

STATE OF TENNESSEE

The Budget

FISCAL YEAR 2017-2018



Bill Haslam, Governor



Bill Haslam,
Governor



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Introduction



Introduction

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BILL HASLAM
GOVERNOR
STATE OF TENNESSEE

January 30th, 2017

To the members of the 110th General Assembly:

I am pleased to submit to you the fiscal year 2018 Budget for the State of Tennessee.

This budget is supported by a growing state economy and I am confident revenue growth will support the recommendations I am transmitting to you today.

In this budget, I am recommending substantial investments in Education, Higher Education, TennCare, Transportation, and our state-owned assets. For the second consecutive year, I am also proposing a budget that will decrease, not increase, our debt burden.

In terms of legislation, I am proposing to reduce the tax burden on both our citizens and our businesses while coupled with a revenue adjustment that will improve our transportation infrastructure program.

At the same time, I am recommending \$43.3 million in reductions as part of our continued effort to make government more efficient.

Lastly, I am recommending the revenue fluctuation reserve be increased by almost 20 percent to \$800 million. With this additional funding, the Rainy Day Fund will be at the highest level in our state's history.

This budget and other issues are very important and I look forward to working with you during the upcoming legislative session.

Sincerely,

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

Bill Haslam
Governor of the State of Tennessee



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

January 30, 2017

The Honorable Bill Haslam
State Capitol
Nashville, TN 37243

It is a pleasure to present to you the fiscal year 2018 Budget Document.

The Tennessee economy has performed very well. Stronger than expected revenue growth in fiscal year 2016 provided a unique opportunity to develop the fiscal 2018 budget proposal with a substantial amount of one-time funding. At the same time, we continue to forecast our revenue growth conservatively.

For fiscal year 2018, the recommended budget is based on a projected growth rate of 2.77 percent in total taxes. The total budget is \$36.95 billion, of which \$17.89 billion is state appropriations; \$13.49 billion is federal; and \$5.57 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 includes substantial investments in capital maintenance while at the same time raising the revenue fluctuation reserve to \$800 million, its highest level ever. In the area of salaries and compensation, we are proposing a 3 percent salary pool for state employees and a 4 percent salary pool for teachers. In addition we are proposing to fully fund our required contribution for retiree pensions and retiree insurance.

For transportation, we are recommending to transfer \$120 million back into the highway fund to fully restore funds diverted years ago. At the same time, your funding proposal for transportation will put the transportation budget on a much stronger financial footing going forward.

In our continued effort to find efficiencies within state government, the budget recommends \$43.2 million in reductions and is detailed in Volume 2.

In summary, the recommended budget is balanced within available revenues. In addition, the proposed investments in the capital and transportation fund will improve the condition and quality of our state assets. The budget recommendation is also noteworthy in that for the second consecutive year, we are not recommending the issuance of any long-term debt.

The Budget staff and I stand ready to assist you in working with the General Assembly on this very important budget.

Respectfully submitted,

Larry B. Martin
Commissioner of Finance and Administration

Budget Highlights

Recommended Budget, Fiscal Year 2017-2018

The total recommended state budget for fiscal year 2017-2018 is \$37 billion, with \$17.9 billion from state appropriations; \$13.5 billion from federal funds; \$3.7 billion from other departmental revenues; \$1.8 billion from higher education student tuition and fees; and \$80 million bonds for highway construction. This is an increase of \$1.7 billion in total funding and \$1.4 billion in state funding from the revised current year 2016-2017 spending estimates. Federal revenue is increasing by \$75.9 million, departmental revenue is increasing by \$251.3 million, and highway construction bonds are decreasing by \$7.7 million. The estimate for higher education student tuition and fees remains the same.

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 3.25 percent compared with the actual 2015-2016 Department of Revenue collections. For fiscal year 2017-2018, before inter-fund reallocations, general fund taxes are expected to grow by \$366.6 million above the revised current-year estimate. This is a 3.17 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 growth through fiscal year 2016-2017 and beyond.

Plan for Balancing

General fund supplemental appropriations in the current 2016-2017 fiscal year total \$66.9 million, \$25 million of which is in the Department of Economic and Community Development for infrastructure and job training assistance. Additional programs requiring supplemental appropriations include a state match for the Foothills Parkway project (\$15 million), wildfire suppression costs (\$10 million), the Tennessee Bureau of Investigation (\$4.2 million), the Clean Water and Drinking Water Revolving Fund (\$2.5 million), and others.

In fiscal year 2017-2018, the budget is balanced, with recurring revenues fully supporting recurring appropriations. This is accomplished by additional budget reductions in fiscal year 2017-2018. Base budgets in general fund programs throughout state government have been reduced by \$43.2 million and certain other programs have been reduced by \$82.5 million for a net recurring base reduction of \$125.8 million in the general fund. The average general fund recurring reduction is 0.8 percent. A total of 74 positions will be reduced as a result of reductions implemented in this budget recommendation. (The reductions are detailed in **Volume 2: Base Budget Reductions**.)

Federal and State Mandates

State expenditures in the TennCare program are matched according to a rate set by the federal government known as the Federal Medical Assistance Percentage (FMAP). The federal government determines this rate for all states based on changes in per-capita income. For fiscal year 2017-2018, federal participation in certain healthcare programs is increasing from 64.984 percent to 65.605 percent. This creates a savings of \$49.3 million in state funding to TennCare and \$848,600 in the Department of Children's Services for foster care and adoption assistance. The savings were used to offset cost increases in those departments.

A total of \$7.2 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 (\$508,700), the attorney general (\$2,800), assistant district attorneys and criminal investigators (\$1.3 million), assistant public defenders and criminal investigators (\$643,700), assistant post-conviction defenders (\$35,800), the governor (\$2,900), trooper step increases (\$921,300) and border-state survey (\$2 million), and wildlife officer step increases (\$656,500) and border-state survey (\$1.1 million).

State statutes mandate that teachers at the state-run schools must be compensated based on their training and experience. To fund this requirement, \$27,000 is provided to the Department of Children's Services for the Youth Development Centers and \$111,000 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 \$59.4 million. An additional \$18 million in non-recurring funds is recommended for all current year enrollment growth due to increased average daily membership. An appropriation of \$100.4 million is recommended for salary increases for teachers and other positions funded through the BEP formula, effective July 1, 2017. The amount of the salary increases will depend on each LEA's salary schedule and structure. An appropriation of \$22.2 million will increase the number of teachers and translators for English Language Learner students. The second year of the Read To Be Ready literacy program is funded with a non-recurring appropriation of \$4.4 million. A recommendation of \$12.5 million funds the state share of a 6.9 percent group health insurance increase for LEAs effective January 1, 2018.

New programs and initiatives in K-12 education include a competitive grant program to LEAs that will award a total of \$15 million non-recurring to upgrade equipment related to high growth industries, a charter school facilities fund of \$6 million non-recurring, and \$2 million for the implementation and training on new science and fine arts standards.

Recommendations of non-recurring educational grants include \$1 million for the Save the Children literacy program, \$125,000 for the Alliance of Boys and Girls Clubs, and \$100,000 for

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the Tennessee Arts Academy. A recurring appropriation of \$65,000 is recommended for the Holocaust Commission.

The total amount of new funding requested for K-12 education is \$249.2 million.

Higher Education

A general fund recurring recommendation of \$25 million funds increased operational costs in the University of Tennessee (\$7.3 million) and the Board of Regents (\$17.7 million). These funds may be used for salary increases as well as program improvements that assist the institutions in meeting outcomes such as student progression, degree production, research and service, efficiency metrics, and other outcome measures related to institutional mission. A 3.0 percent salary pool for higher education employees including formula units, non-formula units, and state administration personnel is funded with \$42 million.

A total of \$40 million recurring is recommended for capital maintenance projects at the University of Tennessee system, the Board of Regents system, and locally governed institutions.

Recurring funding of \$10 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 appropriation increase will fund an additional 5,500 students, bringing the total number of students with assistance to 54,300.

A 5.9 percent increase in group health insurance premiums effective January 1, 2017, is annualized with \$7.2 million. Six months of an anticipated 5.0 percent increase in group health insurance effective January 1, 2018 is funded with \$6.1 million.

A non-recurring appropriation of \$800,000 is recommended to award competitive grants to colleges and universities that develop action plans for addressing lagging outcomes, goals for increasing these outcomes, and metrics of success.

A joint effort between the University of Tennessee Health Science Center and St. Jude's Children's Hospital to recruit pediatric physician scientists is funded with \$3 million non-recurring. This is the final year of a five-year commitment to this recruiting effort. A new data science PhD program at the Bredesen Center is funded with \$6 million non-recurring. Cyber security research at Tennessee Technological University is funded with \$500,000 non-recurring.

Various grant programs and initiatives for higher education students are funded with a total recommendation of \$5.7 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

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competitive grants to institutions to develop programs that will recruit and retain students eligible for the Tennessee Promise Scholarship program; \$750,000 non-recurring to expand the Seamless Alignment and Integrated Learning Support (SAILS) program to high demand areas; \$250,000 non-recurring for pre-enrollment counseling and support for students in the Tennessee Reconnect Community Advisor program; \$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.

Health and Social Services

An additional \$40.1 million in recurring state funding is recommended for the TennCare program to offset increased costs due to increased enrollment in the program. To manage that enrollment increase, an additional \$8.8 million to fund 216 eligibility determination positions and \$13.4 million non-recurring for the development of a new eligibility system are requested. Increasing pharmaceutical and premium costs in Medicare Part B and Part D are funded with an appropriation of \$72.5 million. A recurring appropriation of \$14.9 million funds increased costs in pharmacy utilization. An increase in payments due to Federally Qualified Health Centers is funded with \$5.5 million recurring.

A total of \$36.3 million recurring restores a 1 percent reduction that was funded in fiscal year 2016-2017 with non-recurring dollars and another 1 percent reduction that was funded that same year with funds from the hospital coverage assessment. Funds previously reduced from pharmaceutical reimbursement rates are restored on a recurring basis with \$6.1 million.

Approximately 700 slots are added to the Employment and Community First (ECF) CHOICES program with \$11.6 million recurring. This program promotes and supports integrated, competitive employment and independent living as the first and preferred option for individuals with intellectual and developmental disabilities.

Bureau of TennCare general fund cost increases total \$214.3 million and are matched with \$363.1 million in federal funds and \$208.6 million in pharmaceutical rebates for a total of \$786 million in new funding for the state's TennCare program.

In the Department of Mental Health and Substance Abuse Services, a recurring appropriation of \$6 million is requested to expand substance abuse treatment and recovery services for an additional 2,000 people below 133 percent of poverty. A proposed enhancement of the continuum of care crisis services and expansion of the state's eight walk-in centers is funded with \$3.5 million recurring. Recurring funds of \$1.5 million and seven positions are recommended for operations and maintenance of the department's new electronic clinical records system.

In the Department of Health, \$5 million non-recurring is recommended for grants to counties to support local efforts to reduce tobacco-related diseases. Various grant programs are funded with non-recurring appropriations, including the Healthy Start (\$1.5 million) and Child Health and

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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), and epilepsy programs (\$103,100).

In the Department of Children's Services, recurring appropriations of \$5.1 million and 39 new positions related to the Brian A. Settlement Agreement are recommended. This amount includes \$2.8 million for adoption assistance, \$1.1 million for an increase in the number of youth receiving extended foster care services, \$1 million for 35 additional child protective services case managers, \$101,800 for four additional foster care services case managers, and \$78,100 to maintain midpoint foster care rates. A rate increase for private providers is funded with \$5 million recurring.

Safe Communities

An appropriation of \$7 million and 40 new positions in the Department of Correction is recommended for the Public Safety Act of 2016. The goal of the act is to decrease admissions to state prisons by implementing a graduated sanctions system for violations of community supervision, including probation and parole. Of the \$7 million requested for this legislation, \$250,000 is non-recurring

The local jail reimbursement rate of \$37 per day is increased to \$39 per day with a recurring recommendation of \$5.4 million.

Cost increases in contracts with non-state service providers are funded with \$4.2 million recurring. These contract increases include Trousdale County Incarceration Agreement (\$2 million), Hardeman County–Whiteville (\$829,500), South Central Correctional Center (\$641,300), and the Hardeman County Incarceration Agreement (\$742,400). A recurring \$2 million is recommended to update Hepatitis C standards in the state's prison system. A \$2.9 million loss of revenue from the inmate calling system due to new federal guidance is replaced with \$2.9 million in recurring state appropriation.

A recommendation to add 25 state trooper positions to the Highway Patrol is funded with a recurring appropriation of \$1.9 million and a non-recurring appropriation of \$1.5 million for a total of \$3.4 million. Non-recurring funding of \$8.7 million is recommended to replace a 1970's era rescue helicopter that has reached the end of its useful life. A Federal Communications Commission (FCC) requirement to operate all radios on a 6.25 KHz digital bandwidth is funded with a recurring appropriation of \$1.5 million in the Department of Safety for maintenance and security upgrades.

In the Military Department, administration legislation called Support Training and Renewing Opportunity for National Guardsmen (STRONG), will create a tuition reimbursement program for National Guard members and is funded with \$9 million non-recurring.

Business and Economic Development

This budget recommendation includes \$278.6 million of additional highway fund appropriations from the IMPROVE Act, proposed legislation that will increase the per gallon tax on gasoline from 20 cents to 27 cents (\$138.4 million); increase the tax on diesel fuel from 17 cents to 29 cents (\$89.4 million); increase vehicle registration fees (\$33.9 million); introduce a new annual fee on electric vehicles (\$250,000); increase the taxes on liquid gas, compressed natural gas, and liquid natural gas by 15 cents per gallon (\$1.7 million); and increase the rental car tax rate from 3 percent to 6 percent (\$14.9 million). This will provide a recurring source of funding for highway infrastructure projects and to improve safety, reduce congestion, and enhance economic development.

A non-recurring appropriation of \$60.1 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. This appropriation is necessary to recruit new businesses and support workforce training, marketing, and education.

Grants and services to assist rural communities and distressed counties are funded with \$17 million non-recurring. Aid to eligible areas includes help with site development, community asset improvements, marketing, strategic planning, downtown revitalization, and technical assistance. A small business initiative for rural areas designed to encourage entrepreneurial growth is funded with \$4.2 million, of which \$717,000 is recurring and \$3.5 million is non-recurring.

Administration legislation to increase broadband accessibility through grants and tax credits is funded with a \$10.3 million appropriation, of which \$10 million is non-recurring.

The third year of a five-year commitment to fund advanced manufacturing research at Oak Ridge is funded with a non-recurring grant of \$3 million. The second year of a three-year commitment to provide funds to St. Jude Children's Hospital in Memphis is funded with \$12 million non-recurring.

The fifth year of a tourism marketing task force in the Department of Tourist Development is funded with a \$5.9 million appropriation, of which \$5 million is non-recurring.

Natural Resources and Regulation

Low interest loans provided to local governments for waste water and drinking water facility improvements are increased by \$2.6 million recurring to fully match available federal funds. The restoration and upgrade of the state's ambient air monitoring network is funded with \$1.6 million non-recurring.

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Five positions and \$426,800 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 fiscal year 2017-2018, the five positions will be funded with program fees. Also in the department, \$450,000 non-recurring is recommended to upgrade the workers' compensation system (\$300,000) and to study the effectiveness of 2013 reforms to workers' compensation programs (\$150,000).

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 three 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, 2017, and the resulting salary increases will be effective on January 1, 2018. The six-month cost of these performance-based increases will be \$25.8 million in fiscal year 2017-2018 and the annualized cost will be \$45.2 million.

Salary increases for state employees not covered by the Tennessee Excellence, Accountability, and Management (TEAM) Act will be funded with an appropriation of \$8.4 million, which is the equivalent of a three 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 be effective July 1, 2017.

Market adjustments for certain job classifications are funded with an appropriation of \$23.6 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, 2017.

Other post-employment benefit liabilities are funded with a recommendation of \$172.5 million, of which \$110 million is non-recurring.

Changes to state employee benefits include a January 1, 2017, 5.9 percent group health insurance premium increase annualized with an appropriation of \$8 million. Six months of a projected 5 percent increase in group health insurance premiums effective January 1, 2018, is funded with \$6.8 million. A Medicare supplement for retired teachers and state employees is funded with \$8.9 million. An increase in the retirement contribution rate for state employees is funded with \$54 million recurring.

Information Technology

Phase Two of a new management structure for information technology services in state government, known as Enterprise IT Transformation (EIT), is funded with an appropriation of \$2.3 million. This initiative will implement a unified technology services delivery model that

Budget Highlights

upholds uniform processes and standardizes methodologies under a single organizational structure to eliminate duplication of effort among state agencies and reduce information technology project failures. This appropriation will add the Departments of Human Services and Children's Services to 16 state agencies that are already part of EIT. An additional \$2.3 million is recommended to upgrade the salaries of information technology positions to NextGen standards.

The Department of Revenue requests \$11 million non-recurring and 17 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 new system will enhance customer service, increase productivity and efficiency, and offer opportunities to increase revenue collections.

Capital Outlay

Capital outlay in fiscal year 2017-2018 totals \$738.4 million, including \$566.5 million in non-recurring current funds and \$171.9 million from federal and other sources. An appropriation of \$112.6 million is recommended for statewide capital maintenance, including \$21.1 million for general government, \$43.3 million for the Board of Regents, and \$48.2 million for the University of Tennessee. Sentencing Act funds are the source of \$32.5 million for capital maintenance in the Department of Correction.

The Facilities Revolving Fund (FRF) capital budget provides an additional \$98.1 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 \$568 million on June 30, 2016, and is estimated to be \$668 million on June 30, 2017. A recommended deposit to the fund of \$132 million in fiscal year 2017-2018 will have the total revenue fluctuation reserve at \$800 million on June 30, 2018.

TennCare Reserve

The TennCare reserve consists of prior-year unspent funds appropriated to the TennCare program. The unobligated reserve, as of June 30, 2016, is \$230.4 million and it is expected to be the same on June 30, 2017 and June 30, 2018.

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.

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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,

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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 tables that show the total expenditures, funding sources, and personnel of each functional area; and a list of cost increases that are recommended for that area of state government

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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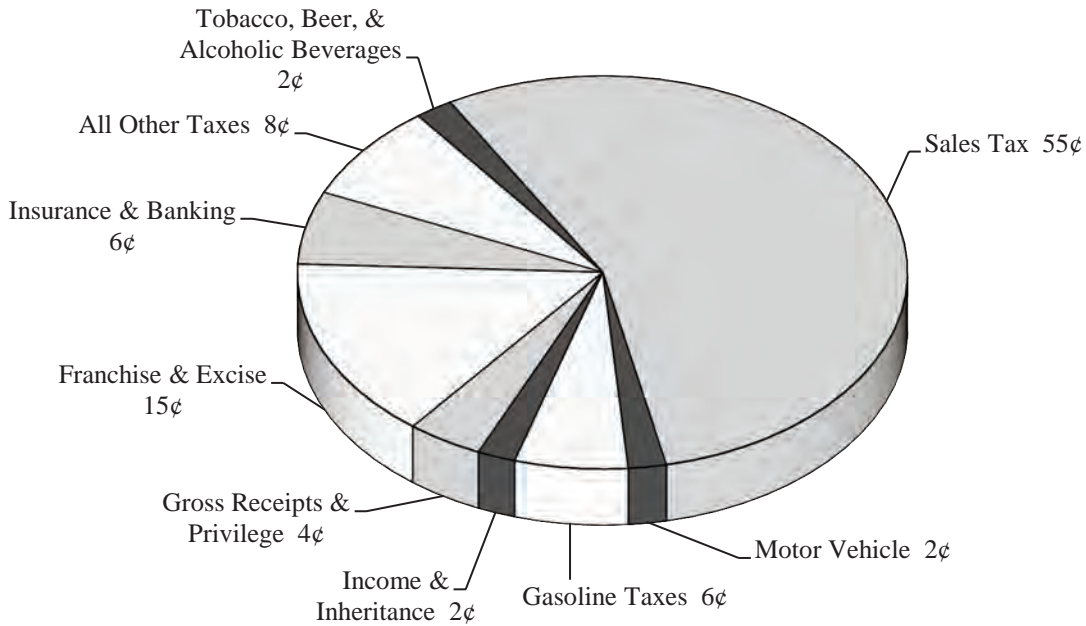
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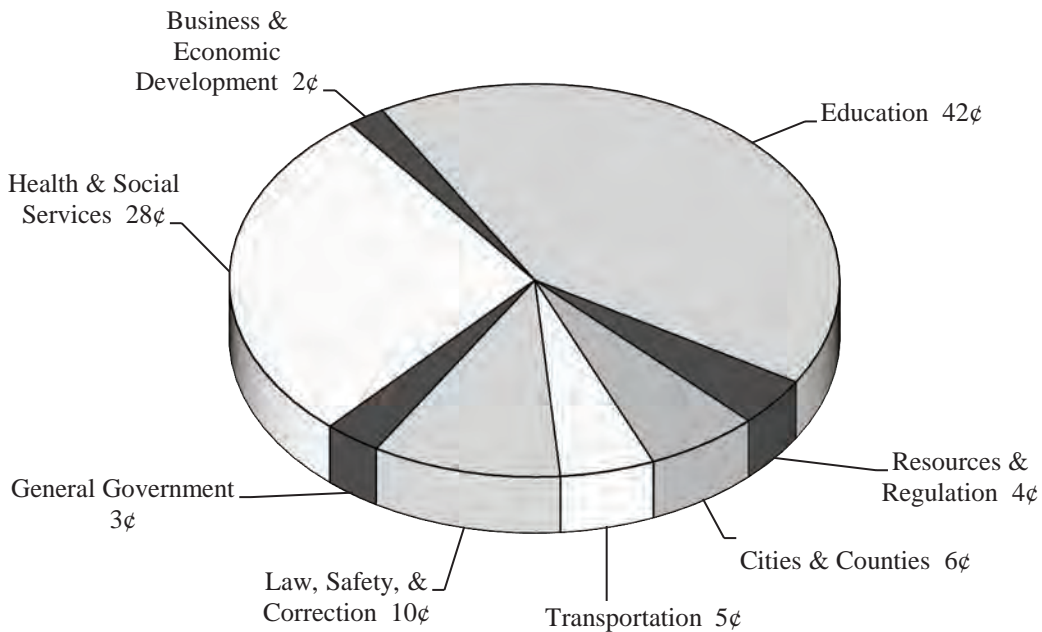
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Total State Budget

Where Your State Tax Dollar Comes From



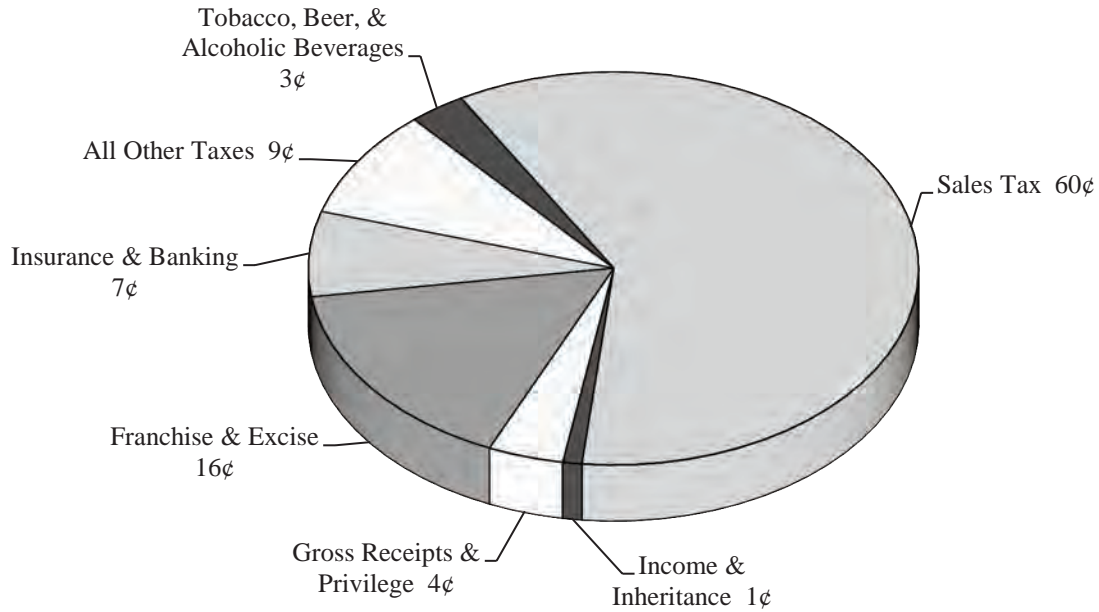
Where Your State Tax Dollar Goes



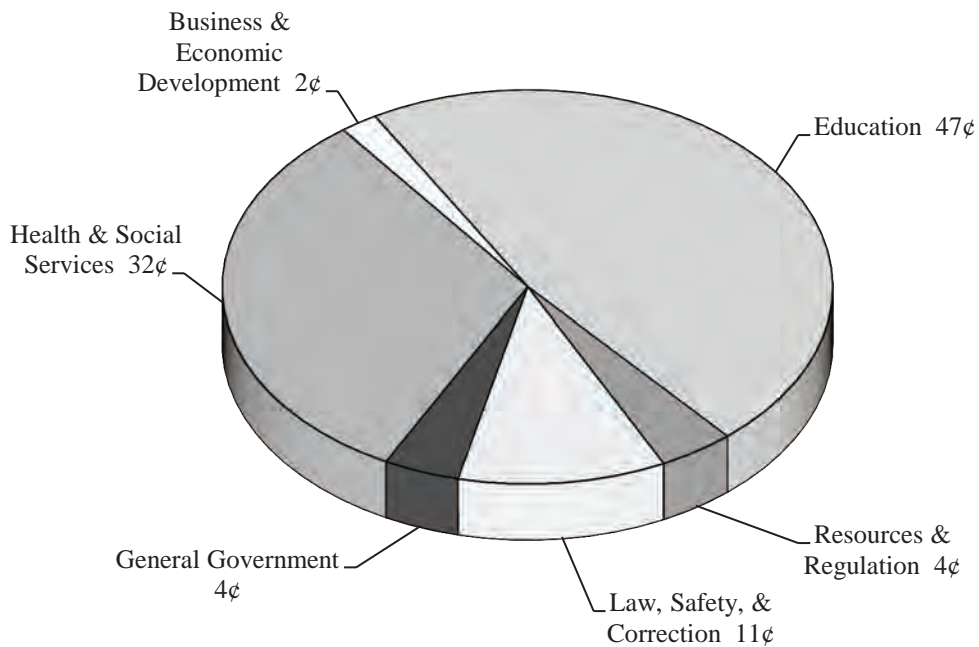
Fiscal Year 2017-2018

General Fund Budget

Where Your State Tax Dollar Comes From



Where Your State Tax Dollar Goes



Fiscal Year 2017-2018

**Total State Budget
Comparison of Programs and Revenue Sources
Fiscal Years 2015-2016, 2016-2017, and 2017-2018**

	Actual 2015-2016	Estimated 2016-2017	Recommended 2017-2018	Act. vs. Est. Difference	Est. vs. Rec. Difference
I. PROGRAMS					
ALL PROGRAMS	\$ 33,196,769,500	\$ 35,265,973,000	\$ 36,953,434,200	\$ 2,069,203,500	\$ 1,687,461,200
General Fund ¹	29,432,138,500	31,206,125,400	32,323,182,900	1,773,986,900	1,117,057,500
Department of Transportation	1,654,378,800	1,875,791,400	2,193,932,900	221,412,600	318,141,500
Debt Service Requirements	415,291,300	408,108,000	380,308,000	(7,183,300)	(27,800,000)
Capital Outlay Program	469,307,000	475,938,900	738,447,500	6,631,900	262,508,600
Facilities Revolving Fund	185,790,700	233,709,300	230,462,900	47,918,600	(3,246,400)
Cities & Counties - State Shared Taxes	1,039,863,200	1,066,300,000	1,087,100,000	26,436,800	20,800,000
II. REVENUE SOURCES					
APPROPRIATION	\$ 15,299,829,000	\$ 16,528,473,900	\$ 17,896,451,600	\$ 1,228,644,900	\$ 1,367,977,700
General Fund ¹	12,645,022,300	13,814,780,000	14,704,181,800	1,169,757,700	889,401,800
Department of Transportation	740,645,600 ²	756,856,000	1,057,285,000	16,210,400	300,429,000
Debt Service Requirements	415,291,300	408,108,000	380,308,000	(7,183,300)	(27,800,000)
Capital Outlay Program	398,465,000 ²	397,636,400	566,532,000	(828,600)	168,895,600
Facilities Revolving Fund	60,541,600	84,793,500	101,044,800	24,251,900	16,251,300
Cities & Counties - State Shared Taxes	1,039,863,200	1,066,300,000	1,087,100,000	26,436,800	20,800,000
BONDS	\$ 0	\$ 87,700,000	\$ 80,000,000	\$ 87,700,000	\$ (7,700,000)
Department of Transportation	0	87,700,000	80,000,000	87,700,000	(7,700,000)
Capital Outlay Program	0	0	0	0	0
FEDERAL	\$ 12,561,114,500	\$ 13,419,721,700	\$ 13,495,641,500	\$ 858,607,200	\$ 75,919,800
General Fund	11,697,571,900	12,407,119,800	12,480,770,600	709,547,900	73,650,800
Department of Transportation	859,408,600	999,710,400	1,007,500,900	140,301,800	7,790,500
Capital Outlay Program	4,134,000	12,891,500	7,370,000	8,757,500	(5,521,500)
CURRENT SERVICES & OTHER	\$ 5,335,826,000	\$ 5,230,077,400	\$ 5,481,341,100	\$ (105,748,600)	\$ 251,263,700
General Fund ³	5,089,544,300	4,984,225,600	5,138,230,500	(105,318,700)	154,004,900
Department of Transportation	54,324,600	31,525,000	49,147,000	(22,799,600)	17,622,000
Capital Outlay Program	66,708,000	65,411,000	164,545,500	(1,297,000)	99,134,500
Facilities Revolving Fund	125,249,100 ⁴	148,915,800	129,418,100	23,666,700	(19,497,700)
TOTAL STATE BUDGET	\$ 33,196,769,500	\$ 35,265,973,000	\$ 36,953,434,200	\$ 2,069,203,500	\$ 1,687,461,200

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.

**Total State Budget
Comparison of Programs by Revenue Sources
Fiscal Years 2015-2016, 2016-2017, and 2017-2018**

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Recommended 2017-2018</u>	<u>Act. vs. Est. Difference</u>	<u>Est. vs. Rec. Difference</u>
I. GENERAL FUND ¹	\$ 29,432,138,500	\$ 31,206,125,400	\$ 32,323,182,900	\$ 1,773,986,900	\$ 1,117,057,500
Appropriation	12,645,022,300	13,814,780,000	14,704,181,800	1,169,757,700	889,401,800
Federal	11,697,571,900	12,407,119,800	12,480,770,600	709,547,900	73,650,800
Current Services & Other Revenue ²	5,089,544,300	4,984,225,600	5,138,230,500	(105,318,700)	154,004,900
II. DEPARTMENT OF TRANSPORTATION	\$ 1,654,378,800	\$ 1,875,791,400	\$ 2,193,932,900	\$ 221,412,600	\$ 318,141,500
Appropriation	740,645,600 ³	756,856,000	1,057,285,000	16,210,400	300,429,000
Federal	859,408,600	999,710,400	1,007,500,900	140,301,800	7,790,500
Current Services & Other Revenue	54,324,600	31,525,000	49,147,000	(22,799,600)	17,622,000
Bonds	0	87,700,000	80,000,000	87,700,000	(7,700,000)
III. DEBT SERVICE REQUIREMENTS	\$ 415,291,300	\$ 408,108,000	\$ 380,308,000	\$ (7,183,300)	\$ (27,800,000)
Appropriation	415,291,300	408,108,000	380,308,000	(7,183,300)	(27,800,000)
IV. CAPITAL OUTLAY PROGRAM	\$ 469,307,000	\$ 475,938,900	\$ 738,447,500	\$ 6,631,900	\$ 262,508,600
Appropriation	398,465,000 ³	397,636,400	566,532,000	(828,600)	168,895,600
Federal	4,134,000	12,891,500	7,370,000	8,757,500	(5,521,500)
Current Services & Other Revenue	66,708,000	65,411,000	164,545,500	(1,297,000)	99,134,500
Bonds	0	0	0	0	0
V. FACILITIES REVOLVING FUND	\$ 185,790,700	\$ 233,709,300	\$ 230,462,900	\$ 47,918,600	\$ (3,246,400)
Appropriation	60,541,600	84,793,500	101,044,800	24,251,900	16,251,300
Current Services & Other Revenue ⁴	125,249,100	148,915,800	129,418,100	23,666,700	(19,497,700)
VI. CITIES & COUNTIES - STATE SHARED TAXES	\$ 1,039,863,200	\$ 1,066,300,000	\$ 1,087,100,000	\$ 26,436,800	\$ 20,800,000
Appropriation	1,039,863,200	1,066,300,000	1,087,100,000	26,436,800	20,800,000
VII. TOTAL STATE BUDGET	\$ 33,196,769,500	\$ 35,265,973,000	\$ 36,953,434,200	\$ 2,069,203,500	\$ 1,687,461,200
Appropriation	15,299,829,000	16,528,473,900	17,896,451,600	1,228,644,900	1,367,977,700
Federal	12,561,114,500	13,419,721,700	13,495,641,500	858,607,200	75,919,800
Current Services & Other Revenue ²	5,335,826,000	5,230,077,400	5,481,341,100	(105,748,600)	251,263,700
Bonds	0	87,700,000	80,000,000	87,700,000	(7,700,000)

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.

**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:			
2016 Appropriation Act - Work Program	\$ 13,751,593,000	\$ 13,005,758,700	\$ 745,834,300
2016 Appropriation Act - Dedicated Funds	(4,207,700)	0	(4,207,700)
2017 Supplemental Appropriations - General Fund	66,858,600	0	66,858,600
2017 Supplemental Appropriations - Dedicated Funds	536,100	0	536,100
Total General Fund Requirements	\$ 13,814,780,000	\$ 13,005,758,700	\$ 809,021,300
Less: Overappropriation	(89,838,100)	(89,838,100)	0
Net General Fund Requirements	\$ 13,724,941,900	\$ 12,915,920,600	\$ 809,021,300
Other Programs:			
Capital Outlay Program	\$ 397,636,400	\$ 0	\$ 397,636,400
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	71,728,700	0	71,728,700
Sub-Total Facilities Revolving Fund	\$ 84,793,500	\$ 13,064,800	\$ 71,728,700
Total Other Programs	\$ 487,264,600	\$ 17,899,500	\$ 469,365,100
Total Appropriation Requirements	\$ 14,212,206,500	\$ 12,933,820,100	\$ 1,278,386,400
II. GENERAL FUND REVENUES AND RESERVES			
State Tax Revenue - Department of Revenue	\$ 11,576,000,000	\$ 11,054,200,000	\$ 521,800,000
State Tax Revenue - Department of Revenue - 2017 Legislation	(41,425,900)	0	(41,425,900)
Franchise and Excise Taxes - One-Time Payment	134,534,000	0	134,534,000
State Tax Revenue - Other State Revenue	1,929,400,000	1,357,458,400	571,941,600
State Tax Revenue - Other State Revenue - 2017 Legislation	2,325,000	0	2,325,000
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	342,400,000	346,607,600	(4,207,600)
Transfers, Reserves, and Other Available Funds:			
Highway Fund Transfer - Gas Inspection Act	1,100,000	1,100,000	0
Reserve for 2016-2017 Appropriations	733,500,000	0	733,500,000
Transfer to Rainy Day Fund	(100,000,000)	0	(100,000,000)
Highway Fund Transfer at June 30, 2017	(120,635,900)	0	(120,635,900)
Highway Fund Transfer at July 1, 2016	(12,000,000)	0	(12,000,000)
Debt Service Fund Transfer at June 30, 2017	83,900,000	0	83,900,000
Reserve for Future Requirements	656,400,000	0	656,400,000
Rounding	(27,700)	(27,700)	0
Sub-Total Transfers, Reserves, and Other Available Funds	\$ 1,242,236,400	\$ 1,072,300	\$ 1,241,164,100
Total General Fund Revenues and Reserves	\$ 15,381,869,500	\$ 12,944,038,300	\$ 2,437,831,200
III. AVAILABLE FUNDS AT JUNE 30, 2017			
Available Funds	\$ 1,169,663,000	\$ 10,218,200	\$ 1,159,444,800
Total Available Funds	\$ 1,169,663,000	\$ 10,218,200	\$ 1,159,444,800
Revenue Fluctuation Reserve at June 30, 2016	\$ 568,000,000		
Revenue Fluctuation Reserve at June 30, 2017	\$ 668,000,000		

**General Fund and Education Fund
Comparison of Appropriation Requirements and State Revenues
Fiscal Year 2017-2018**

	<u>TOTAL</u>	<u>RECURRING</u>	<u>NON-RECURRING</u>
I. APPROPRIATION REQUIREMENTS			
General Fund Programs:			
Base Budget Requirements	\$ 13,005,758,700	\$ 13,005,758,700	\$ 0
Preliminary Base Budget Adjustments - General Fund	515,046,100	(82,544,500)	597,590,600
Base Budget Reduction Plans - General Fund	(89,572,900)	(40,593,100)	(48,979,800)
Sum Sufficient Appropriations - Dedicated Funds	(232,900)	(232,900)	0
Preliminary Base Budget Adjustments - Dedicated Funds	(7,800)	(7,800)	0
Base Budget Reduction Plans - Dedicated Funds	(130,700)	(130,700)	0
Base Budget Recommended	\$ 13,430,860,500	\$ 12,882,249,700	\$ 548,610,800
Cost Increases - Budget Recommendations			
All Programs - General Fund	\$ 1,174,615,300	\$ 797,523,300	\$ 377,092,000
Reserve for Administration Amendment	17,500,000	7,500,000	10,000,000
All Programs - Dedicated Funds	11,014,900	5,964,900	5,050,000
Total Cost Increases Recommended	\$ 1,203,130,200	\$ 810,988,200	\$ 392,142,000
Total General Fund Requirements	\$ 14,633,990,700	\$ 13,693,237,900	\$ 940,752,800
Less: Overappropriation	(74,838,100)	(74,838,100)	0
Less: Unallocated Base Reductions - STS	(2,620,400)	(2,620,400)	0
Net General Fund Requirements	\$ 14,556,532,200	\$ 13,615,779,400	\$ 940,752,800
Other Programs:			
Capital Outlay Program	\$ 636,723,100	\$ 70,191,100	\$ 566,532,000
Designated to Other Funds:			
Metro Sports Authority Debt Service	\$ 3,499,900	\$ 3,499,900	\$ 0
Dedicated Funds - Reserves	1,000,000	1,000,000	0
Sub-Total Designated to Other Funds	\$ 4,499,900	\$ 4,499,900	\$ 0
Facilities Revolving Fund:			
Facilities Revolving Fund - Operations	\$ 13,064,800	\$ 13,064,800	\$ 0
Facilities Revolving Fund - Capital Outlay	87,980,000	0	87,980,000
Sub-Total Facilities Revolving Fund	\$ 101,044,800	\$ 13,064,800	\$ 87,980,000
Total Other Programs	\$ 742,267,800	\$ 87,755,800	\$ 654,512,000
Total Appropriation Requirements	\$ 15,298,800,000	\$ 13,703,535,200	\$ 1,595,264,800
II. GENERAL FUND REVENUES AND RESERVES			
State Tax Revenue - Department of Revenue	\$ 11,969,200,000	\$ 11,966,200,000	\$ 3,000,000
State Tax Revenue - Department of Revenue - 2017 Legislation	(225,773,700)	(208,017,100)	(17,756,600)
State Tax Revenue - Other State Revenue	1,958,900,000	1,386,259,400	572,640,600
State Tax Revenue - Other State Revenue - 2017 Legislation	10,439,900	10,439,900	0
Miscellaneous Revenue	52,600,000	52,600,000	0
Tobacco MSA Revenue	149,600,000	149,600,000	0
Lottery for Education Account	345,600,000	345,600,000	0
Highway Fund Transfer - Gas Inspection Act	1,100,000	1,100,000	0
Available Funds at June 30, 2017	1,169,663,000	0	1,169,663,000
Transfer to Rainy Day Fund	(132,000,000)	0	(132,000,000)
Rounding Adjustment	(64,800)	(64,800)	0
Total General Fund Revenues and Reserves	\$ 15,299,264,400	\$ 13,703,717,400	\$ 1,595,547,000
III. AVAILABLE FUNDS AT JUNE 30, 2018			
Undesignated Fund Balance	\$ 464,400	\$ 182,200	\$ 282,200
Total Available Funds	\$ 464,400	\$ 182,200	\$ 282,200
Revenue Fluctuation Reserve at June 30, 2017	\$ 668,000,000		
Revenue Fluctuation Reserve at June 30, 2018	\$ 800,000,000		

Department of Transportation
Comparison of Appropriations and Funding Requirements
Fiscal Years 2016-2017 and 2017-2018

	<u>2016-2017</u>	<u>2017-2018</u>	<u>Difference</u>
I. APPROPRIATION REQUIREMENTS			
ADMINISTRATION	\$ 80,149,900	\$ 82,636,000	\$ 2,486,100
HEADQUARTERS OPERATIONS	\$ 31,706,800	\$ 34,203,300	\$ 2,496,500
FIELD OPERATIONS	\$ 63,090,200	\$ 68,217,900	\$ 5,127,700
GARAGE AND FLEET OPERATIONS	\$ 36,112,500	\$ 37,963,500	\$ 1,851,000
CAPITAL IMPROVEMENTS	\$ -	\$ -	\$ -
HIGHWAY SYSTEM MAINTENANCE	\$ 306,323,900	\$ 306,323,900	\$ -
STATE-FUNDED PROGRAMS			
Betterments	\$ 800,000	\$ 800,000	\$ -
State Aid	30,622,000	30,622,000	-
State Industrial Access	30,000,000	35,000,000	5,000,000
Local Interstate Connectors	2,000,000	2,000,000	-
Sub-Total State Funded Programs	\$ 63,422,000	\$ 68,422,000	\$ 5,000,000
FEDERALLY FUNDED PROGRAMS			
Planning and Research	\$ 6,571,000	\$ 6,561,000	\$ (10,000)
Interstate System	18,200,000	18,110,000	(90,000)
Forest Highways	200,000	-	(200,000)
Highway Infrastructure	150,844,700	441,698,500	290,853,800
Transit	49,735,000	50,548,900	813,900
Air, Water, and Rail	38,200,000	22,600,000	(15,600,000)
Sub-Total Federally Funded Programs	\$ 263,750,700	\$ 539,518,400	\$ 275,767,700
TOTAL APPROPRIATION REQUIREMENTS	\$ 844,556,000	\$ 1,137,285,000	\$ 292,729,000
II. STATE FUNDING SOURCES			
Highway User Taxes	\$ 670,000,000	\$ 722,500,000	\$ 52,500,000
2017 IMPROVE Act Legislation	-	278,570,000	278,570,000
Sales Tax - Transportation Equity Fund	38,200,000	22,600,000	(15,600,000)
Miscellaneous Revenue	19,656,000	21,615,000	1,959,000
Bond Authorization	87,700,000	80,000,000	(7,700,000)
Highway Fund Balance / Reserves	29,000,000	12,000,000	(17,000,000)
TOTAL STATE FUNDING SOURCES	\$ 844,556,000	\$ 1,137,285,000	\$ 292,729,000

Department of Transportation
Comparison of Appropriations by Funding Sources
Fiscal Years 2016-2017 and 2017-2018

	<u>2016-2017</u>	<u>2017-2018</u>	<u>Difference</u>
I. STATE FUNDS			
Administration	\$ 80,149,900	\$ 82,636,000	\$ 2,486,100
Headquarters Operations	31,706,800	34,203,300	2,496,500
Field Operations	63,090,200	68,217,900	5,127,700
Garage and Fleet Operations	36,112,500	37,963,500	1,851,000
Capital Improvements	-	-	-
Highway System Maintenance	306,323,900	306,323,900	-
State-Funded Programs	63,422,000	68,422,000	5,000,000
Federally Funded Programs	176,050,700	459,518,400	283,467,700
Total State Funds	\$ 756,856,000	\$ 1,057,285,000	\$ 300,429,000
II. BOND AUTHORIZATIONS			
Capital Improvements	\$ -	\$ -	\$ -
State-Funded Programs	-	-	-
Federally Funded Programs	87,700,000	80,000,000	(7,700,000)
Total Bond Authorizations	\$ 87,700,000	\$ 80,000,000	\$ (7,700,000)
III. FEDERAL AID			
Federally Funded Programs	\$ 999,710,400	\$ 1,007,500,900	\$ 7,790,500
Total Federal Aid	\$ 999,710,400	\$ 1,007,500,900	\$ 7,790,500
IV. LOCAL GOVERNMENTS			
Highway System Maintenance	\$ -	\$ -	\$ -
State-Funded Programs	2,925,000	9,523,000	6,598,000
Federally Funded Programs	24,000,000	34,960,000	10,960,000
Total Local Governments	\$ 26,925,000	\$ 44,483,000	\$ 17,558,000
V. OTHER STATE AGENCIES			
Garage and Fleet Operations	\$ 4,600,000	\$ 4,664,000	\$ 64,000
Total Other State Agencies	\$ 4,600,000	\$ 4,664,000	\$ 64,000
VI. GRAND TOTAL			
Administration	\$ 80,149,900	\$ 82,636,000	\$ 2,486,100
Headquarters Operations	31,706,800	34,203,300	2,496,500
Field Operations	63,090,200	68,217,900	5,127,700
Garage and Fleet Operations	40,712,500	42,627,500	1,915,000
Capital Improvements	-	-	-
Highway System Maintenance	306,323,900	306,323,900	-
State-Funded Programs	66,347,000	77,945,000	11,598,000
Federally Funded Programs	1,287,461,100	1,581,979,300	294,518,200
Grand Total	\$ 1,875,791,400	\$ 2,193,932,900	\$ 318,141,500

Department of Transportation
Actual Expenditures by Program and Funding Source
Fiscal Year 2015-2016

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>
Administration	\$ 63,533,700	\$ -	\$ -	\$ 63,533,700
Headquarters Operations	\$ 21,762,900	\$ -	\$ -	\$ 21,762,900
Field Operations	\$ 61,669,100	\$ -	\$ -	\$ 61,669,100
Flight Services	\$ 2,072,900	\$ -	\$ -	\$ 2,072,900
Garage and Fleet Operations	\$ 11,352,600	\$ -	\$ 4,742,700	\$ 16,095,300
Capital Improvements	\$ 1,827,800	\$ -	\$ -	\$ 1,827,800
Highway System Maintenance	\$ 279,195,800	\$ -	\$ 2,668,300	\$ 281,864,100
STATE-FUNDED PROGRAMS				
Betterments	\$ 4,211,300	\$ -	\$ 688,300	\$ 4,899,600
State Aid	44,853,800	-	100	44,853,900
State Industrial Access	25,595,600	-	(14,800)	25,580,800
Local Interstate Connectors	1,912,600	-	2,082,900	3,995,500
Sub-Total State-Funded Programs	<u>\$ 76,573,300</u>	<u>\$ -</u>	<u>\$ 2,756,500</u>	<u>\$ 79,329,800</u>
FEDERALLY FUNDED PROGRAMS				
Planning and Research	\$ 3,459,000	\$ 11,253,200	\$ 140,000	\$ 14,852,200
Interstate System	735,300	14,001,800	198,800	14,935,900
Forest Highways	-	98,300	-	98,300
Highway Infrastructure	134,824,200	790,989,300	40,753,100	966,566,600
Transit	36,821,000	24,081,800	(11,700)	60,891,100
Air, Water, and Rail	46,818,000	18,984,200	3,076,900	68,879,100
Sub-Total Federally Funded Programs	<u>\$ 222,657,500</u>	<u>\$ 859,408,600</u>	<u>\$ 44,157,100</u>	<u>\$ 1,126,223,200</u>
TOTAL APPROPRIATIONS	<u>\$ 740,645,600</u>	<u>\$ 859,408,600</u>	<u>\$ 54,324,600</u>	<u>\$ 1,654,378,800</u>
STATE FUNDING SOURCES				
Highway User Taxes	\$ 700,575,100			
Sales Tax - Transportation Equity Fund	22,625,400			
Miscellaneous Revenue	26,179,700			
Highway Fund Balance / Reserves	(8,734,600)			
TOTAL STATE FUNDING SOURCES	<u>\$ 740,645,600</u>			

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

	State	Federal	Other	Total
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	-	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	\$ 63,422,000	\$ -	\$ 2,925,000	\$ 66,347,000
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
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	\$ 263,750,700	\$ 999,710,400	\$ 24,000,000	\$ 1,287,461,100
TOTAL APPROPRIATIONS	\$ 844,556,000	\$ 999,710,400	\$ 31,525,000	\$ 1,875,791,400
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	\$ 844,556,000			

**Department of Transportation
Recommended Budget by Program and Funding Source
Fiscal Year 2017-2018**

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>
Administration	\$ 82,636,000	\$ -	\$ -	\$ 82,636,000
Headquarters Operations	\$ 34,203,300	\$ -	\$ -	\$ 34,203,300
Field Operations	\$ 68,217,900	\$ -	\$ -	\$ 68,217,900
Garage and Fleet Operations	\$ 37,963,500	\$ -	\$ 4,664,000	\$ 42,627,500
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	-	7,223,000	37,845,000
State Industrial Access	35,000,000	-	200,000	35,200,000
Local Interstate Connectors	2,000,000	-	2,000,000	4,000,000
Sub-Total State-Funded Programs	<u>\$ 68,422,000</u>	<u>\$ -</u>	<u>\$ 9,523,000</u>	<u>\$ 77,945,000</u>
FEDERALLY FUNDED PROGRAMS				
Planning and Research	\$ 6,561,000	\$ 17,260,000	\$ -	\$ 23,821,000
Interstate System	18,110,000	169,395,300	-	187,505,300
Forest Highways	-	-	-	-
Highway Infrastructure	441,698,500	713,041,700	32,960,000	1,187,700,200
Transit	50,548,900	94,303,900	-	144,852,800
Air, Water, and Rail	22,600,000	13,500,000	2,000,000	38,100,000
Sub-Total Federally Funded Programs	<u>\$ 539,518,400</u>	<u>\$ 1,007,500,900</u>	<u>\$ 34,960,000</u>	<u>\$ 1,581,979,300</u>
TOTAL APPROPRIATIONS	<u>\$ 1,137,285,000</u>	<u>\$ 1,007,500,900</u>	<u>\$ 49,147,000</u>	<u>\$ 2,193,932,900</u>
STATE FUNDING SOURCES:				
Highway User Taxes	\$ 722,500,000			
2017 IMPROVE Act Legislation	278,570,000			
Sales Tax - Transportation Equity Fund	22,600,000			
Fund Balance and Reserves	12,000,000			
Miscellaneous Revenue	21,615,000			
Bond Authorization	80,000,000			
TOTAL STATE FUNDING SOURCES	<u>\$ 1,137,285,000</u>			

Comparison of Programs

Fiscal Years 2015-2016, 2016-2017, and 2017-2018

Allot. Code	Department	Actual 2015-2016	Estimated 2016-2017	Recommended 2017-2018	Act. vs. Est. Difference	Est. vs. Rec. Difference
301	Legislature	\$ 38,267,600	\$ 44,758,100	\$ 43,940,900	\$ 6,490,500	\$ (817,200)
	Appropriation	37,160,600	44,620,600	43,803,400	7,460,000	(817,200)
	Current Services and Other Revenue	1,107,000	137,500	137,500	(969,500)	0
301.50	Fiscal Review Committee	\$ 1,313,000	\$ 1,592,300	\$ 1,567,100	\$ 279,300	\$ (25,200)
	Appropriation	1,313,000	1,567,300	1,567,100	254,300	(200)
	Current Services and Other Revenue	0	25,000	0	25,000	(25,000)
302	Court System	\$ 134,543,600	\$ 139,074,900	\$ 141,862,300	\$ 4,531,300	\$ 2,787,400
	Appropriation	127,001,400	131,798,300	134,886,000	4,796,900	3,087,700
	Federal	1,022,400	980,000	980,000	(42,400)	0
	Current Services and Other Revenue	6,519,800	6,296,600	5,996,300	(223,200)	(300,300)
303	Attorney General and Reporter	\$ 35,065,700	\$ 43,348,900	\$ 41,635,700	\$ 8,283,200	\$ (1,713,200)
	Appropriation	25,045,800	30,409,600	28,698,500	5,363,800	(1,711,100)
	Current Services and Other Revenue	10,019,900	12,939,300	12,937,200	2,919,400	(2,100)
304	District Attorneys General	\$ 111,092,200	\$ 126,507,000	\$ 129,327,500	\$ 15,414,800	\$ 2,820,500
	Appropriation	78,928,600	87,077,400	91,408,100	8,148,800	4,330,700
	Federal	100	0	0	(100)	0
	Current Services and Other Revenue	32,163,500	39,429,600	37,919,400	7,266,100	(1,510,200)
305	Secretary of State	\$ 40,681,500	\$ 72,691,400	\$ 72,674,400	\$ 32,009,900	\$ (17,000)
	Appropriation	23,322,800	30,339,400	30,322,600	7,016,600	(16,800)
	Federal	4,479,000	30,216,800	30,216,800	25,737,800	0
	Current Services and Other Revenue	12,879,700	12,135,200	12,135,000	(744,500)	(200)
306	District Public Defenders	\$ 47,541,600	\$ 54,021,600	\$ 56,584,800	\$ 6,480,000	\$ 2,563,200
	Appropriation	46,842,600	53,195,600	56,008,800	6,353,000	2,813,200
	Current Services and Other Revenue	699,000	826,000	576,000	127,000	(250,000)
307	Comptroller of the Treasury	\$ 88,068,400	\$ 107,614,200	\$ 105,655,400	\$ 19,545,800	\$ (1,958,800)
	Appropriation	60,027,700	97,355,200	96,396,400	37,327,500	(958,800)
	Current Services and Other Revenue	28,040,700	10,259,000	9,259,000	(17,781,700)	(1,000,000)
308	Post-Conviction Defender	\$ 2,060,200	\$ 2,477,200	\$ 2,512,300	\$ 417,000	\$ 35,100
	Appropriation	2,056,900	2,477,200	2,512,300	420,300	35,100
	Current Services and Other Revenue	3,300	0	0	(3,300)	0
309	Treasury Department	\$ 35,386,500	\$ 44,253,700	\$ 48,419,400	\$ 8,867,200	\$ 4,165,700
	Appropriation	3,004,800	4,701,200	5,212,600	1,696,400	511,400
	Current Services and Other Revenue	32,381,700	39,552,500	43,206,800	7,170,800	3,654,300
313	Claims and Compensation	\$ 114,366,100	\$ 116,056,900	\$ 117,850,700	\$ 1,690,800	\$ 1,793,800
	Appropriation	10,806,200	11,410,000	11,410,000	603,800	0
	Federal	3,895,500	4,940,000	4,940,000	1,044,500	0
	Current Services and Other Revenue	99,664,400	99,706,900	101,500,700	42,500	1,793,800

Comparison of Programs Fiscal Years 2015-2016, 2016-2017, and 2017-2018

Allot. Code	Department	Actual 2015-2016	Estimated 2016-2017	Recommended 2017-2018	Act. vs. Est. Difference	Est. vs. Rec. Difference
315	Executive Department	\$ 5,083,500	\$ 5,243,100	\$ 5,244,700	\$ 159,600	\$ 1,600
	Appropriation	4,986,300	5,243,100	5,244,700	256,800	1,600
	Current Services and Other Revenue	97,200	0	0	(97,200)	0
316	Commissions	\$ 395,368,900	\$ 442,175,600	\$ 415,527,300	\$ 46,806,700	\$ (26,648,300)
	Appropriation	33,782,800	37,134,100	38,450,900	3,351,300	1,316,800
	Federal	290,587,900	316,885,600	310,079,300	26,297,700	(6,806,300)
	Current Services and Other Revenue	70,998,200	88,155,900	66,997,100	17,157,700	(21,158,800)
317	Finance and Administration (F&A)	\$ 250,631,000	\$ 343,330,000	\$ 372,475,800	\$ 92,699,000	\$ 29,145,800
	Appropriation	15,252,600	26,158,800	27,696,200	10,906,200	1,537,400
	Federal	22,939,400	57,294,000	57,287,800	34,354,600	(6,200)
	Current Services and Other Revenue	212,439,000	259,877,200	287,491,800	47,438,200	27,614,600
	Criminal Justice Programs¹	\$ 23,000,800	\$ 57,730,300	\$ 57,595,400	\$ 34,729,500	\$ (134,900)
	Appropriation	4,277,200	4,650,000	4,521,300	372,800	(128,700)
	Federal	18,584,600	52,974,500	52,968,300	34,389,900	(6,200)
	Current Services and Other Revenue	139,000	105,800	105,800	(33,200)	0
	Other F&A Programs¹	\$ 227,630,200	\$ 285,599,700	\$ 314,880,400	\$ 57,969,500	\$ 29,280,700
	Appropriation	10,975,400	21,508,800	23,174,900	10,533,400	1,666,100
	Federal	4,354,800	4,319,500	4,319,500	(35,300)	0
	Current Services and Other Revenue	212,300,000	259,771,400	287,386,000	47,471,400	27,614,600
318	F&A, TennCare	\$ 10,978,127,000	\$ 10,995,273,300	\$ 11,583,121,300	\$ 17,146,300	\$ 587,848,000
	Appropriation	3,392,907,100	3,580,527,400	3,677,385,900	187,620,300	96,858,500
	Federal	6,858,779,100	6,880,708,900	7,163,104,200	21,929,800	282,395,300
	Current Services and Other Revenue	726,440,800	534,037,000	742,631,200	(192,403,800)	208,594,200
319	Human Resources	\$ 11,151,300	\$ 12,787,100	\$ 12,556,400	\$ 1,635,800	\$ (230,700)
	Appropriation	0	0	0	0	0
	Current Services and Other Revenue	11,151,300	12,787,100	12,556,400	1,635,800	(230,700)
321	General Services	\$ 103,407,100	\$ 126,156,800	\$ 160,381,600	\$ 22,749,700	\$ 34,224,800
	Appropriation	12,563,700	12,140,500	41,717,400	(423,200)	29,576,900
	Current Services and Other Revenue	90,843,400	114,016,300	118,664,200	23,172,900	4,647,900
323	Veterans Services	\$ 6,871,700	\$ 6,922,200	\$ 7,420,000	\$ 50,500	\$ 497,800
	Appropriation	5,297,600	5,652,500	6,150,300	354,900	497,800
	Federal	1,171,300	1,022,700	1,022,700	(148,600)	0
	Current Services and Other Revenue	402,800	247,000	247,000	(155,800)	0
324	Board of Parole	\$ 7,198,600	\$ 7,665,900	\$ 7,768,100	\$ 467,300	\$ 102,200
	Appropriation	7,197,300	7,664,900	7,767,100	467,600	102,200
	Current Services and Other Revenue	1,300	1,000	1,000	(300)	0

Comparison of Programs Fiscal Years 2015-2016, 2016-2017, and 2017-2018

Allot. Code	Department	Actual 2015-2016	Estimated 2016-2017	Recommended 2017-2018	Act. vs. Est. Difference	Est. vs. Rec. Difference
325	Agriculture	\$ 90,138,000	\$ 105,476,800	\$ 104,055,200	\$ 15,338,800	\$ (1,421,600)
	Appropriation	61,545,500	74,318,100	75,209,100	12,772,600	891,000
	Federal	12,683,700	15,784,300	13,471,700	3,100,600	(2,312,600)
	Current Services and Other Revenue	15,908,800	15,374,400	15,374,400	(534,400)	0
326	Tourist Development	\$ 24,496,900	\$ 29,970,800	\$ 29,470,500	\$ 5,473,900	\$ (500,300)
	Appropriation	16,821,200	20,417,800	20,221,600	3,596,600	(196,200)
	Current Services and Other Revenue	7,675,700	9,553,000	9,248,900	1,877,300	(304,100)
327	Environment and Conservation	\$ 364,834,900	\$ 396,222,800	\$ 397,115,400	\$ 31,387,900	\$ 892,600
	Appropriation	159,093,200	191,054,500	189,802,000	31,961,300	(1,252,500)
	Federal	104,725,400	85,687,900	84,392,800	(19,037,500)	(1,295,100)
	Current Services and Other Revenue	101,016,300	119,480,400	122,920,600	18,464,100	3,440,200
328	Wildlife Resources Agency	\$ 105,849,700	\$ 111,559,200	\$ 96,439,800	\$ 5,709,500	\$ (15,119,400)
	Appropriation	55,636,500	56,254,700	60,968,800	618,200	4,714,100
	Federal	32,098,100	34,644,600	22,760,000	2,546,500	(11,884,600)
	Current Services and Other Revenue	18,115,100	20,659,900	12,711,000	2,544,800	(7,948,900)
329	Correction	\$ 892,207,200	\$ 975,506,000	\$ 985,385,600	\$ 83,298,800	\$ 9,879,600
	Appropriation	873,416,800	956,997,700	969,964,400	83,580,900	12,966,700
	Federal	189,100	385,300	353,300	196,200	(32,000)
	Current Services and Other Revenue	18,601,300	18,123,000	15,067,900	(478,300)	(3,055,100)
330	Economic and Community Development	\$ 192,951,500	\$ 216,341,300	\$ 216,327,900	\$ 23,389,800	\$ (13,400)
	Appropriation	121,523,900	187,022,700	187,009,300	65,498,800	(13,400)
	Federal	61,092,500	26,392,100	26,392,100	(34,700,400)	0
	Current Services and Other Revenue	10,335,100	2,926,500	2,926,500	(7,408,600)	0
331	Education (K-12)	\$ 5,666,698,900	\$ 6,004,973,700	\$ 6,245,014,200	\$ 338,274,800	\$ 240,040,500
	Appropriation	4,466,938,400	4,764,923,000	5,000,059,500	297,984,600	235,136,500
	Federal	1,078,074,200	1,117,610,400	1,123,714,400	39,536,200	6,104,000
	Current Services and Other Revenue	121,686,300	122,440,300	121,240,300	754,000	(1,200,000)
	Lottery-Funded Programs¹	\$ 13,415,000	\$ 13,500,000	\$ 13,500,000	\$ 85,000	\$ 0
	Appropriation	13,415,000	13,500,000	13,500,000	85,000	0
	Other Education (K-12) Programs¹	\$ 5,653,283,900	\$ 5,991,473,700	\$ 6,231,514,200	\$ 338,189,800	\$ 240,040,500
	Appropriation	4,453,523,400	4,751,423,000	4,986,559,500	297,899,600	235,136,500
	Federal	1,078,074,200	1,117,610,400	1,123,714,400	39,536,200	6,104,000
	Current Services and Other Revenue	121,686,300	122,440,300	121,240,300	754,000	(1,200,000)

Comparison of Programs

Fiscal Years 2015-2016, 2016-2017, and 2017-2018

Allot. Code	Department	Actual 2015-2016	Estimated 2016-2017	Recommended 2017-2018	Act. vs. Est. Difference	Est. vs. Rec. Difference
332	Higher Education	\$ 4,310,245,300	\$ 4,489,611,500	\$ 4,408,256,800	\$ 179,366,200	\$ (81,354,700)
	Appropriation	1,620,744,100	1,746,157,100	1,848,202,500	125,413,000	102,045,400
	Federal	184,049,600	217,185,300	64,613,100	33,135,700	(152,572,200)
	Current Services and Other Revenue	735,952,400	720,865,200	690,037,300	(15,087,200)	(30,827,900)
	Tuition and Student Fees	1,769,499,200	1,805,403,900	1,805,403,900	35,904,700	0
	Lottery for Education Account¹	\$ 322,919,200	\$ 328,900,000	\$ 332,100,000	\$ 5,980,800	\$ 3,200,000
	Appropriation	322,919,200	328,900,000	332,100,000	5,980,800	3,200,000
	Other Higher Education Programs¹	\$ 3,987,326,100	\$ 4,160,711,500	\$ 4,076,156,800	\$ 173,385,400	\$ (84,554,700)
	Appropriation	1,297,824,900	1,417,257,100	1,516,102,500	119,432,200	98,845,400
	Federal	184,049,600	217,185,300	64,613,100	33,135,700	(152,572,200)
	Current Services and Other Revenue	735,952,400	720,865,200	690,037,300	(15,087,200)	(30,827,900)
	Tuition and Student Fees	1,769,499,200	1,805,403,900	1,805,403,900	35,904,700	0
335	Commerce and Insurance	\$ 188,866,700	\$ 217,730,000	\$ 218,017,600	\$ 28,863,300	\$ 287,600
	Appropriation	139,704,000	158,728,400	158,807,200	19,024,400	78,800
	Federal	289,900	529,100	324,800	239,200	(204,300)
	Current Services and Other Revenue	48,872,800	58,472,500	58,885,600	9,599,700	413,100
336	Financial Institutions	\$ 16,961,900	\$ 20,816,400	\$ 23,195,200	\$ 3,854,500	\$ 2,378,800
	Appropriation	16,802,900	20,814,000	23,192,800	4,011,100	2,378,800
	Current Services and Other Revenue	159,000	2,400	2,400	(156,600)	0
337	Labor and Workforce Development	\$ 169,598,900	\$ 213,414,900	\$ 203,274,900	\$ 43,816,000	\$ (10,140,000)
	Appropriation	35,882,200	47,152,500	45,912,900	11,270,300	(1,239,600)
	Federal	128,750,300	162,981,700	149,166,200	34,231,400	(13,815,500)
	Current Services and Other Revenue	4,966,400	3,280,700	8,195,800	(1,685,700)	4,915,100
339	Mental Health and Substance Abuse	\$ 311,506,700	\$ 337,021,400	\$ 355,239,200	\$ 25,514,700	\$ 18,217,800
	Appropriation	203,888,100	222,882,000	241,514,000	18,993,900	18,632,000
	Federal	56,375,700	67,491,400	67,190,800	11,115,700	(300,600)
	Current Services and Other Revenue	51,242,900	46,648,000	46,534,400	(4,594,900)	(113,600)
341	Military	\$ 121,207,400	\$ 106,278,200	\$ 115,005,900	\$ (14,929,200)	\$ 8,727,700
	Appropriation	14,724,200	16,017,500	24,614,400	1,293,300	8,596,900
	Federal	102,369,100	86,095,100	86,344,900	(16,274,000)	249,800
	Current Services and Other Revenue	4,114,100	4,165,600	4,046,600	51,500	(119,000)
343	Health	\$ 562,749,000	\$ 631,190,200	\$ 624,066,500	\$ 68,441,200	\$ (7,123,700)
	Appropriation	179,676,900	206,477,000	196,170,300	26,800,100	(10,306,700)
	Federal	219,462,100	251,010,600	245,307,600	31,548,500	(5,703,000)
	Current Services and Other Revenue	163,610,000	173,702,600	182,588,600	10,092,600	8,886,000
344	Intellectual and Developmental Disabilities	\$ 176,890,000	\$ 177,028,600	\$ 142,381,100	\$ 138,600	\$ (34,647,500)
	Appropriation	25,052,600	25,362,300	24,479,100	309,700	(883,200)
	Federal	0	0	25,000	0	25,000
	Current Services and Other Revenue	151,837,400	151,666,300	117,877,000	(171,100)	(33,789,300)

Comparison of Programs Fiscal Years 2015-2016, 2016-2017, and 2017-2018

Allot. Code	Department	Actual 2015-2016	Estimated 2016-2017	Recommended 2017-2018	Act. vs. Est. Difference	Est. vs. Rec. Difference
345	Human Services	\$ 2,448,143,800	\$ 2,864,300,200	\$ 2,857,336,300	\$ 416,156,400	\$ (6,963,900)
	Appropriation	171,815,200	186,098,800	185,659,100	14,283,600	(439,700)
	Federal	2,215,274,600	2,604,250,500	2,608,463,900	388,975,900	4,213,400
	Current Services and Other Revenue	61,054,000	73,950,900	63,213,300	12,896,900	(10,737,600)
	Temporary Cash Assistance¹	\$ 65,874,200	\$ 112,965,500	\$ 112,965,500	\$ 47,091,300	\$ 0
	Appropriation	13,900,700	13,968,900	13,968,900	68,200	0
	Federal	51,973,500	98,896,600	98,896,600	46,923,100	0
	Current Services and Other Revenue	0	100,000	100,000	100,000	0
	Supplemental Nutrition Assistance¹	\$ 1,722,383,300	\$ 1,909,112,700	\$ 1,909,112,700	\$ 186,729,400	\$ 0
	Federal	1,722,383,300	1,909,112,700	1,909,112,700	186,729,400	0
	Other Human Services Programs¹	\$ 659,886,300	\$ 842,222,000	\$ 835,258,100	\$ 182,335,700	\$ (6,963,900)
	Appropriation	157,914,500	172,129,900	171,690,200	14,215,400	(439,700)
	Federal	440,917,800	596,241,200	600,454,600	155,323,400	4,213,400
	Current Services and Other Revenue	61,054,000	73,850,900	63,113,300	12,796,900	(10,737,600)
347	Revenue	\$ 107,319,600	\$ 129,551,200	\$ 128,050,300	\$ 22,231,600	\$ (1,500,900)
	Appropriation	70,536,600	98,073,700	96,235,600	27,537,100	(1,838,100)
	Federal	10,200	20,900	20,900	10,700	0
	Current Services and Other Revenue	36,772,800	31,456,600	31,793,800	(5,316,200)	337,200
348	Tennessee Bureau of Investigation	\$ 75,452,300	\$ 79,215,900	\$ 76,649,800	\$ 3,763,600	\$ (2,566,100)
	Appropriation	41,228,100	48,724,500	46,158,400	7,496,400	(2,566,100)
	Federal	11,486,300	10,616,800	10,616,800	(869,500)	0
	Current Services and Other Revenue	22,737,900	19,874,600	19,874,600	(2,863,300)	0
349	Safety	\$ 207,761,400	\$ 223,575,500	\$ 234,115,600	\$ 15,814,100	\$ 10,540,100
	Appropriation	120,968,000	143,213,300	158,973,600	22,245,300	15,760,300
	Federal	25,327,800	28,749,400	24,441,200	3,421,600	(4,308,200)
	Current Services and Other Revenue	61,465,600	51,612,800	50,700,800	(9,852,800)	(912,000)
350	F&A, Strategic Health-Care Programs	\$ 179,407,500	\$ 259,954,800	\$ 233,810,600	\$ 80,547,300	\$ (26,144,200)
	Appropriation	22,224,600	14,159,300	12,290,100	(8,065,300)	(1,869,200)
	Federal	153,158,200	243,383,100	218,808,300	90,224,900	(24,574,800)
	Current Services and Other Revenue	4,024,700	2,412,400	2,712,200	(1,612,300)	299,800
351	Miscellaneous Appropriations	\$ 46,695,800	\$ 155,288,200	\$ 519,067,800	\$ 108,592,400	\$ 363,779,600
	Appropriation	40,726,600	154,944,400	519,067,800	114,217,800	364,123,400
	Federal	2,600	0	0	(2,600)	0
	Current Services and Other Revenue	5,966,600	343,800	0	(5,622,800)	(343,800)
353	Emergency and Contingency Fund	\$ 0	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 0
	Appropriation	0	1,000,000	1,000,000	1,000,000	0
355	State Building Commission	\$ 124,400	\$ 460,000	\$ 400,000	\$ 335,600	\$ (60,000)
	Appropriation	124,400	250,000	250,000	125,600	0
	Current Services and Other Revenue	0	210,000	150,000	210,000	(60,000)

Comparison of Programs Fiscal Years 2015-2016, 2016-2017, and 2017-2018

Allot. Code	Department	Actual 2015-2016	Estimated 2016-2017	Recommended 2017-2018	Act. vs. Est. Difference	Est. vs. Rec. Difference
359	Children's Services	\$ 765,805,200	\$ 767,687,600	\$ 782,981,000	\$ 1,882,400	\$ 15,293,400
	Appropriation	298,450,500	304,263,600	311,781,000	5,813,100	7,517,400
	Federal	129,277,800	162,253,300	166,732,000	32,975,500	4,478,700
	Current Services and Other Revenue	338,076,900	301,170,700	304,468,000	(36,906,200)	3,297,300
	Grand Total - General Fund	\$ 29,432,138,500	\$ 31,206,125,400	\$ 32,323,182,900	\$ 1,773,986,900	\$ 1,117,057,500
	Appropriation	12,645,022,300	13,814,780,000	14,704,181,800	1,169,757,700	889,401,800
	Federal	11,697,571,900	12,407,119,800	12,480,770,600	709,547,900	73,650,800
	Current Services and Other Revenue	3,320,045,100	3,178,821,700	3,332,826,600	(141,223,400)	154,004,900
	Tuition and Student Fees	1,769,499,200	1,805,403,900	1,805,403,900	35,904,700	0
400	Transportation	\$ 1,654,378,800	\$ 1,875,791,400	\$ 2,193,932,900	\$ 221,412,600	\$ 318,141,500
	Appropriation	740,645,600 ²	756,856,000	1,057,285,000	16,210,400	300,429,000
	Federal	859,408,600	999,710,400	1,007,500,900	140,301,800	7,790,500
	Current Services and Other Revenue	54,324,600	31,525,000	49,147,000	(22,799,600)	17,622,000
	Bonds	0	87,700,000	80,000,000	87,700,000	(7,700,000)
	Debt Service Requirements	\$ 415,291,300	\$ 408,108,000	\$ 380,308,000	\$ (7,183,300)	\$ (27,800,000)
	Appropriation	415,291,300	408,108,000	380,308,000	(7,183,300)	(27,800,000)
	Capital Outlay Program	\$ 469,307,000	\$ 475,938,900	\$ 738,447,500	\$ 6,631,900	\$ 262,508,600
	Appropriation	398,465,000 ²	397,636,400	566,532,000	(828,600)	168,895,600
	Federal	4,134,000	12,891,500	7,370,000	8,757,500	(5,521,500)
	Current Services and Other Revenue	66,708,000	65,411,000	164,545,500	(1,297,000)	99,134,500
	Bonds	0	0	0	0	0
	Facilities Revolving Fund	\$ 185,790,700	\$ 233,709,300	\$ 230,462,900	\$ 47,918,600	\$ (3,246,400)
	Appropriation	60,541,600	84,793,500	101,044,800	24,251,900	16,251,300
	Current Services and Other Revenue	125,249,100 ³	148,915,800	129,418,100	23,666,700	(19,497,700)
	Cities & Counties - State Shared Taxes	\$ 1,039,863,200	\$ 1,066,300,000	\$ 1,087,100,000	\$ 26,436,800	\$ 20,800,000
	Appropriation	1,039,863,200	1,066,300,000	1,087,100,000	26,436,800	20,800,000
	Total State Budget - All Programs	\$ 33,196,769,500	\$ 35,265,973,000	\$ 36,953,434,200	\$ 2,069,203,500	\$ 1,687,461,200
	Appropriation	15,299,829,000	16,528,473,900	17,896,451,600	1,228,644,900	1,367,977,700
	Federal	12,561,114,500	13,419,721,700	13,495,641,500	858,607,200	75,919,800
	Current Services and Other Revenue	3,566,326,800	3,424,673,500	3,675,937,200	(141,653,300)	251,263,700
	Tuition and Student Fees	1,769,499,200	1,805,403,900	1,805,403,900	35,904,700	0
	Bonds	0	87,700,000	80,000,000	87,700,000	(7,700,000)

¹ Included in departmental total.

² Transportation and Capital Outlay Program - Actual 2015-2016 includes tax revenue and bonds.

³ Facilities Revolving Fund - Actual 2015-2016 includes departmental revenue and bonds.

