

STATE OF TENNESSEE

The Budget

FISCAL YEAR 2018-2019



Bill Haslam, Governor



Bill Haslam,
Governor



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Introduction



Introduction

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BILL HASLAM
GOVERNOR
STATE OF TENNESSEE

January 29, 2018

To the members of the 110th General Assembly:

I am pleased to submit to you the fiscal year 2019 Budget for the State of Tennessee. It is important to note that the fiscal year 2019 budget I am recommending is a 'no growth budget' in that it does not exceed the current year budget level.

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

The budget includes funding increases to address program and inflation growth in the areas of Correction, TennCare, K-12, and higher education. In addition, I am recommending important strategic investments in education, higher education, economic development, health and social services as well as capital outlay; all of which are detailed in this document. I would also like to highlight that I am proposing a series of actions and programs that will help address the rapid increase in opioid drug usage in our state.

Lastly, I am proposing the revenue fluctuation reserve be increased to \$850 million. This represents an increase of \$50 million.

I look forward to working with you on this budget and other important issues that come before you during this legislative session.

Sincerely,

A handwritten signature in black ink, appearing to read 'Bill Haslam', written over a white background.

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 29, 2018

The Honorable Bill Haslam
State Capitol
Nashville, TN 37243

It is a pleasure and an honor to present to you the fiscal year 2019 Budget Document.

Tennessee's economy continues to demonstrate healthy growth. As a result, this budget assumes economic conditions will continue to improve, building on expectations of healthy national growth.

For fiscal year 2019, the recommended budget is based on a projected growth rate of 3.2 percent in total taxes. The total budget is \$37.5 billion of which \$17.7 billion is state appropriations; \$13.9 billion is federal; and \$5.9 billion is from other departmental revenues, higher education tuition and fees, and bonds.

Funding is recommended to address program and inflationary growth in TennCare, the K-12 Basic Education Program formula, and the outcome-based funding formula in higher education. The budget also recommends significant investments in economic development and health and social services.

The capital budget, totaling \$446 million, is heavily weighted toward the maintenance of our already owned assets in both state government and higher education.

In our continued effort to find efficiencies within state government, the budget recommends \$78.6 million in reductions and is detailed in Volume 2.

The revenue fluctuation reserve, with this budget, will increase \$50 million to \$850 million. At this amount, the reserve will now stand at 5.9 percent of general fund revenues.

In summary, the recommended budget is balanced within available revenues. The investments proposed continue to support your long-term goals for education, economic development, public safety, and health and welfare.

Tennessee continues to be a national leader in strong financial management as we continue to strive in all facets of state government to provide the highest quality service at the lowest possible price to taxpayers.

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 2018-2019

The total recommended state budget for fiscal year 2018-2019 is \$37.5 billion, with \$17.7 billion from state appropriations; \$13.9 billion from federal funds; \$3.8 billion from other departmental revenues; \$1.9 billion from higher education student tuition and fees; and \$245.4 million in bonds. This is an increase of \$170.9 million in total funding and a decrease of \$216.6 million in state funding from the revised current year 2017-2018 spending estimates. Federal revenue is increasing by \$269.8 million, departmental revenue is decreasing by \$47.7 million, and capital and highway construction bonds are increasing by \$165.4 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 1.4 percent compared with the actual 2016-2017 Department of Revenue collections. For fiscal year 2018-2019, before inter-fund reallocations, general fund taxes are expected to grow by \$375.6 million above the revised current-year estimate. This is a 3.2 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 2017-2018 and beyond.

Plan for Balancing

General fund supplemental appropriations in the current 2017-2018 fiscal year total \$46 million, \$38 million of which is in the Department of Economic and Community Development for a capital grant to DENSO (\$20 million) and a FastTrack grant to Tyson Foods (\$18 million). Additional programs requiring supplemental appropriations include \$3 million for the Health Access Incentive program, \$1.6 million for a rent adjustment for space in the Cordell Hull building, \$1.2 million for the restoration of a historic preservation reserve, \$1.25 million to preserve accreditation of the Middle Tennessee Regional Mental Health Institute, and \$1 million for state legal expenses.

In fiscal year 2018-2019, the budget is balanced, with recurring revenues fully supporting recurring appropriations. This is accomplished by additional budget reductions in fiscal year 2018-2019. Base budgets in general fund programs throughout state government have been reduced by \$29.5 million and certain other programs have been reduced by \$78.6 million for a net recurring base reduction of \$108.1 million in the general fund. The average general fund recurring reduction is 1.3 percent. A total of 335 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 2018-2019, federal participation in certain healthcare programs is increasing from 65.605 percent to 65.858 percent. This creates a savings of \$21.5 million in state funding in TennCare and \$359,500 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 (\$847,400), the attorney general (\$4,900), assistant district attorneys and criminal investigators (\$1.4 million), assistant public defenders and criminal investigators (\$678,400), assistant post-conviction defenders (\$28,400), the governor (\$4,900), trooper step increases (\$1.1 million) and border-state survey (\$1.7 million), and wildlife officer step increases (\$525,000) 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, \$7,600 is provided to the Department of Children's Services for the Youth Development schools.

K-12 Education

For K-12 education, the cost to maintain full funding of the Basic Education Program (BEP) formula, which provides an equitable state share of K-12 public education funding to Local Education Agencies (LEAs), is \$48.8 million. An additional \$18 million is recommended for all current year enrollment growth due to increased average daily membership. An appropriation of \$55.1 million is recommended for salary increases for teachers and other positions funded through the BEP formula, effective July 1, 2018. The amount of the salary increases will depend on each LEA's salary schedule and structure. The third year of the Read To Be Ready literacy initiative is funded with a non-recurring appropriation of \$4.4 million. A recommendation of \$17.3 million funds the state share of a 9.04 percent group health insurance increase for LEAs effective January 1, 2018 and \$10.5 million funds the state share of a 5 percent increase effective January 1, 2019. An increase in the retirement contribution of local certified personnel is funded with \$22.2 million.

Other programs and initiatives in K-12 education include additional BEP positions for the Response to Intervention program that matches specific student needs to appropriate instructional strategies with a recurring appropriation of \$13.3 million. A non-recurring \$10 million is recommended to support improvement in the lowest-performing 5 percent of schools through the Priority Schools Improvement Grants program. A Charter Schools Facilities fund to assist public charter schools in acquiring and improving property is established with a \$6 million non-recurring appropriation. Programs to recruit, train, and retain principals are funded with \$1.75

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million. Non-recurring funding of \$1.5 million is recommended for Teach For America, which recruits college graduates to serve as teachers in low-income communities across the state.

The total amount of new funding requested for K-12 education is \$211.8 million.

Higher Education

A general fund recurring recommendation of \$28.6 million funds increased operational costs in the University of Tennessee (\$8.4 million), Locally Governed Institutions (\$11.1 million), and the Board of Regents (\$9.1 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 2.5 percent salary pool for higher education employees including formula units, non-formula units, and state administration personnel is funded with \$37 million. A 4.7 percent increase in group health insurance premiums effective January 1, 2018, is funded with \$6.1 million.

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 59,800.

A non-recurring appropriation of \$5 million is recommended to support research areas aligned with state economic and community development priorities and initiatives.

Various grant programs and initiatives for higher education students are funded with a total recommendation of \$7 million. This amount includes \$2.5 million recurring and three positions for Advise TN that will provide one-on-one assistance for students completing college admission forms and financial aid applications, \$1.25 million recurring for a college coaching initiative for students entering higher education institutions through the Promise Scholarship program, \$1 million non-recurring for competitive Veteran Reconnect grants that will be used to train faculty and staff who work with students who have served in the armed forces, \$800,000 non-recurring for competitive grants to institutions to develop programs that will recruit and retain students eligible for the Tennessee Promise Scholarship program, \$750,000 recurring to expand the Seamless Alignment and Integrated Learning Support (SAILS) program to high demand areas, \$500,000 recurring for a summer academic program for Promise students to address remediation needs, and \$276,000 non-recurring to expand opportunities for mechatronics education.

Other higher education initiatives recommended include \$1 million recurring to implement a relational advising model at the state's community colleges, \$1 million non-recurring for a mobile adaptive training unit to provide quick responses to training needs for new and existing industries, \$750,000 non-recurring for financial aid for students in the medical education program administered by Middle Tennessee State University and Meharry Medical College, and

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\$500,000 non-recurring to fund the second year of a cyber security research project at Tennessee Technological University.

The total amount of new funding requested for higher education is \$99.1 million.

Tennessee Together Opioid Initiative

In response to the state's opioid crisis, the administration recommends an appropriation of \$14.6 million for treatment and law enforcement initiatives. Of this amount, the Department of Mental Health and Substance Abuse Services will receive \$8.25 million recurring to expand prevention, treatment, and recovery services; \$750,000 recurring for non-state staffing of peer recovery specialists in hospital emergency departments in targeted, high-need areas; \$750,000 non-recurring to expand a pilot program that supplies recovery courts with injectable pharmaceuticals that effectively treat opioid dependence; and \$300,000 non-recurring for a pilot program in county jails to provide those local facilities with the same pharmaceuticals.

In the Department of Health, recommendations include \$1.6 million for improved data access and sharing to identify areas to target resources and to increase information about patient and community risks; \$250,000 non-recurring for a collaborative of health-care stakeholders to study, formulate, and implement best practices in pain management; and \$7,500 non-recurring for a special commission to formulate current, evidence-based pain and addiction medicine competencies for adoption by schools of medicine.

In the Department of Children's Services, \$175,000 non-recurring will fund transportation needs relative to therapeutic and family support services in the state's Zero to Three Court programs.

To fund law enforcement expenditures that are part of this initiative, \$2.2 million is recommended for the Tennessee Bureau of Investigation for an additional ten drug investigation special agents to address the illicit sale and trafficking of opioids. Enhanced criminal penalties for the possession, distribution, and/or trafficking of certain controlled substances is funded with an appropriation of \$286,300 for the Department of Correction.

Health and Social Services

An additional \$51.4 million in recurring state funding is recommended for the TennCare program to offset increased costs due to a 2.13 percent medical inflation and utilization rate increase. The continued development of a new Medicaid eligibility system is funded with \$36.7 million and \$10.9 million is recommended to modernize the Medicaid management information system. Increasing costs for specialty and brand-name drugs are addressed with \$17.1 million recurring. An increase in the health insurer fee is funded with \$11.1 million recurring. An appropriation of \$1.7 million funds the second year of the medication therapy management pilot program.

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Additional slots are added to the Employment and Community First (ECF) CHOICES program with \$7.3 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.

TennCare general fund cost increases total \$140.3 million and are matched with \$353 million in federal funds for a total of \$493.3 million in new funding for the program.

In the Department of Health, \$4 million non-recurring is recommended for grants to counties to support local efforts to reduce tobacco-related diseases. The expense of core environmental health testing functions at the state's laboratory is funded with \$850,000 recurring. Two investigator positions are funded with dedicated state appropriations of \$385,600 to provide increased oversight of sterile compounders. Funding is recommended on a recurring basis for the home visitation programs Healthy Start (\$1.5 million) and Child Health and Development (CHAD) (\$450,000) and a recurring increase of \$140,000 is recommended for the Men's Health Network.

To address federal guidance for services provided to the intellectual and developmentally disabled, a recurring appropriation of \$847,300 is recommended to transition clients from facility-based day services and \$353,200 recurring is recommended to transition clients from large community homes of five residents or more. An enabling technology project that will involve the use of audio, video, sensors, and mobile applications in the homes and communities served by the Department of Intellectual and Developmental Disabilities is funded with a recurring appropriation of \$500,000.

In the Department of Children's Services, recurring appropriations of \$2.7 million are recommended to provide support to an increasing number of children adopted in the state. An additional 30 case manager positions needed to meet increased caseloads are funded with an increase of \$2.1 million, of which \$798,900 is state appropriations. An increase in the number of children in the subsidized permanent guardianship program is funded with \$487,300 recurring. Adverse Childhood Experience grants are funded with \$1.25 million recurring.

Within the health and social services community, rate increases to non-state providers of services are funded with recurring appropriations of \$1.8 million (\$5.3 million including federal revenue) to the Department of Intellectual and Developmental Disabilities, \$6 million to the Department of Mental Health and Substance Abuse Services, and \$2.7 million (\$5.3 million including all sources of revenue) to the Department of Children's Services.

The total amount of new funding requested for health and social services is \$174.7 million.

Safe Communities

An appropriation of \$2.2 million and 38 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

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state prisons by implementing a graduated sanctions system for violations of community supervision, including probation and parole. An additional \$3.4 million is provided to fund 50 additional probation and parole officers and managers to reduce current caseload levels and bring supervision standards in-line with industry best practices. A non-recurring appropriation of \$879,300 funds protective vests for correctional and probation and parole officers.

A new contract providing medical services to inmates is funded with a recurring recommendation of \$15.5 million. Cost increases in contracts with non-state service providers are funded with \$4.4 million recurring. These contract increases include Trousdale County Incarceration Agreement (\$2.1 million), Hardeman County Agreement–Whiteville (\$851,500), South Central Correctional Facility (\$671,200), and the Hardeman County Incarceration Agreement (\$762,000).

A Federal Communications Commission (FCC) requirement to operate all radios on a 6.25 KHz digital bandwidth is funded with a recurring appropriation of \$950,000 in the Department of Safety for maintenance and security upgrades. Also in the Department of Safety, eight Homeland Security positions previously funded with federal grants are retained with an appropriation of \$790,000, and five additional driver license examiners are funded with \$250,000 to improve wait times at driver service centers.

In the Military Department, an appropriation of \$43,300 is recommended to upgrade and modernize information technology services.

Business and Economic Development

A non-recurring appropriation of \$80 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 \$12.5 million non-recurring. Aid to eligible areas includes help with site development, community asset improvements, marketing, strategic planning, downtown revitalization, and technical assistance. The second year of a three-year initiative to increase broadband accessibility through grants and tax credits is funded with a \$10 million non-recurring appropriation. The Rural Opportunity Fund, a public-private partnership that provides loans and technical assistance to small, minority, and women-owned rural businesses that are unable to access traditional loan capital, is funded with \$2 million non-recurring.

Launch Tennessee Grants, a program that promotes innovation and entrepreneurship through the distribution of grants aimed at increasing new businesses from research and development activities, is funded with \$3 million non-recurring.

Budget Highlights

The production of films and television shows and the development of interactive media in the state are supported with a non-recurring appropriation of \$3.2 million.

The fourth 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 third year of a three-year commitment to provide funds to St. Jude Children's Research Hospital in Memphis is funded with \$12 million non-recurring. An appropriation of \$2 million matches federal flooding assistance funds.

The sixth year of a tourism marketing task force in the Department of Tourist Development is funded with a \$4 million non-recurring appropriation. Also in Tourist Development, \$289,000 is recommended to fund an increase in the security costs at 16 welcome centers.

Resources and Regulation

The anticipated cost of the state's new museum, scheduled to open in the fall of 2018, is funded with an appropriation of \$3.2 million. This amount includes funding for rent, maintenance, start-up inventory and supplies, marketing expenses, and 12 additional positions.

The conversion of sub-surface sewage disposal records to an electronic format in the Department of Environment and Conservation is funded with a non-recurring appropriation of \$1 million. Four positions and \$557,900 in recurring dedicated appropriation are provided for the Ocoee River recreation and development fund to support recreational water releases and encourage economic growth. Operations and two positions at the new visitor center in Cummins Falls State Park are funded with \$111,100 recurring.

Five positions and \$426,800 in recurring appropriation are recommended for the Department of Labor and Workforce Development to comply with statutory requirements pertaining to the permitting of certain amusement devices. Also in the department, \$577,500 non-recurring is recommended to upgrade the workers' compensation system.

Pay for Performance and Employee Benefits

To continue implementing Pay for Performance in executive branch agencies, an appropriation of \$17.7 million is recommended. This amount is the equivalent of a 2.5 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, 2018, and the resulting salary increases will be effective on January 1, 2019. The six-month cost of these performance-based increases will be \$17.7 million in fiscal year 2018-2019 and the annualized cost will be \$35.4 million.

Salary increases for state employees not covered by the Tennessee Excellence, Accountability, and Management (TEAM) Act will be funded with an appropriation of \$8.1 million, which is the

Budget Highlights

equivalent of a 2.5 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, 2018.

Changes to state employee benefits include insurance and other post-employment benefit liabilities funded with a recommendation of \$15.3 million recurring, an increase in the retirement contribution of state employees funded with \$9.8 million recurring, and a 4.76 percent group health insurance premium increase is funded with \$6.7 million recurring.

Information Technology

Phase Three of a new management structure for information technology services in state government, known as Enterprise IT Transformation (EIT), is funded with an appropriation of \$357,700. This initiative will implement a unified technology services delivery model that 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 Education and Labor to 18 state agencies that are already part of EIT and will fund NextGen IT salaries.

Improved security within the state's information technology infrastructure is funded with a recommendation of \$1.5 million and \$900,000 is appropriated to implement the MyTN.Gov mobile app to enhance online customer service.

The Department of Revenue requests \$10.6 million non-recurring and 16 temporary positions for a new revenue and tax collection computer system. The new system is a commercial off-the-shelf product called GenTax that has already been implemented in 20 states. It will replace the existing COBOL-based Revenue Integrated Tax System (RITS), which was implemented over 20 years ago. The new system will enhance customer service, increase productivity and efficiency, and offer opportunities to increase revenue collections.

In the Department of Correction, \$523,700 is needed to fund additional users of the Correctional Offender Management Electronic Tracking (COMET) system.

Capital Outlay

Capital outlay in fiscal year 2018-2019 totals \$330.8 million, including \$181.3 million in non-recurring current funds and \$118.8 million from federal and other sources. A bond authorization of \$30.7 million is also requested. An appropriation of \$85.2 million is recommended for statewide capital maintenance, including \$4 million for general government, \$14.7 million for the Board of Regents, \$40.8 million for the University of Tennessee, and \$25.7 million for Locally Governed Higher Education Institutions. Sentencing Act funds are the source of \$47 million for capital maintenance in the Department of Correction.

Budget Highlights

The Facilities Revolving Fund (FRF) capital budget provides an additional \$115.8 million for projects and maintenance of state office buildings and similar facilities maintained through agency rent payments.

Revenue Fluctuation and TennCare Reserves

The revenue fluctuation reserve, commonly referred to as the “Rainy Day Fund,” allows services to be maintained when revenue growth is slower than estimated in the budget, mainly during economic downturns. The revenue fluctuation reserve was \$668 million on June 30, 2017, and is estimated to be \$800 million on June 30, 2018. A recommended deposit to the fund of \$50 million in fiscal year 2018-2019 will have the total revenue fluctuation reserve at \$850 million on June 30, 2019.

The TennCare reserve consists of prior-year unspent funds appropriated to the TennCare program. The unobligated reserve, as of June 30, 2017, is \$242.5 million and after a \$21.7 million reduction for the new TennCare eligibility system, it is expected to be \$220.8 million on June 30, 2018 and June 30, 2019.

Conclusion

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

The Budget Document

Introduction

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

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

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

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

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

The "Introduction" section of the budget document begins with transmittal letters from

the Governor to the General Assembly and from the Commissioner of Finance and Administration to the Governor. These letters and the following budget highlights summarize the policy and financial recommendations included in the document.

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

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

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

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

Also included are tables that list, by department, the cost increases proposed for the next fiscal year. A separate table lists, by department, proposed base budget reductions, indicating the percentage of reduction compared with general fund state appropriations and with so-called discretionary appropriations. The discretionary appropriations exclude appropriations from all dedicated taxes and fees, federal aid, and other departmental revenue; and general fund appropriations for the K-12 Basic Education Program (BEP), pre-kindergarten, constitutionally and statutorily required salaries of judges, 31 district attorneys general, 31 public defenders,

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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.

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At the beginning of each functional area 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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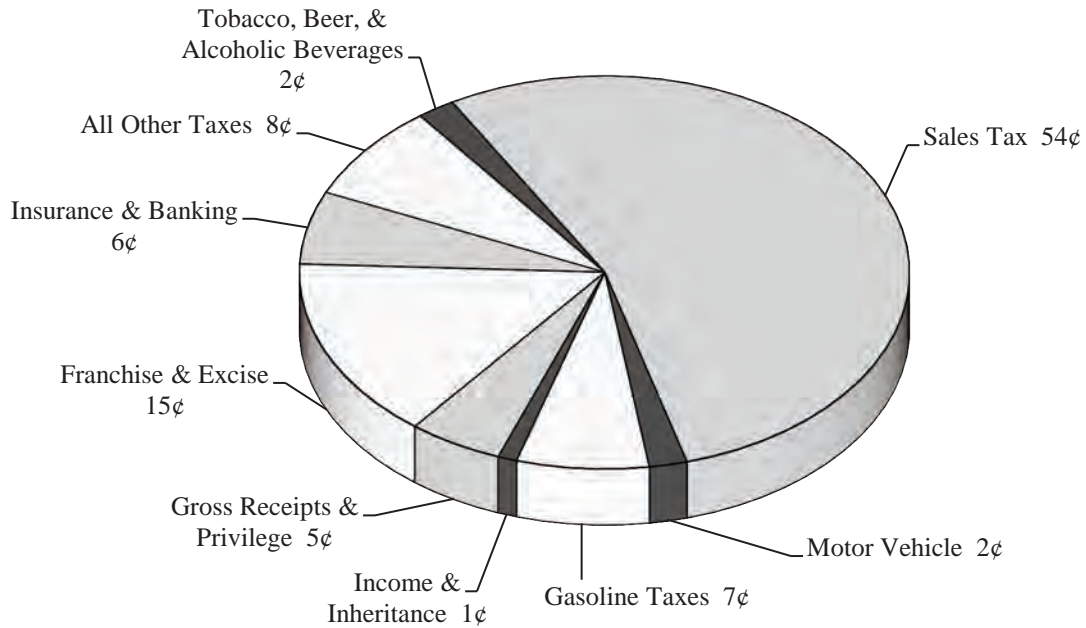
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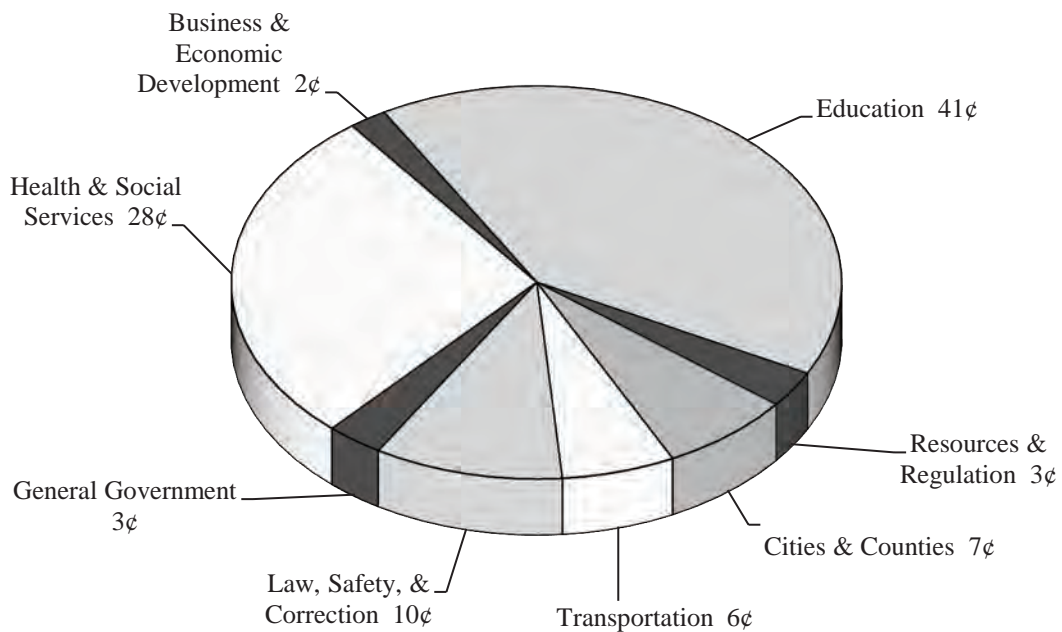
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Total State Budget

