,800	1,918,800	0	1,918,800
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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329.32 Major Maintenance

The Major Maintenance program is responsible for maintenance of the state's prison facilities and the Tennessee Correction Academy whenever costs exceed routine daily maintenance requirements. The program also provides information systems services and technology; this includes repair and preventive maintenance of security electronic systems, including fence detection systems, locking-control panels, alarm panels, closed-circuit TV, paging and intercom systems, mobile mapping systems, and installation and maintenance of the department's computer systems.

Full-Time	57	57	57	0	57
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	57	57	57	0	57
Payroll	3,960,600	3,960,000	3,960,000	0	3,960,000
Operational	6,064,300	14,848,200	6,379,400	0	6,379,400
Total	\$10,024,900	\$18,808,200	\$10,339,400	\$0	\$10,339,400
State	9,668,100	18,808,200	10,339,400	0	10,339,400
Federal	0	0	0	0	0
Other	356,800	0	0	0	0

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	70	70	70	0	70
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	70	70	70	0	70
Payroll	4,813,100	4,584,400	4,584,400	0	4,584,400
Operational	947,100	821,800	804,100	0	804,100
Total	\$5,760,200	\$5,406,200	\$5,388,500	\$0	\$5,388,500
State	5,708,300	5,406,200	5,388,500	0	5,388,500
Federal	0	0	0	0	0
Other	51,900	0	0	0	0

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 sexual offense. The program also provides funding for therapy required by 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

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
Payroll	0	0	0	0	0
Operational	1,241,800	503,600	503,600	1,250,000	1,753,600
Total	\$1,241,800	\$503,600	\$503,600	\$1,250,000	\$1,753,600
State	1,143,500	443,600	443,600	1,250,000	1,693,600
Federal	0	0	0	0	0
Other	98,300	60,000	60,000	0	60,000

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 TDOC.

Full-Time	930	933	933	90	1,023
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	930	933	933	90	1,023
Payroll	46,074,500	49,275,200	49,275,200	4,328,600	53,603,800
Operational	17,562,600	14,686,800	14,654,200	5,802,100	20,456,300
Total	\$63,637,100	\$63,962,000	\$63,929,400	\$10,130,700	\$74,060,100
State	63,568,700	62,892,500	62,859,900	10,130,700	72,990,600
Federal	0	0	0	0	0
Other	68,400	1,069,500	1,069,500	0	1,069,500

329.52 Community Corrections

The Community Corrections program provides grants to locally-operated programs that 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	13,496,100	14,145,500	14,145,500	0	14,145,500
Total	\$13,496,100	\$14,145,500	\$14,145,500	\$0	\$14,145,500
State	13,496,100	14,145,500	14,145,500	0	14,145,500
Federal	0	0	0	0	0
Other	0	0	0	0	0

329.99 Sentencing Act of 1985

During the Special Session on Corrections in 1985, the General Assembly passed legislation that included the Sentencing Act of 1985. The law requires that for any law enacted after July 1, 1986, which results in a net increase in periods of imprisonment in state correctional facilities, there is to be appropriated from recurring revenues the estimated increased operating cost. The amount appropriated for operating costs, in current dollars, is based upon the highest cost of the next ten years, beginning with the year the additional sentence to be served impacts the correctional facilities' population. Appropriations to the Sentencing Act of 1985 are used for capital outlay or for cancellation of construction bonds authorized but not yet sold.

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	0	19,718,900	19,718,900	7,354,000	27,072,900
Total	\$0	\$19,718,900	\$19,718,900	\$7,354,000	\$27,072,900
State	0	19,711,400	19,711,400	7,354,000	27,065,400
Federal	0	0	0	0	0
Other	0	7,500	7,500	0	7,500

Institutional Operations

Institutional Operations manages the inmate population in state prisons, including diagnostic centers and time-building institutions.

Diagnostic 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. Diagnostic 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 minimum security and work-release to maximum security and death row. 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, diagnostic, 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	247	246	246	3	249
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	247	246	246	3	249
Payroll	11,553,500	12,904,000	12,891,900	142,500	13,034,400
Operational	13,035,900	11,923,900	11,876,800	31,800	11,908,600
Total	\$24,589,400	\$24,827,900	\$24,768,700	\$174,300	\$24,943,000
State	23,823,300	23,984,800	23,884,000	174,300	24,058,300
Federal	0	0	0	0	0
Other	766,100	843,100	884,700	0	884,700

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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329.14 Turney Center Industrial Complex

Turney Center Industrial Complex, with a main site in Hickman County and an annex in Wayne County, is a time-building institution with an emphasis on prison industry. It has a security classification range from minimum to close supervision. Inmates are assigned to industry, academic, farming, or vocational programs, as well as support services inside the main compound.

Full-Time	459	458	435	3	438
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	459	458	435	3	438
Payroll	20,965,000	23,587,400	23,375,700	142,500	23,518,200
Operational	18,882,800	17,929,400	17,819,700	31,800	17,851,500
Total	\$39,847,800	\$41,516,800	\$41,195,400	\$174,300	\$41,369,700
State	38,139,600	40,189,800	39,732,800	174,300	39,907,100
Federal	0	0	0	0	0
Other	1,708,200	1,327,000	1,462,600	0	1,462,600

329.16 Mark Luttrell Correctional Facility

Mark Luttrell Correctional Facility, located in Shelby County, is one of two main female facilities in the state prison system (a third female annex opened in 2013 at Bledsoe Correctional Complex and a fourth female annex opened in 2016 at West Tennessee State Penitentiary). Opened in 1976 as a male reception center, the facility has since been converted to an all-female unit with a close security designation.

Full-Time	179	177	177	0	177
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	179	177	177	0	177
Payroll	9,181,900	9,406,000	9,363,400	0	9,363,400
Operational	6,913,500	6,436,500	6,398,500	0	6,398,500
Total	\$16,095,400	\$15,842,500	\$15,761,900	\$0	\$15,761,900
State	15,637,200	15,300,500	15,193,600	0	15,193,600
Federal	0	0	0	0	0
Other	458,200	542,000	568,300	0	568,300

329.17 Charles B. Bass Correctional Complex

Charles B. Bass Correctional Complex in Davidson County was a time-building facility with minimum to close security for male felons. The facility provided educational classes and a therapeutic community program. All inmates were transferred from this facility in fiscal year 2014-2015 and TDOC is in the process of closing the facility.

Full-Time	305	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	305	0	0	0	0
Payroll	12,772,600	0	0	0	0
Operational	8,271,000	145,000	145,000	0	145,000
Total	\$21,043,600	\$145,000	\$145,000	\$0	\$145,000

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
State	20,379,600	145,000	145,000	0	145,000
Federal	0	0	0	0	0
Other	664,000	0	0	0	0

329.18 Bledsoe County Correctional Complex

Bledsoe County Correctional Complex includes a male reception and diagnostic center, a time-building facility housing male inmates with a close security designation, and a 300 bed annex housing female inmates with a medium security designation. The facility has academic, substance abuse, and vocational programs.

Full-Time	727	725	725	0	725
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	727	725	725	0	725
Payroll	34,872,800	37,469,500	37,422,600	0	37,422,600
Operational	40,160,500	40,989,600	40,953,300	0	40,953,300
Total	\$75,033,300	\$78,459,100	\$78,375,900	\$0	\$78,375,900
State	72,672,100	76,238,300	75,943,100	0	75,943,100
Federal	0	0	0	0	0
Other	2,361,200	2,220,800	2,432,800	0	2,432,800

329.41 West Tennessee State Penitentiary

West Tennessee State Penitentiary (WTSP), located near Henning, consists of two separate time-building facilities. One facility houses male felons with a maximum security designation, while the other facility houses female felons at all custody levels. WTSP provides educational and vocational programming.

Full-Time	727	724	701	3	704
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	727	724	701	3	704
Payroll	33,071,800	37,222,000	36,967,900	134,300	37,102,200
Operational	28,238,700	25,494,100	25,269,300	31,800	25,301,100
Total	\$61,310,500	\$62,716,100	\$62,237,200	\$166,100	\$62,403,300
State	60,017,200	61,395,900	60,848,000	166,100	61,014,100
Federal	0	0	0	0	0
Other	1,293,300	1,320,200	1,389,200	0	1,389,200

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	324	348	348	0	348
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	324	348	348	0	348

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
Payroll	15,118,900	18,433,000	18,373,700	0	18,373,700
Operational	10,429,200	12,218,500	12,126,300	0	12,126,300
Total	\$25,548,100	\$30,651,500	\$30,500,000	\$0	\$30,500,000
State	25,159,800	30,223,200	30,048,100	0	30,048,100
Federal	0	0	0	0	0
Other	388,300	428,300	451,900	0	451,900

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 male inmates and offers educational, mental health, and community service programs.

Full-Time	511	503	503	0	503
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	511	503	503	0	503
Payroll	25,214,400	25,883,400	25,874,200	0	25,874,200
Operational	19,887,800	19,511,000	19,415,900	0	19,415,900
Total	\$45,102,200	\$45,394,400	\$45,290,100	\$0	\$45,290,100
State	43,474,400	44,077,900	43,896,000	0	43,896,000
Federal	0	0	0	0	0
Other	1,627,800	1,316,500	1,394,100	0	1,394,100

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 juvenile offenders who have been adjudicated as adults. Inmates are assigned to educational or vocational programs or community service crews.

Full-Time	647	646	646	1	647
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	647	646	646	1	647
Payroll	30,342,100	34,208,600	34,189,100	53,200	34,242,300
Operational	24,539,400	21,933,100	22,063,500	10,600	22,074,100
Total	\$54,881,500	\$56,141,700	\$56,252,600	\$63,800	\$56,316,400
State	53,069,400	54,409,300	54,185,100	63,800	54,248,900
Federal	0	0	0	0	0
Other	1,812,100	1,732,400	2,067,500	0	2,067,500

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	700	694	694	0	694
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	700	694	694	0	694

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
Payroll	33,805,200	35,565,700	35,565,700	0	35,565,700
Operational	29,249,400	30,466,900	30,341,900	0	30,341,900
Total	\$63,054,600	\$66,032,600	\$65,907,600	\$0	\$65,907,600
State	61,685,200	64,378,200	64,180,500	0	64,180,500
Federal	0	0	0	0	0
Other	1,369,400	1,654,400	1,727,100	0	1,727,100

Special Purpose Facilities

329.46 Lois M. DeBerry Special Needs Facility

The Lois M. DeBerry Special Needs Facility, located in Davidson County, provides quality health care, intensive mental health care, and geriatric services. The facility has a maximum-security designation.

Full-Time	460	503	503	0	503
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	460	503	503	0	503
Payroll	23,428,700	29,243,200	29,224,200	0	29,224,200
Operational	16,692,000	15,941,100	15,949,400	600,000	16,549,400
Total	\$40,120,700	\$45,184,300	\$45,173,600	\$600,000	\$45,773,600
State	39,604,300	44,786,100	44,609,700	600,000	45,209,700
Federal	0	0	0	0	0
Other	516,400	398,200	563,900	0	563,900

Contract Management Facilities

The state prison system has four prisons operated under contracts: Hardeman County Correctional Facility, Hardeman County Correctional Facility – Whiteville, Trousdale Turner Correctional Complex, and South Central Correctional Center.

329.21 Hardeman County Incarceration Agreement

The Hardeman County Correctional Facility is a time-building medium-security prison and offers educational, vocational, and mental health programs. The prison is owned by Hardeman County, which contracts with a private operator.

Full-Time	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	256,300	268,400	287,400	0	287,400
Operational	40,222,000	40,654,700	40,650,700	871,000	41,521,700
Total	\$40,478,300	\$40,923,100	\$40,938,100	\$871,000	\$41,809,100
State	40,466,300	40,904,200	40,919,200	871,000	41,790,200
Federal	0	0	0	0	0
Other	12,000	18,900	18,900	0	18,900

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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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	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	268,800	289,600	278,600	0	278,600
Operational	32,335,800	33,310,700	33,306,700	941,700	34,248,400
Total	\$32,604,600	\$33,600,300	\$33,585,300	\$941,700	\$34,527,000
State	32,586,900	33,581,600	33,566,600	941,700	34,508,300
Federal	0	0	0	0	0
Other	17,700	18,700	18,700	0	18,700

329.23 Trousdale County Incarceration Agreement

The Trousdale Turner Correctional Complex is a time-building medium-security prison that became operational in early 2016. The prison is owned by Trousdale County, which contracts with a private operator.

Full-Time	0	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	2	2	0	2
Payroll	0	110,600	129,600	0	129,600
Operational	0	10,998,600	56,548,800	0	56,548,800
Total	\$0	\$11,109,200	\$56,678,400	\$0	\$56,678,400
State	0	11,096,000	56,665,200	0	56,665,200
Federal	0	0	0	0	0
Other	0	13,200	13,200	0	13,200

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	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	189,100	199,100	188,100	0	188,100
Operational	29,073,400	29,749,300	29,745,200	736,300	30,481,500
Total	\$29,262,500	\$29,948,400	\$29,933,300	\$736,300	\$30,669,600
State	29,250,600	29,929,700	29,914,600	736,300	30,650,900
Federal	0	0	0	0	0
Other	11,900	18,700	18,700	0	18,700

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
329.00 Total Correction					
Full-Time	6,705	6,458	6,377	102	6,479
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	6,705	6,458	6,377	102	6,479
Payroll	329,219,200	347,089,000	343,632,200	4,922,600	348,554,800
Operational	535,458,500	579,355,400	602,247,800	10,703,200	612,951,000
Total	\$864,677,700	\$926,444,400	\$945,880,000	\$15,625,800	\$961,505,800
State	847,223,200	908,894,700	927,572,700	15,625,800	943,198,500
Federal	335,500	353,300	353,300	0	353,300
Other	17,119,000	17,196,400	17,954,000	0	17,954,000

Statistical Data Correctional Institutions

	TPW 329.13	TCIX 329.14	MLCF 329.16	CBCX 329.17	BCCX 329.18
Annual Admissions					
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	576	1,075	140	2,588	1,665
2013-2014	576	1,065	160	3,151	1,665
2014-2015	509	1,065	170	3,151	3,754
2015-2016	550	1,150	180	0	4,950
2016-2017	550	1,200	180	0	3,950
Annual Releases					
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	434	1,081	125	2,641	715
2013-2014	434	1,017	130	2,967	715
2014-2015	219	1,017	140	2,967	3,908
2015-2016	300	1,100	150	0	4,950
2016-2017	300	1,150	150	0	3,950
Average Daily Census					
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	781	1,526	408	654	1,089
2013-2014	778	1,561	401	659	2,187
2014-2015	777	1,566	424	449	2,367
2015-2016	805	1,772	440	0	2,521
2016-2017	805	1,772	440	0	2,521
Cost Per Occupancy Day (Total Expenditures)**					
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	\$89.20	\$67.75	\$102.22	\$95.58	\$113.56
2013-2014	\$87.52	\$70.51	\$107.01	\$102.26	\$89.70
2014-2015*	\$86.70	\$69.71	\$104.00	\$128.40	\$86.85
2015-2016	\$84.27	\$64.01	\$98.38	N/A	\$85.03
2016-2017	\$84.89	\$63.96	\$98.14	N/A	\$85.18

TPW: Tennessee Prison for Women
 TCIX: Turney Center Industrial Complex
 MLCF: Mark Luttrell Correctional Facility

CBCX: Charles B. Bass Correctional Complex
 BCCX: Bledsoe County Correctional Complex

*CBCX closed in fiscal year 2014-2015. The Cost Per Occupancy Day for fiscal year 2014-2015 is overstated due to the gradual transfer of inmates to other state prisons throughout the year.