Funding Summary All Programs

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Recommended 2017-2018</u>
GENERAL FUND AND EDUCATION FUND			
Expenditures			
Payroll	\$ 2,507,837,800	\$ 2,907,929,900	\$ 2,922,414,300
Operational	26,924,300,700	28,298,195,500	29,400,768,600
TOTAL	\$ 29,432,138,500	\$ 31,206,125,400	\$ 32,323,182,900
Funding			
State *	\$ 12,645,022,300	\$ 13,814,780,000	\$ 14,704,181,800
Federal	11,697,571,900	12,407,119,800	12,480,770,600
Other	3,320,045,100	3,178,821,700	3,332,826,600
Tuition and Fees	1,769,499,200	1,805,403,900	1,805,403,900
DEPARTMENT OF TRANSPORTATION			
Expenditures			
Payroll	\$ 219,682,000	\$ 309,810,800	\$ 331,463,000
Operational	1,434,696,800	1,565,980,600	1,862,469,900
TOTAL	\$ 1,654,378,800	\$ 1,875,791,400	\$ 2,193,932,900
Funding			
State	\$ 740,645,600	\$ 844,556,000	\$ 1,137,285,000
Federal	859,408,600	999,710,400	1,007,500,900
Other	54,324,600	31,525,000	49,147,000
GRAND TOTAL - ALL PROGRAMS			
Expenditures			
Payroll	\$ 2,727,519,800	\$ 3,217,740,700	\$ 3,253,877,300
Operational	28,358,997,500	29,864,176,100	31,263,238,500
TOTAL	\$ 31,086,517,300	\$ 33,081,916,800	\$ 34,517,115,800
Funding			
State *	\$ 13,385,667,900	\$ 14,659,336,000	\$ 15,841,466,800
Federal	12,556,980,500	13,406,830,200	13,488,271,500
Other	3,374,369,700	3,210,346,700	3,381,973,600
Tuition and Fees	1,769,499,200	1,805,403,900	1,805,403,900

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

\$ 336,334,200	\$ 342,400,000	\$ 345,600,000
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**Departmental Comparison of Recurring Appropriations from State Revenues,
2016-2017 and Base Budget 2017-2018**

Program	2016-2017	Base Budget 2017-2018	Increase/ (Decrease)	Pct. Chg.
301.00 Legislature	\$ 43,803,400	\$ 43,803,400	\$ -	0.0%
301.50 Fiscal Review Committee	1,567,100	1,567,100	-	0.0%
302.00 Court System	131,759,100	131,759,100	-	0.0%
303.00 Attorney General and Reporter	28,695,700	28,695,700	-	0.0%
304.00 District Attorneys General	87,008,200	87,008,200	-	0.0%
305.00 Secretary of State	30,322,600	30,322,600	-	0.0%
306.00 District Public Defenders	53,188,600	53,188,600	-	0.0%
307.00 Comptroller of the Treasury	96,396,400	96,396,400	-	0.0%
308.00 Post-Conviction Defender	2,476,500	2,476,500	-	0.0%
309.00 Treasury Department	3,331,000	3,642,600	311,600	9.4%
313.00 Claims and Compensation	11,410,000	11,410,000	-	0.0%
315.00 Executive Department	5,241,800	5,241,800	-	0.0%
316.00 Commissions	36,869,300	36,738,600	(130,700)	(0.4%)
317.00 Finance and Administration (F&A)	26,040,500	25,577,100	(463,400)	(1.8%)
318.00 F&A - TennCare	2,965,707,700	2,895,471,400	(70,236,300)	(2.4%)
319.00 Human Resources	-	-	-	0.0%
321.00 General Services	11,839,100	11,526,300	(312,800)	(2.6%)
323.00 Veterans Services	5,730,900	5,730,900	-	0.0%
324.00 Board of Parole	7,664,000	7,664,000	-	0.0%
325.00 Agriculture	74,268,900	73,524,100	(744,800)	(1.0%)
326.00 Tourist Development	14,321,600	14,321,600	-	0.0%
327.00 Environment and Conservation	186,353,100	184,381,000	(1,972,100)	(1.1%)
328.00 Wildlife Resources Agency	56,185,500	59,043,700	2,858,200	5.1%
329.00 Correction	951,468,800	948,296,200	(3,172,600)	(0.3%)
330.00 Economic and Community Development	77,876,800	47,705,500	(30,171,300)	(38.7%)
331.00 Education (K-12)	<u>\$ 4,750,840,100</u>	<u>\$ 4,750,832,500</u>	<u>\$ (7,600)</u>	0.0%
Lottery-Funded Programs	13,499,900	13,500,000	100	0.0%
Other K-12 Education Programs	4,737,340,200	4,737,332,500	(7,700)	0.0%
332.00 Higher Education	<u>\$ 1,700,389,700</u>	<u>\$ 1,699,046,200</u>	<u>\$ (1,343,500)</u>	(0.1%)
Lottery-Funded Programs	328,900,000	332,100,000	3,200,000	1.0%
Other Higher Education Programs	1,371,489,700	1,366,946,200	(4,543,500)	(0.3%)

**Departmental Comparison of Recurring Appropriations from State Revenues,
2016-2017 and Base Budget 2017-2018**

Program	2016-2017	Base Budget 2017-2018	Increase/ (Decrease)	Pct. Chg.
335.00 Commerce and Insurance	156,997,000	156,995,800	(1,200)	0.0%
336.00 Financial Institutions	20,808,300	20,808,300	-	0.0%
337.00 Labor and Workforce Development	45,421,800	44,985,000	(436,800)	(1.0%)
339.00 Mental Health and Substance Abuse Services	215,230,100	215,230,100	-	0.0%
341.00 Military	15,647,400	15,414,400	(233,000)	(1.5%)
343.00 Health	183,316,100	181,618,600	(1,697,500)	(0.9%)
344.00 Intellectual and Developmental Disabilities	24,794,600	23,952,500	(842,100)	(3.4%)
345.00 Human Services	185,543,000	185,543,000	-	0.0%
347.00 Revenue	85,229,900	84,892,700	(337,200)	(0.4%)
348.00 Tennessee Bureau of Investigation	43,308,400	43,308,400	-	0.0%
349.00 Safety	142,165,400	141,415,400	(750,000)	(0.5%)
350.00 F&A - Strategic Health-Care Programs	72,739,800	61,269,900	(11,469,900)	(15.8%)
351.00 Miscellaneous Appropriations	149,743,200	149,743,200	-	0.0%
353.00 Emergency and Contingency Fund	1,000,000	1,000,000	-	0.0%
355.00 State Building Commission	250,000	250,000	-	0.0%
359.00 Children's Services	302,807,300	300,451,300	(2,356,000)	(0.8%)
Total General Fund	\$ 13,005,758,700	\$ 12,882,249,700	\$ (123,509,000)	(1.0%)

**Departmental Comparison of Appropriations from State Revenues,
Recurring and Non-Recurring, for Fiscal Years 2016-2017 and 2017-2018**

Program	2016-2017 Appropriation		2017-2018 Base Recommended			2017-2018 Cost Increases		2017-2018 Total Recommended				
	Recurring	Non-Recurring	Recurring	Pct. Chg.	Non-Recurring	Recurring	Non-Recurring	Recurring	Pct. Chg.	Non-Recurring	Total	Pct. Chg.
Legislature	\$ 43,803,400	\$ 817,200	\$ 43,803,400	0.0%	\$ -	\$ -	\$ -	\$ 43,803,400	0.0%	\$ -	\$ 43,803,400	(1.8%)
Fiscal Review Committee	1,567,100	200	1,567,100	0.0%	-	-	-	1,567,100	0.0%	-	1,567,100	(0.0%)
Court System	131,759,100	39,200	131,759,100	0.0%	-	1,126,900	2,000,000	132,886,000	0.9%	2,000,000	134,886,000	2.3%
Attorney General and Reporter	28,695,700	1,713,900	28,695,700	0.0%	-	2,800	-	28,698,500	0.0%	-	28,698,500	(5.6%)
District Attorneys General	87,008,200	69,200	87,008,200	0.0%	-	3,942,000	457,900	90,950,200	4.5%	457,900	91,408,100	5.0%
Secretary of State	30,322,600	16,800	30,322,600	0.0%	-	-	-	30,322,600	0.0%	-	30,322,600	(0.1%)
District Public Defenders	53,188,600	7,000	53,188,600	0.0%	-	2,413,000	407,200	55,601,600	4.5%	407,200	56,008,800	5.3%
Comptroller of the Treasury	96,396,400	958,800	96,396,400	0.0%	-	-	-	96,396,400	0.0%	-	96,396,400	(1.0%)
Post-Conviction Defender	2,476,500	700	2,476,500	0.0%	-	35,800	-	2,512,300	1.5%	-	2,512,300	1.4%
Treasury Department	3,331,000	1,370,200	3,642,600	9.4%	-	70,000	1,500,000	3,712,600	11.5%	1,500,000	5,212,600	10.9%
Claims and Compensation	11,410,000	-	11,410,000	0.0%	-	-	-	11,410,000	0.0%	-	11,410,000	0.0%
Executive Department	5,241,800	1,300	5,241,800	0.0%	-	2,900	-	5,244,700	0.1%	-	5,244,700	0.0%
Commissions	36,869,300	264,800	36,738,600	(0.4%)	-	1,662,300	50,000	38,400,900	4.2%	50,000	38,450,900	3.6%
Finance and Administration (F&A)	26,040,500	118,300	25,577,100	(1.8%)	-	2,116,800	2,300	27,693,900	6.4%	2,300	27,696,200	5.9%
F&A - TennCare	2,965,707,700	614,819,700	2,895,471,400	(2.4%)	567,590,600	200,703,800	13,620,100	3,096,175,200	4.4%	581,210,700	3,677,385,900	2.7%
Human Resources	-	-	-	0.0%	-	-	-	-	0.0%	-	-	0.0%
General Services	11,839,100	301,400	11,526,300	(2.6%)	-	30,191,100	-	41,717,400	252.4%	-	41,717,400	243.6%
Veterans Services	5,730,900	(78,400)	5,730,900	0.0%	-	419,400	-	6,150,300	7.3%	-	6,150,300	8.8%
Board of Parole	7,664,000	900	7,664,000	0.0%	-	101,100	2,000	7,765,100	1.3%	2,000	7,767,100	1.3%
Agriculture	74,268,900	49,200	73,524,100	(1.0%)	-	-	1,685,000	73,524,100	(1.0%)	1,685,000	75,209,100	1.2%
Tourist Development	14,321,600	6,096,200	14,321,600	0.0%	-	900,000	5,000,000	15,221,600	6.3%	5,000,000	20,221,600	(1.0%)
Environment and Conservation	186,353,100	4,701,400	184,381,000	(1.1%)	-	3,467,200	1,953,800	187,848,200	0.8%	1,953,800	189,802,000	(0.7%)
Wildlife Resources Agency	56,185,500	69,200	59,043,700	5.1%	-	1,719,100	206,000	60,762,800	8.2%	206,000	60,968,800	8.4%
Correction	951,468,800	5,528,900	948,296,200	(0.3%)	-	21,418,200	250,000	969,714,400	1.9%	250,000	969,964,400	1.4%
Economic and Community Development	77,876,800	109,145,900	47,705,500	(38.7%)	30,000,000	1,738,800	107,565,000	49,444,300	(36.5%)	137,565,000	187,009,300	(0.0%)

**Departmental Comparison of Appropriations from State Revenues,
Recurring and Non-Recurring, for Fiscal Years 2016-2017 and 2017-2018**

Program	2016-2017 Appropriation		2017-2018 Base Recommended			2017-2018 Cost Increases		2017-2018 Total Recommended				
	Recurring	Non-Recurring	Recurring	Pct. Chg.	Non-Recurring	Recurring	Non-Recurring	Recurring	Pct. Chg.	Non-Recurring	Total	Pct. Chg.
Education (K-12)	\$ 4,750,840,100	\$ 14,082,900	\$ 4,750,832,500	0.0%	\$ -	\$ 201,193,000	\$ 48,034,000	\$ 4,952,025,500	4.2%	\$ 48,034,000	\$ 5,000,059,500	4.9%
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	4,737,340,200	14,082,800	4,737,332,500	0.0%	-	201,193,000	48,034,000	4,938,525,500	4.3%	48,034,000	4,986,559,500	5.0%
Higher Education	\$ 1,700,389,700	\$ 45,767,400	\$ 1,699,046,200	(0.1%)	\$ -	\$ 131,828,900	\$ 17,327,400	\$ 1,830,875,100	7.7%	\$ 17,327,400	\$ 1,848,202,500	5.8%
Lottery-Funded Programs	328,900,000	-	332,100,000	1.0%	-	-	-	332,100,000	1.0%	-	332,100,000	1.0%
Other Higher Education Programs	1,371,489,700	45,767,400	1,366,946,200	(0.3%)	-	131,828,900	17,327,400	1,498,775,100	9.3%	17,327,400	1,516,102,500	7.0%
Commerce and Insurance	156,997,000	1,731,400	156,995,800	0.0%	-	982,100	829,300	157,977,900	0.6%	829,300	158,807,200	0.1%
Financial Institutions	20,808,300	5,700	20,808,300	0.0%	-	2,384,500	-	23,192,800	11.5%	-	23,192,800	11.4%
Labor and Workforce Development	45,421,800	1,730,700	44,985,000	(1.0%)	-	50,200	877,700	45,035,200	(0.9%)	877,700	45,912,900	(2.6%)
Mental Health and Substance Abuse Services	215,230,100	7,651,900	215,230,100	0.0%	-	11,283,900	15,000,000	226,514,000	5.2%	15,000,000	241,514,000	8.4%
Military	15,647,400	370,100	15,414,400	(1.5%)	-	250,000	8,950,000	15,664,400	0.1%	8,950,000	24,614,400	53.7%
Health	183,316,100	23,160,900	181,618,600	(0.9%)	-	2,353,900	12,197,800	183,972,500	0.4%	12,197,800	196,170,300	(5.0%)
Intellectual and Developmental Disabilities	24,794,600	567,700	23,952,500	(3.4%)	-	303,600	223,000	24,256,100	(2.2%)	223,000	24,479,100	(3.5%)
Human Services	185,543,000	555,800	185,543,000	0.0%	-	96,200	19,900	185,639,200	0.1%	19,900	185,659,100	(0.2%)
Revenue	85,229,900	12,843,800	84,892,700	(0.4%)	-	335,000	11,007,900	85,227,700	0.0%	11,007,900	96,235,600	(1.9%)
Tennessee Bureau of Investigation	43,308,400	5,416,100	43,308,400	0.0%	-	2,100,000	750,000	45,408,400	4.9%	750,000	46,158,400	(5.3%)
Safety	142,165,400	1,047,900	141,415,400	(0.5%)	-	7,308,200	10,250,000	148,723,600	4.6%	10,250,000	158,973,600	11.0%
F&A - Strategic Health-Care Programs	72,739,800	(58,580,500)	61,269,900	(15.8%)	(48,979,800)	-	-	61,269,900	(15.8%)	(48,979,800)	12,290,100	(13.2%)
Miscellaneous Appropriations	149,743,200	5,201,200	149,743,200	0.0%	-	238,598,900	130,725,700	388,342,100	159.3%	130,725,700	519,067,800	235.0%
Emergency and Contingency Fund	1,000,000	-	1,000,000	0.0%	-	-	-	1,000,000	0.0%	-	1,000,000	0.0%
State Building Commission	250,000	-	250,000	0.0%	-	-	-	250,000	0.0%	-	250,000	0.0%
Children's Services	302,807,300	1,456,300	300,451,300	(0.8%)	-	10,079,700	1,250,000	310,531,000	2.6%	1,250,000	311,781,000	2.5%
Total General Fund	\$ 13,005,758,700	\$ 809,021,300	\$ 12,882,249,700	(1.0%)	\$ 548,610,800	\$ 881,179,300	\$ 392,142,000	\$ 13,763,429,000	5.8%	\$ 940,752,800	\$ 14,704,181,800	6.4%

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**Available Funds
Fiscal Year 2016-2017**

I. Unappropriated Budget Surplus / (Deficit) at 6-30-16	\$ 656,400,000
II. Revenue Adjustments and Other Available Funds:	
1. Dept. of Revenue Tax Base Increase at 3.25% Growth over FY 15-16 Actual	\$ 511,600,000
2. One-time F&E Tax Payment	134,534,000
3. Non-Recurring Inheritance and Estate Tax	7,500,000
4. Debt Service Fund Transfer at 6-30-17	83,900,000
5. 2017 Legislation - F&E Tax Annualized Payments - FY 16-17 Impact	(11,225,900)
6. 2017 Legislation - F&E Tax Single Sales Factor for all Manufacturers - FY 16-17 Impact	(30,200,000)
7. 2017 Legislation - Retaliatory Tax - FY 16-17 Impact	2,325,000
8. 2016-2017 Enacted Budget Available Funds	2,324,400
Sub-Total Revenue Adjustments and Other Available Funds	\$ 700,757,500
III. Total Budget Surplus and Adjustments (I + II)	\$ 1,357,157,500
IV. Appropriation and Transfer Requirements:	
1. Less: 2016-2017 Supplemental Appropriations	\$ (66,858,600)
2. Less: Transfer to Highway Fund	(120,635,900)
Sub-Total Appropriation and Transfer Requirements	\$ (187,494,500)
V. Total Available Funds at June 30, 2017 (III + IV)	\$ 1,169,663,000

**Supplemental Appropriations
General, Education, and Dedicated Funds
Fiscal Year 2016-2017**

	2016-2017	Recurring 2017-2018
I. State Appropriation:		
Attorney General and Reporter		
303.08 Special Litigation - Mississippi Lawsuit - Memphis Aquifer (Re-appropriate Unspent Balance)	\$ 1,709,900	\$ -
Comptroller of the Treasury		
307.01 Global Fraud Conference	100,000	-
Treasury Department		
309.10 DUI Monitoring Fund - Correct Fiscal Note Error	70,000	70,000
TennCare for Developmental and Intellectual Disabilities		
318.71 Greene Valley Developmental Center - Closure Delay	2,568,500	-
Tourist Development		
326.01 Sevier County Area Marketing Funds	700,000	-
Environment and Conservation		
327.11 Geology - Environmental Salary Grade Changes	\$ 7,400	\$ 7,400
327.26 West Tennessee River Basin Authority - Environmental Salary Grade Changes	1,400	1,400
327.31 Air Pollution Control - Environmental Salary Grade Changes	83,200	83,200
327.32 Radiological Health - Environmental Salary Grade Changes	5,400	5,400
327.33 Clean Water and Drinking Water State Revolving Fund - Federal Grant Matching Funds	2,500,000	2,500,000
327.33 Clean Water and Drinking Water State Revolving Fund - Environmental Salary Grade Changes	13,700	13,700
327.34 Water Resources - Environmental Salary Grade Changes	315,300	315,300
327.35 Solid Waste Management - Environmental Salary Grade Changes	31,800	31,800
Sub-Total Environment and Conservation	\$ 2,958,200	\$ 2,958,200
Correction		
329.18 Water Shortage - Pikeville Area	1,500,000	-
Economic and Community Development		
330.06 Fast Track Infrastructure and Job Training Assistance	25,000,000	-
Education		
331.11 TN Ready - Testing Support and Implementation	120,000	206,000
Commerce and Insurance		
335.03 Fire Prevention - Fire Truck Replacement	1,700,000	-
Labor and Workforce Development		
337.20 Unemployment Insurance - Restore Funds to Penalties and Insurance Reserve	1,232,000	-
Tennessee Bureau of Investigation		
348.00 TBI - Revenue Shortfall	4,200,000	2,100,000
351.00 Miscellaneous Appropriations		
Foothills Parkway - State Match	\$ 15,000,000	\$ -
Wildfire Suppression Costs	10,000,000	-
Sub-Total Miscellaneous Appropriations	\$ 25,000,000	\$ -
Total General Fund and Education Funds	\$ 66,858,600	\$ 5,334,200
II. Dedicated Funds:		
Environment and Conservation		
327.23 Used Oil Collection Program - Environmental Salary Grade Changes	\$ 16,600	\$ 16,600
327.28 TN Dry Cleaners Environmental Response Fund - Environmental Salary Grade Changes	2,600	2,600
327.41 Underground Storage Tanks - Environmental Salary Grade Changes	157,600	157,600
327.42 Solid Waste Assistance - Environmental Salary Grade Changes	32,200	32,200
Sub-Total Environment and Conservation	\$ 209,000	\$ 209,000
Health		
343.01 Administration - Office of General Counsel Legal Staff Positions (3 FT)	327,100	327,100
Total Dedicated Funds	\$ 536,100	\$ 536,100
Grand Total Supplemental Appropriations	\$ 67,394,700	\$ 5,870,300

Combining Statement of Recurring Preliminary Base Budget Adjustments and Recurring Base Budget Reductions
General Fund State Appropriations
Fiscal Year 2017-2018
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	-	-
313.00	Claims and Compensation	-	-
Sub-Total Non-Executive			
	\$ -	\$ -	\$ -
315.00	Executive Department	\$ -	\$ -
316.01	Children and Youth Commission	-	-
316.02	Aging and Disability Commission	-	-
316.03	Alcoholic Beverage Commission	-	-
316.04	Human Rights Commission	-	-
316.07	Health Services and Development Agency	-	-
316.11	Tennessee Regulatory Authority	-	-
316.12	TACIR	-	-
316.14	Council on Developmental Disabilities	-	-
316.25	Arts Commission	-	-
316.27	State Museum	-	-
317.00	Finance and Administration	(151,800)	(151,800)
318.00	a. TennCare Programs	\$ (43,025,900)	\$ (12,294,300)
	b. TennCare Waiver Payments	(4,346,500)	(4,253,900)
	c. TennCare for Children's Services	(1,596,800)	257,400
	d. TennCare for Intellectual Disabilities	(1,694,400)	(1,136,100)
	e. TennCare for Human Services	-	(2,116,200)
	f. TennCare for Commerce and Insurance	-	(25,300)
	g. TennCare for F&A Office of Inspector General	-	-
	Sub-Total TennCare Programs	\$ (50,663,600)	\$ (19,568,400)
		\$ -	\$ (70,232,000)
319.00	Human Resources	\$ -	\$ -
321.00	General Services	-	(154,900)
323.00	Veterans Services	-	-
324.00	Board of Parole	-	-
325.00	Agriculture	-	(737,000)
326.00	Tourist Development	-	-
327.00	Environment and Conservation	-	(30,000)
328.00	Tennessee Wildlife Resources Agency	-	-
329.00	Correction	-	(3,172,600)
330.00	Economic and Community Development	(30,000,000)	(171,300)
331.00	Education (K-12)	-	-
332.00	Higher Education State-Administered Programs	\$ -	\$ (343,500)
332.10	University of Tennessee System	-	-
332.60	State University and Community College System	-	-
	Sub-Total Higher Education	\$ -	\$ (343,500)
335.00	Commerce and Insurance	\$ -	\$ -
336.00	Financial Institutions	-	-
337.00	Labor and Workforce Development	-	(436,800)
339.00	Mental Health and Substance Abuse Services	-	-
341.00	Military	-	(233,000)
343.00	Health	-	(1,697,500)
344.00	Intellectual and Developmental Disabilities	-	(864,100)
345.00	Human Services	-	-
347.00	Revenue	-	(337,200)
348.00	Tennessee Bureau of Investigation	-	-
349.00	Safety	-	(750,000)
350.00	Strategic Health-Care Programs	(1,032,300)	(10,437,600)
351.00	Miscellaneous Appropriations	-	-
359.00	Children's Services	(848,600)	(1,507,400)
	Sub-Total Executive	\$ (82,544,500)	\$ (40,593,100)
		\$ (82,544,500)	\$ (123,137,600)
	Total - Budget File	\$ (82,544,500)	\$ (40,593,100)
		\$ (82,544,500)	\$ (123,137,600)
Overappropriation:			
305.00	Secretary of State	\$ -	\$ -
307.00	Comptroller of the Treasury	-	-
309.00	State Treasurer	-	-
300.00	Other Agencies - Reduce	-	(2,620,400)
	Sub-Total Overappropriation	\$ -	\$ (2,620,400)
		\$ -	\$ (2,620,400)
	Grand Total	\$ (82,544,500)	\$ (43,213,500)
		\$ (82,544,500)	\$ (125,758,000)

**Preliminary Base Budget Adjustments
Fiscal Year 2017-2018
(Savings) / Cost**

	<u>General Fund</u>		<u>Dedicated / Other Funds</u>	<u>Total</u>
	<u>Recurring</u>	<u>Non-Recurring</u>		
TennCare				
318.00 Hospital Coverage Assessment	\$ -	\$ 446,590,600	\$ -	\$ 446,590,600
318.66 Nursing Home Bed Assessment	-	121,000,000	-	121,000,000
318.66 State Match Rate Reduction - Program Savings	(40,444,800)	-	-	(40,444,800)
318.70 State Match Rate Reduction - Program Savings	(342,100)	-	-	(342,100)
318.71 State Match Rate Reduction - Program Savings	(5,441,300)	-	-	(5,441,300)
318.72 State Match Rate Reduction - Program Savings	(3,030,000)	-	-	(3,030,000)
318.71 Administration Legislation - Self-Directed Care for Intellectually or Developmentally Disabled Enrollees	(45,800)	-	-	(45,800)
318.71 Community Intellectual Disabilities Services - Reduce Unobligated State Funds in TennCare	(1,359,600)	-	-	(1,359,600)
Sub-Total TennCare	\$ (50,663,600)	\$ 567,590,600	\$ -	\$ 516,927,000
Agriculture				
325.16 Administration Legislation - Ag. Regulatory Fund - Small Food Manufacturer License Exemption	-	-	(7,800)	(7,800)
Economic and Community Development				
330.22 TNInvestco Tax Credits - Move to Non-Recurring	(30,000,000)	30,000,000	-	-
Strategic Health-Care Programs				
350.50 State Match Rate Reduction - Program Savings	(1,032,300)	-	-	(1,032,300)
Children's Services				
359.30 State Match Rate Reduction - Program Savings	\$ (421,700)	\$ -	\$ -	\$ (421,700)
359.40 State Match Rate Reduction - Program Savings	(426,900)	-	-	(426,900)
Sub-Total Children's Services	\$ (848,600)	\$ -	\$ -	\$ (848,600)
Total - Budget File	\$ (82,544,500)	\$ 597,590,600	\$ (7,800)	\$ 515,038,300

**Departmental Comparison of 2016-2017 Recurring Appropriations, 2017-2018 Discretionary Base,
and 2017-2018 Base Budget Reductions (State Appropriation)**

Program	2016-2017 Recurring Appropriation	2017-2018									
		General Fund					Non- Recurring	Dedicated Funds	Net Reduction	Pct. Of 2016-17	Pct. Of 2017-18
		Discretionary Base	Recurring Reduction	Pct. Of 2016-17	Pct. Of 2017-18						
301.00 Legislature	\$ 43,803,400	\$ 33,637,700	\$ -	0.0%	0.0%	\$ -	\$ -	\$ -	0.0%	0.0%	
301.50 Fiscal Review Committee	1,567,100	1,567,100	-	0.0%	0.0%	-	-	-	0.0%	0.0%	
302.00 Court System	131,759,100	35,901,300	-	0.0%	0.0%	-	-	-	0.0%	0.0%	
303.00 Attorney General and Reporter	28,695,700	24,034,700	-	0.0%	0.0%	-	-	-	0.0%	0.0%	
304.00 District Attorneys General	87,008,200	79,443,200	-	0.0%	0.0%	-	-	-	0.0%	0.0%	
305.00 Secretary of State	30,322,600	30,132,600	-	0.0%	0.0%	-	-	-	0.0%	0.0%	
306.00 District Public Defenders	53,188,600	45,097,500	-	0.0%	0.0%	-	-	-	0.0%	0.0%	
307.00 Comptroller of the Treasury	96,396,400	51,991,200	-	0.0%	0.0%	-	-	-	0.0%	0.0%	
308.00 Post-Conviction Defender	2,476,500	-	-	0.0%	-	-	-	-	0.0%	-	
309.00 Treasury Department	3,331,000	2,939,500	-	0.0%	0.0%	-	-	-	0.0%	0.0%	
313.00 Claims and Compensation	11,410,000	-	-	0.0%	-	-	-	-	0.0%	-	
Sub-Total Non-Executive	\$ 489,958,600	\$ 304,744,800	\$ -	0.0%	0.0%	\$ -	\$ -	\$ -	0.0%	0.0%	
315.00 Executive Department	\$ 5,241,800	\$ 5,241,800	\$ -	0.0%	0.0%	\$ -	\$ -	\$ -	0.0%	0.0%	
316.01 Children and Youth	2,718,200	2,718,200	-	0.0%	0.0%	-	-	-	0.0%	0.0%	
316.02 Aging and Disability	13,760,000	13,760,000	-	0.0%	0.0%	-	-	-	0.0%	0.0%	
316.04 Human Rights Commission	1,769,500	1,769,500	-	0.0%	0.0%	-	-	-	0.0%	0.0%	
316.07 Health Services and Development Agency	1,235,700	-	-	0.0%	-	-	(130,700)	(130,700)	(10.6%)	-	
316.11 Tennessee Regulatory Authority	6,512,500	-	-	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	208,100	208,100	-	0.0%	0.0%	-	-	-	0.0%	0.0%	
316.25 Arts Commission	6,536,100	1,759,800	-	0.0%	0.0%	-	-	-	0.0%	0.0%	
316.27 State Museum	3,927,500	3,927,500	-	0.0%	0.0%	-	-	-	0.0%	0.0%	
317.00 Finance and Administration	26,040,500	17,913,500	(151,800)	(0.6%)	(0.8%)	-	-	(151,800)	(0.6%)	(0.8%)	
318.00 TennCare Programs	\$ 2,563,066,800	\$ 2,519,995,100	\$ (12,294,300)	(0.5%)	(0.5%)	\$ -	\$ -	\$ (12,294,300)	(0.5%)	(0.5%)	
TennCare Waiver Payments	242,116,600	237,815,900	(4,253,900)	(1.8%)	(1.8%)	-	-	(4,253,900)	(1.8%)	(1.8%)	
TennCare for Children's Services	99,101,500	97,504,700	257,400	0.3%	0.3%	-	-	257,400	0.3%	0.3%	
TennCare for Intellectual Disabilities	46,332,700	44,634,000	(1,136,100)	(2.5%)	(2.5%)	-	-	(1,136,100)	(2.5%)	(2.5%)	
TennCare for Human Services	11,459,200	11,459,200	(2,116,200)	(18.5%)	(18.5%)	-	-	(2,116,200)	(18.5%)	(18.5%)	
TennCare for Commerce and Insurance	1,265,200	1,265,200	(25,300)	(2.0%)	(2.0%)	-	-	(25,300)	(2.0%)	(2.0%)	
TennCare for Office of Inspector General	2,365,700	2,365,700	-	0.0%	0.0%	-	-	-	0.0%	0.0%	
Sub-total TennCare Programs	\$ 2,965,707,700	\$ 2,915,039,800	\$ (19,568,400)	(0.7%)	(0.7%)	\$ -	\$ -	\$ (19,568,400)	(0.7%)	(0.7%)	
319.00 Human Resources	-	-	-	-	-	-	-	-	-	-	
321.00 General Services	11,839,100	11,352,500	(154,900)	(1.3%)	(1.4%)	-	-	(154,900)	(1.3%)	(1.4%)	
323.00 Veterans Services	5,730,900	5,730,900	-	0.0%	0.0%	-	-	-	0.0%	0.0%	
324.00 Board of Parole	7,664,000	7,664,000	-	0.0%	0.0%	-	-	-	0.0%	0.0%	
325.00 Agriculture	74,268,900	36,847,200	(737,000)	(1.0%)	(2.0%)	-	-	(737,000)	(1.0%)	(2.0%)	
326.00 Tourist Development	14,321,600	14,321,600	-	0.0%	0.0%	-	-	-	0.0%	0.0%	

**Departmental Comparison of 2016-2017 Recurring Appropriations, 2017-2018 Discretionary Base,
and 2017-2018 Base Budget Reductions (State Appropriation)**

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Program	2016-2017 Recurring Appropriation	2017-2018									
		General Fund					Non- Recurring	Dedicated Funds	Net Reduction	Pct. Of 2016-17	Pct. Of 2017-18
		Discretionary Base	Recurring Reduction	Pct. Of 2016-17	Pct. Of 2017-18						
327.00 Environment and Conservation	186,353,100	91,636,800	(30,000)	(0.0%)	(0.0%)	-	-	(30,000)	(0.0%)	(0.0%)	
328.00 Wildlife Resources Agency	56,185,500	-	-	0.0%	-	-	-	-	0.0%	-	
329.00 Correction	951,468,800	158,626,000	(3,172,600)	(0.3%)	(2.0%)	-	-	(3,172,600)	(0.3%)	(2.0%)	
330.00 Economic and Community Development	77,876,800	22,475,900	(171,300)	(0.2%)	(0.8%)	-	-	(171,300)	(0.2%)	(0.8%)	
331.00 Education (K-12)	4,750,840,100	167,287,500	-	0.0%	0.0%	-	-	-	0.0%	0.0%	
332.00 Higher Education State-Admin. Programs	\$ 447,841,000	\$ 32,088,500	\$ (343,500)	(0.1%)	(1.1%)	\$ -	\$ -	\$ (343,500)	(0.1%)	(1.1%)	
332.10 University of Tennessee System	532,160,600	532,340,000	-	0.0%	0.0%	-	-	-	0.0%	0.0%	
332.60 State Univ. and Comm. College System	720,388,100	720,208,700	-	0.0%	0.0%	-	-	-	0.0%	0.0%	
Sub-Total Higher Education	<u>\$ 1,700,389,700</u>	<u>\$ 1,284,637,200</u>	<u>\$ (343,500)</u>	<u>(0.0%)</u>	<u>(0.0%)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (343,500)</u>	<u>(0.0%)</u>	<u>(0.0%)</u>	
335.00 Commerce and Insurance	156,997,000	8,782,300	-	0.0%	0.0%	-	-	-	0.0%	0.0%	
336.00 Financial Institutions	20,808,300	-	-	0.0%	-	-	-	-	0.0%	-	
337.00 Labor and Workforce Development	45,421,800	21,836,500	(436,800)	(1.0%)	(2.0%)	-	-	(436,800)	(1.0%)	(2.0%)	
339.00 Mental Health and Substance Abuse Svcs.	215,230,100	14,159,800	-	0.0%	0.0%	-	-	-	0.0%	0.0%	
341.00 Military	15,647,400	11,647,400	(233,000)	(1.5%)	(2.0%)	-	-	(233,000)	(1.5%)	(2.0%)	
343.00 Health	183,316,100	141,487,300	(1,697,500)	(0.9%)	(1.2%)	-	-	(1,697,500)	(0.9%)	(1.2%)	
344.00 Intellectual and Developmental Disabilities	24,794,600	24,183,300	(864,100)	(3.5%)	(3.6%)	-	-	(864,100)	(3.5%)	(3.6%)	
345.00 Human Services	185,543,000	94,349,000	-	0.0%	0.0%	-	-	-	0.0%	0.0%	
347.00 Revenue	85,229,900	71,863,800	(337,200)	(0.4%)	(0.5%)	-	-	(337,200)	(0.4%)	(0.5%)	
348.00 Tennessee Bureau of Investigation	43,308,400	31,254,400	-	0.0%	0.0%	-	-	-	0.0%	0.0%	
349.00 Safety	142,165,400	141,373,300	(750,000)	(0.5%)	(0.5%)	-	-	(750,000)	(0.5%)	(0.5%)	
350.00 Strategic Health-Care Programs	72,739,800	71,707,500	(10,437,600)	(14.3%)	(14.6%)	(48,979,800)	-	(59,417,400)	(81.7%)	(82.9%)	
351.00 Miscellaneous Appropriations	149,743,200	-	-	0.0%	-	-	-	-	0.0%	-	
353.00 Emergency and Contingency	1,000,000	-	-	0.0%	-	-	-	-	0.0%	-	
355.00 State Building Commission	250,000	-	-	0.0%	-	-	-	-	0.0%	-	
359.00 Children's Services	302,807,300	20,034,100	(1,507,400)	(0.5%)	(7.5%)	-	-	(1,507,400)	(0.5%)	(7.5%)	
Sub-Total Executive	<u>\$ 12,515,800,100</u>	<u>\$ 5,415,798,200</u>	<u>\$ (40,593,100)</u>	<u>(0.3%)</u>	<u>(0.8%)</u>	<u>\$ (48,979,800)</u>	<u>\$ (130,700)</u>	<u>\$ (89,703,600)</u>	<u>(0.7%)</u>	<u>(1.7%)</u>	
Total Base Budget Reductions	<u>\$ 13,005,758,700</u>	<u>\$ 5,720,543,000</u>	<u>\$ (40,593,100)</u>	<u>(0.3%)</u>	<u>(0.7%)</u>	<u>\$ (48,979,800)</u>	<u>\$ (130,700)</u>	<u>\$ (89,703,600)</u>	<u>(0.7%)</u>	<u>(1.6%)</u>	
Overappropriation:											
305.00 Secretary of State			\$ -			\$ -	\$ -	\$ -			
307.00 Comptroller of the Treasury			-			-	-	-			
309.00 State Treasurer			-			-	-	-			
300.00 State Agencies - Reduce			(2,620,400)			-	-	(2,620,400)			
Sub-Total Overappropriation			<u>\$ (2,620,400)</u>			<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,620,400)</u>			
Total Reductions	<u>\$ 13,005,758,700</u>	<u>\$ 5,720,543,000</u>	<u>\$ (43,213,500)</u>	<u>(0.3%)</u>	<u>(0.8%)</u>	<u>\$ (48,979,800)</u>	<u>\$ (130,700)</u>	<u>\$ (92,324,000)</u>	<u>(0.7%)</u>	<u>(1.6%)</u>	

**Departmental Summary of Cost Increases
Fiscal Year 2017-2018**

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	3,126,900	3,126,900	0	0
303	Attorney General and Reporter	2,800	2,800	0	0
304	District Attorneys General Conference	4,707,400	4,399,900	0	307,500
305	Secretary of State	0	0	0	0
306	District Public Defenders Conference	2,820,200	2,820,200	0	0
307	Comptroller of the Treasury	0	0	0	0
308	Office of the Post-Conviction Defender	35,800	35,800	0	0
309	Treasury Department	5,232,800	1,570,000	0	3,662,800
313	Claims and Compensation	1,793,800	0	0	1,793,800
315	Executive Department	2,900	2,900	0	0
316	Commissions	2,658,600	1,712,300	200,000	746,300
317	Finance and Administration (F&A)	7,266,500	2,119,100	0	5,147,400
317.06	Criminal Justice Programs *	0	0	0	0
	Other F&A Programs *	7,266,500	2,119,100	0	5,147,400
318	F&A, TennCare	785,973,100	214,323,900	363,055,000	208,594,200
319	Human Resources	0	0	0	0
321	General Services	30,191,100	30,191,100	0	0
323	Veterans Affairs	419,400	419,400	0	0
324	Board of Parole	103,100	103,100	0	0
325	Agriculture	1,685,000	1,685,000	0	0
326	Tourist Development	5,900,000	5,900,000	0	0
327	Environment and Conservation	8,169,900	5,421,000	215,500	2,533,400
328	Wildlife Resources Agency	1,925,100	1,925,100	0	0
329	Correction	18,782,100	21,668,200	0	(2,886,100)
330	Economic and Community Development	109,303,800	109,303,800	0	0
331	Education (K-12)	249,227,000	249,227,000	0	0
	Lottery-Funded Programs *	0	0	0	0
	Other K-12 Education Programs *	249,227,000	249,227,000	0	0
332	Higher Education	149,156,300	149,156,300	0	0
	Lottery for Education Account *	0	0	0	0
	Other Higher Education Programs *	149,156,300	149,156,300	0	0
335	Commerce and Insurance	2,324,100	1,811,400	0	512,700
336	Financial Institutions	2,384,500	2,384,500	0	0
337	Labor and Workforce Development	929,000	927,900	1,100	0
339	Mental Health and Substance Abuse Services	26,283,900	26,283,900	0	0
341	Military	9,450,000	9,200,000	250,000	0
343	Health	14,551,700	14,551,700	0	0
344	Intellectual and Developmental Disabilities	2,159,600	526,600	25,000	1,608,000
345	Human Services	275,300	116,100	159,200	0
345.23	Temporary Cash Assistance *	0	0	0	0
	Other Human Services Programs *	275,300	116,100	159,200	0
347	Revenue	11,342,900	11,342,900	0	0
348	Tennessee Bureau of Investigation	2,850,000	2,850,000	0	0
349	Safety	17,158,200	17,558,200	0	(400,000)
350	F&A, Strategic Health-Care Programs	0	0	0	0
351	Miscellaneous Appropriations	369,324,600	369,324,600	0	0
359	Children's Services	17,445,800	11,329,700	3,463,800	2,652,300
	Sub-total General Fund	\$ 1,864,963,200	\$ 1,273,321,300	\$ 367,369,600	\$ 224,272,300
400	Transportation	290,288,100	278,570,000	11,718,100	0
	Total All Funds	\$ 2,155,251,300	\$ 1,551,891,300	\$ 379,087,700	\$ 224,272,300

* These items are included in the departmental totals.

**Salary Policy Recommendation
Fiscal Year 2017-2018**

	General Fund	Dedicated
I. Discretionary Raises:		
1. State Employees Salary Pool:		
a. 3.0% Salary Pool - Pay for Performance - TEAM Act Agencies - Effective 1/1/2018	\$ 38,748,600	\$ -
b. 1.0% Salary Pool - Pay for Performance - TEAM Act Agencies - Effective 1/1/2018	6,458,100	-
c. 3.0% Salary Pool - Across the Board - Non-TEAM Act Agencies - Effective 7/1/2017	8,388,000	-
d. Market Rate Adjustment	23,568,300	-
2. Higher Education - Allocated through Funding Formula		
a. 3.0% Salary Pool - Formula Units	30,103,500	-
b. 3.0% Salary Pool - Non-Formula Units	11,939,400	-
3. K-12 Basic Education Program (BEP) - Teachers and Other Certified Staff	100,386,000	-
4. Safety - Commissioned Officers (Troopers) - Salary Survey Raise at 3.0%	1,930,500	-
5. Commerce and Insurance - TLETA Commissioned Officers - Salary Survey Raise at 3.0%	25,200	-
6. TWRA - Wildlife Officers - Salary Survey Raise at 3.0%	-	1,062,600
Sub-Total Discretionary Raises	\$ 221,547,600	\$ 1,062,600
II. Mandated Salary Increases:		
A. Statutory Step Raises:		
1. District Attorneys General - Assistant District Attorneys and Criminal Investigators (Includes Human Services: \$41,700 State)	\$ 1,310,300	\$ -
2. District Public Defenders - Assistant Public Defenders and Criminal Investigators	643,700	-
3. Post-Conviction Defender - Assistant Post-Conviction Defenders	35,800	-
4. Commerce and Insurance - TLETA Commissioned Officers	11,500	-
5. Safety - Commissioned Officers (Troopers)	909,800	-
6. TWRA - Wildlife Officers, Biologists, and Unique Positions	-	656,500
Sub-Total Statutory Step Raises	\$ 2,911,100	\$ 656,500
B. Cost of Living Adjustments:		
1. Court System - Judges Salary Increase - CPI Adjustment	\$ 508,700	\$ -
2. Attorney General and Reporter Statutory Salary Increase - CPI Adjustment	2,800	-
3. Governor's Statutory Salary Increase - CPI Adjustment	2,900	-
Sub-Total Cost of Living Adjustments	\$ 514,400	\$ -
III. Other Salary Increases:		
1. Education - Teacher Training and Experience	\$ 111,000	\$ -
2. Children's Services - Teacher Training and Experience	27,000	-
Sub-Total Other Salary Increases	\$ 138,000	\$ -
Sub-Total Mandated and Other Salary Increases	\$ 3,563,500	\$ 656,500
Total Recommended Salary Policy	\$ 225,111,100	\$ 1,719,100

**Base Appropriations Preserved
by Proposed Legislation
Nursing Home Assessment Fee
Fiscal Year 2017-2018**

Legislation is proposed to continue the nursing home assessment fee for one year. An estimated \$121.0 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%	\$ 121,000,000	\$ 230,795,400	\$ 351,795,400
Total	<u>\$ 121,000,000</u>	<u>\$ 230,795,400</u>	<u>\$ 351,795,400</u>

**Base Appropriations Preserved
by Proposed Legislation
Hospital Coverage Assessment
Fiscal Year 2017-2018**

Legislation is proposed to continue the hospital coverage assessment for one year. An estimated \$446.6 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	\$ 34,395,000	\$ 65,605,000	\$ 100,000,000
Disproportionate Share Hospital Payments	28,105,400	53,608,300	81,713,700
Graduate Medical Education	17,197,500	32,802,500	50,000,000
Critical Access Hospital Payments	3,439,500	6,560,500	10,000,000
Medicare Part A Reimbursement	12,227,600	23,322,800	35,550,400
Provider Reimbursement and Co-Pay	60,734,500	115,844,800	176,579,300
Hospital Reimbursement Ceiling	14,781,300	28,193,800	42,975,100
In-Patient Services	35,923,700	68,520,700	104,444,400
Lab and X-Ray Procedures	14,850,100	28,325,100	43,175,200
Therapies	6,029,800	11,501,100	17,530,900
Out-Patient Services	25,154,900	47,980,500	73,135,400
Office Visits	19,613,000	37,409,800	57,022,800
Unreimbursed Hospital Cost Pool	15,000,000	28,611,000	43,611,000
Directed Hospital Payments	156,497,200	298,502,800	455,000,000
Non-Emergent Care at Hospitals	577,400	1,101,400	1,678,800
340B Pricing Provision of MCO Contractor Agreement	2,063,700	3,936,300	6,000,000
Total	\$ 446,590,600	\$ 851,826,400	\$ 1,298,417,000

**2017 Administration Legislation with Fiscal Impact
General Fund and Education Fund
Fiscal Year 2017-2018**

Revenue Source	General Fund		Dedicated/Other Funds	
	Recurring	Non-Recurring	Recurring	Non-Recurring
I. Tax Adjustments - (Decrease) / Increase:				
1. Revenue - F&E Taxes Annualized Payments (Revenue Loss)	\$ (261,100)	\$ (3,436,600)	\$ -	\$ -
2. Revenue - F&E Taxes Single Sales Factor (Revenue Loss)	(102,100,000)	-	-	-
3. Revenue - F&E Taxes Broadband Initiative Tax Credits (Revenue Loss)	-	(5,000,000)	-	-
4. Revenue - Sales Taxes on Grocery Food 0.5% Reduction (Revenue Loss)	(54,766,000)	-	-	-
5. Revenue - Hall Income Tax 1.5% Reduction (Revenue Loss)	(50,890,000)	(9,320,000)	-	-
6. Agriculture - Small Food Manufacturer License Exemption - Ag. Reg. Fund	-	-	(7,800)	-
7. Commerce & Insurance - Securities Industry Changes - Filing Fees	1,139,900	-	-	-
8. Commerce & Insurance - Retaliatory Tax Changes	9,300,000	-	-	-
9. Labor - TOSHA - Fines	-	-	1,279,000	-
10. Labor - Uninsured Employers Fund	-	-	5,000	-
Total Tax Adjustments - (Decrease) / Increase	\$ (197,577,200)	\$ (17,756,600)	\$ 1,276,200	\$ -
II. Cost Increase - (Cost) / Savings:				
1. TennCare - Self-Directed Care for Intellectually or Developmentally Disabled Enrollees	\$ 45,800	\$ -	\$ -	\$ -
2. Agriculture - Small Food Manufacturer License Exemption - Ag. Reg. Fund	-	-	7,800	-
3. Education - High Quality Charter Schools	-	(6,000,000)	-	-
4. Commerce & Insurance - Securities Industry Changes (2 FT)	-	-	(141,200)	(6,300)
5. Commerce & Insurance - Healthcare Providers Model Act (2 FT)	-	-	(146,000)	(2,000)
6. Labor - Workers' Compensation - Second Injury Fund	-	-	(50,000)	-
7. Mental Health - Not Guilty by Reason of Insanity	(245,900)	-	-	-
8. Military - STRONG Act	-	(8,950,000)	-	-
9. Multiple Agencies - Background Checks - Federal Tax Information Access	-	-	-	-
a. Finance & Administration	(1,700)	(2,300)	-	-
b. TennCare	-	(400)	-	-
c. Labor	(200)	(900)	-	-
d. Human Services	(54,500)	(19,900)	-	-
e. Revenue	-	(16,000)	-	-
10. Broadband Initiative - Grants	(300,000)	(10,000,000)	-	-
Total Cost Increase - (Cost) / Savings	\$ (556,500)	\$ (24,989,500)	\$ (329,400)	\$ (8,300)

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 provides 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 also provides guidance to each participant. Each participant receives assistance from a mentor who assists 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 enrolled Fall 2016.

	Actual 2015-2016***	Estimated 2016-2017****	Estimated 2017-2018
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	\$ 361,381,300	\$ 361,381,300	\$ 361,381,300
II. Revenues			
Transfer from TSAC	\$ 10,000,000	\$ -	\$ -
Net Lottery Proceeds Transfer	25,064,000	59,745,800	49,812,000
Endowment/Reserve Earnings**	6,200,000	20,200,000	13,197,100
Total Available Revenue	\$ 41,264,000	\$ 79,945,800	\$ 63,009,100
III. Expenditures			
Tennessee Promise Cost	\$ 15,247,200	\$ 26,568,900	\$ 33,336,700
Treasury Administrative Fees *	580,300	290,000	290,000
Total Expenditures	\$ 15,827,500	\$ 26,858,900	\$ 33,626,700
IV. Surplus/Deficit	\$ 25,436,500	\$ 53,086,900	\$ 29,382,400
V. Balance Forward/Special Reserve	\$ 25,436,500	\$ 78,523,400	\$ 107,905,800

*Represents 14-15 and 15-16 fees.

**FY 17-18 assumes interest earnings of 3.0% on endowment/reserve.

***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 2015-2016 Through 2020-2021
(Millions)**

	Actual 2015-2016	Estimated 2016-2017	Recommended 2017-2018	2018-2019	Projected	
					2019-2020	2020-2021
1. Appropriation Requirements:						
Higher Education Scholarships Base	\$ 311.3	\$ 318.3	\$ 321.5	\$ 324.7	\$ 327.9	\$ 331.2
Tennessee Student Assistance Corporation	3.2	2.4	2.4	2.4	2.4	2.4
Tennessee Higher Education Commission	1.6	1.4	1.4	1.4	1.4	1.4
Transfer to Tennessee Student Assistance Awards	6.8	6.8	6.8	6.8	6.8	6.8
Total Appropriation Requirements	\$ 322.9	\$ 328.9	\$ 332.1	\$ 335.3	\$ 338.5	\$ 341.8
2. Current Revenue:						
Net Education Lottery Proceeds	\$ 382.5	\$ 378.6	\$ 386.2	\$ 393.9	\$ 401.8	\$ 409.8
Lottery for Education Account - Interest	0.1	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	\$ 492.6	\$ 488.7	\$ 496.3	\$ 504.0	\$ 511.9	\$ 519.9
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	59.7	49.8	54.2	58.7	63.4	68.1
Total Reserve at June 30	\$ 169.7	\$ 159.8	\$ 164.2	\$ 168.7	\$ 173.4	\$ 178.1
(Dollars)						
4. Scholarship Award Levels:						
HOPE 4-Year Colleges: \$3,500 Freshmen/Sophomores	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500
HOPE 4-Year Colleges: \$4,500 Juniors/Seniors	4,500	4,500	4,500	4,500	4,500	4,500
HOPE 2-Year Colleges	3,000	3,000	3,000	3,000	3,000	3,000

Number of Scholarship Award Recipients: 2015-2016 Actual - 110,700; 2016-2017 Estimated - 110,800; and 2017-2018 Recommended - 111,900.

Lottery-Funded Education Programs
Comparison of Appropriation Requirements and State Revenues
Fiscal Years 2015-2016 Through 2020-2021

	<u>Actual</u> <u>2015-2016</u>	<u>Estimated</u> <u>2016-2017</u>	<u>Recommended</u> <u>2017-2018</u>	<u>Projected</u> <u>2018-2019</u>	<u>Projected</u> <u>2019-2020</u>	<u>Projected</u> <u>2020-2021</u>
I. Appropriation Requirements						
Higher Education Scholarships	\$ 311,290,300	\$ 318,300,000	\$ 321,500,000	\$ 324,700,000	\$ 327,900,000	\$ 331,200,000
Tennessee Higher Education Commission	1,620,700	1,352,400	1,352,400	1,352,400	1,352,400	1,352,400
Tennessee Student Assistance Corporation (TSAC)	3,208,200	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	6,800,000	6,800,000	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.	\$ 322,919,200	\$ 328,900,000	\$ 332,100,000	\$ 335,300,000	\$ 338,500,000	\$ 341,800,000
After-School Programs	\$ 13,415,000	\$ 13,500,000	\$ 13,500,000	\$ 13,500,000	\$ 13,500,000	\$ 13,500,000
Total Appropriation Requirements	\$ 336,334,200	\$ 342,400,000	\$ 345,600,000	\$ 348,800,000	\$ 352,000,000	\$ 355,300,000
II. Available Revenues and Reserves						
Net Education Lottery Proceeds	\$ 382,462,000	\$ 378,637,000	\$ 386,200,000	\$ 393,900,000	\$ 401,800,000	\$ 409,800,000
Lottery for Education Account - Interest	203,000	75,000	75,000	75,000	75,000	75,000
Unclaimed Prizes (After-School Programs)	11,588,400	13,500,000	13,500,000	13,500,000	13,500,000	13,500,000
After-School Programs - Interest Earnings	48,700	100,000	100,000	100,000	100,000	100,000
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	25,113,600	23,335,700	23,435,700	23,535,700	23,635,700	23,735,700
Total Available Revenues and Reserves	\$ 529,415,700	\$ 525,647,700	\$ 533,310,700	\$ 541,110,700	\$ 549,110,700	\$ 557,210,700
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	23,335,700	23,435,700	23,535,700	23,635,700	23,735,700	23,835,700
Available to Transfer to Tennessee Promise Scholarships	59,745,800	49,812,000	54,175,000	58,675,000	63,375,000	68,075,000
Total Available Funds at June 30	\$ 193,081,500	\$ 183,247,700	\$ 187,710,700	\$ 192,310,700	\$ 197,110,700	\$ 201,910,700



**Summary Comparison of Tennessee Personal Income
and Appropriations from State Tax Revenues
Fiscal Years 1977-1978, 2015-2016, 2016-2017, and 2017-2018**

TABLE 1

**Tennessee Personal Income
Calendar Years 1977, 2015, 2016, and 2017
(Dollars in Millions)**

<u>Year</u>	<u>Personal Income¹</u>	<u>Percent Growth</u>
1977	\$ 26,805.0	-
2015	277,832.3	-
2016	287,850.6	3.61
2017	300,846.7	4.51

TABLE 2

**Appropriations from State Tax Revenues
Fiscal Years 1977-1978, 2015-2016, 2016-2017, and 2017-2018
(Dollars in Millions)**

<u>Year</u>	<u>Appropriations</u>	<u>Percent Growth</u>
1977-1978	\$ 1,747.3	-
2015-2016	15,328.9	-
2016-2017	15,723.6	2.57
2017-2018	16,201.9	3.04

¹ Source: U.T. Boyd 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 2017-2018

	Estimated 2016-2017	Estimated 2017-2018
I. Appropriated State Revenues	\$ 15,714,700,000	\$ 16,125,500,000
Less: Non-Tax Revenue	(86,500,000)	(83,700,000)
Total Appropriated from State Tax Revenues	\$ 15,628,200,000	\$ 16,041,800,000
Add: One-time F&E Tax Payment	134,534,000	-
Less: 2017 Tax Legislation - Hall Income Tax	-	(78,850,000)
Less: 2017 Tax Legislation - Single Sales Factor	(30,200,000)	(102,100,000)
Less: 2017 Tax Legislation - Annualization	(11,225,900)	(3,697,700)
Less: 2017 Tax Legislation - Sales Tax on Food	-	(56,334,000)
Less: 2017 Tax Legislation - Broadband Initiative	-	(5,000,000)
Add: 2017 Tax Legislation - Road User Taxes	-	395,690,000
Add: 2017 Tax Legislation - Other State Revenue	2,325,000	10,437,100
Rounding Adjustment	(33,100)	(45,400)
Total State Tax Revenue	\$ 15,723,600,000	\$ 16,201,900,000
Percent Increase Over the Prior Year		3.04%
II. Fiscal Year 2016-2017 Established Limit	\$ 15,368,100,000	\$ 15,806,100,000
Adjustment to Established Limit	-	(82,500,000) *
Fiscal Year 2017-2018 Base Appropriations Limit		\$ 15,723,600,000
State Economic Growth Measure		
2017 Forecasted Personal Income Growth 4.51%		709,100,000
Recommended Adjustment to Established Limit (@ 2.85%)	438,000,000	-
Fiscal Year 2016-2017 Revised Appropriations Limit	\$ 15,806,100,000	
Fiscal Year 2017-2018 Appropriations Limit		\$ 16,432,700,000
III. Availability Under the Established Limit	\$ 82,500,000	\$ 230,800,000

* Spending Limit reset to the appropriated state tax revenue in fiscal year 2016-2017.

**Rainy Day Fund and Unobligated TennCare Reserve
Fiscal Years 2014-2015 Through 2017-2018**

	<u>Rainy Day Fund</u>	<u>TennCare Reserve</u>	<u>Total</u>
1. 2014-2015:			
Total Reserve at June 30, 2015	\$ 491,500,000	\$ 267,729,800	\$ 759,229,800
2. 2015-2016:			
Plus: Deposit at June 30, 2016	76,500,000	-	76,500,000
Less: Transfers from TennCare Reserve to General Fund:			
Transfer at June 30, 2016	-	(8,261,700)	(8,261,700)
Additional Transfer to Meet Established Reversion	-	(22,994,300)	(22,994,300)
Legislative Adjustment to Restore Reduction for Pharmaceuticals	-	(6,079,500)	(6,079,500)
Total Reserve at June 30, 2016	\$ 568,000,000	\$ 230,394,300	\$ 798,394,300
3. 2016-2017:			
Plus: Deposit at June 30, 2017	100,000,000	-	100,000,000
Total Reserve at June 30, 2017	\$ 668,000,000	\$ 230,394,300	\$ 898,394,300
4. 2017-2018:			
Plus: Deposit at June 30, 2018	132,000,000	-	132,000,000
Total Reserve at June 30, 2018	\$ 800,000,000	\$ 230,394,300	\$ 1,030,394,300

Full-Time Employees Overlapped Over 90 Days

Agency	Count
301.00 Legislature	34
301.50 Fiscal Review Committee	1
302.00 Court System	9
305.00 Secretary of State	4
307.00 Comptroller of the Treasury	1
309.00 Treasury Department	1
315.00 Executive Department	3
316.01 Commission on Children and Youth	1
316.03 Alcoholic Beverage Commission	2
316.12 Advisory Commission on Intergovernmental Relations	3
317.00 Finance and Administration	33
318.00 Finance and Administration, Bureau of TennCare	175
323.00 Veterans Services	2
324.00 Board of Parole	1
325.00 Agriculture	16
327.00 Environment and Conservation	6
328.00 Tennessee Wildlife Resources Agency	1
329.00 Correction	117
331.00 Education (K-12)	18
332.00 Higher Education - State Administered Programs	2
335.00 Commerce and Insurance	2
337.00 Labor and Workforce Development	4
339.00 Mental Health and Substance Abuse Services	5
341.00 Military	2
343.00 Health	8
344.00 Intellectual and Developmental Disabilities	6
345.00 Human Services	12
348.00 Tennessee Bureau of Investigation	5
349.00 Safety	23
359.00 Children's Services	20
400.00 Transportation	21
Total	<u>538</u>

Based on Edison extract of full-time employees overlapped greater than 90 days as of January 18, 2017.

Comparison of Authorized Positions State Agencies and Higher Education

	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>Change From Current Year</u>
I. STATE AGENCIES *				
General Fund	42,491	43,030	42,982	(48)
Full-time	40,565	41,174	41,134	(40)
Part-time	1,422	1,354	1,355	1
Seasonal	504	502	493	(9)
Department of Transportation	4,635	4,635	4,635	0
Full-time	4,630	4,630	4,630	0
Part-time	5	5	5	0
Seasonal	0	0	0	0
Total State Agencies	47,126	47,665	47,617	(48)
Full-time	45,195	45,804	45,764	(40)
Part-time	1,427	1,359	1,360	1
Seasonal	504	502	493	(9)
II. HIGHER EDUCATION				
Total Positions	25,300	25,740	25,740	0
Full-time Equivalent (UT and TBR)				
Administrative	1,295	1,317	1,317	0
Professional	6,023	6,207	6,207	0
Faculty	9,648	9,831	9,831	0
Clerical and Support	8,320	8,371	8,371	0
Foreign Language Institute (FT)	14	14	14	0
III. TOTAL STATE AGENCIES AND HIGHER EDUCATION				
Total Positions	72,426	73,405	73,357	(48)
Full-time **	70,495	71,544	71,504	(40)
Part-time	1,427	1,359	1,360	1
Seasonal	504	502	493	(9)

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

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

**Fiscal Year 2017-2018
Authorized Positions Change
Recommended 2017-2018 Change from Estimated 2016-2017
Increase / (Decrease)**

	<u>Full-Time</u>	<u>Part-Time</u>	<u>Seasonal</u>	<u>Total</u>
I. 2017-2018 Total Recommended	(40)	1	(9)	(48)
II. 2017-2018 Base Budget	(591)	1	(9)	(599)
a. Base Reduction Plans	(74)	-	-	(74)
Children's Services	(39)	-	-	(39)
Safety	(11)	-	-	(11)
Labor and Workforce Development	(9)	-	-	(9)
Agriculture	(7)	-	-	(7)
Intellectual and Developmental Disabilities	(5)	-	-	(5)
Health	(2)	-	-	(2)
Finance and Administration	(1)	-	-	(1)
b. Miscellaneous Adjustments	31	1	(9)	23
Health - Office of General Counsel 2017 Supplemental	(3)	-	-	(3)
Tourist Development - Position Abolishment	(1)	-	-	(1)
Environment and Conservation - Reclassification of Positions	9	(4)	(5)	-
Military Department - Reclassification of Positions	4	-	(4)	-
Education (K-12) - School Nutrition Expansion	1	-	-	1
Agriculture - Produce Safety	1	-	-	1
Comptroller of the Treasury - Division of Technology Solutions	2	-	-	2
Safety - Interlock Assistance Program	2	-	-	2
Labor and Workforce Development - Position Count Adjustment	3	-	-	3
Agriculture - Tobacco Minors	-	5	-	5
Finance and Administration - IT Transformation	13	-	-	13
c. 2016-2017 Non-recurring Appropriations Not Continued in 2017-2018 Base	(548)	-	-	(548)
Intellectual and Developmental Disabilities - Greene Valley Developmental Center	(452)	-	-	(452)
District Attorneys General Conference - Criminal Justice Grants	(20)	-	-	(20)
Health - Electronic Public Health Information System	(24)	-	-	(24)
Education (K-12) - Read to be Ready	(18)	-	-	(18)
Revenue - Tax Collection System Replacement	(16)	-	-	(16)
Mental Health and Substance Abuse Services - Electronic Clinical Records System	(7)	-	-	(7)
Labor and Workforce Development - Amusement Device Unit	(5)	-	-	(5)
Higher Education - State Administered Program - College Advisor Corps	(3)	-	-	(3)
Higher Education - State Administered Program - Adult Learner Program	(2)	-	-	(2)
Higher Education - State Administered Programs - Labor Education Alignment Program	(1)	-	-	(1)
III. 2017-2018 Agency Cost Increase Requests	551	-	-	551
Finance and Administration, Bureau of TennCare	216	-	-	216
Correction	41	-	-	41
Children's Services	39	-	-	39
Safety	32	-	-	32
District Attorneys General Conference	30	-	-	30
Intellectual and Developmental Disabilities	29	-	-	29
Education (K-12)	26	-	-	26
Revenue	22	-	-	22
District Public Defenders Conference	18	-	-	18
Health	18	-	-	18
Treasury Department	14	-	-	14
Commerce and Insurance	12	-	-	12
Higher Education - State Administered Programs	9	-	-	9
Finance and Administration	8	-	-	8
Mental Health and Substance Abuse Services	7	-	-	7
State Museum	6	-	-	6
Veterans Services	6	-	-	6
Labor and Workforce Development	5	-	-	5
Alcoholic Beverage Commission	4	-	-	4
Board of Parole	2	-	-	2
Commission on Children and Youth	2	-	-	2
Economic and Community Development	2	-	-	2
Environment and Conservation	2	-	-	2
Court System	1	-	-	1

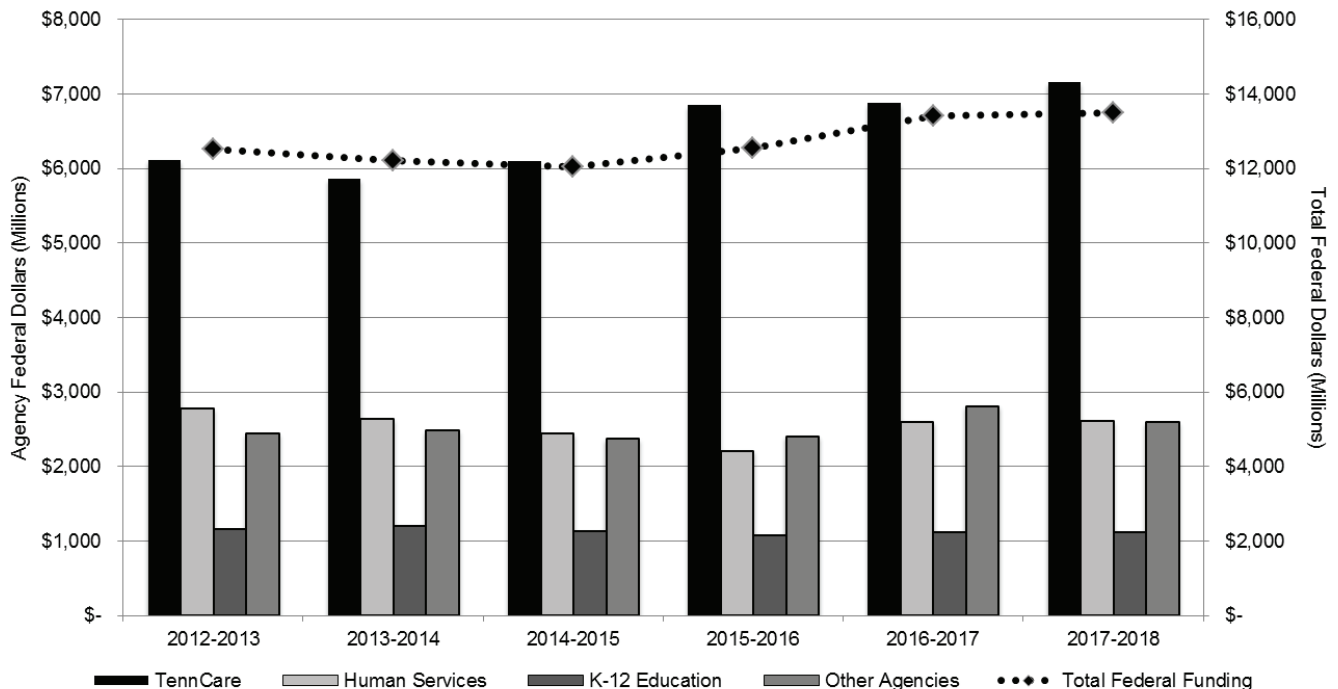
Federal Aid Trends Recommended Budget, Fiscal Year 2017-2018

The total recommended budget for the fiscal year is \$36,953,434,200 with 37% from federal sources. The \$13,495,641,500 of federal funding is an increase of 0.57% from the 2016-2017 estimate. Of the total federal funding, \$7,163,104,200 (54%) is recommended for TennCare expenditures, \$2,608,463,900 (19%) for the Department of Human Services, \$1,123,714,400 (8%) for the Department of Education, and \$2,600,359,000 (19%) for all other state programs.

The Bureau of TennCare receives funds from the 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 2012-2013	Actual 2013-2014	Actual 2014-2015	Actual 2015-2016	Estimated 2016-2017	Recommended 2017-2018
Total Federal Funding	\$12,515,208,100	\$12,202,777,200	\$12,054,843,400	\$12,561,114,500	\$13,419,721,700	\$13,495,641,500
TennCare	6,121,001,200	5,869,611,000	6,098,894,000	6,858,779,100	6,880,708,900	7,163,104,200
Human Services	2,783,887,400	2,639,508,800	2,443,249,400	2,215,274,600	2,604,250,500	2,608,463,900
K-12 Education	1,165,116,700	1,207,130,800	1,140,410,300	1,078,074,200	1,117,610,400	1,123,714,400
Other Agencies	2,445,202,800	2,486,526,600	2,372,289,700	2,408,986,600	2,817,151,900	2,600,359,000
		Percent Change FY 2017 to 2018	Average Annual Percent Change FY 2013 to 2018			
Total Federal Funding		0.57%	1.52%			
TennCare		4.10%	3.19%			
Human Services		0.16%	-1.29%			
K-12 Education		0.55%	-0.72%			
Other Agencies		-7.70%	1.24%			

Federal Funds, Actual 2012-2013 to Recommended 2017-2018



From fiscal years 2012-2013 to 2015-2016, non-TennCare federal funding trended slightly downward due to the expiration of non-recurring sources, with estimated funding in fiscal years 2016-2017 and 2017-2018 slightly above fiscal year 2015-2016 actual levels. In the TennCare program, an upward trend in federal funding from fiscal years 2012-2013 to 2015-2016 is continued in fiscal years 2016-2017 and 2017-2018. The increases in 2016-2017 and 2017-2018 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 2017

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 Stamps) 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 a part of the Race to the Top program outlined in ARRA. This funding was fully obligated by June 30, 2014.

Another federal aid development was 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 2016-2017 or 2017-2018.

Fiscal 2018 Outlook

For fiscal year 2017-2018, increased aid from the federal government is recommended largely in the TennCare program. Of the total cost increase from federal sources of \$379,087,700, the share directed to the TennCare program is \$363,055,000. A factor increasing the federal aid estimate in both the TennCare and Department of Children's Services budgets is the addition of federal funds due to an increase 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 increased fiscal year 2017-2018 federal funding by \$50,106,800 in TennCare and the Department of Children's Services. State appropriations reductions are recommended to offset this addition of federal funds.

Tennessee Economic Overview

Recommended Budget, Fiscal Year 2017–2018

Tennessee's fiscal environment depends on economic conditions that influence both the expenditure and revenue sides of the state budget. The Boyd 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 beginning of 2017 was marked by healthy national and state economic growth. Global economic conditions have created a decent environment for the domestic economy and the outlook is bright. Low energy prices and an ever-improving labor market have fueled consumer spending, especially on light vehicles. Low interest rates have also created a favorable climate for spending. However, low rates have done little to encourage business investment, with nonresidential fixed investment falling 0.2 percent for the year. The Tennessee economy has performed very well and has seen ongoing job gains. While the unemployment rate has ticked up slightly over the course of the year, this should not be a sign of concern. Expect good growth in 2017 and 2018. There are no broad-based weaknesses in the national or state economies today.

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

The U.S. economy had its worst performance in 2016 since 2011 with inflation-adjusted

gross domestic product (GDP) advancing just 1.6 percent. Nonresidential fixed investment was a disappointment, with equipment and structures spending each suffering a setback. While part of the problem was in the mining and petroleum sector, which is suffering from low market prices, the weaknesses were in fact broadly based. The residential housing sector was also a bit of a disappointment, but investment did advance 4.7 percent. The labor market was a bright spot with the national unemployment rate falling to 4.7 percent in December. December was the 75th consecutive month of job gains for the national economy. Especially encouraging for workers was a 2.9 percent year-over-year gain in hourly earnings as the year closed out. This should help boost confidence and consumer spending. Consumer spending was able to post a 2.7 percent gain in 2016. The Federal Reserve demonstrated its growing confidence in the economy and increased the federal funds rate from 0.25 to 0.50 percent, just the second rate increase in ten years. No significant threats to economic growth emerged in 2016.

Tennessee saw a continuation of economic growth through the close of 2016. The unemployment rate did rise to 4.8 percent in December, up from the remarkable 4.1 percent lows that were recorded in May and June. Nonfarm job growth in Tennessee came in at a robust 2.4 percent rate, well ahead of the 1.7 percent rate registered by the national economy. Nominal personal income was up just 3.6 for the year, the same rate of growth as the nation.

Short-Term Economic Outlook

The 2017 economic outlook is largely positive, with a continuation of growth expected for the state and national economies. The path of federal fiscal policy remains uncertain at this time. Tax reform will be a

primary agenda item for the new president and Congress, with a business cash flow tax gaining some momentum; higher defense and infrastructure spending can also be expected. The outcome for the deficit is unclear at this time. Gains in the labor market will slow, with slower job rates of job creation and a largely stable unemployment rate. Higher earnings growth, resulting from emerging tightness in the labor market, will help drive consumer spending. Business investment spending is expected to show some recovery, benefiting from an expected turnaround in energy prices. Improvements in the residential housing sector will be slow but steady, offering some additional momentum to growth.

Inflation-adjusted GDP for the national economy will see 2.3 percent growth in 2017 and slightly stronger 2.6 percent growth in 2018. Consumer spending on durable goods will be an important source of growth.

Nonfarm employment will advance only 1.3 percent for the year, followed by 1.2 percent growth in 2018. Inflation will accelerate, with the Consumer Price Index expected to rise 2.5 percent in 2017 compared to just 1.3 percent in 2016. The Federal Reserve is expected to push the federal funds rate to 1.0 percent by year's end. Nonresidential fixed investment will see a 4.6 percent gain in 2017, in contrast to a setback in 2016.

Tennessee's inflation-adjusted GDP will be up 2.1 percent in 2017. Nominal personal income should see growth of 4.5 percent in 2017 and stronger growth of 5.1 percent in 2018 as inflation rises. On a fiscal year basis, personal income will advance 4.8 percent in 2017-2018. The state's nonfarm employment will see a 1.4 percent gain in 2017 and a 1.2 percent gain in 2018. The state unemployment rate will average 4.8 percent in 2017 and 4.6 percent in 2018.

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

Tennessee Characteristics

Population

	2000	2005	2010	2015
Total Population (April 1, July 1, April 1, July 1) ¹	5,689,427	5,991,057	6,346,105	6,600,299

Population by Grand Division ¹

East Tennessee	2,108,321	2,210,700	2,327,544	2,388,671
Middle Tennessee	2,081,255	2,250,472	2,455,911	2,645,026
West Tennessee	1,499,851	1,529,885	1,562,650	1,566,602

Metropolitan Statistical Area Population ^{1, 2}

Chattanooga, TN-GA	476,611	499,564	528,143	547,776
Tennessee Portion	347,142	358,471	378,812	397,396
Georgia Portion	129,469	141,093	149,331	150,380
Clarksville, TN-KY	219,727	237,633	260,625	281,021
Tennessee Portion	134,725	151,122	172,331	193,479
Kentucky Portion	85,002	86,511	88,294	87,542
Cleveland, TN	104,012	109,410	115,788	120,864
Jackson, TN	121,969	126,192	130,011	129,682
Johnson City, TN	181,585	189,182	198,716	200,648
Kingsport-Bristol, TN - Bristol, VA	298,564	302,519	309,544	307,120
Tennessee Portion	206,671	209,002	213,656	213,262
Virginia Portion	91,893	93,517	95,888	93,858
Knoxville, TN	748,231	790,669	837,571	861,424
Memphis, TN-MS-AR	1,213,285	1,271,965	1,324,829	1,344,127
Tennessee Portion	977,574	1,003,054	1,027,138	1,039,104
Arkansas Portion	50,855	50,244	50,902	48,963
Mississippi Portion	184,856	218,667	246,789	256,060
Morristown, TN	102,444	107,703	113,951	116,642
Nashville-Davidson - Murfreesboro - Franklin, TN	1,381,412	1,511,310	1,670,890	1,830,345
Total Tennessee Metropolitan Statistical Area Population	4,305,765	4,556,115	4,858,864	5,102,846
Total Tennessee Non-Metropolitan Population	1,383,662	1,434,942	1,487,241	1,497,453

Demographic Characteristics ¹

Percent of Population by Age Group:

Under Age 5	6.6%	6.7%	6.4%	6.0%
Age 5 to 17	18.0%	17.1%	17.1%	16.6%
Age 18 to 24	9.6%	9.0%	9.6%	9.6%
Age 25 to 64	53.4%	55.0%	53.4%	52.4%
Age 65 and Older	12.4%	12.2%	13.5%	15.4%

Percent of Population by Race:

White	80.2%	79.6%	77.5%	77.7%
Black or African American	16.4%	16.4%	16.7%	16.8%
American Indian and Alaska Native	0.3%	0.3%	0.3%	0.3%
Asian and Native Hawaiian or Other Pacific Islander	1.0%	1.3%	1.5%	1.7%
Other	2.1%	2.4%	4.0%	3.5%

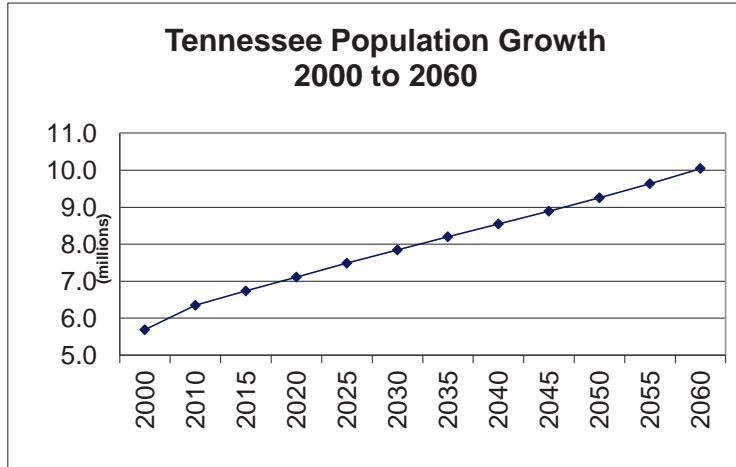
Hispanic Population (Percent of Total Population)

	2.2%	3.0%	4.6%	5.1%
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Place of Birth of Tennessee Residents:

Born in Tennessee	64.7%	62.5%	61.0%	60.1%
Born in Another State	31.9%	33.1%	33.7%	34.0%
Born Outside the United States	0.6%	0.6%	0.8%	0.9%
Born in a Foreign Country	2.8%	3.8%	4.5%	5.0%
Naturalized Citizen	0.9%	1.2%	1.5%	1.8%
Not a Citizen	1.9%	2.6%	3.0%	3.2%

Tennessee Population 2000 to 2060 ³



<u>Year</u>	<u>Population</u>
2000	5,689,283
2010	6,346,105
2015	6,735,347
2020	7,112,424
2025	7,487,478
2030	7,846,308
2035	8,201,073
2040	8,546,535
2045	8,894,214
2050	9,254,557
2055	9,635,946
2060	10,046,955

Education Characteristics

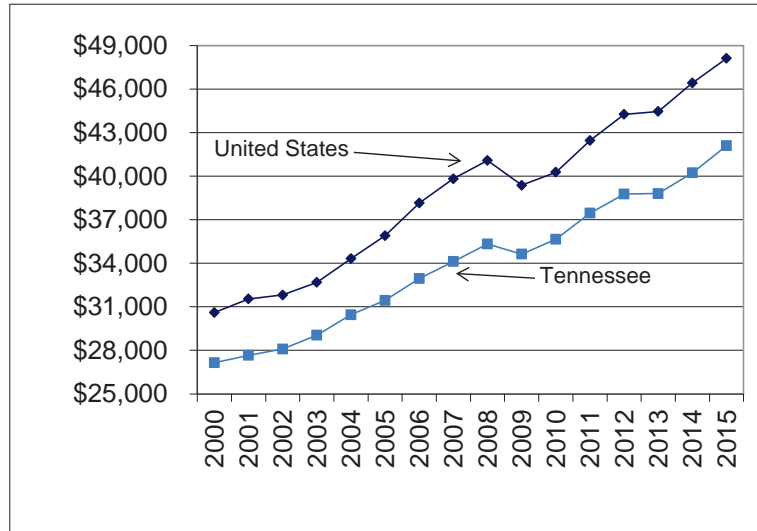
	<u>1999-2000</u>	<u>2004-2005</u>	<u>2009-2010</u>	<u>2014-2015</u>
Public School Enrollment and Expenditures ⁴				
Total Number of Public Schools	1,611	1,693	1,746	1,811
Total K-12 Public School Average Daily Attendance (ADA)	842,733	867,134	894,764	913,227
Total Operating Expenditures (in thousands)	\$ 4,885,072	\$ 6,387,036	\$ 7,849,989	\$ 8,561,440
Public School Per Pupil Expenditures (based on ADA)	\$ 5,794	\$ 7,366	\$ 8,773	\$ 9,375

	<u>2000</u>	<u>2005</u>	<u>2010</u>	<u>2015</u>
Educational Attainment ⁵				
Population 25 Years and Over				
Less Than 9th Grade	9.6%	7.0%	6.3%	5.3%
9th to 12th Grade, No Diploma	14.5%	11.8%	10.1%	8.7%
High School Graduate (includes equivalency)	31.6%	34.5%	33.5%	33.1%
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%	16.1%
Graduate or Professional Degree	6.8%	7.7%	8.5%	9.6%
Percent High School Graduate or Higher				
United States	80.4%	84.2%	85.6%	87.1%
Tennessee	75.9%	81.2%	83.6%	86.1%
Percent Bachelor's Degree or Higher				
United States	24.4%	27.2%	28.2%	30.6%
Tennessee	19.6%	21.8%	23.1%	25.7%

Income and Poverty ⁶

	<u>2000</u>	<u>2005</u>	<u>2010</u>	<u>2015</u>
Tennessee's Per Capita Income as a Percent of the U.S.	88.7%	87.6%	88.5%	87.5%
Tennessee's Rank in U.S. by Per Capita Income	35	37	35	35

Tennessee and United States Per Capita Income ⁶



Year	United States	Tennessee
2000	\$ 30,602	\$ 27,154
2001	31,540	27,653
2002	31,815	28,090
2003	32,692	29,041
2004	34,316	30,455
2005	35,904	31,439
2006	38,144	32,950
2007	39,821	34,117
2008	41,082	35,322
2009	39,376	34,635
2010	40,277	35,653
2011	42,453	37,452
2012	44,267	38,771
2013	44,462	38,806
2014	46,414	40,233
2015	48,112	42,094

% Change 2000-2015 57.2% 55.0%

Percentage of Population Below Poverty ⁷

	1999	2005	2010	2015
United States	12.4%	13.3%	15.3%	14.7%
Tennessee	13.5%	15.5%	17.7%	16.7%

Tennessee Gross Domestic Product ⁸

	2000	2005	2010	2015
Gross Domestic Product - Percentage by Industry				
Private industries	88.3%	87.8%	87.4%	88.4%
Agriculture, Forestry, Fishing, and Hunting	0.6%	0.6%	0.6%	0.6%
Mining	0.3%	0.4%	0.4%	0.3%
Utilities	0.6%	0.5%	0.7%	0.6%
Construction	4.6%	4.2%	3.6%	3.8%
Manufacturing	18.7%	18.0%	15.5%	16.3%
Durable Goods	10.6%	11.3%	8.0%	9.3%
Nondurable Goods	8.1%	6.7%	7.5%	7.0%
Wholesale Trade	7.0%	6.9%	6.9%	6.8%
Retail Trade	8.3%	8.1%	7.5%	7.0%
Transportation and Warehousing, Excluding Postal Service	5.0%	5.1%	4.7%	4.6%
Information	2.8%	3.4%	3.3%	2.9%
Finance and Insurance	5.6%	5.1%	5.1%	5.0%
Real Estate and Rental and Leasing	10.3%	9.7%	11.3%	11.4%
Professional, Scientific, and Technical Services	4.7%	5.0%	5.4%	5.6%
Management of Companies and Enterprises	0.9%	0.9%	1.3%	1.9%
Administrative and Waste Services	3.6%	4.1%	4.0%	4.3%
Educational Services	0.8%	1.1%	1.0%	1.0%
Health Care and Social Assistance	7.2%	7.9%	9.6%	9.6%
Arts, Entertainment, and Recreation	0.9%	1.0%	1.0%	1.2%
Accommodation and Food Services	3.3%	3.2%	3.1%	3.2%
Other Services, Except Government	3.1%	2.8%	2.6%	2.5%
Government	11.7%	12.3%	12.6%	11.6%
Gross Domestic Product (millions of current dollars)				
United States	\$10,225,879	\$13,022,458	\$14,859,772	\$17,830,307
Tennessee	\$ 182,844	\$ 228,730	\$ 254,343	\$ 314,191
Tennessee as a Percent of U.S.	1.79%	1.76%	1.71%	1.76%
Tennessee's Rank in U.S.	19	18	20	19

Civilian Labor Force ⁹

	2000	2005	2010	2015
Civilian Labor Force	2,871,500	2,942,300	3,084,100	3,062,800
Employment	2,756,500	2,778,500	2,783,000	2,886,000
Unemployment	115,000	163,800	301,100	176,800
Unemployment Rate	4.0%	5.6%	9.8%	5.8%

Employment by Industry ⁹

	2000	2005	2010	2015
Non-Farm Employment - Percentage by Industry				
Goods Producing	22.7%	19.5%	15.4%	15.6%
Natural Resources, Mining, and Construction	4.8%	4.6%	4.0%	4.1%
Manufacturing	17.9%	14.9%	11.4%	11.5%
Durable Goods	11.0%	9.3%	6.7%	7.3%
Nondurable Goods	6.9%	5.6%	4.7%	4.2%
Service Providing	77.3%	80.5%	84.6%	84.4%
Trade, Transportation, and Utilities	21.5%	21.8%	21.2%	20.9%
Wholesale Trade	4.8%	4.8%	4.5%	4.2%
Retail Trade	11.6%	11.8%	11.7%	11.3%
Transportation, Warehousing, and Utilities	5.1%	5.2%	5.0%	5.4%
Information	2.0%	1.8%	1.7%	1.5%
Financial Activities	5.1%	5.2%	5.2%	5.1%
Professional and Business Services	11.0%	11.4%	11.6%	13.6%
Educational and Health Services	10.2%	12.0%	14.3%	14.3%
Leisure and Hospitality	8.6%	9.5%	10.0%	10.6%
Other Services	4.3%	3.7%	4.0%	3.7%
Government	14.6%	15.1%	16.6%	14.7%
Federal	2.0%	1.8%	2.0%	1.7%
State and Local	12.6%	13.3%	14.6%	13.0%

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 2015 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 2000 and 2010; University of Tennessee, Boyd Center for Business and Economic Research for 2015 through 2060.