Where Your State Tax Dollar Comes From



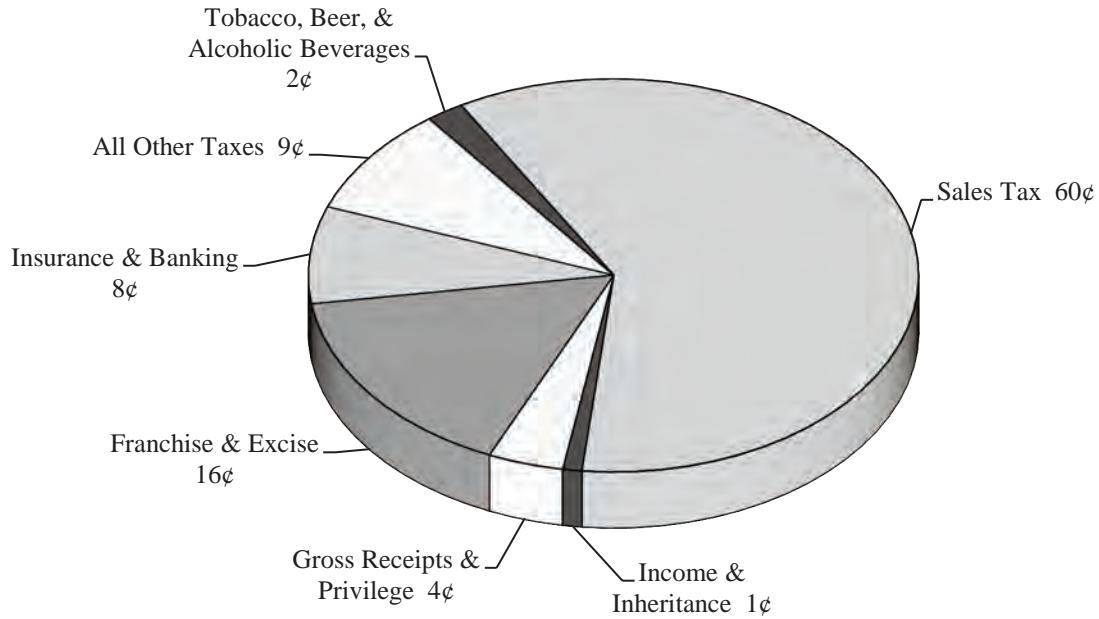
Where Your State Tax Dollar Goes



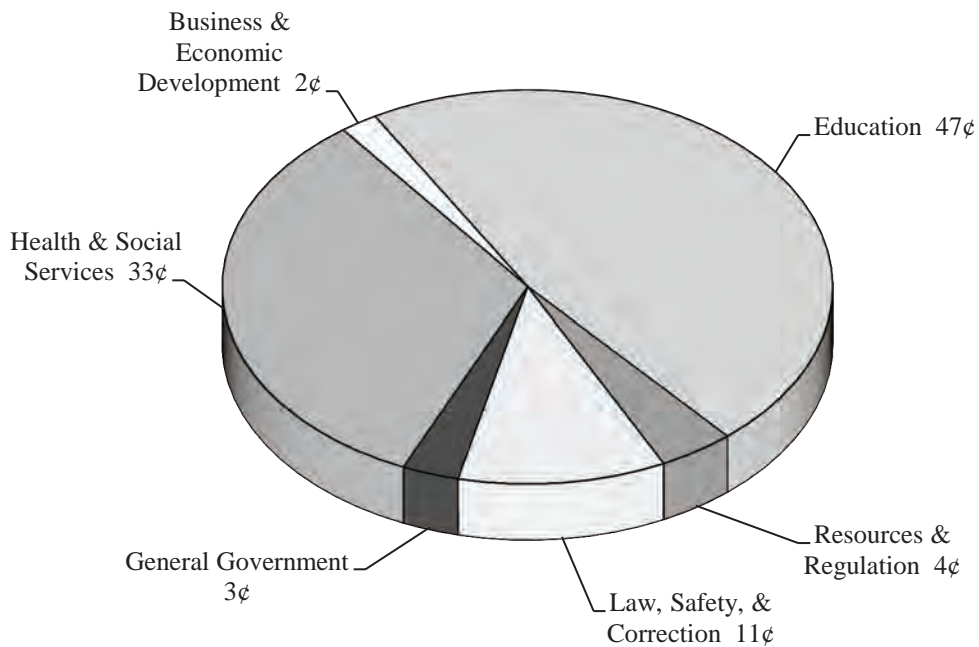
Fiscal Year 2018-2019

General Fund Budget

Where Your State Tax Dollar Comes From



Where Your State Tax Dollar Goes



Fiscal Year 2018-2019

**Total State Budget
Comparison of Programs and Revenue Sources
Fiscal Years 2016-2017, 2017-2018, and 2018-2019**

	Actual 2016-2017	Estimated 2017-2018	Recommended 2018-2019	Act. vs. Est. Difference	Est. vs. Rec. Difference
I. PROGRAMS					
ALL PROGRAMS	\$ 33,878,086,600	\$ 37,345,469,600	\$ 37,516,392,700	\$ 3,467,383,000	\$ 170,923,100
General Fund ¹	29,980,223,300	32,705,613,300	33,203,919,600	2,725,390,000	498,306,300
Department of Transportation	1,728,330,500	2,075,941,900	2,150,693,700	347,611,400	74,751,800
Debt Service Requirements	408,088,400	369,219,000	367,147,000	(38,869,400)	(2,072,000)
Capital Outlay Program	462,231,000	746,282,500	330,820,000	284,051,500	(415,462,500)
Facilities Revolving Fund	225,568,800	280,812,900	261,112,400	55,244,100	(19,700,500)
Cities & Counties - State Shared Taxes	1,073,644,600	1,167,600,000	1,202,700,000	93,955,400	35,100,000
II. REVENUE SOURCES					
APPROPRIATION	\$ 15,994,401,500	\$ 17,944,959,000	\$ 17,728,398,700	\$ 1,950,557,500	\$ (216,560,300)
General Fund ¹	13,238,193,000	14,734,407,300	14,988,640,100	1,496,214,300	254,232,800
Department of Transportation	801,908,400 ²	957,610,100	972,238,000	155,701,700	14,627,900
Debt Service Requirements	408,088,400	369,219,000	367,147,000	(38,869,400)	(2,072,000)
Capital Outlay Program	376,693,000 ²	574,367,000	181,338,000	197,674,000	(393,029,000)
Facilities Revolving Fund	95,874,100	141,755,600	16,335,600	45,881,500	(125,420,000)
Cities & Counties - State Shared Taxes	1,073,644,600	1,167,600,000	1,202,700,000	93,955,400	35,100,000
BONDS	\$ 0	\$ 80,000,000	\$ 245,435,000	\$ 80,000,000	\$ 165,435,000
Department of Transportation	0	80,000,000	127,000,000	80,000,000	47,000,000
Capital Outlay Program	0	0	30,708,000	0	30,708,000
Facilities Revolving Fund	0	0	87,727,000	0	87,727,000
FEDERAL	\$ 12,254,856,700	\$ 13,626,911,000	\$ 13,896,705,800	\$ 1,372,054,300	\$ 269,794,800
General Fund	11,373,632,500	12,623,758,200	12,879,929,100	1,250,125,700	256,170,900
Department of Transportation	874,320,200	995,782,800	1,013,371,700	121,462,600	17,588,900
Capital Outlay Program	6,904,000	7,370,000	3,405,000	466,000	(3,965,000)
CURRENT SERVICES & OTHER	\$ 5,628,828,400	\$ 5,693,599,600	\$ 5,645,853,200	\$ 64,771,200	\$ (47,746,400)
General Fund ³	5,368,397,800	5,347,447,800	5,335,350,400	(20,950,000)	(12,097,400)
Department of Transportation	52,101,900	42,549,000	38,084,000	(9,552,900)	(4,465,000)
Capital Outlay Program	78,634,000	164,545,500	115,369,000	85,911,500	(49,176,500)
Facilities Revolving Fund	129,694,700 ⁴	139,057,300	157,049,800	9,362,600	17,992,500
TOTAL STATE BUDGET	\$ 33,878,086,600	\$ 37,345,469,600	\$ 37,516,392,700	\$ 3,467,383,000	\$ 170,923,100

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 2016-2017, 2017-2018, and 2018-2019**

	Actual 2016-2017	Estimated 2017-2018	Recommended 2018-2019	Act. vs. Est. Difference	Est. vs. Rec. Difference
I. GENERAL FUND ¹	\$ 29,980,223,300	\$ 32,705,613,300	\$ 33,203,919,600	\$ 2,725,390,000	\$ 498,306,300
Appropriation	13,238,193,000	14,734,407,300	14,988,640,100	1,496,214,300	254,232,800
Federal	11,373,632,500	12,623,758,200	12,879,929,100	1,250,125,700	256,170,900
Current Services & Other Revenue ²	5,368,397,800	5,347,447,800	5,335,350,400	(20,950,000)	(12,097,400)
II. DEPARTMENT OF TRANSPORTATION	\$ 1,728,330,500	\$ 2,075,941,900	\$ 2,150,693,700	\$ 347,611,400	\$ 74,751,800
Appropriation	801,908,400 ³	957,610,100	972,238,000	155,701,700	14,627,900
Federal	874,320,200	995,782,800	1,013,371,700	121,462,600	17,588,900
Current Services & Other Revenue	52,101,900	42,549,000	38,084,000	(9,552,900)	(4,465,000)
Bonds	0	80,000,000	127,000,000	80,000,000	47,000,000
III. DEBT SERVICE REQUIREMENTS	\$ 408,088,400	\$ 369,219,000	\$ 367,147,000	\$ (38,869,400)	\$ (2,072,000)
Appropriation	408,088,400	369,219,000	367,147,000	(38,869,400)	(2,072,000)
IV. CAPITAL OUTLAY PROGRAM	\$ 462,231,000	\$ 746,282,500	\$ 330,820,000	\$ 284,051,500	\$ (415,462,500)
Appropriation	376,693,000 ³	574,367,000	181,338,000	197,674,000	(393,029,000)
Federal	6,904,000	7,370,000	3,405,000	466,000	(3,965,000)
Current Services & Other Revenue	78,634,000	164,545,500	115,369,000	85,911,500	(49,176,500)
Bonds	0	0	30,708,000	0	30,708,000
V. FACILITIES REVOLVING FUND	\$ 225,568,800	\$ 280,812,900	\$ 261,112,400	\$ 55,244,100	\$ (19,700,500)
Appropriation	95,874,100	141,755,600	16,335,600	45,881,500	(125,420,000)
Current Services & Other Revenue ⁴	129,694,700	139,057,300	157,049,800	9,362,600	17,992,500
Bonds	0	0	87,727,000	0	87,727,000
VI. CITIES & COUNTIES - STATE SHARED TAXES	\$ 1,073,644,600	\$ 1,167,600,000	\$ 1,202,700,000	\$ 93,955,400	\$ 35,100,000
Appropriation	1,073,644,600	1,167,600,000	1,202,700,000	93,955,400	35,100,000
VII. TOTAL STATE BUDGET	\$ 33,878,086,600	\$ 37,345,469,600	\$ 37,516,392,700	\$ 3,467,383,000	\$ 170,923,100
Appropriation	15,994,401,500	17,944,959,000	17,728,398,700	1,950,557,500	(216,560,300)
Federal	12,254,856,700	13,626,911,000	13,896,705,800	1,372,054,300	269,794,800
Current Services & Other Revenue ²	5,628,828,400	5,693,599,600	5,645,853,200	64,771,200	(47,746,400)
Bonds	0	80,000,000	245,435,000	80,000,000	165,435,000

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 2017-2018**

	<u>TOTAL</u>	<u>RECURRING</u>	<u>NON-RECURRING</u>
I. APPROPRIATION REQUIREMENTS			
General Fund Programs:			
2017 Appropriation Act - Work Program	\$ 14,616,684,300	\$ 13,671,814,800	\$ 944,869,500
2017 Appropriation Act - Dedicated Funds	1,501,400	1,501,400	0
2018 Supplemental Appropriations - General Fund	46,030,500	0	46,030,500
Total General Fund Requirements	\$ 14,664,216,200	\$ 13,673,316,200	\$ 990,900,000
Less: Overappropriation	(76,808,500)	(76,808,500)	0
Less: Overappropriation - TennCare Medicare Part D Savings	(5,000,000)	0	(5,000,000)
Less: Overappropriation - TennCare Additional Reversion	(21,709,200)	0	(21,709,200)
Less: Overappropriation - TennCare Enhanced Match PBM	(20,700,000)	0	(20,700,000)
Net General Fund Requirements	\$ 14,539,998,500	\$ 13,596,507,700	\$ 943,490,800
Other Programs:			
Capital Outlay Program	\$ 644,558,100	\$ 70,191,100	\$ 574,367,000
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	\$ 13,065,600	\$ 13,065,600	\$ 0
Facilities Revolving Fund - Capital Outlay	128,690,000	0	128,690,000
Sub-Total Facilities Revolving Fund	\$ 141,755,600	\$ 13,065,600	\$ 128,690,000
Total Other Programs	\$ 790,813,600	\$ 87,756,600	\$ 703,057,000
Total Appropriation Requirements	\$ 15,330,812,100	\$ 13,684,264,300	\$ 1,646,547,800
II. GENERAL FUND REVENUES AND RESERVES			
State Tax Revenue - Department of Revenue	\$ 11,734,600,000	\$ 11,738,800,000	\$ (4,200,000)
State Tax Revenue - Department of Revenue - PC 490 Adjustment	(2,147,100)	(2,147,100)	0
State Tax Revenue - Other State Revenue	1,990,400,000	1,429,094,200	561,305,800
Miscellaneous Revenue	53,600,000	53,600,000	0
Tobacco MSA Revenue	167,300,000	149,600,000	17,700,000
Lottery for Education Account	345,900,000	345,900,000	0
Transfers, Reserves, and Other Available Funds:			
Highway Fund Transfer - Gas Inspection Act	\$ 1,100,000	\$ 1,100,000	\$ 0
Reserve for 2017-2018 Appropriations	1,306,283,900	0	1,306,283,900
Transfer to Rainy Day Fund	(132,000,000)	0	(132,000,000)
Transfer to Highway Fund	(55,000,000)	0	(55,000,000)
Transfer to Highway Fund - Additional	(30,000,000)	0	(30,000,000)
Debt Service Fund Transfer at June 30, 2018	55,500,000	0	55,500,000
Reserve for Future Requirements	340,300,000	0	340,300,000
Rounding	(128,000)	(36,000)	(92,000)
Sub-Total Transfers, Reserves, and Other Available Funds	\$ 1,486,055,900	\$ 1,064,000	\$ 1,484,991,900
Total General Fund Revenues and Reserves	\$ 15,775,708,800	\$ 13,715,911,100	\$ 2,059,797,700
III. AVAILABLE FUNDS AT JUNE 30, 2018			
Available Funds	\$ 444,896,700	\$ 31,646,800	\$ 413,249,900
Total Available Funds	\$ 444,896,700	\$ 31,646,800	\$ 413,249,900
Revenue Fluctuation Reserve at June 30, 2017	\$ 668,000,000		
Revenue Fluctuation Reserve at June 30, 2018	\$ 800,000,000		

**General Fund and Education Fund
Comparison of Appropriation Requirements and State Revenues
Fiscal Year 2018-2019**

	<u>TOTAL</u>	<u>RECURRING</u>	<u>NON-RECURRING</u>
I. APPROPRIATION REQUIREMENTS			
General Fund Programs:			
Base Budget Requirements	\$ 13,671,814,800	\$ 13,671,814,800	\$ 0
Preliminary Base Budget Adjustments - General Fund	(29,539,000)	(29,539,000)	0
Base Budget Reduction Plans - General Fund	(118,645,400)	(78,645,400)	(40,000,000)
Sum Sufficient Appropriations - Dedicated Funds	17,590,100	17,590,100	0
Preliminary Base Budget Adjustments - Dedicated Funds	577,884,500	0	577,884,500
Base Budget Reduction Plans - Dedicated Funds	60,000	60,000	0
Base Budget Recommended	\$ 14,119,165,000	\$ 13,581,280,500	\$ 537,884,500
Cost Increases - Budget Recommendations			
All Programs - General Fund	\$ 784,522,600	\$ 543,536,700	\$ 240,985,900
Reserve for Administration Amendment	11,500,000	11,500,000	0
All Programs - Dedicated Funds	3,261,400	2,756,200	505,200
Total Cost Increases Recommended	\$ 799,284,000	\$ 557,792,900	\$ 241,491,100
Total General Fund Requirements	\$ 14,918,449,000	\$ 14,139,073,400	\$ 779,375,600
Less: Overappropriation	(76,808,500)	(76,808,500)	0
Net General Fund Requirements	\$ 14,841,640,500	\$ 14,062,264,900	\$ 779,375,600
Other Programs:			
Capital Outlay Program	\$ 251,529,100	\$ 70,191,100	\$ 181,338,000
Designated to Other Funds:			
Metro Sports Authority Debt Service	\$ 3,707,900	\$ 3,707,900	\$ 0
Dedicated Funds - Reserves	1,000,000	1,000,000	0
Sub-Total Designated to Other Funds	\$ 4,707,900	\$ 4,707,900	\$ 0
Facilities Revolving Fund:			
Facilities Revolving Fund - Operations	\$ 13,065,600	\$ 13,065,600	\$ 0
Facilities Revolving Fund - Capital Outlay	3,270,000	0	3,270,000
Sub-Total Facilities Revolving Fund	\$ 16,335,600	\$ 13,065,600	\$ 3,270,000
Total Other Programs	\$ 272,572,600	\$ 87,964,600	\$ 184,608,000
Total Appropriation Requirements	\$ 15,114,213,100	\$ 14,150,229,500	\$ 963,983,600
II. GENERAL FUND REVENUES AND RESERVES			
State Tax Revenue - Department of Revenue	\$ 12,118,700,000	\$ 12,122,100,000	\$ (3,400,000)
State Tax Revenue - Department of Revenue - 2017 Legislation	(5,000,000)	0	(5,000,000)
State Tax Revenue - Other State Revenue	2,030,300,000	1,452,349,300	577,950,700
State Tax Revenue - Other State Revenue - 2018 Legislation	170,000	110,000	60,000
Miscellaneous Revenue	55,500,000	55,061,000	439,000
Tobacco MSA Revenue	160,600,000	160,600,000	0
Lottery for Education Account	359,300,000	359,300,000	0
Highway Fund Transfer - Gas Inspection Act	1,100,000	1,100,000	0
Available Funds at June 30, 2018	444,896,700	0	444,896,700
Transfer to Rainy Day Fund	(50,000,000)	0	(50,000,000)
Rounding Adjustment	(47,200)	(47,200)	0
Total General Fund Revenues and Reserves	\$ 15,115,519,500	\$ 14,150,573,100	\$ 964,946,400
III. AVAILABLE FUNDS AT JUNE 30, 2018			
Undesignated Fund Balance	\$ 1,306,400	\$ 343,600	\$ 962,800
Total Available Funds	\$ 1,306,400	\$ 343,600	\$ 962,800
Revenue Fluctuation Reserve at June 30, 2018	\$ 800,000,000		
Revenue Fluctuation Reserve at June 30, 2019	\$ 850,000,000		

Department of Transportation
Comparison of Appropriations and Funding Requirements
Fiscal Years 2017-2018 and 2018-2019

	2017-2018	2018-2019	Difference
I. APPROPRIATION REQUIREMENTS			
ADMINISTRATION	\$ 82,636,000	\$ 92,536,400	\$ 9,900,400
HEADQUARTERS OPERATIONS	\$ 34,203,300	\$ 37,218,100	\$ 3,014,800
FIELD OPERATIONS	\$ 74,217,900	\$ 78,386,600	\$ 4,168,700
GARAGE AND FLEET OPERATIONS	\$ 37,963,500	\$ 40,474,500	\$ 2,511,000
CAPITAL IMPROVEMENTS	\$ 0	\$ 0	\$ 0
HIGHWAY SYSTEM MAINTENANCE	\$ 312,423,900	\$ 315,149,900	\$ 2,726,000
STATE-FUNDED PROGRAMS			
Betterments	\$ 800,000	\$ 800,000	\$ 0
State Aid	30,622,000	30,622,000	0
State High Priority Bridges	18,645,800	18,645,800	0
State Industrial Access	35,000,000	35,000,000	0
Local Interstate Connectors	2,000,000	2,000,000	0
Sub-Total State-Funded Programs	\$ 87,067,800	\$ 87,067,800	\$ 0
FEDERALLY FUNDED PROGRAMS			
Planning and Research	\$ 6,561,000	\$ 6,647,000	\$ 86,000
Interstate System	18,110,000	18,472,000	362,000
Highway Infrastructure	271,277,800	341,024,500	69,746,700
Bridge Replacement	0	0	0
Transit	60,548,900	67,161,200	6,612,300
Air, Water, and Rail	22,600,000	15,100,000	(7,500,000)
Aeronautics Economic Development Fund	30,000,000	0	(30,000,000)
Sub-Total Federally Funded Programs	\$ 409,097,700	\$ 448,404,700	\$ 39,307,000
TOTAL APPROPRIATION REQUIREMENTS	\$ 1,037,610,100	\$ 1,099,238,000	\$ 61,627,900
II. STATE FUNDING SOURCES			
Highway User Taxes	\$ 871,395,100	\$ 923,200,000	\$ 51,804,900
Sales Tax - Transportation Equity Fund	22,600,000	15,100,000	(7,500,000)
Miscellaneous Revenue	21,615,000	25,938,000	4,323,000
Bond Authorization	80,000,000	127,000,000	47,000,000
Gen Fund transfer to Aeronautics Econ Dev Fund	30,000,000	0	(30,000,000)
Highway Fund Balance / Reserves	12,000,000	8,000,000	(4,000,000)
TOTAL STATE FUNDING SOURCES	\$ 1,037,610,100	\$ 1,099,238,000	\$ 61,627,900

Department of Transportation
Comparison of Appropriations by Funding Sources
Fiscal Years 2017-2018 and 2018-2019

	<u>2017-2018</u>	<u>2018-2019</u>	<u>Difference</u>
I. STATE FUNDS			
Administration	\$ 82,636,000	\$ 92,536,400	\$ 9,900,400
Headquarters Operations	34,203,300	37,218,100	3,014,800
Field Operations	74,217,900	78,386,600	4,168,700
Garage and Fleet Operations	37,963,500	40,474,500	2,511,000
Highway System Maintenance	312,423,900	315,149,900	2,726,000
State-Funded Programs	87,067,800	87,067,800	0
Federally Funded Programs	329,097,700	321,404,700	(7,693,000)
Total State Funds	<u>\$ 957,610,100</u>	<u>\$ 972,238,000</u>	<u>\$ 14,627,900</u>
II. BOND AUTHORIZATIONS			
Federally Funded Programs	\$ 80,000,000	\$ 127,000,000	\$ 47,000,000
Total Bond Authorizations	<u>\$ 80,000,000</u>	<u>\$ 127,000,000</u>	<u>\$ 47,000,000</u>
III. FEDERAL AID			
Federally Funded Programs	\$ 995,782,800	\$ 1,013,371,700	\$ 17,588,900
Total Federal Aid	<u>\$ 995,782,800</u>	<u>\$ 1,013,371,700</u>	<u>\$ 17,588,900</u>
IV. LOCAL GOVERNMENTS			
State-Funded Programs	\$ 2,925,000	\$ 2,925,000	\$ 0
Federally Funded Programs	34,960,000	29,659,000	(5,301,000)
Total Local Governments	<u>\$ 37,885,000</u>	<u>\$ 32,584,000</u>	<u>\$ (5,301,000)</u>
V. OTHER STATE AGENCIES			
Garage and Fleet Services	\$ 4,664,000	\$ 5,500,000	\$ 836,000
Total Other State Agencies	<u>\$ 4,664,000</u>	<u>\$ 5,500,000</u>	<u>\$ 836,000</u>
VI. GRAND TOTAL			
Administration	\$ 82,636,000	\$ 92,536,400	\$ 9,900,400
Headquarters Operations	34,203,300	37,218,100	3,014,800
Field Operations	74,217,900	78,386,600	4,168,700
Garage and Fleet Operations	42,627,500	45,974,500	3,347,000
Highway System Maintenance	312,423,900	315,149,900	2,726,000
State-Funded Programs	89,992,800	89,992,800	0
Federally Funded Programs	1,439,840,500	1,491,435,400	51,594,900
Grand Total	<u>\$ 2,075,941,900</u>	<u>\$ 2,150,693,700</u>	<u>\$ 74,751,800</u>

Department of Transportation
Actual Expenditures by Program and Funding Source
Fiscal Year 2016-2017

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>
Administration	\$ 74,416,500	\$ 0	\$ 0	\$ 74,416,500
Headquarters Operations	\$ 22,318,800	\$ 0	\$ 0	\$ 22,318,800
Field Operations	\$ 65,712,900	\$ 0	\$ 0	\$ 65,712,900
Flight Services	\$ 1,692,700	\$ 0	\$ 0	\$ 1,692,700
Garage and Fleet Operations	\$ 37,848,900	\$ 0	\$ 5,206,600	\$ 43,055,500
Capital Improvements	\$ 28,163,100	\$ 0	\$ 0	\$ 28,163,100
Highway System Maintenance	\$ 258,450,400	\$ 0	\$ 2,184,800	\$ 260,635,200
STATE-FUNDED PROGRAMS				
Betterments	\$ 3,554,900	\$ 0	\$ 270,700	\$ 3,825,600
State Aid	77,564,900	0	0	77,564,900
State Industrial Access	18,736,500	0	1,336,300	20,072,800
Local Interstate Connectors	5,454,000	0	5,013,000	10,467,000
Sub-Total State-Funded Programs	\$ 105,310,300	\$ 0	\$ 6,620,000	\$ 111,930,300
FEDERALLY FUNDED PROGRAMS				
Planning and Research	\$ 4,446,900	\$ 10,644,500	\$ 332,000	\$ 15,423,400
Interstate System	(232,600)	1,896,200	195,100	1,858,700
Highway Infrastructure	128,614,700	808,505,200	34,479,000	971,598,900
Transit	44,427,300	33,696,100	1,075,100	79,198,500
Air, Water, and Rail	30,738,500	19,578,200	2,009,300	52,326,000
Sub-Total Federally Funded Programs	\$ 207,994,800	\$ 874,320,200	\$ 38,090,500	\$ 1,120,405,500
TOTAL APPROPRIATIONS	\$ 801,908,400	\$ 874,320,200	\$ 52,101,900	\$ 1,728,330,500
STATE FUNDING SOURCES:				
Highway User Taxes	\$ 712,951,100			
Sales Tax - Transportation Equity Fund	24,840,800			
Miscellaneous Revenue	25,226,200			
Highway Fund Balance / Reserves	38,890,300			
TOTAL STATE FUNDING SOURCES	\$ 801,908,400			