**Fiscal years 2009-2010 to 2014-2015 are actual expenditures from all sources; 2015-2016 to 2016-2017 are estimates.

Statistical Data Correctional Institutions

	WTSP 329.41	RMSI* 329.42	NECC 329.43	NWCC 329.45	MCCC 329.47
Annual Admissions					
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	2,502	308	910	1,105	3,000
2013-2014	675	308	416	1,054	529
2014-2015	2,369	308	912	898	2,850
2015-2016	2,600	310	925	898	2,850
2016-2017	2,600	310	925	898	2,850
Annual Releases					
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	2,514	375	900	1,134	2,950
2013-2014	554	327	577	998	694
2014-2015	655	327	415	919	600
2015-2016	2,600	301	425	919	800
2016-2017	2,600	301	425	919	800
Average Daily Census					
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	2,455	683	1,780	2,342	2,360
2013-2014	2,437	587	1,775	2,331	2,195
2014-2015	2,369	630	1,772	2,374	2,164
2015-2016	2,582	832	1,856	2,425	2,291
2016-2017	2,582	832	1,856	2,425	2,291
Cost Per Occupancy Day (Total Expenditures)**					
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	\$63.20	\$105.23	\$64.08	\$62.45	\$72.01
2013-2014	\$70.29	\$119.13	\$69.30	\$66.54	\$78.69
2014-2015	\$70.91	\$111.10	\$69.73	\$63.34	\$79.83
2015-2016	\$66.37	\$100.66	\$66.83	\$63.25	\$78.75
2016-2017	\$66.22	\$100.43	\$66.85	\$63.63	\$78.82

WTSP: West Tennessee State Penitentiary
RMSI: Riverbend Maximum Security Institution
NECC: Northeast Correctional Complex

NWCC: Northwest Correctional Complex
MCCC: Morgan County Correctional Complex

*Includes addition of 96 beds from the closure of CBCX starting in fiscal year 2014-2015.

**Fiscal years 2009-2010 to 2014-2015 are actual expenditures from all sources; 2015-2016 to 2016-2017 are estimates.

Statistical Data Correctional Institutions

	DSNF <u>329.46</u>	HCCF <u>329.21</u>	HCCF-W <u>329.22</u>	SCCC <u>329.44</u>	Total**
Annual Admissions					
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	2,070	1,058	1,450	1,230	13,200
2013-2014	324	1,058	1,450	1,230	12,100
2014-2015	108	1,058	1,450	1,230	10,943
2015-2016	100	900	800	730	10,943
2016-2017	100	900	800	730	10,943
Annual Releases					
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	2,081	1,083	1,501	1,220	11,400
2013-2014	312	1,083	1,501	1,220	12,100
2014-2015	110	1,083	1,501	1,220	12,000
2015-2016	100	900	800	730	12,000
2016-2017	100	900	800	730	12,000
Average Daily Census					
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	713	1,970	1,500	1,634	19,895
2013-2014	724	1,964	1,498	1,637	20,734
2014-2015	715	1,965	1,500	1,642	20,714
2015-2016	800	2,016	1,536	1,676	21,552
2016-2017	800	2,016	1,536	1,676	21,552
Cost Per Occupancy Day (Total Expenditures)*					
2009-2010	\$163.78	\$50.86	\$52.34	\$43.05	\$73.04
2010-2011	\$179.06	\$51.92	\$53.21	\$43.74	\$75.06
2011-2012	\$185.45	\$52.91	\$54.28	\$43.36	\$77.94
2012-2013	\$190.63	\$53.64	\$55.67	\$45.69	\$84.35
2013-2014	\$167.01	\$55.42	\$57.98	\$48.47	\$84.99
2014-2015	\$153.73	\$56.44	\$59.55	\$48.83	\$84.94
2015-2016	\$154.32	\$55.46	\$59.77	\$48.82	\$78.92
2016-2017	\$156.76	\$56.82	\$61.58	\$50.14	\$79.49

DSNF: Lois DeBerry Special Needs Facility

HCCF: Hardeman Co. Correctional Facility

HCCF-W: Hardeman Co. Correctional Facility - Whiteville

SCCC: South Central Correctional Center

The Trousdale Turner Correctional Complex opened January 2016, but is not included due to the lack of data.

*Fiscal years 2009-2010 to 2014-2015 are actual expenditures from all sources; 2015-2016 to 2016-2017 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

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 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</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	45	46	41	0	41
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	45	46	41	0	41
Payroll	3,143,600	3,211,600	2,840,100	0	2,840,100
Operational	557,700	532,200	846,200	0	846,200
Total	\$3,701,300	\$3,743,800	\$3,686,300	\$0	\$3,686,300
State	2,907,100	2,856,000	2,798,500	0	2,798,500
Federal	792,600	884,800	884,800	0	884,800
Other	1,600	3,000	3,000	0	3,000

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.

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	62	62	59	0	59
Part-Time	0	0	0	0	0
Seasonal	4	4	4	0	4
Total	66	66	63	0	63
Payroll	4,072,900	5,399,200	5,183,300	0	5,183,300
Operational	2,132,300	1,035,100	1,245,800	0	1,245,800
Total	\$6,205,200	\$6,434,300	\$6,429,100	\$0	\$6,429,100

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
State	719,800	842,400	837,200	0	837,200
Federal	5,485,400	4,922,000	4,922,000	0	4,922,000
Other	0	669,900	669,900	0	669,900

341.03 Air National Guard

The Air National Guard operates three air bases located in Nashville, Knoxville, and Memphis, along with a unit in Chattanooga. The mission is to administer 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 maintaining a safe and healthy work environment.

Full-Time	170	170	170	0	170
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	170	170	170	0	170
Payroll	7,371,100	8,820,400	8,820,400	0	8,820,400
Operational	7,047,400	3,757,800	3,749,000	0	3,749,000
Total	\$14,418,500	\$12,578,200	\$12,569,400	\$0	\$12,569,400
State	2,071,700	1,873,400	1,864,600	0	1,864,600
Federal	12,114,800	10,700,100	10,700,100	0	10,700,100
Other	232,000	4,700	4,700	0	4,700

341.07 Armories Maintenance

Armories Maintenance provides funding for the maintenance of armories, training sites, and aircraft maintenance facilities.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	5,146,200	7,618,700	7,615,500	0	7,615,500
Total	\$5,146,200	\$7,618,700	\$7,615,500	\$0	\$7,615,500
State	396,500	212,500	209,300	0	209,300
Federal	4,135,000	6,561,600	6,561,600	0	6,561,600
Other	614,700	844,600	844,600	0	844,600

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

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
Payroll	0	0	0	0	0
Operational	4,782,400	5,796,600	5,796,600	0	5,796,600
Total	\$4,782,400	\$5,796,600	\$5,796,600	\$0	\$5,796,600
State	1,514,900	1,533,600	1,533,600	0	1,533,600
Federal	3,267,500	4,148,700	4,148,700	0	4,148,700
Other	0	114,300	114,300	0	114,300

341.11 Station Commanders Upkeep and Maintenance Fund

The Station Commander's Upkeep and Maintenance Fund (SCUMF) is fully utilized to repair, maintain, and provide viable upkeep for Military Department facilities. The SCUMF is supported by armory rental and service 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	497,300	750,000	750,000	0	750,000
Total	\$497,300	\$750,000	\$750,000	\$0	\$750,000
State	169,300	250,000	250,000	0	250,000
Federal	328,000	250,000	250,000	0	250,000
Other	0	250,000	250,000	0	250,000

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 the planning and management of emergency operations of the state, and for the training of and assistance to local governments during man-made or natural disasters.

Full-Time	108	107	101	0	101
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	108	107	101	0	101
Payroll	6,567,100	7,730,500	7,261,900	0	7,261,900
Operational	6,483,800	5,772,400	6,105,800	0	6,105,800
Total	\$13,050,900	\$13,502,900	\$13,367,700	\$0	\$13,367,700
State	3,118,100	3,416,400	3,281,200	0	3,281,200
Federal	9,818,200	9,157,400	9,157,400	0	9,157,400
Other	114,600	929,100	929,100	0	929,100

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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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	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	143,100	245,000	245,000	0	245,000
Operational	5,585,700	4,866,000	4,865,700	0	4,865,700
Total	\$5,728,800	\$5,111,000	\$5,110,700	\$0	\$5,110,700
State	9,800	0	0	0	0
Federal	5,719,000	5,111,000	5,110,700	0	5,110,700
Other	0	0	0	0	0

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	475,300	0	0	0	0
Operational	43,324,800	14,000,000	14,000,000	0	14,000,000
Total	\$43,800,100	\$14,000,000	\$14,000,000	\$0	\$14,000,000
State	4,000,000	4,000,000	4,000,000	0	4,000,000
Federal	38,499,800	10,000,000	10,000,000	0	10,000,000
Other	1,300,300	0	0	0	0

341.00 Total Military

Full-Time	388	388	374	0	374
Part-Time	0	0	0	0	0
Seasonal	4	4	4	0	4
Total	392	392	378	0	378
Payroll	21,773,100	25,406,700	24,350,700	0	24,350,700
Operational	75,557,600	44,128,800	44,974,600	0	44,974,600
Total	\$97,330,700	\$69,535,500	\$69,325,300	\$0	\$69,325,300
State	14,907,200	14,984,300	14,774,400	0	14,774,400
Federal	80,160,300	51,735,600	51,735,300	0	51,735,300
Other	2,263,200	2,815,600	2,815,600	0	2,815,600

Tennessee Bureau of Investigation

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. TBI's operations are organized into six divisions: Administrative Services, Criminal Investigations, Drug Investigations, Forensic Services, Information Systems, and Training.

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. The Training Division provides training to all TBI employees, to many Tennessee law enforcement officers, to other Tennessee state agency employees, private citizens, and college students through classroom instruction, online training, and internship programs.

<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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348.00 Tennessee Bureau of Investigation

Full-Time	517	528	528	0	528
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	517	528	528	0	528
Payroll	43,488,500	45,163,400	45,163,400	0	45,163,400
Operational	31,947,100	30,131,900	26,699,900	0	26,699,900
Total	\$75,435,600	\$75,295,300	\$71,863,300	\$0	\$71,863,300
State	41,030,700	41,811,700	41,069,400	0	41,069,400
Federal	10,967,600	15,291,300	15,270,800	0	15,270,800
Other	23,437,300	18,192,300	15,523,100	0	15,523,100

Department of Safety

The Tennessee Department of Safety works to provide safe highways for Tennessee’s citizens and visitors by enforcing the laws governing the use of state and federal roads. Development and management of a comprehensive state homeland security strategy is also 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 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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Administrative and Support Services

Administrative and Support Services includes Administration, Motor Vehicle Operations, Major Maintenance, Technical Services, and Communications.

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, automobile anti-theft laws, and driver improvement hearings.

Full-Time	96	78	85	0	85
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	96	78	85	0	85
Payroll	6,759,100	5,766,000	6,311,500	0	6,311,500
Operational	2,883,700	3,836,900	3,744,700	0	3,744,700
Total	\$9,642,800	\$9,602,900	\$10,056,200	\$0	\$10,056,200
State	9,040,600	9,056,900	9,510,200	0	9,510,200
Federal	0	0	0	0	0
Other	602,200	546,000	546,000	0	546,000

349.07 Motor Vehicle Operations

Motor Vehicle Operations provides all commissioned officers with a vehicle to enforce traffic laws and investigate crashes on state roads. The program also provides a pool of vehicles for driver license training, internal audit personnel, repair of communication towers and radio repeater sites, telecommunications personnel and human resources personnel.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	200	0	0	0	0
Operational	10,823,200	11,622,100	11,606,100	0	11,606,100
Total	\$10,823,400	\$11,622,100	\$11,606,100	\$0	\$11,606,100
State	10,823,400	11,622,100	11,606,100	0	11,606,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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349.12 Major Maintenance

Major Maintenance provides funds for maintenance of Department of Safety buildings and other 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	0	9,600	9,600	0	9,600
Total	\$0	\$9,600	\$9,600	\$0	\$9,600
State	0	9,600	9,600	0	9,600
Federal	0	0	0	0	0
Other	0	0	0	0	0

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 THP and local police agencies.

Full-Time	88	79	79	0	79
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	88	79	79	0	79
Payroll	5,300,800	4,008,200	1,707,000	0	1,707,000
Operational	1,623,000	3,662,300	5,852,400	0	5,852,400
Total	\$6,923,800	\$7,670,500	\$7,559,400	\$0	\$7,559,400
State	412,600	909,300	798,200	0	798,200
Federal	107,900	165,000	165,000	0	165,000
Other	6,403,300	6,596,200	6,596,200	0	6,596,200

349.16 Communications

Communications provides funds for sustaining the public safety service levels of the operations and maintenance of the communication system and facilities, which includes radio towers and radio repeater sites.

Full-Time	99	99	99	0	99
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	99	99	99	0	99
Payroll	4,970,600	5,040,600	5,040,600	0	5,040,600
Operational	5,399,500	7,197,900	7,197,900	1,360,000	8,557,900
Total	\$10,370,100	\$12,238,500	\$12,238,500	\$1,360,000	\$13,598,500
State	10,370,100	11,638,500	11,638,500	1,040,000	12,678,500
Federal	0	0	0	0	0
Other	0	600,000	600,000	320,000	920,000

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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Public Services

349.02 Driver License Issuance

Services provided by the Driver License Issuance division include testing and issuing driver licenses to qualifying motorists, school bus drivers, and commercial drivers; monitoring third party commercial driver license 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	447	447	435	0	435
Part-Time	53	53	53	0	53
Seasonal	0	0	0	0	0
Total	500	500	488	0	488
Payroll	20,061,700	21,468,200	20,772,500	0	20,772,500
Operational	28,597,700	27,660,600	26,655,200	0	26,655,200
Total	\$48,659,400	\$49,128,800	\$47,427,700	\$0	\$47,427,700
State	10,916,500	13,137,700	12,143,100	0	12,143,100
Federal	1,067,700	2,111,000	1,667,000	0	1,667,000
Other	36,675,200	33,880,100	33,617,600	0	33,617,600

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	974	926	921	12	933
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	974	926	921	12	933
Payroll	79,466,300	85,617,500	84,643,700	4,414,600	89,058,300
Operational	19,579,500	15,123,400	15,314,800	866,200	16,181,000
Total	\$99,045,800	\$100,740,900	\$99,958,500	\$5,280,800	\$105,239,300
State	84,144,000	86,572,800	85,857,700	5,280,800	91,138,500
Federal	6,644,400	7,513,200	7,513,200	0	7,513,200
Other	8,257,400	6,654,900	6,587,600	0	6,587,600

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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349.06 Auto Theft Investigations

The Auto Theft Investigations division provides operational funding to support the work led by THP'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	6,100	349,800	349,800	0	349,800
Total	\$6,100	\$349,800	\$349,800	\$0	\$349,800
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	6,100	349,800	349,800	0	349,800

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 and coordinate the response to these events, if required. 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, in partnership with Tennessee Bureau of Investigation, 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	25	25	0	25
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	26	25	25	0	25
Payroll	1,905,200	1,537,700	1,805,100	0	1,805,100
Operational	670,800	4,640,600	1,550,700	0	1,550,700
Total	\$2,576,000	\$6,178,300	\$3,355,800	\$0	\$3,355,800
State	1,414,600	2,886,600	1,747,400	0	1,747,400
Federal	0	0	0	0	0
Other	1,161,400	3,291,700	1,608,400	0	1,608,400

Education

The education function includes the divisions of Motorcycle Rider Education and Driver Education.