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 2015 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*.

State Revenues



State Revenues

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State Tax Revenues

Introduction

Recommended Budget, Fiscal Year 2017-2018

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 Boyd 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 Boyd Center for Business and Economic Research. Corporate excise tax estimates are made as late as possible in the year to take advantage of the latest available corporate profit forecasts for the nation and the October state tax returns filed with the Department of Revenue, which provide information useful in projecting quarterly estimated corporate tax payments through the next year.

Estimates for selective excise taxes are commonly based on long-run consumption trends for the selectively-taxed items: cigarettes, gasoline, beer, and alcoholic beverages. Long-run trend analysis is also used as a basis for projecting corporate excise and franchise tax collections and Tennessee Valley Authority in lieu of tax payments.

Motor vehicle fuel (primarily diesel fuel)

taxes and motor vehicle registration fees are estimated conservatively, given their sensitivity to business cycles (especially the truck-related components of both taxes).

The revenue estimating process in Tennessee incorporates the "Good Practices in Revenue Estimating" endorsed by the National Association of State Budget Officers and the Federation of Tax Administrators. This requires using national and state economic forecasts, developing an official revenue estimate, monitoring and monthly reporting on revenue collections, and revising estimates when appropriate.

Tennessee Code Annotated (TCA) 9-4-5104, 5105, 5106, and 5202 specify the manner in which tax revenue estimates are prepared and transmitted to the General Assembly in the budget document.

The Commissioner of Finance and Administration prepares revenue estimates based on advice from economists, his own staff, the Department of Revenue, and the State Funding Board. The 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 2015-2016, actual revenue and as it exists currently for 2016-2017, and 2017-2018 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, 2015 – June 30, 2018

Comparison Statement of State Revenues
Actual and Estimated July 1, 2015 - June 30, 2018

SOURCE OF REVENUE

Department of Revenue	Actual 2015-2016	Estimated 2016-2017	Estimated 2017-2018	Percent Required
Sales and Use Tax	\$ 8,267,224,400	\$ 8,564,100,000	\$ 8,861,100,000	3.47%
Gasoline Tax	659,915,000	669,800,000	670,400,000	0.09%
Motor Fuel Tax	172,336,300	176,600,000	177,100,000	0.28%
Gasoline Inspection Tax	67,380,500	68,400,000	68,600,000	0.29%
Motor Vehicle Registration Tax	271,197,800	276,600,000	277,000,000	0.14%
Income Tax	322,356,000	265,000,000	272,000,000	2.64%
Privilege Tax	316,544,100	326,200,000	332,200,000	1.84%
Gross Receipts Tax - TVA	348,742,900	342,200,000	345,000,000	0.82%
Gross Receipts Tax - Other	19,979,200	29,000,000	29,000,000	0.00%
Beer Tax	17,378,000	17,400,000	17,600,000	1.15%
Alcoholic Beverage Tax	62,250,200	66,700,000	70,700,000	6.00%
Franchise Tax	814,492,700	845,000,000	869,000,000	2.84%
Excise Tax	1,497,212,400	1,569,200,000	1,613,900,000	2.85%
Inheritance and Estate Tax	55,353,200	22,000,000	3,000,000	-86.36%
Tobacco Tax	261,480,900	259,800,000	258,400,000	-0.54%
Motor Vehicle Title Fees	22,781,500	23,700,000	23,900,000	0.84%
Mixed Drink Tax	96,275,100	104,000,000	111,300,000	7.02%
Business Tax	154,622,300	158,100,000	164,800,000	4.24%
Severance Tax	1,400,400	1,200,000	1,300,000	8.33%
Coin-operated Amusement Tax	268,500	300,000	300,000	0.00%
Unauthorized Substance Tax	5,900	0	0	NA
Sub-Total Department of Revenue	\$ 13,429,197,300	\$ 13,785,300,000	\$ 14,166,600,000	2.77%
Other State Revenue				
Dept. of Commerce and Insurance	\$ 893,764,000	\$ 854,400,000	\$ 876,600,000	2.60%
E-911 Emergency Communications	102,770,900	111,900,000	111,900,000	0.00%
Dept. of Financial Institutions	19,823,300	20,800,000	23,200,000	11.54%
Wildlife Resources Agency	57,858,800	53,900,000	58,400,000	8.35%
Dept. of Agriculture	16,470,700	14,000,000	14,000,000	0.00%
Regulatory Board Fees	39,868,900	44,500,000	44,500,000	0.00%
Tennessee Regulatory Authority	5,142,700	6,500,000	6,600,000	1.54%
Secretary of State	43,682,500	35,000,000	35,000,000	0.00%
Dept. of Safety	43,375,100	41,100,000	38,300,000	-6.81%
Dept. of Revenue	6,797,800	6,100,000	6,100,000	0.00%
State Treasurer	7,949,500	3,700,000	3,700,000	0.00%
Dept. of Education	1,396,400	1,700,000	1,700,000	0.00%
Dept. of Health	11,691,800	13,400,000	19,300,000	44.03%
Dept. of Environment and Conservation	72,685,000	74,100,000	71,800,000	-3.10%
Miscellaneous Revenue	124,622,900	66,100,000	68,800,000	4.08%
Nursing Home Tax	131,931,400	132,400,000	132,400,000	0.00%
Hospital Coverage Assessment	448,615,800	449,800,000	446,600,000	-0.71%
Sub-Total Other State Revenue	\$ 2,028,447,500	\$ 1,929,400,000	\$ 1,958,900,000	1.53%
Total State Revenue	\$ 15,457,644,800	\$ 15,714,700,000	\$ 16,125,500,000	2.61%

**Distribution of Actual 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 *	\$ 8,267,224,400	\$3,043,943,500	\$4,766,413,600	\$ 22,625,400	\$ 58,745,700	\$ 375,496,200
Gasoline Tax	659,915,000	11,068,100	0	308,135,500	88,800,000	251,911,400
Motor Fuel Tax	172,336,300	2,506,700	0	124,570,300	0	45,259,300
Gasoline Inspection Tax	67,380,500	19,617,900	0	35,745,600	0	12,017,000
Motor Vehicle Registration Tax	271,197,800	44,728,500	69,300	226,400,000	0	0
Income Tax	322,356,000	211,993,900	0	0	0	110,362,100
Privilege Tax	316,544,100	320,399,600	145,000	0	0	(4,000,500)
Gross Receipts Tax - TVA	348,742,900	191,982,300	0	0	0	156,760,600
Gross Receipts Tax - Other	19,979,200	16,446,200	0	3,533,000	0	0
Beer Tax	17,378,000	11,682,400	0	2,190,700	0	3,504,900
Alcoholic Beverage Tax	62,250,200	51,420,800	0	0	0	10,829,400
Franchise Tax	814,492,700	796,492,700	0	0	18,000,000	0
Excise Tax	1,497,212,400	1,227,859,400	0	0	240,754,300	28,598,700
Inheritance and Estate Tax	55,353,200	55,353,200	0	0	0	0
Tobacco Tax	261,480,900	29,735,300	231,745,600	0	0	0
Motor Vehicle Title Fees	22,781,500	20,081,500	0	0	2,700,000	0
Mixed Drink Tax	96,275,100	0	48,136,800	0	0	48,138,300
Business Tax	154,622,300	154,622,300	0	0	0	0
Severance Tax	1,400,400	414,600	0	0	0	985,800
Coin-operated Amusement Tax	268,500	268,500	0	0	0	0
Unauthorized Substance Tax	5,900	5,900	0	0	0	0
Sub-Total Department of Revenue	\$ 13,429,197,300	\$6,210,623,300	\$5,046,510,300	\$ 723,200,500	\$ 409,000,000	\$ 1,039,863,200
Other State Revenue						
Dept. of Commerce and Insurance	\$ 893,764,000	\$ 893,764,000	\$ 0	\$ 0	\$ 0	\$ 0
E-911 Emergency Communications	102,770,900	102,770,900	0	0	0	0
Dept. of Financial Institutions	19,823,300	19,823,300	0	0	0	0
Wildlife Resources Agency	57,858,800	57,858,800	0	0	0	0
Dept. of Agriculture	16,470,700	16,470,700	0	0	0	0
Regulatory Board Fees	39,868,900	39,868,900	0	0	0	0
Tennessee Regulatory Authority	5,142,700	5,142,700	0	0	0	0
Secretary of State	43,682,500	43,682,500	0	0	0	0
Dept. of Safety	43,375,100	43,375,100	0	0	0	0
Dept. of Revenue	6,797,800	6,797,800	0	0	0	0
State Treasurer	7,949,500	7,949,500	0	0	0	0
Dept. of Education	1,396,400	0	1,396,400	0	0	0
Dept. of Health	11,691,800	11,691,800	0	0	0	0
Dept. of Environment and Conservation	72,685,000	72,685,000	0	0	0	0
Miscellaneous Revenue	124,622,900	124,622,900	0	0	0	0
Nursing Home Tax	131,931,400	131,931,400	0	0	0	0
Hospital Coverage Assessment	448,615,800	448,615,800	0	0	0	0
Sub-Total Other State Revenue	\$ 2,028,447,500	\$2,027,051,100	\$ 1,396,400	\$ 0	\$ 0	\$ 0
Total State Revenue	\$ 15,457,644,800	\$8,237,674,400	\$5,047,906,700	\$ 723,200,500	\$ 409,000,000	\$ 1,039,863,200

* 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 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 *	\$ 8,564,100,000	\$3,133,000,000	\$4,937,500,000	\$ 22,600,000	\$ 60,800,000	\$ 410,200,000
Gasoline Tax	669,800,000	11,200,000	0	310,800,000	92,100,000	255,700,000
Motor Fuel Tax	176,600,000	2,500,000	0	127,700,000	0	46,400,000
Gasoline Inspection Tax	68,400,000	20,100,000	0	36,300,000	0	12,000,000
Motor Vehicle Registration Tax	276,600,000	45,500,000	100,000	231,000,000	0	0
Income Tax	265,000,000	174,200,000	0	0	0	90,800,000
Privilege Tax	326,200,000	326,000,000	200,000	0	0	0
Gross Receipts Tax - TVA	342,200,000	188,800,000	0	0	0	153,400,000
Gross Receipts Tax - Other	29,000,000	23,900,000	0	5,100,000	0	0
Beer Tax	17,400,000	11,700,000	0	2,200,000	0	3,500,000
Alcoholic Beverage Tax	66,700,000	55,200,000	0	0	0	11,500,000
Franchise Tax	845,000,000	827,000,000	0	0	18,000,000	0
Excise Tax	1,569,200,000	1,305,500,000	0	0	233,700,000	30,000,000
Inheritance and Estate Tax	22,000,000	22,000,000	0	0	0	0
Tobacco Tax	259,800,000	29,800,000	230,000,000	0	0	0
Motor Vehicle Title Fees	23,700,000	21,000,000	0	0	2,700,000	0
Mixed Drink Tax	104,000,000	0	52,000,000	0	0	52,000,000
Business Tax	158,100,000	158,100,000	0	0	0	0
Severance Tax	1,200,000	400,000	0	0	0	800,000
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	\$ 13,785,300,000	\$6,356,200,000	\$5,219,800,000	\$ 735,700,000	\$ 407,300,000	\$1,066,300,000
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	20,800,000	20,800,000	0	0	0	0
Wildlife Resources Agency	53,900,000	53,900,000	0	0	0	0
Dept. of Agriculture	14,000,000	14,000,000	0	0	0	0
Regulatory Board Fees	44,500,000	44,500,000	0	0	0	0
Tennessee Regulatory Authority	6,500,000	6,500,000	0	0	0	0
Secretary of State	35,000,000	35,000,000	0	0	0	0
Dept. of Safety	41,100,000	41,100,000	0	0	0	0
Dept. of Revenue	6,100,000	6,100,000	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	13,400,000	13,400,000	0	0	0	0
Dept. of Environment and Conservation	74,100,000	74,100,000	0	0	0	0
Miscellaneous Revenue	66,100,000	66,100,000	0	0	0	0
Nursing Home Tax	132,400,000	132,400,000	0	0	0	0
Hospital Coverage Assessment	449,800,000	449,800,000	0	0	0	0
Sub-Total Other State Revenue	\$ 1,929,400,000	\$1,927,700,000	\$ 1,700,000	\$ 0	\$ 0	\$ 0
Total State Revenue	\$ 15,714,700,000	\$8,283,900,000	\$5,221,500,000	\$ 735,700,000	\$ 407,300,000	\$1,066,300,000

* 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 2017-2018**

SOURCE OF REVENUE

Department of Revenue	Total Revenue	General Fund	Education Fund	Highway Fund	Debt Service Fund	Cities & Counties *
Sales and Use Tax *	\$ 8,861,100,000	\$3,244,800,000	\$5,108,800,000	\$ 22,600,000	\$ 62,900,000	\$ 422,000,000
Gasoline Tax	670,400,000	11,100,000	0	319,300,000	83,800,000	256,200,000
Motor Fuel Tax	177,100,000	2,500,000	0	128,100,000	0	46,500,000
Gasoline Inspection Tax	68,600,000	20,100,000	0	36,500,000	0	12,000,000
Motor Vehicle Registration Tax	277,000,000	45,600,000	100,000	231,300,000	0	0
Income Tax	272,000,000	178,800,000	0	0	0	93,200,000
Privilege Tax	332,200,000	332,000,000	200,000	0	0	0
Gross Receipts Tax - TVA	345,000,000	190,200,000	0	0	0	154,800,000
Gross Receipts Tax - Other	29,000,000	23,900,000	0	5,100,000	0	0
Beer Tax	17,600,000	11,800,000	0	2,200,000	0	3,600,000
Alcoholic Beverage Tax	70,700,000	58,500,000	0	0	0	12,200,000
Franchise Tax	869,000,000	851,000,000	0	0	18,000,000	0
Excise Tax	1,613,900,000	1,386,100,000	0	0	197,800,000	30,000,000
Inheritance and Estate Tax	3,000,000	3,000,000	0	0	0	0
Tobacco Tax	258,400,000	29,700,000	228,700,000	0	0	0
Motor Vehicle Title Fees	23,900,000	21,200,000	0	0	2,700,000	0
Mixed Drink Tax	111,300,000	0	55,600,000	0	0	55,700,000
Business Tax	164,800,000	164,800,000	0	0	0	0
Severance Tax	1,300,000	400,000	0	0	0	900,000
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	\$ 14,166,600,000	\$6,575,800,000	\$5,393,400,000	\$ 745,100,000	\$ 365,200,000	\$1,087,100,000
Other State Revenue						
Dept. of Commerce and Insurance	\$ 876,600,000	\$ 876,600,000	\$ 0	\$ 0	\$ 0	\$ 0
E-911 Emergency Communications	111,900,000	111,900,000	0	0	0	0
Dept. of Financial Institutions	23,200,000	23,200,000	0	0	0	0
Wildlife Resources Agency	58,400,000	58,400,000	0	0	0	0
Dept. of Agriculture	14,000,000	14,000,000	0	0	0	0
Regulatory Board Fees	44,500,000	44,500,000	0	0	0	0
Tennessee Regulatory Authority	6,600,000	6,600,000	0	0	0	0
Secretary of State	35,000,000	35,000,000	0	0	0	0
Dept. of Safety	38,300,000	38,300,000	0	0	0	0
Dept. of Revenue	6,100,000	6,100,000	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	19,300,000	19,300,000	0	0	0	0
Dept. of Environment and Conservation	71,800,000	71,800,000	0	0	0	0
Miscellaneous Revenue	68,800,000	68,800,000	0	0	0	0
Nursing Home Tax	132,400,000	132,400,000	0	0	0	0
Hospital Coverage Assessment	446,600,000	446,600,000	0	0	0	0
Sub-Total Other State Revenue	\$ 1,958,900,000	\$1,957,200,000	\$ 1,700,000	\$ 0	\$ 0	\$ 0
Total State Revenue	\$ 16,125,500,000	\$8,533,000,000	\$5,395,100,000	\$ 745,100,000	\$ 365,200,000	\$1,087,100,000

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

County Revenue Partnership Fund	\$ 0	\$ (1,000,000)	\$ 1,000,000
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Comparative Statement of Revenues of Regulatory Boards
Actual and Estimated July 1, 2015 - June 30, 2018
To Support Statement of State Revenues

	Actual 2015-2016	Estimated 2016-2017	Estimated 2017-2018
Commerce and Insurance Regulatory Boards			
State Board of Accountancy	\$ 929,600	\$ 1,173,400	\$ 1,260,000
State Board of Examiners for Architects and Engineers	1,195,700	1,745,000	1,805,100
Tennessee Auctioneer Commission	193,400	297,300	247,300
Board of Barber Examiners	361,000	385,100	284,400
Tennessee Collection Service Board	265,200	415,200	247,300
Licensing Contractors, Home Improvement, and Interior Designers	2,094,500	2,969,000	2,349,100
State Board of Cosmetology	1,476,900	2,647,700	2,843,600
Board of Funeral Directors and Embalmers	730,200	1,546,400	1,792,700
Board of Examiners for Land Surveyors	320,900	26,500	346,200
Board of Alarm Contractors	683,600	782,300	865,400
Private Investigators Licensing and Regulation	174,600	216,600	222,500
Private Protective Services Licensing and Regulation	1,196,900	1,341,900	1,483,600
Board of Polygraph Examiners	4,500	6,000	5,600
Real Estate Appraiser Commission	721,500	710,100	939,600
Registration of Geologists	88,800	114,300	111,300
Tennessee Real Estate Commission	1,941,800	2,456,500	2,596,300
Tennessee Motor Vehicle Commission	1,387,300	2,453,900	1,978,200
Locksmith Licensing Board	60,300	102,300	72,900
Private Probation Registration	115,800	140,800	148,400
Home Inspectors License	87,400	84,200	111,300
Scrap Metal Dealers Registration	63,500	150,400	82,800
Soil Scientist Licensing	4,200	22,900	4,300
Tennessee Athletic Commission	111,800	144,400	150,800
Court Reporting Services	79,300	103,100	92,300
Debt Management Services	70,000	96,300	86,500
Health Club Registration	30,300	0	0
Beauty Pageant Registration	0	1,200	600
Sub-Total: Commerce and Insurance	\$ 14,389,000	\$ 20,132,800	\$ 20,128,100
Health Regulatory Boards			
Board of Chiropractic Examiners	\$ 244,500	\$ 228,300	\$ 233,000
Board of Dentistry	1,214,300	1,136,300	1,159,500
Board of Dietitian / Nutritionist Examiners	96,000	89,900	91,700
Board of Dispensing Opticians	150,900	141,400	144,300
State Board of Electrolysis Examiners	8,700	8,400	8,600
Council for Licensing Hearing Instrument Specialists	74,700	70,200	71,600
Board of Social Worker Certification and Licensure	387,000	362,300	369,700
Board of Medical Examiners	3,228,400	3,021,500	3,083,200
Tennessee Medical Laboratory Board	702,400	658,000	671,400
Board of Nursing and Certified Medication Aide Licensure	7,056,500	6,586,200	6,721,200
Board of Examiners for Nursing Home Administrators	107,400	100,200	102,200
Board of Occupational and Physical Therapy Examiners	612,900	573,800	585,500
Massage Licensure Board	718,400	672,000	685,700
State Board of Athletic Trainers	105,200	98,200	100,200
Board of Respiratory Care	310,800	291,100	297,000
State Board of Optometry	189,900	177,900	181,500
Board of Osteopathic Examination	268,100	250,800	255,900
Board of Pharmacy	3,384,600	3,168,400	3,233,500
Board of Registration for Podiatry	92,400	86,100	87,900
Board of Cert. for Prof. Counselors, and Marital and Family Therapists	253,000	236,800	241,600
Board of Examiners in Psychology	287,900	269,500	275,000
Board for Communication Disorders and Sciences	168,100	157,200	160,400
Committee on Physician Assistants	266,100	249,000	253,900
Board of Veterinary Medical Examiners	636,500	595,300	607,500
Alcohol and Drug Abuse Counselors	72,200	67,400	68,800
Board of Midwifery	25,200	23,400	23,900
Board of Acupuncture	35,700	33,700	34,400
Board of Clinical Perfusionists	27,800	26,200	26,700
Reflexologist License	22,000	20,500	20,900
Polysomnographic Professional Standards Board	45,300	42,200	43,100
Pain Management Clinic Certificate	86,500	80,500	82,100
Sub-Total: Health	\$ 20,879,400	\$ 19,522,700 *	\$ 19,921,900 *
Other Regulatory Boards			
State Regulatory Fee	\$ 2,730,700	\$ 2,500,000	\$ 2,500,000
State Board of Law Examiners	914,100	884,000	883,900
Health Services Development Agency	955,700	1,486,100	1,105,000
Sub-Total: Other	\$ 4,600,500	\$ 4,870,100	\$ 4,488,900
Rounding Adjustment	0	(25,600)	(38,900)
Total Regulatory Boards	\$ 39,868,900	\$ 44,500,000	\$ 44,500,000

* Includes \$3,310,000 allocated for administration costs in 343.01

Tax Expenditures

Recommended Budget, Fiscal Year 2017-2018

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 2017-2018. 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

Service/Product Area Exempted	FY 2017-2018 Estimated Loss	
	State	Local *
Administrative and Support Services	\$ 523,300,000	\$ 186,800,000
Collection Agencies and Credit Bureaus	29,500,000	10,500,000
Employment Services	295,200,000	105,400,000
Investigation and Security Services	65,100,000	23,200,000
Mail, Document Reproduction, and Call Centers	29,400,000	10,500,000
Services to Buildings and Dwellings	104,100,000	37,200,000
Construction Services	\$ 715,800,000	\$ 255,700,000
Construction of Buildings	209,700,000	74,900,000
Heavy and Civil Engineering Construction	81,700,000	29,200,000
Specialty Trade Contractors	424,400,000	151,600,000
Educational Services	\$ 47,800,000	\$ 17,100,000
Educational Services (for-profit)	41,900,000	15,000,000
Educational Services (nonprofit)	5,900,000	2,100,000
Finance, Insurance, and Real Estate	\$ 252,200,000	\$ 90,100,000
Investment Banking, Securities Brokerage, and Related	136,000,000	48,600,000
Insurance Agents and Related	14,300,000	5,100,000
Real Estate Agents and Brokers	101,900,000	36,400,000
Health Care and Social Services (For-profit)	\$ 1,329,100,000	\$ 474,500,000
Physicians and Dentists	663,200,000	236,800,000
Other Health Practitioners	85,800,000	30,600,000
Hospitals	208,200,000	74,300,000
Nursing and Residential Care Facilities	162,600,000	58,100,000
Outpatient Care Centers	59,400,000	21,200,000
Medical and Diagnostic Laboratories	56,300,000	20,100,000
Other Selected Health Services	39,600,000	14,100,000
Social and Community Services	54,000,000	19,300,000
Health Care and Social Services (Nonprofit)	\$ 749,400,000	\$ 267,600,000
Hospitals	621,700,000	222,000,000
Nursing and Residential Care Facilities	40,900,000	14,600,000
Outpatient Care Centers	37,800,000	13,500,000
Other Selected Health Services	9,400,000	3,400,000
Social and Community Services	39,600,000	14,100,000
Information Services	\$ 83,600,000	\$ 29,800,000
Data Processing Services	58,000,000	20,700,000
Movie Production and Sound Recording Studios	13,600,000	4,800,000
Cable TV Subscriptions (exempt amount)	12,000,000	4,300,000
Media Advertising Sales	\$ 130,200,000	\$ 46,500,000
Newspaper Advertising	15,700,000	5,600,000
Radio Advertising	16,800,000	6,000,000
Television Advertising (Broadcast and Cable)	97,700,000	34,900,000
Personal Services	\$ 142,200,000	\$ 50,800,000
Coin-operated Laundry	2,600,000	900,000
Death Care Services	19,200,000	6,900,000
Diet and Weight Loss	1,400,000	500,000
Hair, Nail, and Skin Care Services	62,200,000	22,200,000
Nonprofit Amusement and Membership Organizations	56,800,000	20,300,000
Professional and Technical Services	\$ 974,600,000	\$ 347,900,000
Accounting, Tax Return Preparation, and Payroll	166,400,000	59,400,000
Advertising and Public Relations	39,900,000	14,200,000
Architectural Services	26,000,000	9,300,000
Engineering Services	141,300,000	50,400,000
All Other Architectural, Engineering, and Related	21,000,000	7,500,000
Specialized Design Services	16,300,000	5,800,000
Computer Systems Design and Related Services	115,700,000	41,300,000
Legal Services (for-profit and nonprofit)	211,800,000	75,600,000
Management, Scientific, and Technical Consulting	227,200,000	81,200,000
Scientific Research and Development (for-profit and nonprofit)	9,000,000	3,200,000
Transportation Services (Local Trucking only)	\$ 74,700,000	\$ 26,700,000
Truck Transportation (Local)	74,700,000	26,700,000
Total Revenue Loss	\$ 5,022,900,000	\$ 1,793,500,000

* 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 2017-2018 Estimated Loss	
		State	Local
	Sales and Use Tax	\$ 3,121,800,000	\$ 993,700,000
67-6-329(a)(1)	Gasoline	549,900,000	196,400,000
67-6-329(a)(2)	Motor vehicle fuel (diesel fuel)	192,700,000	68,800,000
67-6-217	Aviation fuel (reduced rate)	40,100,000	40,100,000
67-6-207(a)(9)	Gasoline/diesel fuel for agriculture	12,500,000	4,500,000
67-6-314, 320	Prescription drugs, insulin, and related	521,000,000	186,100,000
67-6-319	Prescription drug samples	15,900,000	5,700,000
67-6-334	Energy fuels sold for residential use	403,000,000	129,500,000
67-6-206(b)(1-2), 702(b)	Energy and water sales to manufacturers (reduced rate)	179,900,000	81,400,000
67-6-206(b)(2-8)	Energy and water sales to manufacturers for direct processing (exempt)	56,700,000	20,100,000
67-6-102(44), 206(a), 207, 702(b)	Industrial and farm machinery and equipment	270,100,000	51,400,000
67-6-228(a)	Food sales (reduced rate)	241,800,000	5,600,000
67-6-329(a)(13)	Packaging sold for resale or use	133,600,000	45,800,000
67-6-329(a)(3), (18)	School books and lunches	14,600,000	5,200,000
67-6-329(a)(4-5)	Membership dues of civic organizations and business associations	28,100,000	10,000,000
67-6-316	Prescription eyewear and optical goods	22,500,000	8,000,000
67-6-103(f), 226, 714	Cable television (exempt portion)	12,000,000	4,400,000
67-6-329(a)(10)	Newspaper periodical sales	5,800,000	2,100,000
67-6-303	Motor vehicles sold to active-duty or non-resident military personnel	11,300,000	600,000
67-6-216	Non-material cost of manufactured homes (reduced rate)	3,400,000	-
67-6-301	Agricultural Products	178,200,000	47,600,000
67-6-219, 702(e)	Sales to common carriers (reduced rate)	9,600,000	3,800,000
67-6-330(a)(16)	Physical fitness facility fees	8,100,000	2,900,000
67-6-313(g), 321	Railroad rolling stock, materials, and repairs	6,200,000	1,400,000
67-6-309(a)	Film and transcription rentals	1,300,000	500,000
67-6-102(44)(H)(i)	Certain warehouse equipment	5,700,000	1,100,000
67-6-207(a)(10-17)	Fertilizers, pesticides, seeds, and related items to nurseries	42,600,000	15,200,000
67-6-335	Dentists	126,200,000	45,100,000
	All other remaining exemptions	29,000,000	10,400,000
	Corporate Franchise and Excise Tax	\$ 138,500,000	\$ -
67-4-2109	Jobs credit (Franchise and Excise)	51,400,000	NA
67-4-2108	Cap on value of inventories (Franchise)	25,100,000	NA
67-4-2009	Industrial machinery credit (Franchise and Excise)	62,000,000	NA
	Motor Vehicle Registration Fees	\$ 4,900,000	\$ -
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	1,600,000	NA
55-21-103(a)(1)	Disabled driver plate fee	100,000	NA
55-21-103(b)(2)	Disabled driver placard fees	100,000	NA
	Gross Receipts Taxes	\$ 285,200,000	\$ -
67-4-405(b)	Gas, Water, and Electric Companies - Govt. operations exempt	283,300,000	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	1,400,000	NA
	Miscellaneous Taxes	\$ 17,600,000	\$ 9,900,000
67-2-104(a)	Standard Exemption on the income tax	17,200,000	9,900,000
67-4-409(b)(4)	Mortgage Tax - \$2,000 exemption	400,000	NA
	Total Revenue Loss	\$ 3,568,000,000	\$ 1,003,600,000

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

Counties.....	A share of the tax on interstate telecommunication services sold to businesses is allocated to cities and counties, and distributed based on population (TCA 67-6-221(b)). In addition, a share of General Fund sales tax revenue 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)).
GASOLINE TAX	\$0.20 on each gallon of gasoline sold, stored, or distributed in the state (TCA 67-3-201 and 60-4-102).
General Fund.....	Approximately 1.7% (TCA 67-3-901).
Highway Fund.....	Approximately 60.2%, less an amount to the Debt Service Fund (TCA 67-3-901).
Debt Service Fund	Amount required from Highway Fund apportionment (TCA 9-9-103 and 67-3-901).
Cities	Approximately 12.7% based on population (TCA 54-4-203 and 67-3-901).
Counties.....	Approximately 25.4% based ¼ on population, ¼ on area, and ½ divided equally (TCA 54-4-103 and 67-3-901).
MOTOR FUEL TAX	\$0.17 on each gallon of diesel fuel and all fuel other than gasoline, except dyed fuel under IRS rules 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).
General Fund.....	Approximately 1.5% (TCA 67-3-905, 67-3-908, and 67-3-901(k)).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Highway Fund.....	Approximately 72.3%, 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	5% 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), \$15 marriage license fee (plus a \$62.50 marriage license fee for couples not completing a premarital preparation course), a 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

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Rate and Source

Basis of Apportionment

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, 6% tax on all adjusted revenues of an online fantasy sports contest. 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, 67-4-3203).

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 designated for the 1986 Wetland Acquisition Fund, Local Parks Acquisition Fund, State Lands Acquisition Fund, and Agricultural
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Rate and Source

Basis of Apportionment

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 DUI Monitoring Fund; \$4.50 to the Tennessee Hospital Association; \$1.25 to the Department of Mental Health, alcohol and drug addiction treatment fund; \$1.25 to the Department of Finance and Administration, Office of Criminal Justice Programs for funding grant awards to local law enforcement

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Rate and Source

Basis of Apportionment

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)).

Counties..... 20% of fantasy sports tax (67-4-3205).

GROSS RECEIPTS

TAX Taxes levied principally on the gross receipts of certain types of businesses operating in the state. The main sources are taxes on the following portions of gross receipts: 1.9% on soft-drink bottlers, 3% on gross receipts over \$5,000 of intrastate water and electric power distribution companies, 1.5% on manufactured or natural gas intrastate distributors, 15% on mixing bars and clubs, 5% of covered electric current sales of non-TVA entities (TCA 67-4-3101), and an in lieu of tax payment by the Tennessee Valley Authority (TVA) (TCA 67-4-402, 67-4-405, 67-4-406, 67-4-410, and 16 USC 831(l)); and a \$10 per year firearms dealer permit fee (TCA 39-17-1316).

General Fund..... 79% of bottlers' gross receipts tax, plus 2% of gross highway litter amount from the Highway Fund, 100% of various other gross receipts taxes, and TVA in lieu of tax payments equal to FY 1977-78 payments and 48.5% of any TVA payments received by the state which exceed the amount paid in FY 1977-78, less approximately \$4.1 million distributed to local governments and 48.5% of non-TVA entities tax payments (TCA 67-9-101 through 67-9-103, and 67-4-402, and 67-4-3101).

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Rate and Source

Basis of Apportionment

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 that 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).

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).

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Basis of Apportionment

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	
General Fund.....	\$1.21 per gallon on wine and \$4.40 per gallon on spirits (TCA 57-3-302). 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).
Counties.....	\$0.04 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),

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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.....\$0.25 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 FundAmount required from General Fund apportionment (TCA 9-9-103).

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

General Fund.....Remaining balance after cities, counties, and Debt Service Fund distribution (TCA 67-4-2017).

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

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

**INHERITANCE,
ESTATE, AND
GIFT TAX**.....

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 2016 and thereafter, no tax is imposed. 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-

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Rate and Source

Basis of Apportionment

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.....	\$0.031 per cigarette or \$0.62 per package of 20; \$0.0005 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).
General Fund.....	Approximately 11.5%. From the pre-2007 tax, about .6% of the \$0.01 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 \$0.0005 per pack enforcement fee, all earmarked for administration). From the 2007 cigarette tax increase of \$0.021 per cigarette tax (\$0.42 package of 20), \$0.001 per cigarette (\$0.02 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 88.5%. From the pre-2007 tax, about 99.4% of the \$0.01 tax per cigarette (\$0.20 per package of 20) (includes 100% of cigarette taxes earmarked for grades 1-12). From the 2007 cigarette tax increase of \$0.02 per cigarette (\$0.40 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).

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and Classification**

Rate and Source

Basis of Apportionment

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 88.7% (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).

Debt Service Fund.....Approximately 11.3% (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

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Basis of Apportionment

remaining after distribution to cities and counties; (b) 1.125% for administration; and (c) 100% of taxes, interest, and penalties assessed as a result of an audit. (TCA 67-4-701, 67-4-703 through 67-4-705, 67-4-707 through 67-4-710, and 67-4-714 through 67-4-724).

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

**CRUDE OIL AND
NATURAL GAS**

SEVERANCE TAX.....3% 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

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and Classification**

Rate and Source

Basis of Apportionment

analogues upon which the tax has not been paid as evidenced by a stamp available from the Tennessee Department of Revenue. Unauthorized substances include marijuana, cocaine, crack, methamphetamine, etc., as well as untaxed liquors and spirits and "low-value street drugs." The tax rate varies by the type and quantity of unauthorized substance or controlled substance analogues (TCA 67-4-2803 and TCA 67-4-2805 through 67-4-2807).

General Fund.....	100% of voluntarily paid amounts. For all other proceeds, the Department of Revenue retains tax proceeds sufficient to cover the costs of storing and disposing of assets seized in payment and the costs due to implementation and enforcement of the tax. Of the remaining amount, 25% is allocated to the General Fund. The remaining 75% is allocated to the state or local law enforcement agencies conducting the investigation that led to a tax assessment (TCA 67-4-2809).
Cities and Counties.....	That portion of the 75% of tax proceeds returned to city and county law enforcement agencies conducting investigations leading to a tax assessment (TCA 67-4-2809).

Department of Commerce and Insurance

**INSURANCE
COMPANY**

PREMIUM TAX.....Life, accident, and health companies are taxed at a rate of 1.75% on gross premiums received; health maintenance organizations and prepaid limited health service organizations are taxed 6% of the gross amount of all dollars collected from an enrollee or on an enrollee's behalf. 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 and lines of business having fire coverage as a part

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

of the risk rate pay a 0.75% tax on that portion of the premium applicable to fire risk. The minimum aggregate tax on insurance companies is \$150. Captive insurance companies are taxed at various rates on premiums collected and reinsurance assumed. The minimum aggregate tax on captive insurance companies is \$5,000 and the maximum is \$100,000. Cell insurance companies with ten or more cells are subject to a \$5,000 minimum tax and maximum tax of \$10,000, plus an additional \$5,000 for each cell over 10 cells. 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 retaliatory fees, captive insurance company certificate of authority and other filing fees, self-service storage and travel insurance supervising entity license fees, rate service advisory organization fees, workers' compensation extraterritorial coverage certifications, and fines and penalties. (Various provisions in Title 56, including TCA 56-2-305, 56-4-101, 56-4-216, 56-4-205 through 208, 56-4-218, 56-5-111, 56-6-112, 56-6-121, 56-6-1207, 56-6-1403, 56-13-103, 56-13-114, 56-32-124, 56-51-152, and 50-6-115).

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'
COMPENSATION**4% on gross premiums collected. Up to 50% of the gross premium tax is earmarked for the Second Injury Fund. In addition, a 0.4% surcharge on gross premiums is levied, which is earmarked for administration of the Tennessee Occupational Safety and Health Act (TCA 50-6-401, 50-6-405, 50-4-206, and 56-4-207).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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. The surcharge is collected by the Department of Revenue and submitted to the Tennessee Emergency Communications Board. The surcharge is used to provide funding for the State's emergency communications districts, and to implement, operate, maintain, and enhance a uniform statewide 911 service. The Department of Revenue may deduct an administrative fee of 1.125% of the collected charges. Service providers or dealers may retain up to 2% 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
SUPERVISION**

Annual 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).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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%.

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)

Collecting Agency and Classification

Rate and Source

Basis of Apportionment

relative to marks, brands, registration, and certification, Livestock Dealer Act (TCA 44-10-part 2), (TCA 44-11) relative to livestock sales, (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).

**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%.

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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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).

TELEMARKETING.....A fee of \$500 per year for access to a database of telephone numbers of residential subscribers who object to receiving telephone solicitations. TRA 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).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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 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).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

COMPETITIVE

CABLE AND

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

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

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 \$50.00 for each day of any violation or failure by public utilities to comply with Tennessee Regulatory Authority orders, judgments, findings, rules, or requirements (TCA 65-4-120).

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

Secretary of State

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

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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Department of Labor and Workforce
Development (TCA 50-6-913).

Department of Safety

CLASSIFIED

DRIVER'S

LICENSESFees received from eight-year driver's license: Class A (Commercial) - \$64.00; Classes B and C (Commercial) - \$56.00; Class D (Operator) - \$26.00; duplicate licenses - \$6.00 first duplication, \$10.00 for second and subsequent duplications during a regular renewal cycle (TCA 55-50-323).

General Fund..... 100%.

FINES AND

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

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

LITIGATION

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

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

Department of Revenue

MOTOR

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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

State Treasurer

INTEREST

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

General Fund..... 100%.

Department of Education

LITIGATION

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

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

Department of Health

**HOTEL, B & B,
RESTAURANT,
SWIMMING
POOL, AND CAMP
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 68-14-315, 68-14-713, 68-14-714, and 68-110-103).

General Fund..... 100%.

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

**TATTOO
PARLORS AND**

ARTISTSFees received from the issuance of certificates to operate a tattoo studio or body piercing studio and from the issuance of licenses to engage in the practice of tattooing and body piercing (TCA 62-38-202, 204, and 205, 62-38-309).

General Fund..... 100%.

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

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

NURSING HOME

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

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

**TRAUMATIC
BRAIN INJURY
FUND**

Fines and penalties levied for motor vehicle violations in addition to those

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

finances 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).

Department of Environment and Conservation

**TENNESSEE
ENVIRONMENTAL
PROTECTION**

FUND.....Fees 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**

FUND.....Fees from a surcharge on each ton of municipal solid waste received at all Class 1 solid waste disposal facilities or incinerators of \$0.90 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).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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

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

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

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

OIL AND GAS

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

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

AUTOMOTIVE

OIL FEE.....\$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
ASSESSMENT**

Annual 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, 5.0% penalty of the amount due if not paid on or before the due date. Authorization for the

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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 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)).

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 \$0.04 per 1,000 ton miles.
Minimum fee, \$100 (TCA 65-3-201).
The department collects these fees as
miscellaneous revenue.

Transportation Fund100% (earmarked for Department of
Transportation) (TCA 65-3-202).

State Funding Board Range of Tax Revenue Estimates



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY

State Capitol
Nashville, Tennessee 37243-9034
(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 16, 2016

Subject: State Funding Board Growth Projections for FY 2016-17 and FY 2017-18

The State Funding Board met on November 17, 2016, to hear presentations on the State’s economic outlook for the remainder of fiscal year 2016-2017 and for fiscal year 2017-2018. The Board reconvened on November 29, 2016, 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 an “anticipated” non-recurring franchise and excise tax revenue growth of \$180,000,000. 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 \$180,000,000.

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; Dr. Jon L. Smith of East Tennessee State University; 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, the growth rates are most likely unsustainable. Factors for that belief include: forecasted GDP growth close to 2 percent; inflationary pressures; and continued diversion of retail sales from brick-and-mortar storefronts to online purchasing.

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

	FY 2016-2017		FY 2017-2018	
	Low	High	Low	High
Total State Taxes	2.50%	3.00%	2.32%	2.82%
General Fund	2.75%	3.25%	2.67%	3.17%

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 2016 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 received presentations regarding the Tennessee Education Lottery (TEL). Legislation in 2003 created the Tennessee Education Lottery Corporation (TELC) (Tennessee Code Annotated Sections 4-51-101 et seq.). Tennessee Code Annotated Section 4-51-111(c) requires the Board to establish a projected revenue range for the “Net Lottery Proceeds” [defined in Section 4-51-102(14)] for the remainder of the current fiscal year and for the four (4) succeeding fiscal years.

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 the attachment 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 2016 session of the General Assembly include the

following: the 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, the Math & Science Teacher Loan Forgiveness Program, Helping Heroes Grant, STEP UP Scholarship, and TCAT Reconnect Grant.

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	FY2016-2017	FY2017-2018	FY2018-2019	FY2019-2020	FY2020-2021
Low	\$369,458,000	\$373,200,000	\$378,100,000	\$383,000,000	\$388,000,000
High	\$378,637,000	\$386,200,000	\$393,900,000	\$401,800,000	\$409,800,000

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 4-51-111(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 2016 - 2017**
(Accrual - Basis Estimates)

A-108

DEPARTMENT OF REVENUE TAXES	2016-2017																				
	2015-2016		% Change		Dr. Fox		% Change		Fiscal Review		% Change		Dept. of Revenue		% Change		Dr. Smith		% Change		
	SOURCE OF REVENUE	Actual Year	July 1, 2016 Budget Estimate	Actual	Over	Estimate	Actual	Over	Estimate	Actual	Over	Estimate	Actual	Over	Estimate	Actual	Over	Estimate	Actual	Over	
Sales and Use Tax	\$ 8,267,224,400	\$ 8,272,700,000	0.07%	\$ 8,606,200,000	4.10%	\$ 8,620,000,000	4.27%	\$ 8,601,200,000	4.04%	\$ 8,574,680,000	3.72%										
Gasoline Tax	659,915,000	632,700,000	-4.12%	667,800,000	1.19%	671,000,000	1.68%	669,500,000	1.45%	672,258,300	1.87%										
Motor Fuel Tax	172,336,300	170,200,000	-1.24%	176,600,000	2.47%	178,000,000	3.29%	177,400,000	2.94%	174,291,600	1.13%										
Gasoline Inspection Tax	67,380,500	66,100,000	-1.90%	68,400,000	1.51%	68,900,000	2.26%	69,200,000	2.70%	69,349,500	2.92%										
Motor Vehicle Registration Tax	271,197,800	261,900,000	-3.43%	276,600,000	1.99%	280,000,000	3.25%	280,900,000	3.58%	277,157,600	2.20%										
Income Tax	322,356,000	296,000,000	-8.18%	279,400,000	-13.33%	265,000,000	-17.79%	286,100,000	-11.25%	267,484,400	-17.02%										
Privilege Tax - Less Earmarked Portion ¹	316,544,100	333,400,000	5.32%	336,700,000	6.37%	347,000,000	9.62%	335,000,000	5.83%	326,182,945	3.05%										
Gross Receipts Tax - TVA	348,742,900	355,000,000	1.79%	342,100,000	-1.90%	342,200,000	-1.88%	342,200,000	-1.88%	354,520,400	1.66%										
Gross Receipts Tax - Other	19,979,200	31,200,000	56.16%	20,400,000	2.11%	29,000,000	45.15%	28,400,000	42.15%	26,035,200	30.31%										
Beer Tax	17,378,000	17,100,000	-1.60%	17,400,000	0.13%	18,500,000	6.46%	17,600,000	1.28%	18,105,500	4.19%										
Alcoholic Beverage Tax	62,250,200	62,300,000	0.08%	66,700,000	7.15%	69,000,000	10.84%	65,800,000	5.70%	69,482,600	11.62%										
Franchise & Excise Tax	2,311,705,100	2,133,400,000	-7.71%	2,427,300,000	5.00%	2,400,000,000	3.82%	2,367,600,000	2.42%	2,225,162,600	-3.74%										
Inheritance and Estate Tax	55,353,200	14,500,000	-73.80%	20,000,000	-63.87%	22,000,000	-60.26%	14,500,000	-73.80%	26,686,000	-51.79%										
Tobacco Tax	261,480,900	260,700,000	-0.30%	260,200,000	-0.49%	260,000,000	-0.57%	259,800,000	-0.64%	260,714,100	-0.29%										
Motor Vehicle Title Fees	22,781,500	18,800,000	-17.48%	23,700,000	4.03%	25,000,000	9.74%	24,100,000	5.79%	24,150,700	6.01%										
Mixed Drink Tax	96,275,100	94,100,000	-2.26%	104,000,000	8.02%	104,500,000	8.54%	106,100,000	10.21%	104,705,800	8.76%										
Business Tax	154,622,300	155,200,000	0.37%	162,300,000	4.97%	165,000,000	6.71%	165,900,000	7.29%	158,092,880	2.24%										
Severance Tax	1,400,400	2,000,000	42.82%	1,400,000	-0.03%	1,350,000	-3.60%	1,200,000	-14.31%	1,310,200	-6.44%										
Coin-operated Amusement Tax	268,500	300,000	N/A	200,000	-25.51%	250,000	-6.89%	300,000	11.73%	272,300	1.42%										
Unauthorized Substance Tax	5,900	-	N/A	-	N/A	-	N/A	-	N/A	5,900	0.00%										
TOTAL DEPARTMENT OF REVENUE	\$ 13,429,197,300	\$ 13,177,600,000	-1.87%	\$ 13,857,400,000	3.19%	\$ 13,866,700,000	3.26%	\$ 13,812,800,000	2.86%	13,630,648,525	1.50%										
TOTAL - RECURRING	\$ 13,373,844,100	\$ 13,120,900,000	-1.89%	\$ 13,837,400,000	3.47%	\$ 13,844,700,000	3.52%	\$ 13,798,300,000	3.17%	13,603,962,525	1.72%										
GENERAL FUND ONLY²	\$ 11,257,133,600	\$ 11,056,900,000	-1.78%	\$ 11,644,800,000	3.44%	\$ 11,648,300,000	3.47%	\$ 11,589,100,000	2.95%	11,411,748,525	1.37%										
GENERAL FUND - RECURRING³	\$ 11,201,780,400	\$ 11,054,200,000	-1.32%	\$ 11,624,800,000	3.78%	\$ 11,626,300,000	3.79%	\$ 11,574,600,000	3.33%	11,385,062,525	1.64%										

SELECTED TAXES	Actual Year	Budgeted	%	Dr. Fox	%	Fiscal Review	%	Revenue Dept.	%	Dr. Smith	%
SALES AND USE TAX	\$ 8,267,224,400	\$ 8,272,700,000	0.07%	\$ 8,606,200,000	4.10%	\$ 8,620,000,000	4.27%	\$ 8,601,200,000	4.04%	\$ 8,574,680,000	3.72%
FRANCHISE AND EXCISE TAXES	2,311,705,100	2,133,400,000	-7.71%	2,427,300,000	5.00%	2,400,000,000	3.82%	2,367,600,000	2.42%	2,225,162,600	-3.74%
INCOME TAX	322,356,000	296,000,000	-8.18%	279,400,000	-13.33%	265,000,000	-17.79%	286,100,000	-11.25%	267,484,400	-17.02%
ROAD USER TAXES	1,193,611,100	1,149,700,000	-3.68%	1,213,100,000	1.63%	1,222,900,000	2.45%	1,221,100,000	2.30%	1,217,207,700	1.98%
ALL OTHER TAXES	1,334,300,700	1,325,800,000	-0.64%	1,331,400,000	-0.22%	1,358,800,000	1.84%	1,336,800,000	0.19%	1,346,113,825	0.89%

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.

³ FY 2015 -2016 actual collections have been reduced by \$55.3M to reflect non-recurring Inheritance Tax collections. The July 1, 2016 Budget Estimate is reduced by non-recurring tax legislation adjustments (\$56.7M Total and \$2.7M General Fund)

**COMPARISON OF ESTIMATED STATE TAX REVENUE FOR
FISCAL YEAR 2017 - 2018**
(Accrual - Basis Estimates)

2017-2018

DEPARTMENT OF REVENUE TAXES	Dr. Fox		Fiscal Review		Dept. of Revenue		Dr. Smith	
	Estimate	% Change Over	Estimate	% Change Over	Estimate	% Change Over	Estimate ⁴	% Change Over
SOURCE OF REVENUE								
Sales and Use Tax	\$ 8,950,400,000	4.00%	\$ 8,940,000,000	3.71%	\$ 8,911,100,000	3.60%	\$ 8,961,590,000	4.51%
Gasoline Tax	674,500,000	1.00%	684,400,000	2.00%	685,400,000	2.37%	684,863,800	1.88%
Motor Fuel Tax	180,100,000	1.98%	183,300,000	2.98%	183,300,000	3.33%	179,581,400	3.04%
Gasoline Inspection Tax	69,100,000	1.02%	70,300,000	2.03%	70,100,000	1.30%	69,946,700	0.86%
Motor Vehicle Registration Tax	283,500,000	2.49%	285,500,000	1.96%	289,100,000	2.92%	283,056,400	2.13%
Income Tax	232,500,000	-16.79%	272,000,000	2.64%	299,000,000	4.51%	264,466,200	-1.13%
Privilege Tax ¹	359,400,000	6.74%	357,000,000	2.88%	353,900,000	5.64%	332,249,996	1.86%
Gross Receipts Tax - TVA	348,900,000	1.99%	345,000,000	0.82%	346,600,000	1.29%	366,172,800	3.29%
Gross Receipts Tax - Other	20,800,000	1.96%	29,000,000	0.00%	29,700,000	4.58%	26,686,000	2.50%
Beer Tax	17,600,000	1.15%	18,900,000	2.16%	17,900,000	1.70%	18,141,700	0.20%
Alcoholic Beverage Tax	70,700,000	6.00%	74,500,000	7.97%	69,400,000	5.47%	76,116,700	9.55%
Franchise & Excise Tax	2,548,600,000	5.00%	2,510,000,000	4.58%	2,483,300,000	4.89%	2,296,961,100	3.23%
Inheritance and Estate Tax	10,000,000	-50.00%	3,000,000	-86.36%	1,900,000	-86.90%	1,900,000	-92.88%
Tobacco Tax	260,200,000	0.00%	256,800,000	-1.23%	258,400,000	-0.54%	258,039,600	-1.03%
Motor Vehicle Title Fees	23,900,000	0.84%	26,000,000	4.00%	24,600,000	2.07%	24,664,100	2.13%
Mixed Drink Tax	111,300,000	7.02%	112,000,000	7.18%	116,200,000	9.52%	112,120,300	7.08%
Business Tax	170,400,000	4.99%	175,000,000	6.06%	176,600,000	6.45%	164,827,740	4.26%
Severance Tax	1,400,000	0.00%	1,400,000	3.70%	1,300,000	8.33%	1,276,900	-2.54%
Coin-operated Amusement Tax	200,000	N/A	250,000	0.00%	300,000	0.00%	281,358	3.33%
Unauthorized Substance Tax	-	N/A	-	N/A	-	N/A	5,900	0.00%
TOTAL DEPARTMENT OF REVENUE	\$ 14,333,500,000	3.44%	\$ 14,344,350,000	3.44%	\$ 14,318,100,000	3.66%	14,122,948,694	3.61%
TOTAL - RECURRING	\$ 14,323,500,000	3.51%	\$ 14,341,350,000	3.59%	\$ 14,316,200,000	3.75%	14,121,048,694	3.80%
GENERAL FUND ONLY²	\$ 12,098,800,000	3.90%	\$ 12,080,450,000	3.71%	\$ 12,040,500,000	3.90%	11,855,648,694	3.89%
GENERAL FUND - RECURRING³	\$ 12,088,800,000	3.99%	\$ 12,077,450,000	3.88%	\$ 12,038,600,000	4.01%	11,853,748,694	4.12%

SELECTED TAXES	Dr. Fox	%	Fiscal Review	%	Revenue Dept.	%	Dr. Smith	%
SALES AND USE TAX	\$ 8,950,400,000	4.00%	\$ 8,940,000,000	3.71%	\$ 8,911,100,000	3.60%	\$ 8,961,590,000	4.51%
FRANCHISE AND EXCISE TAXES	2,548,600,000	5.00%	2,510,000,000	4.58%	2,483,300,000	4.89%	2,296,961,100	3.23%
INCOME TAX	232,500,000	-16.79%	272,000,000	2.64%	299,000,000	4.51%	264,466,200	-1.13%
ROAD USER TAXES	1,231,100,000	1.48%	1,249,500,000	2.18%	1,252,500,000	2.57%	1,242,112,400	2.05%
ALL OTHER TAXES	1,370,900,000	2.97%	1,372,850,000	1.03%	1,372,200,000	2.65%	1,357,818,994	0.87%

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

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

³ FY 2015 -2016 actual collections have been reduced by \$55.3 M to reflect non-recurring Inheritance Tax collections. The July 1, 2016 Budget Estimate is reduced by non-recurring tax legislation adjustments (\$56.7 M Total and \$2.7 M General Fund)

⁴ Dr. Smith's FY 2017 - 2018 income tax estimate for was increased by one percent (\$52.9 M) to put all economist at a five percent tax rate.

Estimated Revenues Based on Recurring Growth Rates

November 2016

	<u>Actual FY 2015-2016</u>	<u>FY 2016-2017</u>	<u>Growth Rate</u>	<u>FY 2017-2018</u>	<u>Growth Rate</u>
Total Taxes	\$ 13,373,844,100	\$ 13,708,200,000	2.50%	\$ 14,026,200,000	2.32%
				\$ 14,094,800,000	2.82%
				\$ 14,094,800,000	2.32%
		\$ 13,775,100,000	3.00%	\$ 14,163,600,000	2.82%
		<i>Spread</i>	<i>0.50%</i>	<i>0.50%</i>	
General Fund	\$ 11,201,780,400	\$ 11,509,800,000	2.75%	\$ 11,817,100,000	2.67%
				\$ 11,874,700,000	3.17%
				\$ 11,874,700,000	2.67%
		\$ 11,565,800,000	3.25%	\$ 11,932,400,000	3.17%
		<i>Spread</i>	<i>0.50%</i>	<i>0.50%</i>	

Net Lottery Proceeds Estimates
Actual 2015-2016 and Estimated 2016-2017 Through 2020-2021
November 2016

	<u>2015-2016</u> <u>Actual</u>	<u>2016-2017</u> <u>Revised</u>	<u>%</u>	<u>2017-2018</u> <u>Estimated</u>	<u>%</u>	<u>2018-2019</u> <u>Estimated</u>	<u>%</u>	<u>2019-2020</u> <u>Estimated</u>	<u>%</u>	<u>2020-2021</u> <u>Estimated</u>	<u>%</u>
Lottery Corporation											
Low	382,462,000	355,849,000	-6.96%	355,000,000	-0.24%	362,000,000	1.97%	369,000,000	1.93%	376,000,000	1.90%
High	382,462,000	366,177,000	-4.26%	366,000,000	-0.05%	375,000,000	2.46%	384,000,000	2.40%	391,000,000	1.82%
Fiscal Review Staff											
Low	382,462,000	369,600,000	-3.36%	379,100,000	2.57%						
Median	382,462,000	374,200,000	-2.16%	384,400,000	2.73%	391,319,000	1.80%	398,363,000	1.80%	405,534,000	1.80%
High	382,462,000	378,700,000	-0.98%	389,600,000	2.88%						
Recommended Range											
Low	382,462,000	369,458,000	-3.40%	373,200,000	1.00%	378,100,000	1.30%	383,000,000	1.30%	388,000,000	1.30%
High	382,462,000	378,637,000	-1.00%	386,200,000	2.00%	393,900,000	2.00%	401,800,000	2.00%	409,800,000	2.00%



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

November 17, 2016

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, TCAT Reconnect, and the Math & Science Teacher Loan Forgiveness Program.

Fiscal Year	TELS Expenditures Low	TELS Expenditures Baseline	TELS Expenditures High	Recipients
2015-16 actual	N/A	\$308.9M	N/A	110,700
2016-17 estimated*	\$302.8M	\$309.0M	\$318.3M	110,800
2017-18 estimated	\$305.9M	\$312.1M	\$321.5M	111,900
2018-19 estimated	\$308.9M	\$315.2M	\$324.7M	113,000
2019-20 estimated	\$312.0M	\$318.4M	\$327.9M	114,100
2020-21 estimated	\$315.2M	\$321.6M	\$331.2M	115,300
2021-22 estimated	\$318.3M	\$324.8M	\$334.5M	116,400

**Does not include supplemental funding of \$6.8M for TSAA and administrative costs of \$3.8M. Does not include Tennessee Promise estimated expenditures of \$26.5M.*

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.

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, 2015, and June 30, 2016**

	<u>June 30, 2015</u>	<u>June 30, 2016</u>
Assets		
Cash and Cash Equivalents	\$ 2,195,557,000	\$ 3,074,929,000
Investments	0	151,935,000
Receivables, net	1,117,286,000	1,385,377,000
Due from Other Funds	275,735,000	276,132,000
Due from Component Units	165,000	772,000
Inventories, at Cost	11,520,000	10,984,000
Loans Receivable, net	6,063,000	5,243,000
Prepayments	1,968,000	2,274,000
	<u>1,968,000</u>	<u>2,274,000</u>
Total Assets	<u>\$ 3,608,294,000</u>	<u>\$ 4,907,646,000</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance		
Liabilities:		
Accounts Payable and Accruals	\$ 760,635,000	\$ 1,358,448,000
Due to Other Funds	10,989,000	10,481,000
Due to Component Units	17,712,000	20,311,000
Unearned Revenue	245,841,000	266,069,000
	<u>245,841,000</u>	<u>266,069,000</u>
Total Liabilities	<u>\$ 1,035,177,000</u>	<u>\$ 1,655,309,000</u>
Deferred Inflows of Resources	<u>\$ 9,630,000</u>	<u>\$ 11,258,000</u>
Fund Balance:		
Nonspendable - Inventories	\$ 11,520,000	\$ 10,984,000
Nonspendable - Accounts Receivable	8,664,000	7,781,000
Restricted	69,540,000	71,304,000
Committed	302,603,000	314,545,000
Assigned - Appropriations for 2015-2016	478,800,000	0
Assigned - Appropriations for 2016-2017	0	733,500,000
Assigned - Other Reserves	807,145,000	878,501,000
Unassigned - Revenue Fluctuation Reserve	491,500,000	568,000,000
Unassigned - Reserve for Future Requirements	393,700,000	656,400,000
Unassigned - Fund Balance	15,000	64,000
	<u>15,000</u>	<u>64,000</u>
Total Fund Balance	<u>\$ 2,563,487,000</u>	<u>\$ 3,241,079,000</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 3,608,294,000</u>	<u>\$ 4,907,646,000</u>

Education Fund
Comparative Balance Sheet
June 30, 2015, and June 30, 2016

	June 30, 2015	June 30, 2016
Assets		
Cash and Cash Equivalents	\$ 4,007,000	\$ 12,480,000
Investments	8,021,000	41,406,000
Receivables, net	637,657,000	619,405,000
Due from Other Funds	438,000	66,000
Due from Component Units	96,281,000	100,863,000
Inventories	120,000	119,000
Restricted Assets - Investments	361,381,000	361,381,000
Total Assets	\$ 1,107,905,000	\$ 1,135,720,000
 Liabilities, Deferred Inflows of Resources, and Fund Balance		
Liabilities:		
Accounts Payable and Accruals	\$ 186,668,000	\$ 131,041,000
Due to Other Funds	272,704,000	276,205,000
Due to Component Units	7,120,000	11,264,000
Unearned Revenue	3,676,000	1,469,000
Total Liabilities	\$ 470,168,000	\$ 419,979,000
Deferred Inflows of Resources	\$ 61,733,000	\$ 56,105,000
Fund Balance:		
Nonspendable - Inventories	\$ 121,000	\$ 119,000
Nonspendable - Permanent Fund and Endowment Corpus	361,381,000	361,381,000
Restricted - Lottery Scholarships	135,064,000	169,746,000
Restricted - Energy Efficient Schools	3,237,000	2,831,000
Restricted - After School Program	25,114,000	23,336,000
Restricted - State Endowment	15,914,000	45,626,000
Restricted - Other	353,000	171,000
Committed	8,583,000	8,931,000
Assigned	26,237,000	47,495,000
Total Fund Balance	\$ 576,004,000	\$ 659,636,000
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 1,107,905,000	\$ 1,135,720,000

**Highway Fund
Comparative Balance Sheet
June 30, 2015, and June 30, 2016**

	<u>June 30, 2015</u>	<u>June 30, 2016</u>
Assets		
Cash and Cash Equivalents	\$ 511,474,000	\$ 720,081,000
Receivables, net	204,180,000	189,584,000
Inventories, at Cost	9,456,000	11,020,000
Loans Receivable, net	<u>1,377,000</u>	<u>1,243,000</u>
Total Assets	<u>\$ 726,487,000</u>	<u>\$ 921,928,000</u>
 Liabilities, Deferred Inflows of Resources, and Fund Balance		
Liabilities:		
Accounts Payable and Accruals	\$ 190,508,000	\$ 166,098,000
Due to Other Funds	917,000	883,000
Due to Component Units	3,398,000	3,301,000
Unearned Revenue	<u>3,461,000</u>	<u>3,773,000</u>
Total Liabilities	<u>\$ 198,284,000</u>	<u>\$ 174,055,000</u>
Deferred Inflows of Resources	<u>\$ 27,515,000</u>	<u>\$ 21,700,000</u>
Fund Balances:		
Nonspendable - Inventories	\$ 9,456,000	\$ 11,020,000
Restricted	42,014,000	337,955,000
Committed	257,346,000	231,344,000
Assigned	<u>191,872,000</u>	<u>145,854,000</u>
Total Fund Balance	<u>\$ 500,688,000</u>	<u>\$ 726,173,000</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balance	 <u>\$ 726,487,000</u>	 <u>\$ 921,928,000</u>

Debt Management

Recommended Budget, Fiscal Year 2017-2018

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 10 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, 2016, the debt limit calculation produced a maximum annual debt service debt limit of \$734,282,380. The annual debt service requirement on the state's outstanding debt, authorized but unissued debt, and proposed bond authorizations in the fiscal year 2017-2018 budget total \$298,308,000, 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 AAA: Fitch AAA, Standard and Poor's AAA, and Moody's Investor Service Aaa.

Tennessee issued \$218 million in additional general obligation debt in the first six months of fiscal year 2016-2017. As of June 30, 2016, Tennessee's total general obligation bonded indebtedness was \$1,714,196,000, excluding the Facilities Revolving Fund (FRF). This debt was issued entirely for institutional and building construction.

There were no new general obligation bond authorizations for institutional and building bonds and economic and community development grants in fiscal year 2016-2017. Highway bond authorizations total \$87,700,000.

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 \$85,800,000 in highway construction bonds and \$16,745,056 in regular general obligation bond authorizations.

The reduction in bond authorizations coupled with the Funding Board's action on bond cancellations decreased the category of authorized but unissued bonds to \$1,383,220,000, which includes \$566.6 million in capital construction bonds, \$758.0 million in highway fund authorizations, \$29.9 million in FRF bonds, and \$28.8 million in data processing equipment and software bonds.

The recommended 2017-2018 capital budget is funded entirely from surplus cash in the amount of \$566,532,000 and \$171,915,500 from federal funds and other sources.

Debt Service Fund
Statement of Revenues, Expenditures, and Requirements
July 1, 2015 - June 30, 2018

	Actual 2015-2016	Estimated 2016-2017	Estimated 2017-2018
Unreserved Fund Balance, July 1	\$ 9,708,169.56	\$ 9,378,000.00	\$ 12,854,000.00
Tax Revenues:			
Sales Tax	\$ 58,745,727.66	\$ 60,800,000.00	\$ 62,900,000.00
Gasoline Tax	88,800,000.00	92,100,000.00	83,800,000.00
Franchise Tax	18,000,000.00	18,000,000.00	18,000,000.00
Excise Tax	240,754,272.34	233,700,000.00	197,800,000.00
Motor Vehicle Title Fees	2,700,000.00	2,700,000.00	2,700,000.00
Total Tax Revenues	\$ 409,000,000.00	\$ 407,300,000.00	\$ 365,200,000.00
Other Revenues:			
Sports Authority	\$ 3,835,291.76	\$ 3,647,000.00	\$ 3,500,000.00
Motlow State - Smyrna Center	108,265.94	104,000.00	0.00
University of Memphis - Land Bank	462,505.62	0.00	555,000.00
State Technology Centers	0.00	0.00	3,740,000.00
State Veterans' Homes - Refinancing	685,865.29	533,000.00	520,000.00
Premium on Bond Sales	639,216.16	0.00	0.00
Net Refunding Bond Premium	230,407.70	0.00	0.00
Federal Highway Bridge Funds (80% Match)	0.00	0.00	7,200,000.00
Total Other Revenues	\$ 5,961,552.47	\$ 4,284,000.00	\$ 15,515,000.00
Total Available Funds	\$ 424,669,722.03	\$ 420,962,000.00	\$ 393,569,000.00
Appropriations, Transfers, and Fund Balance			
Debt Service Appropriations for:			
Outstanding Bonds at July 1	\$ 203,266,906.97	\$ 217,112,000.00	\$ 202,139,000.00
Bond Sale - July 2016	0.00	3,734,000.00	17,276,000.00
Refunding Bonds - July 2016	0.00	(938,000.00)	(1,730,000.00)
Capital Outlay - Unissued Bonds (\$566,573,000)	0.00	0.00	67,823,000.00
Highway Bridges - Unissued Bonds (\$117,000,000)	0.00	0.00	9,000,000.00
Short Term Interest	434,898.53	1,300,000.00	1,300,000.00
Debt Issuance Expense	2,324,479.64	2,500,000.00	2,500,000.00
Total Debt Service Appropriations	\$ 206,026,285.14	\$ 223,708,000.00	\$ 298,308,000.00
Transfers to Other Funds:			
Highway Fund - Bonds Cancelled	\$ 85,800,000.00	\$ 89,700,000.00	\$ 82,000,000.00
Highway Fund - Bridge Bonds - Debt Service	3,000,000.00	2,400,000.00	0.00
General Fund	108,100,000.00	83,900,000.00	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	3,524,992.81	33.17	0.00
Total Transfers to Other Funds	\$ 209,265,056.81	\$ 184,400,033.17	\$ 82,000,000.00
Total Appropriations and Transfers	\$ 415,291,341.95	\$ 408,108,033.17	\$ 380,308,000.00
Unreserved Fund Balance, June 30			
Net Receivables	\$ 5,281,380.08	\$ 5,300,000.00	\$ 5,300,000.00
Cash and Cash Equivalents	4,097,000.00	7,553,966.83	7,961,000.00
Total Fund Balance, June 30	\$ 9,378,380.08	\$ 12,853,966.83	\$ 13,261,000.00

**Debt Service Fund
Comparative Balance Sheet
June 30, 2015, and June 30, 2016**

	June 30, 2015	June 30, 2016
Assets		
Cash and Cash Equivalents	\$ 4,829,000	\$ 4,097,000
Taxes Receivable	5,879,000	6,116,000
Loans Receivable	9,666,000	8,669,000
Total Assets	\$ 20,374,000	\$ 18,882,000
 Liabilities and Fund Balance		
Liabilities:		
Payables and Accruals	\$ 247,000	\$ 154,000
Total Liabilities	\$ 247,000	\$ 154,000
Deferred Inflows of Resources	\$ 10,419,000	\$ 9,350,000
Fund Balance:		
Unreserved	\$ 9,708,000	\$ 9,378,000
Total Fund Balance	\$ 9,708,000	\$ 9,378,000
Total Liabilities and Fund Balance	\$ 20,374,000	\$ 18,882,000

Bond Fund
Statement of Bonds Authorized and Unissued
June 30, 2015 - June 30, 2017

<u>Year</u>	<u>Authority</u>	<u>Description</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017 *</u>
1996	Chapter 945	State Parks	\$ 77,365.99	\$ 0.00	\$ 0.00
1996	Chapter 952	Capital Outlay	300,000.00	0.00	0.00
1996	Chapter 952	Data Processing Equipment	20,000,000.00	20,000,000.00	20,000,000.00
1997	Chapter 535	Capital Outlay	972,010.62	0.00	0.00
1998	Chapter 1103	Capital Outlay	375,666.27	0.00	0.00
1999	Chapter 401	Capital Outlay	758,214.73	0.00	0.00
2000	Chapter 984	Capital Outlay	1,501,312.91	0.00	0.00
2001	Chapter 462	Capital Outlay	989,981.07	356,206.73	356,206.73
2001	Chapter 462	Facilities Revolving Fund	6,313,403.69	1,657,931.38	739,844.53
2002	Chapter 852	Capital Outlay	175,592.10	0.00	0.00
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	0.00	0.00
2003	Chapter 338	Capital Outlay	234,877.02	0.00	0.00
2004	Chapter 958	Capital Outlay	9,994,545.75	9,368,926.50	8,028,409.92
2004	Chapter 958	Facilities Revolving Fund	435,220.68	0.00	0.00
2005	Chapter 501	Capital Outlay	963,379.32	963,379.32	774,757.09
2005	Chapter 501	Facilities Revolving Fund	3,109,307.01	2,420,944.63	2,420,944.63
2006	Chapter 962	Capital Outlay	35,335,375.31	34,575,212.98	23,637,092.73
2006	Chapter 962	Facilities Revolving Fund	6,548,520.95	6,352,061.20	6,352,061.20
2006	Chapter 962	Enterprise Resource Planning Software	17,519,930.67	13,139,930.67	8,759,930.67
2007	Chapter 591	Capital Outlay	19,244,236.46	17,987,543.88	14,363,528.47
2007	Chapter 591	Higher Education - Board of Regents	5,045,144.03	4,605,080.03	4,605,080.03
2007	Chapter 591	Facilities Revolving Fund	5,521,177.97	5,406,881.76	5,406,881.76
2007	Chapter 591	Highway Construction	83,800,000.00	0.00	0.00
2008	Chapter 1119	Higher Education	2,293,486.99	293,486.99	221,947.23
2008	Chapter 1202	Capital Outlay	8,918,063.50	8,918,063.50	8,918,063.50
2008	Chapter 1202	Facilities Revolving Fund	5,657,792.93	5,657,792.93	5,657,792.93
2008	Chapter 1202	Highway Construction	87,700,000.00	87,700,000.00	0.00
2009	Chapter 552	Capital Outlay	33,806,686.00	28,799,013.91	26,442,133.12
2009	Chapter 552	Facilities Revolving Fund	822,377.81	822,377.81	822,377.81
2009	Chapter 552	Highway Construction	80,000,000.00	80,000,000.00	80,000,000.00
2010	Chapter 1109	Capital Outlay	1,683,084.85	1,233,084.85	1,128,269.32
2010	Chapter 1109	Facilities Revolving Fund	2,365,579.16	1,465,579.16	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	58,600,000.00	29,500,000.00	29,500,000.00
2011	Chapter 470	Capital Outlay	35,204,232.17	22,142,343.70	15,176,165.26
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	5,170,550.11	4,600,000.00	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	182,310,604.67	136,592,669.75	59,740,029.99
2012	Chapter 1024	Capital Outlay - Communication System	49,000,000.00	42,000,000.00	35,000,000.00
2012	Chapter 1024	Highway Construction	78,000,000.00	77,000,000.00	76,000,000.00
2013	Chapter 452	Capital Outlay	183,678,840.02	140,696,303.50	79,535,013.75
2013	Chapter 452	Highway Construction	81,000,000.00	80,000,000.00	79,000,000.00
2014	Chapter 813	Capital Outlay	31,700,000.00	29,723,565.99	24,777,753.11
2014	Chapter 813	Capital Outlay - ECD Grants	52,400,000.00	0.00	0.00
2014	Chapter 813	Highway Construction	83,500,000.00	83,500,000.00	83,500,000.00
2015	Chapter 424	Capital Outlay	236,800,000.00	236,800,000.00	221,868,485.06
2015	Chapter 424	Capital Outlay - ECD Grants	200,800,000.00	35,000,000.00	0.00
2015	Chapter 424	Highway Construction	83,800,000.00	83,800,000.00	83,800,000.00
2016	Chapter 1060	Highway Construction	0.00	87,700,000.00	87,700,000.00
Total Bonds Authorized and Unissued			\$ 2,087,645,139.96	\$ 1,703,700,083.15	\$ 1,383,220,049.98
Summary by Purpose:					
	Capital Outlay		\$ 1,136,859,577.00	\$ 792,054,881.63	\$ 566,572,935.31
	Facilities Revolving Fund		38,365,632.29	30,805,270.85	29,887,184.00
	Highway Construction		728,800,000.00	730,700,000.00	641,000,000.00
	Highway Construction - Bridges		146,100,000.00	117,000,000.00	117,000,000.00
	Data Processing Equipment		20,000,000.00	20,000,000.00	20,000,000.00
	Enterprise Resource Planning Software		17,519,930.67	13,139,930.67	8,759,930.67
Total Bonds Authorized and Unissued			\$ 2,087,645,139.96	\$ 1,703,700,083.15	\$ 1,383,220,049.98

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

Bond Fund
Statement of Bonds Sold
July 1, 2014 - June 30, 2017

Year	Authority	Description	July 1, 2014 - June 30, 2015	July 1, 2015 - June 30, 2016	July 1, 2016 - June 30, 2017
1996	Chapter 952	Capital Outlay	\$ 212,587.21	\$ 0.00	\$ 0.00
1997	Chapter 535	Capital Outlay	300,306.13	10,151.33	0.00
1998	Chapter 1103	Capital Outlay	125,147.37	0.00	0.00
1999	Chapter 401	Capital Outlay	0.00	625,191.99	0.00
2000	Chapter 984	Capital Outlay	338,363.48	1,165,355.07	0.00
2001	Chapter 462	Facilities Revolving Fund	18,809,391.16	4,655,472.31	918,086.85
2002	Chapter 852	Capital Outlay	72,330.33	0.00	0.00
2003	Chapter 338	Capital Outlay	2,765,122.98	0.00	0.00
2004	Chapter 958	Capital Outlay	390,966.03	625,619.25	1,340,483.41
2004	Chapter 958	Facilities Revolving Fund	40,125.95	435,220.68	0.00
2005	Chapter 501	Capital Outlay	0.00	0.00	188,622.23
2005	Chapter 501	Facilities Revolving Fund	13,144.43	688,362.38	0.00
2006	Chapter 962	Capital Outlay	1,465,445.56	760,162.33	10,938,120.25
2006	Chapter 962	Facilities Revolving Fund	1,801,506.04	196,459.75	0.00
2007	Chapter 591	Capital Outlay	1,986,826.47	1,256,692.58	3,624,015.41
2007	Chapter 591	Facilities Revolving Fund	7,420,545.57	114,296.21	0.00
2008	Chapter 1119	Higher Education	101,797.53	2,000,000.00	71,539.76
2008	Chapter 1202	Facilities Revolving Fund	13,979,077.63	0.00	0.00
2009	Chapter 552	Capital Outlay	4,787,604.71	3,607,672.09	956,880.79
2009	Chapter 552	Facilities Revolving Fund	242,221.45	0.00	0.00
2010	Chapter 1109	Capital Outlay	5,109,946.55	450,000.00	104,815.53
2010	Chapter 1109	Facilities Revolving Fund	14,034,420.84	900,000.00	0.00
2011	Chapter 470	Capital Outlay	5,463,117.38	13,061,888.47	6,966,178.44
2011	Chapter 470	Facilities Revolving Fund	2,729,449.89	570,550.11	0.00
2012	Chapter 1024	Capital Outlay	45,489,395.33	45,717,934.92	76,852,639.76
2012	Chapter 1024	Facilities Revolving Fund	1,000,000.00	0.00	0.00
2013	Chapter 452	Capital Outlay	1,321,159.98	42,982,536.52	61,161,289.75
2014	Chapter 813	Capital Outlay	0.00	1,976,434.01	4,945,812.88
2014	Chapter 813	Capital Outlay - ECD Grants	0.00	52,400,000.00	0.00
2015	Chapter 424	Capital Outlay	0.00	0.00	14,931,514.94
2015	Chapter 424	Capital Outlay - ECD Grants	0.00	165,800,000.00	35,000,000.00
Total Bonds Sold			\$ 130,000,000.00	\$ 340,000,000.00	\$ 218,000,000.00
Summary by Purpose:					
		Capital Outlay	\$ 69,930,117.04	\$ 332,439,638.56	\$ 217,081,913.15
		Facilities Revolving Fund	60,069,882.96	7,560,361.44	918,086.85
		Total Bonds Sold	\$ 130,000,000.00	\$ 340,000,000.00	\$ 218,000,000.00

Bond Fund
Statement of Appropriations in Lieu of Issuing Bonds
Statement of Bonds Cancelled
July 1, 2014 - June 30, 2017

<u>Year</u>	<u>Authority</u>	<u>Description</u>	<u>July 1, 2014 - June 30, 2015</u>	<u>July 1, 2015 - June 30, 2016</u>	<u>July 1, 2016 - June 30, 2017 *</u>
1996	Chapter 945	State Parks	\$ 0.00	\$ 77,365.99	\$ 0.00
1996	Chapter 952	Capital Outlay	0.00	300,000.00	0.00
1997	Chapter 535	Capital Outlay	0.00	961,859.29	0.00
1998	Chapter 1103	Capital Outlay	0.00	375,666.27	0.00
1999	Chapter 401	Capital Outlay	0.00	133,022.74	0.00
2000	Chapter 984	Capital Outlay	0.00	335,957.84	0.00
2001	Chapter 462	Capital Outlay	0.00	633,774.34	0.00
2002	Chapter 852	Capital Outlay	0.00	175,592.10	0.00
2003	Chapter 296	Capital Outlay	0.00	296,877.22	0.00
2003	Chapter 338	Capital Outlay	0.00	234,877.02	0.00
2004	Chapter 958	Capital Outlay	0.00	0.00	33.17
2006	Chapter 962	Enterprise Resource Planning Software	4,380,000.00	4,380,000.00	4,380,000.00
2006	Chapter 962	Highway Construction	83,500,000.00	0.00	0.00
2007	Chapter 591	Higher Education - Board of Regents - Univ. of Memphis	440,064.00	440,064.00	0.00
2007	Chapter 591	Highway Construction	0.00	83,800,000.00	0.00
2008	Chapter 1202	Highway Construction	0.00	0.00	87,700,000.00
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	1,000,000.00	1,000,000.00
Total Appropriations in Lieu of Issuing Bonds			<u>\$ 97,720,064.00</u>	<u>\$ 102,545,056.81</u>	<u>\$ 102,480,033.17</u>
Summary by Purpose:					
		Capital Outlay	\$ 8,840,064.00	\$ 12,365,056.81	\$ 8,400,033.17
		Facilities Revolving Fund	0.00	0.00	0.00
		Highway Construction	84,500,000.00	85,800,000.00	89,700,000.00
		Highway Construction - State Route 840	0.00	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			<u>\$ 97,720,064.00</u>	<u>\$ 102,545,056.81</u>	<u>\$ 102,480,033.17</u>

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

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

2009 Chapter 552 Highway Construction - Bridges	\$ 200,000.00
2010 Chapter 1109 Highway Construction - Bridges	\$ 28,900,000.00

Chapter 427, Public Acts of 2015 (Section 6, Item 2(b)), cancelled the following bond authorization that was converted to federal financing:

2010 Chapter 1109 Highway Construction - Bridges	\$ 29,100,000.00
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Bond Fund
Statement of Bonded Indebtedness
Principal and Interest on Bonded Debt
June 30, 2016

<u>Fiscal Year</u>	<u>Outstanding Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016 - 2017	\$ 144,403,000	\$ 72,709,000	\$ 217,112,000
2017 - 2018	135,918,000	66,221,000	202,139,000
2018 - 2019	127,078,000	60,290,000	187,368,000
2019 - 2020	124,578,000	54,745,000	179,323,000
2020 - 2021	118,723,000	49,250,000	167,973,000
2021 - 2022	118,925,000	43,813,000	162,738,000
2022 - 2023	112,049,000	38,542,000	150,591,000
2023 - 2024	112,450,000	33,941,000	146,391,000
2024 - 2025	103,638,000	29,460,000	133,098,000
2025 - 2026	103,548,000	25,162,000	128,710,000
2026 - 2027	96,726,000	20,817,000	117,543,000
2027 - 2028	92,752,000	16,797,000	109,549,000
2028 - 2029	87,369,000	12,989,000	100,358,000
2029 - 2030	63,965,000	9,499,000	73,464,000
2030 - 2031	54,225,000	6,879,000	61,104,000
2031 - 2032	46,369,000	4,493,000	50,862,000
2032 - 2033	23,554,000	2,919,000	26,473,000
2033 - 2034	16,967,000	1,972,000	18,939,000
2034 - 2035	16,967,000	1,124,000	18,091,000
2035 - 2036	13,992,000	350,000	14,342,000
Total	<u>\$ 1,714,196,000</u>	<u>\$ 551,972,000</u>	<u>\$ 2,266,168,000</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, 2016, the outstanding principal was \$185,009,000 and interest was \$60,259,000.