**Department of Transportation
Enacted 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	\$ 0	\$ 0	\$ 82,636,000
Headquarters Operations	\$ 34,203,300	\$ 0	\$ 0	\$ 34,203,300
Field Operations	\$ 74,217,900	\$ 0	\$ 0	\$ 74,217,900
Garage and Fleet Operations	\$ 37,963,500	\$ 0	\$ 4,664,000	\$ 42,627,500
Capital Improvements	\$ 0	\$ 0	\$ 0	\$ 0
Highway System Maintenance	\$ 312,423,900	\$ 0	\$ 0	\$ 312,423,900
STATE-FUNDED PROGRAMS				
Betterments	\$ 800,000	\$ 0	\$ 100,000	\$ 900,000
State Aid	30,622,000	0	625,000	31,247,000
State High Priority Bridges	18,645,800	0	0	18,645,800
State Industrial Access	35,000,000	0	200,000	35,200,000
Local Interstate Connectors	2,000,000	0	2,000,000	4,000,000
Sub-Total State-Funded Programs	<u>\$ 87,067,800</u>	<u>\$ 0</u>	<u>\$ 2,925,000</u>	<u>\$ 89,992,800</u>
FEDERALLY FUNDED PROGRAMS				
Planning and Research	\$ 6,561,000	\$ 17,260,000	\$ 0	\$ 23,821,000
Interstate System	18,110,000	162,992,000	0	181,102,000
Highway Infrastructure	271,277,800	707,726,900	32,960,000	1,011,964,700
Transit	60,548,900	94,303,900	0	154,852,800
Air, Water, and Rail	22,600,000	13,500,000	2,000,000	38,100,000
Aeronautics Economic Development	30,000,000	0	0	30,000,000
Sub-Total Federally Funded Programs	<u>\$ 409,097,700</u>	<u>\$ 995,782,800</u>	<u>\$ 34,960,000</u>	<u>\$ 1,439,840,500</u>
TOTAL APPROPRIATIONS	<u>\$ 1,037,610,100</u>	<u>\$ 995,782,800</u>	<u>\$ 42,549,000</u>	<u>\$ 2,075,941,900</u>
STATE FUNDING SOURCES:				
Highway User Taxes	\$ 871,395,100			
Sales Tax - Transportation Equity Fund	22,600,000			
Miscellaneous Revenue	21,615,000			
Fund Balance & Reserves	12,000,000			
General Fund transfer to Aeronautics Econ Dev Fund	30,000,000			
Bond Authorization	80,000,000			
TOTAL STATE FUNDING SOURCES	<u>\$ 1,037,610,100</u>			

**Department of Transportation
Recommended Budget by Program and Funding Source
Fiscal Year 2018-2019**

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>
Administration	\$ 92,536,400	\$ 0	\$ 0	\$ 92,536,400
Headquarters Operations	\$ 37,218,100	\$ 0	\$ 0	\$ 37,218,100
Field Operations	\$ 78,386,600	\$ 0	\$ 0	\$ 78,386,600
Garage and Fleet Operations	\$ 40,474,500	\$ 0	\$ 5,500,000	\$ 45,974,500
Capital Improvements	\$ 0	\$ 0	\$ 0	\$ 0
Highway System Maintenance	\$ 315,149,900	\$ 0	\$ 0	\$ 315,149,900
STATE-FUNDED PROGRAMS				
Betterments	\$ 800,000	\$ 0	\$ 100,000	\$ 900,000
State Aid	30,622,000	0	625,000	31,247,000
State High Priority Bridges	18,645,800	0	0	18,645,800
State Industrial Access	35,000,000	0	200,000	35,200,000
Local Interstate Connectors	2,000,000	0	2,000,000	4,000,000
Sub-Total State-Funded Programs	<u>\$ 87,067,800</u>	<u>\$ 0</u>	<u>\$ 2,925,000</u>	<u>\$ 89,992,800</u>
FEDERALLY FUNDED PROGRAMS				
Planning and Research	\$ 6,647,000	\$ 17,606,000	\$ 0	\$ 24,253,000
Interstate System	18,472,000	166,252,000	0	184,724,000
Highway Infrastructure	341,024,500	723,535,800	27,659,000	1,092,219,300
Transit	67,161,200	92,477,900	0	159,639,100
Air, Water, and Rail	15,100,000	13,500,000	2,000,000	30,600,000
Sub-Total Federally Funded Programs	<u>\$ 448,404,700</u>	<u>\$ 1,013,371,700</u>	<u>\$ 29,659,000</u>	<u>\$ 1,491,435,400</u>
TOTAL APPROPRIATIONS	<u>\$ 1,099,238,000</u>	<u>\$ 1,013,371,700</u>	<u>\$ 38,084,000</u>	<u>\$ 2,150,693,700</u>
STATE FUNDING SOURCES:				
Highway User Taxes	\$ 923,200,000			
Sales Tax - Transportation Equity Fund	15,100,000			
Fund Balance and Reserves	8,000,000			
Miscellaneous Revenue	25,938,000			
Bond Authorization	127,000,000			
TOTAL STATE FUNDING SOURCES	<u>\$ 1,099,238,000</u>			

Comparison of Programs Fiscal Years 2016-2017, 2017-2018, and 2018-2019

Allot. Code	Department	Actual 2016-2017	Estimated 2017-2018	Recommended 2018-2019	Act. vs. Est. Difference	Est. vs. Rec. Difference
301	Legislature	\$ 53,412,100	\$ 47,758,700	\$ 48,529,400	\$ (5,653,400)	\$ 770,700
	Appropriation	32,105,200	47,621,200	48,391,900	15,516,000	770,700
	Current Services and Other Revenue	21,306,900	137,500	137,500	(21,169,400)	0
301.50	Fiscal Review Committee	\$ 1,482,700	\$ 1,670,300	\$ 1,670,300	\$ 187,600	\$ 0
	Appropriation	1,482,700	1,670,300	1,670,300	187,600	0
302	Court System	\$ 140,908,800	\$ 144,691,200	\$ 153,964,300	\$ 3,782,400	\$ 9,273,100
	Appropriation	131,656,400	137,297,100	146,879,000	5,640,700	9,581,900
	Federal	878,500	980,000	980,000	101,500	0
	Current Services and Other Revenue	8,373,900	6,414,100	6,105,300	(1,959,800)	(308,800)
303	Attorney General and Reporter	\$ 36,429,100	\$ 44,112,700	\$ 44,117,600	\$ 7,683,600	\$ 4,900
	Appropriation	25,274,500	30,770,000	30,774,900	5,495,500	4,900
	Current Services and Other Revenue	11,154,600	13,342,700	13,342,700	2,188,100	0
304	District Attorneys General	\$ 120,286,800	\$ 135,346,900	\$ 135,205,900	\$ 15,060,100	\$ (141,000)
	Appropriation	85,721,800	94,845,100	95,720,300	9,123,300	875,200
	Current Services and Other Revenue	34,565,000	40,501,800	39,485,600	5,936,800	(1,016,200)
305	Secretary of State	\$ 41,070,400	\$ 74,624,400	\$ 74,544,400	\$ 33,554,000	\$ (80,000)
	Appropriation	17,508,300	32,238,500	32,158,500	14,730,200	(80,000)
	Federal	4,343,800	30,216,800	30,216,800	25,873,000	0
	Current Services and Other Revenue	19,218,300	12,169,100	12,169,100	(7,049,200)	0
306	District Public Defenders	\$ 51,033,900	\$ 59,130,500	\$ 59,562,600	\$ 8,096,600	\$ 432,100
	Appropriation	50,123,900	58,554,500	58,986,600	8,430,600	432,100
	Current Services and Other Revenue	910,000	576,000	576,000	(334,000)	0
307	Comptroller of the Treasury	\$ 96,996,100	\$ 109,553,900	\$ 106,997,900	\$ 12,557,800	\$ (2,556,000)
	Appropriation	80,530,800	99,244,800	97,688,800	18,714,000	(1,556,000)
	Current Services and Other Revenue	16,465,300	10,309,100	9,309,100	(6,156,200)	(1,000,000)
308	Post-Conviction Defender	\$ 2,128,600	\$ 2,611,300	\$ 2,639,700	\$ 482,700	\$ 28,400
	Appropriation	2,128,100	2,611,300	2,639,700	483,200	28,400
	Current Services and Other Revenue	500	0	0	(500)	0
309	Treasury Department	\$ 41,032,000	\$ 50,832,400	\$ 51,404,400	\$ 9,800,400	\$ 572,000
	Appropriation	4,088,100	5,263,700	4,273,700	1,175,600	(990,000)
	Current Services and Other Revenue	36,943,900	45,568,700	47,130,700	8,624,800	1,562,000
313	Claims and Compensation	\$ 111,010,700	\$ 117,850,700	\$ 117,850,700	\$ 6,840,000	\$ 0
	Appropriation	8,019,400	11,410,000	12,871,000	3,390,600	1,461,000
	Federal	4,974,000	4,940,000	3,479,000	(34,000)	(1,461,000)
	Current Services and Other Revenue	98,017,300	101,500,700	101,500,700	3,483,400	0

Comparison of Programs

Fiscal Years 2016-2017, 2017-2018, and 2018-2019

Allot. Code	Department	Actual 2016-2017	Estimated 2017-2018	Recommended 2018-2019	Act. vs. Est. Difference	Est. vs. Rec. Difference
315	Executive Department	\$ 5,027,400	\$ 5,426,200	\$ 5,431,100	\$ 398,800	\$ 4,900
	Appropriation	5,027,400	5,426,200	5,431,100	398,800	4,900
316	Commissions	\$ 398,861,500	\$ 452,917,300	\$ 448,150,400	\$ 54,055,800	\$ (4,766,900)
	Appropriation	34,108,000	40,129,600	42,328,800	6,021,600	2,199,200
	Federal	307,001,200	335,209,500	331,051,100	28,208,300	(4,158,400)
	Current Services and Other Revenue	57,752,300	77,578,200	74,770,500	19,825,900	(2,807,700)
317	Finance and Administration (F&A)	\$ 301,423,600	\$ 410,683,300	\$ 412,287,000	\$ 109,259,700	\$ 1,603,700
	Appropriation	17,839,400	28,058,200	16,765,400	10,218,800	(11,292,800)
	Federal	30,189,500	57,408,200	57,811,500	27,218,700	403,300
	Current Services and Other Revenue	253,394,700	325,216,900	337,710,100	71,822,200	12,493,200
	Criminal Justice Programs¹	\$ 29,580,500	\$ 58,280,300	\$ 57,847,100	\$ 28,699,800	\$ (433,200)
	Appropriation	3,604,800	5,104,100	4,509,200	1,499,300	(594,900)
	Federal	25,791,400	53,070,400	53,232,100	27,279,000	161,700
	Current Services and Other Revenue	184,300	105,800	105,800	(78,500)	0
	Other F&A Programs¹	\$ 271,843,100	\$ 352,403,000	\$ 354,439,900	\$ 80,559,900	\$ 2,036,900
	Appropriation	14,234,600	22,954,100	12,256,200	8,719,500	(10,697,900)
	Federal	4,398,100	4,337,800	4,579,400	(60,300)	241,600
	Current Services and Other Revenue	253,210,400	325,111,100	337,604,300	71,900,700	12,493,200
318	F&A, TennCare	\$ 11,073,815,500	\$ 11,657,607,100	\$ 12,013,336,900	\$ 583,791,600	\$ 355,729,800
	Appropriation	3,532,697,100	3,697,361,200	3,776,991,100	164,664,100	79,629,900
	Federal	6,701,051,000	7,217,614,700	7,493,714,600	516,563,700	276,099,900
	Current Services and Other Revenue	840,067,400	742,631,200	742,631,200	(97,436,200)	0
319	Human Resources	\$ 12,791,200	\$ 13,596,500	\$ 13,443,500	\$ 805,300	\$ (153,000)
	Appropriation	0	0	0	0	0
	Current Services and Other Revenue	12,791,200	13,596,500	13,443,500	805,300	(153,000)
321	General Services	\$ 109,590,600	\$ 166,910,500	\$ 172,356,800	\$ 57,319,900	\$ 5,446,300
	Appropriation	12,318,300	41,825,700	42,232,000	29,507,400	406,300
	Current Services and Other Revenue	97,272,300	125,084,800	130,124,800	27,812,500	5,040,000
323	Veterans Services	\$ 6,902,300	\$ 10,334,600	\$ 7,983,400	\$ 3,432,300	\$ (2,351,200)
	Appropriation	5,120,300	6,384,900	6,384,900	1,264,600	0
	Federal	1,283,500	3,702,700	1,192,900	2,419,200	(2,509,800)
	Current Services and Other Revenue	498,500	247,000	405,600	(251,500)	158,600
324	Board of Parole	\$ 7,419,200	\$ 8,199,200	\$ 8,321,700	\$ 780,000	\$ 122,500
	Appropriation	7,417,800	8,198,200	8,320,700	780,400	122,500
	Current Services and Other Revenue	1,400	1,000	1,000	(400)	0

Comparison of Programs

Fiscal Years 2016-2017, 2017-2018, and 2018-2019

Allot. Code	Department	Actual 2016-2017	Estimated 2017-2018	Recommended 2018-2019	Act. vs. Est. Difference	Est. vs. Rec. Difference
325	Agriculture	\$ 102,265,800	\$ 107,866,700	\$ 105,685,000	\$ 5,600,900	\$ (2,181,700)
	Appropriation	67,035,400	78,622,300	76,010,900	11,586,900	(2,611,400)
	Federal	14,861,800	13,483,100	13,542,800	(1,378,700)	59,700
	Current Services and Other Revenue	20,368,600	15,761,300	16,131,300	(4,607,300)	370,000
326	Tourist Development	\$ 32,805,800	\$ 33,061,200	\$ 29,347,800	\$ 255,400	\$ (3,713,400)
	Appropriation	24,130,200	23,437,900	19,724,500	(692,300)	(3,713,400)
	Current Services and Other Revenue	8,675,600	9,623,300	9,623,300	947,700	0
327	Environment and Conservation	\$ 336,860,500	\$ 423,267,200	\$ 407,184,700	\$ 86,406,700	\$ (16,082,500)
	Appropriation	172,705,500	212,574,000	197,722,800	39,868,500	(14,851,200)
	Federal	53,314,600	84,923,300	84,602,400	31,608,700	(320,900)
	Current Services and Other Revenue	110,840,400	125,769,900	124,859,500	14,929,500	(910,400)
328	Wildlife Resources Agency	\$ 105,817,800	\$ 119,244,800	\$ 102,805,300	\$ 13,427,000	\$ (16,439,500)
	Appropriation	43,531,300	62,949,300	64,427,300	19,418,000	1,478,000
	Federal	35,337,900	31,934,200	23,441,600	(3,403,700)	(8,492,600)
	Current Services and Other Revenue	26,948,600	24,361,300	14,936,400	(2,587,300)	(9,424,900)
329	Correction	\$ 926,202,300	\$ 1,010,247,500	\$ 1,026,130,200	\$ 84,045,200	\$ 15,882,700
	Appropriation	903,799,300	994,395,600	1,010,493,400	90,596,300	16,097,800
	Federal	803,100	413,800	568,900	(389,300)	155,100
	Current Services and Other Revenue	21,599,900	15,438,100	15,067,900	(6,161,800)	(370,200)
330	Economic and Community Development	\$ 163,299,200	\$ 268,112,700	\$ 208,867,000	\$ 104,813,500	\$ (59,245,700)
	Appropriation	121,020,900	238,594,100	179,335,400	117,573,200	(59,258,700)
	Federal	34,973,500	26,392,100	26,392,100	(8,581,400)	0
	Current Services and Other Revenue	7,304,800	3,126,500	3,139,500	(4,178,300)	13,000
331	Education (K-12)	\$ 5,997,552,900	\$ 6,265,275,700	\$ 6,394,737,500	\$ 267,722,800	\$ 129,461,800
	Appropriation	4,714,906,000	4,990,162,000	5,107,571,400	275,256,000	117,409,400
	Federal	1,123,712,100	1,125,179,700	1,137,319,100	1,467,600	12,139,400
	Current Services and Other Revenue	158,934,800	149,934,000	149,847,000	(9,000,800)	(87,000)
	Lottery-Funded Programs¹	\$ 11,385,400	\$ 13,500,000	\$ 13,500,000	\$ 2,114,600	\$ 0
	Appropriation	11,385,400	13,500,000	13,500,000	2,114,600	0
	Other Education (K-12) Programs¹	\$ 5,986,167,500	\$ 6,251,775,700	\$ 6,381,237,500	\$ 265,608,200	\$ 129,461,800
	Appropriation	4,703,520,600	4,976,662,000	5,094,071,400	273,141,400	117,409,400
	Federal	1,123,712,100	1,125,179,700	1,137,319,100	1,467,600	12,139,400
	Current Services and Other Revenue	158,934,800	149,934,000	149,847,000	(9,000,800)	(87,000)

Comparison of Programs Fiscal Years 2016-2017, 2017-2018, and 2018-2019

Allot. Code	Department	Actual 2016-2017	Estimated 2017-2018	Recommended 2018-2019	Act. vs. Est. Difference	Est. vs. Rec. Difference
332	Higher Education	\$ 4,345,463,600	\$ 4,512,062,000	\$ 4,605,720,000	\$ 166,598,400	\$ 93,658,000
	Appropriation	1,742,682,500	1,874,081,100	1,968,526,000	131,398,600	94,444,900
	Federal	68,699,900	65,194,300	64,407,400	(3,505,600)	(786,900)
	Current Services and Other Revenue	727,550,500	714,167,600	714,167,600	(13,382,900)	0
	Tuition and Student Fees	1,806,530,700	1,858,619,000	1,858,619,000	52,088,300	0
	Lottery for Education Account¹	\$ 325,353,900	\$ 332,400,000	\$ 345,800,000	\$ 7,046,100	\$ 13,400,000
	Appropriation	325,353,900	332,400,000	345,800,000	7,046,100	13,400,000
	Other Higher Education Programs¹	\$ 4,020,109,700	\$ 4,179,662,000	\$ 4,259,920,000	\$ 159,552,300	\$ 80,258,000
	Appropriation	1,417,328,600	1,541,681,100	1,622,726,000	124,352,500	81,044,900
	Federal	68,699,900	65,194,300	64,407,400	(3,505,600)	(786,900)
	Current Services and Other Revenue	727,550,500	714,167,600	714,167,600	(13,382,900)	0
	Tuition and Student Fees	1,806,530,700	1,858,619,000	1,858,619,000	52,088,300	0
335	Commerce and Insurance	\$ 198,792,900	\$ 221,167,800	\$ 221,575,500	\$ 22,374,900	\$ 407,700
	Appropriation	147,243,900	160,192,700	160,306,000	12,948,800	113,300
	Federal	590,400	516,100	324,800	(74,300)	(191,300)
	Current Services and Other Revenue	50,958,600	60,459,000	60,944,700	9,500,400	485,700
336	Financial Institutions	\$ 17,067,200	\$ 24,193,100	\$ 24,898,000	\$ 7,125,900	\$ 704,900
	Appropriation	17,064,600	24,190,700	24,895,600	7,126,100	704,900
	Current Services and Other Revenue	2,600	2,400	2,400	(200)	0
337	Labor and Workforce Development	\$ 164,627,100	\$ 207,398,500	\$ 201,779,000	\$ 42,771,400	\$ (5,619,500)
	Appropriation	35,212,700	47,216,700	47,233,100	12,004,000	16,400
	Federal	127,455,700	150,691,700	141,018,400	23,236,000	(9,673,300)
	Current Services and Other Revenue	1,958,700	9,490,100	13,527,500	7,531,400	4,037,400
339	Mental Health and Substance Abuse	\$ 318,919,900	\$ 375,114,000	\$ 372,761,100	\$ 56,194,100	\$ (2,352,900)
	Appropriation	212,724,000	253,313,200	252,527,600	40,589,200	(785,600)
	Federal	58,123,900	80,268,100	78,517,300	22,144,200	(1,750,800)
	Current Services and Other Revenue	48,072,000	41,532,700	41,716,200	(6,539,300)	183,500
341	Military	\$ 107,455,900	\$ 116,615,200	\$ 108,818,500	\$ 9,159,300	\$ (7,796,700)
	Appropriation	15,317,500	26,171,900	17,691,500	10,854,400	(8,480,400)
	Federal	89,223,400	86,385,200	87,068,900	(2,838,200)	683,700
	Current Services and Other Revenue	2,915,000	4,058,100	4,058,100	1,143,100	0
343	Health	\$ 591,564,100	\$ 654,356,000	\$ 632,106,400	\$ 62,791,900	\$ (22,249,600)
	Appropriation	166,979,900	213,192,500	205,796,100	46,212,600	(7,396,400)
	Federal	253,350,900	252,658,000	246,506,000	(692,900)	(6,152,000)
	Current Services and Other Revenue	171,233,300	188,505,500	179,804,300	17,272,200	(8,701,200)
344	Intellectual and Developmental Disabilities	\$ 169,113,100	\$ 153,232,000	\$ 146,949,800	\$ (15,881,100)	\$ (6,282,200)
	Appropriation	21,498,800	25,240,000	25,463,800	3,741,200	223,800
	Federal	0	25,000	25,000	25,000	0
	Current Services and Other Revenue	147,614,300	127,967,000	121,461,000	(19,647,300)	(6,506,000)

Comparison of Programs Fiscal Years 2016-2017, 2017-2018, and 2018-2019

Allot. Code	Department	Actual 2016-2017	Estimated 2017-2018	Recommended 2018-2019	Act. vs. Est. Difference	Est. vs. Rec. Difference
345	Human Services	\$ 2,323,835,000	\$ 2,875,628,300	\$ 2,875,768,000	\$ 551,793,300	\$ 139,700
	Appropriation	164,991,900	194,094,300	195,573,100	29,102,400	1,478,800
	Federal	2,101,900,900	2,621,350,900	2,625,940,100	519,450,000	4,589,200
	Current Services and Other Revenue	56,942,200	60,183,100	54,254,800	3,240,900	(5,928,300)
	Temporary Cash Assistance¹	\$ 56,976,300	\$ 112,965,500	\$ 112,965,500	\$ 55,989,200	\$ 0
	Appropriation	13,975,200	13,968,900	13,968,900	(6,300)	0
	Federal	43,001,100	98,896,600	98,896,600	55,895,500	0
	Current Services and Other Revenue	0	100,000	100,000	100,000	0
	Supplemental Nutrition Assistance¹	\$ 1,604,946,700	\$ 1,909,112,700	\$ 1,909,112,700	\$ 304,166,000	\$ 0
	Federal	1,604,946,700	1,909,112,700	1,909,112,700	304,166,000	0
	Other Human Services Programs¹	\$ 661,912,000	\$ 853,550,100	\$ 853,689,800	\$ 191,638,100	\$ 139,700
	Appropriation	151,016,700	180,125,400	181,604,200	29,108,700	1,478,800
	Federal	453,953,100	613,341,600	617,930,800	159,388,500	4,589,200
	Current Services and Other Revenue	56,942,200	60,083,100	54,154,800	3,140,900	(5,928,300)
347	Revenue	\$ 115,552,100	\$ 135,690,300	\$ 133,274,400	\$ 20,138,200	\$ (2,415,900)
	Appropriation	78,469,500	103,875,600	100,363,700	25,406,100	(3,511,900)
	Federal	2,500	20,900	20,900	18,400	0
	Current Services and Other Revenue	37,080,100	31,793,800	32,889,800	(5,286,300)	1,096,000
348	Tennessee Bureau of Investigation	\$ 80,905,400	\$ 79,825,400	\$ 79,757,100	\$ (1,080,000)	\$ (68,300)
	Appropriation	48,917,300	49,175,900	50,080,900	258,600	905,000
	Federal	7,646,000	10,771,100	10,771,100	3,125,100	0
	Current Services and Other Revenue	24,342,100	19,878,400	18,905,100	(4,463,700)	(973,300)
349	Safety	\$ 217,892,900	\$ 253,068,400	\$ 245,555,800	\$ 35,175,500	\$ (7,512,600)
	Appropriation	132,068,300	164,384,200	160,363,500	32,315,900	(4,020,700)
	Federal	20,815,100	35,469,600	35,530,600	14,654,500	61,000
	Current Services and Other Revenue	65,009,500	53,214,600	49,661,700	(11,794,900)	(3,552,900)
350	F&A, Strategic Health-Care Programs	\$ 193,271,700	\$ 233,483,000	\$ 233,483,000	\$ 40,211,300	\$ 0
	Appropriation	11,630,300	12,255,300	20,859,000	625,000	8,603,700
	Federal	174,028,300	218,527,200	209,923,500	44,498,900	(8,603,700)
	Current Services and Other Revenue	7,613,100	2,700,500	2,700,500	(4,912,600)	0
351	Miscellaneous Appropriations	\$ 45,869,500	\$ 318,746,100	\$ 350,550,000	\$ 272,876,600	\$ 31,803,900
	Appropriation	43,234,300	318,746,100	350,550,000	275,511,800	31,803,900
	Current Services and Other Revenue	2,635,200	0	0	(2,635,200)	0
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	\$ 150,300	\$ 400,000	\$ 400,000	\$ 249,700	\$ 0
	Appropriation	92,700	250,000	250,000	157,300	0
	Current Services and Other Revenue	57,600	150,000	150,000	92,400	0