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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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	91,000	128,800	128,800	0	128,800
Operational	206,400	374,100	373,900	0	373,900
Total	\$297,400	\$502,900	\$502,700	\$0	\$502,700
State	297,400	502,900	502,700	0	502,700
Federal	0	0	0	0	0
Other	0	0	0	0	0

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	92,600	182,500	182,500	0	182,500
Operational	59,700	97,200	96,900	0	96,900
Total	\$152,300	\$279,700	\$279,400	\$0	\$279,400
State	152,300	279,700	279,400	0	279,400
Federal	0	0	0	0	0
Other	0	0	0	0	0

349.00 Total Safety

Full-Time	1,734	1,658	1,648	12	1,660
Part-Time	53	53	53	0	53
Seasonal	0	0	0	0	0
Total	1,787	1,711	1,701	12	1,713
Payroll	118,647,500	123,749,500	120,591,700	4,414,600	125,006,300
Operational	69,849,600	74,574,500	72,752,000	2,226,200	74,978,200
Total	\$188,497,100	\$198,324,000	\$193,343,700	\$6,640,800	\$199,984,500
State	127,571,500	136,616,100	134,092,900	6,320,800	140,413,700
Federal	7,820,000	9,789,200	9,345,200	0	9,345,200
Other	53,105,600	51,918,700	49,905,600	320,000	50,225,600

**Law, Safety, and Correction
Priority Goals and Measures**

<u>Goal</u>	<u>Measure</u>	<u>Measure Frequency</u>	<u>Baseline</u>	<u>Most Recent</u>	<u>Target</u>
Department of Correction					
Increase safety throughout facilities.	Number of escapes.	Monthly	0	0	0
Provide programming and re-entry services according to validated risk assessment tools in order to address barriers to offenders' success in the community.	Tele-health encounters (percent of total approved consults).	Monthly	95%	83%	98%
	Take One volunteers (faith-based/non-profits contacts vs. participants).	Fiscal Quarterly	56%	30%	66%
	Program capacity utilization.	Fiscal Quarterly	87.4%	92.7%	95.0%
Reduce offender technical violator returns by 10 percent through the increased use of alternative sanctions and incentives.	Technical violator returns.	Monthly	426	335	383
	Administrative case review.	Monthly	174	107	191
	Compliant reporting.	Monthly	97.9%	99.4%	98.4%
Military Department					
Sustain emergency management operational readiness to include effective emergency management programs.	Increase emergency management program grant funding participation at the local county level.	Fiscal Year (June 30)	73 Counties	74 Counties	83 Counties
Complete operational preparedness and planning as it relates to continuity of government.	Update and exercise continuity of government plan.	Fiscal Quarterly	60%	65%	100%
Department of Safety					
Reduce the number of traffic fatalities in the state.	A reduction of at least 1.5 percent statewide traffic fatalities.	Monthly	936	415	922
Maintain a low average wait time at driver services centers by focusing on those centers with wait times significantly above the current average.	A reduction of at least 5 percent in the average overall wait time at all 49 driver services centers (in minutes).	Monthly	20 minutes	18 minutes	19 minutes

Resources and Regulation



Resources and Regulation

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Resources and Regulation

Recommended Budget, Fiscal Year 2016 – 2017

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.

Resources and Regulation Total Personnel and Funding

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Recommended 2016-2017</u>
Personnel			
Full-Time	5,095	5,077	5,060
Part-Time	874	863	862
Seasonal	296	294	294
TOTAL	6,265	6,234	6,216
Expenditures			
Payroll	\$ 301,800,500	\$ 358,657,200	\$ 359,165,500
Operational	481,206,900	591,580,600	574,500,600
TOTAL	\$ 783,007,400	\$ 950,237,800	\$ 933,666,100
Funding			
State	\$ 393,344,100	\$ 478,729,300	\$ 468,130,900
Federal	233,405,500	266,054,800	276,603,100
Other	156,257,800	205,453,700	188,932,100

Resources and Regulation
Recommended Budget for Fiscal Year 2016-2017
By Funding Source

Department	State	Federal	Other	Total
316.25 Arts Commission	6,475,200	879,900	537,800	7,892,900
316.27 State Museum	3,806,800	0	5,000	3,811,800
327.00 Environment and Conservation	182,237,000	87,667,900	117,441,300	387,346,200
328.00 Tennessee Wildlife Resources Agency	55,530,800	25,438,200	10,275,100	91,244,100
335.00 Commerce and Insurance	155,430,800	324,800	57,394,200	213,149,800
336.00 Financial Institutions	19,976,900	0	2,400	19,979,300
337.00 Labor and Workforce Development	44,673,400	162,292,300	3,276,300	210,242,000
Total	\$468,130,900	\$276,603,100	\$188,932,100	\$933,666,100

Resources and Regulation
Cost Increases for Fiscal Year 2016-2017

	<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 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
Environment and Conservation					
• Seasonal Park Ranger Positions					
To provide recurring funding for five additional park ranger positions to supplement state parks during the busy season. These positions will have the flexibility to meet seasonal operational needs at multiple parks.					
327.12 Tennessee State Parks	\$441,500	\$0	\$0	\$441,500	5
Sub-total	\$441,500	\$0	\$0	\$441,500	5
• State Parks Major Maintenance					
To provide recurring funding to reduce the maintenance backlog.					
327.15 State Parks Maintenance	\$4,000,000	\$0	\$0	\$4,000,000	0
Sub-total	\$4,000,000	\$0	\$0	\$4,000,000	0
• Historical Commission - Additional Position					
To provide recurring funding for one additional preservation specialist position. This position would aid the office in administering the programs of the federally-mandated National Historic Preservation Act of 1966 and the state's historic preservation programs.					
327.04 Historical Commission	\$63,600	\$0	\$0	\$63,600	1
Sub-total	\$63,600	\$0	\$0	\$63,600	1
• Clean Water and Drinking Water					
To recognize additional recurring federal funds available for the Clean Water and Drinking Water State Revolving Fund program. Funding will be used to provide low interest loans to local governments for waste water and drinking water facility improvements.					
327.33 Clean Water and Drinking Water State Revolving Fund	\$0	\$20,000,000	\$0	\$20,000,000	0
Sub-total	\$0	\$20,000,000	\$0	\$20,000,000	0

Resources and Regulation

Cost Increases for Fiscal Year 2016-2017

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• West Tennessee River Basin Authority Grants					
To recognize additional recurring grant funding available to the West Tennessee River Basin Authority. Funding will provide maintenance and restoration projects aimed at preserving the natural flow and function of the Hatchie, Obion, and Forked Deer rivers.					
327.26 West Tennessee River Basin Authority	\$0	\$0	\$3,200,000	\$3,200,000	0
Sub-total	\$0	\$0	\$3,200,000	\$3,200,000	0
• West Tennessee River Basin Authority - Additional Position					
To provide recurring funding for one consultant position to assist with multiple grants and projects within the division.					
327.26 West Tennessee River Basin Authority	\$0	\$0	\$86,400	\$86,400	1
Sub-total	\$0	\$0	\$86,400	\$86,400	1
• Administration Legislation - Used Oil Collection Fund					
To provide funding for proposed legislation that increases automotive fluid disposal assistance to local governments through the used oil collection fund. This appropriation includes \$150,000 recurring and \$150,000 non-recurring.					
327.23 Used Oil Collection Program	\$300,000	\$0	\$0	\$300,000	0
Sub-total	\$300,000	\$0	\$0	\$300,000	0
Total Environment and Conservation	\$4,805,100	\$20,000,000	\$3,286,400	\$28,091,500	7

Tennessee Wildlife Resources Agency

• Statutory Salary Step Increase

To provide recurring funds for salary step increases for the agency's officers, biologists, and other unique positions, pursuant to TCA 70-1-309. These increases will be effective July 1, 2016.

328.01 Wildlife Resources Agency	\$456,600	\$0	\$0	\$456,600	0
328.02 Boating Safety	\$62,300	\$0	\$0	\$62,300	0
Sub-total	\$518,900	\$0	\$0	\$518,900	0

• Salary Survey

To provide recurring funding for salary increases associated with the annual salary study of bordering states. The survey includes agency officers, biologists, and other unique positions. These increases will be effective July 1, 2016.

328.01 Wildlife Resources Agency	\$1,568,700	\$0	\$0	\$1,568,700	0
328.02 Boating Safety	\$214,200	\$0	\$0	\$214,200	0
Sub-total	\$1,782,900	\$0	\$0	\$1,782,900	0

Total Tennessee Wildlife Resources Agency

	\$2,301,800	\$0	\$0	\$2,301,800	0
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**Resources and Regulation
Cost Increases for Fiscal Year 2016-2017**

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Commerce and Insurance					
• Statutory Salary Step Increase					
To provide recurring funding for the mandated annual trooper salary step increase, pursuant to TCA 4-7-206. The salary step increase is effective July 1, 2016.					
335.11 Tennessee Law Enforcement Training Academy	\$13,300	\$0	\$0	\$13,300	0
Sub-total	\$13,300	\$0	\$0	\$13,300	0
• Salary Survey					
To provide recurring funding for the salary increase for the annual commissioned officer salary survey results. The survey averages the current compensation levels of commissioned officers in the eight adjacent states. The salary survey is effective July 1, 2016.					
335.11 Tennessee Law Enforcement Training Academy	\$44,500	\$0	\$0	\$44,500	0
Sub-total	\$44,500	\$0	\$0	\$44,500	0
Total Commerce and Insurance	\$57,800	\$0	\$0	\$57,800	0
Labor and Workforce Development					
• Amusement Device Unit					
To provide non-recurring funding for five positions in the Amusement Device Unit. Unit responsibilities include permitting devices across the state and verifying industry compliance with statutory inspection and insurance requirements.					
337.05 Boilers and Elevators	\$489,600	\$0	\$0	\$489,600	5
Sub-total	\$489,600	\$0	\$0	\$489,600	5
• Workers' Compensation Statistical Research					
To provide recurring funding for a statistical research position in the Workers' Compensation division.					
337.03 Workers' Compensation	\$97,500	\$0	\$0	\$97,500	1
Sub-total	\$97,500	\$0	\$0	\$97,500	1
Total Labor and Workforce Development	\$587,100	\$0	\$0	\$587,100	6
Total Resources and Regulation	\$7,751,800	\$20,000,000	\$3,586,400	\$31,338,200	13

Arts Commission

The Tennessee Arts Commission promotes interest and participation in the performing, visual, musical, 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.

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</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	1,425,800	1,526,800	1,526,100	0	1,526,100
Operational	5,621,600	6,476,800	6,066,800	300,000	6,366,800
Total	\$7,047,400	\$8,003,600	\$7,592,900	\$300,000	\$7,892,900
State	6,264,600	6,475,900	6,475,200	0	6,475,200
Federal	764,500	989,900	879,900	0	879,900
Other	18,300	537,800	237,800	300,000	537,800

State Museum

The Tennessee State Museum was created by public law in 1937 to bring together all the collections already owned or managed by the state. The State Museum's mandate is to "procure, preserve, exhibit and interpret objects which relate to the social, political, economic, and cultural history of Tennessee and Tennesseans, and to provide exhibitions and programs for the educational and cultural enrichment of the citizens of the state."

The State Museum, located in Nashville, collects, preserves, interprets, and exhibits artifacts that are significant to the natural and cultural history of the state. Through the acquisition, restoration, and stewardship of the collection, the museum's professional staff provides Tennesseans with numerous educational and cultural experiences. Many of the programs reach 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 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
316.27 State Museum					
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	2,410,800	2,502,500	2,502,500	0	2,502,500
Operational	1,400,500	1,382,000	1,309,300	0	1,309,300
Total	\$3,811,300	\$3,884,500	\$3,811,800	\$0	\$3,811,800
State	3,791,000	3,879,500	3,806,800	0	3,806,800
Federal	8,800	0	0	0	0
Other	11,500	5,000	5,000	0	5,000

Department of Environment and Conservation

The Department of Environment and Conservation enhances the quality of life for all Tennesseans by protecting, preserving, and improving the quality of Tennessee’s air, land, and water; providing an understandable and responsive regulatory system; conserving and promoting Tennessee’s natural and cultural resources; and providing a variety of quality recreational experiences. The department has three functional areas: Administration, State Parks and Conservation Services, and Environment.

<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</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, external affairs, 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	218	221	222	0	222
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	218	221	222	0	222
Payroll	15,323,300	17,335,500	17,415,500	0	17,415,500
Operational	4,148,200	3,140,300	3,177,500	0	3,177,500
Total	\$19,471,500	\$20,475,800	\$20,593,000	\$0	\$20,593,000
State	7,012,000	7,071,200	7,060,300	0	7,060,300
Federal	3,031,300	2,980,200	3,117,900	0	3,117,900
Other	9,428,200	10,424,400	10,414,800	0	10,414,800

327.52 Office of Energy Programs

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 (DOE), the division renders technical and financial assistance to existing businesses, local governments, schools, and hospitals in order to reduce energy costs.

Full-Time	7	9	9	0	9
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	7	9	9	0	9
Payroll	609,100	983,600	983,600	0	983,600
Operational	577,600	5,793,700	5,792,900	0	5,792,900
Total	\$1,186,700	\$6,777,300	\$6,776,500	\$0	\$6,776,500
State	34,800	34,800	34,800	0	34,800
Federal	847,400	940,100	939,300	0	939,300
Other	304,500	5,802,400	5,802,400	0	5,802,400

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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327.53 Energy Loan Programs

The Energy Loan Programs is organized as revolving loan programs to assist for-profit businesses, non-profit organizations, private institutions of higher education, and units of local governments in becoming more energy efficient. Eligible and approved applicants can obtain a low-interest loan of up to \$500,000 and repay it over a period of up to seven years. Loans must be for energy efficiency projects or renewable energy measures on existing facilities that are at least one year old or on other energy saving processes and operations located in Tennessee.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	0	6,600,000	3,000,000	0	3,000,000
Total	\$0	\$6,600,000	\$3,000,000	\$0	\$3,000,000
State	0	3,600,000	0	0	0
Federal	0	0	0	0	0
Other	0	3,000,000	3,000,000	0	3,000,000

Tennessee State Parks and Conservation Services

Tennessee State Parks and Conservation Services provides a variety of services that maintain state natural areas for preservation, historical significance, and outdoor enjoyment.

327.03 Recreation Educational Services

The Recreation Educational Services division assists public recreation providers and promotes recreation development through grants, technical assistance, and monitoring local and state planning efforts. The program houses the Parks and Recreation Technical Advisory Service to specifically assist county and municipal governments and other recreation providers.

Full-Time	14	10	10	0	10
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	14	10	10	0	10
Payroll	627,700	852,800	852,800	0	852,800
Operational	2,322,200	4,339,300	4,338,400	0	4,338,400
Total	\$2,949,900	\$5,192,100	\$5,191,200	\$0	\$5,191,200
State	550,000	716,300	715,400	0	715,400
Federal	1,447,500	2,291,300	2,291,300	0	2,291,300
Other	952,400	2,184,500	2,184,500	0	2,184,500

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.