Capital Outlay and Facilities Program



Capital Outlay and Facilities Program

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Capital Budget

Recommended Budget, Fiscal Year 2017-2018

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

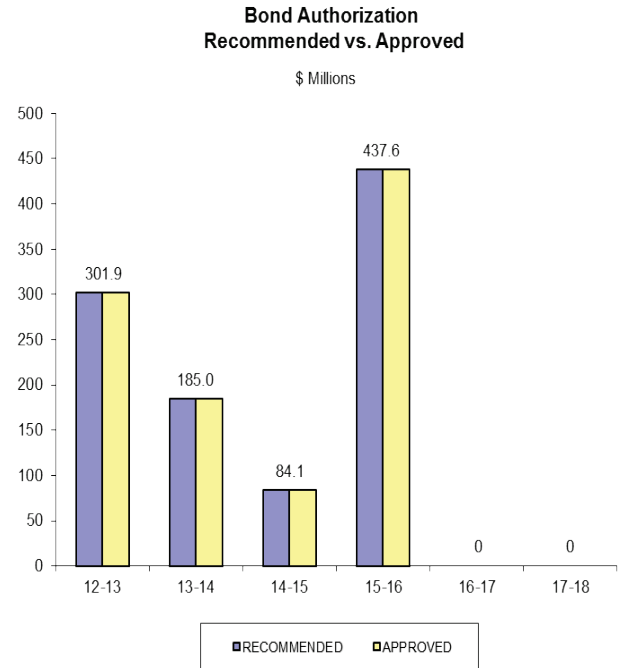
permanent betterments, and initial equipment to furnish and operate a new or improved facility that requires the assistance of a design professional or costs \$100,000 or more.

The 2017-2018 capital outlay budget recommends \$738,447,500 divided between capital improvement projects and capital maintenance requests. The recommendation includes \$547.4 million for higher education projects, \$58.8 million for state parks, \$37.0 million for correction facilities, \$31.4 million for education capital projects, and various upgrades to state facilities.

Capital Improvement Projects — Capital improvement projects recommended for fiscal year 2017-2018 total \$536,907,500, including \$453,967,000 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 \$920,000.

Capital Maintenance — Capital maintenance projects are recommended at a level of \$201,540,000. A state appropriation of \$112,565,000 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. Projects from dedicated sources of revenue are also recommended for the Tennessee Wildlife Resources Agency totaling \$1,510,000.

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 \$98,060,000 is recommended for capital maintenance and capital improvement projects. The total recommended amount is funded with \$87,980,000 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 2017-2018**

	COUNTY	TOTAL	STATE	BONDS	FEDERAL	OTHER
Children's Services						
Maintenance	Statewide	\$ 5,200,000	\$ 0	\$ 0	\$ 0	\$ 5,200,000
Commerce and Insurance						
Fire Academy New Conference Center	Bedford	\$ 5,710,000	\$ 5,710,000	\$ 0	\$ 0	\$ 0
Correction						
Maintenance	Statewide	\$ 32,500,000	\$ 0	\$ 0	\$ 0	\$ 32,500,000
NWCX Kitchen and Vocational Upgrades	Lake	4,500,000	0	0	0	4,500,000
Sub-Total Correction		\$ 37,000,000	\$ 0	\$ 0	\$ 0	\$ 37,000,000
Education						
Maintenance	Statewide	\$ 3,250,000	\$ 0	\$ 0	\$ 0	\$ 3,250,000
TSD Student Cottage Renovations	Knox	23,000,000	23,000,000	0	0	0
TSD Interior Doors - Elementary & Middle Schools	Knox	240,000	240,000	0	0	0
TSB Centralized Operations Building	Davidson	4,870,000	4,870,000	0	0	0
Sub-Total Education		\$ 31,360,000	\$ 28,110,000	\$ 0	\$ 0	\$ 3,250,000
Environment and Conservation						
Maintenance	Statewide	\$ 6,440,000	\$ 5,070,000	\$ 0	\$ 0	\$ 1,370,000
Henry Horton Inn, Restaurant, and Visitor Center	Marshall	10,050,000	10,050,000	0	0	0
Trail and Trail Bridge Replacements	Statewide	3,300,000	3,300,000	0	0	0
Rocky Fork SP Visitor Center	Unicoi	4,290,000	4,290,000	0	0	0
Pickwick Landing SP Inn Renovation	Hardin	11,680,000	11,680,000	0	0	0
Paris Landing Inn Replacement	Henry	23,070,000	23,070,000	0	0	0
Sub-Total Environment and Conservation		\$ 58,830,000	\$ 57,460,000	\$ 0	\$ 0	\$ 1,370,000
General Services						
Maintenance	Statewide	\$ 13,380,000	\$ 12,580,000	\$ 0	\$ 0	\$ 800,000
Emergency and Contingency	Statewide	5,000,000	5,000,000	0	0	0
Sub-Total General Services		\$ 18,380,000	\$ 17,580,000	\$ 0	\$ 0	\$ 800,000
Historical Commission						
Maintenance	Statewide	\$ 2,810,000	\$ 0	\$ 0	\$ 0	\$ 2,810,000
Carter House New Visitor Center	Williamson	3,120,000	3,120,000	0	0	0
Sub-Total Historical Commission		\$ 5,930,000	\$ 3,120,000	\$ 0	\$ 0	\$ 2,810,000
Intellectual & Developmental Disabilities						
Clover Bottom Cottage and Roof Renovations	Davidson	\$ 1,290,000	\$ 1,290,000	\$ 0	\$ 0	\$ 0
Mental Health & Substance Abuse Services						
Maintenance	Statewide	\$ 3,030,000	\$ 3,030,000	\$ 0	\$ 0	\$ 0
Military						
Maintenance	Statewide	\$ 3,540,000	\$ 375,000	\$ 0	\$ 1,770,000	\$ 1,395,000
Chattanooga RC Building Renovation	Hamilton	5,420,000	2,710,000	0	2,710,000	0
Sub-Total Military		\$ 8,960,000	\$ 3,085,000	\$ 0	\$ 4,480,000	\$ 1,395,000
Tourist Development						
Tennessee Music Pathway Phase I	Statewide	\$ 2,500,000	\$ 2,500,000	\$ 0	\$ 0	\$ 0
Veterans Homes Board						
West TN Veterans Nursing Home	Shelby	\$ 10,000,000	\$ 10,000,000	\$ 0	\$ 0	\$ 0
Veterans Services						
East TN State Veterans Cemetery Expansion	Knox	\$ 2,890,000	\$ 0	\$ 0	\$ 2,890,000	\$ 0

**Proposed Capital Appropriations
from Bonds, Current Funds, and Other Revenues
Fiscal Year 2017-2018**

	COUNTY	TOTAL	STATE	BONDS	FEDERAL	OTHER
Tennessee Board of Regents						
Maintenance	Statewide	\$ 73,650,000	\$ 43,330,000	\$ 0	\$ 0	\$ 30,320,000
MSCC Rutherford Co. Teaching Site Addition	Rutherford	25,797,500	24,471,000	0	0	1,326,500
ETSU Lamb Hall Renovation	Washington	23,000,000	17,250,000	0	0	5,750,000
WSSC Sevier County Campus Addition	Sevier	12,040,000	11,250,000	0	0	790,000
VSCC Warf Building Renovation	Sumner	4,640,000	4,176,000	0	0	464,000
UoM Music Center	Shelby	44,000,000	29,000,000	0	0	15,000,000
CoSCC Finney Library Renovation	Maury	6,100,000	5,490,000	0	0	610,000
TCAT Knoxville Satellite Campus	Anderson	13,500,000	12,825,000	0	0	675,000
TCAT Memphis Satellite Campus	Shelby	11,500,000	10,925,000	0	0	575,000
PSCC Multi-Purpose Building and Renovations	Knox	27,000,000	24,300,000	0	0	2,700,000
Statewide TCAT Improvements Phase 2	Statewide	54,000,000	51,300,000	0	0	2,700,000
WSSC Greeneville Campus Completion	Greene	3,400,000	3,400,000	0	0	0
Sub-Total Tennessee Board of Regents		\$ 298,627,500	\$ 237,717,000	\$ 0	\$ 0	\$ 60,910,500
University of Tennessee						
Maintenance	Statewide	\$ 57,740,000	\$ 48,180,000	\$ 0	\$ 0	\$ 9,560,000
UTM New Classroom Building (STEM)	Weakley	65,000,000	58,500,000	0	0	6,500,000
UTK Engineering Services Facility	Knox	126,000,000	90,250,000	0	0	35,750,000
Sub-Total University of Tennessee		\$ 248,740,000	\$ 196,930,000	\$ 0	\$ 0	\$ 51,810,000
Grand Total		\$ 738,447,500	\$ 566,532,000	\$ 0	\$ 7,370,000	\$ 164,545,500
Sub-Total Capital Maintenance		201,540,000	112,565,000	0	1,770,000	87,205,000
Sub-Total Capital Improvements		536,907,500	453,967,000	0	5,600,000	77,340,500
Sub-Total Higher Education:		\$ 547,367,500	\$ 434,647,000	\$ 0	\$ 0	\$ 112,720,500
Capital Maintenance		131,390,000	91,510,000	0	0	39,880,000
Capital Improvements		415,977,500	343,137,000	0	0	72,840,500
Sub-Total Other Agencies:		\$ 191,080,000	\$ 131,885,000	\$ 0	\$ 7,370,000	\$ 51,825,000
Capital Maintenance		70,150,000	21,055,000	0	1,770,000	47,325,000
Capital Improvements		120,930,000	110,830,000	0	5,600,000	4,500,000

**Proposed Capital Maintenance Appropriations
from Bonds, Current Funds, and Other Revenues
Fiscal Year 2017-2018**

	COUNTY	TOTAL	STATE	BONDS	FEDERAL	OTHER
Children's Services						
Mountain View YDC Upgrades	Jefferson	\$ 5,200,000	\$ 0	\$ 0	\$ 0	\$ 5,200,000
Correction						
South Central Correctional Facility Life Safety Upgrades	Wayne	\$ 3,000,000	\$ 0	\$ 0	\$ 0	\$ 3,000,000
WTSP Electrical Infrastructure Upgrades	Lauderdale	6,000,000	0	0	0	6,000,000
DeBerry Special Needs Facility Life Safety Upgrades	Davidson	5,500,000	0	0	0	5,500,000
Northwest Correctional Cpx. Life Safety Upgrades	Lake	3,500,000	0	0	0	3,500,000
Northwest Correctional Cpx. Perimeter Security Impvts.	Lake	3,000,000	0	0	0	3,000,000
Turney Center Electrical Infrastructure Upgrades	Hickman	2,000,000	0	0	0	2,000,000
Bledsoe County Correctional Complex Sallyport Upgrades	Bledsoe	2,500,000	0	0	0	2,500,000
Statewide Detention Hardware Upgrades	Statewide	4,000,000	0	0	0	4,000,000
WTSP High Mast Lighting Replacement	Lauderdale	3,000,000	0	0	0	3,000,000
Sub-Total Correction		\$ 32,500,000	\$ 0	\$ 0	\$ 0	\$ 32,500,000
Education						
TSD Swimming Pool Upgrades	Knox	\$ 1,360,000	\$ 0	\$ 0	\$ 0	\$ 1,360,000
York Ag. Inst. English and Science Bldg. Upgrades	Fentress	1,890,000	0	0	0	1,890,000
Sub-Total Education		\$ 3,250,000	\$ 0	\$ 0	\$ 0	\$ 3,250,000
Environment and Conservation						
Harrison Bay SP Marina Fuel Pier	Hamilton	\$ 1,370,000	\$ 0	\$ 0	\$ 0	\$ 1,370,000
Meeman-Shelby Forest SP Group Camp	Shelby	2,000,000	2,000,000	0	0	0
Standing Stone SP WPA Cabins	Overton	1,960,000	1,960,000	0	0	0
Statewide Water Tank Repairs	Statewide	1,110,000	1,110,000	0	0	0
Sub-Total Environment and Conservation		\$ 6,440,000	\$ 5,070,000	\$ 0	\$ 0	\$ 1,370,000
General Services						
ADA Compliance	Statewide	\$ 800,000	\$ 0	\$ 0	\$ 0	\$ 800,000
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	500,000	500,000	0	0	0
Statewide LED Lighting and Lighting Controls	Statewide	8,680,000	8,680,000	0	0	0
Sub-Total General Services		\$ 13,380,000	\$ 12,580,000	\$ 0	\$ 0	\$ 800,000
Historical Commission						
Cragfont Barn and Sinkhole Repairs	Sumner	\$ 650,000	\$ 0	\$ 0	\$ 0	\$ 650,000
Burra Burra Mine Historic Restoration	Polk	2,160,000	0	0	0	2,160,000
Sub-Total Historical Commission		\$ 2,810,000	\$ 0	\$ 0	\$ 0	\$ 2,810,000
Mental Health and Substance Abuse Services						
Moccasin Bend MHI Infrastructure Improvements	Hamilton	\$ 2,600,000	\$ 2,600,000	\$ 0	\$ 0	\$ 0
Middle TN MHI Cooling Tower Replacement	Davidson	430,000	430,000	0	0	0
Sub-Total Mental Health and Substance Abuse Services		\$ 3,030,000	\$ 3,030,000	\$ 0	\$ 0	\$ 0
Military						
Springfield RC Re-roof and Facility Update	Robertson	\$ 900,000	\$ 0	\$ 0	\$ 450,000	\$ 450,000
Lafayette Readiness Center Re-roof and Facility Update	Macon	640,000	0	0	320,000	320,000
Lenoir City Readiness Center Re-roof and Facility Update	Loudon	750,000	0	0	375,000	375,000
Joint Force Headquarters Re-roof and Facility Update	Davidson	500,000	0	0	250,000	250,000
Statewide Paving	Statewide	750,000	375,000	0	375,000	0
Sub-Total Military		\$ 3,540,000	\$ 375,000	\$ 0	\$ 1,770,000	\$ 1,395,000

**Proposed Capital Maintenance Appropriations
from Bonds, Current Funds, and Other Revenues
Fiscal Year 2017-2018**

	COUNTY	TOTAL	STATE	BONDS	FEDERAL	OTHER
Tennessee Board of Regents						
ADA Compliance	Statewide	\$ 800,000	\$ 0	\$ 0	\$ 0	\$ 800,000
TCAT Building System Updates	Statewide	850,000	0	0	0	850,000
ETSU Safety and Structural Repairs	Washington	2,500,000	0	0	0	2,500,000
UoM Roof Replacements	Shelby	3,500,000	0	0	0	3,500,000
WSCC Several Buildings Roof Replacements	Hamblen	650,000	0	0	0	650,000
TCAT Roof Replacements and Repairs Ph. 1	Statewide	1,050,000	0	0	0	1,050,000
APSU Roof Replacements	Montgomery	1,800,000	0	0	0	1,800,000
NeSCC Library Roof Replacement	Sullivan	390,000	0	0	0	390,000
ChSCC CETAS Building Roof Replacement	Hamilton	1,430,000	0	0	0	1,430,000
STCC Roof Replacements and Envelope Repairs	Shelby	1,550,000	0	0	0	1,550,000
VSCC Campus Underground Utility Upgrades	Sumner	250,000	0	0	0	250,000
MTSU Alarm System Updates	Rutherford	2,820,000	0	0	0	2,820,000
RSCC Electrical and Fire Suppression Upgrades	Roane	530,000	0	0	0	530,000
ETSU CoM Building 178 HVAC and Control Upgrade	Washington	1,600,000	0	0	0	1,600,000
PSCC HVAC Updates Ph. 3	Knox	850,000	0	0	0	850,000
JSCC Nelms Classroom HVAC Updates	Madison	610,000	0	0	0	610,000
CoSCC Several Buildings Infrastructure Updates	Maury	750,000	0	0	0	750,000
TCAT MPE and Infrastructure Updates Ph. 1	Statewide	2,660,000	0	0	0	2,660,000
MSCC Underground Utility Lines Replacement	Moore	1,160,000	0	0	0	1,160,000
CISCC Parking Lot Improvements	Bradley	380,000	0	0	0	380,000
DSCC Doors and Hardware Updates	Dyer	320,000	0	0	0	320,000
TTU Waterproof and Exterior Repairs	Putnam	3,120,000	0	0	0	3,120,000
NSCC Sidewalk and Lighting Improvements	Davidson	750,000	0	0	0	750,000
TCAT Parking and Paving Repairs Ph. 2	Cumberland	2,790,000	2,790,000	0	0	0
TSU Migration Implementation Ph. 1	Davidson	2,620,000	2,620,000	0	0	0
VSCC Annex Complex Envelope Repairs	Sumner	260,000	260,000	0	0	0
WSCC Mechanical and Electrical Updates	Hamblen	900,000	900,000	0	0	0
JSCC Science Building Roof Replacement	Madison	390,000	390,000	0	0	0
NeSCC General Studies Roof Replacement	Sullivan	600,000	600,000	0	0	0
UoM Jones and Browning HVAC Updates	Shelby	3,500,000	3,500,000	0	0	0
MTSU Piping and Manhole Replacement	Rutherford	1,900,000	1,900,000	0	0	0
PSCC Chiller Replacement	Knox	520,000	520,000	0	0	0
DSCC Elevator Updates	Dyer	360,000	360,000	0	0	0
STCC Mechanical Systems Updates	Shelby	1,550,000	1,550,000	0	0	0
RSCC Campus-Wide Paving	Roane	550,000	550,000	0	0	0
VSCC Parking, Road, and Site Upgrades	Sumner	730,000	730,000	0	0	0
CoSCC Exterior Repairs	Maury	270,000	270,000	0	0	0
TSU Migration Implementation Ph. 2	Davidson	2,610,000	2,610,000	0	0	0
VSCC Woods Building Restroom Renovations	Sumner	370,000	370,000	0	0	0
TTU Roof Replacements	Putnam	3,120,000	3,120,000	0	0	0
MTSU Roof Replacements	Rutherford	1,790,000	1,790,000	0	0	0
TCAT Roof Replacements Ph. 2	Shelby	1,150,000	1,150,000	0	0	0
UoM Mitchell and Clement HVAC Updates	Shelby	3,500,000	3,500,000	0	0	0
MTSU Keathley University Ctr. Mech. and HVAC Updates	Rutherford	1,750,000	1,750,000	0	0	0
ETSU Valleybrook Building Systems Replacement	Washington	3,000,000	3,000,000	0	0	0
UoM Ellington and Ball HVAC Updates	Shelby	3,500,000	3,500,000	0	0	0
APSU Central Chiller Plant Repairs	Montgomery	1,800,000	1,800,000	0	0	0
CISCC Central Plant Modernization	Bradley	750,000	750,000	0	0	0
ETSU CoM Multi-Building HVAC System Upgrades	Washington	1,600,000	1,600,000	0	0	0
MTSU Elevator Modernization	Rutherford	700,000	700,000	0	0	0
NSCC Access Control and Locking Updates	Davidson	750,000	750,000	0	0	0
Sub-Total Tennessee Board of Regents		\$ 73,650,000	\$ 43,330,000	\$ 0	\$ 0	\$ 30,320,000

**Proposed Capital Maintenance Appropriations
from Bonds, Current Funds, and Other Revenues
Fiscal Year 2017-2018**

	<u>COUNTY</u>	<u>TOTAL</u>	<u>STATE</u>	<u>BONDS</u>	<u>FEDERAL</u>	<u>OTHER</u>
University of Tennessee						
ADA Compliance	Statewide	\$ 800,000	\$ 0	\$ 0	\$ 0	\$ 800,000
UTK HVAC Improvements	Knox	5,500,000	0	0	0	5,500,000
UTC West Campus Utility Connections	Hamilton	5,630,000	5,630,000	0	0	0
UTM Fine Arts AHU Repl. And Theater Safety Upgrade	Weakley	3,260,000	0	0	0	3,260,000
UTHSC GEB Improvements Ph. II	Shelby	8,300,000	8,300,000	0	0	0
UTIA Ridley 4-H Center Improvements	Maury	4,950,000	4,950,000	0	0	0
UTC Fine Arts Mechanical and Electrical Improvements	Hamilton	8,400,000	8,400,000	0	0	0
UTSI Building Improvements Ph. II	Franklin	3,000,000	3,000,000	0	0	0
UTM Upgrade Steam Lines Ph. II	Weakley	5,300,000	5,300,000	0	0	0
UTIA Clyde York 4-H Center Improvements	Cumberland	1,100,000	1,100,000	0	0	0
UTHSC Campus Restroom Upgrades	Shelby	6,500,000	6,500,000	0	0	0
UTK Utilities Improvements	Knox	5,000,000	5,000,000	0	0	0
Sub-Total University of Tennessee		\$ 57,740,000	\$ 48,180,000	\$ 0	\$ 0	\$ 9,560,000
Grand Total		\$ 201,540,000	\$ 112,565,000	\$ 0	\$ 1,770,000	\$ 87,205,000
Sub-Total Higher Education		\$ 131,390,000	\$ 91,510,000	\$ 0	\$ 0	\$ 39,880,000
Sub-Total Other		\$ 70,150,000	\$ 21,055,000	\$ 0	\$ 1,770,000	\$ 47,325,000

**Projects Funded from Dedicated Revenues
Fiscal Year 2017-2018**

	<u>COUNTY</u>	<u>TOTAL</u>	<u>STATE</u>	<u>BONDS</u>	<u>FEDERAL</u>	<u>OTHER</u>
Tennessee Wildlife Resources Agency						
Region 2 - Central Office Roof Replacement	Davidson	\$ 660,000	\$ 0	\$ 0	\$ 0	\$ 660,000
Region 3 - ADA Facility Compliance	Areawide	500,000	0	0	375,000	125,000
Region 4 - ADA Facility Compliance	Areawide	350,000	0	0	262,500	87,500
Region 2 - Elk River Boating Access	Giles	140,000	0	0	105,000	35,000
Region 4 - S Holston River New Access Area	Sullivan	230,000	0	0	172,500	57,500
Region 4 - Rogersville Const. Work Base & Eq. Shop	Hawkins	550,000	0	0	0	550,000
Total Tennessee Wildlife Resources Agency		\$ 2,430,000	\$ 0	\$ 0	\$ 915,000	\$ 1,515,000
Total Dedicated Funds		\$ 2,430,000	\$ 0	\$ 0	\$ 915,000	\$ 1,515,000

Proposed Capital Projects from School Bonds and Other Sources Fiscal Year 2017-2018

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

	TOTAL	TSSBA	INSTITUTIONAL/ AUXILIARY	OTHER
State University and Community College System (Tennessee Board of Regents)				
Austin Peay State University				
Farm Residence	\$ 340,000	\$ 0	\$ 340,000	\$ 0
Jenkins and Wynn Property Improvements	2,500,000	0	2,500,000	0
Total APSU	\$ 2,840,000	\$ 0	\$ 2,840,000	\$ 0
Tennessee State University				
Research Administration Facility	\$ 430,000	\$ 0	\$ 430,000	\$ 0
Total TSU	\$ 430,000	\$ 0	\$ 430,000	\$ 0
University of Memphis				
Baseball Addition	\$ 450,000	\$ 0	\$ 0	\$ 450,000
Engineering Student Service Improvements	1,000,000	0	0	1,000,000
Fieldhouse Gym Improvements	800,000	0	800,000	0
Research Start-Up Improvements	1,500,000	0	1,500,000	0
Total UoM	\$ 3,750,000	\$ 0	\$ 2,300,000	\$ 1,450,000
Motlow State Community College				
Athletic Field Upgrades	\$ 480,000	\$ 0	\$ 300,000	\$ 180,000
Total MSCC	\$ 480,000	\$ 0	\$ 300,000	\$ 180,000
Northeast State Community College				
Student Services Addition	\$ 450,000	\$ 0	\$ 450,000	\$ 0
Total NESCC	\$ 450,000	\$ 0	\$ 450,000	\$ 0
Pellissippi State Community College				
Drainage and Landscaping Repairs	\$ 250,000	\$ 0	\$ 250,000	\$ 0
Hardin Valley Space Utilization Renovations	320,000	0	320,000	0
Magnolia Print Shop Renovation	150,000	0	150,000	0
Strawberry Plains Campus Buildout	2,000,000	0	2,000,000	0
Strawberry Plains Fitness Trail	490,000	0	490,000	0
Strawberry Plains Roadway	320,000	0	320,000	0
Total PSCC	\$ 3,530,000	\$ 0	\$ 3,530,000	\$ 0
Roane State Community College				
Baseball and Softball Complex Improvements	\$ 590,000	\$ 0	\$ 590,000	\$ 0
Maintenance Equipment Building	110,000	0	110,000	0
Total RSCC	\$ 700,000	\$ 0	\$ 700,000	\$ 0
Volunteer State Community College				
Ramer Renovations Phase I	\$ 500,000	\$ 0	\$ 500,000	\$ 0
Ramer Renovations Phase II	480,000	0	480,000	0
ADA Accessibility Enhancements	310,000	0	310,000	0
Total VSCC	\$ 1,290,000	\$ 0	\$ 1,290,000	\$ 0
Total Tennessee Board of Regents	\$ 13,470,000	\$ 0	\$ 11,840,000	\$ 1,630,000

**Proposed Capital Projects from School Bonds and Other Sources
Fiscal Year 2017-2018**

	<u>TOTAL</u>	<u>TSSBA</u>	<u>INSTITUTIONAL/ AUXILIARY</u>	<u>OTHER</u>
University of Tennessee System				
University of Tennessee Knoxville				
Campus Beautification Projects (2017-2018)	\$ 2,000,000	\$ 0	\$ 2,000,000	\$ 0
Concord Campus Renovations	1,000,000	0	1,000,000	0
Dining Service Improvements	500,000	0	500,000	0
Housing Facilities Improvements	2,000,000	0	2,000,000	0
Neyland Thompson North End Plaza	1,000,000	0	1,000,000	0
Parking System Repairs	1,000,000	0	1,000,000	0
Thornton Student Life Center Renovations	1,000,000	0	1,000,000	0
Facility Assessment Survey	850,000	0	850,000	0
Arena Renovations and Systems Improvements	7,440,000	6,640,000	0	800,000
Campus Beautification	9,000,000	9,000,000	0	0
Neyland Stadium South Renovations	106,000,000	81,000,000	15,000,000	10,000,000
Total UT Knoxville	\$ 131,790,000	\$ 96,640,000	\$ 24,350,000	\$ 10,800,000
UT Health Science Center				
UT Medical Center Parking Garage	\$ 22,000,000	\$ 22,000,000	\$ 0	\$ 0
Total UTHSC	\$ 22,000,000	\$ 22,000,000	\$ 0	\$ 0
University of Tennessee Martin				
Beef Cattle Teaching and Demonstration Facility	\$ 860,000	\$ 0	\$ 860,000	\$ 0
Innovation and Product Realization Facility	5,320,000	0	0	5,320,000
Storm and Sewer Line Upgrades	1,000,000	0	1,000,000	0
New Classroom Building (STEM) Planning	1,100,000	0	0	1,100,000
Total UTM	\$ 8,280,000	\$ 0	\$ 1,860,000	\$ 6,420,000
Total University of Tennessee	\$ 162,070,000	\$ 118,640,000	\$ 26,210,000	\$ 17,220,000
Grand Total	\$ 175,540,000	\$ 118,640,000	\$ 38,050,000	\$ 18,850,000

**Capital Outlay Project Descriptions
Fiscal Year 2017-2018**

	Total Project Cost
Children's Services	
Objective: Provide safe and secure surroundings for youth development residents.	
Maintenance	\$ 5,200,000
Funds to repair, maintain, and update facilities.	
Commerce and Insurance	
Objective: Provide training to emergency personnel.	
Fire Academy New Conference Center	\$ 5,710,000
Funds are provided for the construction of a conference center at the Fire and Codes Enforcement Academy.	
Correction	
Objective: Provide safe and secure facilities to house inmates.	
Maintenance	\$ 32,500,000
Funds to repair, maintain, and update facilities.	
NWCX Kitchen and Vocational Upgrades	4,500,000
Funds are provided for the construction of a new metal building to support vocational training programs. Funds support the design and construction of a new kitchen and the renovation of current kitchen into support and laundry space.	
Sub-Total Correction	\$ 37,000,000
Education	
Objective: Provide a safe and secure environment for learning.	
Maintenance	\$ 3,250,000
Funds to repair, maintain, and update facilities.	
Tennessee School for the Deaf Student Cottage Renovations	23,000,000
Funds are provided for major structural repairs to the student cottages on the Tennessee School for the Deaf campus. Funds support interior renovations.	
Tennessee School for the Deaf Interior Doors - Elementary and Middle Schools	240,000
Funds are provided for the installation of doors to each classroom and renovations needed to meet fire safety codes. Funds support the addition of a new corridor in the elementary school.	
Tennessee School for the Blind Centralized Operations Building	4,870,000
Funds are provided for the construction of a building to consolidate support functions of the campus. Funds support demolition of two buildings and repurposing of a third building.	
Sub-Total Education	\$ 31,360,000
Environment and Conservation	
Objective: Increase visitation to the state's parks and historic areas.	
Maintenance	\$ 6,440,000
Funds to repair, maintain, and update facilities.	
Henry Horton State Park Inn, Restaurant, and Visitor Center	10,050,000
Funds are provided for the enhancement of state park hospitality operations at Henry Horton State Park. Funds support the demolition of the inn, visitor center, and restaurant, and the construction of a new visitor center and restaurant. Additionally, funds support road reconfiguration and required site work.	
Trail and Trail Bridge Replacements	3,300,000
Funds are provided for the replacement, improvement, and construction of trails and bridges at Fall Creek Falls, Justin P. Wilson Cumberland Trail, Fort Pillow, and Burgess Falls State Parks.	

**Capital Outlay Project Descriptions
Fiscal Year 2017-2018**

	Total Project Cost
Rocky Fork State Park Visitor Center Funds are provided for the construction of a visitor center, maintenance building, two picnic shelters, driveway, and pedestrian bridge.	\$ 4,290,000
Pickwick Landing State Park Inn Renovation Funds are provided for the enhancement of state park hospitality operations at Pickwick Landing State Park. Funds support renovations of the inn, conference center, kitchen, and restaurant. Project includes the replacement of mechanical, plumbing, and electrical systems. Additionally, funds support repairs to the parking lots and swimming facilities.	11,680,000
Paris Landing State Park Inn Replacement Funds are provided for the demolition of existing inn and the construction of a new inn to include guestrooms, conference and meeting space, and restaurant.	23,070,000
Sub-Total Environment and Conservation	\$ 58,830,000
General Services	
Objective: Maintain, repair, and update general government facilities.	
Maintenance Funds to maintain, repair, and update general government facilities.	\$ 13,380,000
Emergency and Contingency Funds Funds to handle unforeseen and emergency situations that arise during the fiscal year.	5,000,000
Sub-Total General Services	\$ 18,380,000
Historical Commission	
Objective: Protect, preserve, interpret, operate, maintain, and administer state historic sites.	
Maintenance Funds to maintain, repair, and update facilities.	\$ 2,810,000
Carter House New Visitor Center Funds are provided for the demolition of existing visitor center and the construction of a new visitor center. Funds support parking lot and site improvements.	3,120,000
Sub-Total Historical Commission	\$ 5,930,000
Intellectual and Developmental Disabilities	
Objective: Provide alternative residential settings for clients and plan for the future.	
Clover Bottom Cottage and Roof Renovations Funds are provided to replace the roof systems of four cottages. Funds support renovations of the Old Hickory cottage necessary to house individuals in the Behavioral Stabilization Unit.	\$ 1,290,000
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 Funds to maintain, repair, and update facilities.	\$ 3,030,000
Military	
Objective: Expand and renovate military facilities.	
Maintenance Funds to maintain, repair, and update facilities.	\$ 3,540,000
Chattanooga RC Building Renovations Funds are provided for interior renovations; mechanical, lighting, and plumbing systems updates; ADA upgrades; and exterior repairs.	5,420,000
Sub-Total Military	\$ 8,960,000

**Capital Outlay Project Descriptions
Fiscal Year 2017-2018**

	Total Project Cost
Tourist Development	
Objective: Increase the economic impact of tourism.	
Tennessee Music Pathway Phase I	\$ 2,500,000
Funds are provided for the development, design, fabrication, and installation of statewide signage highlighting musically significant points of interest. Project includes the use of informational markers which will utilize narrative, photographs, illustrations, maps, and beacon technology.	
Veterans Homes Board	
Objective: Expand and renovate state veteran long-term care facilities.	
West TN Veterans Nursing Home	\$ 10,000,000
Funds are provided to assist in meeting federal construction grant match requirements for the construction of a new veterans home in Shelby County.	
Veterans Services	
Objective: Expand and renovate state veteran cemetery facilities.	
East TN State Veterans Cemetery Expansion	\$ 2,890,000
Funds are provided for the construction and installation of additional crypts and columbarium niches. Funds support sod and irrigation for construction areas.	
Tennessee Board of Regents	
Objective: Expand and enhance facilities for student and faculty needs.	
Maintenance	\$ 73,650,000
Funds to maintain, repair, and update higher education institution facilities. See Capital Maintenance Project Descriptions for additional details.	
MSCC Rutherford County Teaching Site Addition	25,797,500
Funds are provided for the construction of a new academic building at the Smyrna campus. Funds support parking expansion and renovations to current facilities.	
ETSU Lamb Hall Renovations	23,000,000
Funds are provided for renovations to classrooms, multi-media classrooms, laboratories, and research facilities.	
WSSC Sevier County Campus Addition	12,040,000
Funds are provided for the construction of a new building for Allied Health labs, classrooms, and professional entertainment labs. Funds support the construction of out buildings to accommodate mechanical systems and updates to existing facilities. Funds also support the renovation of areas relocated due to new construction.	
VSCC Warf Building Renovation	4,640,000
Funds are provided for exterior renovations and to update building systems. Funds support interior renovations of office space, facilities support rooms, and the creation of student gathering areas.	
UoM Music Center	44,000,000
Funds are provided for the construction of a 1,000 to 1,100 seat concert hall to accommodate fine arts performances. This project will be jointly funded from state and private donations.	
CoSCC Finney Library Renovation	6,100,000
Funds are provided to renovate library and modernize study spaces, including technology upgrades. Funds support updating building systems and exterior walkways.	
TCAT Knoxville Satellite Campus	13,500,000
Funds are provided for the construction of a satellite campus in Anderson County to offer programs in welding, machine tool, diesel, truck driving, automotive, industrial maintenance, and special industry training.	
TCAT Memphis Satellite Campus	11,500,000
Funds are provided for the construction of a satellite campus in Shelby County to provide programs in machining, welding, and industrial maintenance.	

**Capital Outlay Project Descriptions
Fiscal Year 2017-2018**

	Total Project Cost
<p>PSCC Multi-Purpose Building and Renovations Funds are provided for the construction of a multi-purpose academic building to house classrooms, labs, and faculty offices. Funds support the renovation of vacated spaces to accommodate the art and media technology programs. Funds also support the renovation of existing space to support the theatre program.</p>	\$ 27,000,000
<p>Statewide TCAT Improvements Phase II Funds are provided for program expansion and improvements at TCATs statewide, including minor enhancements in accordance with the TCAT Master Plan.</p>	54,000,000
<p>WSCC Greeneville Campus Completion Funds are provided for the construction of a satellite campus in Greene County.</p>	3,400,000
<p>Sub-Total Tennessee Board of Regents</p>	\$ 298,627,500
<p>University of Tennessee Objective: Expand and enhance facilities to student and faculty needs.</p>	
<p>Maintenance Funds to repair, maintain, and update higher education institution facilities. See Capital Maintenance Project Descriptions for additional details.</p>	\$ 57,740,000
<p>UTM New Classroom Building (STEM) Funds are provided for the construction of a 120,000 square foot classroom and laboratory building to house the engineering, chemistry, computer science, math, statistics, and physics programs. Funds support the demolition of old communications building.</p>	65,000,000
<p>UTK Engineering Services Facility Funds are provided for the construction of a facility to provide student support and instruction space for the nuclear engineering program. Funds support the demolition and repurposing of buildings in the vicinity of construction.</p>	126,000,000
<p>Sub-Total University of Tennessee</p>	\$ 248,740,000
<p>Grand Total</p>	\$ 738,447,500

**Capital Maintenance Project Descriptions
Fiscal Year 2017-2018**

	<u>Total Project Cost</u>
Children's Services	
<p>Mountain View YDC Upgrades Funds are provided for facility-wide upgrades. This project includes replacement of kitchen and food services equipment; freezer and cooler upgrades; update kitchen space; replacement of window HVAC units and rooftop condensers; drainage and erosion repairs along security perimeter fence; repairs and adjustments to fences and gates; asphalt repairs; maintenance shed repairs; and all related work.</p>	\$ 5,200,000
Correction	
<p>South Central Correctional Facility Life Safety Upgrades Funds are provided for upgrades or replacement of smoke evacuation systems, HVAC systems, building automation systems, and all related work.</p>	\$ 3,000,000
<p>West Tennessee State Penitentiary Electrical Infrastructure Upgrades Funds are provided for review of current electrical system and, based on study, upgrades to distribution panels and associated electrical wiring along with all related work. The project includes emergency power sources.</p>	6,000,000
<p>DeBerry Special Needs Facility Life Safety Upgrades Funds are provided for upgrades to fire alarm systems, smoke evacuation systems, HVAC systems, building automation systems, and all related work.</p>	5,500,000
<p>Northwest Correctional Complex Life Safety Upgrades Funds are provided for upgrades to fire alarm systems, smoke evacuation systems, HVAC systems, building automation systems, and all related work.</p>	3,500,000
<p>Northwest Correctional Complex Perimeter Security Improvements Funds are provided for replacement of perimeter detection system and all related work.</p>	3,000,000
<p>Turney Center Electrical Infrastructure Upgrades Funds are provided for review of current electrical system and, based on study, upgrades of distribution panels and associated electrical wiring along with all related work. The project includes emergency power sources.</p>	2,000,000
<p>Bledsoe County Correctional Complex Sallyport Upgrades Funds are provided for reconfiguration of vehicle sallyports to accommodate larger vehicles, upgrade or replace gates and gate mechanisms, and all related work. Funding supports upgrades to sallyport buildings to accommodate any changes to gates.</p>	2,500,000
<p>Statewide Detention Hardware Upgrades Funds are provided for replacement of locking devices and all related work at institutions statewide.</p>	4,000,000
<p>West Tennessee State Penitentiary High Mast Lighting Replacement Funds are provided for refurbishment of high mast lighting systems to accommodate LED fixtures; repairs and replacement of lifting devices and electrical conductors; and all related work.</p>	3,000,000
Sub-Total Correction	<u>\$ 32,500,000</u>
Education	
<p>Tennessee School for the Deaf Swimming Pool Upgrades Funds are provided for upgrades to HVAC system in the pool building, upgrades to pool systems, repairs to pool, and all related work.</p>	\$ 1,360,000
<p>York Agricultural Institute English and Science Buildings Upgrades Funds are provided for upgrades to communication and electrical systems in the English Building; upgrades to windows, labs, and exterior repairs at the Science Building; and all related work.</p>	1,890,000
Sub-Total Education	<u>\$ 3,250,000</u>

**Capital Maintenance Project Descriptions
Fiscal Year 2017-2018**

	Total Project Cost
Environment and Conservation	
Harrison Bay State Park Marina Fuel Pier	\$ 1,370,000
Funds are provided for renovations to the floating fuel pier system, fuel dispensers and controls, restrooms, and all related work. Project includes upgrades and renovations to the marina water and electrical services.	
Meeman-Shelby Forest State Park Group Camp	2,000,000
Funds are provided for renovations of existing facilities including roof replacement, exterior and interior repairs, plumbing and electrical systems upgrades, and structural stabilization. Project supports the replacement of the septic system, repaving of parking lots, lighting replacement, and upgrades to walkways and paths.	
Standing Stone State Park Works Progress Administration Cabins	1,960,000
Funds are provided for rehabilitation of Works Progress Administration cabins in accordance with National Historic Register standards. Project includes renovation of building exteriors, kitchens, bathrooms, plumbing, electrical, HVAC, and finishes.	
Statewide Water Tank Repairs	1,110,000
Funds are provided for rehabilitation of water tanks serving Edgar Evins, Henry Horton, and Norris Dam State Parks. Project will support abatement, stripping, grinding, welding, cleaning, caulking, painting, and all related work.	
Sub-Total Environment and Conservation	\$ 6,440,000
General Services	
ADA Compliance	\$ 800,000
Capital maintenance activities, including facility assessments, associated with compliance with the Americans with Disabilities Act and other disabilities-related issues.	
Management Support Services	1,000,000
This project provides funding for consultant services regarding support for state construction-related activities.	
Environmental Consultants	1,000,000
This project provides environmental services expertise in mold identification and removal, asbestos identification and abatement, and other assistance to the State of Tennessee Real Estate Asset Management division of General Services.	
State Owned Buildings OSHA Compliance	800,000
Provide inspection and training services to building employees to insure compliance with OSHA directives.	
TPAC Annual Maintenance Grant	300,000
Grant to provide state maintenance assistance for the Tennessee Performing Arts Center.	
National Civil Rights Museum Maintenance Grant	300,000
Grant to provide maintenance support to the National Civil Rights Museum in Memphis.	
Watkins College of Art Maintenance Grant	500,000
Grant to provide state maintenance assistance for the Watkins College of Art in Nashville.	
Statewide LED Lighting and Lighting Controls	8,680,000
Funds are provided for replacement of fluorescent lighting with LED lighting and lighting controls. Project includes all related work.	
Sub-Total General Services	\$ 13,380,000

**Capital Maintenance Project Descriptions
Fiscal Year 2017-2018**

	<u>Total Project Cost</u>
Historical Commission	
Cragfont Barn and Sinkhole Repairs	\$ 650,000
Funds are provided for restoration of two historic barns, one non-historic barn, and the remediation of two existing sinkholes.	
Burra Burra Mine Historic Restoration	2,160,000
Funds are provided for repairs to building envelopes and painting at various building on the site. The project also supports roof repairs and replacements at various locations. This is a continuation of a fiscal year 2014 capital project.	
Sub-Total Historical Commission	<u>\$ 2,810,000</u>
Mental Health and Substance Abuse Services	
Moccasin Bend Mental Health Institute Infrastructure Improvements	\$ 2,600,000
Funds are provided for infrastructure improvements. Project includes replacement of water and sewer lines; repairs and replacement of sidewalks and paving; drainage repairs; and ADA compliance work.	
Middle Tennessee Mental Health Institute Cooling Tower Replacement	430,000
Funds are provided for replacement of cooling towers that are original to the facility.	
Sub-Total Mental Health and Substance Abuse Services	<u>\$ 3,030,000</u>
Military	
Springfield Readiness Center Re-roof and Facility Update	\$ 900,000
Funds are provided for roof system replacement, drainage repairs, masonry repairs, exterior and interior repairs, and all related work.	
Lafayette Readiness Center Re-roof and Facility Update	640,000
Funds are provided for roof systems replacement, masonry repairs, exterior and interior repairs, and all related work.	
Lenoir City Readiness Center Re-roof and Facility Update	750,000
Funds are provided for roof systems replacement, masonry repairs, exterior and interior repairs, and all related work.	
Joint Force Headquarters Re-roof and Facility Update	500,000
Funds are provided for roof systems replacement, masonry repairs, exterior and interior repairs, and all related work.	
Statewide Paving	750,000
Funds are provided for paving repairs at seven National Guard readiness centers. Funds support drainage repairs, resurfacing of parking areas, and restriping of parking spaces.	
Sub-Total Military	<u>\$ 3,540,000</u>
Tennessee Board of Regents	
ADA Compliance	\$ 800,000
Capital maintenance activities, including facility assessments, associated with compliance with the Americans with Disabilities Act and other disabilities-related issues.	
TCAT Building System Updates	850,000
Funds are provided for updates to building systems, interior and exterior doors and door hardware, exterior lighting, security systems, and all related work.	
East Tennessee State University Safety and Structural Repairs	2,500,000
Funds are provided for safety and structural repairs at multiple building entrances on campus and all related work. Project includes structural repairs to exterior walls of three buildings.	

**Capital Maintenance Project Descriptions
Fiscal Year 2017-2018**

	Total Project Cost
University of Memphis Roof Replacements Funds are provided for roof replacements and all related work at multiple facilities campus-wide.	\$ 3,500,000
Walters State CC Several Buildings Roof Replacements Funds are provided for roof replacements, insulation replacement, and all related work at multiple facilities campus-wide.	650,000
TCAT Roof Replacements and Repairs Phase I Funds are provided for roof repairs, replacements, and all related work at campuses statewide.	1,050,000
Austin Peay State University Roof Replacements Funds are provided for roof replacements and all related work at multiple facilities campus-wide.	1,800,000
Northeast State CC Library Roof Replacement Funds are provided for roof replacement and all related work.	390,000
Chattanooga State CC CETAS Building Roof Replacement Funds are provided for roof replacement and all related work. Project includes replacing associated guttering and downspouts.	1,430,000
Southwest Tennessee CC Roof Replacement and Envelope Repairs Funds are provided for roof replacements, windows replacement, envelope repairs, and all related work at various buildings.	1,550,000
Volunteer State CC Campus Underground Utility Upgrades Funds are provided for replacement of underground utility lines and all related work.	250,000
Middle Tennessee State University Alarm System Updates Funds are provided for alarm system updates to include replacement of fire systems equipment and all related work at various buildings.	2,820,000
Roane State CC Electrical and Fire Suppression Upgrades Funds are provided for upgrades to the electrical systems and all related work. Project includes a generator and fire suppression system for computer center.	530,000
East Tennessee State University CoM Building 178 HVAC and Controls Upgrade Funds are provided for replacement of lab air controls and all related work.	1,600,000
Pellissippi State CC HVAC Updates Phase III Funds are provided for updates to cooling towers, HVAC systems, and control systems at various buildings on campus.	850,000
Jackson State CC Nelms Classroom HVAC Updates Funds are provided for upgrades to HVAC system, associated controls, and all related work.	610,000
Columbia State CC Several Buildings Infrastructure Updates Funds are provided for updates to piping, plumbing, electrical systems, and all related work.	750,000
TCAT MPE and Infrastructure Updates Phase I Funds are provided for updates to mechanical, electrical, plumbing, and control systems, and all related work at TCAT locations statewide.	2,660,000
Motlow State CC Underground Utility Lines Replacement Funds are provided for repairs and replacement of underground utilities and all related work.	1,160,000
Cleveland State CC Parking Lot Improvements Funds are provided for parking lot improvements and all related work.	380,000
Dyersburg State CC Doors and Hardware Updates Funds are provided for replacement of metal outside doors, updates to campus key systems, and all related work.	320,000

**Capital Maintenance Project Descriptions
Fiscal Year 2017-2018**

	Total Project Cost
Tennessee Technological University Waterproof and Exterior Repairs Funds are provided for waterproofing, exterior repairs, and all related work on various buildings.	\$ 3,120,000
Nashville State CC Sidewalk and Lighting Improvements Funds are provided for replacement of sidewalks and all related work. Project includes replacing parking lot lights and sidewalk illumination with LED.	750,000
TCAT Parking and Paving Repairs Phase II Funds are provided for replacement or repair parking lots and sidewalks, including lighting and other related repairs.	2,790,000
Tennessee State University Migration Implementation Phase I 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.	2,620,000
Volunteer State CC Annex Complex Envelope Repairs Funds are provided for replacement of roof and exterior windows, including all related work, at the Annex complex.	260,000
Walters State CC Mechanical and Electrical Updates Funds are provided for upgrades to mechanical and electrical systems, and all related work. Project includes replacement of various mechanical units and lighting systems.	900,000
Jackson State CC Science Building Roof Replacement Funds are provided for roof replacement and all related work.	390,000
Northeast State CC General Studies Roof Replacement Funds are provided for roof replacement at three buildings and all related work.	600,000
University of Memphis Jones and Browning Hall HVAC Updates Funds are provided for replacement of HVAC systems and components in two academic buildings.	3,500,000
Middle Tennessee State University Piping and Manhole Replacement Funds are provided for replacement of steam and condensate piping, repair of manholes, and all related work.	1,900,000
Pellissippi State CC Chiller Replacement Funds are provided for replacement of chiller and all related work.	520,000
Dyersburg State CC Elevator Updates Funds are provided for updates to controls and operation of two elevators including all related work.	360,000
Southwest Tennessee CC Mechanical Systems Updates Funds are provided for mechanical systems updates including all related work in various buildings.	1,550,000
Roane State CC Campus-Wide Paving Funds are provided for repairs and paving of parking lots including all related work.	550,000
Volunteer State CC Parking, Road, and Site Upgrades Funds are provided for parking, road, and site upgrades. Project includes repairs to parking lots, streets, sidewalks, and all related work. Project also supports the addition of new sidewalks, signage, and lighting.	730,000
Columbia State CC Exterior Repairs Funds are provided for exterior repairs to several buildings and all related work.	270,000

**Capital Maintenance Project Descriptions
Fiscal Year 2017-2018**

	<u>Total Project Cost</u>
Tennessee State University Migration Implementation Phase II	\$ 2,610,000
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 Woods Building Restroom Renovations	370,000
Funds are provided for renovations to restrooms to meet ADA standards.	
Tennessee Technological University Roof Replacements	3,120,000
Funds are provided for roof replacement at several buildings and all related work.	
Middle Tennessee State University Roof Replacements	1,790,000
Funds are provided for roof replacement at several buildings and all related work.	
TCAT Roof Replacements Phase II	1,150,000
Funds are provided for roof repairs, replacements, and all related work at campuses statewide.	
University of Memphis Mitchell and Clement Hall HVAC Updates	3,500,000
Funds are provided for upgrades to HVAC systems in Mitchell and Clement Hall including all related work.	
Middle Tennessee State University Keathley University Center Mechanical and HVAC Updates	1,750,000
Funds are provided for the repair and replacement of mechanical, HVAC, and controls equipment including associated electrical systems and all related work.	
East Tennessee State University Valleybrook Building Systems Replacement	3,000,000
Funds are provided for the replacement of HVAC system including supporting electrical systems, controls, and all related work.	
University of Memphis Ellington and Ball Hall HVAC Updates	3,500,000
Funds are provided for upgrades to HVAC systems in Ellington and Ball Hall including all related work.	
Austin Peay State University Central Chiller Plant Repairs	1,800,000
Funds are provided for upgrades and replacement of equipment in the central chiller including all related work.	
Cleveland State CC Central Plant Modernization	750,000
Funds are provided for repairs and replacement of boilers and air handlers in various buildings including all related work.	
East Tennessee State University CoM Multi-Building HVAC System Upgrades	1,600,000
Funds are provided for repairs and replacement of HVAC systems in various buildings including all related work.	
Middle Tennessee State University Elevator Modernization	700,000
Funds are provided for modernization of elevators in various buildings including all related work.	
Nashville State CC Access Control and Locking Updates	750,000
Funds are provided for installation of an access control system, replacement of manual key locks with card key fobs, and all related work.	
Sub-Total Tennessee Board of Regents	<u>\$ 73,650,000</u>
University of Tennessee	
ADA Compliance	\$ 800,000
Capital maintenance activities, including facility assessments, associated with compliance with the Americans with Disabilities Act and other disabilities-related issues.	

**Capital Maintenance Project Descriptions
Fiscal Year 2017-2018**

	<u>Total Project Cost</u>
<p>UTK HVAC Improvements Funds are provided for HVAC improvements and all related work for multiple buildings. Funds also support various electrical improvements.</p>	\$ 5,500,000
<p>UTC West Campus Utility Connections Funds are provided for improvements to utility connections at the West Campus and all related work. Funds also support heat exchangers for heating water, chilled water tertiary and secondary hot water pumps to be added to each building and the removal of stand-alone chillers and boilers.</p>	5,630,000
<p>UTM Fine Arts Air Handling Unit Replacement and Theater Safety Upgrade Funds are provided for the replacement of air handling unit, upgrades to theater lighting and rigging systems, and all related work.</p>	3,260,000
<p>UTHSC General Education Building Improvements Phase II Funds are provided for renovations of the General Education Building and all related work. Funds support new ceilings, lights, and HVAC in classroom spaces.</p>	8,300,000
<p>UTIA Ridley 4-H Center Improvements Funds are provided for interior and exterior renovations including upgrades to bathrooms and HVAC components in dormitories and all related work. Funds also support roof replacement and interior improvements to the dining and recreation hall.</p>	4,950,000
<p>UTC Fine Arts Mechanical and Electrical Improvements Funds are provided improvements of mechanical and electrical systems in the Fine Arts Building and all related work. Funds also support replacement of ceilings and finishes in all common areas.</p>	8,400,000
<p>UT Space Institute Building Improvements Phase II Funds are provided for interior and exterior renovations to various buildings and all related work. Funds also support replacement of HVAC, roof replacement, site improvements, restroom upgrades, and building system improvements.</p>	3,000,000
<p>UTM Upgrade Steam Lines Phase II Funds are provided for replacement of steam and condensate lines across campus and all related work.</p>	5,300,000
<p>UTIA Clyde York 4-H Center Improvements Funds are provided for interior and exterior renovations of dormitories and all related work. Funds also support renovations of restrooms to comply with ADA standards.</p>	1,100,000
<p>UTHSC Campus Restroom Upgrades Funds are provided for upgrades to restrooms across campus and all related work. Funds also support renovations necessary to comply with current code and ADA standards.</p>	6,500,000
<p>UTK Utilities Improvements Funds are provided for improvements to utilities and all related work. Funds also support water distribution upgrades, storm sewer improvements, and an electrical duct bank.</p>	5,000,000
Sub-Total University of Tennessee	<u>\$ 57,740,000</u>
Grand Total Capital Maintenance	<u><u>\$ 201,540,000</u></u>

**Projected First-Year Operating Costs for New Facilities
Recommended as Projects for Fiscal Year 2017-2018**

	<u>COUNTY</u>	<u>TOTAL</u>	<u>UTILITIES</u>	<u>MAINTENANCE</u>	<u>PROGRAM*</u>	<u>ADDITIONAL PERSONNEL</u>
Environment and Conservation						
Rocky Fork SP Visitor Center	Unicoi	\$ 17,000	\$ 12,000	\$ 0	\$ 5,000	0
Tennessee Board of Regents						
MSCC Rutherford County Teaching Site Addition	Rutherford	\$ 1,466,400	\$ 194,900	\$ 413,900	\$ 857,600	3
WSCC Sevier County Campus Addition	Sevier	572,300	98,300	186,700	287,300	2
UoM Music Center	Shelby	1,004,800	364,600	640,200	0	0
TCAT Memphis Satellite Campus	Shelby	581,600	61,400	107,200	413,000	5
PSCC Multi-Purpose Building and Renovations	Knox	762,600	297,600	465,000	0	0
Sub-Total Tennessee Board of Regents		\$ 4,387,700	\$ 1,016,800	\$ 1,813,000	\$ 1,557,900	10
University of Tennessee						
UTM New Classroom Building (STEM)	Weakley	\$ 1,237,600	\$ 412,800	\$ 724,800	\$ 100,000	1
UTK Engineering Services Facility	Knox	2,505,100	937,300	1,322,800	245,000	4
Sub-Total University of Tennessee		\$ 3,742,700	\$ 1,350,100	\$ 2,047,600	\$ 345,000	5
Grand Total		\$ 8,147,400	\$ 2,378,900	\$ 3,860,600	\$ 1,907,900	15

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

Facilities Revolving Fund

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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	52,938,800	51,058,500	51,058,500	1,952,300	53,010,800
Total	\$52,938,800	\$51,058,500	\$51,058,500	\$1,952,300	\$53,010,800
State	7,517,400	7,517,200	7,517,200	0	7,517,200
Federal	0	0	0	0	0
Other	45,421,400	43,541,300	43,541,300	1,952,300	45,493,600

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.

Full-Time	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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
Payroll	0	0	0	0	0
Operational	2,531,300	3,845,100	2,640,500	0	2,640,500
Total	\$2,531,300	\$3,845,100	\$2,640,500	\$0	\$2,640,500
State	79,100	0	0	0	0
Federal	0	0	0	0	0
Other	2,452,200	3,845,100	2,640,500	0	2,640,500

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.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	54,129,500	51,647,000	52,851,600	0	52,851,600
Total	\$54,129,500	\$51,647,000	\$52,851,600	\$0	\$52,851,600
State	0	5,547,600	5,547,600	0	5,547,600
Federal	0	0	0	0	0
Other	54,129,500	46,099,400	47,304,000	0	47,304,000

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.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	52,093,500	103,258,700	0	98,060,000	98,060,000
Total	\$52,093,500	\$103,258,700	\$0	\$98,060,000	\$98,060,000
State	52,093,500	71,728,700	0	87,980,000	87,980,000
Federal	0	0	0	0	0
Other	0	31,530,000	0	10,080,000	10,080,000

501.05 FRF Debt Service

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

Full-Time	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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
Payroll	0	0	0	0	0
Operational	24,097,600	23,900,000	23,900,000	0	23,900,000
Total	\$24,097,600	\$23,900,000	\$23,900,000	\$0	\$23,900,000
State	851,600	0	0	0	0
Federal	0	0	0	0	0
Other	23,246,000	23,900,000	23,900,000	0	23,900,000
501.00 Total Facilities Revolving 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	185,790,700	233,709,300	130,450,600	100,012,300	230,462,900
Total	\$185,790,700	\$233,709,300	\$130,450,600	\$100,012,300	\$230,462,900
State	60,541,600	84,793,500	13,064,800	87,980,000	101,044,800
Federal	0	0	0	0	0
Other	125,249,100	148,915,800	117,385,800	12,032,300	129,418,100

**Facilities Revolving Fund (FRF)
Proposed Capital Appropriations
From Bonds, General Fund, and FRF Current Funds
Fiscal Year 2017-2018**

	COUNTY	TOTAL	GENERAL FUND CURRENT	FRF CURRENT	OTHER
Capital Improvements:					
THP District 1 HQ Knoxville - New Facility	Knox	\$ 8,500,000	\$ 8,500,000	\$ 0	\$ 0
New Regional Intervention Program Building	Davidson	4,600,000	4,600,000	0	0
Multi-Agency Law Enforcement Training Center	Davidson	29,500,000	29,500,000	0	0
Statewide Interior Renovation Upgrades Phase II	Davidson	15,830,000	15,830,000	0	0
West Tennessee Regional Health Office Interior Renovations	Madison	3,630,000	3,630,000	0	0
Statewide Alternative Workspace Solutions - Various Facilities	Statewide	1,890,000	1,890,000	0	0
Tennessee Tower 30th Floor Upgrades	Davidson	1,000,000	1,000,000	0	0
War Memorial Renov. and Legislative Plaza Garage (Planning)	Davidson	6,370,000	6,370,000	0	0
Mid-Cumberland Regional Health Office Parking Lot	Davidson	190,000	190,000	0	0
Statewide Security Upgrades Phase II	Statewide	3,040,000	3,040,000	0	0
Sub-Total Capital Improvements		\$ 74,550,000	\$ 74,550,000	\$ 0	\$ 0
Capital Maintenance:					
Tennessee Tower Switchgear	Davidson	\$ 2,030,000	\$ 0	\$ 0	\$ 2,030,000
East Tennessee Regional Health Office Lab Renovations	Knox	400,000	0	0	400,000
THP Communication Center Fire Sprinkler System	Davidson	990,000	0	0	990,000
TLETA HVAC Upgrades	Davidson	570,000	0	0	570,000
R.S. Gass State Lab Generator Replacement	Davidson	760,000	0	0	760,000
Tennessee Tower Blue Lot Paving and Retaining Wall Repairs	Davidson	460,000	0	0	460,000
Northeast Regional Health HVAC Upgrades	Washington	570,000	0	0	570,000
TLETA Audio-Visual Equipment Replacement	Davidson	140,000	0	0	140,000
TN Tower / Rachel & Andrew Jackson Generator Replacement	Davidson	2,890,000	0	0	2,890,000
Jackson Supreme Court HVAC and Lighting Upgrades	Madison	1,790,000	1,790,000	0	0
Labor and Workforce Facility 111 E. Lincoln Roof Replacement	Coffee	180,000	0	0	180,000
East Tennessee Regional Health Office Envelope Repairs	Knox	300,000	0	0	300,000
Labor and Workforce Facility 1481 Mullins Roof Replacement	Gibson	300,000	0	0	300,000
THP District 2 HQ Chattanooga Roof Replacement	Hamilton	940,000	940,000	0	0
Legislative Plaza Fountains	Davidson	490,000	0	0	490,000
Johnson / Crockett Exterior Maintenance and Repairs	Davidson	6,580,000	6,580,000	0	0
DGS Nashville Parking and Site Repairs	Davidson	4,120,000	4,120,000	0	0
Sub-Total Capital Maintenance		\$ 23,510,000	\$ 13,430,000	\$ 0	\$ 10,080,000
Grand Total		\$ 98,060,000	\$ 87,980,000	\$ 0	\$ 10,080,000

**Proposed Facilities Revolving Fund Project Descriptions
Fiscal Year 2017-2018**

Objective: Provide efficient management of state facilities.

	Total Project Cost
Capital Improvements:	
Tennessee Highway Patrol District 1 Headquarters Knoxville - New Facility Funds are provided for the construction of a new district headquarters building in Knoxville.	\$ 8,500,000
New Regional Intervention Program Building Funds are provided for the construction of a new regional intervention program building in Nashville.	4,600,000
Multi-Agency Law Enforcement Training Center Funds are provided for the construction of a consolidated law enforcement firing range at the Cockrill Bend site. Funds also support the construction of new office facilities for the Department of Correction.	29,500,000
Statewide Interior Renovation Upgrades Phase II Funds are provided for interior renovations to bring spaces in-line with Alternative Workspace Solutions (AWS) standards. Project includes new standard AWS office furnishings, data, and all related work.	15,830,000
West Tennessee Regional Health Facility Interior Renovations Funds are provided for interior renovations and all related work.	3,630,000
Statewide Alternative Workspace Solutions Various Facilities Funds are provided for interior renovations at various locations mainly in Shelby County. Project includes new standard AWS office furnishings, data, and all related work.	1,890,000
Tennessee Tower 30th Floor Upgrades Funds are provided for renovations including kitchen and restroom upgrades. Project includes all related work.	1,000,000
War Memorial Building Renovations and Legislative Plaza Garage (Planning) Funds are provided for planning interior and exterior renovations to the War Memorial Building. Funds are also provided for planning the conversion of Legislative Plaza (offices) into additional parking areas.	6,370,000
Mid-Cumberland Regional Health Office Parking Lot Funds are provided for the construction of a new parking lot.	190,000
Statewide Security Upgrades Phase II Funds are provided for the upgrade of various building security systems including all related work.	3,040,000
Total Capital Improvements	\$ 74,550,000
Capital Maintenance:	
Tennessee Tower Switchgear Funds are provided for replacement of medium voltage switchgear in the Tennessee Tower and associated electrical work.	\$ 2,030,000
East Tennessee Regional Health Office Lab Renovations Funds are provided for lab renovations including replacement of the central air handling system and all related work.	400,000
Tennessee Highway Patrol Communication Center Fire Sprinkler System Funds are provided for installation of a new fire suppression system and all related work.	990,000
Tennessee Law Enforcement Training Academy HVAC Upgrades Funds are provided for replacement of air handling units, chiller, and other HVAC system components in the main facility and all related work.	570,000
R.S. Gass State Lab Generator Replacement Funds are provided for replacement of existing emergency generator systems with a natural gas emergency generator system and all related work.	760,000

**Proposed Facilities Revolving Fund Project Descriptions
Fiscal Year 2017-2018**

	Total Project Cost
<p>Tennessee Tower Blue Lot Paving and Retaining Wall Repairs Funds are provided for removal and replacement of existing retaining wall, parking area repairs, and all related work.</p>	\$ 460,000
<p>Northeast Regional Health HVAC Upgrades Funds are provided for replacement of existing air handling unit, other HVAC repairs, and all related work.</p>	570,000
<p>Tennessee Law Enforcement Training Academy Audio-Visual Equipment Replacement Funds are provided for upgrades and replacement of audio-visual equipment in the auditorium and four classrooms. Project includes all related work.</p>	140,000
<p>Tennessee Tower, Rachel Jackson, and Andrew Jackson Generator Replacement Funds are provided for replacement of generator systems with natural gas generators and all related work.</p>	2,890,000
<p>Jackson Supreme Court HVAC and Lighting Upgrades Funds are provided for upgrades to HVAC, lighting, and electrical systems. Project includes all related work.</p>	1,790,000
<p>Labor and Workforce Facility 111 E. Lincoln Roof Replacement Funds are provided for roof replacement and all related work.</p>	180,000
<p>East Tennessee Regional Health Office Exterior Envelope Repairs Funds are provided for exterior repairs and maintenance for the main facility and the annex structure.</p>	300,000
<p>Labor and Workforce Facility 1481 Mullins Roof Replacement Funds are provided for roof replacement and all related work.</p>	300,000
<p>Tennessee Highway Patrol District 2 Headquarters Chattanooga Roof Replacement Funds are provided for roof replacement and all related work.</p>	940,000
<p>Legislative Plaza Fountains Funds are provided for replacement of membranes and pumps, along with all related work. Project includes all necessary maintenance.</p>	490,000
<p>Johnson and Crockett Exterior Maintenance and Repairs Funds are provided for repairs to building envelope. Project includes caulking, cleaning, and replacing precast panels; repairing windows; and painting.</p>	6,580,000
<p>Department of General Services Nashville Parking and Site Repairs Funds are provided for repaving and resurfacing parking lots. Project includes replacement of parking control gates, replacement of signage, and all related work.</p>	4,120,000
<p>Total Capital Maintenance</p>	\$ 23,510,000
<p>Grand Total FRF Capital Outlay</p>	\$ 98,060,000

Program Statements by Functional Area



Program Statements by Functional Area

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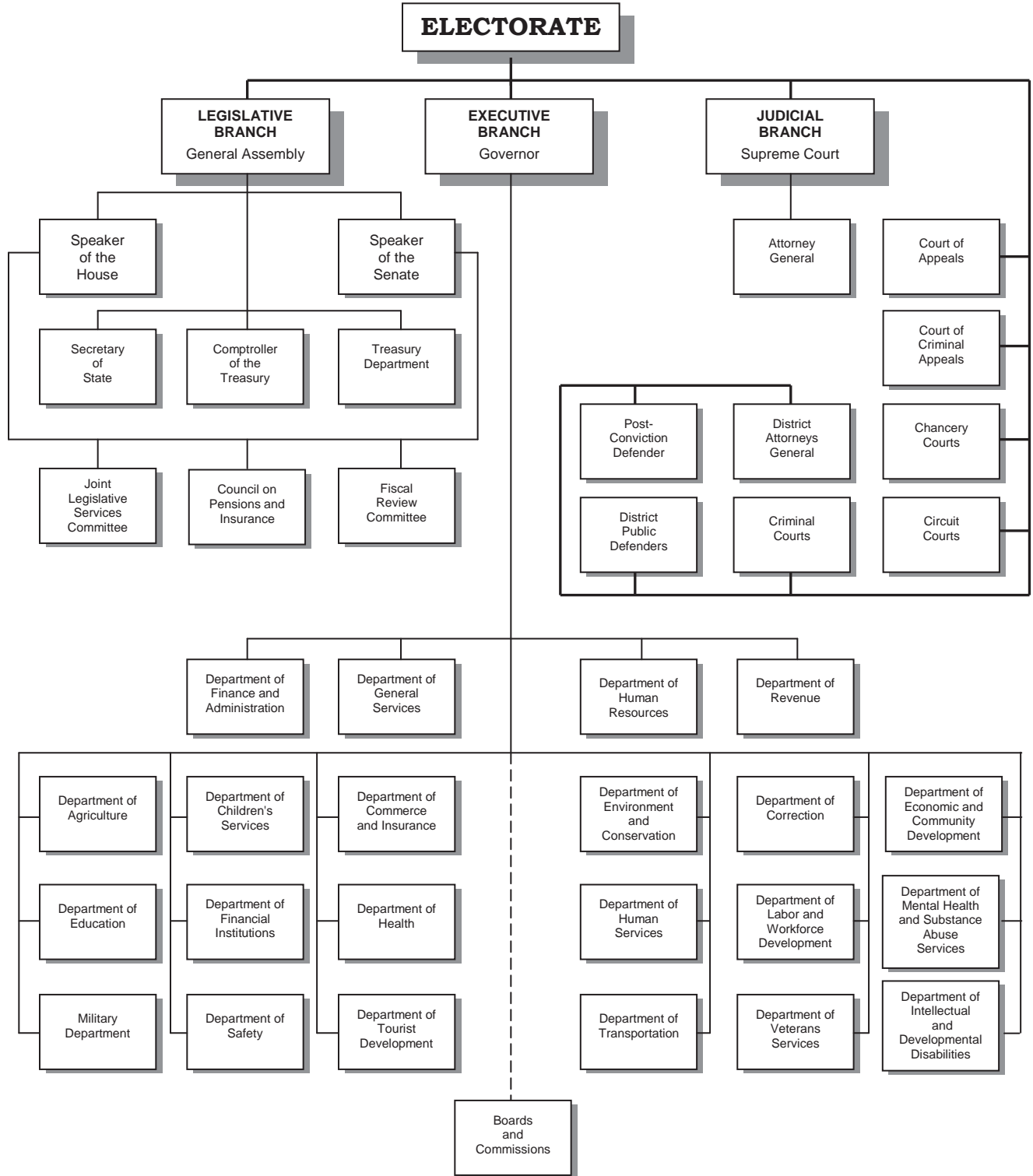


Tennessee State Government Organizational Chart.....B-5

Recommended Budget for Fiscal Year 2017-2018 by Functional AreaB-7

TENNESSEE STATE GOVERNMENT ORGANIZATIONAL CHART

FISCAL YEAR 2017 - 2018



**Recommended Budget for Fiscal Year 2017-2018
By Functional Area**

Functional Area	State	Federal	Other	Total
General Government	894,607,800	95,410,300	621,571,900	1,611,590,000
Education	6,848,262,000	1,188,327,500	2,616,681,500 *	10,653,271,000
Health and Social Services	4,668,393,000	10,500,775,500	1,461,057,000	16,630,225,500
Law, Safety and Correction	1,520,991,600	122,763,200	186,037,400	1,829,792,200
Resources and Regulation	489,487,400	257,523,700	203,258,200	950,269,300
Transportation, Business and Economic Development	1,419,725,000	1,323,471,300	98,771,500	2,841,967,800
Total	\$15,841,466,800	\$13,488,271,500	\$5,187,377,500	\$34,517,115,800

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

General Government



General Government

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General Government

Recommended Budget, Fiscal Year 2017 – 2018

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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Recommended 2017-2018</u>
Personnel			
Full-Time	4,473	4,857	5,182
Part-Time	175	175	175
Seasonal	28	28	28
TOTAL	4,676	5,060	5,385
Expenditures			
Payroll	\$ 321,029,000	\$ 407,929,900	\$ 441,619,500
Operational	540,935,300	774,423,100	1,169,970,500
TOTAL	\$ 861,964,300	\$ 1,182,353,000	\$ 1,611,590,000
Funding			
State	\$ 291,377,900	\$ 501,951,000	\$ 894,607,800
Federal	33,915,300	95,217,100	95,410,300
Other	536,671,100	585,184,900	621,571,900
Tuition/Fees	0	0	0

General Government
Recommended Budget for Fiscal Year 2017-2018
By Funding Source

Department	State	Federal	Other	Total
301.00 Legislature	43,803,400	0	137,500	43,940,900
301.50 Fiscal Review Committee	1,567,100	0	0	1,567,100
305.00 Secretary of State	30,322,600	30,216,800	12,135,000	72,674,400
307.00 Comptroller of the Treasury	96,396,400	0	9,259,000	105,655,400
309.00 Treasury Department	5,212,600	0	43,206,800	48,419,400
313.00 Claims and Compensation	11,410,000	4,940,000	101,500,700	117,850,700
315.00 Executive Department	5,244,700	0	0	5,244,700
316.04 Human Rights Commission	1,769,500	805,700	0	2,575,200
316.11 Tennessee Regulatory Authority	6,562,500	1,116,400	1,431,000	9,109,900
316.12 Advisory Commission on Intergovernmental Relations	201,700	0	2,998,700	3,200,400
317.00 Finance and Administration	27,696,200	57,287,800	287,491,800	372,475,800
319.00 Human Resources	0	0	12,556,400	12,556,400
321.00 General Services	41,717,400	0	118,664,200	160,381,600
323.00 Veterans Services	6,150,300	1,022,700	247,000	7,420,000
347.00 Revenue	96,235,600	20,900	31,793,800	128,050,300
351.00 Miscellaneous Appropriations	519,067,800	0	0	519,067,800
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	\$894,607,800	\$95,410,300	\$621,571,900	\$1,611,590,000

General Government
Cost Increases for Fiscal Year 2017-2018

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Treasury Department					
• College Savings	To provide non-recurring funds for incentives and marketing of the College Savings Program.				
309.03 TN Stars College Savings 529 Program	\$1,500,000	\$0	\$0	\$1,500,000	0
Sub-total	\$1,500,000	\$0	\$0	\$1,500,000	0
• DUI Monitoring Fund	To provide recurring funds to reinstate general fund appropriations.				
309.01 Treasury Department	\$70,000	\$0	\$0	\$70,000	0
Sub-total	\$70,000	\$0	\$0	\$70,000	0
• Disaster Recovery and Security	To provide funds for a third disaster recovery location and to enhance current hardware and infrastructure for critical functions supporting the financial activities of the state. Of the total, \$105,000 is recurring and \$1,217,000 is non-recurring.				
309.01 Treasury Department	\$0	\$0	\$1,322,000	\$1,322,000	0
Sub-total	\$0	\$0	\$1,322,000	\$1,322,000	0
• Information Systems Positions	To provide recurring funds for ten additional information systems positions. These positions will provide department-wide support and will allow the department to transition from two third party administration contracts supporting the Concord system.				
309.01 Treasury Department	\$0	\$0	\$1,084,200	\$1,084,200	10
Sub-total	\$0	\$0	\$1,084,200	\$1,084,200	10
• Tennessee Consolidated Retirement System Disability Services	To provide recurring funds to enhance the administration of disability retirement. These funds will allow the department to contract with specialists to provide more qualified oversight of the medical review panel and utilize more sophisticated technology.				
309.01 Treasury Department	\$0	\$0	\$500,000	\$500,000	0
Sub-total	\$0	\$0	\$500,000	\$500,000	0
• Pension Accounting and Financial Analysis Support	To provide recurring funds for two senior level accountant positions. These positions will enable the department to meet the additional requirements of new governmental accounting standards and provide better financial and actuarial analysis.				
309.01 Treasury Department	\$0	\$0	\$249,700	\$249,700	2
Sub-total	\$0	\$0	\$249,700	\$249,700	2

General Government

Cost Increases for Fiscal Year 2017-2018

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Banking Services					
To provide recurring funds for additional banking support services such as processing Automated Clearing House (ACH) receipts and originations as well as check settlement and reconciliation services in order to transition from mainframe software.					
309.01 Treasury Department	\$0	\$0	\$200,000	\$200,000	0
Sub-total	\$0	\$0	\$200,000	\$200,000	0
• Employee Development and Recruitment					
To provide recurring funds to enhance employee development and recruitment. These funds will enable the department to invest in professional recruiting services for the most difficult to fill positions and to provide additional leadership development to assist in employee retention.					
309.01 Treasury Department	\$0	\$0	\$180,000	\$180,000	0
Sub-total	\$0	\$0	\$180,000	\$180,000	0
• Investments and Accounting					
To provide recurring funds for two additional positions to assist with investments and accounting. These funds will provide for one accountant and one fixed income analyst to support the Tennessee Consolidated Retirement System's corporate bond portfolio.					
309.01 Treasury Department	\$0	\$0	\$126,900	\$126,900	2
Sub-total	\$0	\$0	\$126,900	\$126,900	2
Total Treasury Department	\$1,570,000	\$0	\$3,662,800	\$5,232,800	14
Claims and Compensation					
• Risk Management and Claims Administration					
To provide recurring funds for the enhancement of risk management technology and to add a third-party administrator for tort claims and losses.					
313.10 Risk Management Fund	\$0	\$0	\$1,793,800	\$1,793,800	0
Sub-total	\$0	\$0	\$1,793,800	\$1,793,800	0
Total Claims and Compensation	\$0	\$0	\$1,793,800	\$1,793,800	0
Executive Department					
• Statutory Salary Increase					
To provide recurring funds 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	\$2,900	\$0	\$0	\$2,900	0
Sub-total	\$2,900	\$0	\$0	\$2,900	0
Total Executive Department	\$2,900	\$0	\$0	\$2,900	0

General Government
Cost Increases for Fiscal Year 2017-2018

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Tennessee Regulatory Authority					
• Replacement Vehicles					
To provide non-recurring funds to replace seven inspection vehicles for the gas pipeline safety division engineers. These dedicated state funds will receive a federal match.					
316.11 Tennessee Regulatory Authority	\$50,000	\$200,000	\$0	\$250,000	0
Sub-total	\$50,000	\$200,000	\$0	\$250,000	0
Total Tennessee Regulatory Authority	\$50,000	\$200,000	\$0	\$250,000	0

Finance and Administration

• **NextGen IT Salaries**

To provide recurring funds for transitioning existing Strategic Technology Solutions (STS) and Business Solutions Delivery (BSD) staff to NextGen IT.

317.03 Strategic Technology Solutions	\$0	\$0	\$3,227,000	\$3,227,000	0
317.20 Business Solutions Delivery	\$73,200	\$0	\$0	\$73,200	0
317.21 Enterprise IT Transformation	\$124,800	\$0	\$0	\$124,800	0
Sub-total	\$198,000	\$0	\$3,227,000	\$3,425,000	0

• **Enterprise IT Transformation - Phase Two**

To provide administrative positions and recurring funds to bring the Department of Human Services and the Department of Children's Services into a new management structure for information technology services. As of July 1, 2017, the transition of these two agencies will bring the total number of agencies in the new management structure to 18.

317.01 Division of Administration	\$0	\$0	\$109,900	\$109,900	1
317.03 Strategic Technology Solutions	\$0	\$0	\$705,000	\$705,000	4
317.21 Enterprise IT Transformation	\$1,876,300	\$0	\$0	\$1,876,300	3
Sub-total	\$1,876,300	\$0	\$814,900	\$2,691,200	8

• **Internet Bandwidth**

To provide recurring funds to increase the state's internet bandwidth at both data centers in order to accommodate increased usage.