Comparison of Programs Fiscal Years 2016-2017, 2017-2018, and 2018-2019

Allot. Code	Department	Actual 2016-2017	Estimated 2017-2018	Recommended 2018-2019	Act. vs. Est. Difference	Est. vs. Rec. Difference
359	Children's Services	\$ 813,315,800	\$ 802,699,700	\$ 816,967,500	\$ (10,616,100)	\$ 14,267,800
	Appropriation	299,768,700	317,381,400	321,365,800	17,612,700	3,984,400
	Federal	159,071,000	169,482,000	175,562,300	10,411,000	6,080,300
	Current Services and Other Revenue	354,476,100	315,836,300	320,039,400	(38,639,800)	4,203,100
	Grand Total - General Fund	\$ 29,980,223,300	\$ 32,705,613,300	\$ 33,203,919,600	\$ 2,725,390,000	\$ 498,306,300
	Appropriation	13,238,193,000	14,734,407,300	14,988,640,100	1,496,214,300	254,232,800
	Federal	11,373,632,500	12,623,758,200	12,879,929,100	1,250,125,700	256,170,900
	Current Services and Other Revenue	3,561,867,100	3,488,828,800	3,476,731,400	(73,038,300)	(12,097,400)
	Tuition and Student Fees	1,806,530,700	1,858,619,000	1,858,619,000	52,088,300	0
400	Transportation	\$ 1,728,330,500	\$ 2,075,941,900	\$ 2,150,693,700	\$ 347,611,400	\$ 74,751,800
	Appropriation	801,908,400 ²	957,610,100	972,238,000	155,701,700	14,627,900
	Federal	874,320,200	995,782,800	1,013,371,700	121,462,600	17,588,900
	Current Services and Other Revenue	52,101,900	42,549,000	38,084,000	(9,552,900)	(4,465,000)
	Bonds	0	80,000,000	127,000,000	80,000,000	47,000,000
	Debt Service Requirements	\$ 408,088,400	\$ 369,219,000	\$ 367,147,000	\$ (38,869,400)	\$ (2,072,000)
	Appropriation	408,088,400	369,219,000	367,147,000	(38,869,400)	(2,072,000)
	Capital Outlay Program	\$ 462,231,000	\$ 746,282,500	\$ 330,820,000	\$ 284,051,500	\$ (415,462,500)
	Appropriation	376,693,000 ²	574,367,000	181,338,000	197,674,000	(393,029,000)
	Federal	6,904,000	7,370,000	3,405,000	466,000	(3,965,000)
	Current Services and Other Revenue	78,634,000	164,545,500	115,369,000	85,911,500	(49,176,500)
	Bonds	0	0	30,708,000	0	30,708,000
	Facilities Revolving Fund	\$ 225,568,800	\$ 280,812,900	\$ 261,112,400	\$ 55,244,100	\$ (19,700,500)
	Appropriation	95,874,100	141,755,600	16,335,600	45,881,500	(125,420,000)
	Current Services and Other Revenue	129,694,700 ³	139,057,300	157,049,800	9,362,600	17,992,500
	Bonds	0	0	87,727,000	0	87,727,000
	Cities & Counties - State Shared Taxes	\$ 1,073,644,600	\$ 1,167,600,000	\$ 1,202,700,000	\$ 93,955,400	\$ 35,100,000
	Appropriation	1,073,644,600	1,167,600,000	1,202,700,000	93,955,400	35,100,000
	Total State Budget - All Programs	\$ 33,878,086,600	\$ 37,345,469,600	\$ 37,516,392,700	\$ 3,467,383,000	\$ 170,923,100
	Appropriation	15,994,401,500	17,944,959,000	17,728,398,700	1,950,557,500	(216,560,300)
	Federal	12,254,856,700	13,626,911,000	13,896,705,800	1,372,054,300	269,794,800
	Current Services and Other Revenue	3,822,297,700	3,834,980,600	3,787,234,200	12,682,900	(47,746,400)
	Tuition and Student Fees	1,806,530,700	1,858,619,000	1,858,619,000	52,088,300	0
	Bonds	0	80,000,000	245,435,000	80,000,000	165,435,000

¹ Included in departmental total.

² Transportation and Capital Outlay Program - Actual 2016-2017 includes tax revenue and bonds.

³ Facilities Revolving Fund - Actual 2016-2017 includes departmental revenue and bonds.

Funding Summary All Programs

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Recommended 2018-2019</u>
GENERAL FUND AND EDUCATION FUND			
Expenditures			
Payroll	\$ 2,630,229,400	\$ 3,068,773,000	\$ 3,071,414,100
Operational	27,349,993,900	29,636,840,300	30,132,505,500
TOTAL	\$ 29,980,223,300	\$ 32,705,613,300	\$ 33,203,919,600
Funding			
State *	\$ 13,238,193,000	\$ 14,734,407,300	\$ 14,988,640,100
Federal	11,373,632,500	12,623,758,200	12,879,929,100
Other	3,561,867,100	3,488,828,800	3,476,731,400
Tuition and Fees	1,806,530,700	1,858,619,000	1,858,619,000
DEPARTMENT OF TRANSPORTATION			
Expenditures			
Payroll	\$ 240,984,300	\$ 331,463,000	\$ 339,239,500
Operational	1,487,346,200	1,744,478,900	1,811,454,200
TOTAL	\$ 1,728,330,500	\$ 2,075,941,900	\$ 2,150,693,700
Funding			
State	\$ 801,908,400	\$ 1,037,610,100	\$ 1,099,238,000
Federal	874,320,200	995,782,800	1,013,371,700
Other	52,101,900	42,549,000	38,084,000
GRAND TOTAL - ALL PROGRAMS			
Expenditures			
Payroll	\$ 2,871,213,700	\$ 3,400,236,000	\$ 3,410,653,600
Operational	28,837,340,100	31,381,319,200	31,943,959,700
TOTAL	\$ 31,708,553,800	\$ 34,781,555,200	\$ 35,354,613,300
Funding			
State *	\$ 14,040,101,400	\$ 15,772,017,400	\$ 16,087,878,100
Federal	12,247,952,700	13,619,541,000	13,893,300,800
Other	3,613,969,000	3,531,377,800	3,514,815,400
Tuition and Fees	1,806,530,700	1,858,619,000	1,858,619,000

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

\$ 336,739,300	\$ 345,900,000	\$ 359,300,000
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Departmental Comparison of Recurring Appropriations from State Revenues, 2017-2018 and Base Budget 2018-2019

Program	2017-2018	Base Budget 2018-2019	Increase/ (Decrease)	Pct. Chg.
301.00 Legislature	\$ 46,046,000	\$ 46,046,000	\$ 0	0.0%
301.50 Fiscal Review Committee	1,670,300	1,670,300	0	0.0%
302.00 Court System	135,287,600	135,287,600	0	0.0%
303.00 Attorney General and Reporter	30,770,000	30,770,000	0	0.0%
304.00 District Attorneys General	94,381,800	94,381,800	0	0.0%
305.00 Secretary of State	32,158,500	32,158,500	0	0.0%
306.00 District Public Defenders	58,147,300	58,147,300	0	0.0%
307.00 Comptroller of the Treasury	97,669,200	97,423,800	(245,400)	(0.3%)
308.00 Post-Conviction Defender	2,611,300	2,611,300	0	0.0%
309.00 Treasury Department	3,763,700	3,763,700	0	0.0%
313.00 Claims and Compensation	11,410,000	12,871,000	1,461,000	12.8%
315.00 Executive Department	5,426,200	5,426,200	0	0.0%
316.00 Commissions	39,269,600	39,141,800	(127,800)	(0.3%)
317.00 Finance and Administration (F&A)	27,505,900	16,715,300	(10,790,600)	(39.2%)
318.00 F&A - TennCare	3,114,551,700	3,058,803,000	(55,748,700)	(1.8%)
319.00 Human Resources	0	0	0	0.0%
321.00 General Services	41,815,700	41,631,800	(183,900)	(0.4%)
323.00 Veterans Services	6,384,900	6,384,900	0	0.0%
324.00 Board of Parole	8,196,200	8,320,700	124,500	1.5%
325.00 Agriculture	75,937,300	75,810,900	(126,400)	(0.2%)
326.00 Tourist Development	15,337,900	15,435,500	97,600	0.6%
327.00 Environment and Conservation	196,370,700	196,053,800	(316,900)	(0.2%)
328.00 Wildlife Resources Agency	62,743,300	62,743,300	0	0.0%
329.00 Correction	993,768,600	982,542,100	(11,226,500)	(1.1%)
330.00 Economic and Community Development	51,029,100	51,068,900	39,800	0.1%
331.00 Education (K-12)	<u>\$ 4,929,588,000</u>	<u>\$ 4,895,774,000</u>	<u>\$ (33,814,000)</u>	<u>(0.7%)</u>
Lottery-Funded Programs	13,500,000	13,500,000	0	0.0%
Other K-12 Education Programs	4,916,088,000	4,882,274,000	(33,814,000)	(0.7%)
332.00 Higher Education	<u>\$ 1,856,079,300</u>	<u>\$ 1,869,403,600</u>	<u>\$ 13,324,300</u>	<u>0.7%</u>
Lottery-Funded Programs	332,400,000	345,800,000	13,400,000	4.0%
Other Higher Education Programs	1,523,679,300	1,523,603,600	(75,700)	0.0%

**Departmental Comparison of Recurring Appropriations from State Revenues,
2017-2018 and Base Budget 2018-2019**

Program	2017-2018	Base Budget 2018-2019	Increase/ (Decrease)	Pct. Chg.
335.00 Commerce and Insurance	159,352,900	159,459,200	106,300	0.1%
336.00 Financial Institutions	24,190,700	24,751,000	560,300	2.3%
337.00 Labor and Workforce Development	46,338,600	46,228,800	(109,800)	(0.2%)
339.00 Mental Health and Substance Abuse Services	236,063,200	236,477,600	414,400	0.2%
341.00 Military	17,221,900	17,648,200	426,300	2.5%
343.00 Health	195,334,500	196,613,000	1,278,500	0.7%
344.00 Intellectual and Developmental Disabilities	24,917,000	24,761,700	(155,300)	(0.6%)
345.00 Human Services	194,034,600	195,168,700	1,134,100	0.6%
347.00 Revenue	89,504,900	89,808,100	303,200	0.3%
348.00 Tennessee Bureau of Investigation	47,925,900	47,925,900	0	0.0%
349.00 Safety	154,042,500	155,642,400	1,599,900	1.0%
350.00 F&A - Strategic Health-Care Programs	61,235,100	60,859,000	(376,100)	(0.6%)
351.00 Miscellaneous Appropriations	238,494,000	241,158,200	2,664,200	1.1%
353.00 Emergency and Contingency Fund	1,000,000	1,000,000	0	0.0%
355.00 State Building Commission	250,000	250,000	0	0.0%
359.00 Children's Services	315,681,400	313,332,700	(2,348,700)	(0.7%)
Total General Fund	\$ 13,743,507,300	\$ 13,651,471,600	\$ (92,035,700)	(0.7%)

**Departmental Comparison of Appropriations from State Revenues,
Recurring and Non-Recurring, for Fiscal Years 2017-2018 and 2018-2019**

Program	2017-2018 Appropriation		2018-2019 Base Recommended			2018-2019 Cost Increases		2018-2019 Total Recommended				
	Recurring	Non-Recurring	Recurring	Pct. Chg.	Non-Recurring	Recurring	Non-Recurring	Recurring	Pct. Chg.	Non-Recurring	Total	Pct. Chg.
Legislature	\$ 46,046,000	\$ 1,575,200	\$ 46,046,000	0.0%	\$ 0	\$ 2,345,900	\$ 0	\$ 48,391,900	5.1%	\$ 0	\$ 48,391,900	1.6%
Fiscal Review Committee	1,670,300	0	1,670,300	0.0%	0	0	0	1,670,300	0.0%	0	1,670,300	0.0%
Court System	135,287,600	2,009,500	135,287,600	0.0%	0	10,591,400	1,000,000	145,879,000	7.8%	1,000,000	146,879,000	7.0%
Attorney General and Reporter	30,770,000	0	30,770,000	0.0%	0	4,900	0	30,774,900	0.0%	0	30,774,900	0.0%
District Attorneys General	94,381,800	463,300	94,381,800	0.0%	0	1,338,500	0	95,720,300	1.4%	0	95,720,300	0.9%
Secretary of State	32,158,500	80,000	32,158,500	0.0%	0	0	0	32,158,500	0.0%	0	32,158,500	(0.2%)
District Public Defenders	58,147,300	407,200	58,147,300	0.0%	0	839,300	0	58,986,600	1.4%	0	58,986,600	0.7%
Comptroller of the Treasury	97,669,200	1,575,600	97,423,800	(0.3%)	0	265,000	0	97,688,800	0.0%	0	97,688,800	(1.6%)
Post-Conviction Defender	2,611,300	0	2,611,300	0.0%	0	28,400	0	2,639,700	1.1%	0	2,639,700	1.1%
Treasury Department	3,763,700	1,500,000	3,763,700	0.0%	0	60,000	450,000	3,823,700	1.6%	450,000	4,273,700	(18.8%)
Claims and Compensation	11,410,000	0	12,871,000	12.8%	0	0	0	12,871,000	12.8%	0	12,871,000	12.8%
Executive Department	5,426,200	0	5,426,200	0.0%	0	4,900	0	5,431,100	0.1%	0	5,431,100	0.1%
Commissions	39,269,600	860,000	39,141,800	(0.3%)	0	3,512,600	(325,600)	42,654,400	8.6%	(325,600)	42,328,800	5.5%
Finance and Administration (F&A)	27,505,900	552,300	16,715,300	(39.2%)	0	50,100	0	16,765,400	(39.0%)	0	16,765,400	(40.2%)
F&A - TennCare	3,114,551,700	582,809,500	3,058,803,000	(1.8%)	577,884,500	116,869,900	23,433,700	3,175,672,900	2.0%	601,318,200	3,776,991,100	2.2%
Human Resources	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0.0%
General Services	41,815,700	10,000	41,631,800	(0.4%)	0	600,200	0	42,232,000	1.0%	0	42,232,000	1.0%
Veterans Services	6,384,900	0	6,384,900	0.0%	0	0	0	6,384,900	0.0%	0	6,384,900	0.0%
Board of Parole	8,196,200	2,000	8,320,700	1.5%	0	0	0	8,320,700	1.5%	0	8,320,700	1.5%
Agriculture	75,937,300	2,685,000	75,810,900	(0.2%)	0	0	200,000	75,810,900	(0.2%)	200,000	76,010,900	(3.3%)
Tourist Development	15,337,900	8,100,000	15,435,500	0.6%	0	289,000	4,000,000	15,724,500	2.5%	4,000,000	19,724,500	(15.8%)
Environment and Conservation	196,370,700	16,203,300	196,053,800	(0.2%)	0	602,800	1,066,200	196,656,600	0.1%	1,066,200	197,722,800	(7.0%)
Wildlife Resources Agency	62,743,300	206,000	62,743,300	0.0%	0	1,684,000	0	64,427,300	2.7%	0	64,427,300	2.3%
Correction	993,768,600	627,000	982,542,100	(1.1%)	0	26,072,000	1,879,300	1,008,614,100	1.5%	1,879,300	1,010,493,400	1.6%
Economic and Community Development	51,029,100	187,565,000	51,068,900	0.1%	0	20,000	128,246,500	51,088,900	0.1%	128,246,500	179,335,400	(24.8%)

**Departmental Comparison of Appropriations from State Revenues,
Recurring and Non-Recurring, for Fiscal Years 2017-2018 and 2018-2019**

Program	2017-2018 Appropriation		2018-2019 Base Recommended			2018-2019 Cost Increases		2018-2019 Total Recommended				
	Recurring	Non-Recurring	Recurring	Pct. Chg.	Non-Recurring	Recurring	Non-Recurring	Recurring	Pct. Chg.	Non-Recurring	Total	Pct. Chg.
Education (K-12)	\$ 4,929,588,000	\$ 60,574,000	\$ 4,895,774,000	(0.7%)	\$ 0	\$ 174,650,400	\$ 37,147,000	\$ 5,070,424,400	2.9%	\$ 37,147,000	\$ 5,107,571,400	2.4%
Lottery-Funded Programs	13,500,000	0	13,500,000	0.0%	0	0	0	13,500,000	0.0%	0	13,500,000	0.0%
Other K-12 Education Programs	4,916,088,000	60,574,000	4,882,274,000	(0.7%)	0	174,650,400	37,147,000	5,056,924,400	2.9%	37,147,000	5,094,071,400	2.4%
Higher Education	\$ 1,856,079,300	\$ 18,001,800	\$ 1,869,403,600	0.7%	\$ 0	\$ 88,846,400	\$ 10,276,000	\$ 1,958,250,000	5.5%	\$ 10,276,000	\$ 1,968,526,000	5.0%
Lottery-Funded Programs	332,400,000	0	345,800,000	4.0%	0	0	0	345,800,000	4.0%	0	345,800,000	4.0%
Other Higher Education Programs	1,523,679,300	18,001,800	1,523,603,600	0.0%	0	88,846,400	10,276,000	1,612,450,000	5.8%	10,276,000	1,622,726,000	5.3%
Commerce and Insurance	159,352,900	839,800	159,459,200	0.1%	0	643,600	203,200	160,102,800	0.5%	203,200	160,306,000	0.1%
Financial Institutions	24,190,700	0	24,751,000	2.3%	0	144,600	0	24,895,600	2.9%	0	24,895,600	2.9%
Labor and Workforce Development	46,338,600	878,100	46,228,800	(0.2%)	0	426,800	577,500	46,655,600	0.7%	577,500	47,233,100	0.0%
Mental Health and Substance Abuse Services	236,063,200	17,250,000	236,477,600	0.2%	0	15,000,000	1,050,000	251,477,600	6.5%	1,050,000	252,527,600	(0.3%)
Military	17,221,900	8,950,000	17,648,200	2.5%	0	43,300	0	17,691,500	2.7%	0	17,691,500	(32.4%)
Health	195,334,500	17,858,000	196,613,000	0.7%	0	3,415,900	5,767,200	200,028,900	2.4%	5,767,200	205,796,100	(3.5%)
Intellectual and Developmental Disabilities	24,917,000	323,000	24,761,700	(0.6%)	0	667,100	35,000	25,428,800	2.1%	35,000	25,463,800	0.9%
Human Services	194,034,600	59,700	195,168,700	0.6%	0	92,400	312,000	195,261,100	0.6%	312,000	195,573,100	0.8%
Revenue	89,504,900	14,370,700	89,808,100	0.3%	0	0	10,555,600	89,808,100	0.3%	10,555,600	100,363,700	(3.4%)
Tennessee Bureau of Investigation	47,925,900	1,250,000	47,925,900	0.0%	0	1,300,000	855,000	49,225,900	2.7%	855,000	50,080,900	1.8%
Safety	154,042,500	10,341,700	155,642,400	1.0%	0	4,721,100	0	160,363,500	4.1%	0	160,363,500	(2.4%)
F&A - Strategic Health-Care Programs	61,235,100	(48,979,800)	60,859,000	(0.6%)	(40,000,000)	0	0	60,859,000	(0.6%)	(40,000,000)	20,859,000	70.2%
Miscellaneous Appropriations	238,494,000	80,252,100	241,158,200	1.1%	0	94,804,300	14,587,500	335,962,500	40.9%	14,587,500	350,550,000	10.0%
Emergency and Contingency Fund	1,000,000	0	1,000,000	0.0%	0	0	0	1,000,000	0.0%	0	1,000,000	0.0%
State Building Commission	250,000	0	250,000	0.0%	0	0	0	250,000	0.0%	0	250,000	0.0%
Children's Services	315,681,400	1,700,000	313,332,700	(0.7%)	0	7,858,100	175,000	321,190,800	1.7%	175,000	321,365,800	1.3%
Total General Fund	\$ 13,743,507,300	\$ 990,900,000	\$ 13,651,471,600	(0.7%)	\$ 537,884,500	\$ 557,792,900	\$ 241,491,100	\$ 14,209,264,500	3.4%	\$ 779,375,600	\$ 14,988,640,100	1.7%

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**Available Funds
Fiscal Year 2017-2018**

I. Unappropriated Budget Surplus / (Deficit) @ 6-30-17	\$ 340,300,000
II. Revenue Adjustments and Other Available Funds:	
1. Department of Revenue Tax Base Increase @ 1.4% Growth over FY 2016-2017 Actual	\$ 27,300,000
2. Debt Service Fund Transfer @ 6-30-18	55,500,000
3. 2017-2018 Tobacco Master Settlement Agreement at \$167.3 M (\$149.6 M Budgeted)	17,700,000
4. 2017-2018 Enacted Budget Available Funds	2,718,000
5. TennCare - Medicare Part D Savings	5,000,000
6. TennCare - Enhanced Match - Pharmacy Benefits Manager Information Technology Savings	20,700,000
7. TennCare - Additional Reversion	21,709,200
Sub-Total Revenue Adjustments and Other Available Funds	\$ 150,627,200
III. Total Budget Surplus and Adjustments (I + II)	\$ 490,927,200
IV. Appropriation and Transfer Requirements:	
1. Less: 2017-2018 Supplemental Appropriations	\$ (46,030,500)
Sub-Total Appropriation and Transfer Requirements	\$ (46,030,500)
V. Total Available Funds at June 30, 2018 (III + IV)	\$ 444,896,700

**Supplemental Appropriations
General Fund
Fiscal Year 2017-2018**

		<u>2017-2018</u>	<u>Recurring 2018-2019</u>
	Legislature		
301.00	Rent Adjustment - Move to Cordell Hull Building	\$ 1,564,000	\$ 2,345,900
	Environment and Conservation		
327.01	Historic Preservation - Restore Reserve Due to FY 2016 Closing Error	1,216,500	0
	Economic and Community Development		
330.06	Capital Grant - DENSO (Blount County)	\$ 20,000,000	\$ 0
330.06	FastTrack - Tyson Foods (Gibson County)	18,000,000	0
	Sub-Total Economic and Community Development	<u>\$ 38,000,000</u>	<u>\$ 0</u>
	Mental Health and Substance Abuse Services		
339.11	Middle Tennessee Regional Mental Health Institute	1,250,000	0
	Health		
343.60	Health Access Incentive Program	3,000,000	3,000,000
	Miscellaneous Appropriations		
351.00	Legal Expenses - Pending Lawsuit	1,000,000	0
	Total General Fund	<u><u>\$ 46,030,500</u></u>	<u><u>\$ 5,345,900</u></u>

Combining Statement of Recurring Preliminary Base Budget Adjustments and Recurring Base Budget Reductions
General Fund State Appropriations
Fiscal Year 2018-2019
Increase / (Decrease)

Program	Preliminary Base Adjustments	Base Budget Reductions	Total
301.00	Legislature	\$ 0	\$ 0
301.50	Fiscal Review Committee	0	0
302.00	Court System	0	0
303.00	Attorney General and Reporter	0	0
304.00	District Attorneys General	0	0
305.00	Secretary of State	0	0
306.00	District Public Defenders	0	0
307.00	Comptroller of the Treasury	(245,400)	(245,400)
308.00	Post-Conviction Defender	0	0
309.00	Treasury Department	0	0
313.00	Claims and Compensation	0	0
Sub-Total Non-Executive			
	\$ 0	\$ (245,400)	\$ (245,400)
315.00	Executive Department	\$ 0	\$ 0
316.01	Children and Youth Commission	0	0
316.02	Aging and Disability Commission	0	0
316.03	Alcoholic Beverage Commission	0	0
316.04	Human Rights Commission	0	0
316.07	Health Services and Development Agency	0	0
316.11	Tennessee Public Utility Commission	0	0
316.12	TACIR	(5,000)	(5,000)
316.14	Council on Developmental Disabilities	0	0
316.25	Arts Commission	0	0
316.27	State Museum	0	0
317.00	Finance and Administration	0	0
318.00	a. TennCare Programs	\$ 0	\$ (45,481,700)
	b. TennCare Waiver Payments	0	(7,269,300)
	c. TennCare for Children's Services	0	(130,800)
	d. TennCare for Intellectual Disabilities	0	(439,800)
	e. TennCare for Human Services	0	(2,565,500)
	f. TennCare for Commerce and Insurance	0	0
	g. TennCare for F&A Office of Inspector General	0	0
Sub-Total TennCare Programs			
	\$ 0	\$ (55,887,100)	\$ (55,887,100)
319.00	Human Resources	0	0
321.00	General Services	(183,900)	(183,900)
323.00	Veterans Services	0	0
324.00	Board of Parole	0	0
325.00	Agriculture	(718,000)	(718,000)
326.00	Tourist Development	0	0
327.00	Environment and Conservation	0	0
328.00	Tennessee Wildlife Resources Agency	0	0
329.00	Correction	(11,719,100)	(11,719,100)
330.00	Economic and Community Development	(397,800)	(397,800)
331.00	Education (K-12)	(32,214,000)	(1,600,000)
332.00	a. Higher Education State-Administered Programs	\$ 0	\$ (75,700)
332.10	b. University of Tennessee System	0	0
332.60	c. State University and Community College System	0	0
Sub-Total Higher Education			
	\$ 0	\$ (75,700)	\$ (75,700)
335.00	Commerce and Insurance	(65,800)	(65,800)
336.00	Financial Institutions	0	0
337.00	Labor and Workforce Development	(510,400)	(510,400)
339.00	Mental Health and Substance Abuse Services	0	0
341.00	Military	(130,000)	(130,000)
343.00	Health	3,000,000	(1,716,300)
344.00	Intellectual and Developmental Disabilities	(51,100)	(51,100)
345.00	Human Services	0	0
347.00	Revenue	(1,896,000)	(1,896,000)
348.00	Tennessee Bureau of Investigation	0	0
349.00	Safety	0	0
350.00	Strategic Health-Care Programs	(376,100)	(376,100)
351.00	Miscellaneous Appropriations	(885,300)	(885,300)
359.00	Children's Services	(325,000)	(2,182,400)
Sub-Total Executive			
	\$ (29,539,000)	\$ (78,400,000)	\$ (107,939,000)
Total - Budget File			
	\$ (29,539,000)	\$ (78,645,400)	\$ (108,184,400)
Overappropriation:			
305.00	Secretary of State	\$ 0	\$ 0
307.00	Comptroller of the Treasury	0	0
309.00	State Treasurer	0	0
300.00	Other Agencies - Reduce	0	0
Sub-Total Overappropriation			
	\$ 0	\$ 0	\$ 0
Grand Total			
	\$ (29,539,000)	\$ (78,645,400)	\$ (108,184,400)