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
Full-Time	15	15	15	1	16
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	15	15	15	1	16
Payroll	971,000	995,000	995,000	51,500	1,046,500
Operational	2,672,300	2,280,700	2,205,500	12,100	2,217,600
Total	\$3,643,300	\$3,275,700	\$3,200,500	\$63,600	\$3,264,100
State	2,399,300	2,696,100	2,620,900	63,600	2,684,500
Federal	723,400	529,600	529,600	0	529,600
Other	520,600	50,000	50,000	0	50,000

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

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	293,300	1,096,400	315,000	0	315,000
Total	\$293,300	\$1,096,400	\$315,000	\$0	\$315,000
State	293,300	315,000	315,000	0	315,000
Federal	0	0	0	0	0
Other	0	781,400	0	0	0

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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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	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	650,600	716,900	716,900	0	716,900
Operational	128,200	160,300	159,400	0	159,400
Total	\$778,800	\$877,200	\$876,300	\$0	\$876,300
State	709,100	816,700	815,800	0	815,800
Federal	0	0	0	0	0
Other	69,700	60,500	60,500	0	60,500

327.12 Tennessee State Parks

The Tennessee State Parks program protects, conserves, and manages natural, cultural, and historic resources in 56 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	970	975	975	5	980
Part-Time	240	239	239	0	239
Seasonal	296	294	294	0	294
Total	1,506	1,508	1,508	5	1,513
Payroll	48,548,000	51,526,300	51,526,300	203,500	51,729,800
Operational	33,486,400	32,108,200	32,154,600	238,000	32,392,600
Total	\$82,034,400	\$83,634,500	\$83,680,900	\$441,500	\$84,122,400
State	44,480,000	46,648,300	46,570,700	441,500	47,012,200
Federal	454,100	1,000	125,000	0	125,000
Other	37,100,300	36,985,200	36,985,200	0	36,985,200

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

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
Payroll	0	0	0	0	0
Operational	2,126,300	3,314,100	2,314,100	4,000,000	6,314,100
Total	\$2,126,300	\$3,314,100	\$2,314,100	\$4,000,000	\$6,314,100
State	2,126,300	3,214,100	2,214,100	4,000,000	6,214,100
Federal	0	0	0	0	0
Other	0	100,000	100,000	0	100,000

327.14 Natural Areas

The Natural Areas program promotes the restoration and conservation of Tennessee's natural and biological diversity by cooperative management of land, scenic rivers, and by collecting and disseminating information on rare plants. Scenic rivers are designated and protected under the 1968 Scenic Rivers Act to protect rivers of exceptional scenic quality and to protect rare species of plants and animals. State natural areas are designated and protected under the 1971 Natural Areas Preservation Act to protect natural biological diversity, preserve areas of exceptional scenic and geological value, and protect habitats for rare plants and animals. The division also studies rare plants and maintains a state list of endangered, threatened, and special-concern plants. The department is the lead agency for listing and recovery of plants under the 1973 Federal Endangered Species Act. The division also regulates the export of ginseng.

Full-Time	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	811,400	849,400	849,400	0	849,400
Operational	189,500	342,800	312,800	0	312,800
Total	\$1,000,900	\$1,192,200	\$1,162,200	\$0	\$1,162,200
State	872,400	1,002,100	1,002,100	0	1,002,100
Federal	76,000	120,000	90,000	0	90,000
Other	52,500	70,100	70,100	0	70,100

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	3,772,100	3,718,700	3,718,700	0	3,718,700
Total	\$3,772,100	\$3,718,700	\$3,718,700	\$0	\$3,718,700
State	3,718,700	3,718,700	3,718,700	0	3,718,700
Federal	0	0	0	0	0
Other	53,400	0	0	0	0

	<u>Actual</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>	<u>Base</u> <u>2016-2017</u>	<u>Cost Increase</u> <u>2016-2017</u>	<u>Recommended</u> <u>2016-2017</u>
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327.20 State Lands Acquisition Fund

The State Lands Acquisition Fund, administered in conjunction with the Department of Agriculture and the Tennessee Wildlife Resources Agency, provides funds for the acquisition of land for state parks, forests, natural areas, boundary areas along scenic rivers, and easement protection for these areas. Funding also supports trail construction at these sites and historic preservation of old theatres. Funding for these grants comes from the real estate transfer tax.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	3,171,800	3,067,500	3,067,500	0	3,067,500
Total	\$3,171,800	\$3,067,500	\$3,067,500	\$0	\$3,067,500
State	3,087,500	3,067,500	3,067,500	0	3,067,500
Federal	0	0	0	0	0
Other	84,300	0	0	0	0

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	112,200	145,000	145,000	0	145,000
Total	\$112,200	\$145,000	\$145,000	\$0	\$145,000
State	112,200	145,000	145,000	0	145,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

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	0	1,000,000	1,000,000	0	1,000,000
Total	\$0	\$1,000,000	\$1,000,000	\$0	\$1,000,000

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	0	1,000,000	1,000,000	0	1,000,000

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 Tennessee 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

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	59	59	59	0	59
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	59	59	59	0	59
Payroll	3,171,300	3,295,600	3,295,600	0	3,295,600
Operational	532,000	628,700	621,700	0	621,700
Total	\$3,703,300	\$3,924,300	\$3,917,300	\$0	\$3,917,300
State	544,000	559,400	557,000	0	557,000
Federal	100	0	0	0	0
Other	3,159,200	3,364,900	3,360,300	0	3,360,300

327.11 Geology

The Geology division maps and identifies mineral resources, geology, and geological hazards across the state. The division also serves as a clearinghouse for geological information. Study results are published and distributed in the form of maps and reports. The program maps mineral deposits including coal, oil, and gas and maintains production records for oil and gas wells. The program is a primary source of information, advice, and education about Tennessee's geology, mineral resources, geological hazards, and oil and gas activity for the public, schools, professional geologists, state and federal agencies, environmental regulators, and industries.

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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	535,400	582,000	582,000	0	582,000
Operational	112,500	131,800	131,200	0	131,200
Total	\$647,900	\$713,800	\$713,200	\$0	\$713,200
State	126,400	130,900	130,300	0	130,300
Federal	116,600	146,000	146,000	0	146,000
Other	404,900	436,900	436,900	0	436,900

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	103,300	275,800	275,800	0	275,800
Operational	389,000	840,700	840,500	300,000	1,140,500
Total	\$492,300	\$1,116,500	\$1,116,300	\$300,000	\$1,416,300
State	490,100	1,115,500	1,115,300	300,000	1,415,300
Federal	0	0	0	0	0
Other	2,200	1,000	1,000	0	1,000

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	16	17	17	1	18
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	16	17	17	1	18
Payroll	1,021,800	1,105,100	1,105,100	68,600	1,173,700
Operational	373,800	1,582,700	1,580,700	3,217,800	4,798,500
Total	\$1,395,600	\$2,687,800	\$2,685,800	\$3,286,400	\$5,972,200
State	854,000	1,000,800	999,300	0	999,300
Federal	0	0	0	0	0
Other	541,600	1,687,000	1,686,500	3,286,400	4,972,900

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</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 WTRBA. 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	809,500	1,215,500	1,215,500	0	1,215,500
Total	\$809,500	\$1,215,500	\$1,215,500	\$0	\$1,215,500
State	660,500	1,215,500	1,215,500	0	1,215,500
Federal	0	0	0	0	0
Other	149,000	0	0	0	0

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	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	228,200	490,300	490,300	0	490,300
Operational	691,900	1,402,300	1,402,200	0	1,402,200
Total	\$920,100	\$1,892,600	\$1,892,500	\$0	\$1,892,500
State	912,900	1,892,600	1,892,500	0	1,892,500
Federal	0	0	0	0	0
Other	7,200	0	0	0	0

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	132	129	129	0	129
Part-Time	12	12	12	0	12
Seasonal	0	0	0	0	0
Total	144	141	141	0	141
Payroll	8,925,800	10,519,000	10,519,000	0	10,519,000
Operational	6,037,500	7,671,100	7,659,700	0	7,659,700
Total	\$14,963,300	\$18,190,100	\$18,178,700	\$0	\$18,178,700

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
State	1,157,400	1,143,300	1,142,200	0	1,142,200
Federal	1,427,600	1,177,500	1,177,500	0	1,177,500
Other	12,378,300	15,869,300	15,859,000	0	15,859,000

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	59	59	59	0	59
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	59	59	59	0	59
Payroll	3,843,900	4,522,600	4,522,600	0	4,522,600
Operational	1,233,400	1,731,700	1,726,600	0	1,726,600
Total	\$5,077,300	\$6,254,300	\$6,249,200	\$0	\$6,249,200
State	407,400	618,200	617,700	0	617,700
Federal	151,000	152,500	152,500	0	152,500
Other	4,518,900	5,483,600	5,479,000	0	5,479,000

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	1,151,200	1,652,200	1,652,200	0	1,652,200
Operational	54,669,500	38,112,700	38,111,500	20,000,000	58,111,500
Total	\$55,820,700	\$39,764,900	\$39,763,700	\$20,000,000	\$59,763,700
State	5,080,600	3,087,200	3,086,000	0	3,086,000
Federal	50,739,300	36,677,700	36,677,700	20,000,000	56,677,700
Other	800	0	0	0	0

327.34 Division of Water Resources

The Division of Water Resources 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. This program develops groundwater and wellhead protection plans 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. The division regulates subsurface sewage disposal systems, grants construction permits, and inspects and approves underground septic systems for wastewater disposal areas that lack wastewater treatment plants. In addition, the division is responsible for inspecting septic tank maintenance

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
Full-Time	306	306	306	0	306
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
Total	315	315	315	0	315
Payroll	21,473,700	23,561,700	23,561,700	0	23,561,700
Operational	9,693,800	8,255,700	9,058,500	0	9,058,500
Total	\$31,167,500	\$31,817,400	\$32,620,200	\$0	\$32,620,200
State	12,326,400	13,338,000	13,319,600	0	13,319,600
Federal	7,150,800	5,873,600	6,704,700	0	6,704,700
Other	11,690,300	12,605,800	12,595,900	0	12,595,900

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	120	120	120	0	120
Part-Time	12	12	12	0	12
Seasonal	0	0	0	0	0
Total	132	132	132	0	132
Payroll	8,577,300	9,554,100	9,554,100	0	9,554,100
Operational	2,335,300	3,849,800	3,839,600	0	3,839,600
Total	\$10,912,600	\$13,403,900	\$13,393,700	\$0	\$13,393,700
State	1,771,400	1,861,700	1,859,400	0	1,859,400
Federal	3,173,500	4,377,200	4,377,200	0	4,377,200
Other	5,967,700	7,165,000	7,157,100	0	7,157,100

327.36 DOE Oversight

The DOE Oversight program, by agreement with the U.S. 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. DOE, works to achieve clean air, water, and land in Tennessee, while sustaining economic growth.

Full-Time	44	44	44	0	44
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	44	44	44	0	44
Payroll	3,154,300	3,647,900	3,647,900	0	3,647,900
Operational	1,163,300	2,670,200	2,666,200	0	2,666,200
Total	\$4,317,600	\$6,318,100	\$6,314,100	\$0	\$6,314,100
State	0	0	0	0	0
Federal	4,228,600	6,218,100	6,214,100	0	6,214,100
Other	89,000	100,000	100,000	0	100,000

	<u>Actual</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>	<u>Base</u> <u>2016-2017</u>	<u>Cost Increase</u> <u>2016-2017</u>	<u>Recommended</u> <u>2016-2017</u>
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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	158,700	500,000	500,000	0	500,000
Total	\$158,700	\$500,000	\$500,000	\$0	\$500,000
State	0	500,000	500,000	0	500,000
Federal	120,700	0	0	0	0
Other	38,000	0	0	0	0

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	57	57	57	0	57
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	57	57	57	0	57
Payroll	3,753,300	4,696,700	4,696,700	0	4,696,700
Operational	3,183,700	4,840,500	4,835,200	0	4,835,200
Total	\$6,937,000	\$9,537,200	\$9,531,900	\$0	\$9,531,900
State	1,000,000	1,000,000	1,000,000	0	1,000,000
Federal	1,155,200	1,890,400	1,890,400	0	1,890,400
Other	4,781,800	6,646,800	6,641,500	0	6,641,500

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	86	88	88	0	88
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	86	88	88	0	88
Payroll	5,676,600	6,154,200	6,154,200	0	6,154,200
Operational	18,690,700	20,234,900	20,228,100	0	20,228,100
Total	\$24,367,300	\$26,389,100	\$26,382,300	\$0	\$26,382,300

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
State	22,119,200	24,415,700	24,408,900	0	24,408,900
Federal	1,639,200	1,973,400	1,973,400	0	1,973,400
Other	608,900	0	0	0	0

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	1,063,300	1,441,400	1,441,400	0	1,441,400
Operational	4,630,500	9,857,300	5,355,800	0	5,355,800
Total	\$5,693,800	\$11,298,700	\$6,797,200	\$0	\$6,797,200
State	5,644,600	11,298,700	6,797,200	0	6,797,200
Federal	0	0	0	0	0
Other	49,200	0	0	0	0

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 EPF.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	40,255,000	48,805,900	48,289,800	0	48,289,800
Total	\$40,255,000	\$48,805,900	\$48,289,800	\$0	\$48,289,800
State	40,229,400	48,805,900	48,289,800	0	48,289,800
Federal	0	0	0	0	0
Other	25,600	0	0	0	0

327.44 Fleming Training Center

The Fleming Training Center assists and trains operators in the water and wastewater industry. The center offers 14 types of certification for water and wastewater operators requiring that each certified operator possesses certain experience requirements and 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.

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
Full-Time	8	8	8	0	8
Part-Time	4	4	4	0	4
Seasonal	0	0	0	0	0
Total	12	12	12	0	12
Payroll	404,000	520,700	474,100	0	474,100
Operational	374,100	321,600	321,100	0	321,100
Total	\$778,100	\$842,300	\$795,200	\$0	\$795,200
State	211,100	0	0	0	0
Federal	70,100	221,600	175,000	0	175,000
Other	496,900	620,700	620,200	0	620,200

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	11	11	11	0	11
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	11	11	11	0	11
Payroll	837,400	1,026,000	1,026,000	0	1,026,000
Operational	318,700	1,665,300	2,039,200	0	2,039,200
Total	\$1,156,100	\$2,691,300	\$3,065,200	\$0	\$3,065,200
State	675,300	1,805,000	2,178,900	0	2,178,900
Federal	317,000	336,300	336,300	0	336,300
Other	163,800	550,000	550,000	0	550,000

327.00 Total Environment and Conservation

Full-Time	2,196	2,202	2,203	7	2,210
Part-Time	277	276	276	0	276
Seasonal	296	294	294	0	294
Total	2,769	2,772	2,773	7	2,780
Payroll	131,461,900	146,304,800	146,338,200	323,600	146,661,800
Operational	198,662,000	222,217,400	212,916,500	27,767,900	240,684,400
Total	\$330,123,900	\$368,522,200	\$359,254,700	\$28,091,500	\$387,346,200
State	159,614,700	186,876,200	177,431,900	4,805,100	182,237,000
Federal	76,869,400	66,656,500	67,667,900	20,000,000	87,667,900
Other	93,639,800	114,989,500	114,154,900	3,286,400	117,441,300

Tennessee Wildlife Resources Agency

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 the Tennessee Wildlife magazine, hunting and fishing guides, and news releases; coordinating law enforcement activities and training; and coordinating equipment crews and engineering activities. Activities include 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>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>	<u>Base</u> <u>2016-2017</u>	<u>Cost Increase</u> <u>2016-2017</u>	<u>Recommended</u> <u>2016-2017</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	631	631	0	631
Part-Time	10	9	9	0	9
Seasonal	0	0	0	0	0
Total	641	640	640	0	640
Payroll	42,506,400	46,907,400	47,000,400	2,025,300	49,025,700
Operational	25,457,600	42,746,500	23,912,300	0	23,912,300
Total	\$67,964,000	\$89,653,900	\$70,912,700	\$2,025,300	\$72,938,000
State	40,289,600	44,571,600	40,761,500	2,025,300	42,786,800
Federal	20,187,300	23,932,200	22,438,200	0	22,438,200
Other	7,487,100	21,150,100	7,713,000	0	7,713,000

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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328.02 Boating Safety

The Boating Safety program provides funds for enforcement of safe boating laws and the registration of watercraft utilizing the state's waterways. In addition to law enforcement measures, this program maintains boat access areas and provides public educational courses on the safe operation of boating equipment.