317.03 Strategic Technology Solutions	\$0	\$0	\$935,800	\$935,800	0
Sub-total	\$0	\$0	\$935,800	\$935,800	0

General Government

Cost Increases for Fiscal Year 2017-2018

	State	Federal	Other	Total	Positions
• Increase Security and Maintenance of IT Infrastructure at Houston Barracks					
To provide recurring funds for increasing security and maintenance of the IT infrastructure at Houston Barracks.					
317.03 Strategic Technology Solutions	\$0	\$0	\$169,700	\$169,700	0
Sub-total	\$0	\$0	\$169,700	\$169,700	0
• Volunteer Tennessee					
To provide recurring funds in order to receive a match of federal funding.					
317.11 Volunteer Tennessee	\$40,800	\$0	\$0	\$40,800	0
Sub-total	\$40,800	\$0	\$0	\$40,800	0
• Administration Legislation - Background Checks					
To provide funds for compliance with federal regulations concerning required fingerprint background checks for employees who have access to federal tax information. From this appropriation, \$2,300 is non-recurring.					
317.01 Division of Administration	\$4,000	\$0	\$0	\$4,000	0
Sub-total	\$4,000	\$0	\$0	\$4,000	0
Total Finance and Administration	\$2,119,100	\$0	\$5,147,400	\$7,266,500	8

General Services

• State Facility Maintenance					
To provide recurring funds to address the rent revenue deficit for deferred capital maintenance projects.					
321.99 Statewide Capital Maintenance	\$30,191,100	\$0	\$0	\$30,191,100	0
Sub-total	\$30,191,100	\$0	\$0	\$30,191,100	0
Total General Services	\$30,191,100	\$0	\$0	\$30,191,100	0

Veterans Services

• Parkers Crossroads Cemetery					
To provide recurring funds for six additional full-time positions and to establish operations at the new state veterans cemetery at Parkers Crossroads.					
323.00 Veterans Services	\$419,400	\$0	\$0	\$419,400	6
Sub-total	\$419,400	\$0	\$0	\$419,400	6
Total Veterans Services	\$419,400	\$0	\$0	\$419,400	6

General Government

Cost Increases for Fiscal Year 2017-2018

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Revenue					
• Administration Legislation – Background Checks					
To provide non-recurring funds for compliance with federal regulations concerning required fingerprint background checks for employees who have access to federal tax information.					
347.01 Administration Division	\$16,000	\$0	\$0	\$16,000	0
Sub-total	\$16,000	\$0	\$0	\$16,000	0
• Revenue Modernization Act - 2015 Public Chapter 514					
To provide recurring funds to continue the enactment of 2015 Public Chapter 514, the Revenue Modernization Act. The final fiscal note recommended two additional positions and funding in fiscal year 2017-2018.					
347.02 Collection Services	\$111,900	\$0	\$0	\$111,900	2
Sub-total	\$111,900	\$0	\$0	\$111,900	2
• Wireless 911 Surcharge					
To provide recurring funds to cover expenditures related to the collection and administration of the 911 surcharge remitted by communication service dealers.					
347.14 Audit Division	\$223,100	\$0	\$0	\$223,100	3
Sub-total	\$223,100	\$0	\$0	\$223,100	3
• Revenue and Tax Collection System Replacement					
To provide non-recurring funds for the continued development of the revenue and tax collection system replacement.					
347.23 Tennessee Revenue Registration and Reporting System	\$10,991,900	\$0	\$0	\$10,991,900	17
Sub-total	\$10,991,900	\$0	\$0	\$10,991,900	17
Total Revenue	\$11,342,900	\$0	\$0	\$11,342,900	22

Miscellaneous Appropriations

• Pay for Performance Salary Pool

To provide a pool of recurring funds equivalent to a 3 percent salary increase for employee compensation adjustments based on performance evaluation. 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, 2018, with a recurring annualized cost of \$45,206,700.

351.00 Miscellaneous Appropriations	\$25,832,400	\$0	\$0	\$25,832,400	0
Sub-total	\$25,832,400	\$0	\$0	\$25,832,400	0

General Government

Cost Increases for Fiscal Year 2017-2018

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<ul style="list-style-type: none"> • 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 July 1, 2017. 					
351.00 Miscellaneous Appropriations	\$8,388,000	\$0	\$0	\$8,388,000	0
Sub-total	\$8,388,000	\$0	\$0	\$8,388,000	0
<ul style="list-style-type: none"> • Market Adjustment To provide recurring funds for salary market adjustments for state employees effective July 1, 2017. 					
351.00 Miscellaneous Appropriations	\$23,568,300	\$0	\$0	\$23,568,300	0
Sub-total	\$23,568,300	\$0	\$0	\$23,568,300	0
<ul style="list-style-type: none"> • Other Post Employment Benefits To provide funding for Other Post Employment Benefits (OPEB) Liability. From the appropriation \$110,000,000 is non-recurring. 					
351.00 Miscellaneous Appropriations	\$172,500,000	\$0	\$0	\$172,500,000	0
Sub-total	\$172,500,000	\$0	\$0	\$172,500,000	0
<ul style="list-style-type: none"> • TCRS (Retirement) Contribution Increase - July 1, 2017 To provide recurring funds for the increase in the retirement contribution rate for state employees. 					
351.00 Miscellaneous Appropriations	\$53,960,000	\$0	\$0	\$53,960,000	0
Sub-total	\$53,960,000	\$0	\$0	\$53,960,000	0
<ul style="list-style-type: none"> • Group Health Insurance - Annualize January 1, 2017 Rate Increase To provide recurring funds for the state share of a 5.9 percent group health insurance premium increase. Additional funding for eligible higher education employees (\$7,161,500) is included in the departmental budget for Higher Education. The total cost to the general fund is \$15,191,500. 					
351.00 Miscellaneous Appropriations	\$8,030,000	\$0	\$0	\$8,030,000	0
Sub-total	\$8,030,000	\$0	\$0	\$8,030,000	0

General Government

Cost Increases for Fiscal Year 2017-2018

	State	Federal	Other	Total	Positions
• Group Health Insurance - January 1, 2018 Rate Increase					
To provide recurring funds for the state share of a 5.0 percent group health insurance premium increase. This is funded for six months in The Recommended Budget. Additional funding for eligible higher education employees (\$6,070,000) is included in the departmental budget for Higher Education. Funding for the state share of a 6.9 percent group health insurance premium for teachers and other licensed K-12 employees funded by the BEP (\$12,496,000) is recommended in the Department of Education's budget. The total increase to the general fund is \$25,371,800.					
351.00 Miscellaneous Appropriations	\$6,805,800	\$0	\$0	\$6,805,800	0
Sub-total	\$6,805,800	\$0	\$0	\$6,805,800	0
• Retiree Health Insurance					
To provide recurring funds 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 supplemental 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, \$7,500,000 is recurring and \$10,000,000 is non-recurring.					
351.00 Miscellaneous Appropriations	\$17,500,000	\$0	\$0	\$17,500,000	0
Sub-total	\$17,500,000	\$0	\$0	\$17,500,000	0
• Legislative Initiatives					
To provide funds for legislative initiatives. From the appropriation, \$7,500,000 is recurring and \$15,000,000 is non-recurring.					
351.00 Miscellaneous Appropriations	\$22,500,000	\$0	\$0	\$22,500,000	0
Sub-total	\$22,500,000	\$0	\$0	\$22,500,000	0
• Aeronautics Economic Development Fund					
To provide non-recurring funds for grants to local airport authorities for capital improvements.					
351.00 Miscellaneous Appropriations	\$15,000,000	\$0	\$0	\$15,000,000	0
Sub-total	\$15,000,000	\$0	\$0	\$15,000,000	0

General Government

Cost Increases for Fiscal Year 2017-2018

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<ul style="list-style-type: none"> Strategic Technology Solutions (STS) NextGen IT Salaries To provide the recurring state dollar funding for NextGen IT salaries in STS. Interdepartmental billing will be increased in STS by \$3,227,000. 					
351.00 Miscellaneous Appropriations	\$2,097,600	\$0	\$0	\$2,097,600	0
Sub-total	\$2,097,600	\$0	\$0	\$2,097,600	0
<ul style="list-style-type: none"> Internet Bandwidth To provide recurring funds to increase the state's internet bandwidth at both data centers in order to accommodate increased usage. Interdepartmental billing will be increased in STS by \$935,800. 					
351.00 Miscellaneous Appropriations	\$608,300	\$0	\$0	\$608,300	0
Sub-total	\$608,300	\$0	\$0	\$608,300	0
<ul style="list-style-type: none"> Enterprise IT Transformation To provide recurring state dollars to be allocated to the agencies for EIT implementation. Five full-time administrative positions will be added to the Department of Finance and Administration, and interdepartmental billing will increase by \$705,000. 					
351.00 Miscellaneous Appropriations	\$458,300	\$0	\$0	\$458,300	0
Sub-total	\$458,300	\$0	\$0	\$458,300	0
<ul style="list-style-type: none"> Facilities Revolving Fund To provide recurring funds for a Davidson County rent adjustment. 					
351.00 Miscellaneous Appropriations	\$2,496,200	\$0	\$0	\$2,496,200	0
Sub-total	\$2,496,200	\$0	\$0	\$2,496,200	0
<ul style="list-style-type: none"> Increase Security and Maintenance of IT Infrastructure at Houston Barracks To provide recurring funds needed to increase security and maintenance of IT infrastructure at Houston Barracks. 					
351.00 Miscellaneous Appropriations	\$169,700	\$0	\$0	\$169,700	0
Sub-total	\$169,700	\$0	\$0	\$169,700	0
<ul style="list-style-type: none"> Doe Mountain Recreation Authority Grant - Year Two To provide non-recurring funding for the Doe Mountain Recreation Authority Grant, year two of three. 					
351.00 Miscellaneous Appropriations	\$100,000	\$0	\$0	\$100,000	0
Sub-total	\$100,000	\$0	\$0	\$100,000	0

General Government
Cost Increases for Fiscal Year 2017-2018

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Legislation - K-12 Voucher Program					
To provide recurring funds for K-12 to start a voucher program.					
351.00 Miscellaneous Appropriations	\$400,000	\$0	\$0	\$400,000	0
Sub-total	\$400,000	\$0	\$0	\$400,000	0
Total Miscellaneous Appropriations	\$369,324,600	\$0	\$0	\$369,324,600	0
Total General Government	\$415,020,000	\$200,000	\$10,604,000	\$425,824,000	50

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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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	1,434,500	2,130,000	2,130,000	0	2,130,000
Operational	3,711,600	3,551,000	2,750,500	0	2,750,500
Total	\$5,146,100	\$5,681,000	\$4,880,500	\$0	\$4,880,500
State	4,601,800	5,664,000	4,863,500	0	4,863,500
Federal	0	0	0	0	0
Other	544,300	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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
Payroll	6,051,300	7,440,900	7,440,900	0	7,440,900
Operational	1,699,800	1,531,900	1,530,900	0	1,530,900
Total	\$7,751,100	\$8,972,800	\$8,971,800	\$0	\$8,971,800
State	7,250,300	8,902,800	8,901,800	0	8,901,800
Federal	0	0	0	0	0
Other	500,800	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	27,200	68,900	68,900	0	68,900
Total	\$27,200	\$68,900	\$68,900	\$0	\$68,900
State	27,200	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	14,246,800	15,764,200	15,764,200	0	15,764,200
Operational	2,425,100	3,444,900	3,436,700	0	3,436,700
Total	\$16,671,900	\$19,209,100	\$19,200,900	\$0	\$19,200,900
State	16,628,300	19,180,600	19,172,400	0	19,172,400
Federal	0	0	0	0	0
Other	43,600	28,500	28,500	0	28,500

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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	7,415,900	9,077,500	9,077,500	0	9,077,500
Operational	1,255,400	1,748,800	1,741,300	0	1,741,300
Total	\$8,671,300	\$10,826,300	\$10,818,800	\$0	\$10,818,800
State	8,653,000	10,804,300	10,796,800	0	10,796,800
Federal	0	0	0	0	0
Other	18,300	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	29,148,500	34,412,600	34,412,600	0	34,412,600
Operational	9,119,100	10,345,500	9,528,300	0	9,528,300
Total	\$38,267,600	\$44,758,100	\$43,940,900	\$0	\$43,940,900
State	37,160,600	44,620,600	43,803,400	0	43,803,400
Federal	0	0	0	0	0
Other	1,107,000	137,500	137,500	0	137,500

Fiscal Review Committee

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

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

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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	1,269,600	1,533,600	1,533,600	0	1,533,600
Operational	43,400	58,700	33,500	0	33,500
Total	\$1,313,000	\$1,592,300	\$1,567,100	\$0	\$1,567,100
State	1,313,000	1,567,300	1,567,100	0	1,567,100
Federal	0	0	0	0	0
Other	0	25,000	0	0	0

Secretary of State

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

The functional areas that comprise the Secretary of State's office are Administrative and Support Services and State Library Services.

<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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, Records Management, and Fantasy Sports.

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	11,232,600	14,538,000	14,538,000	0	14,538,000
Operational	3,835,200	3,680,700	3,677,200	0	3,677,200
Total	\$15,067,800	\$18,218,700	\$18,215,200	\$0	\$18,215,200
State	5,790,300	11,060,400	11,056,900	0	11,056,900
Federal	0	300,000	300,000	0	300,000
Other	9,277,500	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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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	109,700	125,800	125,800	0	125,800
Operational	1,471,200	1,474,400	1,474,400	0	1,474,400
Total	\$1,580,900	\$1,600,200	\$1,600,200	\$0	\$1,600,200
State	1,580,900	1,600,200	1,600,200	0	1,600,200
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	449,600	392,700	392,700	0	392,700
Total	\$449,600	\$392,700	\$392,700	\$0	\$392,700
State	321,500	392,700	392,700	0	392,700
Federal	0	0	0	0	0
Other	128,100	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	835,300	1,085,500	1,085,500	0	1,085,500
Operational	373,000	162,100	161,900	0	161,900
Total	\$1,208,300	\$1,247,600	\$1,247,400	\$0	\$1,247,400

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
State	567,700	732,500	732,300	0	732,300
Federal	0	0	0	0	0
Other	640,600	515,100	515,100	0	515,100

305.09 Charitable Solicitations and Charitable Gaming

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

Full-Time	21	21	21	0	21
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	21	21	21	0	21
Payroll	913,000	1,656,200	1,656,200	0	1,656,200
Operational	314,200	247,400	247,100	0	247,100
Total	\$1,227,200	\$1,903,600	\$1,903,300	\$0	\$1,903,300
State	0	223,100	222,800	0	222,800
Federal	0	0	0	0	0
Other	1,227,200	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. HAVA 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	1,284,000	27,500,000	27,500,000	0	27,500,000
Total	\$1,284,000	\$27,500,000	\$27,500,000	\$0	\$27,500,000
State	24,200	0	0	0	0
Federal	1,256,300	26,500,000	26,500,000	0	26,500,000
Other	3,500	1,000,000	1,000,000	0	1,000,000

305.13 Records Management

Records Management is the primary records management agency for Tennessee state government. Records Management 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	8	8	8	0	8
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	8	8	8	0	8

Secretary of State

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
Payroll	439,500	591,400	591,400	0	591,400
Operational	470,200	629,800	629,600	0	629,600
Total	\$909,700	\$1,221,200	\$1,221,000	\$0	\$1,221,000
State	89,600	0	0	0	0
Federal	0	0	0	0	0
Other	820,100	1,221,200	1,221,000	0	1,221,000

305.14 Fantasy Sports

The Secretary of State created the Fantasy Sports division to implement the requirements of the 2016 Fantasy Sports Act. The act established regulations and licensing requirements for fantasy sports operators. Operators submit financial documents to the division and document proof of segregated player funds to maintain licensing. The division also investigates complaints in coordination with various law enforcement agencies and issues civil penalties for violations.

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	175,000	175,000	0	175,000
Operational	0	25,000	15,000	0	15,000
Total	\$0	\$200,000	\$190,000	\$0	\$190,000
State	0	200,000	190,000	0	190,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

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	5,706,500	6,624,500	6,624,500	0	6,624,500
Operational	6,114,000	6,023,000	6,021,200	0	6,021,200
Total	\$11,820,500	\$12,647,500	\$12,645,700	\$0	\$12,645,700

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
State	8,481,200	9,161,700	9,159,900	0	9,159,900
Federal	2,594,600	2,820,700	2,820,700	0	2,820,700
Other	744,700	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	3,318,800	3,999,800	3,999,800	0	3,999,800
Operational	3,557,500	3,760,100	3,759,100	0	3,759,100
Total	\$6,876,300	\$7,759,900	\$7,758,900	\$0	\$7,758,900
State	6,240,100	6,968,800	6,967,800	0	6,967,800
Federal	628,100	596,100	596,100	0	596,100
Other	8,100	195,000	195,000	0	195,000

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 conducted research, held hearings, and developed 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. The council sunset on June 30, 2016.

Full-Time	3	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	3	0	0	0	0
Payroll	194,300	0	0	0	0
Operational	62,900	0	0	0	0
Total	\$257,200	\$0	\$0	\$0	\$0
State	227,300	0	0	0	0
Federal	0	0	0	0	0
Other	29,900	0	0	0	0

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
305.00 Total Secretary of State					
Full-Time	354	353	353	0	353
Part-Time	10	10	10	0	10
Seasonal	0	0	0	0	0
Total	364	363	363	0	363
Payroll	22,749,700	28,796,200	28,796,200	0	28,796,200
Operational	17,931,800	43,895,200	43,878,200	0	43,878,200
Total	\$40,681,500	\$72,691,400	\$72,674,400	\$0	\$72,674,400
State	23,322,800	30,339,400	30,322,600	0	30,322,600
Federal	4,479,000	30,216,800	30,216,800	0	30,216,800
Other	12,879,700	12,135,200	12,135,000	0	12,135,000

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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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	19	12	12	0	12
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	19	12	12	0	12
Payroll	1,319,400	1,226,900	1,162,200	0	1,162,200
Operational	243,400	3,031,900	2,048,100	0	2,048,100
Total	\$1,562,800	\$4,258,800	\$3,210,300	\$0	\$3,210,300
State	1,450,400	4,149,400	3,100,900	0	3,100,900
Federal	0	0	0	0	0
Other	112,400	109,400	109,400	0	109,400

307.02 Office of Management Services

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

Full-Time	28	25	25	0	25
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	28	25	25	0	25
Payroll	2,253,100	2,357,900	2,339,900	0	2,339,900
Operational	578,900	1,009,000	1,008,000	0	1,008,000
Total	\$2,832,000	\$3,366,900	\$3,347,900	\$0	\$3,347,900
State	842,000	3,366,900	3,347,900	0	3,347,900
Federal	0	0	0	0	0
Other	1,990,000	0	0	0	0

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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307.13 Division of Investigations

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

Full-Time	0	0	20	0	20
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	20	0	20
Payroll	0	0	2,087,000	0	2,087,000
Operational	0	0	162,900	0	162,900
Total	\$0	\$0	\$2,249,900	\$0	\$2,249,900
State	0	0	2,249,900	0	2,249,900
Federal	0	0	0	0	0
Other	0	0	0	0	0

307.16 Division of Technology Solutions

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

Full-Time	29	31	33	0	33
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	29	31	33	0	33
Payroll	2,727,100	3,148,100	3,323,900	0	3,323,900
Operational	6,191,200	5,380,100	4,184,300	0	4,184,300
Total	\$8,918,300	\$8,528,200	\$7,508,200	\$0	\$7,508,200
State	8,703,400	7,255,700	7,235,700	0	7,235,700
Federal	0	0	0	0	0
Other	214,900	1,272,500	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.

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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307.14 Offices of Research and Education Accountability

The Office of Education Accountability monitors the performance of Tennessee elementary and public school systems, and provides the General Assembly reports on a variety of education topics. The office assists the House and Senate Education committees, as requested, and provides the Legislature an independent means to evaluate the financial impact of state policy on the public education system. The Office of Research conducts research projects on state and local government issues at the request of the Comptroller and the General Assembly. The office assists the State Funding Board in analyzing the annual economic forecast, 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	940,900	1,196,700	1,191,200	0	1,191,200
Operational	84,000	115,800	115,600	0	115,600
Total	\$1,024,900	\$1,312,500	\$1,306,800	\$0	\$1,306,800
State	526,900	1,312,500	1,306,800	0	1,306,800
Federal	0	0	0	0	0
Other	498,000	0	0	0	0

Audit Services

The Audit Services programs 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, to ensure compliance with Government Auditing Standards. The department 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, utility districts in the state, sets rates for nursing facilities that participate in the state TennCare program, and conducts financial-related reviews of managed care organizations and behavioral health organizations.

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	196	196	186	0	186
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	196	196	186	0	186
Payroll	15,618,700	17,252,600	16,182,600	0	16,182,600
Operational	1,416,600	1,444,700	1,387,900	0	1,387,900
Total	\$17,035,300	\$18,697,300	\$17,570,500	\$0	\$17,570,500
State	6,222,300	13,868,400	12,741,600	0	12,741,600
Federal	0	0	0	0	0
Other	10,813,000	4,828,900	4,828,900	0	4,828,900

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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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	94	98	98	0	98
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	94	98	98	0	98
Payroll	8,441,800	9,395,300	9,395,300	0	9,395,300
Operational	648,200	749,600	747,800	0	747,800
Total	\$9,090,000	\$10,144,900	\$10,143,100	\$0	\$10,143,100
State	6,413,900	8,857,700	8,855,900	0	8,855,900
Federal	0	0	0	0	0
Other	2,676,100	1,287,200	1,287,200	0	1,287,200

307.06 Legal and Public Affairs

The Division of Legal and Public Affairs provides legal support for the various divisions of the Comptroller's Office, including investigations, audits, and other internal legal matters. The Division also houses the Office of Open Records and the Small Business Advocate.

Full-Time	26	31	21	0	21
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	26	31	21	0	21
Payroll	2,005,500	2,995,700	2,086,900	0	2,086,900
Operational	267,000	317,700	241,500	0	241,500
Total	\$2,272,500	\$3,313,400	\$2,328,400	\$0	\$2,328,400
State	1,573,000	3,250,900	2,265,900	0	2,265,900
Federal	0	0	0	0	0
Other	699,500	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.

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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, the Tennessee Housing Development Agency, and the Tennessee State School Bond Authority. 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	17	17	0	17
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	16	17	17	0	17
Payroll	1,398,600	1,577,300	1,577,300	0	1,577,300
Operational	104,500	139,100	138,800	0	138,800
Total	\$1,503,100	\$1,716,400	\$1,716,100	\$0	\$1,716,100
State	318,700	1,099,800	1,099,500	0	1,099,500
Federal	0	0	0	0	0
Other	1,184,400	616,600	616,600	0	616,600

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, Tax Relief, the State Board of Equalization, the Office of State Assessed Properties, and Telecommunications Ad Valorem Tax Equity Payments.

307.09 Division of Property Assessments

The Division of Property Assessments is responsible for assisting local governments in assessment of property for tax purposes. Other duties include monitoring the statewide reassessment program, conducting the statewide biennial appraisal ratio studies, coordinating the State Computer-Assisted Appraisal System, drafting property ownership maps, and other miscellaneous tasks.

Full-Time	116	117	117	0	117
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	116	117	117	0	117
Payroll	7,956,100	8,795,800	8,795,800	0	8,795,800
Operational	1,681,000	1,845,100	1,843,900	0	1,843,900
Total	\$9,637,100	\$10,640,900	\$10,639,700	\$0	\$10,639,700
State	2,988,000	8,791,400	8,790,200	0	8,790,200
Federal	0	0	0	0	0
Other	6,649,100	1,849,500	1,849,500	0	1,849,500

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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 administration of the program.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	22,783,700	36,265,100	36,265,100	0	36,265,100
Total	\$22,783,700	\$36,265,100	\$36,265,100	\$0	\$36,265,100
State	22,783,700	36,265,100	36,265,100	0	36,265,100
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	11	11	11	0	11
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	19	19	19	0	19
Payroll	837,700	977,700	977,700	0	977,700
Operational	233,400	251,800	251,600	0	251,600
Total	\$1,071,100	\$1,229,500	\$1,229,300	\$0	\$1,229,300
State	396,400	1,122,100	1,121,900	0	1,121,900
Federal	0	0	0	0	0
Other	674,700	107,400	107,400	0	107,400

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.

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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	982,300	1,015,300	1,015,300	0	1,015,300
Operational	107,600	125,000	124,800	0	124,800
Total	\$1,089,900	\$1,140,300	\$1,140,100	\$0	\$1,140,100
State	824,900	1,015,300	1,015,100	0	1,015,100
Federal	0	0	0	0	0
Other	265,000	125,000	125,000	0	125,000

307.50 Telecommunications Ad Valorem Tax Equity Payments

The Telecommunications Ad Valorem Tax Reduction Fund 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	9,247,700	7,000,000	7,000,000	0	7,000,000
Total	\$9,247,700	\$7,000,000	\$7,000,000	\$0	\$7,000,000
State	6,984,100	7,000,000	7,000,000	0	7,000,000
Federal	0	0	0	0	0
Other	2,263,600	0	0	0	0

307.00 Total Comptroller of the Treasury

Full-Time	559	562	564	0	564
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	567	570	572	0	572
Payroll	44,481,200	49,939,300	50,135,100	0	50,135,100
Operational	43,587,200	57,674,900	55,520,300	0	55,520,300
Total	\$88,068,400	\$107,614,200	\$105,655,400	\$0	\$105,655,400
State	60,027,700	97,355,200	96,396,400	0	96,396,400
Federal	0	0	0	0	0
Other	28,040,700	10,259,000	9,259,000	0	9,259,000

Treasury Department

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

<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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Treasury Department

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 and Compensation program and the State Architect's Office.

Full-Time	282	293	293	14	307
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	282	293	293	14	307
Payroll	23,520,400	28,010,100	28,279,100	1,354,800	29,633,900
Operational	9,466,800	12,537,300	12,501,200	2,378,000	14,879,200
Total	\$32,987,200	\$40,547,400	\$40,780,300	\$3,732,800	\$44,513,100
State	978,500	1,370,000	1,611,400	70,000	1,681,400
Federal	0	0	0	0	0
Other	32,008,700	39,177,400	39,168,900	3,662,800	42,831,700

309.02 Certified Public Administrators

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

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

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
Payroll	0	0	0	0	0
Operational	407,100	407,300	407,300	0	407,300
Total	\$407,100	\$407,300	\$407,300	\$0	\$407,300
State	407,100	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	1,758,000	2,045,900	1,045,900	1,500,000	2,545,900
Total	\$1,758,000	\$2,045,900	\$1,045,900	\$1,500,000	\$2,545,900
State	1,420,800	1,920,800	920,800	1,500,000	2,420,800
Federal	0	0	0	0	0
Other	337,200	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	121,800	250,000	250,000	0	250,000
Total	\$121,800	\$250,000	\$250,000	\$0	\$250,000
State	86,000	0	0	0	0
Federal	0	0	0	0	0
Other	35,800	250,000	250,000	0	250,000

309.10 DUI Monitoring Fund

The DUI Monitoring 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.

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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	112,400	1,003,100	703,100	0	703,100
Total	\$112,400	\$1,003,100	\$703,100	\$0	\$703,100
State	112,400	1,003,100	703,100	0	703,100
Federal	0	0	0	0	0
Other	0	0	0	0	0
309.00 Total Treasury Department					
Full-Time	282	293	293	14	307
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	282	293	293	14	307
Payroll	23,520,400	28,010,100	28,279,100	1,354,800	29,633,900
Operational	11,866,100	16,243,600	14,907,500	3,878,000	18,785,500
Total	\$35,386,500	\$44,253,700	\$43,186,600	\$5,232,800	\$48,419,400
State	3,004,800	4,701,200	3,642,600	1,570,000	5,212,600
Federal	0	0	0	0	0
Other	32,381,700	39,552,500	39,544,000	3,662,800	43,206,800

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, Educator Liability Trust Fund, and Unclaimed Property.

<u>Actual</u> <u>2015-2016</u>	<u>Estimated</u> <u>2016-2017</u>	<u>Base</u> <u>2017-2018</u>	<u>Cost Increase</u> <u>2017-2018</u>	<u>Recommended</u> <u>2017-2018</u>
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Claims and Compensation

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	14,453,200	16,350,000	16,350,000	0	16,350,000
Total	\$14,453,200	\$16,350,000	\$16,350,000	\$0	\$16,350,000
State	10,806,200	11,410,000	11,410,000	0	11,410,000
Federal	3,622,000	4,940,000	4,940,000	0	4,940,000
Other	25,000	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	63,679,900	61,456,900	61,456,900	1,793,800	63,250,700
Total	\$63,679,900	\$61,456,900	\$61,456,900	\$1,793,800	\$63,250,700

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
State	0	0	0	0	0
Federal	273,500	0	0	0	0
Other	63,406,400	61,456,900	61,456,900	1,793,800	63,250,700

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	36,233,000	38,250,000	38,250,000	0	38,250,000
Total	\$36,233,000	\$38,250,000	\$38,250,000	\$0	\$38,250,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	36,233,000	38,250,000	38,250,000	0	38,250,000

313.00 Total Claims and Compensation

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	114,366,100	116,056,900	116,056,900	1,793,800	117,850,700
Total	\$114,366,100	\$116,056,900	\$116,056,900	\$1,793,800	\$117,850,700
State	10,806,200	11,410,000	11,410,000	0	11,410,000
Federal	3,895,500	4,940,000	4,940,000	0	4,940,000
Other	99,664,400	99,706,900	99,706,900	1,793,800	101,500,700

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.

	Actual 2015-2016	Estimated 2016-2017	Base 2017-2018	Cost Increase 2017-2018	Recommended 2017-2018
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	4,017,100	4,207,700	4,207,700	2,900	4,210,600
Operational	1,066,400	1,035,400	1,034,100	0	1,034,100
Total	\$5,083,500	\$5,243,100	\$5,241,800	\$2,900	\$5,244,700
State	4,986,300	5,243,100	5,241,800	2,900	5,244,700
Federal	0	0	0	0	0
Other	97,200	0	0	0	0

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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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	1,722,400	2,053,000	2,053,000	0	2,053,000
Operational	454,200	523,200	522,200	0	522,200
Total	\$2,176,600	\$2,576,200	\$2,575,200	\$0	\$2,575,200
State	1,688,200	1,770,100	1,769,500	0	1,769,500
Federal	463,000	806,100	805,700	0	805,700
Other	25,400	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 and regulating relay services, which provide telecommunications equipment and operator based assistance 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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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	4,894,600	5,817,100	5,817,100	0	5,817,100
Operational	2,526,100	3,045,300	3,042,800	250,000	3,292,800
Total	\$7,420,700	\$8,862,400	\$8,859,900	\$250,000	\$9,109,900
State	4,566,800	6,514,800	6,512,500	50,000	6,562,500
Federal	954,300	916,600	916,400	200,000	1,116,400
Other	1,899,600	1,431,000	1,431,000	0	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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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	1,930,800	2,244,200	2,244,200	0	2,244,200
Operational	1,068,700	965,000	956,200	0	956,200
Total	\$2,999,500	\$3,209,200	\$3,200,400	\$0	\$3,200,400
State	0	209,400	201,700	0	201,700
Federal	0	0	0	0	0
Other	2,999,500	2,999,800	2,998,700	0	2,998,700

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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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	80	92	92	1	93
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	80	92	92	1	93
Payroll	6,426,700	7,848,600	8,283,100	99,000	8,382,100
Operational	2,005,900	3,208,600	3,240,400	14,900	3,255,300
Total	\$8,432,600	\$11,057,200	\$11,523,500	\$113,900	\$11,637,400
State	2,948,100	3,340,700	3,340,400	4,000	3,344,400
Federal	0	0	0	0	0
Other	5,484,500	7,716,500	8,183,100	109,900	8,293,000

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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
Payroll	6,459,700	7,792,100	7,792,100	0	7,792,100
Operational	3,380,300	3,351,000	3,454,800	0	3,454,800
Total	\$9,840,000	\$11,143,100	\$11,246,900	\$0	\$11,246,900
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	9,840,000	11,143,100	11,246,900	0	11,246,900

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	23	23	0	23
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	19	23	23	0	23
Payroll	1,545,700	2,126,900	2,126,900	0	2,126,900
Operational	21,455,100	55,603,400	55,468,500	0	55,468,500
Total	\$23,000,800	\$57,730,300	\$57,595,400	\$0	\$57,595,400
State	4,277,200	4,650,000	4,521,300	0	4,521,300
Federal	18,584,600	52,974,500	52,968,300	0	52,968,300
Other	139,000	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. Effective December 1, 2016 the State Architect's Office has been transferred to the Department of Treasury.

Full-Time	6	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	6	0	0	0	0
Payroll	572,800	269,000	0	0	0
Operational	89,000	42,700	0	0	0
Total	\$661,800	\$311,700	\$0	\$0	\$0
State	661,800	311,700	0	0	0
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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317.11 Volunteer Tennessee

Volunteer Tennessee, formerly the Commission on National and Community Service, manages AmeriCorps subgrants, training, and disability outreach, funded through federal formula grants from the Corporation for National and Community Service to meet needs in education, environment, low-income housing, child-abuse prevention, and health. The 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.

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	358,200	513,500	513,500	40,800	554,300
Operational	4,123,200	4,055,600	4,043,700	0	4,043,700
Total	\$4,481,400	\$4,569,100	\$4,557,200	\$40,800	\$4,598,000
State	233,100	237,800	237,700	40,800	278,500
Federal	4,220,300	4,319,500	4,319,500	0	4,319,500
Other	28,000	11,800	0	0	0

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	31	31	0	31
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
Total	32	33	33	0	33
Payroll	2,998,400	3,520,500	3,520,500	0	3,520,500
Operational	498,400	607,000	606,500	0	606,500
Total	\$3,496,800	\$4,127,500	\$4,127,000	\$0	\$4,127,000
State	3,496,800	4,127,500	4,127,000	0	4,127,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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317.05 Division of Accounts

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

Full-Time	200	334	334	0	334
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	200	334	334	0	334
Payroll	11,676,700	23,602,300	23,602,300	0	23,602,300
Operational	2,285,300	2,334,800	2,252,900	0	2,252,900
Total	\$13,962,000	\$25,937,100	\$25,855,200	\$0	\$25,855,200
State	505,500	1,735,600	1,735,500	0	1,735,500
Federal	0	0	0	0	0
Other	13,456,500	24,201,500	24,119,700	0	24,119,700

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	411	503	472	4	476
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	411	503	472	4	476
Payroll	33,779,600	46,533,800	44,492,900	3,778,700	48,271,600
Operational	111,475,400	112,588,600	108,926,600	1,258,800	110,185,400
Total	\$145,255,000	\$159,122,400	\$153,419,500	\$5,037,500	\$158,457,000
State	0	2,250,000	2,250,000	0	2,250,000
Federal	134,500	0	0	0	0
Other	145,120,500	156,872,400	151,169,500	5,037,500	156,207,000

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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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 came under the management of the state's Chief Information Officer.

Full-Time	104	104	104	0	104
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	104	104	104	0	104
Payroll	9,610,000	11,167,300	11,167,300	0	11,167,300
Operational	21,543,700	18,714,600	18,205,400	0	18,205,400
Total	\$31,153,700	\$29,881,900	\$29,372,700	\$0	\$29,372,700
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	31,153,700	29,881,900	29,372,700	0	29,372,700

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. Effective November 15, 2015, the BSD division came under the management of the state's Chief Information Officer.

Full-Time	96	292	322	0	322
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	96	292	322	0	322
Payroll	5,384,100	30,900,000	31,680,300	73,200	31,753,500
Operational	783,800	3,346,700	3,381,900	0	3,381,900
Total	\$6,167,900	\$34,246,700	\$35,062,200	\$73,200	\$35,135,400
State	3,130,100	9,505,500	7,531,700	73,200	7,604,900
Federal	0	0	0	0	0
Other	3,037,800	24,741,200	27,530,500	0	27,530,500

317.21 Enterprise IT Transformation

The Enterprise IT Transformation (EIT) division provides oversight for transitioning the departments to a new information technology management structure.

Full-Time	0	0	290	3	293
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	290	3	293
Payroll	0	0	26,060,200	1,966,500	28,026,700
Operational	0	0	1,187,800	34,600	1,222,400
Total	\$0	\$0	\$27,248,000	\$2,001,100	\$29,249,100

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
State	0	0	1,833,500	2,001,100	3,834,600
Federal	0	0	0	0	0
Other	0	0	25,414,500	0	25,414,500

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	3,316,600	3,985,600	3,985,600	0	3,985,600
Operational	862,400	1,217,400	1,216,100	0	1,216,100
Total	\$4,179,000	\$5,203,000	\$5,201,700	\$0	\$5,201,700
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	4,179,000	5,203,000	5,201,700	0	5,201,700

317.00 Total Finance and Administration

Full-Time	1,102	1,535	1,824	8	1,832
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
Total	1,104	1,537	1,826	8	1,834
Payroll	82,128,500	138,259,600	163,224,700	5,958,200	169,182,900
Operational	168,502,500	205,070,400	201,984,600	1,308,300	203,292,900
Total	\$250,631,000	\$343,330,000	\$365,209,300	\$7,266,500	\$372,475,800
State	15,252,600	26,158,800	25,577,100	2,119,100	27,696,200
Federal	22,939,400	57,294,000	57,287,800	0	57,287,800
Other	212,439,000	259,877,200	282,344,400	5,147,400	287,491,800

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 six major program areas of DOHR are Executive Administration, Strategic Learning Solutions, HR Management Services, Office of the General Counsel, HR Operations, and Human Resources Business Solutions.

	Actual 2015-2016	Estimated 2016-2017	Base 2017-2018	Cost Increase 2017-2018	Recommended 2017-2018
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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	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	284,600	278,500	278,500	0	278,500
Operational	1,083,800	888,000	887,600	0	887,600
Total	\$1,368,400	\$1,166,500	\$1,166,100	\$0	\$1,166,100
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,368,400	1,166,500	1,166,100	0	1,166,100

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	21	19	19	0	19
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	21	19	19	0	19
Payroll	1,249,100	1,651,600	1,651,600	0	1,651,600
Operational	1,499,500	1,171,700	1,127,200	0	1,127,200
Total	\$2,748,600	\$2,823,300	\$2,778,800	\$0	\$2,778,800
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	2,748,600	2,823,300	2,778,800	0	2,778,800

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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	67	65	65	0	65
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	67	65	65	0	65
Payroll	3,903,900	4,680,000	4,662,800	0	4,662,800
Operational	182,200	127,800	126,500	0	126,500
Total	\$4,086,100	\$4,807,800	\$4,789,300	\$0	\$4,789,300
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	4,086,100	4,807,800	4,789,300	0	4,789,300

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	11	11	0	11
Part-Time	18	18	18	0	18
Seasonal	0	0	0	0	0
Total	36	29	29	0	29
Payroll	1,321,600	1,185,000	1,185,000	0	1,185,000
Operational	156,900	320,900	173,700	0	173,700
Total	\$1,478,500	\$1,505,900	\$1,358,700	\$0	\$1,358,700
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,478,500	1,505,900	1,358,700	0	1,358,700

319.06 HR Operations

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

Full-Time	28	21	21	0	21
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	28	21	21	0	21
Payroll	1,447,400	1,482,900	1,482,900	0	1,482,900
Operational	22,300	53,300	45,400	0	45,400
Total	\$1,469,700	\$1,536,200	\$1,528,300	\$0	\$1,528,300

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,469,700	1,536,200	1,528,300	0	1,528,300

319.07 Human Resources Business Solutions

Human Resources Business Solutions is responsible for administering the human resources and talent management work for the Department of General Services.

Full-Time	0	11	11	0	11
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	11	11	0	11
Payroll	0	865,400	865,400	0	865,400
Operational	0	82,000	69,800	0	69,800
Total	\$0	\$947,400	\$935,200	\$0	\$935,200
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	0	947,400	935,200	0	935,200

319.00 Total Human Resources

Full-Time	136	129	129	0	129
Part-Time	18	18	18	0	18
Seasonal	0	0	0	0	0
Total	154	147	147	0	147
Payroll	8,206,600	10,143,400	10,126,200	0	10,126,200
Operational	2,944,700	2,643,700	2,430,200	0	2,430,200
Total	\$11,151,300	\$12,787,100	\$12,556,400	\$0	\$12,556,400
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	11,151,300	12,787,100	12,556,400	0	12,556,400

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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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	37	36	37	0	37
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	37	36	37	0	37
Payroll	2,907,000	3,679,800	3,710,600	0	3,710,600
Operational	1,941,700	2,719,000	2,684,000	0	2,684,000
Total	\$4,848,700	\$6,398,800	\$6,394,600	\$0	\$6,394,600
State	127,400	0	0	0	0
Federal	0	0	0	0	0
Other	4,721,300	6,398,800	6,394,600	0	6,394,600

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, Enterprise IT Transformation divisions.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	108,200	0	0	0	0
Operational	1,304,500	2,252,500	2,252,500	0	2,252,500
Total	\$1,412,700	\$2,252,500	\$2,252,500	\$0	\$2,252,500
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,412,700	2,252,500	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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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	21	21	0	21
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	25	21	21	0	21
Payroll	1,417,500	1,342,800	1,342,800	0	1,342,800
Operational	40,908,800	44,290,900	50,011,400	0	50,011,400
Total	\$42,326,300	\$45,633,700	\$51,354,200	\$0	\$51,354,200
State	802,900	0	0	0	0
Federal	0	0	0	0	0
Other	41,523,400	45,633,700	51,354,200	0	51,354,200

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	108	113	112	0	112
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	108	113	112	0	112
Payroll	8,104,200	10,573,800	10,389,600	0	10,389,600
Operational	6,281,300	8,897,000	8,615,800	0	8,615,800
Total	\$14,385,500	\$19,470,800	\$19,005,400	\$0	\$19,005,400
State	4,294,100	6,462,000	6,003,200	0	6,003,200
Federal	0	0	0	0	0
Other	10,091,400	13,008,800	13,002,200	0	13,002,200

321.20 State Facilities Pre-Planning

State Facilities Pre-Planning program provides for preliminary design and consultative work associated with capital projects initiated by the department.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	1,758,300	5,425,000	5,270,100	0	5,270,100
Total	\$1,758,300	\$5,425,000	\$5,270,100	\$0	\$5,270,100

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
State	1,425,000	1,425,000	1,270,100	0	1,270,100
Federal	0	0	0	0	0
Other	333,300	4,000,000	4,000,000	0	4,000,000

321.99 Statewide Capital Maintenance

Statewide Capital Maintenance provides financial support for capital maintenance projects for all general government buildings.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	0	0	0	30,191,100	30,191,100
Total	\$0	\$0	\$0	\$30,191,100	\$30,191,100
State	0	0	0	30,191,100	30,191,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

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	1,523,900	1,884,100	1,884,100	0	1,884,100
Operational	15,536,000	18,516,400	17,607,500	0	17,607,500
Total	\$17,059,900	\$20,400,500	\$19,491,600	\$0	\$19,491,600
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	17,059,900	20,400,500	19,491,600	0	19,491,600

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.

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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	3,101,000	3,744,500	3,744,500	0	3,744,500
Operational	3,413,300	4,138,300	4,034,900	0	4,034,900
Total	\$6,514,300	\$7,882,800	\$7,779,400	\$0	\$7,779,400
State	0	328,700	328,200	0	328,200
Federal	0	0	0	0	0
Other	6,514,300	7,554,100	7,451,200	0	7,451,200

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	5,548,200	6,590,000	6,590,000	0	6,590,000
Operational	2,875,400	2,980,400	2,975,200	0	2,975,200
Total	\$8,423,600	\$9,570,400	\$9,565,200	\$0	\$9,565,200
State	2,560,200	0	0	0	0
Federal	0	0	0	0	0
Other	5,863,400	9,570,400	9,565,200	0	9,565,200

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	1,448,400	1,821,900	1,821,900	0	1,821,900
Operational	1,875,300	3,375,600	3,330,800	0	3,330,800
Total	\$3,323,700	\$5,197,500	\$5,152,700	\$0	\$5,152,700
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	3,323,700	5,197,500	5,152,700	0	5,152,700

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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Governor's Books from Birth Fund

321.21 Governor's Books from Birth Fund

The Governor's Books from Birth Fund is the primary funding source for the Governor's Books from Birth Foundation. The foundation is a non-profit entity in partnership with the Dollywood Foundation to implement the Imagination Library across Tennessee and is administratively attached to the department. The goal of the Governor's Books from Birth Foundation is to ensure that Tennessee children are reading at grade level by the end of the third grade. The foundation funds 50 percent of each participating county's cost of providing one age-appropriate book each month to children from birth to age five at no cost to the family.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	3,354,100	3,924,800	3,924,800	0	3,924,800
Total	\$3,354,100	\$3,924,800	\$3,924,800	\$0	\$3,924,800
State	3,354,100	3,924,800	3,924,800	0	3,924,800
Federal	0	0	0	0	0
Other	0	0	0	0	0

321.00 Total General Services

Full-Time	393	393	393	0	393
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	393	393	393	0	393
Payroll	24,158,400	29,636,900	29,483,500	0	29,483,500
Operational	79,248,700	96,519,900	100,707,000	30,191,100	130,898,100
Total	\$103,407,100	\$126,156,800	\$130,190,500	\$30,191,100	\$160,381,600
State	12,563,700	12,140,500	11,526,300	30,191,100	41,717,400
Federal	0	0	0	0	0
Other	90,843,400	114,016,300	118,664,200	0	118,664,200

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 four 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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
323.00 Veterans Services					
Full-Time	97	99	99	6	105
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	97	99	99	6	105
Payroll	4,958,000	5,234,700	5,313,200	297,400	5,610,600
Operational	1,913,700	1,687,500	1,687,400	122,000	1,809,400
Total	\$6,871,700	\$6,922,200	\$7,000,600	\$419,400	\$7,420,000
State	5,297,600	5,652,500	5,730,900	419,400	6,150,300
Federal	1,171,300	1,022,700	1,022,700	0	1,022,700
Other	402,800	247,000	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</u> <u>2015-2016</u>	<u>Estimated</u> <u>2016-2017</u>	<u>Base</u> <u>2017-2018</u>	<u>Cost Increase</u> <u>2017-2018</u>	<u>Recommended</u> <u>2017-2018</u>
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Administrative Services

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, 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	164	94	94	0	94
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	164	94	94	0	94
Payroll	13,623,400	8,472,000	8,472,000	0	8,472,000
Operational	9,186,300	18,494,800	18,470,600	16,000	18,486,600
Total	\$22,809,700	\$26,966,800	\$26,942,600	\$16,000	\$26,958,600
State	9,466,300	16,119,300	16,095,100	16,000	16,111,100
Federal	3,800	0	0	0	0
Other	13,339,600	10,847,500	10,847,500	0	10,847,500

347.23 Tennessee Revenue Registration and Reporting System

The Tennessee Revenue Registration and Reporting System 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	16	0	17	17
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	16	0	17	17
Payroll	0	1,531,000	0	1,626,700	1,626,700
Operational	4,621,700	11,196,600	0	9,365,200	9,365,200
Total	\$4,621,700	\$12,727,600	\$0	\$10,991,900	\$10,991,900
State	4,621,700	12,727,600	0	10,991,900	10,991,900
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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Support Services

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

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	111	113	113	0	113
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	111	113	113	0	113
Payroll	5,811,500	6,658,600	6,658,600	0	6,658,600
Operational	2,447,300	2,247,900	2,246,600	0	2,246,600
Total	\$8,258,800	\$8,906,500	\$8,905,200	\$0	\$8,905,200
State	6,480,700	7,235,300	7,234,000	0	7,234,000
Federal	0	0	0	0	0
Other	1,778,100	1,671,200	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	110	111	111	0	111
Part-Time	4	4	4	0	4
Seasonal	0	0	0	0	0
Total	114	115	115	0	115
Payroll	5,213,800	6,396,300	6,396,300	0	6,396,300
Operational	791,300	1,258,500	1,257,200	0	1,257,200
Total	\$6,005,100	\$7,654,800	\$7,653,500	\$0	\$7,653,500
State	2,095,300	4,360,100	4,358,800	0	4,358,800
Federal	0	0	0	0	0
Other	3,909,800	3,294,700	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	87	91	91	0	91
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	87	91	91	0	91

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
Payroll	4,911,800	5,574,600	5,574,600	0	5,574,600
Operational	14,105,600	13,158,300	13,099,700	0	13,099,700
Total	\$19,017,400	\$18,732,900	\$18,674,300	\$0	\$18,674,300
State	16,416,100	17,187,500	17,128,900	0	17,128,900
Federal	0	0	0	0	0
Other	2,601,300	1,545,400	1,545,400	0	1,545,400

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	1,287,100	2,500,000	2,500,000	0	2,500,000
Total	\$1,287,100	\$2,500,000	\$2,500,000	\$0	\$2,500,000
State	1,287,100	2,500,000	2,500,000	0	2,500,000
Federal	0	0	0	0	0
Other	0	0	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	15	1	1	0	1
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	15	1	1	0	1
Payroll	1,194,800	399,600	399,600	0	399,600
Operational	1,787,500	4,415,600	4,415,300	0	4,415,300
Total	\$2,982,300	\$4,815,200	\$4,814,900	\$0	\$4,814,900
State	2,982,300	4,815,200	4,814,900	0	4,814,900
Federal	0	0	0	0	0
Other	0	0	0	0	0

347.24 Insurance Verification

The Insurance Verification division was created as a result of the James Lee Atwood Jr. Law of 2015. The law requires the department to develop and manage an electronic motor vehicle insurance verification system to ensure that all motorists are in compliance with financial responsibility requirements outlined in the Tennessee Code Annotated.

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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	223,000	247,800	580,300	0	580,300
Operational	2,500,600	2,778,400	2,445,900	0	2,445,900
Total	\$2,723,600	\$3,026,200	\$3,026,200	\$0	\$3,026,200
State	2,723,600	3,026,200	3,026,200	0	3,026,200
Federal	0	0	0	0	0
Other	0	0	0	0	0

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 Collection Services

The Collection Services 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	2	129
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	127	127	127	2	129
Payroll	6,976,200	8,053,500	8,053,500	101,900	8,155,400
Operational	960,500	1,157,200	1,155,400	10,000	1,165,400
Total	\$7,936,700	\$9,210,700	\$9,208,900	\$111,900	\$9,320,800
State	4,244,500	5,840,800	5,839,000	111,900	5,950,900
Federal	0	0	0	0	0
Other	3,692,200	3,369,900	3,369,900	0	3,369,900

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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347.14 Audit Division

The Audit Division provides tax audit services including audit examination, refund processing, penalty waiver processing, and taxpayer discovery. The division conducts tax audits of taxpayers subject to Tennessee tax law, encourages voluntary compliance with state tax laws, and assists in educating taxpayers regarding tax laws and filing requirements. 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	359	359	3	362
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	356	359	359	3	362
Payroll	26,417,300	28,904,400	28,904,400	208,400	29,112,800
Operational	3,649,200	4,153,900	4,126,200	14,700	4,140,900
Total	\$30,066,500	\$33,058,300	\$33,030,600	\$223,100	\$33,253,700
State	18,608,300	22,309,500	21,944,600	223,100	22,167,700
Federal	6,400	20,900	20,900	0	20,900
Other	11,451,800	10,727,900	11,065,100	0	11,065,100

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	20	20	0	20
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	19	20	20	0	20
Payroll	1,206,700	1,403,700	1,403,700	0	1,403,700
Operational	404,000	298,500	297,500	0	297,500
Total	\$1,610,700	\$1,702,200	\$1,701,200	\$0	\$1,701,200
State	1,610,700	1,702,200	1,701,200	0	1,701,200
Federal	0	0	0	0	0
Other	0	0	0	0	0

Disaster Relief

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.

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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	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
347.00 Total Revenue					
Full-Time	995	938	922	22	944
Part-Time	4	4	4	0	4
Seasonal	0	0	0	0	0
Total	999	942	926	22	948
Payroll	65,578,500	67,641,500	66,443,000	1,937,000	68,380,000
Operational	41,741,100	61,909,700	50,264,400	9,405,900	59,670,300
Total	\$107,319,600	\$129,551,200	\$116,707,400	\$11,342,900	\$128,050,300
State	70,536,600	98,073,700	84,892,700	11,342,900	96,235,600
Federal	10,200	20,900	20,900	0	20,900
Other	36,772,800	31,456,600	31,793,800	0	31,793,800

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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
351.00 Miscellaneous Appropriations					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	2,264,700	0	0	0	0
Operational	44,431,100	155,288,200	149,743,200	369,324,600	519,067,800
Total	\$46,695,800	\$155,288,200	\$149,743,200	\$369,324,600	\$519,067,800
State	40,726,600	154,944,400	149,743,200	369,324,600	519,067,800
Federal	2,600	0	0	0	0
Other	5,966,600	343,800	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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
353.00 Emergency and Contingency Fund					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	0	1,000,000	1,000,000	0	1,000,000
Total	\$0	\$1,000,000	\$1,000,000	\$0	\$1,000,000
State	0	1,000,000	1,000,000	0	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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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	124,400	460,000	400,000	0	400,000
Total	\$124,400	\$460,000	\$400,000	\$0	\$400,000
State	124,400	250,000	250,000	0	250,000
Federal	0	0	0	0	0
Other	0	210,000	150,000	0	150,000

Education



Education

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Education

Recommended Budget, Fiscal Year 2017 – 2018

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 Universities of Tennessee System and the State University and Community College System, more commonly known as the Tennessee Board of Regents (TBR). Beginning in 2017, the six current TBR universities will each have their own governing board. The Tennessee Higher Education Commission is responsible for coordinating academic, fiscal, and policy issues among these entities. 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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Recommended 2017-2018</u>
Personnel			
Full-Time *	26,773	27,236	27,248
Part-Time	69	69	69
Seasonal	0	0	0
TOTAL	26,842	27,305	27,317
Expenditures			
Payroll	\$ 101,489,900	\$ 125,887,500	\$ 126,332,600
Operational	9,875,454,300	10,368,697,700	10,526,938,400
TOTAL	\$ 9,976,944,200	\$ 10,494,585,200	\$ 10,653,271,000
Funding			
State **	\$ 6,087,682,500	\$ 6,511,080,100	\$ 6,848,262,000
Federal	1,262,123,800	1,334,795,700	1,188,327,500
Other	857,638,700	843,305,500	811,277,600
Tuition/Fees	1,769,499,200	1,805,403,900	1,805,403,900

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

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

\$	336,334,200	\$	342,400,000	\$	345,600,000
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Education
Recommended Budget for Fiscal Year 2017-2018
By Funding Source

Department	State	Federal	Other	Total
331.00 Education (K-12)	5,000,059,500	1,123,714,400	121,240,300	6,245,014,200
332.00 Higher Education	1,848,202,500	64,613,100	2,495,441,200 *	4,408,256,800
Total	\$6,848,262,000	\$1,188,327,500	\$2,616,681,500	\$10,653,271,000

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

Education
Cost Increases for Fiscal Year 2017-2018

	<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, 2017.					
331.25 Basic Education Program	\$100,386,000	\$0	\$0	\$100,386,000	0
Sub-total	\$100,386,000	\$0	\$0	\$100,386,000	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	\$59,443,000	\$0	\$0	\$59,443,000	0
Sub-total	\$59,443,000	\$0	\$0	\$59,443,000	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	\$22,201,000	\$0	\$0	\$22,201,000	0
Sub-total	\$22,201,000	\$0	\$0	\$22,201,000	0
• Basic Education Program - Current Year Enrollment Growth					
To provide non-recurring funds for all current year growth due to increased average daily membership.					
331.25 Basic Education Program	\$18,000,000	\$0	\$0	\$18,000,000	0
Sub-total	\$18,000,000	\$0	\$0	\$18,000,000	0
• Basic Education Program - TCRS (Retirement) Contribution Increase - July 1, 2017					
To provide recurring funds for the increase in the retirement contribution effective July 1, 2017 for local certified personnel.					
331.25 Basic Education Program	\$5,800,000	\$0	\$0	\$5,800,000	0
Sub-total	\$5,800,000	\$0	\$0	\$5,800,000	0
• Group Health Insurance - January 1, 2018					
To provide recurring funds for the state share of a 6.9 percent group health insurance premium increase for LEAs for January 1, 2018. This is funded for six months in the recommended budget.					
331.25 Basic Education Program	\$12,496,000	\$0	\$0	\$12,496,000	0
Sub-total	\$12,496,000	\$0	\$0	\$12,496,000	0

Education

Cost Increases for Fiscal Year 2017-2018

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Career and Technical Education Equipment					
To provide non-recurring funds for competitive grants to districts to upgrade equipment related to high growth industries.					
331.45 College, Career and Technical Education	\$15,000,000	\$0	\$0	\$15,000,000	0
Sub-total	\$15,000,000	\$0	\$0	\$15,000,000	0
• Administration Legislation - High Quality Charter Schools					
To provide non-recurring funds for proposed legislation that creates a charter school facilities fund.					
331.01 Administration	\$6,000,000	\$0	\$0	\$6,000,000	0
Sub-total	\$6,000,000	\$0	\$0	\$6,000,000	0
• Read to be Ready					
To provide non-recurring funds for the second year of the Read to Be Ready 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)	\$4,447,000	\$0	\$0	\$4,447,000	18
Sub-total	\$4,447,000	\$0	\$0	\$4,447,000	18
• Standards-Based Professional Learning					
To provide non-recurring funds for implementation and training on new science and fine arts standards.					
331.05 Academic Offices	\$2,000,000	\$0	\$0	\$2,000,000	0
Sub-total	\$2,000,000	\$0	\$0	\$2,000,000	0
• Statewide Implementation of Pre-K/Kindergarten Portfolio Model					
To provide non-recurring funds for the implementation of a new teacher portfolio model to enable pre-K and kindergarten teachers to track student growth and development.					
331.05 Academic Offices	\$600,000	\$0	\$0	\$600,000	0
Sub-total	\$600,000	\$0	\$0	\$600,000	0
• Textbooks					
To provide non-recurring funds for the review of textbooks.					
331.05 Academic Offices	\$162,000	\$0	\$0	\$162,000	0
Sub-total	\$162,000	\$0	\$0	\$162,000	0

Education

Cost Increases for Fiscal Year 2017-2018

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• TNReady					
To provide recurring resources to assist the department's analysis of the TCAP assessment service-delivery model and to mitigate business process, resource, and systems integration risks.					
331.11 Data and Research	\$206,000	\$0	\$0	\$206,000	2
Sub-total	\$206,000	\$0	\$0	\$206,000	2
• Advanced Placement Program					
To provide non-recurring funding for the Advanced Placement Exam and Industry Certification Program.					
331.45 College, Career and Technical Education	\$400,000	\$0	\$0	\$400,000	0
Sub-total	\$400,000	\$0	\$0	\$400,000	0
• P20 Data System					
To provide recurring funds for support and maintenance of the P20 Data System, which tracks labor and wage data of students entering the workforce.					
331.01 Administration	\$400,000	\$0	\$0	\$400,000	0
Sub-total	\$400,000	\$0	\$0	\$400,000	0
• Educator Preparation Program Innovation Grants					
To provide non-recurring funds for educator preparation programs to focus on literacy, teacher recruitment and diversity, and clinical placements and residency.					
331.09 Improving Schools Program	\$200,000	\$0	\$0	\$200,000	0
Sub-total	\$200,000	\$0	\$0	\$200,000	0
• FFA Staffing					
To provide recurring funds for support to the Future Farmers of America.					
331.45 College, Career and Technical Education	\$85,000	\$0	\$0	\$85,000	0
Sub-total	\$85,000	\$0	\$0	\$85,000	0
• Contractor Conversion Using Existing Funds					
To provide additional positions to convert IT contractors to full-time positions.					
331.04 Technology, Infrastructure, and Support Systems	\$0	\$0	\$0	\$0	4
Sub-total	\$0	\$0	\$0	\$0	4

Education
Cost Increases for Fiscal Year 2017-2018

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Additional Positions for Consolidated Planning and Monitoring Division					
To provide additional positions to administer federal education grants authorized by No Child Left Behind/Every Student Succeeds Act.					
331.03 ESEA No Child Left Behind	\$0	\$0	\$0	\$0	2
Sub-total	\$0	\$0	\$0	\$0	2
• 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
• Holocaust Commission Grant					
To provide recurring funds for a grant to the Holocaust Commission.					
331.02 Grants-In-Aid	\$65,000	\$0	\$0	\$65,000	0
Sub-total	\$65,000	\$0	\$0	\$65,000	0
• Tennessee Arts Academy					
To provide non-recurring funds for the Tennessee Arts Academy.					
331.02 Grants-In-Aid	\$100,000	\$0	\$0	\$100,000	0
Sub-total	\$100,000	\$0	\$0	\$100,000	0
• Save the Children Literacy Grant					
To provide non-recurring funds for 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
• 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	\$23,100	\$0	\$0	\$23,100	0
331.91 Tennessee School for the Blind	\$34,500	\$0	\$0	\$34,500	0
331.92 Tennessee School for the Deaf	\$41,200	\$0	\$0	\$41,200	0
331.93 West Tennessee School for the Deaf	\$12,200	\$0	\$0	\$12,200	0
Sub-total	\$111,000	\$0	\$0	\$111,000	0

Education

Cost Increases for Fiscal Year 2017-2018

	State	Federal	Other	Total	Positions
Total Education (K-12)	\$249,227,000	\$0	\$0	\$249,227,000	26

Higher Education - State Administered Programs

- **Tennessee Student Assistance Awards**

The Tennessee Student Assistance Award (TSAA) is Tennessee’s primary need-based financial aid program, serving residents of Tennessee attending in-state institutions. In fiscal year 2016-2017, funding for the TSAA program includes \$80,962,500 from state appropriations and \$6,800,000 from lottery funds, for a total of \$87,762,500. This amount reflects an increase of \$13.2 million over the prior fiscal year. In spite of increased appropriations over the past several years, approximately 76,000 students are currently eligible for the TSAA but are unable to receive the award due to insufficient funding. TSAC’s goal is to fully fund eligible student applicants over a five year period. To accomplish this, TSAC is recommending for fiscal year 2017-2018, an increase of \$10 million. Based on projected acceptance rates, this will serve approximately 5,500 students, bringing the total number of awarded students to approximately 54,300. Consistent with the Drive to 55 and the Complete College Tennessee Act, TSAC’s goal is to support efforts to increase timely degree production among students with financial need. Increased funding for TSAA will enable TSAC to serve the neediest students who are at risk of failing to complete their postsecondary education because of financial limitations.

332.03 Tennessee Student Assistance Awards	\$10,000,000	\$0	\$0	\$10,000,000	0
Sub-total	\$10,000,000	\$0	\$0	\$10,000,000	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

- **Higher Education Capital Maintenance**

To provide recurring funds for capital maintenance projects at the University of Tennessee System, the Tennessee Board of Regents System, and all Locally Governed Institutions.

332.49 Higher Education Capital Maintenance	\$40,000,000	\$0	\$0	\$40,000,000	0
Sub-total	\$40,000,000	\$0	\$0	\$40,000,000	0

Education

Cost Increases for Fiscal Year 2017-2018

	<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
• Institutional Outcome Improvement Fund					
To provide non-recurring funds to award 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
• Seamless Alignment and Integrated Learning Support (SAILS) Program					
To provide non-recurring funds for the expansion of the SAILS Program to allow increased capacity in high-demand areas. 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	\$750,000	\$0	\$0	\$750,000	0
Sub-total	\$750,000	\$0	\$0	\$750,000	0
• Adult Learner Program					
To provide non-recurring funds 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
• Tennessee Reconnect Community Advisor Program Expansion					
To provide recurring funds for pre-enrollment counseling and enrollment support for students in the the Tennessee Reconnect Community Advisor program.					
332.09 THEC Grants	\$250,000	\$0	\$0	\$250,000	0
Sub-total	\$250,000	\$0	\$0	\$250,000	0

Education

Cost Increases for Fiscal Year 2017-2018

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<ul style="list-style-type: none"> Tennessee Reconnect Grant Coordinator To provide recurring funds for a position to administer the Tennessee Reconnect program, which aims to help adults enter higher education so that they may gain new skills, advance in the workplace, and earn a degree or credential. 					
332.01 Tennessee Higher Education Commission	\$100,000	\$0	\$0	\$100,000	1
Sub-total	\$100,000	\$0	\$0	\$100,000	1
<ul style="list-style-type: none"> Capital Projects Coordinator To provide recurring funds for a position that will be responsible for coordinating the newly created capital project structure under the Focus On College and University Success (FOCUS) Act. 					
332.01 Tennessee Higher Education Commission	\$120,600	\$0	\$0	\$120,600	1
Sub-total	\$120,600	\$0	\$0	\$120,600	1
<ul style="list-style-type: none"> 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
<ul style="list-style-type: none"> Drive to 55 Support Specialist To provide recurring funds for a position that will provide increased capacity to manage the daily operations of Drive to 55 and Tennessee Promise Initiatives. 					
332.01 Tennessee Higher Education Commission	\$83,900	\$0	\$0	\$83,900	1
Sub-total	\$83,900	\$0	\$0	\$83,900	1
<ul style="list-style-type: none"> Labor Education Alignment Program (LEAP) Administration 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 between education and industry. 					
332.01 Tennessee Higher Education Commission	\$96,000	\$0	\$0	\$96,000	1
Sub-total	\$96,000	\$0	\$0	\$96,000	1

Education
Cost Increases for Fiscal Year 2017-2018

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• McWherter Academic Scholars Program					
To provide recurring funds for the McWherter Academic Scholars program, which encourages academically superior Tennessee high school graduates to attend college in Tennessee.					
332.06 Academic Scholars Program	\$300,000	\$0	\$0	\$300,000	0
Sub-total	\$300,000	\$0	\$0	\$300,000	0
• THEC Authorization Fund Loss					
To provide recurring funds to offset revenue from authorization fees that previously supported core administrative functions such as fiscal services and human resources.					
332.01 Tennessee Higher Education Commission	\$200,000	\$0	\$0	\$200,000	0
Sub-total	\$200,000	\$0	\$0	\$200,000	0
• THEC/TSAC - Salary Pool					
To provide recurring funds for a 3.0 percent salary pool for higher education employees effective July 1, 2017.					
332.08 Centers of Excellence	\$411,900	\$0	\$0	\$411,900	0
332.11 Campus Centers of Emphasis	\$30,600	\$0	\$0	\$30,600	0
332.14 Foreign Language Institute	\$45,000	\$0	\$0	\$45,000	0
Sub-total	\$487,500	\$0	\$0	\$487,500	0
Total Higher Education - State Administered Programs	\$57,793,800	\$0	\$0	\$57,793,800	9

University of Tennessee System

• University of Tennessee System Formula Unit - Salary Pool					
To provide recurring funds for a 3.0 percent salary pool for higher education employees effective July 1, 2017.					
332.40 UT Chattanooga	\$1,644,300	\$0	\$0	\$1,644,300	0
332.42 UT Knoxville	\$6,219,600	\$0	\$0	\$6,219,600	0
332.44 UT Martin	\$964,800	\$0	\$0	\$964,800	0
Sub-total	\$8,828,700	\$0	\$0	\$8,828,700	0

Education

Cost Increases for Fiscal Year 2017-2018

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<ul style="list-style-type: none"> University of Tennessee System Formula Unit - Operating Increase 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. 					
332.40 UT Chattanooga	\$1,249,900	\$0	\$0	\$1,249,900	0
332.42 UT Knoxville	\$5,281,500	\$0	\$0	\$5,281,500	0
332.44 UT Martin	\$785,100	\$0	\$0	\$785,100	0
Sub-total	\$7,316,500	\$0	\$0	\$7,316,500	0
<ul style="list-style-type: none"> Pediatric Physician Scientist Recruiting To provide non-recurring funds to the University of Tennessee Health Science Center for year five 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	\$3,000,000	\$0	\$0	\$3,000,000	0
<ul style="list-style-type: none"> University of Tennessee Bredeesen Center ORNL Partnership To provide non-recurring funds to the University of Tennessee Bredeesen Center Oak Ridge National Laboratories (ORNL) partnership to initiate a new PhD program for data science. 					
332.42 UT Knoxville	\$6,000,000	\$0	\$0	\$6,000,000	0
Sub-total	\$6,000,000	\$0	\$0	\$6,000,000	0
<ul style="list-style-type: none"> Certified County Finance Officers To provide funds to create curriculum and implement a Certified County Finance Officer (CCFO) certification program. Proposed legislation will require a CCFO for each of the 95 counties in Tennessee. 					
332.17 UT County Technical Assistance Service	\$2,075,600	\$0	\$0	\$2,075,600	0
Sub-total	\$2,075,600	\$0	\$0	\$2,075,600	0

Education
Cost Increases for Fiscal Year 2017-2018

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Group Health Insurance - Annualize January 1, 2017 Rate Increase					
To provide recurring funds for the state share of a 5.9 percent group health insurance premium increase for January 1, 2017. This is funded for six months in the recommended budget. This funding will be distributed to institutions later in the budget cycle.					
332.10 UT University-Wide Administration	\$82,500	\$0	\$0	\$82,500	0
332.15 UT Institute for Public Service	\$18,300	\$0	\$0	\$18,300	0
332.16 UT Municipal Technical Advisory Service	\$13,600	\$0	\$0	\$13,600	0
332.17 UT County Technical Assistance Service	\$9,400	\$0	\$0	\$9,400	0
332.23 UT Space Institute	\$19,600	\$0	\$0	\$19,600	0
332.25 UT Agricultural Experiment Station	\$127,800	\$0	\$0	\$127,800	0
332.26 UT Agricultural Extension Service	\$203,400	\$0	\$0	\$203,400	0
332.28 UT Veterinary Medicine	\$98,000	\$0	\$0	\$98,000	0
332.30 UT Health Science Center	\$749,600	\$0	\$0	\$749,600	0
332.40 UT Chattanooga	\$310,600	\$0	\$0	\$310,600	0
332.42 UT Knoxville	\$1,101,900	\$0	\$0	\$1,101,900	0
332.44 UT Martin	\$216,700	\$0	\$0	\$216,700	0
Sub-total	\$2,951,400	\$0	\$0	\$2,951,400	0

Education

Cost Increases for Fiscal Year 2017-2018

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<ul style="list-style-type: none"> Group Health Insurance - January 1, 2018 Rate Increase To provide recurring funds for the state share of a 5.0 percent group health insurance premium increase for January 1, 2018. This is funded for six months in the recommended budget. This funding will be distributed to institutions later in the budget cycle. 					
332.10 UT University-Wide Administration	\$70,400	\$0	\$0	\$70,400	0
332.15 UT Institute for Public Service	\$15,400	\$0	\$0	\$15,400	0
332.16 UT Municipal Technical Advisory Service	\$11,300	\$0	\$0	\$11,300	0
332.17 UT County Technical Assistance Service	\$7,900	\$0	\$0	\$7,900	0
332.23 UT Space Institute	\$16,700	\$0	\$0	\$16,700	0
332.25 UT Agricultural Experiment Station	\$108,800	\$0	\$0	\$108,800	0
332.26 UT Agricultural Extension Service	\$172,500	\$0	\$0	\$172,500	0
332.28 UT Veterinary Medicine	\$82,900	\$0	\$0	\$82,900	0
332.30 UT Health Science Center	\$635,000	\$0	\$0	\$635,000	0
332.40 UT Chattanooga	\$263,300	\$0	\$0	\$263,300	0
332.42 UT Knoxville	\$933,800	\$0	\$0	\$933,800	0
332.44 UT Martin	\$183,300	\$0	\$0	\$183,300	0
Sub-total	\$2,501,300	\$0	\$0	\$2,501,300	0
<ul style="list-style-type: none"> University of Tennessee System Non-Formula Unit - Salary Pool To provide recurring funds for a 3.0 percent salary pool for higher education employees effective July 1, 2017. 					
332.10 UT University-Wide Administration	\$119,100	\$0	\$0	\$119,100	0
332.15 UT Institute for Public Service	\$107,400	\$0	\$0	\$107,400	0
332.16 UT Municipal Technical Advisory Service	\$142,200	\$0	\$0	\$142,200	0
332.17 UT County Technical Assistance Service	\$113,100	\$0	\$0	\$113,100	0
332.23 UT Space Institute	\$249,600	\$0	\$0	\$249,600	0
332.25 UT Agricultural Experiment Station	\$810,300	\$0	\$0	\$810,300	0
332.26 UT Agricultural Extension Service	\$1,002,300	\$0	\$0	\$1,002,300	0
332.28 UT Veterinary Medicine	\$990,000	\$0	\$0	\$990,000	0
332.30 UT Health Science Center	\$5,562,900	\$0	\$0	\$5,562,900	0
Sub-total	\$9,096,900	\$0	\$0	\$9,096,900	0
Total University of Tennessee System	\$41,770,400	\$0	\$0	\$41,770,400	0

Education
Cost Increases for Fiscal Year 2017-2018

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>	
State University and Community College System						
• Tennessee Board of Regents System Formula Unit - Salary Pool						
To provide recurring funds for a 3.0 percent salary pool for higher education employees effective July 1, 2017.						
332.70	Austin Peay State University	\$1,237,200	\$0	\$0	\$1,237,200	0
332.72	East Tennessee State University	\$1,983,300	\$0	\$0	\$1,983,300	0
332.74	University of Memphis	\$3,509,700	\$0	\$0	\$3,509,700	0
332.75	Middle Tennessee State University	\$3,007,800	\$0	\$0	\$3,007,800	0
332.77	Tennessee State University	\$1,348,200	\$0	\$0	\$1,348,200	0
332.78	Tennessee Technological University	\$1,479,000	\$0	\$0	\$1,479,000	0
332.89	Tennessee Community Colleges	\$7,160,100	\$0	\$0	\$7,160,100	0
332.98	Tennessee Colleges of Applied Technology	\$1,549,500	\$0	\$0	\$1,549,500	0
Sub-total		\$21,274,800	\$0	\$0	\$21,274,800	0
• Tennessee Board of Regents System Formula Unit - Operating Increase						
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.						
332.70	Austin Peay State University	\$1,099,200	\$0	\$0	\$1,099,200	0
332.72	East Tennessee State University	\$1,481,800	\$0	\$0	\$1,481,800	0
332.74	University of Memphis	\$2,731,700	\$0	\$0	\$2,731,700	0
332.75	Middle Tennessee State University	\$2,386,400	\$0	\$0	\$2,386,400	0
332.77	Tennessee State University	\$897,000	\$0	\$0	\$897,000	0
332.78	Tennessee Technological University	\$1,140,400	\$0	\$0	\$1,140,400	0
332.89	Tennessee Community Colleges	\$6,285,800	\$0	\$0	\$6,285,800	0
332.98	Tennessee Colleges of Applied Technology	\$1,661,200	\$0	\$0	\$1,661,200	0
Sub-total		\$17,683,500	\$0	\$0	\$17,683,500	0

Education
Cost Increases for Fiscal Year 2017-2018

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• National Science Foundation (Year One of Four)					
To provide non-recurring funds to Tennessee Technological University for cyber security research.					
332.78 Tennessee Technological University	\$500,000	\$0	\$0	\$500,000	0
Sub-total	\$500,000	\$0	\$0	\$500,000	0
• Group Health Insurance - Annualize January 1, 2017 Rate Increase					
To provide recurring funds for the state share of a 5.9 percent group health insurance premium increase for January 1, 2017. This is funded for six months in the recommended budget. This funding will be distributed to institutions later in the budget cycle.					
332.60 Tennessee Board of Regents	\$36,200	\$0	\$0	\$36,200	0
332.65 ETSU College of Medicine	\$97,500	\$0	\$0	\$97,500	0
332.67 ETSU Family Practice	\$17,600	\$0	\$0	\$17,600	0
332.70 Austin Peay State University	\$235,200	\$0	\$0	\$235,200	0
332.72 East Tennessee State University	\$467,700	\$0	\$0	\$467,700	0
332.74 University of Memphis	\$626,700	\$0	\$0	\$626,700	0
332.75 Middle Tennessee State University	\$600,800	\$0	\$0	\$600,800	0
332.77 Tennessee State University	\$276,100	\$0	\$0	\$276,100	0
332.78 Tennessee Technological University	\$310,500	\$0	\$0	\$310,500	0
332.89 Tennessee Community Colleges	\$1,296,900	\$0	\$0	\$1,296,900	0
332.98 Tennessee Colleges of Applied Technology	\$244,900	\$0	\$0	\$244,900	0
Sub-total	\$4,210,100	\$0	\$0	\$4,210,100	0

Education

Cost Increases for Fiscal Year 2017-2018

	State	Federal	Other	Total	Positions	
• Group Health Insurance - January 1, 2018 Rate Increase						
To provide recurring funds for the state share of a 5.0 percent group health insurance premium increase for January 1, 2018. This is funded for six months in the recommended budget. This funding will be distributed to institutions later in the budget cycle.						
332.60	Tennessee Board of Regents	\$30,800	\$0	\$0	\$30,800	0
332.65	ETSU College of Medicine	\$82,500	\$0	\$0	\$82,500	0
332.67	ETSU Family Practice	\$15,000	\$0	\$0	\$15,000	0
332.70	Austin Peay State University	\$199,500	\$0	\$0	\$199,500	0
332.72	East Tennessee State University	\$396,300	\$0	\$0	\$396,300	0
332.74	University of Memphis	\$530,800	\$0	\$0	\$530,800	0
332.75	Middle Tennessee State University	\$509,200	\$0	\$0	\$509,200	0
332.77	Tennessee State University	\$234,200	\$0	\$0	\$234,200	0
332.78	Tennessee Technological University	\$263,300	\$0	\$0	\$263,300	0
332.89	Tennessee Community Colleges	\$1,099,600	\$0	\$0	\$1,099,600	0
332.98	Tennessee Colleges of Applied Technology	\$207,500	\$0	\$0	\$207,500	0
Sub-total		\$3,568,700	\$0	\$0	\$3,568,700	0

• Tennessee Board of Regents System Non-Formula Unit - Salary Pool

To provide recurring funds for a 3.0 percent salary pool for higher education employees effective July 1, 2017.

332.60	Tennessee Board of Regents	\$436,200	\$0	\$0	\$436,200	0
332.62	TSU McMinnville Center	\$11,100	\$0	\$0	\$11,100	0
332.63	TSU Institute of Agricultural and Environmental Research	\$53,400	\$0	\$0	\$53,400	0
332.64	TSU Cooperative Education	\$109,500	\$0	\$0	\$109,500	0
332.65	ETSU College of Medicine	\$1,374,300	\$0	\$0	\$1,374,300	0
332.67	ETSU Family Practice	\$366,600	\$0	\$0	\$366,600	0
332.68	TSU McIntire-Stennis Forestry Research	\$3,900	\$0	\$0	\$3,900	0
Sub-total		\$2,355,000	\$0	\$0	\$2,355,000	0

Education
Cost Increases for Fiscal Year 2017-2018

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Total State University and Community College System	\$49,592,100	\$0	\$0	\$49,592,100	0
Total Higher Education	\$149,156,300	\$0	\$0	\$149,156,300	9
Total Education	\$398,383,300	\$0	\$0	\$398,383,300	35

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>2015-2016</u>	<u>Estimated</u> <u>2016-2017</u>	<u>Base</u> <u>2017-2018</u>	<u>Cost Increase</u> <u>2017-2018</u>	<u>Recommended</u> <u>2017-2018</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; and public information.

Full-Time	81	61	61	0	61
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	81	61	61	0	61
Payroll	7,429,100	5,983,200	5,983,200	0	5,983,200
Operational	2,320,600	1,603,800	1,597,900	6,400,000	7,997,900
Total	\$9,749,700	\$7,587,000	\$7,581,100	\$6,400,000	\$13,981,100
State	6,230,800	5,745,000	5,739,100	6,400,000	12,139,100
Federal	3,472,900	1,765,600	1,765,600	0	1,765,600
Other	46,000	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	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	881,400	1,003,900	1,003,900	0	1,003,900
Operational	587,100	506,500	262,100	0	262,100
Total	\$1,468,500	\$1,510,400	\$1,266,000	\$0	\$1,266,000
State	1,222,800	1,510,400	1,266,000	0	1,266,000
Federal	0	0	0	0	0
Other	245,700	0	0	0	0

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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State Support of LEA Programs

The department provides support for a number of initiatives designed to address specific needs and special programs at the local level. Much of this support is provided directly to 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	4,210,723,500	4,469,934,600	4,469,934,600	218,326,000	4,688,260,600
Total	\$4,210,723,500	\$4,469,934,600	\$4,469,934,600	\$218,326,000	\$4,688,260,600
State	4,210,723,500	4,469,934,600	4,469,934,600	218,326,000	4,688,260,600
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	32	31	31	0	31
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	32	31	31	0	31
Payroll	2,150,600	2,564,300	2,564,300	0	2,564,300
Operational	108,660,300	107,364,200	107,363,400	0	107,363,400
Total	\$110,810,900	\$109,928,500	\$109,927,700	\$0	\$109,927,700
State	98,788,500	92,263,100	92,262,300	0	92,262,300
Federal	12,014,000	17,665,400	17,665,400	0	17,665,400
Other	8,400	0	0	0	0

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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	224,800	212,000	212,000	0	212,000
Operational	13,190,200	13,288,000	13,288,000	0	13,288,000
Total	\$13,415,000	\$13,500,000	\$13,500,000	\$0	\$13,500,000
State	13,415,000	13,500,000	13,500,000	0	13,500,000
Federal	0	0	0	0	0
Other	0	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	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	177,900	272,100	272,100	0	272,100
Operational	235,300	869,100	169,100	0	169,100
Total	\$413,200	\$1,141,200	\$441,200	\$0	\$441,200
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	413,200	1,141,200	441,200	0	441,200

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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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	21,900,600	21,000,000	21,000,000	0	21,000,000
Total	\$21,900,600	\$21,000,000	\$21,000,000	\$0	\$21,000,000
State	21,900,600	21,000,000	21,000,000	0	21,000,000
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	4,836,800	5,450,600	4,235,600	1,165,000	5,400,600
Total	\$4,836,800	\$5,450,600	\$4,235,600	\$1,165,000	\$5,400,600
State	4,836,800	5,450,600	4,235,600	1,165,000	5,400,600
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	1,332,900	1,700,000	1,700,000	0	1,700,000
Total	\$1,332,900	\$1,700,000	\$1,700,000	\$0	\$1,700,000
State	1,332,900	1,700,000	1,700,000	0	1,700,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

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.