**Preliminary Base Budget Adjustments
Fiscal Year 2018-2019
(Savings) / Cost**

		<u>General Fund</u>		<u>Dedicated / Other Funds</u>	<u>Total</u>
		<u>Recurring</u>	<u>Non-Recurring</u>		
Finance and Administration					
317.06	Administration Legislation - Transfer of DUI Monitoring Fund Revenue to the Department of Safety	\$ 0	\$ 0	\$ (60,000)	\$ (60,000)
TennCare					
318.00	Hospital Coverage Assessment	\$ 0	\$ 0	\$ 446,579,800	\$ 446,579,800
318.00	Nursing Home Bed Assessment	0	0	121,000,000	121,000,000
318.00	Ambulance Service Assessment	0	0	10,304,700	10,304,700
	Sub-Total TennCare	\$ 0	\$ 0	\$ 577,884,500	\$ 577,884,500
Education					
331.25	Basic Education Program - Retirement Contribution Offset	\$ (22,214,000)	\$ 0	\$ 0	\$ (22,214,000)
331.25	Basic Education Program - Health Insurance Offset	(10,000,000)	0	0	(10,000,000)
	Sub-Total Education	\$ (32,214,000)	\$ 0	\$ 0	\$ (32,214,000)
Health					
343.60	Health Access Incentive Program - Funding Restoration	3,000,000	0	0	3,000,000
Safety					
349.17	Administration Legislation - Transfer of DUI Monitoring Fund Revenue from the Department of Finance and Administration	0	0	60,000	60,000
Children's Services					
359.63	Recognize Organizational Restructure	(325,000)	0	0	(325,000)
	Total - Budget File	\$ (29,539,000)	\$ 0	\$ 577,884,500	\$ 548,345,500

**Departmental Comparison of 2017-2018 Recurring Appropriations, 2018-2019 Discretionary Base,
and 2018-2019 Base Budget Reductions (State Appropriation)**

Program	2017-2018 Recurring Appropriation	2018-2019									
		General Fund					Non- Recurring	Dedicated Funds	Net Reduction	Pct. Of 2017-18	Pct. Of 2018-19
		Discretionary Base	Recurring Reduction	Pct. Of 2017-18	Pct. Of 2018-19						
301.00 Legislature	\$ 46,046,000	\$ 35,414,100	\$ 0	0.0%	0.0%	\$ 0	\$ 0	\$ 0	0.0%	0.0%	
301.50 Fiscal Review Committee	1,670,300	1,670,300	0	0.0%	0.0%	0	0	0	0.0%	0.0%	
302.00 Court System	135,287,600	37,774,400	0	0.0%	0.0%	0	0	0	0.0%	0.0%	
303.00 Attorney General and Reporter	30,770,000	24,940,400	0	0.0%	0.0%	0	0	0	0.0%	0.0%	
304.00 District Attorneys General	94,381,800	87,898,100	0	0.0%	0.0%	0	0	0	0.0%	0.0%	
305.00 Secretary of State	32,158,500	31,814,400	0	0.0%	0.0%	0	0	0	0.0%	0.0%	
306.00 District Public Defenders	58,147,300	51,091,000	0	0.0%	0.0%	0	0	0	0.0%	0.0%	
307.00 Comptroller of the Treasury	97,669,200	55,250,600	(245,400)	(0.3%)	(0.4%)	0	0	(245,400)	(0.3%)	(0.4%)	
308.00 Post-Conviction Defender	2,611,300	0	0	0.0%	-	0	0	0	0.0%	-	
309.00 Treasury Department	3,763,700	3,059,500	0	0.0%	0.0%	0	0	0	0.0%	0.0%	
313.00 Claims and Compensation	11,410,000	0	0	0.0%	-	0	0	0	0.0%	-	
Sub-Total Non-Executive	\$ 513,915,700	\$ 328,912,800	\$ (245,400)	(0.0%)	(0.1%)	\$ 0	\$ 0	\$ (245,400)	(0.0%)	(0.1%)	
315.00 Executive Department	\$ 5,426,200	\$ 5,412,900	\$ 0	0.0%	0.0%	\$ 0	\$ 0	\$ 0	0.0%	0.0%	
316.01 Children and Youth	3,189,000	3,183,800	0	0.0%	0.0%	0	0	0	0.0%	0.0%	
316.02 Aging and Disability	14,809,100	14,810,200	0	0.0%	0.0%	0	0	0	0.0%	0.0%	
316.04 Human Rights Commission	1,840,500	1,836,000	0	0.0%	0.0%	0	0	0	0.0%	0.0%	
316.07 Health Services and Development Agency	1,160,700	0	0	0.0%	-	0	0	0	0.0%	-	
316.11 Tennessee Public Utility Commission	6,805,700	0	0	0.0%	-	0	(122,800)	(122,800)	(1.8%)	-	
316.12 TACIR	201,700	201,700	(5,000)	(2.5%)	(2.5%)	0	0	(5,000)	(2.5%)	(2.5%)	
316.14 Council on Developmental Disabilities	214,800	215,700	0	0.0%	0.0%	0	0	0	0.0%	0.0%	
316.25 Arts Commission	6,626,700	1,841,700	0	0.0%	0.0%	0	0	0	0.0%	0.0%	
316.27 State Museum	4,421,400	4,409,600	0	0.0%	0.0%	0	0	0	0.0%	0.0%	
317.00 Finance and Administration	27,505,900	18,958,400	0	0.0%	0.0%	0	0	0	0.0%	0.0%	
318.00 TennCare Programs	\$ 2,710,577,000	\$ 2,710,506,900	\$ (45,481,700)	(1.7%)	(1.7%)	\$ 0	\$ 0	\$ (45,481,700)	(1.7%)	(1.7%)	
TennCare Waiver Payments	241,866,900	241,868,800	(7,269,300)	(3.0%)	(3.0%)	0	0	(7,269,300)	(3.0%)	(3.0%)	
TennCare for Children's Services	102,852,900	102,637,900	(130,800)	(0.1%)	(0.1%)	0	0	(130,800)	(0.1%)	(0.1%)	
TennCare for Intellectual Disabilities	46,432,800	46,410,700	(439,800)	(0.9%)	(0.9%)	0	0	(439,800)	(0.9%)	(0.9%)	
TennCare for Human Services	9,075,300	9,075,300	(2,565,500)	(28.3%)	(28.3%)	0	0	(2,565,500)	(28.3%)	(28.3%)	
TennCare for Commerce and Insurance	1,285,100	1,285,100	0	0.0%	0.0%	0	0	0	0.0%	0.0%	
TennCare for Office of Inspector General	2,461,700	2,472,000	0	0.0%	0.0%	0	0	0	0.0%	0.0%	
Sub-total TennCare Programs	\$ 3,114,551,700	\$ 3,114,256,700	\$ (55,887,100)	(1.8%)	(1.8%)	\$ 0	\$ 0	\$ (55,887,100)	(1.8%)	(1.8%)	
319.00 Human Resources	0	0	0	-	-	0	0	0	-	-	
321.00 General Services	41,815,700	11,276,300	(183,900)	(0.4%)	(1.6%)	0	0	(183,900)	(0.4%)	(1.6%)	
323.00 Veterans Services	6,384,900	6,379,700	0	0.0%	0.0%	0	0	0	0.0%	0.0%	
324.00 Board of Parole	8,196,200	8,172,400	0	0.0%	0.0%	0	0	0	0.0%	0.0%	
325.00 Agriculture	75,937,300	38,289,400	(718,000)	(0.9%)	(1.9%)	0	188,000	(530,000)	(0.7%)	(1.4%)	
326.00 Tourist Development	15,337,900	15,324,800	0	0.0%	0.0%	0	0	0	0.0%	0.0%	

**Departmental Comparison of 2017-2018 Recurring Appropriations, 2018-2019 Discretionary Base,
and 2018-2019 Base Budget Reductions (State Appropriation)**

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Program	2017-2018 Recurring Appropriation	2018-2019									
		General Fund					Non- Recurring	Dedicated Funds	Net Reduction	Pct. Of 2017-18	Pct. Of 2018-19
		Discretionary Base	Recurring Reduction	Pct. Of 2017-18	Pct. Of 2018-19						
327.00 Environment and Conservation	196,370,700	100,180,900	0	0.0%	0.0%	0	0	0	0.0%	0.0%	
328.00 Wildlife Resources Agency	62,743,300	0	0	0.0%	-	0	0	0	0.0%	-	
329.00 Correction	993,768,600	175,577,000	(11,719,100)	(1.2%)	(6.7%)	0	0	(11,719,100)	(1.2%)	(6.7%)	
330.00 Economic and Community Development	51,029,100	25,613,000	(397,800)	(0.8%)	(1.6%)	0	0	(397,800)	(0.8%)	(1.6%)	
331.00 Education (K-12)	4,929,588,000	154,724,200	(1,600,000)	(0.0%)	(1.0%)	0	0	(1,600,000)	(0.0%)	(1.0%)	
332.00 Higher Education State-Admin. Programs	\$ 499,151,900	\$ 33,763,400	\$ (75,700)	(0.0%)	(0.2%)	\$ 0	\$ 0	\$ (75,700)	(0.0%)	(0.2%)	
332.10 University of Tennessee System	572,915,300	572,915,300	0	0.0%	0.0%	0	0	0	0.0%	0.0%	
332.60 State Univ. and Comm. College System	784,012,100	784,012,100	0	0.0%	0.0%	0	0	0	0.0%	0.0%	
Sub-Total Higher Education	<u>\$ 1,856,079,300</u>	<u>\$ 1,390,690,800</u>	<u>\$ (75,700)</u>	<u>(0.0%)</u>	<u>(0.0%)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (75,700)</u>	<u>(0.0%)</u>	<u>(0.0%)</u>	
335.00 Commerce and Insurance	159,352,900	10,111,300	(65,800)	(0.0%)	(0.7%)	0	0	(65,800)	(0.0%)	(0.7%)	
336.00 Financial Institutions	24,190,700	0	0	0.0%	-	0	0	0	0.0%	-	
337.00 Labor and Workforce Development	46,338,600	22,067,400	(510,400)	(1.1%)	(2.3%)	0	0	(510,400)	(1.1%)	(2.3%)	
339.00 Mental Health and Substance Abuse Svcs.	236,063,200	15,575,400	0	0.0%	0.0%	0	0	0	0.0%	0.0%	
341.00 Military	17,221,900	13,206,700	(130,000)	(0.8%)	(1.0%)	0	0	(130,000)	(0.8%)	(1.0%)	
343.00 Health	195,334,500	152,691,800	(1,716,300)	(0.9%)	(1.1%)	0	(5,200)	(1,721,500)	(0.9%)	(1.1%)	
344.00 Intellectual and Developmental Disabilities	24,917,000	24,282,100	(51,100)	(0.2%)	(0.2%)	0	0	(51,100)	(0.2%)	(0.2%)	
345.00 Human Services	194,034,600	102,622,300	0	0.0%	0.0%	0	0	0	0.0%	0.0%	
347.00 Revenue	89,504,900	75,856,100	(1,896,000)	(2.1%)	(2.5%)	0	0	(1,896,000)	(2.1%)	(2.5%)	
348.00 Tennessee Bureau of Investigation	47,925,900	35,730,500	0	0.0%	0.0%	0	0	0	0.0%	0.0%	
349.00 Safety	154,042,500	153,008,800	0	0.0%	0.0%	0	0	0	0.0%	0.0%	
350.00 Strategic Health-Care Programs	61,235,100	529,400	(376,100)	(0.6%)	(71.0%)	(40,000,000)	0	(40,376,100)	(65.9%)	(7,626.8%)	
351.00 Miscellaneous Appropriations	238,494,000	0	(885,300)	(0.4%)	-	0	0	(885,300)	(0.4%)	-	
353.00 Emergency and Contingency	1,000,000	0	0	0.0%	-	0	0	0	0.0%	-	
355.00 State Building Commission	250,000	0	0	0.0%	-	0	0	0	0.0%	-	
359.00 Children's Services	315,681,400	33,014,300	(2,182,400)	(0.7%)	(6.6%)	0	0	(2,182,400)	(0.7%)	(6.6%)	
Sub-Total Executive	<u>\$ 13,229,591,600</u>	<u>\$ 5,730,051,300</u>	<u>\$ (78,400,000)</u>	<u>(0.6%)</u>	<u>(1.4%)</u>	<u>\$ (40,000,000)</u>	<u>\$ 60,000</u>	<u>\$ (118,340,000)</u>	<u>(0.9%)</u>	<u>(2.1%)</u>	
Total Base Budget Reductions	<u>\$ 13,743,507,300</u>	<u>\$ 6,058,964,100</u>	<u>\$ (78,645,400)</u>	<u>(0.6%)</u>	<u>(1.3%)</u>	<u>\$ (40,000,000)</u>	<u>\$ 60,000</u>	<u>\$ (118,585,400)</u>	<u>(0.9%)</u>	<u>(2.0%)</u>	
Overappropriation:											
305.00 Secretary of State			\$ 0			\$ 0	\$ 0	\$ 0			
307.00 Comptroller of the Treasury			0			0	0	0			
309.00 State Treasurer			0			0	0	0			
300.00 State Agencies - Reduce			0			0	0	0			
Sub-Total Overappropriation			<u>\$ 0</u>			<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>			
Total Reductions	<u>\$ 13,743,507,300</u>	<u>\$ 6,058,964,100</u>	<u>\$ (78,645,400)</u>	<u>(0.6%)</u>	<u>(1.3%)</u>	<u>\$ (40,000,000)</u>	<u>\$ 60,000</u>	<u>\$ (118,585,400)</u>	<u>(0.9%)</u>	<u>(2.0%)</u>	

**Departmental Summary of Cost Increases
Fiscal Year 2018-2019**

Code	Department	Total	Funding		
			Appropriation	Federal	Other
301	Legislature	\$ 2,345,900	\$ 2,345,900	\$ 0	\$ 0
301.50	Fiscal Review Committee	0	0	0	0
302	Court System	11,591,400	11,591,400	0	0
303	Attorney General and Reporter	4,900	4,900	0	0
304	District Attorneys General Conference	1,639,500	1,338,500	0	301,000
305	Secretary of State	0	0	0	0
306	District Public Defenders Conference	839,300	839,300	0	0
307	Comptroller of the Treasury	265,000	265,000	0	0
308	Office of the Post-Conviction Defender	28,400	28,400	0	0
309	Treasury Department	3,289,000	510,000	0	2,779,000
313	Claims and Compensation	0	0	0	0
315	Executive Department	4,900	4,900	0	0
316	Commissions	4,000,500	3,187,000	0	813,500
317	Finance and Administration (F&A)	<u>3,119,300</u>	<u>50,100</u>	<u>161,700</u>	<u>2,907,500</u>
317.06	Criminal Justice Programs *	176,800	15,100	161,700	0
	Other F&A Programs *	2,942,500	35,000	0	2,907,500
318	F&A, TennCare	493,323,200	140,303,600	353,019,600	0
319	Human Resources	0	0	0	0
321	General Services	600,200	600,200	0	0
323	Veterans Services	0	0	0	0
324	Board of Parole	0	0	0	0
325	Agriculture	200,000	200,000	0	0
326	Tourist Development	4,289,000	4,289,000	0	0
327	Environment and Conservation	2,899,900	1,669,000	0	1,230,900
328	Wildlife Resources Agency	1,684,000	1,684,000	0	0
329	Correction	27,951,300	27,951,300	0	0
330	Economic and Community Development	128,266,500	128,266,500	0	0
331	Education (K-12)	<u>212,299,400</u>	<u>211,797,400</u>	<u>502,000</u>	<u>0</u>
	Lottery-Funded Programs *	0	0	0	0
	Other K-12 Education Programs *	212,299,400	211,797,400	502,000	0
332	Higher Education	<u>99,122,400</u>	<u>99,122,400</u>	<u>0</u>	<u>0</u>
	Lottery for Education Account *	0	0	0	0
	Other Higher Education Programs *	99,122,400	99,122,400	0	0
335	Commerce and Insurance	1,226,200	846,800	0	379,400
336	Financial Institutions	144,600	144,600	0	0
337	Labor and Workforce Development	1,004,300	1,004,300	0	0
339	Mental Health and Substance Abuse Services	16,050,000	16,050,000	0	0
341	Military	784,200	43,300	740,900	0
343	Health	9,183,100	9,183,100	0	0
344	Intellectual and Developmental Disabilities	927,100	702,100	0	225,000
345	Human Services	<u>601,100</u>	<u>404,400</u>	<u>196,700</u>	<u>0</u>
345.23	Temporary Cash Assistance *	0	0	0	0
	Other Human Services Programs *	601,100	404,400	196,700	0
347	Revenue	10,555,600	10,555,600	0	0
348	Tennessee Bureau of Investigation	2,155,000	2,155,000	0	0
349	Safety	4,721,100	4,721,100	0	0
350	F&A, Strategic Health-Care Programs	0	0	0	0
351	Miscellaneous Appropriations	109,391,800	109,391,800	0	0
359	Children's Services	<u>16,686,900</u>	<u>8,033,100</u>	<u>5,826,500</u>	<u>2,827,300</u>
	Sub-total General Fund	<u>\$ 1,171,195,000</u>	<u>\$ 799,284,000</u>	<u>\$ 360,447,400</u>	<u>\$ 11,463,600</u>
400	Transportation	0	0	0	0
	Total All Funds	<u>\$ 1,171,195,000</u>	<u>\$ 799,284,000</u>	<u>\$ 360,447,400</u>	<u>\$ 11,463,600</u>

* These items are included in the departmental totals.

**Salary Policy Recommendation
Fiscal Year 2018-2019**

	General Fund	Dedicated
I. Discretionary Raises:		
1. State Employees Salary Pool:		
a. 2.5% Salary Pool - Pay for Performance - TEAM Act agencies - Effective 1/1/2019	\$ 35,390,000	\$ 0
b. 2.5% Salary Pool - Across the Board - Non-TEAM Act agencies - Effective 7/1/2018	8,065,800	0
2. Higher Education - Included in Funding Formula		
a. 2.5% Salary Pool - Formula Units	26,434,700	0
b. 2.5% Salary Pool - Non-Formula Units	10,580,300	0
3. K-12 Basic Education Program (BEP) - Teachers and Other Certified Staff	55,124,000	0
4. Safety - Commissioned Officers (Troopers) - Salary Survey Raise at 2.5%	1,662,000	0
5. Commerce and Insurance - TLETA Commissioned Officers - Salary Survey Raise at 2.5%	21,000	0
6. TWRA - Wildlife Officers - Salary Survey Raise at 2.5%	0	1,159,000
Sub-Total Discretionary Raises	\$ 137,277,800	\$ 1,159,000
II. Mandated Salary Increases:		
A. Statutory Step Raises:		
1. District Attorneys General - Assistant District Attorneys and Criminal Investigators (Includes Human Services: \$44,900 State)	\$ 1,383,400	\$ 0
2. District Public Defenders - Assistant Public Defenders and Investigators	678,400	0
3. Post-Conviction Defender - Assistant Post-Conviction Defenders	28,400	0
4. Commerce and Insurance - TLETA Commissioned Officers	23,000	0
5. Safety - Commissioned Officers (Troopers)	1,069,100	0
6. TWRA - Wildlife Officers, Biologists, and Unique Positions	0	525,000
Sub-Total Statutory Step Raises	\$ 3,182,300	\$ 525,000
B. Cost of Living Adjustments:		
1. Court System - Judges salary increase - CPI Adjustment	\$ 847,400	\$ 0
2. Attorney General and Reporter statutory salary increase - CPI Adjustment	4,900	0
3. Governor's statutory salary increase - CPI Adjustment	4,900	0
Sub-Total Cost of Living Adjustments	\$ 857,200	\$ 0
III. Other Salary Increases:		
1. Children's Services - Teacher Training and Experience	7,600	0
Sub-Total Other Salary Increases	\$ 7,600	\$ 0
Sub-Total Mandated and Other Salary Increases	\$ 4,047,100	\$ 525,000
Total Recommended Salary Policy	\$ 141,324,900	\$ 1,684,000

Base Appropriations Preserved by Proposed Assessment Legislation

Fiscal Year 2018-2019

Legislation is proposed to continue the hospital, nursing home, and ambulance service assessments for one year. 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
I. Hospital Assessment			
Essential Access Hospital Payments	\$ 42,677,500	\$ 82,322,500	\$ 125,000,000
Disproportionate Share Hospital Payments	27,528,000	53,100,000	80,628,000
Graduate Medical Education	17,071,000	32,929,000	50,000,000
Critical Access Hospital Payments	3,414,200	6,585,800	10,000,000
Medicare Part A Reimbursement	12,137,600	23,412,800	35,550,400
Provider Reimbursement and Co-Pay	56,511,800	109,008,100	165,519,900
Hospital Reimbursement Ceiling	11,027,700	21,271,700	32,299,400
In-Patient Services	44,882,800	86,576,500	131,459,300
Lab and X-Ray Procedures	14,221,600	27,432,600	41,654,200
Therapies	8,636,200	16,658,800	25,295,000
Out-Patient Services	32,063,500	61,848,600	93,912,100
Office Visits	18,315,100	35,328,900	53,644,000
Match for ADT Contract Payments	125,000	125,000	250,000
Directed Hospital Payments	155,346,100	299,653,900	455,000,000
Non-Emergent Care at Hospitals	573,200	1,105,600	1,678,800
340B Pricing Provision of MCO Contractor Agreement	2,048,500	3,951,500	6,000,000
Total Hospital Assessment	\$ 446,579,800	\$ 861,311,300	\$ 1,307,891,100
II. Nursing Home Assessment	\$ 121,000,000	\$ 233,402,200	\$ 354,402,200
III. Ambulance Service Assessment	\$ 10,304,700	\$ 19,842,400	\$ 30,147,100
IV. Total Proposed Assessments	\$ 577,884,500	\$ 1,114,555,900	\$ 1,692,440,400

**2018 Administration Legislation with Fiscal Impact
General Fund and Education Fund
Fiscal Year 2018-2019**

Description	General Fund		Dedicated Funds	
	Recurring	Non-Recurring	Recurring	Non-Recurring
I. Tax Adjustments - (Decrease) / Increase:				
1. Correction - Earned Discharge Credits - Probation/Parole (12 FT)	\$ 0	\$ 0	\$ (450,000)	\$ 0
2. Health - Laboratory Personnel Licensure Exemption	0	0	(5,200)	0
3. Commerce & Insurance - Regulatory Boards - Revenue Loss	0	0	(6,500)	0
4. Commerce & Insurance - Insurance Fees - Modernization	50,000	0	0	0
5. Labor - Employment Security - Filing Fees	60,000	60,000	0	0
Total Tax Adjustments - (Decrease) / Increase	\$ 110,000	\$ 60,000	\$ (461,700)	\$ 0
II. Cost Increase - (Cost) / Savings:				
1. Finance & Administration - Transfer of Revenue (DUI Monitoring Fund)	\$ 0	\$ 0	\$ 60,000	\$ 0
2. Safety - Transfer of Revenue (DUI Monitoring Fund)	0	0	(60,000)	0
3. Education - Basic Education Program - Response to Intervention - Resolution	(13,334,000)	0	0	0
4. Correction - Earned Discharge Credits - Probation/Parole (12 FT)	2,216,600	0	0	0
5. Health - Laboratory Personnel Licensure Exemption	0	0	5,200	0
6. Human Services - Multi-State Program Integrity (SNAP/TANF)	(47,500)	(62,000)	0	0
7. Governor's Opioid Initiative:				
a. Correction - Incarceration - Controlled Substances Schedule Update	\$ (286,300)	\$ 0	\$ 0	\$ 0
b. Correction - Treatment Credit for Incarcerated	2,665,400	0	0	0
Sub-Total Governor's Opioid Initiative	\$ 2,379,100	\$ 0	\$ 0	\$ 0
Total Cost Increase - (Cost) / Savings	\$ (8,785,800)	\$ (62,000)	\$ 5,200	\$ 0

Lottery for Education Account
Summary of Appropriation Requirements, Revenues, and Reserves
Fiscal Years 2016-2017 Through 2021-2022
(Millions)

	Actual 2016-2017	Estimated 2017-2018	Recommended 2018-2019	Projected		
				2019-2020	2020-2021	2021-2022
I. Appropriation Requirements:						
Higher Education Scholarships Base	\$ 313.7	\$ 321.8	\$ 333.9	\$ 339.1	\$ 342.9	\$ 346.3
Tennessee Student Assistance Corporation	3.3	2.4	3.6	3.6	3.6	3.6
Tennessee Higher Education Commission	1.6	1.4	1.5	1.5	1.5	1.5
Transfer to Tennessee Student Assistance Awards	6.8	6.8	6.8	6.8	6.8	6.8
Total Appropriation Requirements	\$ 325.4	\$ 332.4	\$ 345.8	\$ 351.0	\$ 354.8	\$ 358.2
II. Current Revenue:						
Net Education Lottery Proceeds	\$ 372.8	\$ 380.2	\$ 387.8	\$ 395.6	\$ 403.5	\$ 411.6
Lottery for Education Account - Interest	0.5	0.1	0.1	0.1	0.1	0.1
General Shortfall Reserve @ prior June 30	100.0	100.0	100.0	100.0	100.0	100.0
Lottery for Education Account @ prior June 30	10.0	10.0	10.0	10.0	10.0	10.0
Total Current Revenue	\$ 483.3	\$ 490.3	\$ 497.9	\$ 505.7	\$ 513.6	\$ 521.7
III. 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	47.9	47.9	42.1	44.7	48.8	53.5
Total Reserve at June 30	\$ 157.9	\$ 157.9	\$ 152.1	\$ 154.7	\$ 158.8	\$ 163.5
(Dollars)						
IV. Scholarship Award Levels:						
HOPE 4-Year Colleges: \$3,500 Freshmen/Sophmores	\$ 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: 2016-2017 Actual - 113,600; 2017-2018 Estimated - 117,900; and 2018-2019 Recommended - 119,700.