Full-Time	39	39	39	0	39
Part-Time	44	44	44	0	44
Seasonal	0	0	0	0	0
Total	83	83	83	0	83
Payroll	5,640,400	6,169,800	6,182,500	276,500	6,459,000
Operational	5,214,400	9,437,900	4,926,100	0	4,926,100
Total	\$10,854,800	\$15,607,700	\$11,108,600	\$276,500	\$11,385,100
State	7,401,600	8,270,900	5,579,500	276,500	5,856,000
Federal	2,994,700	5,069,200	3,000,000	0	3,000,000
Other	458,500	2,267,600	2,529,100	0	2,529,100

328.03 Wetlands Acquisition Fund

The Wetlands Acquisition Fund provides funds to purchase and maintain 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	11,226,700	6,521,000	6,521,000	0	6,521,000
Total	\$11,226,700	\$6,521,000	\$6,521,000	\$0	\$6,521,000
State	6,506,300	6,488,000	6,488,000	0	6,488,000
Federal	1,155,300	0	0	0	0
Other	3,565,100	33,000	33,000	0	33,000

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	380,100	400,000	400,000	0	400,000
Total	\$380,100	\$400,000	\$400,000	\$0	\$400,000

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
State	379,600	400,000	400,000	0	400,000
Federal	0	0	0	0	0
Other	500	0	0	0	0
328.00 Total Tennessee Wildlife Resources Agency					
Full-Time	670	670	670	0	670
Part-Time	54	53	53	0	53
Seasonal	0	0	0	0	0
Total	724	723	723	0	723
Payroll	48,146,800	53,077,200	53,182,900	2,301,800	55,484,700
Operational	42,278,800	59,105,400	35,759,400	0	35,759,400
Total	\$90,425,600	\$112,182,600	\$88,942,300	\$2,301,800	\$91,244,100
State	54,577,100	59,730,500	53,229,000	2,301,800	55,530,800
Federal	24,337,300	29,001,400	25,438,200	0	25,438,200
Other	11,511,200	23,450,700	10,275,100	0	10,275,100

Department of Commerce and Insurance

The Department of Commerce and Insurance regulates numerous professions and industries conducting business within the state. The department provides this service through five functional areas including: Administration, Consumer Protection, 911 Wireless Communication, Fire Prevention, and Law Enforcement Training.

<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</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	90	82	66	0	66
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	90	82	66	0	66
Payroll	5,917,500	6,510,600	5,212,700	0	5,212,700
Operational	1,879,600	2,066,200	3,454,100	0	3,454,100
Total	\$7,797,100	\$8,576,800	\$8,666,800	\$0	\$8,666,800
State	1,369,300	1,368,900	1,368,600	0	1,368,600
Federal	0	0	0	0	0
Other	6,427,800	7,207,900	7,298,200	0	7,298,200

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, approving individual and group self-insurance proposals, regulating the securities market, enforcing the Tennessee Consumer Protection Act, promoting fair consumer practices and consumer education, regulating health clubs, and granting payments to consumers who are awarded judgments against real estate and auctioneer licensees.

335.02 Insurance

The Insurance division protects policyholders, enrollees, and captive entities by regulating insurance industry policies, rates, conduct, agents, captives and cells, and by regulating health maintenance organizations, self-insured entities, and workers' compensation insurance. The division collects insurance premium taxes and fees.

Full-Time	109	110	101	0	101
Part-Time	5	0	0	0	0
Seasonal	0	0	0	0	0
Total	114	110	101	0	101
Payroll	6,196,500	8,048,900	7,499,800	0	7,499,800
Operational	4,855,900	6,250,000	6,243,800	0	6,243,800
Total	\$11,052,400	\$14,298,900	\$13,743,600	\$0	\$13,743,600

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
State	0	224,400	221,200	0	221,200
Federal	73,200	0	0	0	0
Other	10,979,200	14,074,500	13,522,400	0	13,522,400

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	29	0	29
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	22	22	29	0	29
Payroll	803,500	1,428,900	1,886,000	0	1,886,000
Operational	1,049,700	1,215,700	1,215,200	0	1,215,200
Total	\$1,853,200	\$2,644,600	\$3,101,200	\$0	\$3,101,200
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,853,200	2,644,600	3,101,200	0	3,101,200

335.06 Consumer Affairs

The Consumer Affairs division protects consumers and businesses through the receipt, investigation, and mediation of complaints; and assists with the prosecution of entities found in violation. The division promotes consumer education through public outreach activities and awareness.

Full-Time	14	12	12	0	12
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	14	12	12	0	12
Payroll	468,100	750,000	710,800	0	710,800
Operational	1,836,900	147,600	147,400	0	147,400
Total	\$2,305,000	\$897,600	\$858,200	\$0	\$858,200
State	1,154,900	897,600	858,200	0	858,200
Federal	0	0	0	0	0
Other	1,150,100	0	0	0	0

335.15 Real Estate Education and Recovery Fund

The Real Estate Education and Recovery Fund is available for paying court-awarded claims to consumers. Interest earned by the fund is used to further the education of real estate licensees and consumers.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	7,100	297,500	297,500	0	297,500
Total	\$7,100	\$297,500	\$297,500	\$0	\$297,500

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
State	0	297,500	297,500	0	297,500
Federal	0	0	0	0	0
Other	7,100	0	0	0	0

335.16 Auctioneer Education and Recovery Fund

Court-awarded claims against auctioneers are paid from the Auctioneer Education and Recovery Fund. Interest on the account provides educational opportunities for both licensees and the general public.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	60,400	82,800	82,800	0	82,800
Total	\$60,400	\$82,800	\$82,800	\$0	\$82,800
State	60,200	82,800	82,800	0	82,800
Federal	0	0	0	0	0
Other	200	0	0	0	0

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	462,600	836,200	361,200	0	361,200
Total	\$462,600	\$836,200	\$361,200	\$0	\$361,200
State	361,200	836,200	361,200	0	361,200
Federal	0	0	0	0	0
Other	101,400	0	0	0	0

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	143,500	350,100	350,100	0	350,100
Total	\$143,500	\$350,100	\$350,100	\$0	\$350,100

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
State	143,500	350,100	350,100	0	350,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

335.04 TennCare Oversight

The TennCare Oversight division provides financial and systems oversight of the managed care organizations participating in the TennCare program, which is the state's Medicaid-waiver health-care program. The division performs financial and compliance examinations of the managed care organizations that provide TennCare services. Oversight includes the review and analysis of contracts and various operational documents, financial statements, medical-loss ratios, and claims data.

Full-Time	16	16	16	0	16
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	16	16	16	0	16
Payroll	1,380,700	1,733,500	1,733,500	0	1,733,500
Operational	587,200	744,100	743,600	0	743,600
Total	\$1,967,900	\$2,477,600	\$2,477,100	\$0	\$2,477,100
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,967,900	2,477,600	2,477,100	0	2,477,100

335.10 Regulatory Boards

Regulatory Boards ensures 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; 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; beauty pageants; health clubs; credit services; debt management; court reporting; athletic commission; and employee leasing.

Full-Time	199	200	194	0	194
Part-Time	136	136	136	0	136
Seasonal	0	0	0	0	0
Total	335	336	330	0	330
Payroll	9,988,400	12,660,800	12,204,500	0	12,204,500
Operational	3,979,500	8,128,100	8,580,100	0	8,580,100
Total	\$13,967,900	\$20,788,900	\$20,784,600	\$0	\$20,784,600
State	13,013,600	19,857,000	19,852,700	0	19,852,700
Federal	0	0	0	0	0
Other	954,300	931,900	931,900	0	931,900

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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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. The TCI Board of Control also has the authority to grant pre-employment hiring waivers for correctional officers within local adult correctional facilities.

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	933,900	1,061,600	1,061,600	0	1,061,600
Operational	473,100	766,500	765,900	0	765,900
Total	\$1,407,000	\$1,828,100	\$1,827,500	\$0	\$1,827,500
State	1,314,200	1,768,100	1,732,000	0	1,732,000
Federal	0	0	0	0	0
Other	92,800	60,000	95,500	0	95,500

911 Wireless Communications

335.08 911 Emergency Communications Fund

The 911 Emergency Communications Fund promotes uniform statewide enhanced 911 service through the activities of the Tennessee Emergency Communications Board. This enhanced service improves community safety by reducing response times in emergencies. The board also assists local Emergency Communications Districts in the areas of management, operations, and accountability. This program is funded through a dedicated service charge assessed on the users and subscribers of telecommunications service capable of connecting a caller to a 911 call center.

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	772,300	899,200	899,200	0	899,200
Operational	89,008,000	116,814,800	116,814,300	0	116,814,300
Total	\$89,780,300	\$117,714,000	\$117,713,500	\$0	\$117,713,500
State	85,587,600	111,892,200	111,891,700	0	111,891,700
Federal	0	0	0	0	0
Other	4,192,700	5,821,800	5,821,800	0	5,821,800

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

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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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	155	155	155	0	155
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
Total	164	164	164	0	164
Payroll	8,149,700	9,303,000	9,303,000	0	9,303,000
Operational	10,551,000	12,401,500	12,394,400	0	12,394,400
Total	\$18,700,700	\$21,704,500	\$21,697,400	\$0	\$21,697,400
State	0	0	0	0	0
Federal	574,200	271,300	271,300	0	271,300
Other	18,126,500	21,433,200	21,426,100	0	21,426,100

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	25	26	26	0	26
Part-Time	90	89	89	0	89
Seasonal	0	0	0	0	0
Total	115	115	115	0	115
Payroll	2,014,500	2,015,000	2,015,000	0	2,015,000
Operational	2,002,400	1,841,200	1,781,600	0	1,781,600
Total	\$4,016,900	\$3,856,200	\$3,796,600	\$0	\$3,796,600
State	2,808,100	2,647,000	2,553,000	0	2,553,000
Federal	201,100	24,000	53,500	0	53,500
Other	1,007,700	1,185,200	1,190,100	0	1,190,100

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	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 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
Payroll	0	0	0	0	0
Operational	3,529,800	4,109,100	4,109,100	0	4,109,100
Total	\$3,529,800	\$4,109,100	\$4,109,100	\$0	\$4,109,100
State	3,529,800	4,109,100	4,109,100	0	4,109,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

Law Enforcement Training

335.11 Tennessee Law Enforcement Training Academy

The Tennessee Law Enforcement Training Academy provides training for all state and local enforcement recruits, excluding those in the four major metropolitan areas. Specialized training for graduated officers is offered in all areas of law enforcement, including topics such as criminal investigations, drug trafficking, traffic control, officer management training, survival techniques, gang enforcement, domestic violence, school violence management, and school officer training.

Full-Time	22	22	22	0	22
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	23	23	23	0	23
Payroll	1,570,200	1,663,100	1,663,100	57,800	1,720,900
Operational	1,881,400	2,413,200	2,171,800	0	2,171,800
Total	\$3,451,600	\$4,076,300	\$3,834,900	\$57,800	\$3,892,700
State	2,285,300	2,694,400	2,348,300	57,800	2,406,100
Federal	0	0	0	0	0
Other	1,166,300	1,381,900	1,486,600	0	1,486,600

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	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	313,400	318,400	318,400	0	318,400
Operational	8,801,600	9,071,600	9,071,500	0	9,071,500
Total	\$9,115,000	\$9,390,000	\$9,389,900	\$0	\$9,389,900
State	9,110,600	9,346,700	9,346,600	0	9,346,600
Federal	0	0	0	0	0
Other	4,400	43,300	43,300	0	43,300

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
335.00 Total Commerce and Insurance					
Full-Time	683	676	652	0	652
Part-Time	241	235	235	0	235
Seasonal	0	0	0	0	0
Total	924	911	887	0	887
Payroll	38,508,700	46,393,000	44,507,600	57,800	44,565,400
Operational	131,109,700	167,536,200	168,584,400	0	168,584,400
Total	\$169,618,400	\$213,929,200	\$213,092,000	\$57,800	\$213,149,800
State	120,738,300	156,372,000	155,373,000	57,800	155,430,800
Federal	848,500	295,300	324,800	0	324,800
Other	48,031,600	57,261,900	57,394,200	0	57,394,200

Department of Financial Institutions

The Tennessee Department of Financial Institutions provides the citizens of Tennessee a supervised and sound system of state-chartered and licensed financial institutions. These include commercial banks; trust companies; savings institutions; credit unions; industrial loan and thrift companies; business and industrial development corporations; deferred presentment and check cashing companies; mortgage lenders, brokers, servicers, and originators; insurance premium finance companies; and money transmitters.

The primary statutory mission of the Department of Financial Institutions is to provide the people of Tennessee with a safe and sound system of banks and other institutions by ensuring safety, soundness, and compliance with governing law, while giving institutions the opportunity to contribute to the economic progress of Tennessee and the nation. 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 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
336.00 Financial Institutions					
Full-Time	163	163	157	0	157
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	163	163	157	0	157
Payroll	13,245,800	15,777,000	15,068,900	0	15,068,900
Operational	4,432,700	4,210,200	4,910,400	0	4,910,400
Total	\$17,678,500	\$19,987,200	\$19,979,300	\$0	\$19,979,300
State	16,225,700	19,984,800	19,976,900	0	19,976,900
Federal	0	0	0	0	0
Other	1,452,800	2,400	2,400	0	2,400

Department of Labor and Workforce Development

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 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</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 technology services.

Full-Time	135	115	114	0	114
Part-Time	4	4	3	0	3
Seasonal	0	0	0	0	0
Total	139	119	117	0	117
Payroll	8,545,100	10,283,400	10,216,400	0	10,216,400
Operational	7,924,400	14,701,300	7,870,600	0	7,870,600
Total	\$16,469,500	\$24,984,700	\$18,087,000	\$0	\$18,087,000
State	2,941,100	2,718,700	2,618,200	0	2,618,200
Federal	13,436,500	20,498,300	13,701,100	0	13,701,100
Other	91,900	1,767,700	1,767,700	0	1,767,700

Safety and Health

337.02 Tennessee Occupational Safety and Health Administration (TOSHA)

The Tennessee Occupational Safety and Health Administration 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	93	95	95	0	95
Part-Time	3	3	3	0	3
Seasonal	0	0	0	0	0
Total	96	98	98	0	98
Payroll	6,410,000	7,977,000	7,977,000	0	7,977,000
Operational	1,444,900	1,725,600	1,722,800	0	1,722,800
Total	\$7,854,900	\$9,702,600	\$9,699,800	\$0	\$9,699,800
State	3,585,600	5,284,000	5,282,500	0	5,282,500
Federal	4,257,800	4,384,000	4,382,700	0	4,382,700
Other	11,500	34,600	34,600	0	34,600

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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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	7	7	0	7
Part-Time	18	15	15	0	15
Seasonal	0	0	0	0	0
Total	24	22	22	0	22
Payroll	297,900	397,000	397,000	0	397,000
Operational	147,000	122,000	121,700	0	121,700
Total	\$444,900	\$519,000	\$518,700	\$0	\$518,700
State	304,100	324,200	323,900	0	323,900
Federal	92,500	123,700	123,700	0	123,700
Other	48,300	71,100	71,100	0	71,100

337.05 Boilers and Elevators

The Boilers and Elevators division performs safety inspections of boilers, elevators, and amusement device operators across the state.