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
Full-Time	16	14	14	4	18
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	16	14	14	4	18
Payroll	1,389,600	1,639,300	1,639,300	0	1,639,300
Operational	926,600	1,952,300	1,951,800	0	1,951,800
Total	\$2,316,200	\$3,591,600	\$3,591,100	\$0	\$3,591,100
State	2,230,300	2,391,600	2,391,100	0	2,391,100
Federal	0	200,000	200,000	0	200,000
Other	85,900	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	20	28	28	2	30
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	20	28	28	2	30
Payroll	1,988,800	2,636,700	2,533,700	206,000	2,739,700
Operational	22,677,000	51,597,700	51,524,900	0	51,524,900
Total	\$24,665,800	\$54,234,400	\$54,058,600	\$206,000	\$54,264,600
State	19,749,700	45,426,900	45,251,100	206,000	45,457,100
Federal	4,851,200	8,707,500	8,707,500	0	8,707,500
Other	64,900	100,000	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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
Full-Time	41	54	54	0	54
Part-Time	10	10	10	0	10
Seasonal	0	0	0	0	0
Total	51	64	64	0	64
Payroll	3,847,900	4,943,900	4,690,900	0	4,690,900
Operational	3,839,600	9,360,600	5,546,200	2,762,000	8,308,200
Total	\$7,687,500	\$14,304,500	\$10,237,100	\$2,762,000	\$12,999,100
State	6,384,800	10,790,300	7,493,900	2,762,000	10,255,900
Federal	154,900	2,381,700	2,110,700	0	2,110,700
Other	1,147,800	1,132,500	632,500	0	632,500

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	72	54	18	72
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	56	72	54	18	72
Payroll	3,362,500	7,107,600	5,287,600	1,820,000	7,107,600
Operational	574,100	7,926,500	738,500	2,627,000	3,365,500
Total	\$3,936,600	\$15,034,100	\$6,026,100	\$4,447,000	\$10,473,100
State	2,239,000	11,189,400	2,181,400	4,447,000	6,628,400
Federal	1,636,700	3,842,500	3,842,500	0	3,842,500
Other	60,900	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. This division also houses the Office of Consolidated Planning and Monitoring.

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
Full-Time	22	30	30	2	32
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	22	30	30	2	32
Payroll	1,888,900	3,470,500	3,565,100	0	3,565,100
Operational	349,332,600	350,735,000	357,021,700	0	357,021,700
Total	\$351,221,500	\$354,205,500	\$360,586,800	\$0	\$360,586,800
State	145,800	781,600	781,600	0	781,600
Federal	351,067,900	353,423,900	359,805,200	0	359,805,200
Other	7,800	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.

Full-Time	226	226	226	0	226
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	226	226	226	0	226
Payroll	17,135,800	24,185,300	24,185,300	0	24,185,300
Operational	85,019,400	78,540,000	78,540,000	0	78,540,000
Total	\$102,155,200	\$102,725,300	\$102,725,300	\$0	\$102,725,300
State	0	3,800	3,800	0	3,800
Federal	0	0	0	0	0
Other	102,155,200	102,721,500	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	12	13	13	0	13
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	12	13	13	0	13
Payroll	1,289,000	2,046,900	2,046,900	0	2,046,900
Operational	51,716,900	46,862,200	46,861,800	200,000	47,061,800
Total	\$53,005,900	\$48,909,100	\$48,908,700	\$200,000	\$49,108,700

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
State	19,722,700	20,207,500	20,207,400	200,000	20,407,400
Federal	33,050,300	28,422,100	28,421,800	0	28,421,800
Other	232,900	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. This division also administers the Individual Education Act.

Full-Time	38	34	34	0	34
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	38	34	34	0	34
Payroll	2,726,400	3,802,200	3,802,200	0	3,802,200
Operational	231,969,200	249,066,400	249,065,000	0	249,065,000
Total	\$234,695,600	\$252,868,600	\$252,867,200	\$0	\$252,867,200
State	856,400	1,072,100	1,072,100	0	1,072,100
Federal	233,603,700	251,796,500	251,795,100	0	251,795,100
Other	235,500	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	11,193,000	15,061,200	15,061,200	0	15,061,200
Operational	19,904,100	20,211,600	20,206,500	0	20,206,500
Total	\$31,097,100	\$35,272,800	\$35,267,700	\$0	\$35,267,700
State	10,071,800	12,299,200	12,297,100	0	12,297,100
Federal	7,746,600	10,390,600	10,387,600	0	10,387,600
Other	13,278,700	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.

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
Full-Time	23	23	24	0	24
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	23	23	24	0	24
Payroll	1,858,100	2,385,200	2,385,200	0	2,385,200
Operational	406,243,200	415,408,400	415,407,500	0	415,407,500
Total	\$408,101,300	\$417,793,600	\$417,792,700	\$0	\$417,792,700
State	4,795,600	4,809,600	4,809,600	0	4,809,600
Federal	403,283,500	412,979,000	412,978,100	0	412,978,100
Other	22,200	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 support 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.

Full-Time	44	48	48	0	48
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	44	48	48	0	48
Payroll	3,685,000	4,320,200	4,320,200	85,000	4,405,200
Operational	31,777,100	30,047,200	29,920,500	15,525,000	45,445,500
Total	\$35,462,100	\$34,367,400	\$34,240,700	\$15,610,000	\$49,850,700
State	7,871,900	7,666,800	7,540,800	15,610,000	23,150,800
Federal	27,154,700	25,975,600	25,974,900	0	25,974,900
Other	435,500	725,000	725,000	0	725,000

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, preschool age to age 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).

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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	9,930,300	11,438,200	11,438,200	34,500	11,472,700
Operational	2,358,000	1,906,000	1,900,700	0	1,900,700
Total	\$12,288,300	\$13,344,200	\$13,338,900	\$34,500	\$13,373,400
State	11,303,600	12,431,200	12,425,900	34,500	12,460,400
Federal	0	0	0	0	0
Other	984,700	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
Payroll	12,627,500	14,092,400	14,092,400	41,200	14,133,600
Operational	3,728,400	2,862,200	2,855,700	0	2,855,700
Total	\$16,355,900	\$16,954,600	\$16,948,100	\$41,200	\$16,989,300
State	15,521,800	16,411,200	16,404,700	41,200	16,445,900
Federal	0	0	0	0	0
Other	834,100	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	2,116,500	2,624,500	2,624,500	12,200	2,636,700
Operational	438,700	410,300	409,100	0	409,100
Total	\$2,555,200	\$3,034,800	\$3,033,600	\$12,200	\$3,045,800
State	2,446,800	2,812,100	2,810,900	12,200	2,823,100
Federal	0	0	0	0	0
Other	108,400	222,700	222,700	0	222,700

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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331.90 Alvin C. York Institute

In 1926, Alvin C. York, a World War I hero, established a school to provide educational opportunities to the children of Fentress County. Today, the Alvin C. York Institute operates as a model rural high school that serves the entire state as a center for improving rural education. The York Institute has the unique distinction as the only state-operated and state-financed comprehensive secondary school in Tennessee. The campus is designated as a state natural area, consists of over 400 acres, and supports a working farm.

Full-Time	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	4,717,500	5,345,200	5,345,200	23,100	5,368,300
Operational	1,650,600	996,600	994,100	0	994,100
Total	\$6,368,100	\$6,341,800	\$6,339,300	\$23,100	\$6,362,400
State	5,011,800	5,286,900	5,284,400	23,100	5,307,500
Federal	37,800	60,000	60,000	0	60,000
Other	1,318,500	994,900	994,900	0	994,900

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	135,500	239,100	239,100	0	239,100
Total	\$135,500	\$239,100	\$239,100	\$0	\$239,100
State	135,500	239,100	239,100	0	239,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

331.00 Total Education (K-12)

Full-Time	1,346	1,369	1,352	26	1,378
Part-Time	69	69	69	0	69
Seasonal	0	0	0	0	0
Total	1,415	1,438	1,421	26	1,447
Payroll	90,620,600	115,134,800	113,053,400	2,222,000	115,275,400
Operational	5,576,078,300	5,889,838,900	5,882,733,800	247,005,000	6,129,738,800
Total	\$5,666,698,900	\$6,004,973,700	\$5,995,787,200	\$249,227,000	\$6,245,014,200
State	4,466,938,400	4,764,923,000	4,750,832,500	249,227,000	5,000,059,500
Federal	1,078,074,200	1,117,610,400	1,123,714,400	0	1,123,714,400
Other	121,686,300	122,440,300	121,240,300	0	121,240,300

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				
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	614	20	26	5
2016-2017	653	20	30	10
2017-2018	634	20	26	10
Annual Releases				
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	200	8	30	2
2016-2017	203	5	40	5
2017-2018	202	5	30	5
Average Daily Census				
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	575	131	178	42
2016-2017	598	130	180	50
2017-2018	587	135	178	50
Cost Per Occupancy Day				
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	\$61.53	\$521.13	\$510.48	\$337.99
2016-2017	\$58.92	\$570.26	\$523.29	\$337.20
2017-2018	\$60.22	\$550.35	\$530.25	\$338.42

Higher Education - State Administered Programs

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 six Locally Governed Institutions (LGIs), the Tennessee Higher Education Commission, and the Tennessee Student Assistance Corporation work together to accomplish these activities.

<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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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 the three grand divisions 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, appointed by the Governor, 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, making binding tuition range recommendations for higher education, 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.

The FOCUS Act of 2016 augmented THEC's coordinating role in Tennessee higher education by formalizing THEC's authority to set binding tuition and fee ranges, oversee the higher education capital projects process, and convene stakeholders to protect and advance state, institutional, and consumer interests.

332.01 Tennessee Higher Education Commission

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

Full-Time	71	71	65	9	74
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	71	71	65	9	74
Payroll	5,946,600	6,446,600	5,918,300	832,800	6,751,100
Operational	8,447,500	6,922,000	6,457,800	212,900	6,670,700
Total	\$14,394,100	\$13,368,600	\$12,376,100	\$1,045,700	\$13,421,800

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
State	342,300	4,161,200	3,619,300	1,045,700	4,665,000
Federal	8,850,800	4,603,200	4,603,100	0	4,603,100
Other	5,201,000	4,604,200	4,153,700	0	4,153,700

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	1,895,800	2,176,000	1,832,500	0	1,832,500
Total	\$1,895,800	\$2,176,000	\$1,832,500	\$0	\$1,832,500
State	1,895,800	2,176,000	1,832,500	0	1,832,500
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 program also houses the majority of the state's Drive to 55 initiatives.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	12,163,400	23,615,000	7,065,300	5,960,600	13,025,900
Total	\$12,163,400	\$23,615,000	\$7,065,300	\$5,960,600	\$13,025,900
State	8,068,400	21,758,100	5,778,400	5,960,600	11,739,000
Federal	890,000	1,286,900	1,286,900	0	1,286,900
Other	3,205,000	570,000	0	0	0

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.

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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	17,414,600	17,133,600	17,133,600	411,900	17,545,500
Total	\$17,414,600	\$17,133,600	\$17,133,600	\$411,900	\$17,545,500
State	17,414,600	17,133,600	17,133,600	411,900	17,545,500
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	1,257,000	1,236,600	1,236,600	30,600	1,267,200
Total	\$1,257,000	\$1,236,600	\$1,236,600	\$30,600	\$1,267,200
State	1,257,000	1,236,600	1,236,600	30,600	1,267,200
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 financial assistance programs for postsecondary students in Tennessee. The agency is governed by an 18-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, two students enrolled in Tennessee institutions 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 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 and medical professions; marketing and administering the Tennessee Education Lottery Scholarship program; administering the Tennessee Promise Endowment Scholarship program; and providing statewide financial aid instructional programs for students, parents, and administrators.

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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	80,398,500	87,762,500	87,762,500	10,000,000	97,762,500
Total	\$80,398,500	\$87,762,500	\$87,762,500	\$10,000,000	\$97,762,500
State	73,598,500	80,962,500	80,962,500	10,000,000	90,962,500
Federal	0	0	0	0	0
Other	6,800,000	6,800,000	6,800,000	0	6,800,000

332.04 Federal Family Education Loan Program (FFELP)

TSAC served as the federally-designated guaranty agency for Tennessee since 1974, by administering the Federal Family Education Loan Program (FFELP). Following Congressional defunding of FFELP in 2010, TSAC continued to service the remaining loan portfolio until a final transfer of all loans to a national servicer, effective July 1, 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	122,451,800	158,900,000	0	0	0
Total	\$122,451,800	\$158,900,000	\$0	\$0	\$0
State	0	0	0	0	0
Federal	113,099,500	150,000,000	0	0	0
Other	9,352,300	8,900,000	0	0	0

332.05 Tennessee Student Assistance Corporation

The Tennessee Student Assistance Corporation provides all administrative management and oversight for each of the corporation programs. This program provides funds for the staffing and other operating costs of administering the financial assistance programs.

Full-Time	56	56	56	0	56
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	56	56	56	0	56
Payroll	4,922,700	4,306,100	4,306,100	0	4,306,100
Operational	22,623,300	24,498,000	1,923,000	0	1,923,000
Total	\$27,546,000	\$28,804,100	\$6,229,100	\$0	\$6,229,100

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
State	1,482,200	1,628,300	1,627,900	0	1,627,900
Federal	799,900	2,572,100	0	0	0
Other	25,263,900	24,603,700	4,601,200	0	4,601,200

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	564,200	1,090,500	1,290,500	300,000	1,590,500
Total	\$564,200	\$1,090,500	\$1,290,500	\$300,000	\$1,590,500
State	190,100	711,800	911,800	300,000	1,211,800
Federal	0	0	0	0	0
Other	374,100	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	1,105,100	3,174,100	2,069,200	0	2,069,200
Total	\$1,105,100	\$3,174,100	\$2,069,200	\$0	\$2,069,200
State	700,700	978,200	778,200	0	778,200
Federal	0	0	0	0	0
Other	404,400	2,195,900	1,291,000	0	1,291,000

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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332.19 Lottery for Education Account

The Lottery for Education Account is an appropriation of the state's net education lottery proceeds. The majority of these funds are made available for post-secondary scholarships, which include the Tennessee HOPE Scholarship, the General Assembly Merit Scholarship, the Need-Based Supplemental Award, the Tennessee HOPE Access Grant, and the Wilder-Naifeh Technical Skills Grant. 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.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	322,919,200	328,900,000	332,100,000	0	332,100,000
Total	\$322,919,200	\$328,900,000	\$332,100,000	\$0	\$332,100,000
State	322,919,200	328,900,000	332,100,000	0	332,100,000
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	2,648,200	2,007,600	2,007,600	45,000	2,052,600
Total	\$2,648,200	\$2,007,600	\$2,007,600	\$45,000	\$2,052,600
State	426,500	516,700	516,700	45,000	561,700
Federal	0	0	0	0	0
Other	2,221,700	1,490,900	1,490,900	0	1,490,900

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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Higher Education Capital Maintenance

332.49 Higher Education Capital Maintenance

Higher Education Capital Maintenance provides financial support for capital maintenance projects at the University of Tennessee System, the Tennessee Board of Regents System, and all Locally Governed Institutions.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	0	0	0	40,000,000	40,000,000
Total	\$0	\$0	\$0	\$40,000,000	\$40,000,000
State	0	0	0	40,000,000	40,000,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

332.00 Total Higher Education - State Administered Programs

Full-Time	141	141	135	9	144
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	141	141	135	9	144
Payroll	10,869,300	10,752,700	10,224,400	832,800	11,057,200
Operational	593,888,600	657,415,900	460,878,600	56,961,000	517,839,600
Total	\$604,757,900	\$668,168,600	\$471,103,000	\$57,793,800	\$528,896,800
State	428,295,300	460,163,000	446,497,500	57,793,800	504,291,300
Federal	123,640,200	158,462,200	5,890,000	0	5,890,000
Other	52,822,400	49,543,400	18,715,500	0	18,715,500

University of Tennessee System

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 2015 and Fall 2016. 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>2015-2016</u>	<u>Estimated</u> <u>2016-2017</u>	<u>Base</u> <u>2017-2018</u>	<u>Cost Increase</u> <u>2017-2018</u>	<u>Recommended</u> <u>2017-2018</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	68	68	68	0	68
Professional	147	148	148	0	148
Faculty	0	0	0	0	0
Clerical/Support	73	72	72	0	72
Total	288	288	288	0	288
Headcount	0	0	0	0	0
State	4,917,400	5,453,600	5,202,100	272,000	5,474,100
Federal	0	0	0	0	0
Other	20,484,300	17,397,100	17,397,100	0	17,397,100
Tuition/Fees	0	0	0	0	0
Total	\$25,401,700	\$22,850,700	\$22,599,200	\$272,000	\$22,871,200

332.21 UT Access and Diversity Initiative

The UT Access and Diversity Initiative program provides financial support to the University of Tennessee for the continuance of higher education access and diversity initiatives after the September 2006 dismissal of the 1968 Geier desegregation lawsuit. The success of a five-year settlement agreement, implemented in 2001, led to the dismissal. The initiative includes efforts that proved to be the most effective in the settlement program. The initiative includes financial aid, graduate fellowships, and student and faculty recruitment and retention programs.

Full-Time Administrative	0	0	0	0	0
Professional	0	0	0	0	0
Faculty	0	0	0	0	0
Clerical/Support	0	0	0	0	0
Total	0	0	0	0	0
Headcount	0	0	0	0	0

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
State	5,806,700	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	\$5,806,700	\$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	12	13	13	0	13
Faculty	0	0	0	0	0
Clerical/Support	11	10	10	0	10
Total	27	27	27	0	27
Headcount	0	0	0	0	0
State	5,425,100	5,629,800	5,628,900	141,100	5,770,000
Federal	169,900	463,700	463,700	0	463,700
Other	1,019,700	1,007,200	1,007,200	0	1,007,200
Tuition/Fees	0	0	0	0	0
Total	\$6,614,700	\$7,100,700	\$7,099,800	\$141,100	\$7,240,900

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	34	34	34	0	34
Faculty	0	0	0	0	0
Clerical/Support	10	9	9	0	9
Total	46	45	45	0	45
Headcount	0	0	0	0	0

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
State	3,037,800	3,157,700	3,157,300	167,100	3,324,400
Federal	0	0	0	0	0
Other	3,628,900	3,493,000	3,493,000	0	3,493,000
Tuition/Fees	0	0	0	0	0
Total	\$6,666,700	\$6,650,700	\$6,650,300	\$167,100	\$6,817,400

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	27	27	0	27
Faculty	0	0	0	0	0
Clerical/Support	6	4	4	0	4
Total	35	32	32	0	32
Headcount	0	0	0	0	0
State	1,861,400	2,236,800	2,236,600	2,206,000	4,442,600
Federal	0	0	0	0	0
Other	3,281,600	3,208,300	3,208,300	0	3,208,300
Tuition/Fees	0	0	0	0	0
Total	\$5,143,000	\$5,445,100	\$5,444,900	\$2,206,000	\$7,650,900

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	19	19	0	19
Professional	81	80	80	0	80
Faculty	93	95	95	0	95
Clerical/Support	114	117	117	0	117
Total	306	311	311	0	311
Headcount	0	0	0	0	0
State	26,416,100	27,632,300	27,625,600	1,046,900	28,672,500
Federal	8,629,600	8,176,800	8,176,800	0	8,176,800
Other	5,372,500	4,214,600	4,214,600	0	4,214,600
Tuition/Fees	0	0	0	0	0
Total	\$40,418,200	\$40,023,700	\$40,017,000	\$1,046,900	\$41,063,900

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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	15	17	17	0	17
Professional	270	272	272	0	272
Faculty	57	62	62	0	62
Clerical/Support	150	157	157	0	157
Total	492	508	508	0	508
Headcount	0	0	0	0	0
State	32,435,900	33,839,900	33,831,200	1,378,200	35,209,400
Federal	7,868,300	9,225,600	9,225,600	0	9,225,600
Other	5,475,200	6,868,200	6,868,200	0	6,868,200
Tuition/Fees	0	0	0	0	0
Total	\$45,779,400	\$49,933,700	\$49,925,000	\$1,378,200	\$51,303,200

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	31	42	42	0	42
Faculty	107	107	107	0	107
Clerical/Support	187	182	182	0	182
Total	333	339	339	0	339
Headcount	349	345	345	0	345
State	17,407,600	18,128,100	18,124,700	1,170,900	19,295,600
Federal	910,400	960,700	960,700	0	960,700
Other	15,254,500	15,287,100	15,287,100	0	15,287,100
Tuition/Fees	11,935,900	12,127,600	12,127,600	0	12,127,600
Total	\$45,508,400	\$46,503,500	\$46,500,100	\$1,170,900	\$47,671,000

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.

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.

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
Full-Time Administrative	104	111	111	0	111
Professional	324	321	321	0	321
Faculty	611	620	620	0	620
Clerical/Support	814	830	830	0	830
Total	1,853	1,882	1,882	0	1,882
Headcount	3,076	3,097	3,097	0	3,097
State	138,204,900	143,616,500	140,534,000	9,947,500	150,481,500
Federal	10,206,600	10,100,100	10,100,100	0	10,100,100
Other	30,427,300	32,852,200	32,852,200	0	32,852,200
Tuition/Fees	83,206,400	84,647,500	84,647,500	0	84,647,500
Total	\$262,045,200	\$271,216,300	\$268,133,800	\$9,947,500	\$278,081,300

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	5,852,900	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	\$5,852,900	\$5,852,900	\$5,852,900	\$0	\$5,852,900

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	9	9	0	9
Professional	12	11	11	0	11
Faculty	22	24	24	0	24
Clerical/Support	37	39	39	0	39
Total	79	83	83	0	83
Headcount	112	113	113	0	113

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
State	8,196,800	8,491,900	8,490,500	285,900	8,776,400
Federal	252,300	170,000	170,000	0	170,000
Other	379,500	335,000	335,000	0	335,000
Tuition/Fees	1,249,000	1,323,000	1,323,000	0	1,323,000
Total	\$10,077,600	\$10,319,900	\$10,318,500	\$285,900	\$10,604,400

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	131	131	131	0	131
Professional	217	220	220	0	220
Faculty	476	481	481	0	481
Clerical/Support	320	330	330	0	330
Total	1,144	1,162	1,162	0	1,162
Headcount	11,380	11,533	11,533	0	11,533
State	41,771,200	45,847,400	46,536,000	3,468,100	50,004,100
Federal	492,100	244,700	244,700	0	244,700
Other	21,583,800	19,882,800	19,882,800	0	19,882,800
Tuition/Fees	103,869,400	104,155,800	104,155,800	0	104,155,800
Total	\$167,716,500	\$170,130,700	\$170,819,300	\$3,468,100	\$174,287,400

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	299	308	308	0	308
Professional	738	815	815	0	815
Faculty	1,412	1,460	1,460	0	1,460
Clerical/Support	1,565	1,580	1,580	0	1,580
Total	4,014	4,163	4,163	0	4,163
Headcount	27,384	27,707	27,707	0	27,707
State	188,226,200	199,956,000	199,634,100	19,536,800	219,170,900
Federal	19,294,400	17,430,000	17,430,000	0	17,430,000
Other	248,342,900	242,036,000	242,036,000	0	242,036,000
Tuition/Fees	397,738,000	407,921,200	407,921,200	0	407,921,200
Total	\$853,601,500	\$867,343,200	\$867,021,300	\$19,536,800	\$886,558,100

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.

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
Full-Time Administrative	57	60	60	0	60
Professional	119	101	101	0	101
Faculty	316	319	319	0	319
Clerical/Support	277	260	260	0	260
Total	769	740	740	0	740
Headcount	6,827	6,705	6,705	0	6,705
State	27,962,700	30,804,000	29,679,400	2,149,900	31,829,300
Federal	89,900	35,000	35,000	0	35,000
Other	14,417,900	14,406,600	14,406,600	0	14,406,600
Tuition/Fees	57,161,600	58,070,400	58,070,400	0	58,070,400
Total	\$99,632,100	\$103,316,000	\$102,191,400	\$2,149,900	\$104,341,300

332.10 Total University of Tennessee System

Full-Time Administrative	715	738	738	0	738
Professional	2,013	2,084	2,084	0	2,084
Faculty	3,094	3,168	3,168	0	3,168
Clerical/Support	3,564	3,590	3,590	0	3,590
Total	9,386	9,580	9,580	0	9,580
Headcount	49,128	49,500	49,500	0	49,500
State	507,522,700	536,453,600	532,340,000	41,770,400	574,110,400
Federal	47,913,500	46,806,600	46,806,600	0	46,806,600
Other	369,668,100	360,988,100	360,988,100	0	360,988,100
Tuition/Fees	655,160,300	668,245,500	668,245,500	0	668,245,500
Total	\$1,580,264,600	\$1,612,493,800	\$1,608,380,200	\$41,770,400	\$1,650,150,600

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, provide general administrative, planning, coordination, review, and oversight functions through the offices of business and finance, academic affairs, and general counsel, among others.

The Focus On College and University Success (FOCUS) Act of 2016 called upon the Governor to appoint independent governing boards for each of the six four-year universities (hereafter referred to as Locally Governed Institutions) currently governed by the Board of Regents. These independent governing boards will become fully operational by Spring of 2017, pending confirmation of the Tennessee Senate.

Note: Position counts shown below are for full-time, unrestricted education and general employees only. Headcount figures are for Fall 2015 and Fall 2016. 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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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	69	73	73	0	73
Faculty	0	0	0	0	0
Clerical/Support	36	39	39	0	39
Total	134	141	141	0	141
Headcount	0	0	0	0	0
State	5,473,700	34,463,000	5,720,200	503,200	6,223,400
Federal	0	0	0	0	0
Other	20,893,900	19,917,800	19,917,800	0	19,917,800
Tuition/Fees	0	0	0	0	0
Total	\$26,367,600	\$54,380,800	\$25,638,000	\$503,200	\$26,141,200

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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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	10,256,900	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	\$10,256,900	\$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 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	2,341,100	2,417,800	3,456,300	53,400	3,509,700
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$2,341,100	\$2,417,800	\$3,456,300	\$53,400	\$3,509,700

332.62 TSU McMinnville Center

The TSU 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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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	575,800	594,500	594,500	11,100	605,600
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$575,800	\$594,500	\$594,500	\$11,100	\$605,600

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	15	8	8	0	8
Faculty	1	1	1	0	1
Clerical/Support	4	2	2	0	2
Total	20	11	11	0	11
Headcount	0	0	0	0	0
State	3,208,500	3,320,300	3,318,500	109,500	3,428,000
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$3,208,500	\$3,320,300	\$3,318,500	\$109,500	\$3,428,000

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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
State	183,400	189,400	189,400	3,900	193,300
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$183,400	\$189,400	\$189,400	\$3,900	\$193,300

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	5	5	5	0	5
Professional	84	86	86	0	86
Faculty	156	156	156	0	156
Clerical/Support	111	111	111	0	111
Total	356	358	358	0	358
Headcount	283	284	284	0	284
State	30,218,700	31,291,900	31,268,700	1,554,300	32,823,000
Federal	1,334,100	1,050,000	1,050,000	0	1,050,000
Other	12,080,000	14,610,100	14,610,100	0	14,610,100
Tuition/Fees	9,505,700	9,820,600	9,820,600	0	9,820,600
Total	\$53,138,500	\$56,772,600	\$56,749,400	\$1,554,300	\$58,303,700

332.66 ETSU College of Pharmacy

The ETSU College of Pharmacy enrolls approximately 125 students per year. Its mission is to train pharmacists for placement in community pharmacies and rural hospital settings to aid in the more effective use of medication. The educational program includes a significant emphasis on pharmaceutical care to reduce the unnecessary use of medications. Much of the training is within interdisciplinary teams of medical, nursing, public health, and pharmacy students, who will be located within rural communities. This method of training prepares future pharmacists for improved consultation with physicians and prescribing nurses, resulting in the most efficient, effective, low-cost drug treatments for their mutual patients.

Full-Time Administrative	1	2	2	0	2
Professional	15	14	14	0	14
Faculty	35	35	35	0	35
Clerical/Support	15	14	14	0	14
Total	66	65	65	0	65
Headcount	323	321	321	0	321

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	14,000	35,000	35,000	0	35,000
Tuition/Fees	10,999,200	11,299,000	11,299,000	0	11,299,000
Total	\$11,013,200	\$11,334,000	\$11,334,000	\$0	\$11,334,000

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	21	21	0	21
Faculty	31	32	32	0	32
Clerical/Support	56	54	54	0	54
Total	107	107	107	0	107
Headcount	0	0	0	0	0
State	6,455,500	6,689,900	6,687,600	399,200	7,086,800
Federal	0	0	0	0	0
Other	9,324,600	8,902,000	8,902,000	0	8,902,000
Tuition/Fees	0	0	0	0	0
Total	\$15,780,100	\$15,591,900	\$15,589,600	\$399,200	\$15,988,800

Locally Governed Institutions

The Locally Governed Institutions (LGIs) of the State University and Community College System are four-year universities operating under independent governing boards and offer undergraduate, graduate, and professional studies to the citizens of Tennessee. Located throughout the state, the LGIs operate comprehensive programs in subjects as diverse as occupational training, the arts and sciences, law, and health.

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.

Full-Time Administrative	34	32	32	0	32
Professional	218	229	229	0	229
Faculty	385	386	386	0	386
Clerical/Support	270	267	267	0	267
Total	907	914	914	0	914
Headcount	9,730	10,023	10,023	0	10,023
State	37,040,500	40,393,800	40,924,400	2,771,100	43,695,500
Federal	183,600	150,000	150,000	0	150,000
Other	17,803,600	19,190,000	19,190,000	0	19,190,000
Tuition/Fees	75,474,700	79,120,300	79,120,300	0	79,120,300
Total	\$130,502,400	\$138,854,100	\$139,384,700	\$2,771,100	\$142,155,800

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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332.72 East Tennessee State University

East Tennessee State University (ETSU), located in Johnson City, offers degree programs in arts and sciences, business and technology, education, medicine, nursing, public and allied health, and graduate studies. ETSU houses two centers of excellence in Appalachian studies and early childhood studies.

Full-Time Administrative	46	45	45	0	45
Professional	443	456	456	0	456
Faculty	647	664	664	0	664
Clerical/Support	486	494	494	0	494
Total	1,622	1,659	1,659	0	1,659
Headcount	13,743	13,419	13,419	0	13,419
State	56,547,600	55,391,900	55,518,800	4,329,100	59,847,900
Federal	1,444,800	1,450,000	1,450,000	0	1,450,000
Other	36,557,000	40,589,900	40,589,900	0	40,589,900
Tuition/Fees	130,346,300	134,681,800	134,681,800	0	134,681,800
Total	\$224,895,700	\$232,113,600	\$232,240,500	\$4,329,100	\$236,569,600

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	63	61	61	0	61
Professional	655	659	659	0	659
Faculty	990	997	997	0	997
Clerical/Support	783	799	799	0	799
Total	2,491	2,516	2,516	0	2,516
Headcount	20,585	21,301	21,301	0	21,301
State	98,871,200	102,487,500	101,703,800	7,398,900	109,102,700
Federal	3,743,900	3,599,800	3,599,800	0	3,599,800
Other	80,870,300	75,652,300	75,652,300	0	75,652,300
Tuition/Fees	189,791,500	197,600,600	197,600,600	0	197,600,600
Total	\$373,276,900	\$379,340,200	\$378,556,500	\$7,398,900	\$385,955,400

332.75 Middle Tennessee State University

Located in Murfreesboro, Middle Tennessee State University (MTSU) offers undergraduate, graduate, and doctoral programs in the arts and sciences. Programs are organized in eight university colleges including basic and applied sciences, graduate studies, business, education and behavioral science, university honors, liberal arts, mass communication, and continuing education and distance learning. MTSU's two centers of excellence are popular music and historic preservation.

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
Full-Time Administrative	58	60	60	0	60
Professional	613	636	636	0	636
Faculty	1,011	1,015	1,015	0	1,015
Clerical/Support	501	498	498	0	498
Total	2,183	2,209	2,209	0	2,209
Headcount	22,512	22,047	22,047	0	22,047
State	86,020,200	90,791,800	88,845,900	6,504,200	95,350,100
Federal	801,800	950,000	950,000	0	950,000
Other	52,108,700	51,131,900	51,131,900	0	51,131,900
Tuition/Fees	186,220,700	189,272,100	189,272,100	0	189,272,100
Total	\$325,151,400	\$332,145,800	\$330,199,900	\$6,504,200	\$336,704,100

332.77 Tennessee State University

Tennessee State University 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	61	61	0	61
Professional	295	313	313	0	313
Faculty	414	431	431	0	431
Clerical/Support	299	295	295	0	295
Total	1,068	1,100	1,100	0	1,100
Headcount	9,169	8,754	8,754	0	8,754
State	32,954,100	34,773,400	33,397,000	2,755,500	36,152,500
Federal	2,646,000	2,500,000	2,500,000	0	2,500,000
Other	29,286,800	30,926,400	30,926,400	0	30,926,400
Tuition/Fees	88,503,400	87,424,000	87,424,000	0	87,424,000
Total	\$153,390,300	\$155,623,800	\$154,247,400	\$2,755,500	\$157,002,900

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	37	37	37	0	37
Professional	348	328	328	0	328
Faculty	448	447	447	0	447
Clerical/Support	334	338	338	0	338
Total	1,167	1,150	1,150	0	1,150
Headcount	10,922	10,520	10,520	0	10,520

	Actual 2015-2016	Estimated 2016-2017	Base 2017-2018	Cost Increase 2017-2018	Recommended 2017-2018
State	39,386,900	42,692,700	42,456,600	3,693,200	46,149,800
Federal	913,100	869,700	869,700	0	869,700
Other	28,130,800	26,408,800	26,408,800	0	26,408,800
Tuition/Fees	100,040,800	98,372,400	98,372,400	0	98,372,400
Total	\$168,471,600	\$168,343,600	\$168,107,500	\$3,693,200	\$171,800,700

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	196	192	192	0	192
Professional	1,133	1,194	1,194	0	1,194
Faculty	1,895	1,940	1,940	0	1,940
Clerical/Support	1,656	1,650	1,650	0	1,650
Total	4,880	4,976	4,976	0	4,976
Headcount	86,740	84,773	84,773	0	84,773
State	218,955,400	232,964,500	234,021,900	15,842,400	249,864,300
Federal	1,374,100	1,235,500	1,235,500	0	1,235,500
Other	14,648,000	14,202,100	14,202,100	0	14,202,100
Tuition/Fees	288,754,400	294,190,900	294,190,900	0	294,190,900
Total	\$523,731,900	\$542,593,000	\$543,650,400	\$15,842,400	\$559,492,800

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 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	53	53	0	53
Professional	99	103	103	0	103
Faculty	539	557	557	0	557
Clerical/Support	202	217	217	0	217
Total	889	930	930	0	930
Headcount	13,739	12,635	12,635	0	12,635

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
State	56,436,600	60,821,200	61,848,200	3,663,100	65,511,300
Federal	54,500	111,500	111,500	0	111,500
Other	11,744,200	8,767,400	8,767,400	0	8,767,400
Tuition/Fees	34,702,200	35,376,700	35,376,700	0	35,376,700
Total	\$102,937,500	\$105,076,800	\$106,103,800	\$3,663,100	\$109,766,900

332.60 Total State University and Community College System

Full-Time Administrative	580	579	579	0	579
Professional	4,010	4,123	4,123	0	4,123
Faculty	6,554	6,663	6,663	0	6,663
Clerical/Support	4,756	4,781	4,781	0	4,781
Total	15,900	16,146	16,146	0	16,146
Headcount	187,746	184,077	184,077	0	184,077
State	684,926,100	749,540,500	720,208,700	49,592,100	769,800,800
Federal	12,495,900	11,916,500	11,916,500	0	11,916,500
Other	313,461,900	310,333,700	310,333,700	0	310,333,700
Tuition/Fees	1,114,338,900	1,137,158,400	1,137,158,400	0	1,137,158,400
Total	\$2,125,222,800	\$2,208,949,100	\$2,179,617,300	\$49,592,100	\$2,229,209,400

Grand Total Higher Education

Full-Time Positions	141	141	135	9	144
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
Full-Time Administrative	1,295	1,317	1,317	0	1,317
Professional	6,023	6,207	6,207	0	6,207
Faculty	9,648	9,831	9,831	0	9,831
Clerical/Support	8,320	8,371	8,371	0	8,371
Total	25,427	25,867	25,861	9	25,870
Headcount	236,874	233,577	233,577	0	233,577
State	1,620,744,100	1,746,157,100	1,699,046,200	149,156,300	1,848,202,500
Federal	184,049,600	217,185,300	64,613,100	0	64,613,100
Other	735,952,400	720,865,200	690,037,300	0	690,037,300
Tuition/Fees	1,769,499,200	1,805,403,900	1,805,403,900	0	1,805,403,900
Total	\$4,310,245,300	\$4,489,611,500	\$4,259,100,500	\$149,156,300	\$4,408,256,800

Health and Social Services



Health and Social Services

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Health and Social Services

Recommended Budget, Fiscal Year 2017 – 2018

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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Recommended 2017-2018</u>
Personnel			
Full-Time	16,476	16,514	16,016
Part-Time	216	227	227
Seasonal	0	0	0
TOTAL	16,692	16,741	16,243
Expenditures			
Payroll	\$ 945,696,500	\$ 1,063,848,700	\$ 1,032,297,800
Operational	14,523,094,800	15,018,887,600	15,597,927,700
TOTAL	\$ 15,468,791,300	\$ 16,082,736,300	\$ 16,630,225,500
Funding			
State	\$ 4,311,285,200	\$ 4,557,944,600	\$ 4,668,393,000
Federal	9,660,325,400	10,240,243,100	10,500,775,500
Other	1,497,180,700	1,284,548,600	1,461,057,000
Tuition/Fees	0	0	0

Health and Social Services
Recommended Budget for Fiscal Year 2017-2018
By Funding Source

Department	State	Federal	Other	Total
316.01 Commission on Children and Youth	3,040,400	1,228,100	992,300	5,260,800
316.02 Commission on Aging and Disability	14,760,000	28,239,700	0	42,999,700
316.07 Health Services and Development Agency	1,105,000	0	0	1,105,000
316.14 Council on Developmental Disabilities	208,100	1,675,900	40,000	1,924,000
318.00 Finance and Administration, Bureau of TennCare	3,677,385,900	7,163,104,200	742,631,200	11,583,121,300
339.00 Mental Health and Substance Abuse Services	241,514,000	67,190,800	46,534,400	355,239,200
343.00 Health	196,170,300	245,307,600	182,588,600	624,066,500
344.00 Intellectual and Developmental Disabilities	24,479,100	25,000	117,877,000	142,381,100
345.00 Human Services	185,659,100	2,608,463,900	63,213,300	2,857,336,300
350.00 Finance and Administration, Strategic Health-Care Programs	12,290,100	218,808,300	2,712,200	233,810,600
359.00 Children's Services	311,781,000	166,732,000	304,468,000	782,981,000
Total	\$4,668,393,000	\$10,500,775,500	\$1,461,057,000	\$16,630,225,500

Health and Social Services
Cost Increases for Fiscal Year 2017-2018

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Commission on Children and Youth					
• Court Appointed Special Advocate (CASA) Support					
To provide recurring funds for the Court Appointed Special Advocate (CASA) program in order to establish programs in three counties not previously served, increase the annual grant amount to each county program from \$18,000 to \$20,000, and establish a position at the commission dedicated to administering the CASA program statewide.					
316.01 Commission on Children and Youth	\$244,100	\$0	\$0	\$244,100	1
Sub-total	\$244,100	\$0	\$0	\$244,100	1
• Grant Monitoring - Staffing & Operational Funding					
To provide recurring funds to establish one position that will be responsible for monitoring grant recipients.					
316.01 Commission on Children and Youth	\$78,100	\$0	\$0	\$78,100	1
Sub-total	\$78,100	\$0	\$0	\$78,100	1
Total Commission on Children and Youth	\$322,200	\$0	\$0	\$322,200	2

Commission on Aging and Disability

• **Options Program**

To provide additional recurring funds for the Options Program, which provides home and community-based services to the elderly or disabled individuals who are not eligible for the TennCare program.

316.02 Commission on Aging and Disability	\$1,000,000	\$0	\$0	\$1,000,000	0
Sub-total	\$1,000,000	\$0	\$0	\$1,000,000	0
Total Commission on Aging and Disability	\$1,000,000	\$0	\$0	\$1,000,000	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	\$40,097,100	\$76,481,200	\$0	\$116,578,300	0
Sub-total	\$40,097,100	\$76,481,200	\$0	\$116,578,300	0

Health and Social Services

Cost Increases for Fiscal Year 2017-2018

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Pharmacy Utilization					
To provide recurring funds for the pharmacy program due to an increase in costs for specialty and brand-name drugs, enrollment growth, and additional changes to the program because of federal regulation.					
318.66 TennCare Medical Services	\$14,863,400	\$28,350,500	\$208,594,200	\$251,808,100	0
Sub-total	\$14,863,400	\$28,350,500	\$208,594,200	\$251,808,100	0
• Employment and Community First (ECF) CHOICES Program					
To provide recurring funds for the ECF CHOICES program to add approximately 700 additional enrollees.					
318.66 TennCare Medical Services	\$11,641,400	\$22,204,700	\$0	\$33,846,100	0
Sub-total	\$11,641,400	\$22,204,700	\$0	\$33,846,100	0
• Medicare Services					
To provide recurring funds for Medicare payments on behalf of dual eligible members by \$44,171,700 for Part D due to increased pharmacy costs of approximately 12 percent and \$82,346,200 for an increase in the monthly premiums for Part B.					
318.72 Medicare Services	\$72,494,600	\$54,023,300	\$0	\$126,517,900	0
Sub-total	\$72,494,600	\$54,023,300	\$0	\$126,517,900	0
• Restoration of One Percent Rate Reduction					
To provide recurring funds to restore a rate reduction in the amount of 1.0 percent made in previous years, which was funded with non-recurring funds from the general fund in fiscal year 2016-2017.					
318.66 TennCare Medical Services	\$18,173,000	\$34,663,200	\$0	\$52,836,200	0
Sub-total	\$18,173,000	\$34,663,200	\$0	\$52,836,200	0
• Restoration of One Percent Rate Reduction - Hospital Assessment					
To provide recurring funds to restore a rate reduction in the amount of 1.0 percent made in previous years, which was funded with non-recurring funds from the Hospital Coverage Assessment in fiscal year 2016-2017.					
318.66 TennCare Medical Services	\$18,173,000	\$34,663,200	\$0	\$52,836,200	0
Sub-total	\$18,173,000	\$34,663,200	\$0	\$52,836,200	0
• Eligibility Systems Development					
To provide non-recurring funds for the continued development of a new eligibility system.					
318.65 TennCare Administration	\$13,391,700	\$72,535,300	\$0	\$85,927,000	0
Sub-total	\$13,391,700	\$72,535,300	\$0	\$85,927,000	0

Health and Social Services

Cost Increases for Fiscal Year 2017-2018

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<ul style="list-style-type: none"> • Staffing for Eligibility Reverification and Appeals To provide recurring funds for additional eligibility reverification and appeals staff. 					
318.65 TennCare Administration	\$8,806,300	\$8,806,300	\$0	\$17,612,600	216
Sub-total	\$8,806,300	\$8,806,300	\$0	\$17,612,600	216
<ul style="list-style-type: none"> • Federally Qualified Health Centers To provide recurring funds for increased costs related to wrap-around payments to Federally Qualified Health Centers. 					
318.70 Supplemental Payments	\$5,503,200	\$10,496,800	\$0	\$16,000,000	0
Sub-total	\$5,503,200	\$10,496,800	\$0	\$16,000,000	0
<ul style="list-style-type: none"> • Administration Legislation - Background Checks To provide non-recurring funds for compliance with federal regulations concerning required fingerprint background checks for employees who have access to federal tax information. 					
318.65 TennCare Administration	\$400	\$400	\$0	\$800	0
Sub-total	\$400	\$400	\$0	\$800	0
<ul style="list-style-type: none"> • Restoration of Pharmacy Rate Reduction To provide recurring funds for pharmaceutical reimbursement rates included in previous base reductions but funded with non-recurring appropriations. 					
318.66 TennCare Medical Services	\$6,079,500	\$11,596,000	\$0	\$17,675,500	0
Sub-total	\$6,079,500	\$11,596,000	\$0	\$17,675,500	0
<ul style="list-style-type: none"> • Intellectual and Developmental Disabilities Waiver - Community-Based 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	\$819,800	\$1,563,600	\$0	\$2,383,400	0
Sub-total	\$819,800	\$1,563,600	\$0	\$2,383,400	0
<ul style="list-style-type: none"> • Intellectual and Developmental Disabilities Waiver - Transition from Large Homes To provide recurring funds for an increase in waiver costs due to a transition from large community homes with residents of five or more in anticipation of changes in federal requirements. 					
318.71 Intellectual Disabilities Services	\$334,400	\$637,800	\$0	\$972,200	0
Sub-total	\$334,400	\$637,800	\$0	\$972,200	0

Health and Social Services

Cost Increases for Fiscal Year 2017-2018

	State	Federal	Other	Total	Positions
• Intellectual and Developmental Disabilities Waiver - Direct Care Providers					
To provide recurring funds for a direct care provider rate increase of 1.0 percent, which was funded with non-recurring funds in fiscal year 2016-2017.					
318.71 Intellectual Disabilities Services	\$2,316,000	\$4,417,500	\$0	\$6,733,500	0
Sub-total	\$2,316,000	\$4,417,500	\$0	\$6,733,500	0
• 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	\$947,100	\$1,705,200	\$0	\$2,652,300	0
Sub-total	\$947,100	\$1,705,200	\$0	\$2,652,300	0
• TennCare for Intellectual and Developmental Disabilities					
To provide funds for the TennCare share of cost increases recommended for the Department of Intellectual and Developmental Disabilities. Of these funds, \$228,000 in state appropriation and \$228,000 in federal revenue is non-recurring.					
318.71 Intellectual Disabilities Services	\$683,000	\$910,000	\$0	\$1,593,000	0
Sub-total	\$683,000	\$910,000	\$0	\$1,593,000	0
Total Finance and Administration, Bureau of TennCare	\$214,323,900	\$363,055,000	\$208,594,200	\$785,973,100	216

Mental Health and Substance Abuse Services

• Substance Abuse Safety Net					
To provide recurring funds to expand substance abuse treatment and recovery services in order to serve an additional 2,000 people below 133% of poverty.					
339.03 Community Substance Abuse Services	\$6,000,000	\$0	\$0	\$6,000,000	0
Sub-total	\$6,000,000	\$0	\$0	\$6,000,000	0
• Enhancements to the Continuum of Crisis Services					
To provide recurring funds to enhance the continuum of crisis services and expand the function of the states eight walk-in centers to allow a 23-hour observation component, access to a psychiatric medication prescriber, 24-hour nursing assessments, and other needed services and supports.					
339.08 Community Mental Health Services	\$3,500,000	\$0	\$0	\$3,500,000	0
Sub-total	\$3,500,000	\$0	\$0	\$3,500,000	0

Health and Social Services

Cost Increases for Fiscal Year 2017-2018

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Pre-Arrest Diversion Infrastructure					
To provide non-recurring funds for grants to counties for pre-arrest diversion infrastructure.					
339.08 Community Mental Health Services	\$15,000,000	\$0	\$0	\$15,000,000	0
Sub-total	\$15,000,000	\$0	\$0	\$15,000,000	0
• Administration Legislation - Mandatory Outpatient Treatment					
To provide recurring funds for proposed legislation concerning mandatory outpatient treatment for persons charged with first-degree murder or a Class A felony offense against a person and are found not guilty by reason of insanity.					
339.08 Community Mental Health Services	\$245,900	\$0	\$0	\$245,900	0
Sub-total	\$245,900	\$0	\$0	\$245,900	0
• Electronic Clinical Records System					
To provide recurring funds for operations and maintenance of the electronic clinical records system at the regional mental health institutes.					
339.01 Administrative Services Division	\$482,400	\$0	\$0	\$482,400	4
339.11 Middle Tennessee Mental Health Institute	\$351,900	\$0	\$0	\$351,900	1
339.12 Western Mental Health Institute	\$351,800	\$0	\$0	\$351,800	1
339.16 Moccasin Bend Mental Health Institute	\$351,900	\$0	\$0	\$351,900	1
Sub-total	\$1,538,000	\$0	\$0	\$1,538,000	7
Total Mental Health and Substance Abuse Services	\$26,283,900	\$0	\$0	\$26,283,900	7

Health

• Tobacco-Related Diseases

To provide non-recurring funds for grants to counties to support local efforts to reduce tobacco-related diseases.

343.60 Health Services	\$5,000,000	\$0	\$0	\$5,000,000	1
Sub-total	\$5,000,000	\$0	\$0	\$5,000,000	1

Health and Social Services

Cost Increases for Fiscal Year 2017-2018

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<ul style="list-style-type: none"> Health Care Facility Surveyor Positions To provide recurring funds to establish new nurse coordinator positions in order to maintain consistency in the performance of timely investigations and surveys of health care facilities in Tennessee. The source of the state appropriation is dedicated licensure fees. 					
343.05 Health Licensure and Regulation	\$674,300	\$0	\$0	\$674,300	5
Sub-total	\$674,300	\$0	\$0	\$674,300	5
<ul style="list-style-type: none"> Health Related Boards - Controlled Substances Monitoring Database To provide recurring funds to enhance the Controlled Substances Monitoring Database (CSMD) due to a significant increase in the number of users. The source of the state appropriation is dedicated revenue collected by Health Related Boards. 					
343.10 Health Related Boards	\$399,200	\$0	\$0	\$399,200	4
Sub-total	\$399,200	\$0	\$0	\$399,200	4
<ul style="list-style-type: none"> Public Health Office of Informatics and Analytics To provide funds to establish positions to enhance the capabilities of the Department of Health's Office of Informatics and Analytics. Of these funds, \$6,800 is non-recurring. 					
343.01 Administration	\$520,900	\$0	\$0	\$520,900	2
Sub-total	\$520,900	\$0	\$0	\$520,900	2
<ul style="list-style-type: none"> Environmental Health Services To provide funds to establish positions in the Environmental Health Services program due to the increased number of pools, hotels, food, tattoo, and other establishments that the program is required to inspect. Of these funds, \$12,900 is non-recurring. 					
343.39 General Environmental Health	\$250,400	\$0	\$0	\$250,400	2
Sub-total	\$250,400	\$0	\$0	\$250,400	2
<ul style="list-style-type: none"> Civil Monetary Penalty (CMP) and Culture Change Initiative To provide funds for grants and a position to administer Tennessee's Nursing Home Civil Monetary Penalty Fund and Culture Change Program. Of these funds, \$5,000,000 is non-recurring. The source of the state appropriation is dedicated penalty fees. 					
343.05 Health Licensure and Regulation	\$5,201,700	\$0	\$0	\$5,201,700	1
Sub-total	\$5,201,700	\$0	\$0	\$5,201,700	1
<ul style="list-style-type: none"> 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

Health and Social Services

Cost Increases for Fiscal Year 2017-2018

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Epilepsy Programs - Grant Continuation					
To provide non-recurring funds for the Epilepsy Program grants.					
343.52 Community and Medical Services	\$103,100	\$0	\$0	\$103,100	0
Sub-total	\$103,100	\$0	\$0	\$103,100	0
• Office of General Counsel					
To provide recurring funds for additional legal positions which will be responsible for advising and prosecuting disciplinary cases against health care professionals before their respective regulatory boards. The source of the state appropriation is dedicated revenue collected by the regulatory boards.					
343.01 Administration	\$327,100	\$0	\$0	\$327,100	3
Sub-total	\$327,100	\$0	\$0	\$327,100	3
• 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
Total Health	\$14,551,700	\$0	\$0	\$14,551,700	18

Intellectual and Developmental Disabilities

• Employment and Community First (ECF) CHOICES Administrative Costs					
To provide recurring funds for travel, legal, and training expenses associated with the ECF CHOICES program and to provide non-recurring funds to modify Project Titan to fit the needs of ECF CHOICES. The other revenue is from TennCare and is comprised of \$415,900 in state appropriation and \$416,100 in federal revenue. Of these funds, \$228,000 in state appropriation and \$228,000 in federal revenue is non-recurring.					
344.01 Intellectual Disabilities Services Administration	\$0	\$0	\$515,600	\$515,600	0
344.02 Community Intellectual Disabilities Services	\$0	\$0	\$98,000	\$98,000	0
344.04 Protection from Harm	\$0	\$0	\$191,000	\$191,000	3
344.20 West Tennessee Regional Office	\$0	\$0	\$5,500	\$5,500	0
344.21 Middle Tennessee Regional Office	\$0	\$0	\$12,300	\$12,300	0
344.22 East Tennessee Regional Office	\$0	\$0	\$9,600	\$9,600	0
Sub-total	\$0	\$0	\$832,000	\$832,000	3

Health and Social Services

Cost Increases for Fiscal Year 2017-2018

	State	Federal	Other	Total	Positions
<ul style="list-style-type: none"> • West Tennessee Community Homes - Support Additional People on Ventilators To provide recurring funds for three positions and support contracts to serve additional people on ventilators in the West Tennessee Community Homes. The other revenue is from TennCare and is comprised of \$68,000 in state appropriation and \$129,800 in federal revenue. 					
344.40 West Tennessee Community Homes	\$0	\$0	\$197,800	\$197,800	3
Sub-total	\$0	\$0	\$197,800	\$197,800	3
<ul style="list-style-type: none"> • East Tennessee Community Homes - Medical Intensive Homes To provide funds for staffing to enable the East Tennessee Community Homes to support additional people with intensive medical needs. The other revenue is from TennCare and is comprised of \$99,700 in state appropriation and \$190,100 in federal revenue. 					
344.42 East Tennessee Community Homes	\$0	\$0	\$289,800	\$289,800	6
Sub-total	\$0	\$0	\$289,800	\$289,800	6
<ul style="list-style-type: none"> • Harold Jordan Center Staffing To provide recurring funds for staffing at the Harold Jordan Center to fully utilize all 28 licensed beds. The other revenue is from TennCare and is comprised of \$77,500 in state appropriation and \$147,900 in federal revenue. 					
344.15 Harold Jordan Center	\$298,900	\$0	\$225,400	\$524,300	16
Sub-total	\$298,900	\$0	\$225,400	\$524,300	16
<ul style="list-style-type: none"> • Seating and Positioning Clinics Equipment Purchases To provide funds for the purchase of a Computer Numeric Control (CNC) machine, a new delivery van, and to recognize Medicaid-related expenses. The purchase of a CNC machine will improve the overall structure of the equipment built and make the process more efficient. An additional van is needed to deliver supplies, equipment, and items cut by the CNC machine among the three regional clinics. Of these funds, \$73,000 in state appropriation is non-recurring. 					
344.35 Seating and Positioning Clinics	\$73,000	\$25,000	\$0	\$98,000	0
Sub-total	\$73,000	\$25,000	\$0	\$98,000	0
<ul style="list-style-type: none"> • West Tennessee Community Homes Equipment Purchases To provide non-recurring funds to purchase twelve new hospital beds and six new lifts. 					
344.40 West Tennessee Community Homes	\$150,000	\$0	\$0	\$150,000	0
Sub-total	\$150,000	\$0	\$0	\$150,000	0

Health and Social Services

Cost Increases for Fiscal Year 2017-2018

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Additional Accounting Position					
To provide recurring funds for an additional accountant position for the accounts receivables unit. The other revenue consists of \$15,000 in intra-departmental sources and \$48,000 from TennCare. The TennCare funds are comprised of \$21,900 in state appropriation and \$26,100 in federal revenue.					
344.01 Intellectual Disabilities Services Administration	\$2,600	\$0	\$50,100	\$52,700	1
344.15 Harold Jordan Center	\$1,100	\$0	\$900	\$2,000	0
344.35 Seating and Positioning Clinics	\$1,000	\$0	\$0	\$1,000	0
344.40 West Tennessee Community Homes	\$0	\$0	\$4,000	\$4,000	0
344.41 Middle Tennessee Community Homes	\$0	\$0	\$3,000	\$3,000	0
344.42 East Tennessee Community Homes	\$0	\$0	\$5,000	\$5,000	0
Sub-total	\$4,700	\$0	\$63,000	\$67,700	1
Total Intellectual and Developmental Disabilities	\$526,600	\$25,000	\$1,608,000	\$2,159,600	29

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	\$41,700	\$80,900	\$0	\$122,600	0
Sub-total	\$41,700	\$80,900	\$0	\$122,600	0
• Administration Legislation - Background Checks					
To provide funds for compliance with federal regulations concerning required fingerprint background checks for employees who have access to federal tax information. Of these funds, \$19,900 in state appropriation and \$33,700 in federal revenue is non-recurring.					
345.01 Administration	\$74,400	\$78,300	\$0	\$152,700	0
Sub-total	\$74,400	\$78,300	\$0	\$152,700	0
Total Human Services	\$116,100	\$159,200	\$0	\$275,300	0

Children's Services

• Preventing Adverse Childhood Experiences					
To provide non-recurring funds in order to help prevent adverse childhood experiences.					
359.10 Administration	\$1,250,000	\$0	\$0	\$1,250,000	0
Sub-total	\$1,250,000	\$0	\$0	\$1,250,000	0

Health and Social Services

Cost Increases for Fiscal Year 2017-2018

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<ul style="list-style-type: none"> Private Provider Rate Increase To provide recurring funds in order to allow the Department of Children's Services to give private providers rate increases. 					
359.10 Administration	\$5,000,000	\$0	\$0	\$5,000,000	0
Sub-total	\$5,000,000	\$0	\$0	\$5,000,000	0
<ul style="list-style-type: none"> Child Protective Services Case Managers To provide recurring funds for hiring additional Child Protective Services case managers. 					
359.50 Child and Family Management	\$950,600	\$253,400	\$1,330,800	\$2,534,800	35
Sub-total	\$950,600	\$253,400	\$1,330,800	\$2,534,800	35
<ul style="list-style-type: none"> Adoption Assistance Growth To provide recurring funds for an increase in the number of children adopted in Tennessee. 					
359.40 Adoption Services	\$2,798,800	\$2,667,700	\$0	\$5,466,500	0
Sub-total	\$2,798,800	\$2,667,700	\$0	\$5,466,500	0
<ul style="list-style-type: none"> USDA Foster Care Rate To provide recurring funds for a Foster Care rate increase in order to maintain USDA midpoint rates. 					
359.30 Custody Services	\$78,100	\$44,000	\$0	\$122,100	0
Sub-total	\$78,100	\$44,000	\$0	\$122,100	0
<ul style="list-style-type: none"> Extended Foster Care Services Private Provider Caseload Increase To provide recurring funds for an increase in the number of youth receiving Extended Foster Care Services. 					
359.30 Custody Services	\$1,123,400	\$471,600	\$1,179,000	\$2,774,000	0
Sub-total	\$1,123,400	\$471,600	\$1,179,000	\$2,774,000	0
<ul style="list-style-type: none"> Extended Foster Care Services Case Managers To provide recurring funds for additional case managers required to handle the increased Extension of Foster Care Services caseload. 					
359.50 Child and Family Management	\$101,800	\$27,100	\$142,500	\$271,400	4
Sub-total	\$101,800	\$27,100	\$142,500	\$271,400	4

Health and Social Services
Cost Increases for Fiscal Year 2017-2018

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Teacher Training and Experience Compensation					
To provide recurring funds for salary increases for teachers at youth development 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 ensure that salaries for teachers at youth development center schools are comparable to other public school teachers.					
359.60 John S. Wilder Youth Development Center	\$11,700	\$0	\$0	\$11,700	0
359.62 Woodland Hills Youth Development Center	\$11,700	\$0	\$0	\$11,700	0
359.63 Mountain View Youth Development Center	\$3,600	\$0	\$0	\$3,600	0
Sub-total	\$27,000	\$0	\$0	\$27,000	0
Total Children's Services	\$11,329,700	\$3,463,800	\$2,652,300	\$17,445,800	39
Total Health and Social Services	\$268,454,100	\$366,703,000	\$212,854,500	\$848,011,600	311

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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
316.01 Commission on Children and Youth					
Full-Time	27	30	30	2	32
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	27	30	30	2	32
Payroll	2,124,600	2,531,300	2,582,300	136,200	2,718,500
Operational	2,039,800	2,336,600	2,356,300	186,000	2,542,300
Total	\$4,164,400	\$4,867,900	\$4,938,600	\$322,200	\$5,260,800
State	2,480,100	2,719,100	2,718,200	322,200	3,040,400
Federal	832,700	1,228,100	1,228,100	0	1,228,100
Other	851,600	920,700	992,300	0	992,300

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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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	2,010,500	2,333,000	2,333,000	0	2,333,000
Operational	37,397,200	39,667,700	39,666,700	1,000,000	40,666,700
Total	\$39,407,700	\$42,000,700	\$41,999,700	\$1,000,000	\$42,999,700
State	13,539,500	13,760,500	13,760,000	1,000,000	14,760,000
Federal	25,866,400	28,240,200	28,239,700	0	28,239,700
Other	1,800	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 establishing or modifying 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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
316.07 Health Services and Development Agency					
Full-Time	10	8	8	0	8
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	18	16	16	0	16
Payroll	855,100	907,500	776,800	0	776,800
Operational	202,900	578,600	328,200	0	328,200
Total	\$1,058,000	\$1,486,100	\$1,105,000	\$0	\$1,105,000
State	1,057,300	1,486,100	1,105,000	0	1,105,000
Federal	0	0	0	0	0
Other	700	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 is established by Executive Order 50 as an independent office to carry out responsibilities defined in the Developmental Disabilities Act. 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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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	746,300	878,900	939,000	0	939,000
Operational	785,700	1,046,600	985,000	0	985,000
Total	\$1,532,000	\$1,925,500	\$1,924,000	\$0	\$1,924,000
State	193,300	208,500	208,100	0	208,100
Federal	1,298,800	1,677,000	1,675,900	0	1,675,900
Other	39,900	40,000	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.

	Actual 2015-2016	Estimated 2016-2017	Base 2017-2018	Cost Increase 2017-2018	Recommended 2017-2018
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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	781	1,036	1,036	216	1,252
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	781	1,036	1,036	216	1,252
Payroll	64,567,800	76,752,400	76,671,600	15,263,300	91,934,900
Operational	239,946,800	262,833,500	189,199,100	88,277,100	277,476,200
Total	\$304,514,600	\$339,585,900	\$265,870,700	\$103,540,400	\$369,411,100
State	80,889,300	102,763,300	92,924,300	22,198,400	115,122,700
Federal	221,181,100	234,770,700	170,894,500	81,342,000	252,236,500
Other	2,444,200	2,051,900	2,051,900	0	2,051,900

318.66 TennCare Medical Services

TennCare Medical Services provides funds for traditional basic health care, behavioral health services, and long-term services and supports 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 provides 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	8,159,052,300	8,040,740,700	8,385,321,200	528,232,700	8,913,553,900
Total	\$8,159,052,300	\$8,040,740,700	\$8,385,321,200	\$528,232,700	\$8,913,553,900
State	2,349,934,000	2,462,241,300	2,534,166,200	109,974,500	2,644,140,700
Federal	5,120,644,900	5,080,791,200	5,353,446,800	209,664,000	5,563,110,800
Other	688,473,400	497,708,200	497,708,200	208,594,200	706,302,400

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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	900,304,000	911,861,100	492,974,700	16,000,000	508,974,700
Total	\$900,304,000	\$911,861,100	\$492,974,700	\$16,000,000	\$508,974,700
State	279,147,000	272,402,400	119,705,100	5,503,200	125,208,300
Federal	585,633,800	605,246,800	339,057,700	10,496,800	349,554,500
Other	35,523,200	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 Cap waiver, and the Statewide waiver. The Department of Intellectual and Developmental Disabilities is the administrative lead agency for these waiver programs. With the implementation of the ECF CHOICES program, the current HCBS waivers for individuals with intellectual disabilities are 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	946,050,900	962,437,100	912,333,100	11,682,100	924,015,200
Total	\$946,050,900	\$962,437,100	\$912,333,100	\$11,682,100	\$924,015,200
State	340,085,100	343,863,800	320,260,900	4,153,200	324,414,100
Federal	605,965,800	618,508,300	592,007,200	7,528,900	599,536,100
Other	0	65,000	65,000	0	65,000

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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 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	668,205,200	740,648,500	740,648,500	126,517,900	867,166,400
Total	\$668,205,200	\$740,648,500	\$740,648,500	\$126,517,900	\$867,166,400
State	342,851,700	399,256,600	396,005,500	72,494,600	468,500,100
Federal	325,353,500	341,391,900	344,643,000	54,023,300	398,666,300
Other	0	0	0	0	0

318.00 Total Finance and Administration, Bureau of TennCare

Full-Time	781	1,036	1,036	216	1,252
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	781	1,036	1,036	216	1,252
Payroll	64,567,800	76,752,400	76,671,600	15,263,300	91,934,900
Operational	10,913,559,200	10,918,520,900	10,720,476,600	770,709,800	11,491,186,400
Total	\$10,978,127,000	\$10,995,273,300	\$10,797,148,200	\$785,973,100	\$11,583,121,300
State	3,392,907,100	3,580,527,400	3,463,062,000	214,323,900	3,677,385,900
Federal	6,858,779,100	6,880,708,900	6,800,049,200	363,055,000	7,163,104,200
Other	726,440,800	534,037,000	534,037,000	208,594,200	742,631,200

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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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339.01 Administrative Services Division

Administrative Services Division 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	195	167	163	4	167
Part-Time	5	5	5	0	5
Seasonal	0	0	0	0	0
Total	200	172	168	4	172
Payroll	14,732,000	14,850,500	14,367,800	441,500	14,809,300
Operational	3,024,200	6,458,700	6,424,500	40,900	6,465,400
Total	\$17,756,200	\$21,309,200	\$20,792,300	\$482,400	\$21,274,700
State	12,266,500	14,663,900	14,159,800	482,400	14,642,200
Federal	3,059,100	4,140,000	4,240,800	0	4,240,800
Other	2,430,600	2,505,300	2,391,700	0	2,391,700

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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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 RMHIs.

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 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	60,051,600	66,565,900	65,314,200	6,000,000	71,314,200
Total	\$60,051,600	\$66,565,900	\$65,314,200	\$6,000,000	\$71,314,200
State	23,208,400	25,937,300	25,087,000	6,000,000	31,087,000
Federal	32,255,800	35,791,100	35,389,700	0	35,389,700
Other	4,587,400	4,837,500	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	99,419,700	106,816,400	105,391,400	18,745,900	124,137,300
Total	\$99,419,700	\$106,816,400	\$105,391,400	\$18,745,900	\$124,137,300

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
State	76,037,300	79,303,700	77,878,700	18,745,900	96,624,600
Federal	16,219,900	21,634,500	21,634,500	0	21,634,500
Other	7,162,500	5,878,200	5,878,200	0	5,878,200

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	579	580	579	1	580
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	579	580	579	1	580
Payroll	35,610,100	36,479,100	36,368,000	111,100	36,479,100
Operational	12,317,300	11,424,900	10,245,600	240,800	10,486,400
Total	\$47,927,400	\$47,904,000	\$46,613,600	\$351,900	\$46,965,500
State	34,230,900	34,953,700	33,663,300	351,900	34,015,200
Federal	1,147,200	1,519,600	1,519,600	0	1,519,600
Other	12,549,300	11,430,700	11,430,700	0	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	445	446	445	1	446
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	445	446	445	1	446
Payroll	26,117,200	29,521,800	29,410,700	111,100	29,521,800
Operational	6,926,900	7,752,000	6,625,100	240,700	6,865,800
Total	\$33,044,100	\$37,273,800	\$36,035,800	\$351,800	\$36,387,600
State	20,371,800	26,711,900	25,473,900	351,800	25,825,700
Federal	429,500	748,800	748,800	0	748,800
Other	12,242,800	9,813,100	9,813,100	0	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	460	461	460	1	461
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	460	461	460	1	461
Payroll	24,837,000	26,962,900	26,851,800	111,100	26,962,900
Operational	10,923,200	9,794,100	8,654,500	240,800	8,895,300
Total	\$35,760,200	\$36,757,000	\$35,506,300	\$351,900	\$35,858,200

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
State	24,440,100	24,504,200	23,253,500	351,900	23,605,400
Federal	2,507,800	2,932,900	2,932,900	0	2,932,900
Other	8,812,300	9,319,900	9,319,900	0	9,319,900

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	186	186	186	0	186
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	186	186	186	0	186
Payroll	11,816,200	13,276,300	13,276,300	0	13,276,300
Operational	5,344,100	6,668,800	5,575,400	0	5,575,400
Total	\$17,160,300	\$19,945,100	\$18,851,700	\$0	\$18,851,700
State	12,945,900	16,357,300	15,263,900	0	15,263,900
Federal	756,400	724,500	724,500	0	724,500
Other	3,458,000	2,863,300	2,863,300	0	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	387,200	450,000	450,000	0	450,000
Total	\$387,200	\$450,000	\$450,000	\$0	\$450,000
State	387,200	450,000	450,000	0	450,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

339.00 Total Mental Health and Substance Abuse Services

Full-Time	1,865	1,840	1,833	7	1,840
Part-Time	5	5	5	0	5
Seasonal	0	0	0	0	0
Total	1,870	1,845	1,838	7	1,845
Payroll	113,112,500	121,090,600	120,274,600	774,800	121,049,400
Operational	198,394,200	215,930,800	208,680,700	25,509,100	234,189,800
Total	\$311,506,700	\$337,021,400	\$328,955,300	\$26,283,900	\$355,239,200
State	203,888,100	222,882,000	215,230,100	26,283,900	241,514,000
Federal	56,375,700	67,491,400	67,190,800	0	67,190,800
Other	51,242,900	46,648,000	46,534,400	0	46,534,400

Statistical Data Mental Health Institutes

	<u>Lakeshore*</u> 339.10	<u>Middle Tennessee</u> 339.11	<u>Western</u> 339.12	<u>Moccasin Bend</u> 339.16	<u>Memphis</u> 339.17	<u>Total</u>
Annual Admissions						
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	3,816	1,020	2,917	1,520	9,273
2016-2017	0	3,800	1,050	2,900	1,500	9,250
2017-2018	0	3,800	1,050	2,900	1,500	9,250
Annual Releases						
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	3,802	1,002	2,925	1,527	9,256
2016-2017	0	3,800	1,050	2,900	1,500	9,250
2017-2018	0	3,800	1,050	2,900	1,500	9,250
Average Daily Census						
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	174	137	130	48	489
2016-2017	0	174	137	130	48	489
2017-2018	0	174	137	130	48	489
Cost Per Occupancy Day**						
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	\$752.58	\$659.01	\$751.58	\$976.79	\$748.11
2016-2017	\$0.00	\$754.27	\$745.40	\$774.65	\$1,138.42	\$794.91
2017-2018	\$0.00	\$739.50	\$727.68	\$755.70	\$1,076.01	\$773.53

* 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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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	312	309	295	5	300
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	312	309	295	5	300
Payroll	18,804,600	27,610,800	26,072,200	626,800	26,699,000
Operational	8,771,800	5,419,900	5,672,100	221,200	5,893,300
Total	\$27,576,400	\$33,030,700	\$31,744,300	\$848,000	\$32,592,300
State	20,605,300	25,420,800	24,202,900	848,000	25,050,900
Federal	6,231,000	6,926,000	6,926,000	0	6,926,000
Other	740,100	683,900	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 monitor 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	179	181	181	6	187
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	179	181	181	6	187

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
Payroll	12,274,000	13,841,900	13,899,900	611,400	14,511,300
Operational	5,336,300	5,177,700	4,916,100	5,264,600	10,180,700
Total	\$17,610,300	\$19,019,600	\$18,816,000	\$5,876,000	\$24,692,000
State	7,127,300	9,651,900	9,390,800	5,876,000	15,266,800
Federal	9,282,800	8,159,200	8,216,700	0	8,216,700
Other	1,200,200	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	87,100	87,600	87,600	0	87,600
Operational	7,781,100	8,412,400	8,412,400	0	8,412,400
Total	\$7,868,200	\$8,500,000	\$8,500,000	\$0	\$8,500,000
State	7,868,200	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	1,001,900	1,170,300	1,170,300	0	1,170,300
Operational	491,900	947,200	945,800	0	945,800
Total	\$1,493,800	\$2,117,500	\$2,116,100	\$0	\$2,116,100
State	200	43,800	42,400	0	42,400
Federal	4,700	53,200	53,200	0	53,200
Other	1,488,900	2,020,500	2,020,500	0	2,020,500

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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	136	141	141	4	145
Part-Time	186	197	197	0	197
Seasonal	0	0	0	0	0
Total	322	338	338	4	342
Payroll	9,062,700	9,916,700	9,916,700	351,100	10,267,800
Operational	5,774,000	8,608,500	8,589,100	48,100	8,637,200
Total	\$14,836,700	\$18,525,200	\$18,505,800	\$399,200	\$18,905,000
State	14,705,600	16,232,100	16,212,700	399,200	16,611,900
Federal	2,700	0	0	0	0
Other	128,400	2,293,100	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: Laboratory Services; Policy, Planning and Assessment; 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 offers microbiological and environmental laboratory services for the Department of Health and other state agencies. These services include screening and confirmation tests for disease outbreak investigation, sexually transmitted diseases, tuberculosis, HIV, mosquito-borne viruses, animal rabies, biological and chemical contaminants, and suspect foods. Reference and limited microbiological support is provided to hospitals, private physicians, and private laboratories. The division also provides analytical support to the department's prevention and treatment programs and to environmental regulatory programs.

Full-Time	142	161	161	0	161
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	142	161	161	0	161
Payroll	8,632,700	10,917,800	11,009,700	0	11,009,700
Operational	13,146,800	13,088,700	13,081,900	0	13,081,900
Total	\$21,779,500	\$24,006,500	\$24,091,600	\$0	\$24,091,600
State	8,095,600	7,162,500	7,155,700	0	7,155,700
Federal	2,535,400	2,012,500	2,012,500	0	2,012,500
Other	11,148,500	14,831,500	14,923,400	0	14,923,400

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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	121	125	123	0	123
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	121	125	123	0	123
Payroll	6,829,700	7,978,000	7,832,500	0	7,832,500
Operational	2,700,800	4,039,400	4,034,300	0	4,034,300
Total	\$9,530,500	\$12,017,400	\$11,866,800	\$0	\$11,866,800
State	2,757,100	3,541,200	3,390,600	0	3,390,600
Federal	2,027,200	3,421,000	3,421,000	0	3,421,000
Other	4,746,200	5,055,200	5,055,200	0	5,055,200

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	106	105	105	2	107
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	106	105	105	2	107
Payroll	6,831,500	7,675,900	7,675,900	195,500	7,871,400
Operational	4,357,700	4,842,300	4,836,600	54,900	4,891,500
Total	\$11,189,200	\$12,518,200	\$12,512,500	\$250,400	\$12,762,900
State	11,084,400	12,344,600	12,338,900	250,400	12,589,300
Federal	50,000	85,000	85,000	0	85,000
Other	54,800	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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
Full-Time	95	100	100	0	100
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	95	100	100	0	100
Payroll	5,895,800	7,890,300	7,840,700	0	7,840,700
Operational	33,217,700	36,408,600	35,061,500	1,500,000	36,561,500
Total	\$39,113,500	\$44,298,900	\$42,902,200	\$1,500,000	\$44,402,200
State	13,673,400	10,452,600	8,899,300	1,500,000	10,399,300
Federal	21,645,500	25,898,500	26,026,800	0	26,026,800
Other	3,794,600	7,947,800	7,976,100	0	7,976,100

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; and 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	187	187	187	0	187
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	187	187	187	0	187
Payroll	11,774,800	16,418,600	16,418,600	0	16,418,600
Operational	56,881,900	52,063,300	52,053,200	0	52,053,200
Total	\$68,656,700	\$68,481,900	\$68,471,800	\$0	\$68,471,800
State	12,638,700	10,961,700	10,951,600	0	10,951,600
Federal	31,811,500	37,687,500	29,687,500	0	29,687,500
Other	24,206,500	19,832,700	27,832,700	0	27,832,700

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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
Full-Time	24	22	22	0	22
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	24	22	22	0	22
Payroll	1,402,600	1,559,300	1,559,300	0	1,559,300
Operational	14,813,100	20,590,600	12,718,100	228,100	12,946,200
Total	\$16,215,700	\$22,149,900	\$14,277,400	\$228,100	\$14,505,500
State	12,826,500	15,896,400	8,043,300	228,100	8,271,400
Federal	1,283,700	1,564,300	1,564,300	0	1,564,300
Other	2,105,500	4,689,200	4,669,800	0	4,669,800

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	19	22	22	0	22
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	19	22	22	0	22
Payroll	1,084,900	1,600,400	1,747,300	0	1,747,300
Operational	116,560,800	138,864,500	140,132,700	0	140,132,700
Total	\$117,645,700	\$140,464,900	\$141,880,000	\$0	\$141,880,000
State	0	0	0	0	0
Federal	74,730,100	95,331,900	96,747,000	0	96,747,000
Other	42,915,600	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 outreach; and supplemental foods, screening, and counseling through the WIC program, described above.

Full-Time	1,648	1,650	1,637	1	1,638
Part-Time	2	3	3	0	3
Seasonal	0	0	0	0	0
Total	1,650	1,653	1,640	1	1,641
Payroll	97,733,900	112,200,100	110,625,100	66,500	110,691,600
Operational	111,498,900	113,859,400	103,205,200	5,383,500	108,588,700
Total	\$209,232,800	\$226,059,500	\$213,830,300	\$5,450,000	\$219,280,300

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
State	68,294,600	86,269,400	72,490,400	5,450,000	77,940,400
Federal	69,857,500	69,871,500	70,567,600	0	70,567,600
Other	71,080,700	69,918,600	70,772,300	0	70,772,300
343.00 Total Health					
Full-Time	2,987	3,021	2,992	18	3,010
Part-Time	201	213	213	0	213
Seasonal	0	0	0	0	0
Total	3,188	3,234	3,205	18	3,223
Payroll	181,416,200	218,867,700	215,855,800	1,851,300	217,707,100
Operational	381,332,800	412,322,500	393,659,000	12,700,400	406,359,400
Total	\$562,749,000	\$631,190,200	\$609,514,800	\$14,551,700	\$624,066,500
State	179,676,900	206,477,000	181,618,600	14,551,700	196,170,300
Federal	219,462,100	251,010,600	245,307,600	0	245,307,600
Other	163,610,000	173,702,600	182,588,600	0	182,588,600

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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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Administration

344.01 Intellectual Disabilities Services Administration

Intellectual Disabilities Services Administration is responsible for oversight of the Harold Jordan Center, 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	277	236	232	1	233
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	277	236	232	1	233
Payroll	19,800,100	18,066,000	17,867,000	52,700	17,919,700
Operational	7,726,900	12,936,200	7,630,200	515,600	8,145,800
Total	\$27,527,000	\$31,002,200	\$25,497,200	\$568,300	\$26,065,500
State	2,135,200	1,571,300	1,573,300	2,600	1,575,900
Federal	0	0	0	0	0
Other	25,391,800	29,430,900	23,923,900	565,700	24,489,600

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.

Full-Time	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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
Payroll	0	0	0	0	0
Operational	17,426,200	17,543,400	16,960,900	98,000	17,058,900
Total	\$17,426,200	\$17,543,400	\$16,960,900	\$98,000	\$17,058,900
State	12,103,400	13,104,300	12,459,800	0	12,459,800
Federal	0	0	0	0	0
Other	5,322,800	4,439,100	4,501,100	98,000	4,599,100

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	62	63	62	3	65
Part-Time	1	0	0	0	0
Seasonal	0	0	0	0	0
Total	63	63	62	3	65
Payroll	4,587,600	4,791,600	4,665,500	182,400	4,847,900
Operational	529,300	520,900	552,400	8,600	561,000
Total	\$5,116,900	\$5,312,500	\$5,217,900	\$191,000	\$5,408,900
State	0	288,700	288,300	0	288,300
Federal	0	0	0	0	0
Other	5,116,900	5,023,800	4,929,600	191,000	5,120,600

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	147	130	125	0	125
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	147	130	125	0	125
Payroll	9,710,400	9,443,300	9,174,200	0	9,174,200
Operational	2,139,600	2,352,200	1,703,100	5,500	1,708,600
Total	\$11,850,000	\$11,795,500	\$10,877,300	\$5,500	\$10,882,800
State	1,201,700	1,634,500	1,283,600	0	1,283,600
Federal	0	0	0	0	0
Other	10,648,300	10,161,000	9,593,700	5,500	9,599,200

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	119	119	117	0	117
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	119	119	117	0	117

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
Payroll	7,586,600	8,233,900	8,088,900	0	8,088,900
Operational	3,712,100	2,700,400	2,439,100	12,300	2,451,400
Total	\$11,298,700	\$10,934,300	\$10,528,000	\$12,300	\$10,540,300
State	1,001,600	521,700	521,000	0	521,000
Federal	0	0	0	0	0
Other	10,297,100	10,412,600	10,007,000	12,300	10,019,300

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	102	127	125	0	125
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	102	127	125	0	125
Payroll	6,837,500	9,820,800	8,604,400	0	8,604,400
Operational	1,688,800	2,007,100	1,525,200	9,600	1,534,800
Total	\$8,526,300	\$11,827,900	\$10,129,600	\$9,600	\$10,139,200
State	230,400	514,300	510,000	0	510,000
Federal	0	0	0	0	0
Other	8,295,900	11,313,600	9,619,600	9,600	9,629,200

344.35 Seating and Positioning Clinics

Three assistive technology clinics, located in East, Middle, and West Tennessee, and one mobile clinic serving the entire state provide custom wheelchairs and positioning equipment to individuals with intellectual and developmental disabilities.