Lottery-Funded Education Programs
Comparison of Appropriation Requirements and State Revenues
Fiscal Years 2016-2017 Through 2021-2022

	Actual 2016-2017	Esitimated 2017-2018	Recommended 2018-2019	Projected 2019-2020	Projected 2020-2021	Projected 2021-2022
I. Appropriation Requirements						
Higher Education Scholarships	\$ 313,722,400	\$ 321,800,000	\$ 333,900,000	\$ 339,100,000	\$ 342,900,000	\$ 346,300,000
Tennessee Higher Education Commission	1,543,100	1,352,400	1,500,000	1,500,000	1,500,000	1,500,000
Tennessee Student Assistance Corporation (TSAC)	3,288,400	2,437,400	3,600,000	3,600,000	3,600,000	3,600,000
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	0	23,000	23,000	23,000	23,000	23,000
Rounding / Reconciling	0	(12,800)	(23,000)	(23,000)	(23,000)	(23,000)
Sub-Total Lottery for Education Acct.	\$ 325,353,900	\$ 332,400,000	\$ 345,800,000	\$ 351,000,000	\$ 354,800,000	\$ 358,200,000
After-School Programs	\$ 11,385,400	\$ 13,500,000	\$ 13,500,000	\$ 13,500,000	\$ 13,500,000	\$ 13,500,000
Total Appropriation Requirements	\$ 336,739,300	\$ 345,900,000	\$ 359,300,000	\$ 364,500,000	\$ 368,300,000	\$ 371,700,000
II. Available Revenues and Reserves						
Net Education Lottery Proceeds	\$ 372,783,000	\$ 380,200,000	\$ 387,800,000	\$ 395,600,000	\$ 403,500,000	\$ 411,600,000
Lottery for Education Account - Interest	462,300	75,000	75,000	75,000	75,000	75,000
Unclaimed Prizes (After-School Programs)	13,914,000	13,500,000	13,500,000	13,500,000	13,500,000	13,500,000
After-School Programs - Interest	102,500	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	23,335,700	25,966,800	26,066,800	26,166,800	26,266,800	26,366,800
Total Available Revenues and Reserves	\$ 520,597,500	\$ 529,841,800	\$ 537,541,800	\$ 545,441,800	\$ 553,441,800	\$ 561,641,800
III. Available Funds at June 30						
General Shortfall Reserve	\$ 100,000,000	\$ 100,000,000	\$ 100,000,000	\$ 100,000,000	\$ 100,000,000	\$ 100,000,000
Lottery for Education Account Reserve	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
After-School Programs Reserve	25,966,800	26,066,800	26,166,800	26,266,800	26,366,800	26,466,800
Available to Transfer to Tennessee Promise Scholarships	47,891,400	47,875,000	42,075,000	44,675,000	48,775,000	53,475,000
Total Available Funds at June 30	\$ 183,858,200	\$ 183,941,800	\$ 178,241,800	\$ 180,941,800	\$ 185,141,800	\$ 189,941,800



**Tennessee Promise Last Dollar Scholarship
Multi-Year Projection
Fiscal Years 2016-2017 Through 2018-2019**

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. Estimated Promise enrollment as of fall 2017 was 26,500.

	Actual 2016-2017	Estimated 2017-2018	Estimated 2018-2019
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			
Net Lottery Proceeds Transfer	\$ 59,745,800	\$ 47,891,400	\$ 47,875,000
Transfer from Tennessee Student Asst. Corp.	0	18,000,000	0
Endowment/Reserve Earnings	21,072,400	20,686,400	20,686,400
Total Available Revenue	\$ 80,818,200	\$ 86,577,800	\$ 68,561,400
III. Expenditures			
Tennessee Promise Cost	\$ 25,155,700	\$ 31,662,200	\$ 32,853,500
Treasury Administrative Fees	350,300	375,000	400,000
Total Expenditures	\$ 25,506,000	\$ 32,037,200	\$ 33,253,500
IV. Surplus/Deficit	\$ 55,312,200	\$ 54,540,600	\$ 35,307,900
V. Balance Forward/Special Reserve	\$ 100,938,500	\$ 155,479,100	\$ 190,787,000

**Rainy Day Fund and Unobligated TennCare Reserve
Fiscal Years 2015-2016 Through 2018-2019**

	<u>Rainy Day Fund</u>	<u>TennCare Reserve</u>	<u>Total</u>
1. 2015-2016:			
Total Reserve at June 30, 2016	\$ 568,000,000	\$ 230,394,300	\$ 798,394,300
2. 2016-2017:			
Plus: Deposit at June 30, 2017	100,000,000	-	100,000,000
Plus: Program Savings	-	12,099,600	12,099,600
Total Reserve at June 30, 2017	\$ 668,000,000	\$ 242,493,900	\$ 910,493,900
3. 2017-2018:			
Plus: Deposit at June 30, 2018	132,000,000	-	132,000,000
Less: Expenditures for Eligibility Determination System	-	(21,709,200)	(21,709,200)
Total Reserve at June 30, 2018	\$ 800,000,000	\$ 220,784,700	\$ 1,020,784,700
4. 2018-2019:			
Plus: Deposit at June 30, 2019	50,000,000	-	50,000,000
Total Reserve at June 30, 2019	\$ 850,000,000	\$ 220,784,700	\$ 1,070,784,700

**Summary Comparison of Tennessee Personal Income
and Appropriations from State Tax Revenues
Fiscal Years 1977-1978, 2016-2017, 2017-2018, and 2018-2019**

TABLE 1

**Tennessee Personal Income
Calendar Years 1977, 2016, 2017, and 2018
(Dollars in Millions)**

<u>Year</u>	<u>Personal Income¹</u>	<u>Percent Growth</u>
1977	\$ 26,805.0	-
2016	288,170.0	-
2017	298,646.2	3.64
2018	311,493.6	4.30

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	-
2016-2017	15,956.9	-
2017-2018	16,069.7	0.71
2018-2019	16,563.7	3.07

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 2018-2019

	Estimated 2017-2018	Estimated 2018-2019
I. Appropriated State Revenues	\$ 16,150,000,000	\$ 16,643,900,000
Less: Non-Tax Revenue	(80,300,000)	(80,300,000)
Total Appropriated from State Tax Revenues	<u>\$ 16,069,700,000</u>	<u>\$ 16,563,600,000</u>
Add: 2018 Tax Legislation - Other State Revenue	0	110,000
Rounding Adjustment	0	(10,000)
Total State Tax Revenue	<u>\$ 16,069,700,000</u>	<u>\$ 16,563,700,000</u>
Percent Increase Over the Prior Year		3.07%
 II. Fiscal Year 2017-2018 Established Limit	 \$ 16,432,700,000	 \$ 16,507,400,000
Adjustment to Established Limit	74,700,000 *	(437,700,000) **
Fiscal Year 2018-2019 Base Appropriations Limit		<u>\$ 16,069,700,000</u>
State Economic Growth Measure		
2018 Forecasted Personal Income Growth 4.30%		691,000,000
Recommended Adjustment to Established Limit	0	0
Fiscal Year 2017-2018 Revised Appropriations Limit	<u>\$ 16,507,400,000</u>	
Fiscal Year 2018-2019 Appropriations Limit		<u>\$ 16,760,700,000</u>
 III. Availability Under the Established Limit	 <u>\$ 437,700,000</u>	 <u>\$ 197,000,000</u>

* Cap adjusted to reflect 2017 legislation passed by the General Assembly.

** Cap reset to the appropriated state tax revenue in FY 2017-2018.

Comparison of Authorized Positions State Agencies and Higher Education

	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>Change From Current Year</u>
I. STATE AGENCIES *				
General Fund	43,030	42,752	42,686	(66)
Full-time	41,174	41,002	41,010	8
Part-time	1,354	1,280	1,212	(68)
Seasonal	502	470	464	(6)
Department of Transportation	4,635	4,635	4,572	(63)
Full-time	4,630	4,630	4,567	(63)
Part-time	5	5	5	0
Seasonal	0	0	0	0
Total State Agencies	47,665	47,387	47,258	(129)
Full-time	45,804	45,632	45,577	(55)
Part-time	1,359	1,285	1,217	(68)
Seasonal	502	470	464	(6)
II. HIGHER EDUCATION				
Total Positions	25,741	25,917	25,917	0
Full-time Equivalent (UT and TBR)				
Administrative	1,316	1,344	1,344	0
Professional	6,208	6,250	6,250	0
Faculty	9,832	9,862	9,862	0
Clerical and Support	8,371	8,447	8,447	0
Foreign Language Institute (FT)	14	14	14	0
III. TOTAL STATE AGENCIES AND HIGHER EDUCATION				
Total Positions	73,406	73,304	73,175	(129)
Full-time **	71,545	71,549	71,494	(55)
Part-time	1,359	1,285	1,217	(68)
Seasonal	502	470	464	(6)

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

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

**Fiscal Year 2018-2019
Authorized Positions Change
Recommended 2018-2019 Change from Estimated 2017-2018
Increase / (Decrease)**

	<u>Full-Time</u>	<u>Part-Time</u>	<u>Seasonal</u>	<u>Total</u>
I. 2018-2019 Total Recommended	<u>(55)</u>	<u>(68)</u>	<u>(6)</u>	<u>(129)</u>
II. 2018-2019 Base Budget	<u>(350)</u>	<u>(68)</u>	<u>(6)</u>	<u>(424)</u>
a. Base Reduction Plans	(281)	(54)	0	(335)
Labor and Workforce Development	(89)	(54)	0	(143)
Human Services	(66)	0	0	(66)
Transportation	(63)	0	0	(63)
Intellectual and Developmental Disabilities	(20)	0	0	(20)
Children's Services	(12)	0	0	(12)
TRICOR	(7)	0	0	(7)
Education	(7)	0	0	(7)
Health	(7)	0	0	(7)
Tennessee Public Utility Commission	(3)	0	0	(3)
Commission on Aging and Disability	(2)	0	0	(2)
Military	(2)	0	0	(2)
Financial Institutions	(1)	0	0	(1)
Tennessee Housing Development Agency	(1)	0	0	(1)
Finance and Administration	(1)	0	0	(1)
b. Education (K-12) - Federally Funded CORE Grant Positions	(35)	0	0	(35)
c. Attorney General and Reporter - Internship Program	18	0	0	18
d. Safety - Federally Funded Homeland Security Positions	(13)	0	0	(13)
e. Various Agencies - Miscellaneous Adjustments	31	(14)	(6)	11
f. 2017-2018 Non-recurring Appropriations Not Continued in 2018-2019 Base	(70)	0	0	(70)
District Attorneys General Conference - Criminal Justice Grants	(19)	0	0	(19)
Education (K-12) - Read to be Ready	(18)	0	0	(18)
Revenue - Tax Collection System Replacement	(17)	0	0	(17)
Labor and Workforce Development - Amusement Device Unit	(5)	0	0	(5)
Higher Education - State Administered Program - College Advisor Corps	(3)	0	0	(3)
Mental Health and Substance Abuse Services - 21st Century Cures Act	(2)	0	0	(2)
Higher Education - State Administered Program - Adult Learner Program	(2)	0	0	(2)
Higher Education - State Administered Program - Labor Education Alignment Program	(1)	0	0	(1)
Commission on Aging and Disability - Criminal Justice Grants	(1)	0	0	(1)
TennCare - Ground Ambulance Service Provider Assessment Act	(1)	0	0	(1)
TennCare - Medication Therapy Management	(1)	0	0	(1)
III. 2018-2019 Agency Cost Increase Requests	<u>295</u>	<u>0</u>	<u>0</u>	<u>295</u>
Correction	100	0	0	100
Education (K-12)	51	0	0	51
Children's Services	30	0	0	30
Revenue	16	0	0	16
Treasury Department	15	0	0	15
Safety	13	0	0	13
State Museum	12	0	0	12
Military	11	0	0	11
Commerce and Insurance	10	0	0	10
Tennessee Bureau of Investigation	10	0	0	10
Higher Education - State Administered Programs	7	0	0	7
Environment and Conservation	6	0	0	6
Labor and Workforce Development	5	0	0	5
Intellectual and Developmental Disabilities	3	0	0	3
Finance and Administration	2	0	0	2
Health	2	0	0	2
Commission on Children and Youth	1	0	0	1
Finance and Administration, Division of TennCare	1	0	0	1

Full-Time Employees Overlapped Over 90 Days

Agency	Count
301.00 Legislature	35
302.00 Court System	12
304.00 District Attorneys General Conference	3
305.00 Secretary of State	1
307.00 Comptroller of the Treasury	1
315.00 Executive Department	2
316.04 Human Rights Commission	1
316.12 Advisory Commission on Intergovernmental Relations	3
317.00 Finance and Administration	17
318.00 Finance and Administration, Division of TennCare	88
321.00 General Services	4
324.00 Board of Parole	1
325.00 Agriculture	18
327.00 Environment and Conservation	9
328.00 Tennessee Wildlife Resources Agency	1
329.00 Correction	109
331.00 Education (K-12)	32
332.00 Higher Education - State Administered Programs	3
335.00 Commerce and Insurance	1
336.00 Financial Institutions	1
337.00 Labor and Workforce Development	5
339.00 Mental Health and Substance Abuse Services	15
341.00 Military	3
343.00 Health	5
344.00 Intellectual and Developmental Disabilities	7
345.00 Human Services	11
347.00 Revenue	1
348.00 Tennessee Bureau of Investigation	5
349.00 Safety	46
359.00 Children's Services	14
400.00 Transportation	5
Total	459

Based on Edison extract of full-time employees overlapped more than 90 days as of January 18, 2018.

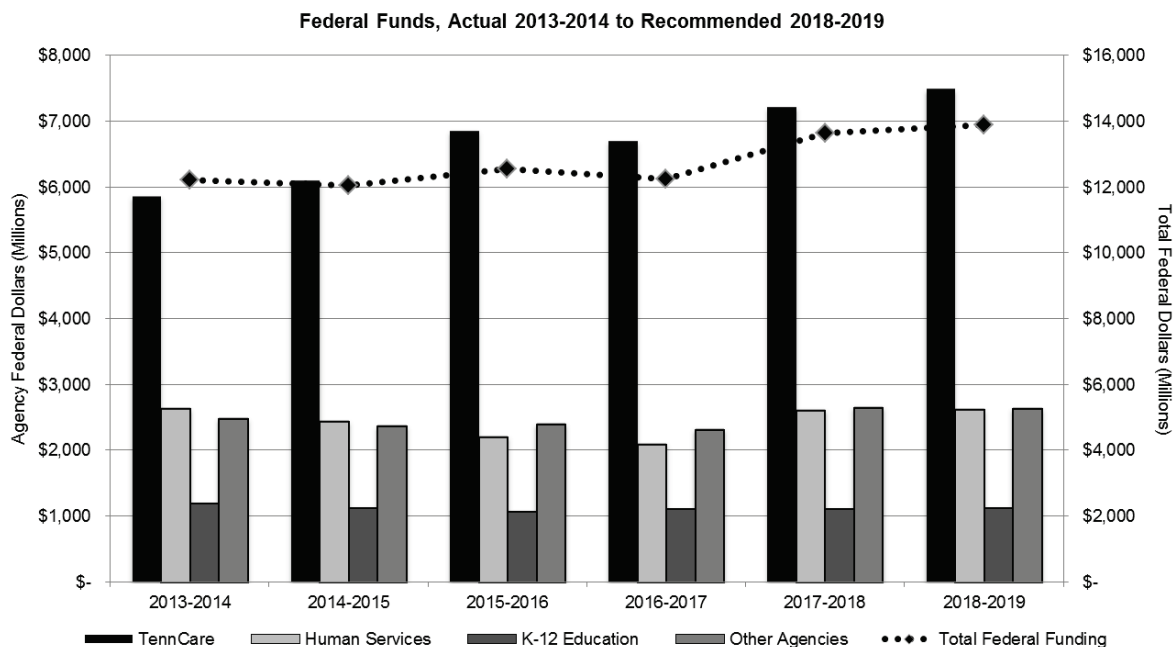
Federal Aid Trends Recommended Budget, Fiscal Year 2018-2019

The total recommended budget for the fiscal year is \$37,516,392,700 with 37% from federal sources. The \$13,896,705,800 of federal funding is an increase of 1.98% from the 2017-2018 estimate. Of the total federal funding, \$7,493,714,600 (54%) is recommended for TennCare expenditures, \$2,625,940,100 (19%) for the Department of Human Services, \$1,137,319,100 (8%) for the Department of Education, and \$2,639,732,000 (19%) for all other state programs.

The Division 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 2013-2014	Actual 2014-2015	Actual 2015-2016	Actual 2016-2017	Estimated 2017-2018	Recommended 2018-2019
Total Federal Funding	\$12,202,777,200	\$12,054,843,400	\$12,561,114,500	\$12,254,856,700	\$13,626,911,000	\$13,896,705,800
TennCare	5,869,611,000	6,098,894,000	6,858,779,100	6,701,051,000	7,217,614,700	7,493,714,600
Human Services	2,639,508,800	2,443,249,400	2,215,274,600	2,101,900,900	2,621,350,900	2,625,940,100
K-12 Education	1,207,130,800	1,140,410,300	1,078,074,200	1,123,712,100	1,125,179,700	1,137,319,100
Other Agencies	2,486,526,600	2,372,289,700	2,408,986,600	2,328,192,700	2,662,765,700	2,639,732,000

	Average Annual Percent Change FY 2018 to 2019	Average Annual Percent Change FY 2014 to 2019
Total Federal Funding	1.98%	2.63%
TennCare	3.83%	5.01%
Human Services	0.18%	-0.10%
K-12 Education	1.08%	-1.18%
Other Agencies	-0.87%	1.20%



From fiscal years 2013-2014 to 2016-2017, non-TennCare federal funding trended slightly downward due to the expiration of non-recurring sources, with estimated funding in fiscal years 2017-2018 and 2018-2019 above fiscal year 2016-2017 actual levels. In the TennCare program, an upward trend in federal funding from fiscal years 2013-2014 to 2016-2017 is continued in fiscal years 2017-2018 and 2018-2019. The increases in 2017-2018 and 2018-2019 are largely due to medical inflation and utilization in the program, continued implementation of an information system, and increased utilization of a 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 2018

In February 2009, Congress passed the American Recovery and Reinvestment Act (ARRA). From state fiscal year 2008-2009 to 2013-2014, ARRA 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 were no additional sequestration reductions of federally funded programs in state fiscal years 2016-2017 or 2017-2018.

As of this writing, there is no budget agreement for federal fiscal year 2018. Congress passed the Tax Cuts and Jobs Act of 2017, which made multiple changes to the federal tax code. The effects that the lower federal tax collections will have on the federal budget are unknown as of this writing. Therefore, the state budget does not include any reduced federal revenue collections as a result of the federal action.

Fiscal 2019 Outlook

For fiscal year 2018-2019, increased aid from the federal government is recommended largely in the TennCare program. Of the total cost increase from federal sources of \$360,447,400, the share directed to the TennCare program is \$353,019,600. 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 2018-2019 federal funding by \$21,823,100 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 2018–2019

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.”

Calendar year 2017 produced vibrant growth for the national and state economies. The global economic environment improved markedly, helping push the domestic economy forward. Relatively low inflation and energy prices, coupled with ongoing improvements in the labor market, household wealth and consumer sentiment, have supported healthy consumer spending, especially on durable goods. Business investment has shown modest growth while the housing sector has once again proven to be a disappointment. Economic conditions in Tennessee have shown broad-based improvement, with strong nonfarm job and manufacturing job growth and a record-low unemployment rate. The economy is projected to enjoy sustained growth in 2018 and through 2019. Barring an unanticipated recession, by 2019 this will prove to be the longest economic expansion in the post-World War II era.

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

U.S. inflation-adjusted gross domestic product

(GDP) should be up 2.2 percent in 2017, significant improvement over the lackluster 1.5 percent growth rate registered in 2016. The second and third quarters showed exceptional strength with GDP advancing 3.1 percent and 3.0 percent. Much of the credit goes to consumer spending, which was up 6.3 percent. Nonresidential fixed investment helped as well with a 4.4 percent gain. Residential investment was a disappointment, with a gain of only 0.8 percent. The labor market continued to expand, with nonfarm jobs growing 1.5 percent and the unemployment rate averaging 4.4 percent for the year. The tight labor market is finally producing early signs of rising wages. In mid-December, the Federal Reserve raised the federal funds rate to 1.5 percent with further increases on the horizon. Inflation remained muted.

The state economy has seen significant economic gains, most notably a state unemployment rate that dipped to a record-low 3.0 percent in September and October, well below the unemployment rate for the nation. Nonfarm job growth in Tennessee registered a 1.8 percent gain compared to 1.5 percent growth for the nation. Tennessee’s inflation-adjusted GDP grew 2.1 and nominal personal income was up 3.6 percent. The state’s manufacturing sector had exceptionally strong job growth of 3.1 percent while the nation’s manufacturing sector was flat.

Short-Term Economic Outlook

The economic outlook for 2018 and 2019 is very favorable, building on strong domestic fundamentals and an improving global economy. Federal tax reform will offer an additional boost to growth, but this boost will be muted in light of the fact that the economy is already operating at full capacity. Rising federal deficits will also weaken stimulus effects by putting upward pressure on interest

rates and exchange rates. A federal infrastructure initiative offers the promise of improvements in the economy's long-term growth potential.

Many measures of economic activity will begin to slow in 2018 and 2019, a reflection of the economy operating at its growth frontier. A good example is Tennessee and U.S. nonfarm job growth. There is some promise of stronger earnings growth as the labor market continues to tighten. Business investment spending will see modest growth while residential investment spending is expected to show some recovery.

U.S. inflation-adjusted GDP should see 2.7 percent growth in 2018, buoyed by tax reform and deficit spending. Consumer spending on durable goods and exports will be important to

enhancing growth for the year. Nonfarm employment will advance 1.6 percent in 2018 and 1.5 percent in 2019. Inflation will rise 2.1 percent in 2018 and 1.8 percent in 2019. Interest rates will continue to tick upward, with the federal funds rate averaging 1.6 percent this year and 2.3 percent in 2019.

Tennessee's inflation-adjusted GDP will be up 2.1 percent in 2018. Nominal personal income will be up 4.3 percent in 2018 and 2019. On a fiscal year basis, personal income will advance 4.4 percent in 2018-2019. Tennessee nonfarm employment will be up 1.4 percent in 2018 and 1.2 percent in 2019. Unemployment will remain low in Tennessee, averaging 3.1 percent in 2018 and 2019, well below the 3.9 percent and 3.8 percent rates expected for the national economy.