Full-Time	62	62	62	5	67
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	62	62	62	5	67
Payroll	3,446,500	4,208,900	4,208,900	249,700	4,458,600
Operational	666,400	963,800	961,100	239,900	1,201,000
Total	\$4,112,900	\$5,172,700	\$5,170,000	\$489,600	\$5,659,600
State	4,035,800	5,107,100	5,104,500	489,600	5,594,100
Federal	0	0	0	0	0
Other	77,100	65,600	65,500	0	65,500

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 requiring 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	149	140	140	1	141
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	149	140	140	1	141

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
Payroll	10,205,000	10,876,000	10,876,000	97,500	10,973,500
Operational	1,882,600	3,106,200	2,928,700	0	2,928,700
Total	\$12,087,600	\$13,982,200	\$13,804,700	\$97,500	\$13,902,200
State	11,680,100	13,788,300	13,615,800	97,500	13,713,300
Federal	0	0	0	0	0
Other	407,500	193,900	188,900	0	188,900

337.15 Workers' Compensation Employee Misclassification

Public Acts of 2010, Chapter 1149 created the Workers' Compensation Employee Misclassification Education and Enforcement Fund. It authorizes a procedure for sole proprietors, partners in limited (or limited liability) partnerships, 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	11	11	11	0	11
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	11	11	11	0	11
Payroll	517,000	673,600	673,600	0	673,600
Operational	393,300	65,800	65,600	0	65,600
Total	\$910,300	\$739,400	\$739,200	\$0	\$739,200
State	710,800	739,400	739,200	0	739,200
Federal	0	0	0	0	0
Other	199,500	0	0	0	0

337.08 Second Injury Fund

The Second Injury Fund appropriation provides funding to pay the disability claims of previously injured employees that suffer additional injury on the job, resulting in permanent and total disability. In addition, the fund also encourages employers to hire workers with disabilities. Funding is provided from the workers' compensation premium tax.

Full-Time	0	9	9	0	9
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	9	9	0	9
Payroll	0	870,000	870,000	0	870,000
Operational	4,561,000	9,277,400	9,277,400	0	9,277,400
Total	\$4,561,000	\$10,147,400	\$10,147,400	\$0	\$10,147,400
State	4,352,400	9,872,400	9,872,400	0	9,872,400
Federal	0	0	0	0	0
Other	208,600	275,000	275,000	0	275,000

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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Labor Standards

337.06 Labor Standards

The Labor Standards division enforces labor laws, protecting wage earners from unfair practices through the Wage Regulation Act, protecting children through the Child Labor Act, and protecting state-funded construction work through the Prevailing Wage Act. This program also conducts statistical research on work-related injuries, illnesses, and fatalities. The program also provides an employee assistance professional program that assists employees with personal concerns that might hinder job performance.

Full-Time	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	632,500	927,500	927,500	0	927,500
Operational	155,200	229,800	188,400	0	188,400
Total	\$787,700	\$1,157,300	\$1,115,900	\$0	\$1,115,900
State	786,900	1,156,900	1,115,500	0	1,115,500
Federal	300	400	400	0	400
Other	500	0	0	0	0

Employment and Workforce Development

337.07 Workforce Development

The Workforce Development division administers the Workforce Investment Act (WIA), Tennessee career centers, Families First welfare-to-work services, veterans' services, and job service programs. WIA creates a seamless system that addresses employer needs for skilled workers, while assisting job seekers needing training. The Tennessee career centers are used by employers seeking workers and anyone seeking job training, job placement, Families First welfare-to-work services, unemployment insurance, and other employment and training services. The senior community service employment program serves persons with low incomes who are 55 years or older and have poor employment prospects.

Full-Time	22	22	22	0	22
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	22	22	22	0	22
Payroll	1,516,300	3,312,200	3,312,200	0	3,312,200
Operational	50,350,800	62,654,100	62,653,500	0	62,653,500
Total	\$51,867,100	\$65,966,300	\$65,965,700	\$0	\$65,965,700
State	0	0	0	0	0
Federal	51,867,100	65,888,300	65,887,700	0	65,887,700
Other	0	78,000	78,000	0	78,000

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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337.09 Adult Basic Education

The Adult Basic Education program provides adult education and literacy services to assist adults in learning skills necessary for employment and self-sufficiency and in the completion of a secondary school education.

Full-Time	12	14	14	0	14
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	12	14	14	0	14
Payroll	908,200	1,242,600	1,242,600	0	1,242,600
Operational	14,083,800	15,689,600	14,689,200	0	14,689,200
Total	\$14,992,000	\$16,932,200	\$15,931,800	\$0	\$15,931,800
State	3,171,200	5,739,700	4,739,600	0	4,739,600
Federal	11,820,800	11,192,500	11,192,200	0	11,192,200
Other	0	0	0	0	0

Employment Security

337.10 Job Services

The Job Services division provides job availability data to the general public. The division's primary programs are job service and labor market information. The job services 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, Supplemental Nutrition Assistance Program 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	314	314	314	0	314
Part-Time	125	125	125	0	125
Seasonal	0	0	0	0	0
Total	439	439	439	0	439
Payroll	12,994,400	20,890,100	20,890,100	0	20,890,100
Operational	7,243,500	17,804,200	11,863,100	0	11,863,100
Total	\$20,237,900	\$38,694,300	\$32,753,200	\$0	\$32,753,200
State	167,600	140,000	135,000	0	135,000
Federal	19,616,300	32,525,900	32,514,800	0	32,514,800
Other	454,000	6,028,400	103,400	0	103,400

337.20 Unemployment Insurance

The Unemployment Insurance division determines eligibility and pays unemployment insurance benefits to workers who are unemployed through no fault of their own and collects appropriate premiums from liable workers.

Full-Time	498	498	498	0	498
Part-Time	152	152	152	0	152
Seasonal	0	0	0	0	0
Total	650	650	650	0	650

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
Payroll	21,127,800	31,417,600	31,417,600	0	31,417,600
Operational	8,848,700	4,312,800	4,303,900	0	4,303,900
Total	\$29,976,500	\$35,730,400	\$35,721,500	\$0	\$35,721,500
State	397,100	539,700	539,700	0	539,700
Federal	29,485,700	34,498,600	34,489,700	0	34,489,700
Other	93,700	692,100	692,100	0	692,100
337.00 Total Labor and Workforce Development					
Full-Time	1,321	1,304	1,303	6	1,309
Part-Time	302	299	298	0	298
Seasonal	0	0	0	0	0
Total	1,623	1,603	1,601	6	1,607
Payroll	66,600,700	93,075,900	93,008,900	347,200	93,356,100
Operational	97,701,600	130,652,600	116,646,000	239,900	116,885,900
Total	\$164,302,300	\$223,728,500	\$209,654,900	\$587,100	\$210,242,000
State	32,132,700	45,410,400	44,086,300	587,100	44,673,400
Federal	130,577,000	169,111,700	162,292,300	0	162,292,300
Other	1,592,600	9,206,400	3,276,300	0	3,276,300

**Resources and Regulation
Priority Goals and Measures**

<u>Goal</u>	<u>Measure</u>	<u>Measure Frequency</u>	<u>Baseline</u>	<u>Most Recent</u>	<u>Target</u>
Department of Environment and Conservation					
Provide effective and efficient permitting services.					
	Percent of final actions made on complete Bureau Of Environment permit applications within the applicable regulatory time period.	Fiscal Quarterly	99.3%	99.1%	100.0%
Department of Commerce and Insurance					
Increase the number of captive insurance companies domiciled in Tennessee.					
	Number of captive insurance companies authorized in Tennessee.	Monthly	78	95	115
	Number of captive insurance cell companies authorized.	Monthly	207	228	310
	Number of risk bearing entities regulated through the captive section.	Monthly	285	323	425
Ensure financially viable, competitive market places by utilizing risk-focused examinations of regulated industries.					
	Percent of health maintenance organizations examined by TennCare Oversight at least once every two years.	Calendar Year	100%	Not Applicable	100%
	Number of investment advisor examinations performed by securities divisions per year.	Calendar Year	18	Not Applicable	24
Reduce potential loss of life and property due to fire in the State of Tennessee.					
	Number of smoke alarms provided and distributed each week in high-risk residential areas.	Monthly	250	415	300
	Number of confirmed occupants that escape structure fires from smoke alarms distributed in 12-month period.	Calendar Year	25	Not Applicable	35
	Reducing fire mortality rate for 2011-2015 as compared to 2006-2010.	Calendar Year	17.7 deaths per million	Not Applicable	14 deaths per million
Department of Financial Institutions					
Examine all state-chartered banks and credit unions as required by TCA 45-2-1602 and 45-4-1002 during fiscal year 2016 independently or jointly with the Fderal Deposit Insurance Corporation, Federal Reserve or the National Credit Union Association.					
	Maintain average turnaround time on bank exams.	Fiscal Quarterly	45 days	49 days	45 days
	Average bank examiner experience.	Fiscal Year (June 30)	10.48 years	Not Available	11.00 years
	Median bank examiner experience.	Fiscal Year (June 30)	5.92 years	Not Available	6.50 years

**Resources and Regulation
Priority Goals and Measures**

<u>Goal</u>	<u>Measure</u>	<u>Measure Frequency</u>	<u>Baseline</u>	<u>Most Recent</u>	<u>Target</u>
Maintain average turnaround time on credit union exams.		Fiscal Quarterly	23 days	14 days	23 days
Average credit union examiner experience.		Fiscal Year (June 30)	12.21 years	Not Available	13.00 years
Median credit union examiner experience.		Fiscal Year (June 30)	8.94 years	Not Available	9.50 years

One hundred percent (100%) of all high-risk non-depository financial institutions regulated by the compliance division will be examined at least once each fiscal year in accordance with the Risk-Focused Exam Program. Those companies that present the least amount of risk will have their exam frequency extended beyond 12 months.

Average turnaround time on mortgage exams.		Fiscal Year (June 30)	4.4 business days	Not Available	5.0 business days
Track the percent of non-deposit companies in the high-risk category.		Fiscal Year (June 30)	9.83%	Not Available	10.00%
Average compliance examiner experience.		Fiscal Year (June 30)	9.66 years	Not Available	10.00 years
Median compliance examiner experience.		Fiscal Year (June 30)	9.42 years	Not Available	10.00 years

Department of Labor and Workforce Development

Unemployment Insurance (UI): Maintain an 87 percent first pay timeliness for UI claims paid within 21 days.

First pay timeliness.		Monthly	87.0%	94.8%	90.0%
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Workforce Services: Increase job placement.

Entered employment rates of participants served.		Fiscal Quarterly	55%	67%	60%
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Adult Education: Increase the number of high school equivalency diplomas issued in 2016 by 15 percent over program year 2015.

Diplomas Issued.		Fiscal Quarterly	2,500	671	2,750
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Transportation, Business, and Economic Development



Transportation, Business, and Economic Development



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Transportation, Business, and Economic Development

Recommended Budget, Fiscal Year 2016 – 2017

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.

Transportation, Business, and Economic Development Total Personnel and Funding

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Recommended 2016-2017</u>
Personnel			
Full-Time	5,803	5,800	5,814
Part-Time	9	7	7
Seasonal	178	178	178
TOTAL	5,990	5,985	5,999
Expenditures			
Payroll	\$ 281,517,500	\$ 372,017,600	\$ 369,386,200
Operational	2,052,990,200	2,065,970,700	2,103,531,300
TOTAL	\$ 2,334,507,700	\$ 2,437,988,300	\$ 2,472,917,500
Funding			
State	\$ 986,858,800	\$ 1,067,747,500	\$ 1,079,307,700
Federal	1,225,008,400	1,277,262,200	1,310,850,300
Other	122,640,500	92,978,600	82,759,500

**Transportation, Business, and Economic Development
Recommended Budget for Fiscal Year 2016-2017
By Funding Source**

Department	State	Federal	Other	Total
316.20 Tennessee Housing Development Agency	0	271,958,400	21,500,200	293,458,600
325.00 Agriculture	68,979,800	12,789,400	15,374,400	97,143,600
326.00 Tourist Development	19,270,300	0	9,243,400	28,513,700
330.00 Economic and Community Development	146,501,600	26,392,100	2,926,500	175,820,200
400.00 Transportation	844,556,000	999,710,400	33,715,000	1,877,981,400
Total	\$1,079,307,700	\$1,310,850,300	\$82,759,500	\$2,472,917,500

Transportation, Business and Economic Development Cost Increases for Fiscal Year 2016-2017

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Agriculture					
• Consumer and Industry Services Enhancement					
To provide recurring funding for six additional positions to aid in improving food safety, public health, and consumer protection. Program enhancements will improve the ability to respond to animal disease outbreaks or disasters ensuring the health and welfare of citizens and animals. Funding will be from interdepartmental revenue from the agricultural regulatory fund.					
325.05 Consumer and Industry Services	\$0	\$0	\$1,984,200	\$1,984,200	6
Sub-total	\$0	\$0	\$1,984,200	\$1,984,200	6
• Recover Agricultural Enhancement Funds					
To provide additional recurring funds for producer grants through the Tennessee Agricultural Enhancement Program. Other funding will be from interdepartmental revenue from the agricultural regulatory fund.					
325.06 Market Development	\$698,300	\$0	\$396,000	\$1,094,300	0
Sub-total	\$698,300	\$0	\$396,000	\$1,094,300	0
Total Agriculture	\$698,300	\$0	\$2,380,200	\$3,078,500	6
Tourist Development					
• Administration and Marketing					
To provide non-recurring funding for the Tourism Marketing Task Force.					
326.01 Administration and Marketing	\$5,000,000	\$0	\$0	\$5,000,000	0
Sub-total	\$5,000,000	\$0	\$0	\$5,000,000	0
Total Tourist Development	\$5,000,000	\$0	\$0	\$5,000,000	0
Economic and Community Development					
• Jobs4TN - FastTrack Job Development					
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 is necessary for the recruitment of new businesses, including support of workforce training, marketing, and education initiatives. This appropriation includes \$15,000,000 recurring and \$55,893,400 non-recurring.					
330.06 FastTrack Infrastructure and Job Training Assistance	\$70,893,400	\$0	\$0	\$70,893,400	0
Sub-total	\$70,893,400	\$0	\$0	\$70,893,400	0

**Transportation, Business and Economic Development
Cost Increases for Fiscal Year 2016-2017**

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Rural Development Initiative					
To provide the Rural Development Initiative with non-recurring funds for grants and services to enhance Tennessee's rural communities and distressed counties through programs related to site development, community asset improvements, marketing, strategic planning, downtown revitalization and technical assistance, which will increase Tennessee's rural communities' competitiveness for locating businesses and enhancing local economies.					
330.07 Community and Rural Development	\$10,000,000	\$0	\$0	\$10,000,000	0
Sub-total	\$10,000,000	\$0	\$0	\$10,000,000	0
• Business Development Grant					
To provide non-recurring grant funding for year two of five for manufacturing research at Oak Ridge.					
330.02 Business Development	\$3,000,000	\$0	\$0	\$3,000,000	0
Sub-total	\$3,000,000	\$0	\$0	\$3,000,000	0
• Federal Delta Regional Authority (DRA) Funds					
To provide funds for an increase in the Federal DRA's annual assessment fee with recurring appropriation. The DRA provides economic development grants to counties in the Mississippi River Delta Region.					
330.04 Policy and Federal Programs	\$95,000	\$0	\$0	\$95,000	0
Sub-total	\$95,000	\$0	\$0	\$95,000	0
Total Economic and Community Development	\$83,988,400	\$0	\$0	\$83,988,400	0
Total Transportation, Business and Economic Development	\$89,686,700	\$0	\$2,380,200	\$92,066,900	6

Tennessee Housing Development Agency

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 that are being utilized to support activities aimed to prevent foreclosures.