Full-Time	26	28	29	0	29
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	26	28	29	0	29
Payroll	1,422,100	2,088,500	2,085,300	0	2,085,300
Operational	932,000	1,672,700	1,273,500	99,000	1,372,500
Total	\$2,354,100	\$3,761,200	\$3,358,800	\$99,000	\$3,457,800
State	1,615,200	3,010,000	2,690,700	74,000	2,764,700
Federal	0	0	0	25,000	25,000
Other	738,900	751,200	668,100	0	668,100

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	208	217	222	3	225
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	208	217	222	3	225

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
Payroll	10,976,300	12,863,200	12,883,700	172,800	13,056,500
Operational	5,991,100	5,659,400	5,138,500	179,000	5,317,500
Total	\$16,967,400	\$18,522,600	\$18,022,200	\$351,800	\$18,374,000
State	0	0	35,300	150,000	185,300
Federal	0	0	0	0	0
Other	16,967,400	18,522,600	17,986,900	201,800	18,188,700

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	175	172	174	0	174
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	175	172	174	0	174
Payroll	6,670,600	8,982,400	9,107,300	0	9,107,300
Operational	5,183,600	5,014,300	4,762,500	3,000	4,765,500
Total	\$11,854,200	\$13,996,700	\$13,869,800	\$3,000	\$13,872,800
State	1,077,100	95,900	95,900	0	95,900
Federal	0	0	0	0	0
Other	10,777,100	13,900,800	13,773,900	3,000	13,776,900

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	244	248	248	6	254
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	244	248	248	6	254
Payroll	11,681,500	12,623,100	12,857,100	276,300	13,133,400
Operational	5,010,900	5,774,100	5,788,300	18,500	5,806,800
Total	\$16,692,400	\$18,397,200	\$18,645,400	\$294,800	\$18,940,200
State	0	56,000	349,200	0	349,200
Federal	0	0	0	0	0
Other	16,692,400	18,341,200	18,296,200	294,800	18,591,000

Developmental Centers

The department currently operates one developmental center, which provides residential support and services to adults who have intellectual disabilities and who require facility-based long-term care. The 24-hour care is to improve the physical, intellectual, social, and emotional capabilities of adults and children with severe intellectual disabilities.

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.

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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	1,059,400	0	0	0	0
Operational	2,061,800	0	0	0	0
Total	\$3,121,200	\$0	\$0	\$0	\$0
State	197,400	0	0	0	0
Federal	0	0	0	0	0
Other	2,923,800	0	0	0	0

344.12 Greene Valley Developmental Center

Greene Valley Developmental Center was established in Greeneville in 1960 and is licensed for 70 beds. Greene Valley Developmental Center is scheduled to close in fiscal year 2016-2017.

Full-Time	567	452	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	567	452	0	0	0
Payroll	25,142,900	17,062,500	0	0	0
Operational	12,617,000	9,515,800	0	0	0
Total	\$37,759,900	\$26,578,300	\$0	\$0	\$0
State	908,500	277,900	0	0	0
Federal	0	0	0	0	0
Other	36,851,400	26,300,400	0	0	0

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 28 beds.

Full-Time	66	90	91	16	107
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	66	90	91	16	107
Payroll	3,537,800	4,181,000	4,365,300	511,100	4,876,400
Operational	2,755,400	3,075,800	2,649,100	15,200	2,664,300
Total	\$6,293,200	\$7,256,800	\$7,014,400	\$526,300	\$7,540,700
State	4,482,100	4,187,700	4,045,400	300,000	4,345,400
Federal	0	0	0	0	0
Other	1,811,100	3,069,100	2,969,000	226,300	3,195,300

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.

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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	102,500	100,000	100,000	0	100,000
Total	\$102,500	\$100,000	\$100,000	\$0	\$100,000
State	100,000	100,000	100,000	0	100,000
Federal	0	0	0	0	0
Other	2,500	0	0	0	0
344.00 Total Intellectual and Developmental Disabilities					
Full-Time	1,993	1,882	1,425	29	1,454
Part-Time	1	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,994	1,882	1,425	29	1,454
Payroll	109,012,800	108,156,300	89,698,700	1,195,300	90,894,000
Operational	67,877,200	68,872,300	50,522,800	964,300	51,487,100
Total	\$176,890,000	\$177,028,600	\$140,221,500	\$2,159,600	\$142,381,100
State	25,052,600	25,362,300	23,952,500	526,600	24,479,100
Federal	0	0	0	25,000	25,000
Other	151,837,400	151,666,300	116,269,000	1,608,000	117,877,000

Statistical Data
Intellectual Disabilities Developmental Centers

	Arlington 344.10	Clover Bottom 344.11*	Greene Valley 344.12	Total
Annual Admissions				
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	9	0	9
2016-2017	0	0	0	0
2017-2018	0	0	0	0
Annual Releases				
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	26	21	47
2016-2017	0	0	58	58
2017-2018	0	0	0	0
Average Daily Census				
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	25	72	97
2016-2017	0	21	47	68
2017-2018	0	21	0	21
Cost Per Occupancy Day**				
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	\$1,028.90	\$1,432.90	\$1,328.78
2016-2017	\$0.00	\$946.74	\$1,549.30	\$1,363.22
2017-2018	\$0.00	\$983.78	\$0.00	\$983.78

* 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 <u>344.40</u>	Middle Tennessee <u>344.41</u>	East Tennessee <u>344.42</u>	<u>Total</u>
Annual Admissions				
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
2017-2018	0	0	0	0
Annual Releases				
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
2017-2018	0	0	0	0
Average Daily Census				
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	31	63	142
2016-2017	48	36	64	148
2017-2018	48	36	64	148
Cost Per Occupancy Day*				
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	\$965.81	\$1,044.79	\$723.93	\$875.74
2016-2017	\$1,057.23	\$1,065.20	\$787.55	\$942.55
2017-2018	\$1,048.74	\$1,055.77	\$810.80	\$947.56

* 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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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Administration

Administration provides departmental support services, operates county field offices, supervises a quality control system, provides a mechanism for appeals and hearings, and conducts investigations for fraud and abuse.

345.01 Administration

Administration provides the basic infrastructure of administrative services to support the performance objectives of the departmental programs. Services include fiscal, audit, technology, and personnel.

Full-Time	530	453	302	0	302
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	530	453	302	0	302
Payroll	31,432,800	36,859,200	23,159,900	0	23,159,900
Operational	33,075,200	34,803,900	48,487,600	152,700	48,640,300
Total	\$64,508,000	\$71,663,100	\$71,647,500	\$152,700	\$71,800,200
State	25,380,800	29,440,500	29,432,000	74,400	29,506,400
Federal	34,974,100	34,493,500	34,828,200	78,300	34,906,500
Other	4,153,100	7,729,100	7,387,300	0	7,387,300

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	89	88	0	88
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	97	89	88	0	88
Payroll	5,237,400	6,141,900	6,087,800	0	6,087,800
Operational	357,600	698,500	750,100	0	750,100
Total	\$5,595,000	\$6,840,400	\$6,837,900	\$0	\$6,837,900
State	2,300,700	3,744,100	3,742,800	0	3,742,800
Federal	3,221,900	2,844,200	2,843,100	0	2,843,100
Other	72,400	252,100	252,000	0	252,000

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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	16,001,200	16,574,700	16,274,700	0	16,274,700
Total	\$16,001,200	\$16,574,700	\$16,274,700	\$0	\$16,274,700
State	7,741,500	7,812,500	7,812,500	0	7,812,500
Federal	7,531,700	7,318,400	7,318,400	0	7,318,400
Other	728,000	1,443,800	1,143,800	0	1,143,800

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 the Supplemental Nutrition Assistance Program (SNAP).

Full-Time	124	124	124	0	124
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	124	124	124	0	124
Payroll	8,503,400	9,857,700	8,857,700	0	8,857,700
Operational	777,300	1,412,300	1,408,200	0	1,408,200
Total	\$9,280,700	\$11,270,000	\$10,265,900	\$0	\$10,265,900
State	4,822,300	4,981,000	4,978,800	0	4,978,800
Federal	4,407,200	5,268,000	5,266,400	0	5,266,400
Other	51,200	1,021,000	20,700	0	20,700

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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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 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	88,402,400	178,795,600	178,795,600	0	178,795,600
Total	\$88,402,400	\$178,795,600	\$178,795,600	\$0	\$178,795,600
State	19,259,100	19,307,200	19,307,200	0	19,307,200
Federal	63,059,300	153,088,400	153,088,400	0	153,088,400
Other	6,084,000	6,400,000	6,400,000	0	6,400,000

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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345.23 Temporary Cash Assistance

The Temporary Cash Assistance program provides cash payments to low-income families to enable them to become self-sufficient. Qualified applicants are issued a cash benefit based on household size and income. Benefits are distributed to individuals through the use of an Electronic Benefits Transfer (EBT) card.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	65,874,200	112,965,500	112,965,500	0	112,965,500
Total	\$65,874,200	\$112,965,500	\$112,965,500	\$0	\$112,965,500
State	13,900,700	13,968,900	13,968,900	0	13,968,900
Federal	51,973,500	98,896,600	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	1,722,383,300	1,909,112,700	1,909,112,700	0	1,909,112,700
Total	\$1,722,383,300	\$1,909,112,700	\$1,909,112,700	\$0	\$1,909,112,700
State	0	0	0	0	0
Federal	1,722,383,300	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	2,112	2,112	2,112	0	2,112
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2,112	2,112	2,112	0	2,112

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
Payroll	99,156,400	115,196,600	111,555,000	0	111,555,000
Operational	49,603,300	64,657,900	67,503,100	0	67,503,100
Total	\$148,759,700	\$179,854,500	\$179,058,100	\$0	\$179,058,100
State	67,969,100	72,753,500	74,765,300	0	74,765,300
Federal	72,284,800	95,477,600	95,462,800	0	95,462,800
Other	8,505,800	11,623,400	8,830,000	0	8,830,000

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.

Full-Time	434	436	436	0	436
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	434	436	436	0	436
Payroll	21,106,300	26,069,200	25,935,300	0	25,935,300
Operational	113,756,900	118,510,000	116,789,600	0	116,789,600
Total	\$134,863,200	\$144,579,200	\$142,724,900	\$0	\$142,724,900
State	5,338,600	6,679,500	5,670,000	0	5,670,000
Federal	125,013,000	131,934,700	131,548,600	0	131,548,600
Other	4,511,600	5,965,000	5,506,300	0	5,506,300

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	142	101	100	0	100
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	142	101	100	0	100
Payroll	8,188,100	6,994,300	6,916,000	0	6,916,000
Operational	71,187,500	83,008,600	83,080,000	122,600	83,202,600
Total	\$79,375,600	\$90,002,900	\$89,996,000	\$122,600	\$90,118,600

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
State	15,641,900	14,739,700	14,737,400	41,700	14,779,100
Federal	36,845,500	49,053,400	49,048,800	80,900	49,129,700
Other	26,888,200	26,209,800	26,209,800	0	26,209,800

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 Services 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.

Full-Time	608	608	592	0	592
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	608	608	592	0	592
Payroll	23,748,300	34,301,200	33,368,700	0	33,368,700
Operational	39,181,500	42,536,800	42,062,900	0	42,062,900
Total	\$62,929,800	\$76,838,000	\$75,431,600	\$0	\$75,431,600
State	9,438,400	12,671,900	11,128,100	0	11,128,100
Federal	43,431,700	52,802,700	56,940,100	0	56,940,100
Other	10,059,700	11,363,400	7,363,400	0	7,363,400

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	468	483	472	0	472
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	468	483	472	0	472
Payroll	21,561,900	28,435,000	27,631,500	0	27,631,500
Operational	28,608,800	37,368,600	36,319,100	0	36,319,100
Total	\$50,170,700	\$65,803,600	\$63,950,600	\$0	\$63,950,600
State	22,100	0	0	0	0
Federal	50,148,600	63,960,300	63,950,600	0	63,950,600
Other	0	1,843,300	0	0	0

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
345.00 Total Human Services					
Full-Time	4,515	4,406	4,226	0	4,226
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	4,515	4,406	4,226	0	4,226
Payroll	218,934,600	263,855,100	243,511,900	0	243,511,900
Operational	2,229,209,200	2,600,445,100	2,613,549,100	275,300	2,613,824,400
Total	\$2,448,143,800	\$2,864,300,200	\$2,857,061,000	\$275,300	\$2,857,336,300
State	171,815,200	186,098,800	185,543,000	116,100	185,659,100
Federal	2,215,274,600	2,604,250,500	2,608,304,700	159,200	2,608,463,900
Other	61,054,000	73,950,900	63,213,300	0	63,213,300

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, CoverKids, and CoverRx.

<u>Actual</u> <u>2015-2016</u>	<u>Estimated</u> <u>2016-2017</u>	<u>Base</u> <u>2017-2018</u>	<u>Cost Increase</u> <u>2017-2018</u>	<u>Recommended</u> <u>2017-2018</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	964,600	1,113,100	1,113,100	0	1,113,100
Operational	8,068,100	7,725,500	7,725,100	0	7,725,100
Total	\$9,032,700	\$8,838,600	\$8,838,200	\$0	\$8,838,200
State	649,000	547,900	547,700	0	547,700
Federal	7,686,900	8,040,200	8,040,200	0	8,040,200
Other	696,800	250,500	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	3,949,100	0	0	0	0
Total	\$3,949,100	\$0	\$0	\$0	\$0

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
State	3,949,100	0	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	156,972,700	239,817,800	213,817,600	0	213,817,600
Total	\$156,972,700	\$239,817,800	\$213,817,600	\$0	\$213,817,600
State	8,429,700	3,613,000	2,187,600	0	2,187,600
Federal	145,471,300	235,342,900	210,768,100	0	210,768,100
Other	3,071,700	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	9,453,000	11,298,400	11,154,800	0	11,154,800
Total	\$9,453,000	\$11,298,400	\$11,154,800	\$0	\$11,154,800
State	9,196,800	9,998,400	9,554,800	0	9,554,800
Federal	0	0	0	0	0
Other	256,200	1,300,000	1,600,000	0	1,600,000

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
350.00 Total Finance and Administration, 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	964,600	1,113,100	1,113,100	0	1,113,100
Operational	178,442,900	258,841,700	232,697,500	0	232,697,500
Total	\$179,407,500	\$259,954,800	\$233,810,600	\$0	\$233,810,600
State	22,224,600	14,159,300	12,290,100	0	12,290,100
Federal	153,158,200	243,383,100	218,808,300	0	218,808,300
Other	4,024,700	2,412,400	2,712,200	0	2,712,200

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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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	449	450	350	0	350
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	449	450	350	0	350
Payroll	33,000,700	36,654,200	27,836,700	0	27,836,700
Operational	19,818,400	18,451,000	27,053,300	6,250,000	33,303,300
Total	\$52,819,100	\$55,105,200	\$54,890,000	\$6,250,000	\$61,140,000
State	30,325,600	31,691,700	31,667,900	6,250,000	37,917,900
Federal	6,026,400	6,465,100	6,426,600	0	6,426,600
Other	16,467,100	16,948,400	16,795,500	0	16,795,500

Child Welfare

Child Welfare provides a variety of services that support families with children that are at risk of coming into state custody, ensures that children who enter state custody are provided with appropriate treatment and care, assists with adoptions of special needs children, and manages cases of children and families in an appropriate and timely manner.

359.20 Family Support Services

The Family Support Services program provides services to children that are at risk of entering state custody. Crisis intervention services are provided both to parents with difficulty raising their children and to unruly children on a path to youth detention. The goal of these services is to assist children to successfully remain in their homes. If children cannot be raised by their parents, a relative caregiver program attempts to support placement of children in the homes of other family members.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	37,708,100	38,642,200	38,642,200	0	38,642,200
Total	\$37,708,100	\$38,642,200	\$38,642,200	\$0	\$38,642,200

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
State	25,977,500	23,910,000	23,910,000	0	23,910,000
Federal	5,811,800	12,232,200	12,232,200	0	12,232,200
Other	5,918,800	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	297,499,900	289,084,900	290,909,900	2,896,100	293,806,000
Total	\$297,499,900	\$289,099,900	\$290,924,900	\$2,896,100	\$293,821,000
State	72,480,000	75,793,700	75,364,700	1,201,500	76,566,200
Federal	44,888,800	51,422,300	52,117,800	515,600	52,633,400
Other	180,131,100	161,883,900	163,442,400	1,179,000	164,621,400

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	4,966,900	4,119,700	4,119,700	0	4,119,700
Total	\$4,966,900	\$4,119,700	\$4,119,700	\$0	\$4,119,700
State	4,119,700	4,119,700	4,119,700	0	4,119,700
Federal	0	0	0	0	0
Other	847,200	0	0	0	0

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

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
Payroll	0	15,000	15,000	0	15,000
Operational	94,206,300	93,699,200	93,699,200	5,466,500	99,165,700
Total	\$94,206,300	\$93,714,200	\$93,714,200	\$5,466,500	\$99,180,700
State	47,425,400	46,941,900	46,515,000	2,798,800	49,313,800
Federal	46,780,900	46,695,800	47,122,700	2,667,700	49,790,400
Other	0	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	3,296	3,338	3,333	39	3,372
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	3,296	3,338	3,333	39	3,372
Payroll	193,949,500	205,522,900	205,332,800	2,221,200	207,554,000
Operational	52,743,900	49,846,200	48,228,700	585,000	48,813,700
Total	\$246,693,400	\$255,369,100	\$253,561,500	\$2,806,200	\$256,367,700
State	87,133,600	91,406,000	89,949,700	1,052,400	91,002,100
Federal	25,769,900	45,437,900	45,368,900	280,500	45,649,400
Other	133,789,900	118,525,200	118,242,900	1,473,300	119,716,200

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.

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	215	199	199	0	199
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	216	200	200	0	200

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
Payroll	10,443,400	10,830,900	10,830,900	11,700	10,842,600
Operational	2,509,900	2,453,000	2,447,400	0	2,447,400
Total	\$12,953,300	\$13,283,900	\$13,278,300	\$11,700	\$13,290,000
State	12,598,200	12,887,800	12,875,200	11,700	12,886,900
Federal	0	0	0	0	0
Other	355,100	396,100	403,100	0	403,100

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	100	93	93	0	93
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	100	93	93	0	93
Payroll	5,677,000	5,361,800	5,361,800	11,700	5,373,500
Operational	1,990,900	1,860,700	1,469,000	0	1,469,000
Total	\$7,667,900	\$7,222,500	\$6,830,800	\$11,700	\$6,842,500
State	7,388,100	6,788,500	6,776,100	11,700	6,787,800
Federal	0	0	0	0	0
Other	279,800	434,000	54,700	0	54,700

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	190	163	132	0	132
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	190	163	132	0	132
Payroll	8,880,900	8,963,000	7,679,700	3,600	7,683,300
Operational	2,150,500	1,782,800	1,508,800	0	1,508,800
Total	\$11,031,400	\$10,745,800	\$9,188,500	\$3,600	\$9,192,100
State	10,743,500	10,354,200	8,902,900	3,600	8,906,500
Federal	0	0	0	0	0
Other	287,900	391,600	285,600	0	285,600

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

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
Payroll	0	0	0	0	0
Operational	258,900	385,100	385,100	0	385,100
Total	\$258,900	\$385,100	\$385,100	\$0	\$385,100
State	258,900	370,100	370,100	0	370,100
Federal	0	0	0	0	0
Other	0	15,000	15,000	0	15,000
359.00 Total Children's Services					
Full-Time	4,250	4,243	4,107	39	4,146
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	4,251	4,244	4,108	39	4,147
Payroll	251,951,500	267,362,800	257,071,900	2,248,200	259,320,100
Operational	513,853,700	500,324,800	508,463,300	15,197,600	523,660,900
Total	\$765,805,200	\$767,687,600	\$765,535,200	\$17,445,800	\$782,981,000
State	298,450,500	304,263,600	300,451,300	11,329,700	311,781,000
Federal	129,277,800	162,253,300	163,268,200	3,463,800	166,732,000
Other	338,076,900	301,170,700	301,815,700	2,652,300	304,468,000

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						
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	156	0	32	112	0	300
2017-2018	156	0	32	112	0	300
Annual Releases						
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	152	0	36	102	0	290
2017-2018	152	0	36	102	0	290
Average Daily Census						
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	116	0	30	40	0	186
2017-2018	116	0	30	40	0	186
Cost Per Occupancy Day *						
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	\$266.10	\$0.00	\$551.33	\$396.58	\$0.00	\$350.13
2016-2017	\$313.74	\$0.00	\$659.59	\$736.01	\$0.00	\$460.34
2017-2018	\$313.89	\$0.00	\$624.89	\$629.58	\$0.00	\$431.94

* Last column indicates average cost per day for all institutions.

Law, Safety, and Correction



Law, Safety, and Correction

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Law, Safety, and Correction

Recommended Budget, Fiscal Year 2017 – 2018

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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Recommended 2017-2018</u>
Personnel			
Full-Time	11,907	12,042	12,145
Part-Time	97	98	98
Seasonal	4	4	0
TOTAL	12,008	12,144	12,243
Expenditures			
Payroll	\$ 765,122,300	\$ 857,467,100	\$ 870,384,600
Operational	919,284,600	951,474,300	959,407,600
TOTAL	\$ 1,684,406,900	\$ 1,808,941,400	\$ 1,829,792,200
Funding			
State	\$ 1,337,409,700	\$ 1,477,576,000	\$ 1,520,991,600
Federal	140,415,800	126,853,600	122,763,200
Other	206,581,400	204,511,800	186,037,400
Tuition/Fees	0	0	0

Law, Safety and Correction
Recommended Budget for Fiscal Year 2017-2018
By Funding Source

Department	State	Federal	Other	Total
302.00 Court System	134,886,000	980,000	5,996,300	141,862,300
303.00 Attorney General and Reporter	28,698,500	0	12,937,200	41,635,700
304.00 District Attorneys General Conference	91,408,100	0	37,919,400	129,327,500
306.00 District Public Defenders Conference	56,008,800	0	576,000	56,584,800
308.00 Office of the Post-Conviction Defender	2,512,300	0	0	2,512,300
316.03 Alcoholic Beverage Commission	0	27,000	8,665,800	8,692,800
316.08 TRICOR	0	0	30,251,800	30,251,800
324.00 Board of Parole	7,767,100	0	1,000	7,768,100
329.00 Correction	969,964,400	353,300	15,067,900	985,385,600
341.00 Military Department	24,614,400	86,344,900	4,046,600	115,005,900
348.00 Tennessee Bureau of Investigation	46,158,400	10,616,800	19,874,600	76,649,800
349.00 Safety	158,973,600	24,441,200	50,700,800	234,115,600
Total	\$1,520,991,600	\$122,763,200	\$186,037,400	\$1,829,792,200

Law, Safety and Correction
Cost Increases for Fiscal Year 2017-2018

	<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, 2017.					
302.01 Appellate and Trial Courts	\$508,700	\$0	\$0	\$508,700	0
Sub-total	\$508,700	\$0	\$0	\$508,700	0
• Tennessee Judicial Conference Funding					
To provide recurring funding for travel and other expenses for judges to attend judicial conferences.					
302.18 Judicial Conference	\$150,000	\$0	\$0	\$150,000	0
Sub-total	\$150,000	\$0	\$0	\$150,000	0
• Senior Judge Program					
To provide recurring funding and a law clerk position for the business court.					
302.01 Appellate and Trial Courts	\$104,200	\$0	\$0	\$104,200	1
Sub-total	\$104,200	\$0	\$0	\$104,200	1
• Courtroom Security					
To provide non-recurring funding for grants to counties to implement or improve security systems in courtrooms.					
302.01 Appellate and Trial Courts	\$2,000,000	\$0	\$0	\$2,000,000	0
Sub-total	\$2,000,000	\$0	\$0	\$2,000,000	0
• Court Improvement Program					
To provide recurring funding to replace a loss of federal funds for data collection and training for Juvenile Courts.					
302.27 Administrative Office of the Courts	\$364,000	\$0	\$0	\$364,000	0
Sub-total	\$364,000	\$0	\$0	\$364,000	0
Total Court System	\$3,126,900	\$0	\$0	\$3,126,900	1

Law, Safety and Correction
Cost Increases for Fiscal Year 2017-2018

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
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	\$2,800	\$0	\$0	\$2,800	0
Sub-total	\$2,800	\$0	\$0	\$2,800	0
Total Attorney General and Reporter	\$2,800	\$0	\$0	\$2,800	0
District Attorneys General Conference					
• Statutory Salary Step Raises					
To provide recurring funding for the assistant district attorneys' and criminal investigators' salary increases 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	\$1,268,600	\$0	\$181,000	\$1,449,600	0
304.10 Executive Director	\$0	\$0	\$3,900	\$3,900	0
304.15 IV-D Child Support Enforcement	\$0	\$0	\$122,600	\$122,600	0
Sub-total	\$1,268,600	\$0	\$307,500	\$1,576,100	0
• Prosecution Staffing					
To provide recurring funding for seven assistant district attorneys, ten criminal secretaries, six assistant victim witness coordinators, and four criminal investigators.					
304.01 District Attorneys General	\$2,198,200	\$0	\$0	\$2,198,200	27
304.05 Education, Training, and Strategic Planning	\$5,500	\$0	\$0	\$5,500	0
Sub-total	\$2,203,700	\$0	\$0	\$2,203,700	27
• Information Systems Upgrades					
To provide funding and positions to upgrade and expand information systems. Of the full appropriation, \$588,500 is recurring and \$339,100 is non-recurring.					
304.01 District Attorneys General	\$649,200	\$0	\$0	\$649,200	0
304.10 Executive Director	\$278,400	\$0	\$0	\$278,400	3
Sub-total	\$927,600	\$0	\$0	\$927,600	3
Total District Attorneys General Conference	\$4,399,900	\$0	\$307,500	\$4,707,400	30

Law, Safety and Correction
Cost Increases for Fiscal Year 2017-2018

	<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 increases required by TCA 8-14-207. These step raises are based on employees' service anniversary dates.					
306.01 District Public Defenders	\$643,700	\$0	\$0	\$643,700	0
Sub-total	\$643,700	\$0	\$0	\$643,700	0
• Statutory Increase for Shelby County and Davidson County					
To provide recurring funding for increased state support of the public defender offices in Davidson and Shelby counties as required by TCA 8-14-110.					
306.10 Shelby County Public Defender	\$64,600	\$0	\$0	\$64,600	0
306.12 Davidson County Public Defender	\$28,200	\$0	\$0	\$28,200	0
Sub-total	\$92,800	\$0	\$0	\$92,800	0
• Additional Staffing					
To provide funding for nine assistant public defenders and nine investigator positions to address increased workload. Of the full appropriation, \$1,416,500 is recurring and \$104,400 is non-recurring.					
306.01 District Public Defenders	\$1,520,900	\$0	\$0	\$1,520,900	18
Sub-total	\$1,520,900	\$0	\$0	\$1,520,900	18
• Case Management System Replacement					
To provide non-recurring funding for the replacement of the case management system software.					
306.01 District Public Defenders	\$302,800	\$0	\$0	\$302,800	0
Sub-total	\$302,800	\$0	\$0	\$302,800	0
• Additional Funding for Shelby County and Davidson County					
To provide comparable recurring funding for the public defender offices of Davidson and Shelby counties to address increased workload.					
306.10 Shelby County Public Defender	\$180,000	\$0	\$0	\$180,000	0
306.12 Davidson County Public Defender	\$80,000	\$0	\$0	\$80,000	0
Sub-total	\$260,000	\$0	\$0	\$260,000	0
Total District Public Defenders Conference	\$2,820,200	\$0	\$0	\$2,820,200	18

Law, Safety and Correction
Cost Increases for Fiscal Year 2017-2018

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
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 8-14-107.				
308.00 Office of the Post-Conviction Defender	\$35,800	\$0	\$0	\$35,800	0
Sub-total	\$35,800	\$0	\$0	\$35,800	0
Total Office of the Post-Conviction Defender	\$35,800	\$0	\$0	\$35,800	0

Alcoholic Beverage Commission

• **Additional Staffing**

To provide recurring funding for one attorney, one training officer, and two executive administrative assistants to help with an increase in the licensing caseload. This increase is funded with revenue overcollections.

316.03 Alcoholic Beverage Commission	\$0	\$0	\$316,600	\$316,600	4
Sub-total	\$0	\$0	\$316,600	\$316,600	4

• **Training**

To provide recurring funding for increased training for law enforcement personnel working at the Alcoholic Beverage Commission. This increase is funded with revenue overcollections.

316.03 Alcoholic Beverage Commission	\$0	\$0	\$129,700	\$129,700	0
Sub-total	\$0	\$0	\$129,700	\$129,700	0

Total Alcoholic Beverage Commission

	\$0	\$0	\$446,300	\$446,300	4
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Board of Parole

• **Additional Staffing**

To provide funding for a parole hearings officer and a legal assistant. These positions will assist with the current workload of the Board of Parole. Of the full appropriation, \$2,000 is non-recurring and \$101,100 is recurring.

324.02 Board of Parole	\$103,100	\$0	\$0	\$103,100	2
Sub-total	\$103,100	\$0	\$0	\$103,100	2

Total Board of Parole

	\$103,100	\$0	\$0	\$103,100	2
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Law, Safety and Correction
Cost Increases for Fiscal Year 2017-2018

	<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 (\$742,400), Hardeman County - Whiteville contract inflator (\$829,500), Trousdale County Incarceration Agreement (\$2,010,400), and the South Central Correctional Facility contract inflator (\$641,300).						
329.21	Hardeman County Incarceration Agreement	\$742,400	\$0	\$0	\$742,400	0
329.22	Hardeman County Agreement - Whiteville	\$829,500	\$0	\$0	\$829,500	0
329.23	Trousdale County Incarceration Agreement	\$2,010,400	\$0	\$0	\$2,010,400	0
329.44	South Central Correctional Facility	\$641,300	\$0	\$0	\$641,300	0
Sub-total		\$4,223,600	\$0	\$0	\$4,223,600	0
• Public Safety Act of 2016 - Annualize Funding for 2017						
To annualize the fiscal year 2016-2017 funding for the implementation of graduated sanctions as part of the Public Safety Act of 2016.						
329.01	Administration	\$123,600	\$0	\$0	\$123,600	0
329.13	Tennessee Prison for Women	\$84,000	\$0	\$0	\$84,000	0
329.14	Turney Center Industrial Complex	\$84,000	\$0	\$0	\$84,000	0
329.41	West Tennessee State Penitentiary	\$80,200	\$0	\$0	\$80,200	0
329.45	Northwest Correctional Complex	\$30,700	\$0	\$0	\$30,700	0
329.51	Probation and Parole Field Supervision	\$3,978,100	\$0	\$0	\$3,978,100	0
Sub-total		\$4,380,600	\$0	\$0	\$4,380,600	0
• Public Safety Act of 2016 - Year Two						
To provide funding and position authorizations for the second year of implementing a graduated sanctions system for violations of community supervision (including probation and parole) to reduce admission to state prisons as passed in the Public Safety Act of 2016. Of the total cost of implementation, the amount of \$250,000 is non-recurring and the amount of \$2,320,200 is recurring.						
329.51	Probation and Parole Field Supervision	\$2,570,200	\$0	\$0	\$2,570,200	40
Sub-total		\$2,570,200	\$0	\$0	\$2,570,200	40

Law, Safety and Correction
Cost Increases for Fiscal Year 2017-2018

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Hepatitis C Treatment Standards					
To provide recurring funding for updated Hepatitis C treatment standards.					
329.46 Lois M. DeBerry Special Needs Facility	\$2,000,000	\$0	\$0	\$2,000,000	0
Sub-total	\$2,000,000	\$0	\$0	\$2,000,000	0
• Clinical Pharmacist					
To provide recurring funding for one clinical pharmacist position. This position will be responsible for managing the pharmacy contract for all state prisons.					
329.46 Lois M. DeBerry Special Needs Facility	\$207,700	\$0	\$0	\$207,700	1
Sub-total	\$207,700	\$0	\$0	\$207,700	1
• Inmate Calling System					
To provide recurring funding to offset the loss of revenues from the payment of site commissions generated by the inmate calling system due to new Federal Communications Commission guidelines.					
329.01 Administration	\$2,886,100	\$0	(\$2,886,100)	\$0	0
Sub-total	\$2,886,100	\$0	(\$2,886,100)	\$0	0
• Local Jail Reimbursement Rate Increase					
To provide recurring funding to increase the local jail reimbursement rate from \$37 per day to \$39 per day.					
329.04 State Prosecutions	\$5,400,000	\$0	\$0	\$5,400,000	0
Sub-total	\$5,400,000	\$0	\$0	\$5,400,000	0
Total Correction	\$21,668,200	\$0	(\$2,886,100)	\$18,782,100	41

Military

• Armories Maintenance					
To provide recurring funding for National Guard armory maintenance.					
341.07 Armories Maintenance	\$250,000	\$250,000	\$0	\$500,000	0
Sub-total	\$250,000	\$250,000	\$0	\$500,000	0

Law, Safety and Correction
Cost Increases for Fiscal Year 2017-2018

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Administration Legislation - STRONG Act					
To provide non-recurring funding to implement the Support Training and Renewing Opportunity for National Guardsmen (STRONG) initiative. This program will provide tuition reimbursement for National Guard members.					
341.01 Administration	\$8,950,000	\$0	\$0	\$8,950,000	0
Sub-total	\$8,950,000	\$0	\$0	\$8,950,000	0
Total Military	\$9,200,000	\$250,000	\$0	\$9,450,000	0

Tennessee Bureau of Investigation

• Operational Increase					
To provide recurring state dollars to keep total funding at the existing level after revenue estimates were decreased in order to better represent actual collections. A related supplemental has been recommended.					
348.00 Tennessee Bureau of Investigation	\$2,100,000	\$0	\$0	\$2,100,000	0
Sub-total	\$2,100,000	\$0	\$0	\$2,100,000	0
• Mobile Command Post					
To provide non-recurring funding for the purchase of a mobile command post.					
348.00 Tennessee Bureau of Investigation	\$750,000	\$0	\$0	\$750,000	0
Sub-total	\$750,000	\$0	\$0	\$750,000	0
Total Tennessee Bureau of Investigation	\$2,850,000	\$0	\$0	\$2,850,000	0

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, 2017.					
349.03 Highway Patrol	\$909,800	\$0	\$0	\$909,800	0
Sub-total	\$909,800	\$0	\$0	\$909,800	0

Law, Safety and Correction
Cost Increases for Fiscal Year 2017-2018

	<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 4-7-20. The salary increase will be effective July 1, 2017. The survey averages the current compensation levels of commissioned officers in the eight adjacent states.					
349.03 Highway Patrol	\$1,930,500	\$0	\$0	\$1,930,500	0
Sub-total	\$1,930,500	\$0	\$0	\$1,930,500	0
• Manpower Increase of Troopers					
To provide funding for 25 additional state trooper positions. The troopers will be assigned to road enforcement duties. Of the full appropriation, the amount of \$1,885,600 is recurring and the amount of \$1,540,000 is non-recurring.					
349.03 Highway Patrol	\$3,425,600	\$0	\$0	\$3,425,600	25
Sub-total	\$3,425,600	\$0	\$0	\$3,425,600	25
• Statewide Communications System Maintenance					
To provide recurring funding for maintenance and security upgrades for the statewide radio network as required by the Federal Communications Commission regulations.					
349.16 Communications	\$1,524,300	\$0	\$0	\$1,524,300	0
Sub-total	\$1,524,300	\$0	\$0	\$1,524,300	0
• Helicopter Replacement					
To provide non-recurring funding for the purchase of a rescue helicopter to replace the 1970's era rescue helicopter currently in use.					
349.03 Highway Patrol	\$8,710,000	\$0	\$0	\$8,710,000	0
Sub-total	\$8,710,000	\$0	\$0	\$8,710,000	0
• Replace Funding from the Department of Transportation					
To provide recurring funding to replace revenue from the Tennessee Department of Transportation (TDOT). This cost increase retains highway funds within TDOT.					
349.17 Tennessee Highway Safety Office	\$400,000	\$0	(\$400,000)	\$0	0
Sub-total	\$400,000	\$0	(\$400,000)	\$0	0
• School Transportation					
To provide recurring funds for school transportation personnel training and monitoring.					
349.03 Highway Patrol	\$350,000	\$0	\$0	\$350,000	2
Sub-total	\$350,000	\$0	\$0	\$350,000	2

Law, Safety and Correction
Cost Increases for Fiscal Year 2017-2018

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Replace Federal Grant Funds					
To provide recurring funding to replace a loss of federal funds resulting from the ending of Federal Motor Carrier Safety Administration grants for commercial drivers license operations.					
349.02 Driver License Issuance	\$308,000	\$0	\$0	\$308,000	5
Sub-total	\$308,000	\$0	\$0	\$308,000	5
Total Safety	\$17,558,200	\$0	(\$400,000)	\$17,158,200	32
Total Law, Safety and Correction	\$61,765,100	\$250,000	(\$2,532,300)	\$59,482,800	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 by 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>2015-2016</u>	<u>Estimated</u> <u>2016-2017</u>	<u>Base</u> <u>2017-2018</u>	<u>Cost Increase</u> <u>2017-2018</u>	<u>Recommended</u> <u>2017-2018</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 division also includes funds for judges' travel expenses, law books, and other operational expenses.

Full-Time	432	432	432	1	433
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	432	432	432	1	433

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
Payroll	58,994,200	61,048,800	61,048,800	587,500	61,636,300
Operational	2,332,700	2,385,000	2,373,600	2,025,400	4,399,000
Total	\$61,326,900	\$63,433,800	\$63,422,400	\$2,612,900	\$66,035,300
State	61,283,600	63,406,500	63,395,100	2,612,900	66,008,000
Federal	0	0	0	0	0
Other	43,300	27,300	27,300	0	27,300

302.08 Child Support Referees

The Child Support Referees program provides personnel and operational funding to ensure the timely fulfillment of financial support by parents in child support cases.

Full-Time	24	24	24	0	24
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	24	24	24	0	24
Payroll	2,274,900	2,419,600	2,419,600	0	2,419,600
Operational	165,100	280,500	280,100	0	280,100
Total	\$2,440,000	\$2,700,100	\$2,699,700	\$0	\$2,699,700
State	829,700	864,800	864,700	0	864,700
Federal	0	0	0	0	0
Other	1,610,300	1,835,300	1,835,000	0	1,835,000

302.09 Guardian Ad Litem

The Guardian ad Litem program provides funding for advocates appointed by the court to represent the best interests of an indigent child or a person determined to be incompetent in cases involving dependency, neglect, abuse, or custodial disputes.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	6,046,400	6,047,500	6,047,500	0	6,047,500
Total	\$6,046,400	\$6,047,500	\$6,047,500	\$0	\$6,047,500
State	6,046,400	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

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
Payroll	0	0	0	0	0
Operational	30,863,000	30,468,000	30,468,000	0	30,468,000
Total	\$30,863,000	\$30,468,000	\$30,468,000	\$0	\$30,468,000
State	30,644,000	30,463,000	30,463,000	0	30,463,000
Federal	0	0	0	0	0
Other	219,000	5,000	5,000	0	5,000

302.11 Civil Legal Representation Fund

The Civil Legal Representation Fund provides funding for legal services for indigent clients in civil matters. 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	3,680,900	3,327,900	3,327,900	0	3,327,900
Total	\$3,680,900	\$3,327,900	\$3,327,900	\$0	\$3,327,900
State	3,680,900	3,327,900	3,327,900	0	3,327,900
Federal	0	0	0	0	0
Other	0	0	0	0	0

302.12 Verbatim Transcripts

The Verbatim Transcripts program provides funding for personnel and operational costs of court reporting and verbatim transcripts.

Full-Time	40	40	40	0	40
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	40	40	40	0	40
Payroll	2,092,800	2,894,600	2,894,600	0	2,894,600
Operational	1,467,200	1,049,700	1,049,400	0	1,049,400
Total	\$3,560,000	\$3,944,300	\$3,944,000	\$0	\$3,944,000
State	3,560,000	3,944,300	3,944,000	0	3,944,000
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

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
Payroll	61,300	71,600	71,600	0	71,600
Operational	2,001,400	2,370,900	2,370,900	0	2,370,900
Total	\$2,062,700	\$2,442,500	\$2,442,500	\$0	\$2,442,500
State	2,062,700	2,442,500	2,442,500	0	2,442,500
Federal	0	0	0	0	0
Other	0	0	0	0	0

302.16 Council of Juvenile and Family Court Judges

The Council of Juvenile and Family Court Judges provides training and assistance to juvenile courts on state and federal laws, regulations, and policies affecting children and families, as well as keeping judges and court staff informed of services available to children and families. The council is comprised of 17 county-approved juvenile judges and general sessions judges who have juvenile court jurisdiction. Judges serve on the council for eight-year terms.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	96,800	127,300	127,300	0	127,300
Total	\$96,800	\$127,300	\$127,300	\$0	\$127,300
State	35,900	60,300	60,300	0	60,300
Federal	0	0	0	0	0
Other	60,900	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	74	81	81	0	81
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	75	82	82	0	82
Payroll	5,784,800	7,289,800	7,289,800	0	7,289,800
Operational	6,145,100	5,918,600	5,592,600	364,000	5,956,600
Total	\$11,929,900	\$13,208,400	\$12,882,400	\$364,000	\$13,246,400
State	9,480,700	10,644,700	10,618,700	364,000	10,982,700
Federal	1,022,400	980,000	980,000	0	980,000
Other	1,426,800	1,583,700	1,283,700	0	1,283,700

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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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
Payroll	505,100	720,000	720,000	0	720,000
Operational	2,534,400	2,530,900	2,530,500	0	2,530,500
Total	\$3,039,500	\$3,250,900	\$3,250,500	\$0	\$3,250,500
State	2,321,500	2,637,900	2,637,500	0	2,637,500
Federal	0	0	0	0	0
Other	718,000	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	60,200	74,500	74,500	0	74,500
Total	\$60,200	\$74,500	\$74,500	\$0	\$74,500
State	60,200	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	246,600	263,700	263,700	150,000	413,700
Total	\$246,600	\$263,700	\$263,700	\$150,000	\$413,700
State	153,500	223,700	223,700	150,000	373,700
Federal	0	0	0	0	0
Other	93,100	40,000	40,000	0	40,000

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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302.20 Judicial Programs and Commissions

The Judicial Programs and Commissions division 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	500,000	908,300	908,300	0	908,300
Total	\$500,000	\$908,300	\$908,300	\$0	\$908,300
State	234,500	410,100	410,100	0	410,100
Federal	0	0	0	0	0
Other	265,500	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	215,800	260,100	260,100	0	260,100
Total	\$215,800	\$260,100	\$260,100	\$0	\$260,100
State	215,800	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	1,919,300	2,138,300	2,138,300	0	2,138,300
Operational	263,400	297,900	297,600	0	297,600
Total	\$2,182,700	\$2,436,200	\$2,435,900	\$0	\$2,435,900

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
State	448,500	809,100	808,800	0	808,800
Federal	0	0	0	0	0
Other	1,734,200	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	14	14	14	0	14
Part-Time	7	7	7	0	7
Seasonal	0	0	0	0	0
Total	21	21	21	0	21
Payroll	580,400	559,700	559,700	0	559,700
Operational	360,400	324,300	324,200	0	324,200
Total	\$940,800	\$884,000	\$883,900	\$0	\$883,900
State	938,100	884,000	883,900	0	883,900
Federal	0	0	0	0	0
Other	2,700	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	33	33	0	33
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	32	33	33	0	33
Payroll	2,527,700	2,627,600	2,627,600	0	2,627,600
Operational	1,059,300	1,047,300	1,046,900	0	1,046,900
Total	\$3,587,000	\$3,674,900	\$3,674,500	\$0	\$3,674,500
State	3,522,000	3,674,900	3,674,500	0	3,674,500
Federal	0	0	0	0	0
Other	65,000	0	0	0	0

302.50 Tennessee Lawyers Assistance Program

The Tennessee 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.

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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	307,800	376,600	376,600	0	376,600
Operational	126,500	118,700	118,600	0	118,600
Total	\$434,300	\$495,300	\$495,200	\$0	\$495,200
State	434,300	495,300	495,200	0	495,200
Federal	0	0	0	0	0
Other	0	0	0	0	0

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	492,000	516,200	516,200	0	516,200
Operational	470,700	402,500	402,400	0	402,400
Total	\$962,700	\$918,700	\$918,600	\$0	\$918,600
State	881,700	918,700	918,600	0	918,600
Federal	0	0	0	0	0
Other	81,000	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	367,400	208,500	208,500	0	208,500
Total	\$367,400	\$208,500	\$208,500	\$0	\$208,500
State	167,400	208,500	208,500	0	208,500
Federal	0	0	0	0	0
Other	200,000	0	0	0	0

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
302.00 Total Court System					
Full-Time	665	673	673	1	674
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	673	681	681	1	682
Payroll	75,540,300	80,662,800	80,662,800	587,500	81,250,300
Operational	59,003,300	58,412,100	58,072,600	2,539,400	60,612,000
Total	\$134,543,600	\$139,074,900	\$138,735,400	\$3,126,900	\$141,862,300
State	127,001,400	131,798,300	131,759,100	3,126,900	134,886,000
Federal	1,022,400	980,000	980,000	0	980,000
Other	6,519,800	6,296,600	5,996,300	0	5,996,300

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: represent state officers and agencies in all litigation in state and federal courts; prosecute criminal cases in the appellate courts; prosecute securities and state contract fraud cases; represent the interests of Tennessee consumers; institute proceedings relating to antitrust violations, consumer fraud, and environmental enforcement; provide departments, agencies, and the General Assembly with legal advice; approve all administrative regulations and leases as to form and legality; issue legal opinions to state officials; and report opinions of the Tennessee Supreme Court, Court of Appeals, and Court of Criminal Appeals.

<u>Actual</u> <u>2015-2016</u>	<u>Estimated</u> <u>2016-2017</u>	<u>Base</u> <u>2017-2018</u>	<u>Cost Increase</u> <u>2017-2018</u>	<u>Recommended</u> <u>2017-2018</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	321	321	321	0	321
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	321	321	321	0	321
Payroll	25,741,300	33,054,700	33,054,700	2,800	33,057,500
Operational	7,353,700	7,270,800	7,264,700	0	7,264,700
Total	\$33,095,000	\$40,325,500	\$40,319,400	\$2,800	\$40,322,200
State	24,193,600	28,175,000	28,171,000	2,800	28,173,800
Federal	0	0	0	0	0
Other	8,901,400	12,150,500	12,148,400	0	12,148,400

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	125,400	172,700	172,700	0	172,700
Operational	42,500	62,300	62,300	0	62,300
Total	\$167,900	\$235,000	\$235,000	\$0	\$235,000
State	167,900	235,000	235,000	0	235,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

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.

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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	1,802,800	2,788,400	1,078,500	0	1,078,500
Total	\$1,802,800	\$2,788,400	\$1,078,500	\$0	\$1,078,500
State	684,300	1,999,600	289,700	0	289,700
Federal	0	0	0	0	0
Other	1,118,500	788,800	788,800	0	788,800
303.00 Total Attorney General and Reporter					
Full-Time	323	323	323	0	323
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	323	323	323	0	323
Payroll	25,866,700	33,227,400	33,227,400	2,800	33,230,200
Operational	9,199,000	10,121,500	8,405,500	0	8,405,500
Total	\$35,065,700	\$43,348,900	\$41,632,900	\$2,800	\$41,635,700
State	25,045,800	30,409,600	28,695,700	2,800	28,698,500
Federal	0	0	0	0	0
Other	10,019,900	12,939,300	12,937,200	0	12,937,200

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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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District Attorneys

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	783	805	784	27	811
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
Total	792	814	793	27	820
Payroll	76,921,900	86,635,100	84,841,800	3,390,300	88,232,100
Operational	7,306,600	6,952,700	7,382,100	906,700	8,288,800
Total	\$84,228,500	\$93,587,800	\$92,223,900	\$4,297,000	\$96,520,900
State	76,716,700	84,457,900	84,393,900	4,116,000	88,509,900
Federal	0	0	0	0	0
Other	7,511,800	9,129,900	7,830,000	181,000	8,011,000

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	533,100	657,800	595,800	5,500	601,300
Total	\$533,100	\$657,800	\$595,800	\$5,500	\$601,300
State	307,200	477,300	434,800	5,500	440,300
Federal	0	0	0	0	0
Other	225,900	180,500	161,000	0	161,000

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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	28	3	31
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	27	27	28	3	31
Payroll	2,614,300	2,838,800	2,876,100	259,500	3,135,600
Operational	593,500	601,400	1,219,900	22,800	1,242,700
Total	\$3,207,800	\$3,440,200	\$4,096,000	\$282,300	\$4,378,300
State	1,904,700	2,142,200	2,179,500	278,400	2,457,900
Federal	0	0	0	0	0
Other	1,303,100	1,298,000	1,916,500	3,900	1,920,400
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	349	384	384	0	384
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	350	385	385	0	385
Payroll	20,308,000	24,289,700	24,289,700	122,600	24,412,300
Operational	2,814,800	4,531,500	3,414,700	0	3,414,700
Total	\$23,122,800	\$28,821,200	\$27,704,400	\$122,600	\$27,827,000
State	0	0	0	0	0
Federal	100	0	0	0	0
Other	23,122,700	28,821,200	27,704,400	122,600	27,827,000
304.00 Total District Attorneys General Conference					
Full-Time	1,159	1,216	1,196	30	1,226
Part-Time	10	10	10	0	10
Seasonal	0	0	0	0	0
Total	1,169	1,226	1,206	30	1,236
Payroll	99,844,200	113,763,600	112,007,600	3,772,400	115,780,000
Operational	11,248,000	12,743,400	12,612,500	935,000	13,547,500
Total	\$111,092,200	\$126,507,000	\$124,620,100	\$4,707,400	\$129,327,500
State	78,928,600	87,077,400	87,008,200	4,399,900	91,408,100
Federal	100	0	0	0	0
Other	32,163,500	39,429,600	37,611,900	307,500	37,919,400

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.

	Actual 2015-2016	Estimated 2016-2017	Base 2017-2018	Cost Increase 2017-2018	Recommended 2017-2018
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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	342	352	352	18	370
Part-Time	22	24	24	0	24
Seasonal	0	0	0	0	0
Total	364	376	376	18	394
Payroll	35,281,700	40,306,900	40,306,900	1,835,200	42,142,100
Operational	3,353,400	4,380,000	4,123,300	632,200	4,755,500
Total	\$38,635,100	\$44,686,900	\$44,430,200	\$2,467,400	\$46,897,600
State	37,936,100	43,860,900	43,854,200	2,467,400	46,321,600
Federal	0	0	0	0	0
Other	699,000	826,000	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	16	16	0	16
Part-Time	1	0	0	0	0
Seasonal	0	0	0	0	0
Total	16	16	16	0	16
Payroll	1,398,300	1,757,400	1,757,400	0	1,757,400
Operational	206,800	268,600	268,300	0	268,300
Total	\$1,605,100	\$2,026,000	\$2,025,700	\$0	\$2,025,700
State	1,605,100	2,026,000	2,025,700	0	2,025,700
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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	5,081,700	5,086,800	5,086,800	244,600	5,331,400
Total	\$5,081,700	\$5,086,800	\$5,086,800	\$244,600	\$5,331,400
State	5,081,700	5,086,800	5,086,800	244,600	5,331,400
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	2,219,700	2,221,900	2,221,900	108,200	2,330,100
Total	\$2,219,700	\$2,221,900	\$2,221,900	\$108,200	\$2,330,100
State	2,219,700	2,221,900	2,221,900	108,200	2,330,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

306.00 Total District Public Defenders Conference

Full-Time	357	368	368	18	386
Part-Time	23	24	24	0	24
Seasonal	0	0	0	0	0
Total	380	392	392	18	410
Payroll	36,680,000	42,064,300	42,064,300	1,835,200	43,899,500
Operational	10,861,600	11,957,300	11,700,300	985,000	12,685,300
Total	\$47,541,600	\$54,021,600	\$53,764,600	\$2,820,200	\$56,584,800
State	46,842,600	53,195,600	53,188,600	2,820,200	56,008,800
Federal	0	0	0	0	0
Other	699,000	826,000	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 Oversight Commission 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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
308.00 Office of the Post-Conviction Defender					
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	1,682,900	2,061,800	2,061,800	35,800	2,097,600
Operational	377,300	415,400	414,700	0	414,700
Total	\$2,060,200	\$2,477,200	\$2,476,500	\$35,800	\$2,512,300
State	2,056,900	2,477,200	2,476,500	35,800	2,512,300
Federal	0	0	0	0	0
Other	3,300	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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
316.03 Alcoholic Beverage Commission					
Full-Time	85	85	85	4	89
Part-Time	3	3	3	0	3
Seasonal	0	0	0	0	0
Total	88	88	88	4	92
Payroll	4,698,300	5,823,400	5,823,400	316,600	6,140,000
Operational	2,618,100	2,426,900	2,423,100	129,700	2,552,800
Total	\$7,316,400	\$8,250,300	\$8,246,500	\$446,300	\$8,692,800
State	0	0	0	0	0
Federal	21,000	27,000	27,000	0	27,000
Other	7,295,400	8,223,300	8,219,500	446,300	8,665,800

TRICOR

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 operations at 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; and packaging services.

Agricultural operations, which include field crops and dairy operations, are located at West Tennessee State Penitentiary 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, appointed by the Governor, oversees the agency. The Commissioner of Correction serves as a board member, but only casts a vote if the vote of the other board members results in a tie.

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
316.08 TRICOR					
Full-Time	167	161	161	0	161
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	167	161	161	0	161
Payroll	7,872,100	9,070,600	9,085,700	0	9,085,700
Operational	35,088,200	33,949,400	21,166,100	0	21,166,100
Total	\$42,960,300	\$43,020,000	\$30,251,800	\$0	\$30,251,800
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	42,960,300	43,020,000	30,251,800	0	30,251,800

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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
324.02 Board of Parole					
Full-Time	85	81	81	2	83
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	85	81	81	2	83
Payroll	5,945,300	5,891,300	5,891,300	92,900	5,984,200
Operational	1,253,300	1,774,600	1,773,700	10,200	1,783,900
Total	\$7,198,600	\$7,665,900	\$7,665,000	\$103,100	\$7,768,100
State	7,197,300	7,664,900	7,664,000	103,100	7,767,100
Federal	0	0	0	0	0
Other	1,300	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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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	229	226	0	226
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	269	229	226	0	226
Payroll	19,475,300	17,672,100	17,672,100	57,900	17,730,000
Operational	10,837,600	8,407,800	7,927,800	65,700	7,993,500
Total	\$30,312,900	\$26,079,900	\$25,599,900	\$123,600	\$25,723,500
State	26,622,800	22,669,100	22,306,100	3,009,700	25,315,800
Federal	189,100	385,300	353,300	0	353,300
Other	3,501,000	3,025,500	2,940,500	(2,886,100)	54,400

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 division, including court costs associated with felony charges, inmate transportation costs, extradition costs, witness fees, jury boarding costs, and emergency medical expenses.

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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	171,329,500	170,402,800	170,402,800	5,400,000	175,802,800
Total	\$171,329,500	\$170,402,800	\$170,402,800	\$5,400,000	\$175,802,800
State	170,699,100	169,602,800	169,602,800	5,400,000	175,002,800
Federal	0	0	0	0	0
Other	630,400	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	91	84	84	0	84
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	91	84	84	0	84
Payroll	3,631,200	4,547,100	4,547,100	0	4,547,100
Operational	1,752,200	1,784,100	1,701,500	0	1,701,500
Total	\$5,383,400	\$6,331,200	\$6,248,600	\$0	\$6,248,600
State	5,362,700	6,266,300	6,183,700	0	6,183,700
Federal	0	0	0	0	0
Other	20,700	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	1,576,800	1,918,800	1,918,800	0	1,918,800
Total	\$1,576,800	\$1,918,800	\$1,918,800	\$0	\$1,918,800
State	1,576,800	1,918,800	1,918,800	0	1,918,800
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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	55	56	0	56
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	57	55	56	0	56
Payroll	3,908,700	4,035,400	4,035,400	0	4,035,400
Operational	14,047,300	6,592,900	6,576,400	0	6,576,400
Total	\$17,956,000	\$10,628,300	\$10,611,800	\$0	\$10,611,800
State	17,956,000	10,628,300	10,611,800	0	10,611,800
Federal	0	0	0	0	0
Other	0	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	72	72	0	72
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	70	72	72	0	72
Payroll	5,392,100	4,990,000	4,990,000	0	4,990,000
Operational	1,361,300	871,100	849,600	0	849,600
Total	\$6,753,400	\$5,861,100	\$5,839,600	\$0	\$5,839,600
State	6,653,200	5,861,100	5,839,600	0	5,839,600
Federal	0	0	0	0	0
Other	100,200	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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
Payroll	0	0	0	0	0
Operational	1,393,200	1,753,600	1,753,600	0	1,753,600
Total	\$1,393,200	\$1,753,600	\$1,753,600	\$0	\$1,753,600
State	1,373,600	1,693,600	1,693,600	0	1,693,600
Federal	0	0	0	0	0
Other	19,600	60,000	60,000	0	60,000

329.51 Probation and Parole Field Supervision

Probation and Parole Field Supervision officers supervise 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	933	1,066	1,066	40	1,106
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	933	1,066	1,066	40	1,106
Payroll	46,757,300	55,861,900	55,861,900	3,900,500	59,762,400
Operational	18,205,300	19,346,600	16,574,600	2,647,800	19,222,400
Total	\$64,962,600	\$75,208,500	\$72,436,500	\$6,548,300	\$78,984,800
State	63,831,600	74,055,000	71,367,000	6,548,300	77,915,300
Federal	0	0	0	0	0
Other	1,131,000	1,153,500	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	13,368,300	14,795,500	14,795,500	0	14,795,500
Total	\$13,368,300	\$14,795,500	\$14,795,500	\$0	\$14,795,500
State	13,364,600	14,795,500	14,795,500	0	14,795,500
Federal	0	0	0	0	0
Other	3,700	0	0	0	0

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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329.99 Sentencing Act of 1985

During the Special Session on Corrections in 1985, the General Assembly passed legislation that included the Sentencing Act of 1985. The law requires that for any law enacted after July 1, 1986, which results in a net increase in periods of imprisonment in state correctional facilities, there is to be appropriated from recurring revenues the estimated increased operating cost, in current dollars, based upon the highest cost of the next ten years, beginning with the year the additional sentence to be served impacts the correctional facilities' population. Appropriations to the Sentencing Act of 1985 are used for capital outlay or for cancellation of construction bonds authorized but not yet sold.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	0	21,768,400	21,768,400	0	21,768,400
Total	\$0	\$21,768,400	\$21,768,400	\$0	\$21,768,400
State	0	21,760,900	21,760,900	0	21,760,900
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	246	248	248	0	248
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	246	248	248	0	248
Payroll	11,982,300	13,310,200	13,310,200	68,100	13,378,300
Operational	14,420,100	11,970,200	11,762,900	15,900	11,778,800
Total	\$26,402,400	\$25,280,400	\$25,073,100	\$84,000	\$25,157,100
State	25,505,100	24,395,700	24,188,400	84,000	24,272,400
Federal	0	0	0	0	0
Other	897,300	884,700	884,700	0	884,700

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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329.14 Turney Center Industrial Complex

Turney Center Industrial Complex (TCIX), 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	458	439	439	0	439
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	458	439	439	0	439
Payroll	21,671,800	24,485,300	24,485,300	68,100	24,553,400
Operational	19,749,900	18,018,800	17,599,400	15,900	17,615,300
Total	\$41,421,700	\$42,504,100	\$42,084,700	\$84,000	\$42,168,700
State	39,422,700	41,041,500	40,622,100	84,000	40,706,100
Federal	0	0	0	0	0
Other	1,999,000	1,462,600	1,462,600	0	1,462,600

329.16 Mark Luttrell Transition Center

The Mark Luttrell Transition Center (MLTC), located in Shelby County, is a transition center for male offenders. MLTC offers phase-based programming focusing on cognitive and behavioral care, education, and job skills that help offenders prepare for reentry into the community.

Full-Time	177	160	160	0	160
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	177	160	160	0	160
Payroll	8,881,100	8,635,800	8,635,800	0	8,635,800
Operational	7,071,000	6,437,800	6,300,700	0	6,300,700
Total	\$15,952,100	\$15,073,600	\$14,936,500	\$0	\$14,936,500
State	15,489,100	14,505,300	14,368,200	0	14,368,200
Federal	0	0	0	0	0
Other	463,000	568,300	568,300	0	568,300

329.17 Charles B. Bass Correctional Complex

Charles B. Bass Correctional Complex (CBCX) 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	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	1,016,600	420,000	420,000	0	420,000
Total	\$1,016,600	\$420,000	\$420,000	\$0	\$420,000

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
State	1,016,600	420,000	420,000	0	420,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

329.18 Bledsoe County Correctional Complex

Bledsoe County Correctional Complex (BCCX) 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	725	721	721	0	721
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	725	721	721	0	721
Payroll	35,897,900	38,216,200	38,216,200	0	38,216,200
Operational	41,868,900	42,711,800	40,620,200	0	40,620,200
Total	\$77,766,800	\$80,928,000	\$78,836,400	\$0	\$78,836,400
State	75,580,500	78,495,200	76,403,600	0	76,403,600
Federal	0	0	0	0	0
Other	2,186,300	2,432,800	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 sites. Site one houses the Women's Therapeutic Residential Center, which provides gender responsive treatment and reentry services. Site two houses male felons and provides educational and vocational programming.

Full-Time	724	682	682	0	682
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	724	682	682	0	682
Payroll	28,023,700	37,683,800	37,683,800	64,300	37,748,100
Operational	23,875,900	26,091,800	25,491,300	15,900	25,507,200
Total	\$51,899,600	\$63,775,600	\$63,175,100	\$80,200	\$63,255,300
State	50,830,800	62,386,400	61,785,900	80,200	61,866,100
Federal	0	0	0	0	0
Other	1,068,800	1,389,200	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	348	347	347	0	347
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	348	347	347	0	347

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
Payroll	16,971,100	18,918,500	18,918,500	0	18,918,500
Operational	13,452,300	12,209,700	11,956,800	0	11,956,800
Total	\$30,423,400	\$31,128,200	\$30,875,300	\$0	\$30,875,300
State	29,839,300	30,676,300	30,423,400	0	30,423,400
Federal	0	0	0	0	0
Other	584,100	451,900	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	503	496	495	0	495
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	503	496	495	0	495
Payroll	27,414,100	26,842,600	26,842,600	0	26,842,600
Operational	21,341,500	19,590,100	19,157,100	0	19,157,100
Total	\$48,755,600	\$46,432,700	\$45,999,700	\$0	\$45,999,700
State	47,192,600	45,038,600	44,605,600	0	44,605,600
Federal	0	0	0	0	0
Other	1,563,000	1,394,100	1,394,100	0	1,394,100

329.45 Northwest Correctional Complex

Northwest Correctional Complex (NWCX), located 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	646	642	642	0	642
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	646	642	642	0	642
Payroll	29,954,600	35,275,200	35,275,200	25,400	35,300,600
Operational	25,911,900	22,300,300	21,793,300	5,300	21,798,600
Total	\$55,866,500	\$57,575,500	\$57,068,500	\$30,700	\$57,099,200
State	54,103,600	55,508,000	55,001,000	30,700	55,031,700
Federal	0	0	0	0	0
Other	1,762,900	2,067,500	2,067,500	0	2,067,500

329.47 Morgan County Correctional Complex

Morgan County Correctional Complex (MCCX), located in Wartburg, houses inmates of all custody levels. The facility operates educational, vocational, and substance abuse programs and community service crews.

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
Full-Time	694	690	690	0	690
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	694	690	690	0	690
Payroll	35,493,900	36,929,500	36,929,500	0	36,929,500
Operational	28,256,200	30,562,800	29,967,700	0	29,967,700
Total	\$63,750,100	\$67,492,300	\$66,897,200	\$0	\$66,897,200
State	62,344,000	65,765,200	65,170,100	0	65,170,100
Federal	0	0	0	0	0
Other	1,406,100	1,727,100	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 (LDSNF), located in Davidson County, provides quality health care, intensive mental health care, and geriatric services. The facility has a maximum-security designation.

Full-Time	503	506	509	1	510
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	503	506	509	1	510
Payroll	26,500,500	30,079,100	30,079,100	207,700	30,286,800
Operational	21,076,700	16,487,000	16,204,000	2,000,000	18,204,000
Total	\$47,577,200	\$46,566,100	\$46,283,100	\$2,207,700	\$48,490,800
State	46,367,400	46,002,200	45,719,200	2,207,700	47,926,900
Federal	0	0	0	0	0
Other	1,209,800	563,900	563,900	0	563,900

Contract Management Facilities

The state prison system has four prisons operated under contracts: Hardeman County Correctional Facility, Whiteville Correctional Facility, Trousdale Turner Correctional Center, and South Central Correctional Facility.

329.21 Hardeman County Incarceration Agreement

The Hardeman County Correctional Facility (HCCF) 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	3	3	0	3
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	4	3	3	0	3
Payroll	294,300	211,300	211,300	0	211,300
Operational	40,960,000	41,527,900	41,526,900	742,400	42,269,300
Total	\$41,254,300	\$41,739,200	\$41,738,200	\$742,400	\$42,480,600

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
State	41,243,800	41,720,300	41,719,300	742,400	42,461,700
Federal	0	0	0	0	0
Other	10,500	18,900	18,900	0	18,900

329.22 Hardeman County Agreement - Whiteville

The Whiteville Correctional Facility (WCFA) 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	4	4	0	4
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	5	4	4	0	4
Payroll	277,900	233,300	233,300	0	233,300
Operational	33,621,000	34,256,900	34,255,700	829,500	35,085,200
Total	\$33,898,900	\$34,490,200	\$34,489,000	\$829,500	\$35,318,500
State	33,874,100	34,471,500	34,470,300	829,500	35,299,800
Federal	0	0	0	0	0
Other	24,800	18,700	18,700	0	18,700

329.23 Trousdale County Incarceration Agreement

The Trousdale Turner Correctional Center (TCCC) 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	2	3	3	0	3
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2	3	3	0	3
Payroll	29,600	181,200	181,200	0	181,200
Operational	12,788,100	56,550,800	56,550,800	2,010,400	58,561,200
Total	\$12,817,700	\$56,732,000	\$56,732,000	\$2,010,400	\$58,742,400
State	12,814,300	56,718,800	56,718,800	2,010,400	58,729,200
Federal	0	0	0	0	0
Other	3,400	13,200	13,200	0	13,200

329.44 South Central Correctional Facility

The South Central Correctional Facility (SCCF) 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	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	3	2	2	0	2

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
Payroll	182,200	133,200	133,200	0	133,200
Operational	30,186,000	30,486,800	30,486,000	641,300	31,127,300
Total	\$30,368,200	\$30,620,000	\$30,619,200	\$641,300	\$31,260,500
State	30,352,500	30,601,300	30,600,500	641,300	31,241,800
Federal	0	0	0	0	0
Other	15,700	18,700	18,700	0	18,700
329.00 Total Correction					
Full-Time	6,458	6,449	6,449	41	6,490
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	6,458	6,449	6,449	41	6,490
Payroll	322,739,600	358,241,700	358,241,700	4,392,000	362,633,700
Operational	569,467,600	617,264,300	608,361,800	14,390,100	622,751,900
Total	\$892,207,200	\$975,506,000	\$966,603,500	\$18,782,100	\$985,385,600
State	873,416,800	956,997,700	948,296,200	21,668,200	969,964,400
Federal	189,100	385,300	353,300	0	353,300
Other	18,601,300	18,123,000	17,954,000	(2,886,100)	15,067,900

Statistical Data Correctional Institutions

	TPW 329.13	TCIX 329.14	MLTC 329.16	CBCX 329.17	BCCX 329.18
Annual Admissions					
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	453	1,066	267	0	7,400
2016-2017	550	1,150	620	0	3,950
2017-2018	550	1,150	180	0	3,950
Annual Releases					
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	433	1,043	271	0	7,367
2016-2017	550	1,150	620	0	3,950
2017-2018	550	1,150	180	0	3,950
Average Daily Census					
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	785	1,542	414	0	2,361
2016-2017	805	1,772	440	0	2,521
2017-2018	805	1,772	440	0	2,521
Cost Per Occupancy Day (Total Expenditures)**					
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	\$91.90	\$73.39	\$105.28	N/A	\$89.99
2016-2017	\$86.04	\$65.72	\$93.86	N/A	\$87.95
2017-2018	\$85.62	\$65.20	\$93.00	N/A	\$85.68

TPW: Tennessee Prison for Women
 TCIX: Turney Center Industrial Complex
 MLTC: Mark Luttrell Transition Center

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 2010-2011 to 2015-2016 are actual expenditures from all sources; 2016-2017 to 2017-2018 are estimates.

Statistical Data Correctional Institutions

	WTSP 329.41	RMSI 329.42	NECX 329.43	NWCX 329.45	MCCX 329.47
Annual Admissions					
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	340	530	1,391	1,326	766
2016-2017	3,400	310	925	1,000	800
2017-2018	2,600	310	925	1,000	800
Annual Releases					
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	1,750	514	1,409	1,376	624
2016-2017	2,600	310	925	1,000	800
2017-2018	2,600	310	925	1,000	800
Average Daily Census					
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	1,559	767	1,784	2,314	2,100
2016-2017	2,582	832	1,856	2,425	2,291
2017-2018	2,582	832	1,856	2,425	2,291
Cost Per Occupancy Day (Total Expenditures)**					
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*	\$90.96	\$108.38	\$74.67	\$65.96	\$82.94
2016-2017	\$67.67	\$102.50	\$68.54	\$65.05	\$80.71
2017-2018	\$67.12	\$101.67	\$67.90	\$64.51	\$80.00

WTSP: West Tennessee State Penitentiary
RMSI: Riverbend Maximum Security Institution
NECX: Northeast Correctional Complex

NWCX: Northwest Correctional Complex
MCCX: Morgan County Correctional Complex

*WTSP had a mid-year change in mission in fiscal year 2015-2016. The Cost Per Occupancy Day for fiscal year 2015-2016 is overstated due to the transfer of inmates to align with the new mission.

**Fiscal years 2010-2011 to 2015-2016 are actual expenditures from all sources; 2016-2017 to 2017-2018 are estimates.

Statistical Data Correctional Institutions

	DSNF 329.46	HCCF 329.21	HCCF-W 329.22	TTCC 329.23	SCCF 329.44	Total**
Annual Admissions						
2010-2011	1,713	840	752	0	670	11,262
2011-2012	2,018	1,063	1,471	0	1,235	11,761
2012-2013	2,070	1,058	1,450	0	1,230	13,200
2013-2014	324	1,058	1,450	0	1,230	12,100
2014-2015	108	1,058	1,450	0	1,230	10,943
2015-2016	371	1,255	1,150	2,019	857	10,943
2016-2017	300	1,100	1,000	2,018	730	10,943
2017-2018	300	1,100	1,000	1,200	730	10,943
Annual Releases						
2010-2011	1,740	842	749	0	684	10,437
2011-2012	2,015	1,089	1,521	0	1,257	11,110
2012-2013	2,081	1,083	1,501	0	1,220	11,400
2013-2014	312	1,083	1,501	0	1,220	12,100
2014-2015	110	1,083	1,501	0	1,220	12,000
2015-2016	379	1,239	1,139	324	839	12,000
2016-2017	300	1,100	1,000	1,200	730	12,000
2017-2018	300	1,100	1,000	1,200	730	12,000
Average Daily Census						
2010-2011	711	1,966	1,492	0	1,631	19,974
2011-2012	724	1,970	1,496	0	1,629	19,926
2012-2013	713	1,970	1,500	0	1,634	19,895
2013-2014	724	1,964	1,498	0	1,637	20,734
2014-2015	715	1,965	1,500	0	1,642	20,714
2015-2016	758	1,978	1,508	576	1,648	20,094
2016-2017	800	2,016	1,536	2,552	1,676	24,104
2017-2018	800	2,016	1,536	2,552	1,676	24,104
Cost Per Occupancy Day (Total Expenditures)*						
2010-2011	\$179.06	\$51.92	\$53.21	N/A	\$43.74	\$66.20
2011-2012	\$185.45	\$52.91	\$54.28	N/A	\$43.36	\$68.45
2012-2013	\$190.63	\$53.64	\$55.67	N/A	\$45.69	\$73.28
2013-2014	\$167.01	\$55.42	\$57.98	N/A	\$48.47	\$75.85
2014-2015	\$153.73	\$56.44	\$59.55	N/A	\$48.83	\$75.25
2015-2016	\$171.49	\$56.99	\$61.42	\$60.80	\$50.35	\$78.75
2016-2017	\$159.47	\$56.72	\$61.52	\$60.91	\$50.05	\$72.83
2017-2018	\$166.06	\$57.73	\$63.00	\$63.06	\$51.10	\$72.96

DSNF: Lois DeBerry Special Needs Facility
HCCF: Hardeman Co. Correctional Facility
HCCF-W: Hardeman Co. Correctional Facility - Whiteville

TTCC: Trousdale Turner Correctional Center
SCCF: South Central Correctional Facility

*Fiscal years 2010-2011 to 2015-2016 are actual expenditures from all sources; 2016-2017 to 2017-2018 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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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Administration

341.01 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 division.

Full-Time	46	42	43	0	43
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	46	42	43	0	43
Payroll	3,220,300	3,116,100	3,146,100	0	3,146,100
Operational	540,300	1,028,600	641,200	8,950,000	9,591,200
Total	\$3,760,600	\$4,144,700	\$3,787,300	\$8,950,000	\$12,737,300
State	2,559,000	3,256,900	2,899,500	8,950,000	11,849,500
Federal	1,200,300	884,800	884,800	0	884,800
Other	1,300	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	69	0	69
Part-Time	0	0	0	0	0
Seasonal	4	4	0	0	0
Total	66	66	69	0	69
Payroll	3,969,500	5,547,200	5,547,200	0	5,547,200
Operational	2,134,900	1,041,800	975,200	0	975,200
Total	\$6,104,400	\$6,589,000	\$6,522,400	\$0	\$6,522,400

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
State	597,600	997,100	930,500	0	930,500
Federal	5,506,800	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	168	165	0	165
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	170	168	165	0	165
Payroll	7,232,700	9,099,700	9,099,700	0	9,099,700
Operational	6,168,700	3,753,300	3,678,900	0	3,678,900
Total	\$13,401,400	\$12,853,000	\$12,778,600	\$0	\$12,778,600
State	1,792,600	2,148,200	2,078,500	0	2,078,500
Federal	11,608,800	10,700,100	10,700,100	0	10,700,100
Other	0	4,700	0	0	0

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	5,270,500	7,715,500	7,715,500	500,000	8,215,500
Total	\$5,270,500	\$7,715,500	\$7,715,500	\$500,000	\$8,215,500
State	489,500	309,300	309,300	250,000	559,300
Federal	4,037,400	6,561,600	6,561,600	250,000	6,811,600
Other	743,600	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
Payroll	0	0	0	0	0
Operational	4,375,800	5,796,600	5,682,300	0	5,682,300
Total	\$4,375,800	\$5,796,600	\$5,682,300	\$0	\$5,682,300

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
State	1,508,100	1,533,600	1,533,600	0	1,533,600
Federal	2,867,700	4,148,700	4,148,700	0	4,148,700
Other	0	114,300	0	0	0

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	374,700	650,000	650,000	0	650,000
Total	\$374,700	\$650,000	\$650,000	\$0	\$650,000
State	73,200	150,000	150,000	0	150,000
Federal	301,500	250,000	250,000	0	250,000
Other	0	250,000	250,000	0	250,000

341.12 Youth Challenge Program

The National Guard's Youth Challenge Program is an alternative program that offers adolescents who have dropped out of high school the opportunity to succeed outside of a traditional school setting through self-discipline, leadership, and responsibility while working to obtain a high school equivalency diploma.

Full-Time	0	70	70	0	70
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	70	70	0	70
Payroll	0	4,131,000	4,131,000	0	4,131,000
Operational	0	1,569,000	1,569,000	0	1,569,000
Total	\$0	\$5,700,000	\$5,700,000	\$0	\$5,700,000
State	0	0	0	0	0
Federal	0	4,350,000	4,350,000	0	4,350,000
Other	0	1,350,000	1,350,000	0	1,350,000

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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Emergency Management

The Military Department provides emergency management services and administers federally funded homeland security grants.

341.04 Tennessee Emergency Management Agency

The Tennessee Emergency Management Agency (TEMA) is responsible for 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	107	105	105	0	105
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	107	105	105	0	105
Payroll	6,981,200	7,833,500	7,833,500	0	7,833,500
Operational	7,133,400	5,925,400	5,816,000	0	5,816,000
Total	\$14,114,600	\$13,758,900	\$13,649,500	\$0	\$13,649,500
State	3,704,100	3,622,400	3,513,000	0	3,513,000
Federal	10,217,200	9,207,400	9,207,400	0	9,207,400
Other	193,300	929,100	929,100	0	929,100

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	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	3	3	2	0	2
Payroll	117,400	205,400	205,400	0	205,400
Operational	3,615,000	4,865,100	4,864,900	0	4,864,900
Total	\$3,732,400	\$5,070,500	\$5,070,300	\$0	\$5,070,300
State	0	0	0	0	0
Federal	3,732,400	5,070,500	5,070,300	0	5,070,300
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

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
Payroll	305,500	0	0	0	0
Operational	69,767,500	44,000,000	44,000,000	0	44,000,000
Total	\$70,073,000	\$44,000,000	\$44,000,000	\$0	\$44,000,000
State	4,000,100	4,000,000	4,000,000	0	4,000,000
Federal	62,897,000	40,000,000	40,000,000	0	40,000,000
Other	3,175,900	0	0	0	0
341.00 Total Military Department					
Full-Time	388	450	454	0	454
Part-Time	0	0	0	0	0
Seasonal	4	4	0	0	0
Total	392	454	454	0	454
Payroll	21,826,600	29,932,900	29,962,900	0	29,962,900
Operational	99,380,800	76,345,300	75,593,000	9,450,000	85,043,000
Total	\$121,207,400	\$106,278,200	\$105,555,900	\$9,450,000	\$115,005,900
State	14,724,200	16,017,500	15,414,400	9,200,000	24,614,400
Federal	102,369,100	86,095,100	86,094,900	250,000	86,344,900
Other	4,114,100	4,165,600	4,046,600	0	4,046,600

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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
348.00 Tennessee Bureau of Investigation					
Full-Time	531	540	540	0	540
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	531	540	540	0	540
Payroll	45,050,200	47,763,200	47,463,200	150,000	47,613,200
Operational	30,402,100	31,452,700	26,336,600	2,700,000	29,036,600
Total	\$75,452,300	\$79,215,900	\$73,799,800	\$2,850,000	\$76,649,800
State	41,228,100	48,724,500	43,308,400	2,850,000	46,158,400
Federal	11,486,300	10,616,800	10,616,800	0	10,616,800
Other	22,737,900	19,874,600	19,874,600	0	19,874,600

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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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	78	85	81	0	81
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	78	85	81	0	81
Payroll	5,977,200	6,527,200	6,107,100	0	6,107,100
Operational	3,331,500	3,778,100	3,765,600	0	3,765,600
Total	\$9,308,700	\$10,305,300	\$9,872,700	\$0	\$9,872,700
State	8,768,600	9,759,300	9,326,700	0	9,326,700
Federal	0	0	0	0	0
Other	540,100	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	0	0	0	0	0
Operational	9,710,400	11,585,500	11,573,200	0	11,573,200
Total	\$9,710,400	\$11,585,500	\$11,573,200	\$0	\$11,573,200

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
State	9,710,400	11,585,500	11,573,200	0	11,573,200
Federal	0	0	0	0	0
Other	0	0	0	0	0

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	13,100	9,600	9,600	0	9,600
Total	\$13,100	\$9,600	\$9,600	\$0	\$9,600
State	9,600	9,600	9,600	0	9,600
Federal	0	0	0	0	0
Other	3,500	0	0	0	0

349.13 Technical Services

The Technical Services division maintains motor vehicle records, identifies frequent traffic violators for license revocation, and analyzes and processes traffic crashes administered by the Tennessee Highway Patrol and local police agencies.