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

Tennessee Characteristics

Population

	2000	2005	2010	2016
Total Population (April 1, July 1, April 1, July 1) ¹	5,689,427	5,991,057	6,346,105	6,651,194

Population by Grand Division ¹

East Tennessee	2,108,321	2,210,700	2,327,544	2,403,342
Middle Tennessee	2,081,255	2,250,472	2,455,911	2,686,393
West Tennessee	1,499,851	1,529,885	1,562,650	1,561,459

Metropolitan Statistical Area Population ^{1, 2}

Chattanooga, TN-GA	476,611	499,564	528,143	551,632
Tennessee Portion	347,142	358,471	378,812	401,081
Georgia Portion	129,469	141,093	149,331	150,551
Clarksville, TN-KY	219,727	237,633	260,625	282,349
Tennessee Portion	134,725	151,122	172,331	195,734
Kentucky Portion	85,002	86,511	88,294	86,615
Cleveland, TN	104,012	109,410	115,788	121,262
Jackson, TN	121,969	126,192	130,011	129,527
Johnson City, TN	181,585	189,182	198,716	201,661
Kingsport-Bristol, TN - Bristol, VA	298,564	302,519	309,544	306,334
Tennessee Portion	206,671	209,002	213,656	213,230
Virginia Portion	91,893	93,517	95,888	93,104
Knoxville, TN	748,231	790,669	837,571	868,546
Memphis, TN-MS-AR	1,213,285	1,271,965	1,324,829	1,342,842
Tennessee Portion	977,574	1,003,054	1,027,138	1,035,496
Arkansas Portion	50,855	50,244	50,902	49,235
Mississippi Portion	184,856	218,667	246,789	258,111
Morristown, TN	102,444	107,703	113,951	117,320
Nashville-Davidson - Murfreesboro - Franklin, TN	1,381,412	1,511,310	1,670,890	1,865,298
Total Tennessee Metropolitan Statistical Area Population	4,305,765	4,556,115	4,858,864	5,149,155
Total Tennessee Non-Metropolitan Population	1,383,662	1,434,942	1,487,241	1,502,039

Demographic Characteristics ¹

Percent of Population by Age Group:

Under Age 5	6.6%	6.7%	6.4%	6.1%
Age 5 to 17	18.0%	17.1%	17.1%	16.5%
Age 18 to 24	9.6%	9.0%	9.6%	9.3%
Age 25 to 64	53.4%	55.0%	53.4%	52.4%
Age 65 and Older	12.4%	12.2%	13.5%	15.7%

Percent of Population by Race:

White	80.2%	79.6%	77.5%	78.7%
Black or African American	16.4%	16.4%	16.7%	17.1%
American Indian and Alaska Native	0.3%	0.3%	0.3%	0.4%
Asian and Native Hawaiian or Other Pacific Islander	1.0%	1.3%	1.5%	1.9%
Other	2.1%	2.4%	4.0%	1.9%

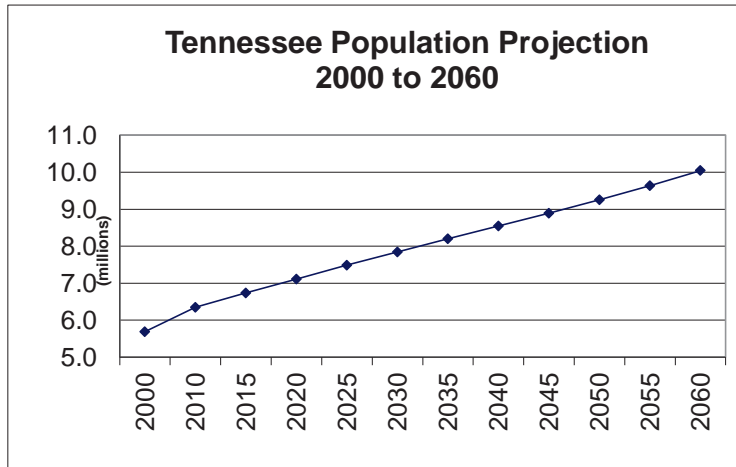
Hispanic Population (Percent of Total Population)

	2.2%	3.0%	4.6%	5.2%
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Place of Birth of Tennessee Residents:

Born in Tennessee	64.7%	62.5%	61.0%	61.2%
Born in Another State	31.9%	33.1%	33.7%	33.2%
Born Outside the United States	0.6%	0.6%	0.8%	0.8%
Born in a Foreign Country	2.8%	3.8%	4.5%	4.8%
Naturalized Citizen	0.9%	1.2%	1.5%	1.8%
Not a Citizen	1.9%	2.6%	3.0%	3.0%

Tennessee Population 2000 to 2060 ³



Year	Population
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

Public School Enrollment and Expenditures ⁴

	1999-2000	2004-2005	2009-2010	2015-2016
Total Number of Public Schools	1,611	1,693	1,746	1,829
Total K-12 Public School Average Daily Attendance (ADA)	842,733	867,134	894,764	903,984
Total Operating Expenditures (in thousands)	\$ 4,885,072	\$ 6,387,036	\$ 7,849,989	\$ 8,587,066
Public School Per Pupil Expenditures (based on ADA)	\$ 5,794	\$ 7,366	\$ 8,773	\$ 9,499

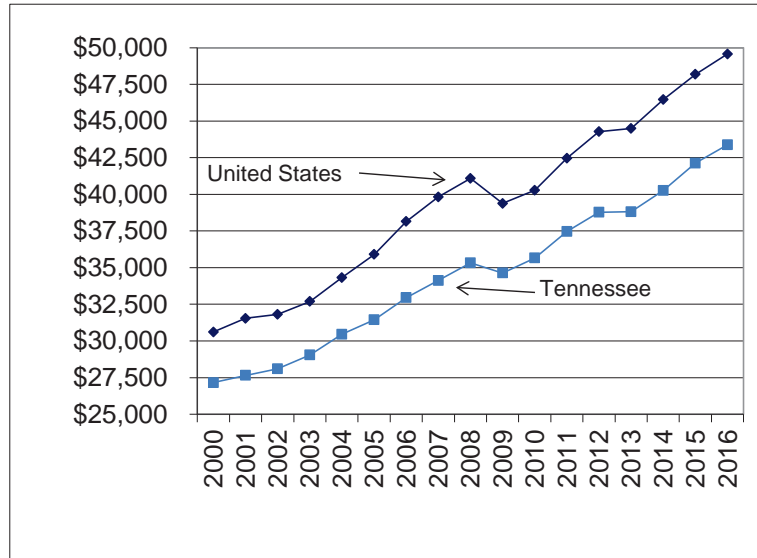
Educational Attainment ⁵

	2000	2005	2010	2016
Population 25 Years and Over				
Less Than 9th Grade	9.6%	7.0%	6.3%	4.8%
9th to 12th Grade, No Diploma	14.5%	11.8%	10.1%	8.3%
High School Graduate (includes equivalency)	31.6%	34.5%	33.5%	32.4%
Some College, No Degree	20.0%	19.3%	20.8%	21.2%
Associate Degree	4.7%	5.6%	6.2%	7.2%
Bachelor's Degree	12.8%	14.1%	14.6%	16.7%
Graduate or Professional Degree	6.8%	7.7%	8.5%	9.4%
Percent High School Graduate or Higher				
United States	80.4%	84.2%	85.6%	87.5%
Tennessee	75.9%	81.2%	83.6%	87.0%
Percent Bachelor's Degree or Higher				
United States	24.4%	27.2%	28.2%	31.3%
Tennessee	19.6%	21.8%	23.1%	26.1%

Income and Poverty

	2000	2005	2010	2015
Tennessee's Per Capita Income as a Percent of the U.S.	88.7%	87.6%	88.5%	87.4%
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	42,461	37,457
2012	44,282	38,778
2013	44,493	38,814
2014	46,464	40,252
2015	48,190	42,127
2016	49,571	43,380

% Change 2000-2016 62.0% 59.8%

Percentage of Population Below Poverty ⁷

	1999	2005	2010	2016
United States	12.4%	13.3%	15.3%	14.0%
Tennessee	13.5%	15.5%	17.7%	15.8%

Tennessee Gross Domestic Product ⁸

	2000	2005	2010	2016
Gross Domestic Product - Percentage by Industry				
Private industries	88.3%	87.7%	87.4%	88.6%
Agriculture, Forestry, Fishing, and Hunting	1.4%	0.8%	0.6%	0.4%
Mining	0.3%	0.4%	0.4%	0.2%
Utilities	0.7%	0.6%	0.8%	0.6%
Construction	4.5%	4.4%	3.4%	3.8%
Manufacturing	18.9%	18.1%	15.6%	16.2%
Durable Goods	10.7%	11.3%	8.1%	9.5%
Nondurable Goods	8.2%	6.7%	7.5%	6.7%
Wholesale Trade	7.0%	6.9%	7.0%	6.9%
Retail Trade	8.0%	8.1%	7.4%	7.0%
Transportation and Warehousing, Excluding Postal Service	4.9%	5.0%	4.6%	4.7%
Information	2.8%	3.1%	3.3%	2.8%
Finance and Insurance	5.6%	5.2%	5.1%	5.3%
Real Estate and Rental and Leasing	10.2%	9.5%	11.1%	11.1%
Professional, Scientific, and Technical Services	4.4%	4.9%	5.2%	5.5%
Management of Companies and Enterprises	0.9%	0.9%	1.3%	1.9%
Administrative and Waste Services	3.8%	3.8%	4.0%	4.2%
Educational Services	0.8%	1.1%	1.0%	1.0%
Health Care and Social Assistance	6.9%	7.8%	9.8%	9.6%
Arts, Entertainment, and Recreation	1.2%	1.3%	1.4%	1.5%
Accommodation and Food Services	3.0%	3.1%	3.0%	3.4%
Other Services, Except Government	3.2%	2.8%	2.6%	2.5%
Government	11.7%	12.3%	12.6%	11.4%
Gross Domestic Product (millions of current dollars)				
United States	\$10,219,801	\$13,015,161	\$14,859,772	\$18,456,292
Tennessee	\$ 181,216	\$ 227,505	\$ 252,478	\$ 328,770
Tennessee as a Percent of U.S.	1.77%	1.75%	1.70%	1.78%
Tennessee's Rank in U.S.	19	18	20	18

Civilian Labor Force ⁹

	2000	2005	2010	2016
Civilian Labor Force	2,871,500	2,942,300	3,084,100	3,135,100
Employment	2,756,500	2,778,500	2,783,000	2,984,300
Unemployment	115,000	163,800	301,100	150,800
Unemployment Rate	4.0%	5.6%	9.8%	4.8%

Employment by Industry ⁹

	2000	2005	2010	2016
Non-Farm Employment - Percentage by Industry				
Goods Producing	22.7%	19.5%	15.4%	15.6%
Mining, Logging, and Construction	4.8%	4.6%	4.0%	4.0%
Manufacturing	17.9%	14.9%	11.4%	11.6%
Durable Goods	11.0%	9.3%	6.7%	7.4%
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%	20.8%
Wholesale Trade	4.8%	4.8%	4.5%	4.0%
Retail Trade	11.6%	11.8%	11.7%	11.3%
Transportation, Warehousing, and Utilities	5.1%	5.2%	5.0%	5.5%
Information	2.0%	1.8%	1.7%	1.5%
Financial Activities	5.1%	5.2%	5.2%	5.2%
Professional and Business Services	11.0%	11.4%	11.6%	13.7%
Educational and Health Services	10.2%	12.0%	14.3%	14.3%
Leisure and Hospitality	8.6%	9.5%	10.0%	10.8%
Other Services	4.3%	3.7%	4.0%	3.7%
Government	14.6%	15.1%	16.6%	14.4%
Federal	2.0%	1.8%	2.0%	1.6%
State and Local	12.6%	13.3%	14.6%	12.8%

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 2016 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 2016 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 2018-2019

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 2016-2017, actual revenue and as it exists currently for 2017-2018, and 2018-2019 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, 2016 – June 30, 2019

Comparison Statement of State Revenues
Actual and Estimated July 1, 2016 - June 30, 2019

SOURCE OF REVENUE

Department of Revenue	Actual 2016-2017	Estimated 2017-2018	Estimated 2018-2019	Percent Required
Sales and Use Tax	\$ 8,556,773,600	\$ 8,714,200,000	\$ 9,023,800,000	3.55%
Gasoline Tax	669,631,000	812,200,000	849,000,000	4.53%
Motor Fuel Tax	177,544,100	220,300,000	254,200,000	15.39%
Gasoline Inspection Tax	68,241,000	68,900,000	69,600,000	1.02%
Motor Vehicle Registration Tax	275,166,400	311,900,000	315,100,000	1.03%
Income Tax	250,126,200	205,400,000	157,900,000	-23.13%
Privilege Tax	342,031,200	358,400,000	372,200,000	3.85%
Gross Receipts Tax - TVA	341,555,000	343,300,000	349,500,000	1.81%
Gross Receipts Tax - Other	31,907,500	31,900,000	32,500,000	1.88%
Beer Tax	17,246,100	17,600,000	18,100,000	2.84%
Alcoholic Beverage Tax	64,245,800	67,700,000	70,500,000	4.14%
Franchise Tax	891,185,100	852,700,000	883,400,000	3.60%
Excise Tax	1,729,020,100	1,583,500,000	1,640,500,000	3.60%
Inheritance and Estate Tax	9,241,200	2,500,000	0	-100.00%
Tobacco Tax	255,722,300	255,000,000	250,500,000	-1.76%
Motor Vehicle Title Fees	23,892,500	24,100,000	24,400,000	1.24%
Mixed Drink Tax	105,583,100	114,000,000	122,000,000	7.02%
Business Tax	173,097,700	174,700,000	179,100,000	2.52%
Severance Tax	1,214,300	1,100,000	1,100,000	0.00%
Coin-operated Amusement Tax	233,300	200,000	200,000	0.00%
Unauthorized Substance Tax	900	0	0	NA
Sub-Total Department of Revenue	\$ 13,983,658,400	\$ 14,159,600,000	\$ 14,613,600,000	3.21%
Other State Revenue				
Dept. of Commerce and Insurance	\$ 949,208,600	\$ 921,800,000	\$ 941,000,000	2.08%
E-911 Emergency Communications	101,814,200	112,000,000	112,000,000	0.00%
Dept. of Financial Institutions	18,671,300	24,200,000	24,900,000	2.89%
Wildlife Resources Agency	57,965,900	60,800,000	62,500,000	2.80%
Dept. of Agriculture	18,336,200	14,100,000	14,100,000	0.00%
Regulatory Board Fees	41,605,100	46,300,000	46,400,000	0.22%
Tennessee Public Utilities Commission	5,508,200	6,800,000	6,700,000	-1.47%
Secretary of State	46,636,600	35,000,000	35,000,000	0.00%
Dept. of Safety	49,793,100	38,300,000	38,300,000	0.00%
Dept. of Revenue	7,563,900	6,400,000	6,400,000	0.00%
State Treasurer	27,012,200	3,700,000	3,700,000	0.00%
Dept. of Education	1,342,100	1,700,000	1,700,000	0.00%
Dept. of Health	11,198,600	10,800,000	11,200,000	3.70%
Dept. of Environment and Conservation	68,897,300	75,000,000	75,500,000	0.67%
Miscellaneous Revenue	98,397,600	65,800,000	61,600,000	-6.38%
Nursing Home Tax	132,682,900	132,400,000	132,400,000	0.00%
Hospital Coverage Assessment	448,787,100	425,000,000	446,600,000	5.08%
Ambulance Service Assessment	0	10,300,000	10,300,000	0.00%
Sub-Total Other State Revenue	\$ 2,085,420,900	\$ 1,990,400,000	\$ 2,030,300,000	2.00%
Total State Revenue	\$ 16,069,079,300	\$ 16,150,000,000	\$ 16,643,900,000	3.06%

**Distribution of Actual 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 *	\$ 8,556,773,600	\$3,139,553,700	\$4,923,312,200	\$ 24,840,800	\$ 60,698,800	\$ 408,368,100
Gasoline Tax	669,631,000	11,475,600	0	310,329,800	92,100,000	255,725,600
Motor Fuel Tax	177,544,100	2,029,900	0	128,969,800	0	46,544,400
Gasoline Inspection Tax	68,241,000	19,896,300	0	36,327,700	0	12,017,000
Motor Vehicle Registration Tax	275,166,400	45,186,700	68,400	229,911,300	0	0
Income Tax	250,126,200	164,745,400	0	0	0	85,380,800
Privilege Tax	342,031,200	336,731,000	145,400	0	0	5,154,800
Gross Receipts Tax - TVA	341,555,000	189,141,300	0	0	0	152,413,700
Gross Receipts Tax - Other	31,907,500	26,668,800	0	5,238,700	0	0
Beer Tax	17,246,100	11,594,500	0	2,173,800	0	3,477,800
Alcoholic Beverage Tax	64,245,800	53,084,800	0	0	0	11,161,000
Franchise Tax	891,185,100	873,185,100	0	0	18,000,000	0
Excise Tax	1,729,020,100	1,455,399,900	0	0	233,801,200	39,819,000
Inheritance and Estate Tax	9,241,200	9,241,200	0	0	0	0
Tobacco Tax	255,722,300	29,550,900	226,171,400	0	0	0
Motor Vehicle Title Fees	23,892,500	21,192,500	0	0	2,700,000	0
Mixed Drink Tax	105,583,100	0	52,792,100	0	0	52,791,000
Business Tax	173,097,700	173,097,700	0	0	0	0
Severance Tax	1,214,300	422,900	0	0	0	791,400
Coin-operated Amusement Tax	233,300	233,300	0	0	0	0
Unauthorized Substance Tax	900	900	0	0	0	0
Sub-Total Department of Revenue	\$ 13,983,658,400	\$ 6,562,432,400	\$ 5,202,489,500	\$ 737,791,900	\$ 407,300,000	\$ 1,073,644,600
Other State Revenue						
Dept. of Commerce and Insurance	\$ 949,208,600	\$ 949,208,600	\$ 0	\$ 0	\$ 0	\$ 0
E-911 Emergency Communications	101,814,200	101,814,200	0	0	0	0
Dept. of Financial Institutions	18,671,300	18,671,300	0	0	0	0
Wildlife Resources Agency	57,965,900	57,965,900	0	0	0	0
Dept. of Agriculture	18,336,200	18,336,200	0	0	0	0
Regulatory Board Fees	41,605,100	41,605,100	0	0	0	0
Tennessee Public Utilities Commission	5,508,200	5,508,200	0	0	0	0
Secretary of State	46,636,600	46,636,600	0	0	0	0
Dept. of Safety	49,793,100	49,793,100	0	0	0	0
Dept. of Revenue	7,563,900	7,563,900	0	0	0	0
State Treasurer	27,012,200	27,012,200	0	0	0	0
Dept. of Education	1,342,100	0	1,342,100	0	0	0
Dept. of Health	11,198,600	11,198,600	0	0	0	0
Dept. of Environment and Conservation	68,897,300	68,897,300	0	0	0	0
Miscellaneous Revenue	98,397,600	98,397,600	0	0	0	0
Nursing Home Tax	132,682,900	132,682,900	0	0	0	0
Hospital Coverage Assessment	448,787,100	448,787,100	0	0	0	0
Ambulance Service Assessment	0	0	0	0	0	0
Sub-Total Other State Revenue	\$ 2,085,420,900	\$ 2,084,078,800	\$ 1,342,100	\$ 0	\$ 0	\$ 0
Total State Revenue	\$ 16,069,079,300	\$ 8,646,511,200	\$ 5,203,831,600	\$ 737,791,900	\$ 407,300,000	\$ 1,073,644,600

* 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 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 *	\$ 8,714,200,000	\$3,171,000,000	\$5,013,900,000	\$ 22,600,000	\$ 61,900,000	\$ 444,800,000
Gasoline Tax	812,200,000	13,500,000	0	404,900,000	83,800,000	310,000,000
Motor Fuel Tax	220,300,000	3,100,000	0	159,300,000	0	57,900,000
Gasoline Inspection Tax	68,900,000	20,300,000	0	36,600,000	0	12,000,000
Motor Vehicle Registration Tax	311,900,000	50,800,000	100,000	261,000,000	0	0
Income Tax	205,400,000	135,000,000	0	0	0	70,400,000
Privilege Tax	358,400,000	352,800,000	200,000	0	0	5,400,000
Gross Receipts Tax - TVA	343,300,000	189,300,000	0	0	0	154,000,000
Gross Receipts Tax - Other	31,900,000	26,300,000	0	5,600,000	0	0
Beer Tax	17,600,000	11,800,000	0	2,200,000	0	3,600,000
Alcoholic Beverage Tax	67,700,000	56,000,000	0	0	0	11,700,000
Franchise Tax	852,700,000	834,700,000	0	0	18,000,000	0
Excise Tax	1,583,500,000	1,344,700,000	0	0	198,800,000	40,000,000
Inheritance and Estate Tax	2,500,000	2,500,000	0	0	0	0
Tobacco Tax	255,000,000	29,600,000	225,400,000	0	0	0
Motor Vehicle Title Fees	24,100,000	21,400,000	0	0	2,700,000	0
Mixed Drink Tax	114,000,000	0	57,000,000	0	0	57,000,000
Business Tax	174,700,000	174,700,000	0	0	0	0
Severance Tax	1,100,000	300,000	0	0	0	800,000
Coin-operated Amusement Tax	200,000	200,000	0	0	0	0
Unauthorized Substance Tax	0	0	0	0	0	0
Sub-Total Department of Revenue	\$ 14,159,600,000	\$ 6,438,000,000	\$ 5,296,600,000	\$ 892,200,000	\$ 365,200,000	\$ 1,167,600,000
Other State Revenue						
Dept. of Commerce and Insurance	\$ 921,800,000	\$ 921,800,000	\$ 0	\$ 0	\$ 0	\$ 0
E-911 Emergency Communications	112,000,000	112,000,000	0	0	0	0
Dept. of Financial Institutions	24,200,000	24,200,000	0	0	0	0
Wildlife Resources Agency	60,800,000	60,800,000	0	0	0	0
Dept. of Agriculture	14,100,000	14,100,000	0	0	0	0
Regulatory Board Fees	46,300,000	46,300,000	0	0	0	0
Tennessee Public Utilities Commission	6,800,000	6,800,000	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	6,400,000	6,400,000	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	10,800,000	10,800,000	0	0	0	0
Dept. of Environment and Conservation	75,000,000	75,000,000	0	0	0	0
Miscellaneous Revenue	65,800,000	65,800,000	0	0	0	0
Nursing Home Tax	132,400,000	132,400,000	0	0	0	0
Hospital Coverage Assessment	425,000,000	425,000,000	0	0	0	0
Ambulance Service Assessment	10,300,000	10,300,000	0	0	0	0
Sub-Total Other State Revenue	\$ 1,990,400,000	\$ 1,988,700,000	\$ 1,700,000	\$ 0	\$ 0	\$ 0
Total State Revenue	\$ 16,150,000,000	\$ 8,426,700,000	\$ 5,298,300,000	\$ 892,200,000	\$ 365,200,000	\$ 1,167,600,000

* 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 2018-2019**

SOURCE OF REVENUE

Department of Revenue	Total Revenue	General Fund	Education Fund	Highway Fund	Debt Service Fund	Cities & Counties *
Sales and Use Tax *	\$ 9,023,800,000	\$3,287,400,000	\$5,192,000,000	\$ 15,100,000	\$ 64,100,000	\$ 465,200,000
Gasoline Tax	849,000,000	14,100,000	0	430,600,000	80,200,000	324,100,000
Motor Fuel Tax	254,200,000	3,600,000	0	183,800,000	0	66,800,000
Gasoline Inspection Tax	69,600,000	20,500,000	0	37,100,000	0	12,000,000
Motor Vehicle Registration Tax	315,100,000	51,300,000	100,000	263,700,000	0	0
Income Tax	157,900,000	103,800,000	0	0	0	54,100,000
Privilege Tax	372,200,000	366,400,000	200,000	0	0	5,600,000
Gross Receipts Tax - TVA	349,500,000	192,300,000	0	0	0	157,200,000
Gross Receipts Tax - Other	32,500,000	26,800,000	0	5,700,000	0	0
Beer Tax	18,100,000	12,100,000	0	2,300,000	0	3,700,000
Alcoholic Beverage Tax	70,500,000	58,300,000	0	0	0	12,200,000
Franchise Tax	883,400,000	865,400,000	0	0	18,000,000	0
Excise Tax	1,640,500,000	1,411,600,000	0	0	188,900,000	40,000,000
Inheritance and Estate Tax	0	0	0	0	0	0
Tobacco Tax	250,500,000	29,500,000	221,000,000	0	0	0
Motor Vehicle Title Fees	24,400,000	21,700,000	0	0	2,700,000	0
Mixed Drink Tax	122,000,000	0	61,000,000	0	0	61,000,000
Business Tax	179,100,000	179,100,000	0	0	0	0
Severance Tax	1,100,000	300,000	0	0	0	800,000
Coin-operated Amusement Tax	200,000	200,000	0	0	0	0
Unauthorized Substance Tax	0	0	0	0	0	0
Sub-Total Department of Revenue	\$ 14,613,600,000	\$6,644,400,000	\$5,474,300,000	\$ 938,300,000	\$ 353,900,000	\$1,202,700,000
Other State Revenue						
Dept. of Commerce and Insurance	\$ 941,000,000	\$ 941,000,000	\$ 0	\$ 0	\$ 0	\$ 0
E-911 Emergency Communications	112,000,000	112,000,000	0	0	0	0
Dept. of Financial Institutions	24,900,000	24,900,000	0	0	0	0
Wildlife Resources Agency	62,500,000	62,500,000	0	0	0	0
Dept. of Agriculture	14,100,000	14,100,000	0	0	0	0
Regulatory Board Fees	46,400,000	46,400,000	0	0	0	0
Tennessee Public Utilities Commission	6,700,000	6,700,000	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	6,400,000	6,400,000	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	11,200,000	11,200,000	0	0	0	0
Dept. of Environment and Conservation	75,500,000	75,500,000	0	0	0	0
Miscellaneous Revenue	61,600,000	61,600,000	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
Ambulance Service Assessment	10,300,000	10,300,000	0	0	0	0
Sub-Total Other State Revenue	\$ 2,030,300,000	\$2,028,600,000	\$ 1,700,000	\$ 0	\$ 0	\$ 0
Total State Revenue	\$ 16,643,900,000	\$8,673,000,000	\$5,476,000,000	\$ 938,300,000	\$ 353,900,000	\$1,202,700,000