Since fiscal year 2013-2014, THDA has assumed administration of two federal programs from the Department of Human Services. The Weatherization Assistance Program (WAP) enables low-income families to permanently reduce their energy bills by making their homes more energy efficient. The Low Income Home Energy Assistance Program (LIHEAP) helps keep families safe and healthy through initiatives that assist families with energy costs.

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 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
316.20 Tennessee Housing Development Agency					
Full-Time	238	276	276	0	276
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	238	276	276	0	276
Payroll	16,270,900	19,724,400	21,083,200	0	21,083,200
Operational	270,221,200	286,942,000	272,375,400	0	272,375,400
Total	\$286,492,100	\$306,666,400	\$293,458,600	\$0	\$293,458,600
State	0	0	0	0	0
Federal	268,430,800	277,330,900	271,958,400	0	271,958,400
Other	18,061,300	29,335,500	21,500,200	0	21,500,200

Department of Agriculture

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, Consumer and Industry Services, and Forestry.

<u>Actual</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>	<u>Base</u> <u>2016-2017</u>	<u>Cost Increase</u> <u>2016-2017</u>	<u>Recommended</u> <u>2016-2017</u>
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Administration and Grants

The Administration and Grants area coordinates various duties including policy and strategic planning, budgeting, personnel administration, and legal.

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 also administers several programs to help reduce soil erosion on Tennessee farms and forestlands and to improve water quality.

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, agricultural museum, and agricultural statistics services. This program carries out the Nonpoint Clean Water Act services delegated through the Environmental Protection Agency (EPA). This program also provides grants to promote non-profit agricultural fairs and livestock shows throughout the state and coordinates the distribution of commodities under the guidance of various federal laws.

Full-Time	69	56	57	0	57
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	69	56	57	0	57
Payroll	5,175,000	4,623,400	4,301,100	0	4,301,100
Operational	6,772,500	8,350,900	8,927,100	0	8,927,100
Total	\$11,947,500	\$12,974,300	\$13,228,200	\$0	\$13,228,200
State	5,084,400	6,734,000	6,939,000	0	6,939,000
Federal	6,462,500	5,875,000	5,875,000	0	5,875,000
Other	400,600	365,300	414,200	0	414,200

	<u>Actual</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>	<u>Base</u> <u>2016-2017</u>	<u>Cost Increase</u> <u>2016-2017</u>	<u>Recommended</u> <u>2016-2017</u>
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325.08 Agricultural Resources Conservation Fund

The Agricultural Resources Conservation Fund (ARCF) lessens erosion and other agricultural-related impacts by providing cost-share reimbursements to landowners, producers, and managers who install a variety of conservation practices. The Department of Agriculture enters grant agreements with eligible entities, including Soil Conservation Districts (SCDs) who are a major partner in the facilitation of the ARCF program in all 95 counties. Grants to the SCDs comprise a majority of the annual ARCF program expenditures and includes funds for landowner reimbursements, administrative and per diem expenses, and training.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	3,612,600	3,187,500	3,187,500	0	3,187,500
Total	\$3,612,600	\$3,187,500	\$3,187,500	\$0	\$3,187,500
State	3,187,500	3,187,500	3,187,500	0	3,187,500
Federal	0	0	0	0	0
Other	425,100	0	0	0	0

325.12 Grain Indemnity Fund

Monies from the Grain Indemnity Fund are used to protect commodity producers in the event of the financial failure of a commodity dealer or warehouseman and to compensate producers for losses occasioned by the failure of a commodity dealer or warehouseman. Per-bushel assessment fees on grain producers cover the cost of the program. When the fund balance exceeds \$3 million, producer assessments are suspended, as provided by law. Revenues in the program are interest earnings on the fund balance.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	156,200	126,700	126,700	0	126,700
Total	\$156,200	\$126,700	\$126,700	\$0	\$126,700
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	156,200	126,700	126,700	0	126,700

325.14 Certified Cotton Growers' Organization Fund

Monies from the Certified Cotton Growers' 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 that 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

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
Payroll	0	0	0	0	0
Operational	1,229,300	500,000	250,000	0	250,000
Total	\$1,229,300	\$500,000	\$250,000	\$0	\$250,000
State	500,000	500,000	250,000	0	250,000
Federal	0	0	0	0	0
Other	729,300	0	0	0	0

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 grapes, and other products. Grants are also utilized to promote market development initiatives. The Tennessee Agricultural Enhancement Program assists producers in maximizing farm profits, adapting to changing market situations, improving operational safety, increasing farm efficiency, and making a positive economic impact in their communities.

Full-Time	29	22	22	0	22
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	30	23	23	0	23
Payroll	1,986,500	1,611,500	1,611,500	0	1,611,500
Operational	21,266,500	20,708,100	19,010,800	1,094,300	20,105,100
Total	\$23,253,000	\$22,319,600	\$20,622,300	\$1,094,300	\$21,716,600
State	21,052,600	20,007,400	19,778,300	698,300	20,476,600
Federal	619,600	735,600	767,400	0	767,400
Other	1,580,800	1,576,600	76,600	396,000	472,600

Consumer and Industry Services

The Consumer and Industry Services area is dedicated to the two main objectives of agricultural production quality and consumer protection. Responsibilities 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.

325.05 Consumer and Industry Services

Consumer and Industry 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	208	209	218	6	224
Part-Time	2	0	0	0	0
Seasonal	3	3	3	0	3
Total	213	212	221	6	227

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
Payroll	12,936,900	13,698,200	13,793,700	713,600	14,507,300
Operational	6,791,900	6,936,000	6,863,800	1,270,600	8,134,400
Total	\$19,728,800	\$20,634,200	\$20,657,500	\$1,984,200	\$22,641,700
State	13,506,600	10,047,000	9,949,200	0	9,949,200
Federal	2,386,100	2,562,100	2,562,100	0	2,562,100
Other	3,836,100	8,025,100	8,146,200	1,984,200	10,130,400

325.16 Agricultural Regulatory Fund

The Agricultural Regulatory Fund provides funding to the divisions of Administration and Grants and Consumer and Industry 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	3,335,800	6,881,000	6,881,000	0	6,881,000
Total	\$3,335,800	\$6,881,000	\$6,881,000	\$0	\$6,881,000
State	3,038,500	6,761,000	6,761,000	0	6,761,000
Federal	0	0	0	0	0
Other	297,300	120,000	120,000	0	120,000

Forestry

The Forestry area 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 services 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	311	311	311	0	311
Part-Time	1	1	1	0	1
Seasonal	175	175	175	0	175
Total	487	487	487	0	487
Payroll	16,523,800	18,231,100	17,886,100	0	17,886,100
Operational	8,797,800	11,453,600	11,068,600	0	11,068,600
Total	\$25,321,600	\$29,684,700	\$28,954,700	\$0	\$28,954,700
State	19,502,400	21,381,300	21,259,300	0	21,259,300
Federal	2,804,500	4,067,300	3,584,900	0	3,584,900
Other	3,014,700	4,236,100	4,110,500	0	4,110,500

	<u>Actual</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>	<u>Base</u> <u>2016-2017</u>	<u>Cost Increase</u> <u>2016-2017</u>	<u>Recommended</u> <u>2016-2017</u>
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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	176,900	157,200	157,200	0	157,200
Total	\$176,900	\$157,200	\$157,200	\$0	\$157,200
State	157,100	157,200	157,200	0	157,200
Federal	0	0	0	0	0
Other	19,800	0	0	0	0

325.00 Total Agriculture

Full-Time	617	598	608	6	614
Part-Time	4	2	2	0	2
Seasonal	178	178	178	0	178
Total	799	778	788	6	794
Payroll	36,622,200	38,164,200	37,592,400	713,600	38,306,000
Operational	52,139,500	58,301,000	56,472,700	2,364,900	58,837,600
Total	\$88,761,700	\$96,465,200	\$94,065,100	\$3,078,500	\$97,143,600
State	66,029,100	68,775,400	68,281,500	698,300	68,979,800
Federal	12,272,700	13,240,000	12,789,400	0	12,789,400
Other	10,459,900	14,449,800	12,994,200	2,380,200	15,374,400

Department of Tourist Development

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 and positive impression of Tennessee. The department is organized into two divisions: Administration and Marketing, and Welcome Centers.

<u>Actual</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>	<u>Base</u> <u>2016-2017</u>	<u>Cost Increase</u> <u>2016-2017</u>	<u>Recommended</u> <u>2016-2017</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 is also responsible for the overall administration of the department including financial, information system, and support services.

Full-Time	28	29	28	0	28
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	28	29	28	0	28
Payroll	2,129,600	2,476,300	2,355,100	0	2,355,100
Operational	12,225,000	15,269,600	11,389,400	5,000,000	16,389,400
Total	\$14,354,600	\$17,745,900	\$13,744,500	\$5,000,000	\$18,744,500
State	12,841,100	16,656,700	12,655,300	5,000,000	17,655,300
Federal	0	0	0	0	0
Other	1,513,500	1,089,200	1,089,200	0	1,089,200

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 16 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.

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
Full-Time	152	152	152	0	152
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	152	152	152	0	152
Payroll	5,626,400	6,521,600	6,521,600	0	6,521,600
Operational	2,940,500	3,251,700	3,247,600	0	3,247,600
Total	\$8,566,900	\$9,773,300	\$9,769,200	\$0	\$9,769,200
State	1,379,400	1,615,000	1,615,000	0	1,615,000
Federal	0	0	0	0	0
Other	7,187,500	8,158,300	8,154,200	0	8,154,200
326.00 Total Tourist Development					
Full-Time	180	181	180	0	180
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	180	181	180	0	180
Payroll	7,756,000	8,997,900	8,876,700	0	8,876,700
Operational	15,165,500	18,521,300	14,637,000	5,000,000	19,637,000
Total	\$22,921,500	\$27,519,200	\$23,513,700	\$5,000,000	\$28,513,700
State	14,220,500	18,271,700	14,270,300	5,000,000	19,270,300
Federal	0	0	0	0	0
Other	8,701,000	9,247,500	9,243,400	0	9,243,400

Department of Economic and Community Development

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 new 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 four groupings: Administrative Services, Business Development and Services, Innovation and Entrepreneurism, 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, Mexico, and the United Kingdom maintaining and providing ECD's presence, assistance, and programs in Tennessee and internationally.

<u>Actual</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>	<u>Base</u> <u>2016-2017</u>	<u>Cost Increase</u> <u>2016-2017</u>	<u>Recommended</u> <u>2016-2017</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 ten sections: commissioner's office, budget and fiscal, human resources, legal, internal audit and consulting, contracting, contract monitoring, research and special projects, communications and marketing, and strategy, which includes functions of the Business Enterprise Resource Office (BERO).

Full-Time	44	39	39	0	39
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	44	39	39	0	39
Payroll	3,972,800	4,098,000	3,846,100	0	3,846,100
Operational	2,059,000	2,260,100	2,283,900	0	2,283,900
Total	\$6,031,800	\$6,358,100	\$6,130,000	\$0	\$6,130,000
State	1,444,600	5,505,700	5,277,600	0	5,277,600
Federal	198,600	253,200	253,200	0	253,200
Other	4,388,600	599,200	599,200	0	599,200

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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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 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 is subdivided into five areas representing the following: project management; regional business development and services; administrative functions of the FastTrack Infrastructure Development and Jobs Training Assistance program, and the Tennessee Jobs Skills Program; international trade; and the Tennessee Film, Entertainment and Music Commission, an organization tasked with promoting economic development by attracting entertainment industry business to Tennessee.

Full-Time	53	50	50	0	50
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	53	50	50	0	50
Payroll	5,072,100	4,739,600	4,739,600	0	4,739,600
Operational	8,438,800	12,787,500	5,827,900	3,000,000	8,827,900
Total	\$13,510,900	\$17,527,100	\$10,567,500	\$3,000,000	\$13,567,500
State	11,659,800	17,121,700	10,162,100	3,000,000	13,162,100
Federal	0	0	0	0	0
Other	1,851,100	405,400	405,400	0	405,400

330.06 FastTrack Infrastructure and Job Training Assistance

The FastTrack Infrastructure Development and Job Training Assistance program provides infrastructure, training, and economic development grants to local governments and businesses for job creation. FastTrack infrastructure development grants assist communities with economic growth by providing grants for infrastructure improvements and industrial site preparation. FastTrack training grants are provided when there is a commitment by an eligible business for the creation of private sector jobs. FastTrack economic development grants were recently established by the General Assembly to support other economic development 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	85,266,800	95,340,500	10,340,500	70,893,400	81,233,900
Total	\$85,266,800	\$95,340,500	\$10,340,500	\$70,893,400	\$81,233,900
State	64,524,700	95,000,000	10,000,000	70,893,400	80,893,400
Federal	0	0	0	0	0
Other	20,742,100	340,500	340,500	0	340,500

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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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	731,700	5,285,200	1,464,900	0	1,464,900
Total	\$731,700	\$5,285,200	\$1,464,900	\$0	\$1,464,900
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	731,700	5,285,200	1,464,900	0	1,464,900

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 percent 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	1,680,500	400,900	400,900	0	400,900
Total	\$1,680,500	\$400,900	\$400,900	\$0	\$400,900
State	1,680,500	400,900	400,900	0	400,900
Federal	0	0	0	0	0
Other	0	0	0	0	0

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

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
Payroll	0	0	0	0	0
Operational	17,691,300	16,048,600	2,048,600	0	2,048,600
Total	\$17,691,300	\$16,048,600	\$2,048,600	\$0	\$2,048,600
State	1,999,900	16,000,000	2,000,000	0	2,000,000
Federal	0	0	0	0	0
Other	15,691,400	48,600	48,600	0	48,600

Innovation and Entrepreneurism

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. Innovation Programs is carried out through partnerships with other 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	3,517,400	362,700	200,000	0	200,000
Total	\$3,517,400	\$362,700	\$200,000	\$0	\$200,000
State	106,100	237,700	200,000	0	200,000
Federal	3,411,300	125,000	0	0	0
Other	0	0	0	0	0

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	29,312,400	30,000,000	30,000,000	0	30,000,000
Total	\$29,312,400	\$30,000,000	\$30,000,000	\$0	\$30,000,000
State	29,312,400	30,000,000	30,000,000	0	30,000,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

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. Community Development also administers federal Community Development Block Grant (CDBG) grants, Appalachian Regional Commission grants, and Delta Regional Authority

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
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grants and administers the Main Street, Select Tennessee, Tennessee Downtowns, and Three-Star community preparedness programs.

330.04 Policy and Federal Programs

The Policy and Federal Programs division manages and executes 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 CDBG, the Appalachian Regional Commission, and the Delta Regional Authority.

Full-Time	8	8	8	0	8
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	8	8	8	0	8
Payroll	577,600	755,200	698,200	0	698,200
Operational	66,076,900	25,891,300	25,914,800	95,000	26,009,800
Total	\$66,654,500	\$26,646,500	\$26,613,000	\$95,000	\$26,708,000
State	377,200	504,700	471,200	95,000	566,200
Federal	66,276,100	26,073,900	26,073,900	0	26,073,900
Other	1,200	67,900	67,900	0	67,900

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, 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, the Three-Star program, and the Select Tennessee Program.