Full-Time	79	48	43	0	43
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	79	48	43	0	43
Payroll	3,766,000	2,352,600	2,070,800	0	2,070,800
Operational	2,602,300	5,463,100	5,546,000	0	5,546,000
Total	\$6,368,300	\$7,815,700	\$7,616,800	\$0	\$7,616,800
State	410,400	1,054,500	855,600	0	855,600
Federal	104,900	165,000	165,000	0	165,000
Other	5,853,000	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	102	102	0	102
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	99	102	102	0	102
Payroll	1,115,200	5,194,400	5,194,400	0	5,194,400
Operational	5,747,900	8,563,900	8,563,900	1,524,300	10,088,200
Total	\$6,863,100	\$13,758,300	\$13,758,300	\$1,524,300	\$15,282,600

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
State	6,243,400	12,678,500	12,678,500	1,524,300	14,202,800
Federal	1,000	0	0	0	0
Other	618,700	1,079,800	1,079,800	0	1,079,800

Public Services

Public Services include Driver License Issuance and the Tennessee Highway Safety Office.

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	437	436	5	441
Part-Time	53	53	53	0	53
Seasonal	0	0	0	0	0
Total	500	490	489	5	494
Payroll	20,098,100	21,976,900	21,925,800	308,000	22,233,800
Operational	29,963,700	26,799,700	26,751,300	0	26,751,300
Total	\$50,061,800	\$48,776,600	\$48,677,100	\$308,000	\$48,985,100
State	4,643,100	13,233,500	13,115,200	308,000	13,423,200
Federal	527,900	1,676,000	1,902,700	0	1,902,700
Other	44,890,800	33,867,100	33,659,200	0	33,659,200

349.17 Tennessee Highway Safety Office

The Tennessee Highway Safety Office (THSO) works with law enforcement, judicial personnel, and community advocates to coordinate activities and initiatives relating to the human behavioral aspects of highway safety. The THSO's mission is to develop, execute, and evaluate programs to reduce the number of fatalities, injuries, and related economic losses resulting from traffic crashes on Tennessee's roadways. The office works in tandem with the National Highway Safety Administration to implement programs focusing on occupant protection, impaired driving, speed enforcement, truck and school bus safety, pedestrian and bicycle safety, and crash data collection and analysis.

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	760,000	450,600	600,800	0	600,800
Operational	17,240,000	19,279,600	14,839,500	0	14,839,500
Total	\$18,000,000	\$19,730,200	\$15,440,300	\$0	\$15,440,300
State	0	0	0	400,000	400,000
Federal	18,000,000	19,395,200	14,860,300	0	14,860,300
Other	0	335,000	580,000	(400,000)	180,000

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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Investigation and Enforcement

The department's enforcement efforts focus on roadway safety, criminal investigation, and other safety-related functions through the Highway Patrol and Auto Theft Investigations division. In addition, the Office of Homeland Security develops and manages a comprehensive strategy to secure the state from terrorism threats.

349.03 Highway Patrol

The Tennessee Highway Patrol (THP) protects the motoring public through the enforcement of all traffic laws and federal and state commercial vehicle standards. THP's enforcement activities include patrolling the highways, issuing citations, investigating and reconstructing traffic crashes, performing searches and seizures, and inspecting and weighing commercial vehicles. Other activities include pupil transportation safety, security of state officials, drug-abuse resistance education, and assistance to educators in reducing gang and individual violence.

Full-Time	926	964	965	27	992
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	926	964	965	27	992
Payroll	83,521,100	90,285,400	90,232,500	4,090,900	94,323,400
Operational	20,612,800	16,758,100	15,230,900	11,235,000	26,465,900
Total	\$104,133,900	\$107,043,500	\$105,463,400	\$15,325,900	\$120,789,300
State	88,922,700	92,299,800	91,268,800	15,325,900	106,594,700
Federal	6,694,000	7,513,200	7,513,200	0	7,513,200
Other	8,517,200	7,230,500	6,681,400	0	6,681,400

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	16,300	349,800	349,800	0	349,800
Total	\$16,300	\$349,800	\$349,800	\$0	\$349,800
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	16,300	349,800	349,800	0	349,800

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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349.15 Office of Homeland Security

The Office of Homeland Security develops, coordinates, and implements a comprehensive strategy to secure the State of Tennessee from terrorist threats and attacks 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	25	25	25	0	25
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	25	25	25	0	25
Payroll	1,887,900	1,855,700	1,855,700	0	1,855,700
Operational	714,300	1,552,700	1,548,400	0	1,548,400
Total	\$2,602,200	\$3,408,400	\$3,404,100	\$0	\$3,404,100
State	1,576,200	1,800,000	1,795,700	0	1,795,700
Federal	0	0	0	0	0
Other	1,026,000	1,608,400	1,608,400	0	1,608,400

Education

The education function includes the divisions of Motorcycle Rider Education and Driver Education.

349.04 Motorcycle Rider Education

The Motorcycle Rider Education program promotes safe motorcycling through training, certifying, and monitoring instructors who provide basic and experienced rider courses.

Full-Time	2	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2	2	2	0	2
Payroll	99,800	135,000	135,000	0	135,000
Operational	349,500	374,100	373,900	0	373,900
Total	\$449,300	\$509,100	\$508,900	\$0	\$508,900
State	449,300	509,100	508,900	0	508,900
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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	150,800	186,300	186,300	0	186,300
Operational	83,500	97,200	96,900	0	96,900
Total	\$234,300	\$283,500	\$283,200	\$0	\$283,200
State	234,300	283,500	283,200	0	283,200
Federal	0	0	0	0	0
Other	0	0	0	0	0
349.00 Total Safety					
Full-Time	1,669	1,676	1,667	32	1,699
Part-Time	53	53	53	0	53
Seasonal	0	0	0	0	0
Total	1,722	1,729	1,720	32	1,752
Payroll	117,376,100	128,964,100	128,308,400	4,398,900	132,707,300
Operational	90,385,300	94,611,400	88,649,000	12,759,300	101,408,300
Total	\$207,761,400	\$223,575,500	\$216,957,400	\$17,158,200	\$234,115,600
State	120,968,000	143,213,300	141,415,400	17,558,200	158,973,600
Federal	25,327,800	28,749,400	24,441,200	0	24,441,200
Other	61,465,600	51,612,800	51,100,800	(400,000)	50,700,800

Resources and Regulation



Resources and Regulation

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Resources and Regulation

Recommended Budget, Fiscal Year 2017 – 2018

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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Recommended 2017-2018</u>
Personnel			
Full-Time	5,077	5,093	5,116
Part-Time	863	783	779
Seasonal	294	292	287
TOTAL	6,234	6,168	6,182
Expenditures			
Payroll	\$ 303,986,400	\$ 371,115,000	\$ 370,152,000
Operational	553,261,600	600,516,600	580,117,300
TOTAL	\$ 857,248,000	\$ 971,631,600	\$ 950,269,300
Funding			
State	\$ 417,376,400	\$ 484,469,700	\$ 489,487,400
Federal	266,638,800	284,723,200	257,523,700
Other	173,232,800	202,438,700	203,258,200
Tuition/Fees	0	0	0

Resources and Regulation
Recommended Budget for Fiscal Year 2017-2018
By Funding Source

Department	State	Federal	Other	Total
316.25 Arts Commission	6,536,100	879,900	537,800	7,953,800
316.27 State Museum	4,267,600	0	5,000	4,272,600
327.00 Environment and Conservation	189,802,000	84,392,800	122,920,600	397,115,400
328.00 Tennessee Wildlife Resources Agency	60,968,800	22,760,000	12,711,000	96,439,800
335.00 Commerce and Insurance	158,807,200	324,800	58,885,600	218,017,600
336.00 Financial Institutions	23,192,800	0	2,400	23,195,200
337.00 Labor and Workforce Development	45,912,900	149,166,200	8,195,800	203,274,900
Total	\$489,487,400	\$257,523,700	\$203,258,200	\$950,269,300

Resources and Regulation

Cost Increases for Fiscal Year 2017-2018

	State	Federal	Other	Total	Positions
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

State Museum

- **New Museum Staffing**

To provide recurring funding for six additional positions to assist with the transition into the new state museum, which is scheduled to open in the fall of 2018.

316.27 State Museum	\$340,100	\$0	\$0	\$340,100	6
Sub-total	\$340,100	\$0	\$0	\$340,100	6
Total State Museum	\$340,100	\$0	\$0	\$340,100	6

Environment and Conservation

- **Air Pollution Control Equipment**

To provide non-recurring funding to restore and upgrade the state's ambient air monitoring network.

327.31 Air Pollution Control	\$1,553,800	\$0	\$0	\$1,553,800	0
Sub-total	\$1,553,800	\$0	\$0	\$1,553,800	0

- **Clean Water and Drinking Water Matching Funds**

To provide recurring funding to fully match the federal allocation 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	\$2,550,000	\$0	\$0	\$2,550,000	0
Sub-total	\$2,550,000	\$0	\$0	\$2,550,000	0

Resources and Regulation

Cost Increases for Fiscal Year 2017-2018

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• West Tennessee River Basin Authority Equipment					
To provide non-recurring funds for the purchase of a trackhoe to be used by the West Tennessee River Basin Authority.					
327.24 West Tennessee River Basin Authority Maintenance	\$400,000	\$0	\$0	\$400,000	0
Sub-total	\$400,000	\$0	\$0	\$400,000	0
• Historical Commission Operating Grants					
To provide recurring funding for increased operating grants to the 18 state-owned historic sites.					
327.04 Historical Commission	\$250,000	\$0	\$0	\$250,000	0
Sub-total	\$250,000	\$0	\$0	\$250,000	0
• Environmental Scientists					
To provide recurring funding for environmental scientist salary grade enhancements.					
327.11 Geology	\$7,400	\$0	\$0	\$7,400	0
327.23 Used Oil Collection Program	\$16,600	\$0	\$0	\$16,600	0
327.26 West Tennessee River Basin Authority	\$1,400	\$0	\$1,200	\$2,600	0
327.28 Tennessee Dry Cleaners Environmental Response Fund	\$2,600	\$0	\$0	\$2,600	0
327.31 Air Pollution Control	\$83,200	\$0	\$163,700	\$246,900	0
327.32 Radiological Health	\$5,400	\$0	\$54,200	\$59,600	0
327.33 Clean Water and Drinking Water State Revolving Fund	\$13,700	\$0	\$0	\$13,700	0
327.34 Division of Water Resources	\$315,300	\$0	\$204,800	\$520,100	0
327.35 Solid Waste Management	\$31,800	\$0	\$106,400	\$138,200	0
327.36 DOE Oversight	\$0	\$43,300	\$0	\$43,300	0
327.38 Hazardous Waste Remedial Action Fund	\$0	\$0	\$74,700	\$74,700	0
327.41 Underground Storage Tanks	\$157,600	\$0	\$0	\$157,600	0
327.42 Solid Waste Assistance	\$32,200	\$0	\$0	\$32,200	0
327.44 Fleming Training Center	\$0	\$0	\$12,100	\$12,100	0
Sub-total	\$667,200	\$43,300	\$617,100	\$1,327,600	0

Resources and Regulation

Cost Increases for Fiscal Year 2017-2018

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<ul style="list-style-type: none"> Realty Tax Growth for Civil War Fund To recognize non-recurring growth in the Realty Tax to be credited to the Tennessee Civil War site preservation fund, per TCA 67-4-409(m). The fund provides grants to acquire, protect, and preserve Civil War and Underground Railroad sites. 					
327.04 Historical Commission	\$0	\$0	\$1,226,400	\$1,226,400	0
Sub-total	\$0	\$0	\$1,226,400	\$1,226,400	0
<ul style="list-style-type: none"> Realty Tax Growth for Historic Property Land Fund To recognize non-recurring growth in the Realty Tax to be credited to the historic property land fund, per TCA 67-4-409(m). The fund provides grants to preserve and maintain historic places. 					
327.04 Historical Commission	\$0	\$0	\$689,900	\$689,900	0
Sub-total	\$0	\$0	\$689,900	\$689,900	0
<ul style="list-style-type: none"> Office of Energy Programs Positions To provide recurring federal funding for two energy consultant positions. 					
327.52 Office of Energy Programs	\$0	\$172,200	\$0	\$172,200	2
Sub-total	\$0	\$172,200	\$0	\$172,200	2
Total Environment and Conservation	\$5,421,000	\$215,500	\$2,533,400	\$8,169,900	2

Tennessee Wildlife Resources Agency

<ul style="list-style-type: none"> Statutory Step Raise To provide recurring funds for salary step increases for the agency's officers, biologist, and other unique positions, pursuant to TCA 70-1-309. 					
328.01 Wildlife Resources Agency	\$577,700	\$0	\$0	\$577,700	0
328.02 Boating Safety	\$78,800	\$0	\$0	\$78,800	0
Sub-total	\$656,500	\$0	\$0	\$656,500	0
<ul style="list-style-type: none"> Salary Survey Increase To provide recurring funding for salary increases associated with the annual salary study of bordering states. The survey includes agency officers, biologist, and other unique positions. 					
328.01 Wildlife Resources Agency	\$935,100	\$0	\$0	\$935,100	0
328.02 Boating Safety	\$127,500	\$0	\$0	\$127,500	0
Sub-total	\$1,062,600	\$0	\$0	\$1,062,600	0

Resources and Regulation

Cost Increases for Fiscal Year 2017-2018

	State	Federal	Other	Total	Positions
• Buffalo Ridge Refuge					
To provide non-recurring funding for maintenance and development of the Buffalo Ridge Refuge, which is used to conduct education and outreach programs.					
328.01 Wildlife Resources Agency	\$206,000	\$0	\$0	\$206,000	0
Sub-total	\$206,000	\$0	\$0	\$206,000	0
Total Tennessee Wildlife Resources Agency	\$1,925,100	\$0	\$0	\$1,925,100	0

Commerce and Insurance

• Captive Insurance Program

To provide recurring funding for three insurance examiner positions to help with the recruitment and regulation of captive insurance companies.

335.02 Insurance	\$500,000	\$0	\$0	\$500,000	3
Sub-total	\$500,000	\$0	\$0	\$500,000	3

• Basic Law Enforcement Training

To provide funding and positions for an additional Basic Law Enforcement Recruit School at TLETA to address the backlog of law enforcement applicants. This appropriation includes \$235,400 recurring and \$61,200 non-recurring state dollars.

335.11 Tennessee Law Enforcement Training Academy	\$296,600	\$0	\$127,200	\$423,800	5
Sub-total	\$296,600	\$0	\$127,200	\$423,800	5

• Fire Academy Enrollment Growth

To provide recurring funds for additional part-time instructor hours due to enrollment growth.

335.07 Fire Service and Codes Enforcement Academy	\$210,000	\$0	\$90,000	\$300,000	0
Sub-total	\$210,000	\$0	\$90,000	\$300,000	0

• 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, 2017.

335.11 Tennessee Law Enforcement Training Academy	\$11,500	\$0	\$0	\$11,500	0
Sub-total	\$11,500	\$0	\$0	\$11,500	0

Resources and Regulation

Cost Increases for Fiscal Year 2017-2018

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• 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, 2017.					
335.11 Tennessee Law Enforcement Training Academy	\$25,200	\$0	\$0	\$25,200	0
Sub-total	\$25,200	\$0	\$0	\$25,200	0
• Electrical Online Permitting System					
To provide non-recurring funding for the development of an electrical online permitting system within Fire Prevention.					
335.03 Fire Prevention	\$500,000	\$0	\$0	\$500,000	0
Sub-total	\$500,000	\$0	\$0	\$500,000	0
• Codes Enforcement Electronic System					
To provide non-recurring funding to improve the database and portal systems for the Fire Prevention's Codes Enforcement Section.					
335.03 Fire Prevention	\$168,100	\$0	\$0	\$168,100	0
Sub-total	\$168,100	\$0	\$0	\$168,100	0
• Community Cemetery Grant Fund					
To provide non-recurring funding for the Community Cemetery Grant Fund created by 2016 Public Chapter 997, which provides grants for improvement and upkeep of cemeteries.					
335.19 Cemetery Consumer Protection Fund	\$100,000	\$0	\$0	\$100,000	0
Sub-total	\$100,000	\$0	\$0	\$100,000	0
• Administration Legislation - Healthcare Providers Model Act					
To provide funding and two positions for proposed legislation that sets new requirements for health carriers, providers, and facilities to ensure adequate health care services. This appropriation includes \$146,000 recurring and \$2,000 non-recurring.					
335.02 Insurance	\$0	\$0	\$148,000	\$148,000	2
Sub-total	\$0	\$0	\$148,000	\$148,000	2
• Administration Legislation - Securities Industry Changes					
To provide funding and two positions for proposed legislation that modifies security detection and prevention of financial exploitation and updates the Tennessee Securities Act of 1980. This appropriation includes \$141,200 recurring and \$6,300 non-recurring.					
335.05 Securities	\$0	\$0	\$147,500	\$147,500	2
Sub-total	\$0	\$0	\$147,500	\$147,500	2
Total Commerce and Insurance	\$1,811,400	\$0	\$512,700	\$2,324,100	12

Resources and Regulation

Cost Increases for Fiscal Year 2017-2018

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Financial Institutions					
• Financial System Development					
To provide recurring funding for bank monitoring and collections systems development.					
336.00 Financial Institutions	\$2,200,000	\$0	\$0	\$2,200,000	0
Sub-total	\$2,200,000	\$0	\$0	\$2,200,000	0
• Bank Examiner Market Salary Adjustments					
To provide recurring funding for market salary adjustments to reduce turnover rates in the bank examiner position classification.					
336.00 Financial Institutions	\$184,500	\$0	\$0	\$184,500	0
Sub-total	\$184,500	\$0	\$0	\$184,500	0
Total Financial Institutions	\$2,384,500	\$0	\$0	\$2,384,500	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	\$426,800	\$0	\$0	\$426,800	5
Sub-total	\$426,800	\$0	\$0	\$426,800	5
• Workers' Compensation System					
To provide non-recurring funding for upgrades to the Workers' Compensation system.					
337.03 Workers' Compensation	\$300,000	\$0	\$0	\$300,000	0
Sub-total	\$300,000	\$0	\$0	\$300,000	0
• Workers' Compensation Comparison					
To provide non-recurring funding for a survey to compare state workers' compensation programs and gauge the effectiveness of the 2013 reforms.					
337.03 Workers' Compensation	\$150,000	\$0	\$0	\$150,000	0
Sub-total	\$150,000	\$0	\$0	\$150,000	0

Resources and Regulation
Cost Increases for Fiscal Year 2017-2018

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Administration Legislation - Federal Background Checks					
To provide funds for compliance with federal regulations concerning required fingerprint background checks for employees who have access to federal tax information. This appropriation includes \$900 recurring and \$200 non-recurring state dollars.					
337.01 Administration	\$1,100	\$0	\$0	\$1,100	0
337.20 Unemployment Insurance	\$0	\$1,100	\$0	\$1,100	0
Sub-total	\$1,100	\$1,100	\$0	\$2,200	0
• Administration Legislation Vocational Recovery Assistance					
To provide recurring dedicated funding for proposed legislation that establishes a vocational recovery assistance program for injured workers who are unable to return to their prior occupations.					
337.08 Second Injury Fund	\$50,000	\$0	\$0	\$50,000	0
Sub-total	\$50,000	\$0	\$0	\$50,000	0
Total Labor and Workforce Development	\$927,900	\$1,100	\$0	\$929,000	5
Total Resources and Regulation	\$12,810,000	\$216,600	\$3,346,100	\$16,372,700	25

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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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	1,487,500	1,578,300	1,578,300	0	1,578,300
Operational	5,852,200	6,376,200	6,075,500	300,000	6,375,500
Total	\$7,339,700	\$7,954,500	\$7,653,800	\$300,000	\$7,953,800
State	6,475,900	6,536,800	6,536,100	0	6,536,100
Federal	775,100	879,900	879,900	0	879,900
Other	88,700	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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
316.27 State Museum					
Full-Time	42	42	42	6	48
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	42	42	42	6	48
Payroll	2,417,200	2,608,300	2,608,300	310,100	2,918,400
Operational	1,379,000	1,325,500	1,324,200	30,000	1,354,200
Total	\$3,796,200	\$3,933,800	\$3,932,500	\$340,100	\$4,272,600
State	3,781,700	3,928,800	3,927,500	340,100	4,267,600
Federal	0	0	0	0	0
Other	14,500	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, Tennessee State Parks and Conservation Services, and Environment.

<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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	221	212	211	0	211
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	221	212	211	0	211
Payroll	15,793,300	17,461,200	17,461,200	0	17,461,200
Operational	5,441,500	3,669,200	3,650,800	0	3,650,800
Total	\$21,234,800	\$21,130,400	\$21,112,000	\$0	\$21,112,000
State	7,157,300	7,345,200	7,335,400	0	7,335,400
Federal	3,620,100	3,117,900	3,117,900	0	3,117,900
Other	10,457,400	10,667,300	10,658,700	0	10,658,700

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	9	9	9	2	11
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	9	9	9	2	11
Payroll	627,200	985,000	985,000	154,000	1,139,000
Operational	3,118,100	5,792,600	5,824,900	18,200	5,843,100
Total	\$3,745,300	\$6,777,600	\$6,809,900	\$172,200	\$6,982,100
State	2,332,800	34,800	34,800	0	34,800
Federal	995,000	940,400	972,700	172,200	1,144,900
Other	417,500	5,802,400	5,802,400	0	5,802,400

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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327.53 Energy Loan Programs

The Energy Loan Programs division 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	3,000,000	3,000,000	0	3,000,000
Total	\$0	\$3,000,000	\$3,000,000	\$0	\$3,000,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	0	3,000,000	3,000,000	0	3,000,000

327.54 State Facility Utility Management

State Facility Utility Management (SFUM) promotes a statewide initiative to reduce energy consumption and optimize energy efficiency within state-owned buildings. SFUM will oversee various statutory responsibilities related to utility data and energy management for state facilities per TCA 4-3-1012 and 4-3-1017-1019. The program manages this by measuring energy use, investing in renewable energy generation, and promoting energy cost savings.

Full-Time	0	3	3	0	3
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	3	3	0	3
Payroll	0	153,100	306,500	0	306,500
Operational	0	4,500	9,000	0	9,000
Total	\$0	\$157,600	\$315,500	\$0	\$315,500
State	0	157,600	315,500	0	315,500
Federal	0	0	0	0	0
Other	0	0	0	0	0

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.

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
Full-Time	10	10	11	0	11
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	10	10	11	0	11
Payroll	645,200	877,700	974,600	0	974,600
Operational	2,098,300	4,368,900	4,351,000	0	4,351,000
Total	\$2,743,500	\$5,246,600	\$5,325,600	\$0	\$5,325,600
State	504,200	770,800	849,800	0	849,800
Federal	1,140,700	2,291,300	2,291,300	0	2,291,300
Other	1,098,600	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.

Full-Time	15	16	16	0	16
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	15	16	16	0	16
Payroll	921,500	1,077,200	1,142,200	0	1,142,200
Operational	2,139,300	3,433,900	2,267,700	2,166,300	4,434,000
Total	\$3,060,800	\$4,511,100	\$3,409,900	\$2,166,300	\$5,576,200
State	2,266,300	3,931,500	2,830,300	250,000	3,080,300
Federal	775,700	529,600	529,600	0	529,600
Other	18,800	50,000	50,000	1,916,300	1,966,300

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

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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327.18 Maintenance of Historic Sites

The Maintenance of Historic Sites program ensures that state-owned historical sites are properly maintained according to historic preservation standards and for visitation by the public. Sites are maintained through contractual agreements between the Tennessee Historical Commission and non-profit organizations.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	394,000	589,000	500,000	0	500,000
Total	\$394,000	\$589,000	\$500,000	\$0	\$500,000
State	315,000	589,000	500,000	0	500,000
Federal	0	0	0	0	0
Other	79,000	0	0	0	0

327.08 Archaeology

The Archaeology division 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	677,100	752,400	752,400	0	752,400
Operational	136,700	169,700	168,800	0	168,800
Total	\$813,800	\$922,100	\$921,200	\$0	\$921,200
State	746,500	861,600	860,700	0	860,700
Federal	0	0	0	0	0
Other	67,300	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	975	993	1,002	0	1,002
Part-Time	239	228	224	0	224
Seasonal	294	292	287	0	287
Total	1,508	1,513	1,513	0	1,513

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
Payroll	48,484,200	53,936,700	53,839,800	0	53,839,800
Operational	35,395,900	32,472,100	32,387,600	0	32,387,600
Total	\$83,880,100	\$86,408,800	\$86,227,400	\$0	\$86,227,400
State	43,387,700	49,298,600	49,117,200	0	49,117,200
Federal	662,500	125,000	125,000	0	125,000
Other	39,829,900	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
Payroll	0	0	0	0	0
Operational	3,619,100	5,129,100	5,129,100	0	5,129,100
Total	\$3,619,100	\$5,129,100	\$5,129,100	\$0	\$5,129,100
State	3,238,100	5,029,100	5,029,100	0	5,029,100
Federal	0	0	0	0	0
Other	381,000	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	764,100	877,300	922,300	0	922,300
Operational	323,300	322,500	276,600	0	276,600
Total	\$1,087,400	\$1,199,800	\$1,198,900	\$0	\$1,198,900
State	940,000	1,039,700	1,038,800	0	1,038,800
Federal	55,600	90,000	90,000	0	90,000
Other	91,800	70,100	70,100	0	70,100

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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327.19 Local Parks Acquisition Fund

The Local Parks Acquisition Fund, administered in conjunction with the Department of Agriculture and the Tennessee Wildlife Resources Agency, provides funds for grants to county and municipal governments for the purchase of land for parks, natural areas, greenways, and other recreational facilities. Funding for these grants comes from the real estate transfer tax. Local governments must match the grant on a one-to-one basis.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	3,478,700	3,718,700	3,718,700	0	3,718,700
Total	\$3,478,700	\$3,718,700	\$3,718,700	\$0	\$3,718,700
State	3,434,700	3,718,700	3,718,700	0	3,718,700
Federal	0	0	0	0	0
Other	44,000	0	0	0	0

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	3,351,500	3,067,500	3,067,500	0	3,067,500
Total	\$3,351,500	\$3,067,500	\$3,067,500	\$0	\$3,067,500
State	3,067,500	3,067,500	3,067,500	0	3,067,500
Federal	0	0	0	0	0
Other	284,000	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

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
Payroll	0	0	0	0	0
Operational	138,100	145,000	145,000	0	145,000
Total	\$138,100	\$145,000	\$145,000	\$0	\$145,000
State	138,100	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	36,900	1,000,000	1,000,000	0	1,000,000
Total	\$36,900	\$1,000,000	\$1,000,000	\$0	\$1,000,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	36,900	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	12,000	0	12,000
Total	\$9,000	\$42,000	\$12,000	\$0	\$12,000
State	7,400	42,000	12,000	0	12,000
Federal	0	0	0	0	0
Other	1,600	0	0	0	0

327.17 Elk River Resource Management

The Elk River Resource Management program addresses the preservation and disposition of 6,400 acres of land formerly owned by the Tennessee Valley Authority and the Tennessee Elk River Development Agency. The department distributes the proceeds of Elk River land sales and leases to ten counties in the Elk River watershed.

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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	61,700	27,000	0	0	0
Total	\$61,700	\$27,000	\$0	\$0	\$0
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	61,700	27,000	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	60	60	0	60
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	59	60	60	0	60
Payroll	3,205,100	3,511,000	3,541,000	0	3,541,000
Operational	572,600	626,200	689,600	0	689,600
Total	\$3,777,700	\$4,137,200	\$4,230,600	\$0	\$4,230,600
State	571,000	615,900	613,600	0	613,600
Federal	0	0	0	0	0
Other	3,206,700	3,521,300	3,617,000	0	3,617,000

327.11 Geology

The Geology division maps and identifies mineral resources, geology, and geological hazards across the state. The division also serves as a clearinghouse for geological information. Study results are published and distributed in the form of maps and reports. The program maps mineral deposits including coal, oil, and gas and maintains production records for oil and gas wells. The program is a primary source of information, advice, and education about Tennessee's geology, mineral resources, geological hazards, and oil and gas activity for the public, schools, professional geologists, state and federal agencies, environmental regulators, and industries.

Full-Time	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	546,000	609,200	575,800	7,400	583,200
Operational	134,000	131,800	131,200	0	131,200
Total	\$680,000	\$741,000	\$707,000	\$7,400	\$714,400

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
State	161,600	158,100	150,100	7,400	157,500
Federal	74,800	146,000	120,000	0	120,000
Other	443,600	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	172,300	298,100	281,500	16,600	298,100
Operational	853,100	1,140,700	990,500	0	990,500
Total	\$1,025,400	\$1,438,800	\$1,272,000	\$16,600	\$1,288,600
State	1,019,300	1,437,800	1,271,000	16,600	1,287,600
Federal	0	0	0	0	0
Other	6,100	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	17	18	18	0	18
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	17	18	18	0	18
Payroll	1,076,600	1,222,700	1,220,100	2,600	1,222,700
Operational	1,727,100	4,797,800	4,796,100	0	4,796,100
Total	\$2,803,700	\$6,020,500	\$6,016,200	\$2,600	\$6,018,800
State	1,007,600	1,034,500	1,031,800	1,400	1,033,200
Federal	0	0	0	0	0
Other	1,796,100	4,986,000	4,984,400	1,200	4,985,600

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.

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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	477,500	1,215,500	1,215,500	400,000	1,615,500
Total	\$477,500	\$1,215,500	\$1,215,500	\$400,000	\$1,615,500
State	477,500	1,215,500	1,215,500	400,000	1,615,500
Federal	0	0	0	0	0
Other	0	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	240,900	496,400	493,800	2,600	496,400
Operational	591,900	1,403,300	1,403,100	0	1,403,100
Total	\$832,800	\$1,899,700	\$1,896,900	\$2,600	\$1,899,500
State	830,000	1,899,700	1,896,900	2,600	1,899,500
Federal	0	0	0	0	0
Other	2,800	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	129	129	129	0	129
Part-Time	12	12	12	0	12
Seasonal	0	0	0	0	0
Total	141	141	141	0	141
Payroll	9,537,300	11,063,700	10,816,800	246,900	11,063,700
Operational	7,219,000	7,670,300	7,659,200	1,553,800	9,213,000
Total	\$16,756,300	\$18,734,000	\$18,476,000	\$1,800,700	\$20,276,700
State	1,064,900	1,256,100	1,171,800	1,637,000	2,808,800
Federal	2,870,000	1,177,500	1,177,500	0	1,177,500
Other	12,821,400	16,300,400	16,126,700	163,700	16,290,400

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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327.32 Radiological Health

The Radiological Health division regulates the use and possession of radioactive materials and radiation producing machines throughout the state. The program performs these functions through licensing and registering 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	3,939,500	4,705,800	4,646,200	59,600	4,705,800
Operational	1,307,200	1,725,400	1,721,000	0	1,721,000
Total	\$5,246,700	\$6,431,200	\$6,367,200	\$59,600	\$6,426,800
State	552,900	634,200	628,400	5,400	633,800
Federal	111,600	152,500	152,500	0	152,500
Other	4,582,200	5,644,500	5,586,300	54,200	5,640,500

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	1,193,200	1,713,300	1,699,600	13,700	1,713,300
Operational	79,319,600	60,613,900	58,112,600	2,550,000	60,662,600
Total	\$80,512,800	\$62,327,200	\$59,812,200	\$2,563,700	\$62,375,900
State	3,099,300	5,649,500	3,134,500	2,563,700	5,698,200
Federal	77,413,500	56,677,700	55,177,700	0	55,177,700
Other	0	0	1,500,000	0	1,500,000

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 and recommending alternative methods of wastewater disposal for areas unable to support conventional underground septic systems.

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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	21,850,600	24,805,000	24,284,900	520,100	24,805,000
Operational	9,829,400	9,066,100	9,040,200	0	9,040,200
Total	\$31,680,000	\$33,871,100	\$33,325,100	\$520,100	\$33,845,200
State	12,004,700	14,143,200	13,811,100	315,300	14,126,400
Federal	7,241,200	6,704,700	6,704,700	0	6,704,700
Other	12,434,100	13,023,200	12,809,300	204,800	13,014,100

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	8,924,600	9,990,100	9,851,900	138,200	9,990,100
Operational	1,754,600	1,643,600	1,633,100	0	1,633,100
Total	\$10,679,200	\$11,633,700	\$11,485,000	\$138,200	\$11,623,200
State	2,208,400	1,963,200	1,929,000	31,800	1,960,800
Federal	2,272,100	2,165,600	2,165,600	0	2,165,600
Other	6,198,700	7,504,900	7,390,400	106,400	7,496,800

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 DOE'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	3,100,700	3,794,900	3,751,600	43,300	3,794,900
Operational	912,300	2,669,700	2,665,900	0	2,665,900
Total	\$4,013,000	\$6,464,600	\$6,417,500	\$43,300	\$6,460,800
State	57,000	0	0	0	0
Federal	3,853,400	6,364,600	6,317,500	43,300	6,360,800
Other	102,600	100,000	100,000	0	100,000

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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	137,400	500,000	500,000	0	500,000
Total	\$137,400	\$500,000	\$500,000	\$0	\$500,000
State	0	500,000	500,000	0	500,000
Federal	93,500	0	0	0	0
Other	43,900	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	3,713,000	4,878,900	4,804,200	74,700	4,878,900
Operational	2,935,100	4,829,900	4,825,700	0	4,825,700
Total	\$6,648,100	\$9,708,800	\$9,629,900	\$74,700	\$9,704,600
State	1,000,000	1,000,000	1,000,000	0	1,000,000
Federal	1,441,800	1,890,400	1,890,400	0	1,890,400
Other	4,206,300	6,818,400	6,739,500	74,700	6,814,200

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	88	87	87	0	87
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	88	87	87	0	87

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
Payroll	5,754,600	6,550,400	6,392,800	157,600	6,550,400
Operational	16,923,800	20,235,300	18,128,600	0	18,128,600
Total	\$22,678,400	\$26,785,700	\$24,521,400	\$157,600	\$24,679,000
State	19,757,300	24,812,300	22,548,000	157,600	22,705,600
Federal	1,645,400	1,973,400	1,973,400	0	1,973,400
Other	1,275,700	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	962,400	1,498,500	1,466,300	32,200	1,498,500
Operational	4,074,900	5,354,100	5,353,000	0	5,353,000
Total	\$5,037,300	\$6,852,600	\$6,819,300	\$32,200	\$6,851,500
State	5,012,100	6,852,600	6,819,300	32,200	6,851,500
Federal	0	0	0	0	0
Other	25,200	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	42,207,500	49,652,300	49,607,800	0	49,607,800
Total	\$42,207,500	\$49,652,300	\$49,607,800	\$0	\$49,607,800
State	42,129,900	49,652,300	49,607,800	0	49,607,800
Federal	0	0	0	0	0
Other	77,600	0	0	0	0

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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327.44 Fleming Training Center

The Fleming Training Center assists and trains operators in the water and wastewater industry. The center offers 14 types of certification for water and wastewater operators requiring that each certified operator possesses certain experience requirements and completes mandatory examinations. The center also provides opportunities for operators to complete the required number of continuing education hours every three years to maintain certification.

Full-Time	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	362,400	501,200	489,100	12,100	501,200
Operational	424,200	320,600	320,200	0	320,200
Total	\$786,600	\$821,800	\$809,300	\$12,100	\$821,400
State	117,800	0	0	0	0
Federal	105,700	175,000	175,000	0	175,000
Other	563,100	646,800	634,300	12,100	646,400

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	847,900	1,044,300	1,044,300	0	1,044,300
Operational	351,900	2,120,500	2,149,600	0	2,149,600
Total	\$1,199,800	\$3,164,800	\$3,193,900	\$0	\$3,193,900
State	486,300	2,198,500	2,197,400	0	2,197,400
Federal	352,800	416,300	446,500	0	446,500
Other	360,700	550,000	550,000	0	550,000

327.00 Total Environment and Conservation

Full-Time	2,202	2,216	2,225	2	2,227
Part-Time	276	265	261	0	261
Seasonal	294	292	287	0	287
Total	2,772	2,773	2,773	2	2,775
Payroll	133,339,700	152,804,100	151,743,900	1,481,600	153,225,500
Operational	231,495,200	243,418,700	237,201,600	6,688,300	243,889,900
Total	\$364,834,900	\$396,222,800	\$388,945,500	\$8,169,900	\$397,115,400
State	159,093,200	191,054,500	184,381,000	5,421,000	189,802,000
Federal	104,725,400	85,687,900	84,177,300	215,500	84,392,800
Other	101,016,300	119,480,400	120,387,200	2,533,400	122,920,600

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>2015-2016</u>	<u>Estimated</u> <u>2016-2017</u>	<u>Base</u> <u>2017-2018</u>	<u>Cost Increase</u> <u>2017-2018</u>	<u>Recommended</u> <u>2017-2018</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	9	9	9	0	9
Seasonal	0	0	0	0	0
Total	640	640	640	0	640
Payroll	43,609,600	49,599,100	49,599,100	1,512,800	51,111,900
Operational	33,807,400	41,059,100	24,287,400	206,000	24,493,400
Total	\$77,417,000	\$90,658,200	\$73,886,500	\$1,718,800	\$75,605,300
State	40,491,900	43,431,100	43,977,600	1,718,800	45,696,400
Federal	28,839,800	31,644,600	19,760,000	0	19,760,000
Other	8,085,300	15,582,500	10,148,900	0	10,148,900

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.

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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	5,447,200	6,529,900	6,529,900	206,300	6,736,200
Operational	6,747,700	7,450,100	4,927,300	0	4,927,300
Total	\$12,194,900	\$13,980,000	\$11,457,200	\$206,300	\$11,663,500
State	8,270,900	5,935,600	5,928,100	206,300	6,134,400
Federal	3,256,800	3,000,000	3,000,000	0	3,000,000
Other	667,200	5,044,400	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	15,850,500	6,521,000	8,771,000	0	8,771,000
Total	\$15,850,500	\$6,521,000	\$8,771,000	\$0	\$8,771,000
State	6,488,000	6,488,000	8,738,000	0	8,738,000
Federal	1,500	0	0	0	0
Other	9,361,000	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	387,300	400,000	400,000	0	400,000
Total	\$387,300	\$400,000	\$400,000	\$0	\$400,000
State	385,700	400,000	400,000	0	400,000
Federal	0	0	0	0	0
Other	1,600	0	0	0	0

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
328.00 Total Tennessee Wildlife Resources Agency					
Full-Time	670	670	670	0	670
Part-Time	53	53	53	0	53
Seasonal	0	0	0	0	0
Total	723	723	723	0	723
Payroll	49,056,800	56,129,000	56,129,000	1,719,100	57,848,100
Operational	56,792,900	55,430,200	38,385,700	206,000	38,591,700
Total	\$105,849,700	\$111,559,200	\$94,514,700	\$1,925,100	\$96,439,800
State	55,636,500	56,254,700	59,043,700	1,925,100	60,968,800
Federal	32,098,100	34,644,600	22,760,000	0	22,760,000
Other	18,115,100	20,659,900	12,711,000	0	12,711,000

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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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Administration

335.01 Administration

The Administration division includes the Office of the Commissioner, Fiscal Services, Personnel, Legal Services, and Audit Consulting and Oversight. This division supports the operations of each division within the department.

Full-Time	82	67	67	0	67
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	82	67	67	0	67
Payroll	5,501,100	5,504,300	5,419,700	0	5,419,700
Operational	2,527,600	3,312,400	3,394,800	0	3,394,800
Total	\$8,028,700	\$8,816,700	\$8,814,500	\$0	\$8,814,500
State	1,375,100	1,389,200	1,388,900	0	1,388,900
Federal	0	0	0	0	0
Other	6,653,600	7,427,500	7,425,600	0	7,425,600

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	110	101	101	5	106
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	110	101	101	5	106
Payroll	5,744,400	7,690,700	7,690,700	415,200	8,105,900
Operational	10,603,000	7,285,800	7,283,000	232,800	7,515,800
Total	\$16,347,400	\$14,976,500	\$14,973,700	\$648,000	\$15,621,700

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
State	1,534,700	1,221,200	1,221,200	500,000	1,721,200
Federal	0	0	0	0	0
Other	14,812,700	13,755,300	13,752,500	148,000	13,900,500

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	27	27	2	29
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	22	27	27	2	29
Payroll	1,148,600	1,899,400	1,899,400	112,700	2,012,100
Operational	1,230,600	1,230,700	1,230,200	34,800	1,265,000
Total	\$2,379,200	\$3,130,100	\$3,129,600	\$147,500	\$3,277,100
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	2,379,200	3,130,100	3,129,600	147,500	3,277,100

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	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	567,000	726,000	726,000	0	726,000
Operational	307,000	146,700	146,600	0	146,600
Total	\$874,000	\$872,700	\$872,600	\$0	\$872,600
State	869,600	872,700	872,600	0	872,600
Federal	0	0	0	0	0
Other	4,400	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

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
Payroll	0	0	0	0	0
Operational	4,300	297,500	297,500	0	297,500
Total	\$4,300	\$297,500	\$297,500	\$0	\$297,500
State	0	297,500	297,500	0	297,500
Federal	0	0	0	0	0
Other	4,300	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	63,500	82,800	82,800	0	82,800
Total	\$63,500	\$82,800	\$82,800	\$0	\$82,800
State	63,000	82,800	82,800	0	82,800
Federal	0	0	0	0	0
Other	500	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	309,300	366,200	366,200	100,000	466,200
Total	\$309,300	\$366,200	\$366,200	\$100,000	\$466,200
State	309,100	361,200	361,200	100,000	461,200
Federal	0	0	0	0	0
Other	200	5,000	5,000	0	5,000

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.

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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	160,100	350,100	350,100	0	350,100
Total	\$160,100	\$350,100	\$350,100	\$0	\$350,100
State	160,100	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	1,401,700	1,777,800	1,777,800	0	1,777,800
Operational	519,000	748,800	697,600	0	697,600
Total	\$1,920,700	\$2,526,600	\$2,475,400	\$0	\$2,475,400
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,920,700	2,526,600	2,475,400	0	2,475,400

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; credit services; debt management; court reporting; athletic commission; and employee leasing.

Full-Time	200	194	194	0	194
Part-Time	136	131	131	0	131
Seasonal	0	0	0	0	0
Total	336	325	325	0	325

	Actual 2015-2016	Estimated 2016-2017	Base 2017-2018	Cost Increase 2017-2018	Recommended 2017-2018
Payroll	10,010,800	12,524,000	12,524,000	0	12,524,000
Operational	6,521,500	8,540,700	8,536,000	0	8,536,000
Total	\$16,532,300	\$21,064,700	\$21,060,000	\$0	\$21,060,000
State	15,586,900	20,132,800	20,128,100	0	20,128,100
Federal	0	0	0	0	0
Other	945,400	931,900	931,900	0	931,900

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	974,200	1,107,100	1,107,100	0	1,107,100
Operational	722,200	765,900	765,300	0	765,300
Total	\$1,696,400	\$1,873,000	\$1,872,400	\$0	\$1,872,400
State	1,607,000	1,777,500	1,776,900	0	1,776,900
Federal	0	0	0	0	0
Other	89,400	95,500	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	779,100	924,600	924,600	0	924,600
Operational	99,886,600	116,831,600	116,831,000	0	116,831,000
Total	\$100,665,700	\$117,756,200	\$117,755,600	\$0	\$117,755,600
State	100,512,200	111,934,400	111,933,800	0	111,933,800
Federal	0	0	0	0	0
Other	153,500	5,821,800	5,821,800	0	5,821,800

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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Fire Prevention

The Department of Commerce and Insurance provides services to promote fire safety education and fire prevention. These efforts include inspecting institutional facilities and electrical installations; investigating arson; reviewing construction plans; maintaining the Tennessee Fire Incident Reporting System; registering electricians; administering fireworks and explosive user permits; training firefighters and other enforcement personnel; licensing and regulating sprinkler contractors, liquid petroleum gas distributors, and fire extinguisher dealers; establishing training and fire education standards; and regulating the mobile home industry.

335.03 Fire Prevention

The Fire Prevention division is committed to enhancing the quality of life for the citizens of Tennessee and protecting property through fire prevention, education, investigation, and enforcement. The division, also known as the state Fire Marshal's Office, performs electrical inspections, bomb and arson investigation, and building codes enforcement.

Full-Time	155	150	150	0	150
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
Total	164	159	159	0	159
Payroll	8,346,700	9,643,100	9,643,100	0	9,643,100
Operational	11,175,600	14,311,600	12,606,200	668,100	13,274,300
Total	\$19,522,300	\$23,954,700	\$22,249,300	\$668,100	\$22,917,400
State	0	1,700,000	0	668,100	668,100
Federal	289,900	271,300	271,300	0	271,300
Other	19,232,400	21,983,400	21,978,000	0	21,978,000

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 firefighters, fire and building code enforcement personnel, and other related service professionals. The academy develops and teaches current methods and practices in fire fighting, fire and building code enforcement, fire prevention, public safety, fire investigation, and related subjects. The academy's curriculum offers advanced training techniques in realistic fire simulations.

Full-Time	26	26	26	0	26
Part-Time	89	89	89	0	89
Seasonal	0	0	0	0	0
Total	115	115	115	0	115
Payroll	2,293,400	2,067,900	2,067,900	300,000	2,367,900
Operational	1,699,500	2,002,700	1,785,600	0	1,785,600
Total	\$3,992,900	\$4,070,600	\$3,853,500	\$300,000	\$4,153,500
State	2,766,100	2,609,600	2,597,300	210,000	2,807,300
Federal	0	257,800	53,500	0	53,500
Other	1,226,800	1,203,200	1,202,700	90,000	1,292,700

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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335.28 Fire Fighting Personnel Standards and Education

The Fire Fighting Personnel Standards and Education Commission promotes and sustains a superior level of fire fighting standards, training, and education, and provides the citizens of Tennessee with highly trained fire and emergency service professionals. The commission administers the salary supplement to eligible firefighters who complete required training annually and sets the criteria for performance standards and training.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	3,638,400	4,109,100	4,109,100	0	4,109,100
Total	\$3,638,400	\$4,109,100	\$4,109,100	\$0	\$4,109,100
State	3,638,400	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	5	27
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	23	23	23	5	28
Payroll	1,596,900	1,752,400	1,752,400	299,400	2,051,800
Operational	2,241,400	2,326,200	2,275,100	161,100	2,436,200
Total	\$3,838,300	\$4,078,600	\$4,027,500	\$460,500	\$4,488,000
State	2,394,000	2,529,700	2,515,900	333,300	2,849,200
Federal	0	0	0	0	0
Other	1,444,300	1,548,900	1,511,600	127,200	1,638,800

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

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
Payroll	325,500	331,600	331,600	0	331,600
Operational	8,567,700	9,072,300	9,072,100	0	9,072,100
Total	\$8,893,200	\$9,403,900	\$9,403,700	\$0	\$9,403,700
State	8,887,800	9,360,600	9,360,400	0	9,360,400
Federal	0	0	0	0	0
Other	5,400	43,300	43,300	0	43,300
335.00 Total Commerce and Insurance					
Full-Time	676	646	646	12	658
Part-Time	235	230	230	0	230
Seasonal	0	0	0	0	0
Total	911	876	876	12	888
Payroll	38,689,400	45,948,900	45,864,300	1,127,300	46,991,600
Operational	150,177,300	171,781,100	169,829,200	1,196,800	171,026,000
Total	\$188,866,700	\$217,730,000	\$215,693,500	\$2,324,100	\$218,017,600
State	139,704,000	158,728,400	156,995,800	1,811,400	158,807,200
Federal	289,900	529,100	324,800	0	324,800
Other	48,872,800	58,472,500	58,372,900	512,700	58,885,600

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.

	Actual 2015-2016	Estimated 2016-2017	Base 2017-2018	Cost Increase 2017-2018	Recommended 2017-2018
336.00 Financial Institutions					
Full-Time	163	158	158	0	158
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	163	158	158	0	158
Payroll	13,962,000	16,012,400	16,012,400	184,500	16,196,900
Operational	2,999,900	4,804,000	4,798,300	2,200,000	6,998,300
Total	\$16,961,900	\$20,816,400	\$20,810,700	\$2,384,500	\$23,195,200
State	16,802,900	20,814,000	20,808,300	2,384,500	23,192,800
Federal	0	0	0	0	0
Other	159,000	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</u> <u>2015-2016</u>	<u>Estimated</u> <u>2016-2017</u>	<u>Base</u> <u>2017-2018</u>	<u>Cost Increase</u> <u>2017-2018</u>	<u>Recommended</u> <u>2017-2018</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	115	114	113	0	113
Part-Time	4	3	3	0	3
Seasonal	0	0	0	0	0
Total	119	117	116	0	116
Payroll	9,919,300	10,455,100	10,273,000	0	10,273,000
Operational	9,810,300	7,981,200	7,977,400	1,100	7,978,500
Total	\$19,729,600	\$18,436,300	\$18,250,400	\$1,100	\$18,251,500
State	6,016,500	2,713,500	2,665,000	1,100	2,666,100
Federal	13,681,800	13,955,100	13,817,700	0	13,817,700
Other	31,300	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	95	95	95	0	95
Part-Time	3	3	3	0	3
Seasonal	0	0	0	0	0
Total	98	98	98	0	98
Payroll	6,017,500	8,161,700	8,161,700	0	8,161,700
Operational	1,347,900	1,724,600	1,722,000	0	1,722,000
Total	\$7,365,400	\$9,886,300	\$9,883,700	\$0	\$9,883,700
State	3,383,000	5,377,600	5,376,200	0	5,376,200
Federal	3,967,100	4,474,100	4,472,900	0	4,472,900
Other	15,300	34,600	34,600	0	34,600

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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	7	7	6	0	6
Part-Time	15	15	15	0	15
Seasonal	0	0	0	0	0
Total	22	22	21	0	21
Payroll	294,000	411,800	411,800	0	411,800
Operational	168,400	123,200	122,800	0	122,800
Total	\$462,400	\$535,000	\$534,600	\$0	\$534,600
State	294,800	335,100	334,700	0	334,700
Federal	111,500	127,600	127,600	0	127,600
Other	56,100	72,300	72,300	0	72,300

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	67	62	5	67
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	62	67	62	5	67
Payroll	3,313,100	4,625,700	4,372,500	249,700	4,622,200
Operational	709,400	1,190,600	952,800	177,100	1,129,900
Total	\$4,022,500	\$5,816,300	\$5,325,300	\$426,800	\$5,752,100
State	3,955,400	5,747,600	5,256,600	426,800	5,683,400
Federal	0	0	0	0	0
Other	67,100	68,700	68,700	0	68,700

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	140	143	137	0	137
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	140	143	137	0	137

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
Payroll	9,418,200	11,398,600	11,343,400	0	11,343,400
Operational	2,069,600	2,935,500	2,739,300	450,000	3,189,300
Total	\$11,487,800	\$14,334,100	\$14,082,700	\$450,000	\$14,532,700
State	10,977,300	14,145,200	13,893,800	450,000	14,343,800
Federal	0	0	0	0	0
Other	510,500	188,900	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	553,800	700,500	700,500	0	700,500
Operational	127,400	441,300	441,100	0	441,100
Total	\$681,200	\$1,141,800	\$1,141,600	\$0	\$1,141,600
State	681,200	1,141,800	1,141,600	0	1,141,600
Federal	0	0	0	0	0
Other	0	0	0	0	0

337.08 Second Injury Fund

The Second Injury Fund appropriation provides funding to pay the disability claims of previously injured employees that suffer additional injury on the job, resulting in permanent and total disability. In addition, the fund also encourages employers to hire workers with disabilities. Funding is provided from the workers' compensation premium tax.

Full-Time	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	801,400	892,000	892,000	0	892,000
Operational	4,395,400	9,277,400	9,277,400	50,000	9,327,400
Total	\$5,196,800	\$10,169,400	\$10,169,400	\$50,000	\$10,219,400
State	5,126,600	9,894,400	9,894,400	50,000	9,944,400
Federal	0	0	0	0	0
Other	70,200	275,000	275,000	0	275,000

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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 division also conducts statistical research on work-related injuries, illnesses, and fatalities. The division also provides an employee assistance professional program that assists employees with personal concerns that might hinder job performance.

Full-Time	17	17	17	0	17
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	17	17	17	0	17
Payroll	640,500	959,800	959,800	0	959,800
Operational	166,900	188,000	175,000	0	175,000
Total	\$807,400	\$1,147,800	\$1,134,800	\$0	\$1,134,800
State	751,800	1,147,400	1,134,800	0	1,134,800
Federal	22,300	400	0	0	0
Other	33,300	0	0	0	0

Employment and Workforce Development

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	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	1,119,100	1,256,700	1,256,700	0	1,256,700
Operational	15,975,300	14,689,300	14,708,900	0	14,708,900
Total	\$17,094,400	\$15,946,000	\$15,965,600	\$0	\$15,965,600
State	4,360,000	4,743,200	4,743,100	0	4,743,100
Federal	12,714,400	11,202,800	11,202,500	0	11,202,500
Other	20,000	0	20,000	0	20,000

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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Employment Security

337.10 Workforce Services

The Workforce Services Division administers the Workforce Innovation and Opportunity Act (WIOA) of 2014, Tennessee American Job Centers (AJC), veteran's services and numerous job service programs. WIOA creates a seamless system that addresses employer needs for skilled workers, while assisting job seekers needing training. The Tennessee AJC are used by employers seeking workers and anyone seeking job training, job placement, 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 limited employment prospects. The Workforce Services Division has the administrative responsibility for providing a basic labor exchange system, job placement, and development services to special applicant groups, such as veterans, WIOA applicants (adults, dislocated workers and youth), Supplemental Nutrition Assistance Program Employment and Training and works to implement a strategic and operation plan under the State Workforce Board to drive alignment and efficiency by coordinating numerous federal investments into our state. This includes the administration of the work of 13 local Workforce Boards, monitoring and compliance to ensure regulations are implemented, accountable and transparent.

Full-Time	336	366	369	0	369
Part-Time	125	62	62	0	62
Seasonal	0	0	0	0	0
Total	461	428	431	0	431
Payroll	12,596,900	24,827,700	22,427,700	0	22,427,700
Operational	55,343,900	74,523,800	65,917,700	0	65,917,700
Total	\$67,940,800	\$99,351,500	\$88,345,400	\$0	\$88,345,400
State	28,700	135,000	135,000	0	135,000
Federal	67,287,600	99,035,100	88,029,000	0	88,029,000
Other	624,500	181,400	181,400	0	181,400

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	497	0	497
Part-Time	152	152	152	0	152
Seasonal	0	0	0	0	0
Total	650	650	649	0	649
Payroll	20,360,000	32,344,400	30,344,400	0	30,344,400
Operational	14,450,600	4,306,000	7,168,000	1,100	7,169,100
Total	\$34,810,600	\$36,650,400	\$37,512,400	\$1,100	\$37,513,500
State	306,900	1,771,700	409,800	0	409,800
Federal	30,965,600	34,186,600	31,515,400	1,100	31,516,500
Other	3,538,100	692,100	5,587,200	0	5,587,200

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
337.00 Total Labor and Workforce Development					
Full-Time	1,304	1,341	1,330	5	1,335
Part-Time	299	235	235	0	235
Seasonal	0	0	0	0	0
Total	1,603	1,576	1,565	5	1,570
Payroll	65,033,800	96,034,000	91,143,500	249,700	91,393,200
Operational	104,565,100	117,380,900	111,202,400	679,300	111,881,700
Total	\$169,598,900	\$213,414,900	\$202,345,900	\$929,000	\$203,274,900
State	35,882,200	47,152,500	44,985,000	927,900	45,912,900
Federal	128,750,300	162,981,700	149,165,100	1,100	149,166,200
Other	4,966,400	3,280,700	8,195,800	0	8,195,800

Transportation, Business, and Economic Development



Transportation, Business, and Economic Development



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Transportation, Business, and Economic Development

Recommended Budget, Fiscal Year 2017 – 2018

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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Recommended 2017-2018</u>
Personnel			
Full-Time	5,789	5,802	5,797
Part-Time	7	7	12
Seasonal	178	178	178
TOTAL	5,974	5,987	5,987
Expenditures			
Payroll	\$ 290,195,700	\$ 391,492,500	\$ 413,090,800
Operational	1,946,966,900	2,150,176,800	2,428,877,000
TOTAL	\$ 2,237,162,600	\$ 2,541,669,300	\$ 2,841,967,800
Funding			
State	\$ 940,536,200	\$ 1,126,314,600	\$ 1,419,725,000
Federal	1,193,561,400	1,324,997,500	1,323,471,300
Other	103,065,000	90,357,200	98,771,500
Tuition/Fees	0	0	0

**Transportation, Business and Economic Development
Recommended Budget for Fiscal Year 2017-2018
By Funding Source**

Department	State	Federal	Other	Total
316.20 Tennessee Housing Development Agency	0	276,106,600	22,074,700	298,181,300
325.00 Agriculture	75,209,100	13,471,700	15,374,400	104,055,200
326.00 Tourist Development	20,221,600	0	9,248,900	29,470,500
330.00 Economic and Community Development	187,009,300	26,392,100	2,926,500	216,327,900
400.00 Transportation	1,137,285,000	1,007,500,900	49,147,000	2,193,932,900
Total	\$1,419,725,000	\$1,323,471,300	\$98,771,500	\$2,841,967,800

Transportation, Business and Economic Development Cost Increases for Fiscal Year 2017-2018

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Agriculture					
• Camp Clements Maintenance					
To provide non-recurring funds to the Future Farmers of America Foundation to address maintenance needs at Camp Clements.					
325.01 Administration and Grants	\$1,685,000	\$0	\$0	\$1,685,000	0
Sub-total	\$1,685,000	\$0	\$0	\$1,685,000	0
Total Agriculture	\$1,685,000	\$0	\$0	\$1,685,000	0
Tourist Development					
• Administration and Marketing					
To provide funding for the Tourism Marketing Task Force. This appropriation includes \$900,000 recurring and \$5,000,000 non-recurring.					
326.01 Administration and Marketing	\$5,900,000	\$0	\$0	\$5,900,000	0
Sub-total	\$5,900,000	\$0	\$0	\$5,900,000	0
Total Tourist Development	\$5,900,000	\$0	\$0	\$5,900,000	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 is funded with non-recurring appropriation.					
330.06 FastTrack Infrastructure and Job Training Assistance	\$60,050,000	\$0	\$0	\$60,050,000	0
Sub-total	\$60,050,000	\$0	\$0	\$60,050,000	0
• Rural Development Fund					
To provide the rural development fund 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	\$17,000,000	\$0	\$0	\$17,000,000	0
Sub-total	\$17,000,000	\$0	\$0	\$17,000,000	0

Transportation, Business and Economic Development Cost Increases for Fiscal Year 2017-2018

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Rural Small Business Initiative					
To provide funding for small business initiatives, which will encourage entrepreneurial growth in rural communities as recommended by the Rural Task Force. This appropriation includes \$717,000 recurring and \$3,515,000 non-recurring.					
330.07 Community and Rural Development	\$4,232,000	\$0	\$0	\$4,232,000	0
Sub-total	\$4,232,000	\$0	\$0	\$4,232,000	0
• Rural Development Initiatives					
To provide additional recurring funds for the Three Star, Select TN, and Property Evaluation programs.					
330.07 Community and Rural Development	\$503,000	\$0	\$0	\$503,000	0
Sub-total	\$503,000	\$0	\$0	\$503,000	0
• Federal Appalachian Regional Commission (ARC) Funds					
To provide recurring funds for an increase in the Federal ARC's annual assessment fee. The ARC provides economic development grants to 52 counties in middle and east Tennessee.					
330.04 Policy and Federal Programs	\$187,500	\$0	\$0	\$187,500	0
Sub-total	\$187,500	\$0	\$0	\$187,500	0
• Federal Delta Regional Authority (DRA) Funds					
To provide recurring funds for an increase in the Federal DRA's annual assessment fee. The DRA provides economic development grants to 21 counties in the Mississippi River Delta Region.					
330.04 Policy and Federal Programs	\$31,300	\$0	\$0	\$31,300	0
Sub-total	\$31,300	\$0	\$0	\$31,300	0
• St. Jude Children's Research Hospital Grant					
To provide non-recurring grant funding for year two of three for the benefit of St. Jude Hospital in Memphis.					
330.02 Business Development	\$12,000,000	\$0	\$0	\$12,000,000	0
Sub-total	\$12,000,000	\$0	\$0	\$12,000,000	0
• Oak Ridge Manufacturing Research Grant					
To provide non-recurring grant funding for year three of five for the Institute for Advanced Composite Manufacturing Innovation (IACMI) 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

Transportation, Business and Economic Development Cost Increases for Fiscal Year 2017-2018

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<ul style="list-style-type: none"> • Housing and Urban Development (HUD) Grant - State Match To provide a non-recurring appropriation for year two of three to match HUD grant funding for flooding assistance. 					
330.04 Policy and Federal Programs	\$2,000,000	\$0	\$0	\$2,000,000	0
Sub-total	\$2,000,000	\$0	\$0	\$2,000,000	0
<ul style="list-style-type: none"> • Administration Legislation - Broadband Initiative To provide funding to increase broadband accessibility through grants and tax credits. This appropriation includes \$300,000 recurring and \$10,000,000 non-recurring. 					
330.02 Business Development	\$10,300,000	\$0	\$0	\$10,300,000	2
Sub-total	\$10,300,000	\$0	\$0	\$10,300,000	2
Total Economic and Community Development	\$109,303,800	\$0	\$0	\$109,303,800	2
Transportation					
<ul style="list-style-type: none"> • IMPROVE Act To provide a recurring funding source that will improve safety, reduce congestion, and enhance economic development. Funds will be used on infrastructure projects included as a part of the three-year transportation plan that will be presented to the legislature prior to budget approval. 					
404.00 Bureau of Operations	\$278,570,000	\$11,718,100	\$0	\$290,288,100	0
Sub-total	\$278,570,000	\$11,718,100	\$0	\$290,288,100	0
Total Transportation	\$278,570,000	\$11,718,100	\$0	\$290,288,100	0
Total Transportation, Business and Economic Development	\$395,458,800	\$11,718,100	\$0	\$407,176,900	2

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 administered two federal programs previously administered by the Department of Human Services. The Weatherization Assistance Program enables low-income families to permanently reduce their energy bills by making their homes more energy efficient. The Low Income Home Energy Assistance Program 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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
316.20 Tennessee Housing Development Agency					
Full-Time	276	276	276	0	276
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	276	276	276	0	276
Payroll	16,736,000	22,259,500	22,259,500	0	22,259,500
Operational	258,461,400	291,829,500	275,921,800	0	275,921,800
Total	\$275,197,400	\$314,089,000	\$298,181,300	\$0	\$298,181,300
State	0	0	0	0	0
Federal	260,376,600	283,110,700	276,106,600	0	276,106,600
Other	14,820,800	30,978,300	22,074,700	0	22,074,700

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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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	56	56	54	0	54
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	56	56	54	0	54
Payroll	4,494,300	4,451,500	4,358,500	0	4,358,500
Operational	8,350,800	9,036,400	9,024,600	1,685,000	10,709,600
Total	\$12,845,100	\$13,487,900	\$13,383,100	\$1,685,000	\$15,068,100
State	6,316,200	7,198,700	7,093,900	1,685,000	8,778,900
Federal	6,255,100	5,875,000	5,875,000	0	5,875,000
Other	273,800	414,200	414,200	0	414,200

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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	5,216,000	3,187,500	3,187,500	0	3,187,500
Total	\$5,216,000	\$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	2,028,500	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	112,300	126,700	126,700	0	126,700
Total	\$112,300	\$126,700	\$126,700	\$0	\$126,700
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	112,300	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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
Payroll	0	0	0	0	0
Operational	199,000	250,000	250,000	0	250,000
Total	\$199,000	\$250,000	\$250,000	\$0	\$250,000
State	198,900	250,000	250,000	0	250,000
Federal	0	0	0	0	0
Other	100	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	22	22	21	0	21
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	23	23	22	0	22
Payroll	1,536,100	1,681,900	1,618,900	0	1,618,900
Operational	16,179,900	20,218,500	20,210,600	0	20,210,600
Total	\$17,716,000	\$21,900,400	\$21,829,500	\$0	\$21,829,500
State	17,186,300	21,056,400	20,985,500	0	20,985,500
Federal	497,900	767,400	767,400	0	767,400
Other	31,800	76,600	76,600	0	76,600

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	209	227	228	0	228
Part-Time	0	0	5	0	5
Seasonal	3	3	3	0	3
Total	212	230	236	0	236

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
Payroll	13,061,800	15,376,600	15,412,000	0	15,412,000
Operational	7,665,000	8,370,900	8,340,500	0	8,340,500
Total	\$20,726,800	\$23,747,500	\$23,752,500	\$0	\$23,752,500
State	10,213,300	10,164,100	9,981,700	0	9,981,700
Federal	2,369,500	3,057,000	3,244,400	0	3,244,400
Other	8,144,000	10,526,400	10,526,400	0	10,526,400

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	7,782,300	10,481,000	10,473,200	0	10,473,200
Total	\$7,782,300	\$10,481,000	\$10,473,200	\$0	\$10,473,200
State	6,761,000	10,361,000	10,353,200	0	10,353,200
Federal	0	0	0	0	0
Other	1,021,300	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	310	306	0	306
Part-Time	1	1	1	0	1
Seasonal	175	175	175	0	175
Total	487	486	482	0	482
Payroll	16,592,000	18,556,200	18,322,900	0	18,322,900
Operational	8,791,100	13,582,400	10,887,600	0	10,887,600
Total	\$25,383,100	\$32,138,600	\$29,210,500	\$0	\$29,210,500
State	17,525,100	21,943,200	21,515,100	0	21,515,100
Federal	3,561,200	6,084,900	3,584,900	0	3,584,900
Other	4,296,800	4,110,500	4,110,500	0	4,110,500

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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	157,400	157,200	157,200	0	157,200
Total	\$157,400	\$157,200	\$157,200	\$0	\$157,200
State	157,200	157,200	157,200	0	157,200
Federal	0	0	0	0	0
Other	200	0	0	0	0
325.00 Total Agriculture					
Full-Time	598	615	609	0	609
Part-Time	2	2	7	0	7
Seasonal	178	178	178	0	178
Total	778	795	794	0	794
Payroll	35,684,200	40,066,200	39,712,300	0	39,712,300
Operational	54,453,800	65,410,600	62,657,900	1,685,000	64,342,900
Total	\$90,138,000	\$105,476,800	\$102,370,200	\$1,685,000	\$104,055,200
State	61,545,500	74,318,100	73,524,100	1,685,000	75,209,100
Federal	12,683,700	15,784,300	13,471,700	0	13,471,700
Other	15,908,800	15,374,400	15,374,400	0	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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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 and support services.

Full-Time	29	28	27	0	27
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	29	28	27	0	27
Payroll	2,250,700	2,394,800	2,394,800	0	2,394,800
Operational	13,581,700	17,497,200	11,101,000	5,900,000	17,001,000
Total	\$15,832,400	\$19,892,000	\$13,495,800	\$5,900,000	\$19,395,800
State	15,383,400	18,802,800	12,706,600	5,900,000	18,606,600
Federal	0	0	0	0	0
Other	449,000	1,089,200	789,200	0	789,200

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.

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

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
Payroll	5,730,500	6,824,300	6,824,300	0	6,824,300
Operational	2,934,000	3,254,500	3,250,400	0	3,250,400
Total	\$8,664,500	\$10,078,800	\$10,074,700	\$0	\$10,074,700
State	1,437,800	1,615,000	1,615,000	0	1,615,000
Federal	0	0	0	0	0
Other	7,226,700	8,463,800	8,459,700	0	8,459,700
326.00 Total Tourist Development					
Full-Time	181	180	179	0	179
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	181	180	179	0	179
Payroll	7,981,200	9,219,100	9,219,100	0	9,219,100
Operational	16,515,700	20,751,700	14,351,400	5,900,000	20,251,400
Total	\$24,496,900	\$29,970,800	\$23,570,500	\$5,900,000	\$29,470,500
State	16,821,200	20,417,800	14,321,600	5,900,000	20,221,600
Federal	0	0	0	0	0
Other	7,675,700	9,553,000	9,248,900	0	9,248,900

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 Direct Investment representatives in Japan, Korea, Germany, Italy, China, United Kingdom, and Benelux maintaining and providing ECD's presence, assistance, and programs in Tennessee and internationally.

<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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, 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	39	38	39	0	39
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	39	38	39	0	39
Payroll	3,971,100	3,927,300	3,978,500	0	3,978,500
Operational	2,260,700	2,956,600	2,242,300	0	2,242,300
Total	\$6,231,800	\$6,883,900	\$6,220,800	\$0	\$6,220,800
State	3,981,100	6,031,500	5,456,400	0	5,456,400
Federal	214,700	253,200	165,200	0	165,200
Other	2,036,000	599,200	599,200	0	599,200

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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 Job Training Assistance program, and the Tennessee Job 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	50	49	46	2	48
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	50	49	46	2	48
Payroll	4,929,600	4,869,500	4,669,700	300,000	4,969,700
Operational	6,777,500	8,838,100	5,741,600	25,000,000	30,741,600
Total	\$11,707,100	\$13,707,600	\$10,411,300	\$25,300,000	\$35,711,300
State	10,965,000	13,302,200	9,877,700	25,300,000	35,177,700
Federal	36,300	0	128,200	0	128,200
Other	705,800	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	70,265,500	106,233,900	25,340,500	60,050,000	85,390,500
Total	\$70,265,500	\$106,233,900	\$25,340,500	\$60,050,000	\$85,390,500
State	63,515,400	105,893,400	25,000,000	60,050,000	85,050,000
Federal	0	0	0	0	0
Other	6,750,100	340,500	340,500	0	340,500

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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	156,300	1,464,900	1,464,900	0	1,464,900
Total	\$156,300	\$1,464,900	\$1,464,900	\$0	\$1,464,900
State	152,800	0	0	0	0
Federal	0	0	0	0	0
Other	3,500	1,464,900	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	290,300	400,900	400,900	0	400,900
Total	\$290,300	\$400,900	\$400,900	\$0	\$400,900
State	290,300	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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
Payroll	0	0	0	0	0
Operational	13,418,400	14,548,600	2,048,600	0	2,048,600
Total	\$13,418,400	\$14,548,600	\$2,048,600	\$0	\$2,048,600
State	13,382,200	14,500,000	2,000,000	0	2,000,000
Federal	0	0	0	0	0
Other	36,200	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	4,841,500	200,000	200,000	0	200,000
Total	\$4,841,500	\$200,000	\$200,000	\$0	\$200,000
State	105,000	200,000	200,000	0	200,000
Federal	4,736,500	0	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	25,328,500	30,000,000	30,000,000	0	30,000,000
Total	\$25,328,500	\$30,000,000	\$30,000,000	\$0	\$30,000,000
State	25,328,500	30,000,000	30,000,000	0	30,000,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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Community Development

The Community Development area works with communities to ensure they develop and maintain the leadership, organizations, and community facilities essential for economic growth. Community Development also administers federal Community Development Block Grant (CDBG) grants, Appalachian Regional Commission grants, and Delta Regional Authority 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	9	0	9
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	8	8	9	0	9
Payroll	622,400	715,500	715,500	0	715,500
Operational	55,959,100	28,012,300	26,012,200	2,218,800	28,231,000
Total	\$56,581,500	\$28,727,800	\$26,727,700	\$2,218,800	\$28,946,500
State	539,900	2,586,000	561,100	2,218,800	2,779,900
Federal	56,040,400	26,073,900	26,098,700	0	26,098,700
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	7	6	7	0	7
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	7	6	7	0	7
Payroll	589,200	624,600	773,200	0	773,200
Operational	1,531,400	11,539,000	1,426,100	21,735,000	23,161,100
Total	\$2,120,600	\$12,163,600	\$2,199,300	\$21,735,000	\$23,934,300
State	1,253,700	12,098,600	2,199,300	21,735,000	23,934,300
Federal	64,600	65,000	0	0	0
Other	802,300	0	0	0	0

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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330.15 Economic Development District Grants

The Development District Act of 1965 established nine development districts in order to provide the most effective and efficient means for cities and counties to conduct regional planning and economic development. The districts prepare and maintain long-range plans and policies for regional development, including transportation, water and wastewater infrastructure, water and air quality, solid waste management, and open space and recreation planning. This allotment provides funding for state grants to the development districts. Local government contributions are required to receive funding.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	2,010,000	2,010,100	2,010,100	0	2,010,100
Total	\$2,010,000	\$2,010,100	\$2,010,100	\$0	\$2,010,100
State	2,010,000	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	104	101	101	2	103
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	104	101	101	2	103
Payroll	10,112,300	10,136,900	10,136,900	300,000	10,436,900
Operational	182,839,200	206,204,400	96,887,200	109,003,800	205,891,000
Total	\$192,951,500	\$216,341,300	\$107,024,100	\$109,303,800	\$216,327,900
State	121,523,900	187,022,700	77,705,500	109,303,800	187,009,300
Federal	61,092,500	26,392,100	26,392,100	0	26,392,100
Other	10,335,100	2,926,500	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 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</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	114	90	90	0	90
Part-Time	5	5	5	0	5
Seasonal	0	0	0	0	0
Total	119	95	95	0	95
Payroll	6,863,700	8,100,000	8,364,000	0	8,364,000
Operational	86,646,500	77,023,000	59,041,600	0	59,041,600
Total	\$93,510,200	\$85,123,000	\$67,405,600	\$0	\$67,405,600
State	70,888,400	66,960,500	51,905,600	0	51,905,600
Federal	19,525,100	15,602,600	13,500,000	0	13,500,000
Other	3,096,700	2,559,900	2,000,000	0	2,000,000

402.00 Bureau of Administration

The Bureau of Administration supports the operations of the department. Bureau services include 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	282	282	247	0	247
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	282	282	247	0	247
Payroll	18,330,300	24,109,200	21,783,000	0	21,783,000
Operational	50,384,300	51,349,800	34,979,400	0	34,979,400
Total	\$68,714,600	\$75,459,000	\$56,762,400	\$0	\$56,762,400
State	46,304,500	59,261,500	56,726,300	0	56,726,300
Federal	7,826,500	15,746,200	36,100	0	36,100
Other	14,583,600	451,300	0	0	0

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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403.00 Bureau of Engineering

The Bureau of Engineering provides the programming and scheduling of transportation pre-construction activities. Responsibilities include development of construction standards, administration of highway and bridge maintenance programs, and maintenance of materials standards. Improvement of state highways, not classified as construction or reconstruction projects, are administered under the Highway Betterments program. Connector routes to the interstate system are funded with a 50 percent state match through the Local Interstate Connector program. The bureau also administers the Capital Improvements program, providing funding for the construction or replacement of 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	429	486	521	0	521
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	429	486	521	0	521
Payroll	36,611,100	41,685,700	45,406,100	0	45,406,100
Operational	179,383,900	144,625,900	163,977,700	0	163,977,700
Total	\$215,995,000	\$186,311,600	\$209,383,800	\$0	\$209,383,800
State	60,832,800	79,202,500	85,961,600	0	85,961,600
Federal	140,192,600	102,484,400	116,660,000	0	116,660,000
Other	14,969,600	4,624,700	6,762,200	0	6,762,200

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	3,577	3,539	3,544	0	3,544
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	3,577	3,539	3,544	0	3,544
Payroll	145,263,200	217,147,300	237,317,000	0	237,317,000
Operational	1,014,528,700	1,098,462,100	1,116,204,700	290,288,100	1,406,492,800
Total	\$1,159,791,900	\$1,315,609,400	\$1,353,521,700	\$290,288,100	\$1,643,809,800
State	502,083,300	559,146,000	583,160,300	278,570,000	861,730,300
Federal	637,821,300	733,293,200	731,072,100	11,718,100	742,790,200
Other	19,887,300	23,170,200	39,289,300	0	39,289,300

	<u>Actual 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Base 2017-2018</u>	<u>Cost Increase 2017-2018</u>	<u>Recommended 2017-2018</u>
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405.00 Bureau of Environment and Planning

The Bureau of Environment and Planning provides transportation and traffic planning, monitors environmental impacts of transportation projects, and distributes mass transit grants. Sales tax collected on commercial water vessels and rail fuel, as part of the transportation equity fund, is used for construction and capital improvements of water port facilities and shortline rail systems. In addition, this division ensures the safety of the state's waterways and railways through routine inspections. The bureau also controls outdoor advertising and easements.

Full-Time	228	233	228	0	228
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	228	233	228	0	228
Payroll	12,613,700	18,768,600	18,592,900	0	18,592,900
Operational	103,753,400	194,519,800	197,978,400	0	197,978,400
Total	\$116,367,100	\$213,288,400	\$216,571,300	\$0	\$216,571,300
State	60,536,600	79,985,500	80,961,200	0	80,961,200
Federal	54,043,100	132,584,000	134,514,600	0	134,514,600
Other	1,787,400	718,900	1,095,500	0	1,095,500

400.00 Total Transportation

Full-Time	4,630	4,630	4,630	0	4,630
Part-Time	5	5	5	0	5
Seasonal	0	0	0	0	0
Total	4,635	4,635	4,635	0	4,635
Payroll	219,682,000	309,810,800	331,463,000	0	331,463,000
Operational	1,434,696,800	1,565,980,600	1,572,181,800	290,288,100	1,862,469,900
Total	\$1,654,378,800	\$1,875,791,400	\$1,903,644,800	\$290,288,100	\$2,193,932,900
State	740,645,600	844,556,000	858,715,000	278,570,000	1,137,285,000
Federal	859,408,600	999,710,400	995,782,800	11,718,100	1,007,500,900
Other	54,324,600	31,525,000	49,147,000	0	49,147,000

Budget Process



Budget Process

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The Budget Process

Preparation of the Governor’s annual budget for the State of Tennessee is the responsibility of the Commissioner of Finance and Administration, who is the State Budget Director.

Within the Department of Finance and Administration, the Division of Budget is responsible for budget development. Preparation, deliberation, and execution of the budget is a continual process throughout the year. This process regularly involves the legislative and executive branches, with occasional counsel from the judicial branch. The following table indicates the participants in the budgetary process and an approximate time schedule.

Function	Participants	Schedule
Preparation of Strategic Plans	Departments and Agencies	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



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Glossary of Budget Terms

A

Accrual Basis of Accounting - Records revenues in the period in which they are earned and become measurable; expenses are recorded in the period incurred, if measurable.

Agency - Any department, commission, board, authority, government-owned corporation, or other independent governmental entity.

Allotment - Funds established for agency expenditure, in accordance with the appropriations made by the General Assembly.

Allotment Code - The five-digit number used to designate a program or programs for budgeting and accounting purposes.

Appropriation - The amount authorized by the General Assembly to be allocated from a fund to an allotment code. Also, in the context of funding type, the general state revenue allocated to an allotment code by the General Assembly.

Appropriations Bill - Annual legislation authorizing the allocation and expenditure of funds for a two-year period: the year of bill passage and the subsequent year. The bill also sets policies, assigns certain responsibilities, and at times, specifies legislative intent on certain issues.

Authorized Positions - The maximum number of positions an agency may establish at any given time; authorized positions must receive legislative approval by legislation,

by expansion, or by inclusion in the Governor's recommended budget document.

B

Balanced Budget - A budget in which the expenditures incurred during a given period are matched by revenues.

Base Budget - The estimated expenditures and associated revenues or appropriation necessary to maintain the current level of service or activity.

BEP - The Basic Education Program is the formula that determines the funding level each school system needs in order to provide a basic level of service for all students.

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 that 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 Department of General Services, Central Procurement Office.

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.

Glossary of Budget Terms

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.

Glossary of Budget Terms

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 that 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.

Glossary of Budget Terms

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 2017-2018

Bill Haslam, Governor

Department of Finance and Administration

Larry Martin, Commissioner

Eugene Neubert, Deputy Commissioner

Division of Budget

David Thurman, Director

Mike Dedmon, Assistant Director

Gerald Adams	John Kerr
Zach Barnett	Jerry Lee
Charles Brown	Matthew McElroy
Susan Burdette	Amanda Newell
Samantha Chandler	Rick Newton
Veronica Coleman	Kathy Pate
Abby Comm	Alex Schuhmann
Cameron Dodd	Angela Scott
Alexandra Gaughan	Dean Tays
Boyd Glover	Greg Turner
Amie Guthormsen	Troy Williamson
Susan Irby	Samantha Wilson
Brian Jefferies	

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