Full-Time	6	7	6	0	6
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	6	7	6	0	6
Payroll	609,000	705,100	624,400	0	624,400
Operational	1,439,700	1,518,300	1,431,900	10,000,000	11,431,900
Total	\$2,048,700	\$2,223,400	\$2,056,300	\$10,000,000	\$12,056,300
State	1,726,100	2,020,700	1,991,300	10,000,000	11,991,300
Federal	220,100	202,700	65,000	0	65,000
Other	102,500	0	0	0	0

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 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</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	1,558,100	2,010,100	2,010,100	0	2,010,100
Total	\$1,558,100	\$2,010,100	\$2,010,100	\$0	\$2,010,100
State	1,558,100	2,010,100	2,010,100	0	2,010,100
Federal	0	0	0	0	0
Other	0	0	0	0	0
330.00 Total Economic and Community Development					
Full-Time	111	104	103	0	103
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	111	104	103	0	103
Payroll	10,231,500	10,297,900	9,908,300	0	9,908,300
Operational	217,772,600	191,905,200	81,923,500	83,988,400	165,911,900
Total	\$228,004,100	\$202,203,100	\$91,831,800	\$83,988,400	\$175,820,200
State	114,389,400	168,801,500	62,513,200	83,988,400	146,501,600
Federal	70,106,100	26,654,800	26,392,100	0	26,392,100
Other	43,508,600	6,746,800	2,926,500	0	2,926,500

Department of Transportation

The Department of Transportation (TDOT) plans, designs, constructs, and maintains the state's highway network. The department is also responsible for other modes of transportation, such as aeronautics, public transit, railroads, and waterways. TDOT consists of five divisions: Headquarters, Bureau of Administration, Bureau of Engineering, Bureau of Operations, and Bureau of Environment and Planning.

<u>Actual</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>	<u>Base</u> <u>2016-2017</u>	<u>Cost Increase</u> <u>2016-2017</u>	<u>Recommended</u> <u>2016-2017</u>
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401.00 Headquarters

Headquarters consists of divisions that report directly to the commissioner. Headquarters' functions include community relations, constituent services, legal, internal audit, and payment of risk management fund premiums for property and liability insurance. Headquarters' functions 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	116	114	90	0	90
Part-Time	5	5	5	0	5
Seasonal	0	0	0	0	0
Total	121	119	95	0	95
Payroll	7,939,700	10,120,800	8,100,000	0	8,100,000
Operational	97,566,400	83,755,200	77,023,000	0	77,023,000
Reallocated	0	0	0	0	0
Total	\$105,506,100	\$93,876,000	\$85,123,000	\$0	\$85,123,000
State	81,549,900	75,796,600	66,960,500	0	66,960,500
Federal	20,011,100	15,514,600	15,602,600	0	15,602,600
Other	3,945,100	2,564,800	2,559,900	0	2,559,900

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, civil rights, human resources, and information technology services are also provided by this bureau.

Full-Time	273	295	291	0	291
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	273	295	291	0	291
Payroll	14,835,200	25,709,600	24,109,200	0	24,109,200
Operational	53,021,500	51,333,300	51,349,800	0	51,349,800
Reallocated	0	0	0	0	0
Total	\$67,856,700	\$77,042,900	\$75,459,000	\$0	\$75,459,000

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
State	43,717,700	61,472,700	59,261,500	0	59,261,500
Federal	24,076,100	15,080,300	15,746,200	0	15,746,200
Other	62,900	489,900	451,300	0	451,300

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 TDOT 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	525	429	486	0	486
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	525	429	486	0	486
Payroll	33,989,600	37,254,500	37,254,500	0	37,254,500
Operational	192,875,200	136,157,100	149,070,100	0	149,070,100
Reallocated	0	0	0	0	0
Total	\$226,864,800	\$173,411,600	\$186,324,600	\$0	\$186,324,600
State	74,439,700	70,317,400	79,202,500	0	79,202,500
Federal	135,825,200	98,241,900	102,484,400	0	102,484,400
Other	16,599,900	4,852,300	4,637,700	0	4,637,700

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 constructing 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.

Full-Time	3,518	3,575	3,541	0	3,541
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	3,518	3,575	3,541	0	3,541

	<u>Actual 2014-2015</u>	<u>Estimated 2015-2016</u>	<u>Base 2016-2017</u>	<u>Cost Increase 2016-2017</u>	<u>Recommended 2016-2017</u>
Payroll	141,063,800	204,105,100	204,105,100	0	204,105,100
Operational	1,036,894,900	1,053,216,900	1,113,679,400	0	1,113,679,400
Reallocated	0	0	0	0	0
Total	\$1,177,958,700	\$1,257,322,000	\$1,317,784,500	\$0	\$1,317,784,500
State	522,680,100	529,017,500	559,146,100	0	559,146,100
Federal	636,386,100	703,791,400	733,293,200	0	733,293,200
Other	18,892,500	24,513,100	25,345,200	0	25,345,200

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	225	228	233	0	233
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	225	228	233	0	233
Payroll	12,808,600	17,643,200	17,643,200	0	17,643,200
Operational	117,333,400	185,838,700	195,647,100	0	195,647,100
Reallocated	0	0	0	0	0
Total	\$130,142,000	\$203,481,900	\$213,290,300	\$0	\$213,290,300
State	69,832,400	75,294,700	79,985,400	0	79,985,400
Federal	57,900,300	127,408,300	132,584,000	0	132,584,000
Other	2,409,300	778,900	720,900	0	720,900

400.00 Total Transportation

Full-Time	4,657	4,641	4,641	0	4,641
Part-Time	5	5	5	0	5
Seasonal	0	0	0	0	0
Total	4,662	4,646	4,646	0	4,646
Payroll	210,636,900	294,833,200	291,212,000	0	291,212,000
Operational	1,497,691,400	1,510,301,200	1,586,769,400	0	1,586,769,400
Reallocated	0	0	0	0	0
Total	\$1,708,328,300	\$1,805,134,400	\$1,877,981,400	\$0	\$1,877,981,400
State	792,219,800	811,898,900	844,556,000	0	844,556,000
Federal	874,198,800	960,036,500	999,710,400	0	999,710,400
Other	41,909,700	33,199,000	33,715,000	0	33,715,000

**Transportation, Business, and Economic Development
Priority Goals and Measures**

<u>Goal</u>	<u>Measure</u>	<u>Measure Frequency</u>	<u>Baseline</u>	<u>Most Recent</u>	<u>Target</u>
Department of Agriculture					
Promulgate rules that update our current license and permit fees and help to recover some of the costs related to overseeing these fees as provided by Public Chapter 945 of 2015.					
	Publish notice of rulemaking by the end of each quarter.	Fiscal Quarterly	0	2	11
	Maintain a retail food store inspection compliance rate.	Fiscal Quarterly	96%	99%	96%
	Maintain a motor fuel inspection compliance rate.	Fiscal Quarterly	96.00%	97.43%	96.00%
Improve our forest health and retain our forested land.					
	Number of forest management plans written.	Fiscal Quarterly	1,300	145	1,500
	Acres that were improved by completed accomplishments, which includes planting trees, controlled burn, etc.	Fiscal Quarterly	10,100.0	754.3	12,000.0
	Service contacts made with landowners.	Fiscal Quarterly	12,000	3,045	15,000
	Individuals directly contacted about forest health issues.	Fiscal Quarterly	7,000	2,451	8,000
Install Best Management Practices (BMPs) in impaired watersheds with 319 funds and Agricultural Resources Conservation Funds (ARCF).					
	Projects that installed BMPs from 319 and ARCF grant programs.	Fiscal Year (June 30)	7,000	2,451	8,000
Department of Tourist Development					
Utilize paid, earned, and owned media to increase consumer awareness and engagement.					
	Number of site visits.	Fiscal Quarterly	3,286,783	889,911	3,330,176
	Number of video views.	Fiscal Quarterly	18,702,362	12,439,035	29,846,933
	Number of clicks (media, paid search, and email).	Fiscal Quarterly	568,061	233,070	757,509
	Number of social engagements (paid and organic).	Fiscal Quarterly	701,717	157,522	832,405
Utilize media buy to increase consumer awareness and potential traveler engagements.					
	Average cost per engagement.	Fiscal Quarterly	\$0.17	\$0.05	\$0.12

**Transportation, Business, and Economic Development
Priority Goals and Measures**

<u>Goal</u>	<u>Measure</u>	<u>Measure Frequency</u>	<u>Baseline</u>	<u>Most Recent</u>	<u>Target</u>
Utilize owned media - the Official Tennessee Vacation Guide - to increase consumer awareness and influence intent to travel to Tennessee.	Number of print and digital vacation guide requests (550,000 Official Tennessee Vacation Guides are printed and distributed annually via USA800, Tennessee welcome centers, and consumer tradeshows. An e-guide and app, TNVG App, is also available for download).	Calendar Year	566,317	Not Available	568,129
Utilize public relations strategies to increase consumer awareness and intent to travel to Tennessee.	Number of public relations impressions.	Fiscal Quarterly	1,483,595,000	184,390,293	1,513,266,900
Improve customer service to travelers who visit the welcome centers.	Cumulative average rating score on completed customer service comment cards (5.0 scale). Baseline was adjusted due to additional customer oriented questions for comment cards.	Fiscal Quarterly	4.6	4.9	4.8
Department of Economic and Community Development					
First in the Southeast for high quality jobs to reach 55 percent by 2025.					
	Yearly job creation.	Calendar Year	0	Not Applicable	25,000
Department of Transportation (TDOT)					
Deliver transportation projects on schedule and within budget.					
	Percent of construction projects completed by original contract completion date.	Fiscal Quarterly	73%	77%	75%
	Average percent difference in final project construction cost versus the contract award amount.	Fiscal Quarterly	11%	12%	10%
Maintain the state transportation system to protect the long term investment in our infrastructure assets.					
	Percent of bridge deck area on all bridges maintained by TDOT that is not structurally deficient.	Fiscal Quarterly	96%	96%	94%
	Percent of interstate mileage with an International Roughness Index (IRI) pavement rating of good or very good.	Calendar Year	93%	Not Available	93%
Operate and manage Tennessee's transportation system to provide a high level of safety and service to our customers and workers.					
	Percent of highway lane blockage incidents in urban HELP service areas cleared within 90 minutes.	Fiscal Quarterly	94%	93%	94%
	Number of traffic fatalities per year. Baseline is current year 2013 as of August 2014. Target is a 2 percent reduction from current year 2014.	Monthly	996	838	943

**Transportation, Business, and Economic Development
Priority Goals and Measures**

<u>Goal</u>	<u>Measure</u>	<u>Measure Frequency</u>	<u>Baseline</u>	<u>Most Recent</u>	<u>Target</u>
Expanding mobility choices to maximize access.	Annual percent change in total statewide transit passenger trips.	Fiscal Year (June 30)	2%	Not Applicable	2%
	Miles of state routes that accommodate bicycles and pedestrians by having a paved shoulder at least four feet wide or a designated bike lane.	Fiscal Year (June 30)	4,534	Not Applicable	4,664

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	June July August
Executive Review of Strategic Plans	Governor Commissioner of F&A	August
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 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.

The Budget Process

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

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

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 Document 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: Strategic Planning and Performance Measures

The Governmental Accountability Act of 2013 amended the Governmental Accountability Act of 2002, which requires strategic planning, performance measures, and performance audits.

By August 15 each year, executive branch agencies submit strategic plans to the Commissioner of Finance and Administration who may require modifications. The commissioner must consolidate approved plans and submit them to the Governor and General Assembly by September 30 each year. For 2014, the Commissioner of Finance and Administration, as allowed by law,

exempted the Higher Education Commission and non-cabinet agencies from submitting plans to Finance and Administration, but encouraged the commission and non-cabinet agencies to continue the planning process. 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 30.

Under the Accountability Act, instructions for developing 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. The strategic plans must include performance measures and standards, which must be included in the recommended Budget Document. The Governmental Accountability Act requires the Commissioner of Finance and Administration to annually evaluate strategic plans and performance measures.

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.

The Governmental Accountability Acts of 2013 and 2002 continue 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. The General Assembly has the prerogative to alter executive recommendations through the Appropriations Act and to alter policy and exert oversight through the legislative and performance review processes.

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 Division of Budget 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
- Education Fund

Basis of Budgeting and Accounting

Agricultural Resources Conservation Fund
Certified Cotton Growers' Organization Fund
Agricultural Regulatory Fund
Local Parks Acquisition Fund
State Lands Acquisition Fund
State Lands 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.

Internal Service Fund programs reflected in the general fund in the budget document are:

Records Management
Risk Management Fund
TRICOR
Strategic Technology Solutions
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 Strategic Learning Solutions
Human Resources Management Services
Human Resources Office of General Counsel
Human Resources Operations.

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 present the special revenue and other funds separately 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 generally 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

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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.

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.

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

Glossary of Budget Terms

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 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 - The Consumer Price Index is required by state law for judges' salary adjustments. 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 Funds - Funds that are legislatively limited in how they can be expended.

Education Trust Fund - The fund into which all revenues earmarked and allocated exclusively for educational purposes are deposited.

EEO - Equal Employment Opportunity is a series of policies and procedures enacted by the Department of Human Resources to comply with federal laws governing fair employment practices as provided in the Equal Employment Opportunity Act.

EMS - Emergency Medical Services provide pre-hospital emergency medical care and medical transportation systems, primarily ambulatory services.

Encumbrance - Commitments related to unexecuted contracts for goods and services issued by the Central Procurement Office, Department of General Services.

EPF - The Environmental Protection 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

Families First - This program, administered by the Department of Human Services, replaced Aid to Families with Dependent Children 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.

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G

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 – The Facilities Revolving Fund, which is a self-perpetuating fund for the maintenance and renovation of state-owned buildings and the leasing of office space.

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.

Geier Desegregation Settlement - A settlement agreement implemented in January 2001 to end the Geier higher education lawsuit, originally filed in 1968. The agreement resulted in dismissal of the lawsuit in September 2006. The agreement was intended to create a system of public higher education that preserves and enhances access and opportunities at Tennessee's public colleges and universities.

General Fund - The fund maintained by the Treasurer into which revenues collected by the state, other than highway taxes, are deposited for appropriation by the General Assembly to support the operation of state agencies.

GIS – Geographic Information System is 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 in 2002 and amended in 2013 that requires strategic planning, performance measures, and performance audits.

H

Highway Fund - The fund maintained by the Treasurer into which certain revenues collected by the state are deposited for appropriation by the General Assembly to the Department of Transportation. Revenues generated mostly from petroleum-related taxes comprise the Highway Fund.

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I

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.

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.

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

Operating Budget - Money that 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 which are generally from local governments, current services, and interdepartmental activities.

Overappropriation - The anticipated savings resulting from position vacancies and other unexpended funds.

Overlapped - Term used when an appointing authority places more than one incumbent into a single position. This is subject to budgetary limits as well as approval of the Commissioner of Human Resources.

P

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.

Glossary of Budget Terms

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).

Reclassification - A change in the duties and responsibilities of a state employee's job.

Recommended Funding - 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.

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**.

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.

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.

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.

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TCAP - The Tennessee Comprehensive Assessment Program, which is used to assess academic progress of Tennessee students at specified points in their academic career.

Tennessee Valley Authority - A federal power-producing and economic development program.

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 - 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.

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 2016-2017

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