* 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, 2016 - June 30, 2019
To Support Statement of State Revenues

	Actual 2016-2017	Estimated 2017-2018	Estimated 2018-2019
<u>Commerce and Insurance Regulatory Boards</u>			
State Board of Accountancy	\$ 947,300	\$ 1,235,500	\$ 1,203,300
State Board of Examiners for Architects and Engineers	1,394,200	1,909,200	1,902,800
Tennessee Auctioneer Commission	224,300	272,700	223,100
Board of Barber Examiners	377,400	306,100	301,800
Tennessee Collection Service Board	345,000	409,100	288,700
Licensing Contractors, Home Improvement, and Interior Designers	2,485,100	3,013,900	3,294,500
State Board of Cosmetology	1,627,600	3,000,100	3,018,200
Board of Funeral Directors and Embalmers	416,300	954,600	524,900
Board of Examiners for Land Surveyors	24,900	34,100	35,400
Board of Alarm Contractors	681,700	939,600	918,600
Private Investigators Licensing and Regulation	196,800	261,100	229,600
Private Protective Services Licensing and Regulation	1,376,100	1,711,400	1,706,000
Board of Polygraph Examiners	700	4,100	2,600
Real Estate Appraiser Commission	565,200	777,300	761,100
Registration of Geologists	90,900	120,700	118,100
Tennessee Real Estate Commission	2,299,400	2,783,500	2,755,800
Tennessee Motor Vehicle Commission	1,941,300	2,324,100	2,892,500
Locksmith Licensing Board	90,300	68,200	112,900
Private Probation Registration	80,900	95,500	78,700
Home Inspectors License	101,000	136,400	150,900
Scrap Metal Dealers Registration	97,500	95,500	65,600
Soil Scientist Licensing	20,100	27,300	26,900
Tennessee Athletic Commission	152,200	190,900	196,800
Court Reporting Services	22,800	25,200	23,700
Debt Management Services	61,800	88,600	91,800
Health Club Registration	(4,400)	0	0
Beauty Pageant Registration	0	1,400	1,300
Sub-Total: Commerce and Insurance	\$ 15,616,400	\$ 20,786,100	\$ 20,925,600
<u>Health Regulatory Boards</u>			
Board of Chiropractic Examiners	\$ 227,400	\$ 221,200	\$ 221,000
Board of Dentistry	1,246,200	1,233,700	1,232,900
Board of Dietitian / Nutritionist Examiners	97,300	91,400	91,300
Board of Dispensing Opticians	155,500	145,100	145,000
State Board of Electrolysis Examiners	8,200	10,700	10,700
Council for Licensing Hearing Instrument Specialists	71,300	79,300	79,200
Board of Social Worker Certification and Licensure	375,800	402,400	402,100
Board of Medical Examiners	3,272,000	3,380,500	3,378,400
Tennessee Medical Laboratory Board	658,200	676,100	675,800
Board of Nursing and Certified Medication Aide Licensure	7,433,600	7,109,100	7,104,600
Board of Examiners for Nursing Home Administrators	97,900	107,100	107,100
Board of Occupational and Physical Therapy Examiners	656,500	610,800	610,300
Massage Licensure Board	723,800	731,500	731,000
State Board of Athletic Trainers	95,300	93,100	93,000
Board of Respiratory Care	276,100	286,900	286,700
State Board of Optometry	178,500	198,000	197,900
Board of Osteopathic Examination	265,300	260,100	259,900
Board of Pharmacy	3,322,000	3,043,700	3,041,800
Board of Registration for Podiatry	101,300	92,100	92,000
Board of Cert. for Prof. Counselors, and Marital and Family Therapists	236,100	253,700	253,500
Board of Examiners in Psychology	259,200	266,500	266,300
Board for Communication Disorders and Sciences	170,900	163,800	163,700
Committee on Physician Assistants	254,500	253,100	252,900
Board of Veterinary Medical Examiners	621,300	620,400	620,000
Alcohol and Drug Abuse Counselors	74,200	70,900	70,800
Board of Midwifery	18,000	18,900	19,000
Board of Acupuncture	40,000	37,200	37,200
Board of Clinical Perfusionists	20,100	23,800	23,800
Reflexologist License	24,400	20,600	20,700
Polysomnographic Professional Standards Board	43,900	39,900	39,900
Pain Management Clinic Certificate	58,500	224,600	224,500
Applied Behavioral Analyst Board	7,200	59,900	59,900
Medical Spas Licensure	0	0	0
Sub-Total: Health	\$ 21,090,500	\$ 20,826,100	\$ 20,812,900
<u>Other Regulatory Boards</u>			
State Regulatory Fee	\$ 2,910,700	\$ 2,500,000	\$ 2,500,000
State Board of Law Examiners	1,056,700	981,400	981,400
Health Services Development Agency	930,800	1,160,700	1,160,700
Sub-Total: Other	\$ 4,898,200	\$ 4,642,100	\$ 4,642,100
Rounding Adjustment	\$ 0	\$ 45,700	\$ 19,400
Total Regulatory Boards	\$ 41,605,100	\$ 46,300,000	\$ 46,400,000

Tax Expenditures

Recommended Budget, Fiscal Year 2018-2019

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 2018-2019. 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 2018-2019 Estimated Loss	
	State	Local *
Administrative and Support Services	\$ 564,200,000	\$ 201,500,000
Collection Agencies and Credit Bureaus	27,200,000	9,700,000
Employment Services	307,000,000	109,600,000
Investigation and Security Services	60,200,000	21,500,000
Mail, Document Reproduction, and Call Centers	54,800,000	19,600,000
Services to Buildings and Dwellings	115,000,000	41,100,000
Construction Services	\$ 740,900,000	\$ 264,600,000
Construction of Buildings	217,000,000	77,500,000
Heavy and Civil Engineering Construction	84,600,000	30,200,000
Specialty Trade Contractors	439,300,000	156,900,000
Educational Services	\$ 49,700,000	\$ 17,700,000
Educational Services (for-profit)	43,500,000	15,500,000
Educational Services (nonprofit)	6,200,000	2,200,000
Finance, Insurance, and Real Estate	\$ 261,200,000	\$ 93,400,000
Investment Banking, Securities Brokerage, and Related	140,700,000	50,300,000
Insurance Agents and Related	15,000,000	5,400,000
Real Estate Agents and Brokers	105,500,000	37,700,000
Health Care and Social Services (For-profit)	\$ 1,382,400,000	\$ 493,800,000
Physicians and Dentists	689,700,000	246,300,000
Other Health Practitioners	89,200,000	31,900,000
Hospitals	216,500,000	77,300,000
Nursing and Residential Care Facilities	169,100,000	60,400,000
Outpatient Care Centers	61,800,000	22,100,000
Medical and Diagnostic Laboratories	58,500,000	20,900,000
Other Selected Health Services	41,400,000	14,800,000
Social and Community Services	56,200,000	20,100,000
Health Care and Social Services (Nonprofit)	\$ 779,300,000	\$ 278,300,000
Hospitals	646,600,000	230,900,000
Nursing and Residential Care Facilities	42,500,000	15,200,000
Outpatient Care Centers	39,300,000	14,000,000
Other Selected Health Services	9,800,000	3,500,000
Social and Community Services	41,100,000	14,700,000
Information Services	\$ 86,200,000	\$ 30,700,000
Data Processing Services	60,300,000	21,500,000
Movie Production and Sound Recording Studios	14,100,000	5,000,000
Cable TV Subscriptions (exempt amount)	11,800,000	4,200,000
Media Advertising Sales	\$ 133,400,000	\$ 47,700,000
Newspaper Advertising	14,600,000	5,200,000
Radio Advertising	17,300,000	6,200,000
Television Advertising (Broadcast and Cable)	101,500,000	36,300,000
Personal Services	\$ 147,200,000	\$ 52,600,000
Coin-operated Laundry	2,700,000	1,000,000
Death Care Services	19,900,000	7,100,000
Diet and Weight Loss	1,500,000	500,000
Hair, Nail, and Skin Care Services	64,300,000	23,000,000
Nonprofit Amusement and Membership Organizations	58,800,000	21,000,000
Professional and Technical Services	\$ 1,129,300,000	\$ 403,300,000
Accounting, Tax Return Preparation, and Payroll	179,300,000	64,000,000
Advertising and Public Relations	74,300,000	26,500,000
Architectural Services	26,900,000	9,600,000
Engineering Services	146,200,000	52,200,000
All Other Architectural, Engineering, and Related	21,800,000	7,800,000
Specialized Design Services	22,900,000	8,200,000
Computer Systems Design and Related Services	194,000,000	69,300,000
Legal Services (for-profit and nonprofit)	230,800,000	82,400,000
Management, Scientific, and Technical Consulting	223,700,000	79,900,000
Scientific Research and Development (for-profit and nonprofit)	9,400,000	3,400,000
Transportation Services (Local Trucking only)	\$ 77,200,000	\$ 27,600,000
Truck Transportation (Local)	77,200,000	27,600,000
Total Revenue Loss	\$ 5,351,000,000	\$ 1,911,200,000

* 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 2018-2019 Estimated Loss	
		State	Local
	Sales and Use Tax	\$ 3,450,600,000	\$ 1,069,200,000
67-6-329(a)(1)	Gasoline	539,900,000	192,800,000
67-6-329(a)(2)	Motor vehicle fuel (diesel fuel)	182,400,000	65,200,000
67-6-217	Aviation fuel (reduced rate)	21,200,000	21,200,000
67-6-207(a)(9)	Gasoline/diesel fuel for agriculture	10,100,000	3,600,000
67-6-314, 320	Prescription drugs, insulin, and related	832,600,000	297,400,000
67-6-319	Prescription drug samples	18,000,000	6,400,000
67-6-334	Energy fuels sold for residential use	359,400,000	128,400,000
67-6-206(b)(1-2), 702(b)	Energy and water sales to manufacturers (reduced rate)	149,300,000	67,900,000
67-6-206(b)(2-8)	Energy and water sales to manufacturers for direct processing (exempt)	39,900,000	14,200,000
67-6-102(44), 206(a), 207, 702(b)	Industrial and farm machinery and equipment	333,100,000	71,400,000
67-6-228(a)	Food sales (reduced rate)	371,400,000	11,400,000
67-6-329(a)(13)	Packaging sold for resale or use	141,800,000	48,600,000
67-6-329(a)(3), (18)	School books and lunches	40,400,000	14,400,000
67-6-330(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	22,300,000	7,900,000
67-6-103(f), 226, 714	Cable television (exempt portion)	11,800,000	7,700,000
67-6-329(a)(10)	Newspaper periodical sales	5,400,000	1,900,000
67-6-303	Motor vehicles sold to active-duty or non-resident military personnel	11,900,000	600,000
67-6-216	Non-material cost of manufactured homes (reduced rate)	6,400,000	0
67-6-301	Agricultural products	185,100,000	49,500,000
67-6-219, 702(e)	Sales to common carriers (reduced rate)	10,200,000	4,300,000
67-6-330(a)(16)	Physical fitness facility fees	8,800,000	3,100,000
67-6-313(g), 321	Railroad rolling stock, materials, and repairs	6,400,000	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	6,100,000	1,100,000
67-6-207(a)(10-17)	Fertilizers, pesticides, seeds, and related items to nurseries	51,800,000	18,500,000
67-6-335	Dentists	26,100,000	9,300,000
	All other remaining exemptions	29,400,000	10,500,000
	Corporate Franchise and Excise Tax	\$ 141,800,000	\$ 0
67-4-2109	Jobs credit (Franchise and Excise)	52,600,000	NA
67-4-2108	Cap on value of inventories (Franchise)	25,600,000	NA
67-4-2009	Industrial machinery credit (Franchise and Excise)	63,600,000	NA
	Motor Vehicle Registration Fees	\$ 5,600,000	\$ 0
55-4-223	Government vehicles	2,400,000	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	900,000	NA
55-4-113(6)	Special zone tags - Class 1	400,000	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	\$ 295,700,000	\$ 0
67-4-405(b)	Gas, Water, and Electric Companies - Govt. operations exempt	293,200,000	NA
67-4-405(d)	Gas, Water, and Electric Companies - Franchise and Excise tax credit	400,000	NA
67-4-405(e)	Gas, Water, and Electric Companies - \$5,000 exemption	100,000	NA
67-4-402	Bottlers - Franchise and Excise tax credit	2,000,000	NA
	Miscellaneous Taxes	\$ 16,300,000	\$ 9,100,000
67-2-104(a)	Standard Exemption on the income tax	15,900,000	9,100,000
67-4-409(b)(4)	Mortgage Tax - \$2,000 exemption	400,000	NA
	Total Revenue Loss	\$ 3,910,000,000	\$ 1,078,300,000

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 4.0% (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)); 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)).

Administration.....0.3674% of the remaining 5.5% after the allocation to the Transportation Equity Trust Fund (TCA 67-6-103).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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).
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 fiscal year 1998-1999 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 the local government's percentage share of the difference in property tax and in lieu of tax revenue (TCA 67-6-221 (c)).
Counties.....	A share of the tax on interstate telecommunication services sold to businesses is allocated to cities and counties, and distributed based on the local government's percentage share of the difference in property tax and in lieu of tax revenue (TCA 67-6-221(c)). 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)).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

GASOLINE TAX.....\$0.24 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\$0.21 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); \$0.16 on each gallon of compressed natural gas used for motor vehicles on public highways (TCA 67-3-1113); \$0.17 on each gallon of liquefied gas used for motor vehicles on public highways (TCA 67-3-1102).

General Fund..... Approximately 1.5% (TCA 67-3-905, 67-3-908, and 67-3-901(k)).

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 ¼ on population, ¼ on area, and ½ divided

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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. 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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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)).

Education Fund Proceeds from motor vehicle registration acknowledging University of Tennessee achievement through specialty plates designated for scholarships (TCA 55-4-299).

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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

		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	4% 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 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	

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

assault, \$15,000 for aggravated assault on a law enforcement officer or other first responder, a \$180 fee for persons seeking expunction to the clerk of the court, 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, 40-32-101(g)(10), 67-4-1603, 67-4-1701 through 67-4-1703, 67-4-1901, 68-211-1006, 67-4-803, and 67-4-804, 67-4-903).

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 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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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). \$56 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 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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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)).

Education Fund	Proceeds from the marriage license fee for boys and girls clubs (TCA 36-6-413(b)(2)(f)) and a percentage of litigation fees to promote drivers safety and education (TCA 67-4-606(a)(2)(A), 67-4-606(a)(14)).
Counties.....	20% of fantasy sports tax (67-4-905).

GROSS RECEIPTS

TAXTaxes 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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**Collecting Agency
and Classification**

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 fiscal year 1977-1978, 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 fiscal year 1977-1978 (\$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

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

General Fund.....67.1% of privilege tax revenue (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).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Highway Fund.....	12.8% of privilege tax revenue for litter control (TCA 57-5-201).
Counties.....	10.05% of privilege tax revenue distributed to counties equally (TCA 57-5-205).
Municipalities.....	10.05% of privilege tax revenue distributed to cities based on population (TCA 57-5-205).
ALCOHOLIC BEVERAGE TAX	
	\$1.21 per gallon on wine and \$4.40 per gallon on spirits (TCA 57-3-302).
General Fund.....	82.5% of distilled spirit and wine gallonage taxes, calculated on the total collections, less \$0.04 per liter of spirit tax (TCA 57-3-306); and the following shares of proceeds from sales of seized items, all earmarked for criminal injuries compensation and reported under privilege tax revenue (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).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Cities and Counties.....	90% of the proceeds of sale of liquor seized by local law enforcement officers, earmarked to city or county employing officer (TCA 57-9-115), and 50% of proceeds of sale of vehicles, aircraft, and boats seized by local officers, earmarked to city or county employing officer (TCA 57-9-201).
FRANCHISE TAX	\$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 Fund	Amount required from General Fund apportionment (TCA 9-9-103).
EXCISE TAX	6.5% of net earnings of all business conducted for a profit in this state. The tax applies to business entities that enjoy some form of limited liability protection. Current year losses may be carried forward as many as 15 years in computing net earnings subject to tax (TCA 67-4-2006 and 67-4-2007).
General Fund.....	Remaining balance after cities, counties, and Debt Service Fund distribution (TCA 67-4-2017).
Debt Service Fund	Amount required from General Fund apportionment (TCA 9-9-103).
Cities and Counties.....	An amount based on bank earnings is distributed based on situs in lieu of intangible personal property taxes on banks and banking associations (TCA 67-4-2017).
INHERITANCE, ESTATE, AND GIFT TAX	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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

tax was repealed for any transfer by gift occurring on or after January 1, 2012. (TCA 67-8-101, 67-8-204, 67-8-303, 67-8-314, 67-8-316, and 67-8-318).

General Fund.....		100% (TCA 67-8-210 and 67-8-415).
TOBACCO TAX.....	<p>\$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).</p>	
General Fund.....		<p>Approximately 11.8%. From the pre-2007 tax, about 0.6% of the \$0.01 tax per cigarette (\$0.20 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 (TCA 67-4-1025).</p>
Education Fund		<p>Approximately 88.2%. 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</p>

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

proceeds from the sale of confiscated tobacco products (TCA 67-4-1025 and 49-3-357).

MOTOR VEHICLE

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

General Fund.....Approximately 88.9% (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 11.1% (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)

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

less 1.125% to the state for administration. The state retains the following: (a) 43% of revenue remaining after distribution to cities and counties; (b) 1.125% for administration; and (c) 100% of taxes, interest, and penalties assessed as a result of an audit. (TCA 67-4-701, 67-4-703 through 67-4-705, 67-4-707 through 67-4-710, and 67-4-714 through 67-4-724).

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

**CRUDE OIL AND
NATURAL GAS**

SEVERANCE 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..... \$1.00 per ton of severed coal in the state beginning fiscal year 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%.

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

UNAUTHORIZED

SUBSTANCE TAX.....Tax on merchants, peddlers, or privileges on various controlled substances or controlled substance analogues upon which the tax has not been paid as evidenced by a stamp available from the Tennessee Department of Revenue. Unauthorized substances include marijuana, cocaine, crack, methamphetamine, etc., as well as untaxed liquors and spirits and "low-value street drugs." The tax rate varies by the type and quantity of 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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

policyholders residing in state or on property located in state. Companies writing fire insurance and lines of business having fire coverage as a part of the risk rate pay a 0.75% tax on that portion of the premium applicable to fire risk. 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 Subsequent Injury and Vocational Recovery Fund. In addition, a 0.4% surcharge on gross

Collecting Agency and Classification

Rate and Source

Basis of Apportionment

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).

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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

to exceed eighty percent (80%) of the allocated amount for any credit union with an asset size greater than one billion dollars (\$1,000,000,000) (TCA 45-4-1002).

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

NON-DEPOSITORY

LICENSINGFees received from the issuance of various non-depository industry profession licenses, examinations and other fees (TCA 45-1, 45-5, 45-7, 45-13, 45-8, 45-15, 45-17, 45-18, 47-30, 56-37-103, 45-12).

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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Liming Materials Act (TCA 43-11-part 4), (TCA 43-26-103) relative to industrial hemp, Commercial Feed Law of 1972 (TCA 44-6), (TCA 44-7) relative to marks, brands, registration, and certification, Livestock Dealer Act (TCA 44-10-part 2), (TCA 44-11) relative to livestock sales, (TCA 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 Public Utility Commission

**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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

state and elect to operate under market regulation, the fee due shall be \$3.00 per \$1,000 for such gross receipts over \$5,000 up to \$1 million. The fee for gross receipts over \$1 million is \$2.73 per \$1,000. The minimum fee is \$100. For all other telecommunications public utilities, the fee due and payable on April 1, 2010, and each April 1 thereafter is based on the gross receipts of each public utility in excess of \$5,000 annually as follows: \$4.25 per \$1,000 for the first \$1 million or less of such gross receipts over \$5,000. The fee for gross receipts over \$1 million is \$3.25 per \$1,000, with a minimum fee of \$100. A \$10 annual registration fee for each privately-owned public pay phone is also collected (TCA 65-4-301 through 65-4-308).

General Fund.....100% (earmarked for Tennessee Public Utility Commission) (TCA 65-4-307).

UNIVERSAL

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

General Fund.....100% (earmarked for Tennessee Public Utility Commission) (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. TPUC 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 Public Utility Commission) (TCA 65-4-405).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

UNSOLICITED

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

General Fund.....100% (earmarked for Tennessee Public Utility Commission) (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 Public Utility Commission 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 Public Utility Commission) (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 Public Utility Commission 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).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

General Fund.....100% (earmarked for Tennessee Public Utility Commission) (TCA 65-4-307).

**COMPETITIVE
CABLE AND**

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

General Fund.....100% (earmarked for Tennessee Public Utility Commission) (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 Public Utility Commission 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 Public Utility Commission orders, judgments, findings, rules, or requirements (TCA 65-4-120).

General Fund.....100% (earmarked for Tennessee Public Utility Commission) (TCA 65-4-307).

Secretary of State

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

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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Misclassification Education and Enforcement Fund administered by the Department of Labor and Workforce Development (TCA 50-6-913).

Department of Safety

CLASSIFIED

DRIVER'S

LICENSESFees received from 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**

INSPECTIONFees from annual permits. Rates for hotels and restaurants, based on maximum occupancy, are a maximum fee of \$650 for hotels and \$360 for food service establishments. Other fees include: \$100 for auxiliary food service operations; \$30 for temporary food service establishments; a maximum fee of \$80 for child care center food service establishments based on the number of seats; a flat fee of \$140 is assessed for each bed and breakfast establishment; \$340 for each 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
ARTISTS**

Fees 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 fines and penalties levied in Title 55

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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).

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).

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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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
Annual Nursing Home Assessment
expires on June 30, 2018 (TCA 71-5-
1003 and 71-5-1006).

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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

**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
ASSESSMENT.....**

Annual 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, 2018 (TCA 71-5-1603 and 71-5-1604).

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

Annual Ambulance Service Assessment

**ANNUAL
AMBULANCE
SERVICE
ASSESSMENT.....**

Annual assessment, payable in quarterly installments, equal to \$9.09 per ground transport as defined by TCA 71-5-1504. Also, penalties for failure to pay a quarterly installment. Authorization for the Annual Ambulance Assessment expires on June 30, 2018 (TCA 71-5-1504 and 71-5-1506).

General Fund..... 100% (earmarked for the Ambulance Service Assessment Revenue Fund TCA 71-5-1507).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Chief of Staff

Memorandum

To: Honorable Bill Haslam, Governor
Honorable Bo Watson, 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 20, 2017

Subject: State Funding Board Growth Projections for FY 2017-18 and FY 2018-19

The State Funding Board met on November 20, 2017, to hear presentations on the State's economic outlook for the remainder of fiscal year 2017-2018 and for fiscal year 2018-2019. The Board reconvened on November 27, 2017, 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 no non-recurring franchise and excise tax revenue growth. The consensus total tax and general fund tax revenue growth estimates displayed below are for recurring growth and do not account for any non-recurring growth.

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 David Gerregano of the Tennessee Department of Revenue; and Mr. Bojan Savic 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.

The presenters forecasted economic growth and state revenue tax growth in line with long-term averages for both items while citing the downside risk of the overly-long economic expansion in both the U.S. and Tennessee. Multiple presenters also cautioned that statutory changes made to multiple taxes – including sales and use, franchise and excise, gasoline, and motor fuel – during the 2017 legislative session could introduce uncertainty into the estimation of state tax revenue growth for Fiscal Years 2017-2018 and 2018-2019.

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

	FY 2017-2018		FY 2018-2019	
	Low	High	Low	High
Total State Taxes	2.43%	2.67%	2.70%	3.20%
General Fund	1.16%	1.40%	2.70%	3.20%

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 2017 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. Bojan Savic of the legislative Fiscal Review Committee, and Mr. Andy Davis, Chief Financial and Technology Officer of the Tennessee Education Lottery Corporation. The Net Lottery Proceeds growth estimates provided by each of the presenters are summarized in two attachments to this memorandum.

Tennessee Code Annotated Section 4-51-111(c)(2)(A)(ii) requires the Board, with the assistance of the Tennessee Student Assistance Corporation (TSAC), to project long-term funding needs of the lottery scholarship and grant programs. These projections are necessary to determine if adjustments to lottery scholarship and grant programs are needed to prevent the funding for these programs from exceeding Net Lottery Proceeds. For this purpose, the Board heard testimony from Mr. Tim Phelps, Associate Executive Director for Grants and Scholarship Programs of Tennessee Student Assistance Corporation. The lottery-funded scholarship programs as authorized through the 2017 session of the General Assembly include Hope Scholarship, General Assembly Merit Scholarship, ASPIRE Award, Hope Access Grant, Wilder-Naifeh Technical Skills Grant, Non-traditional Student Grant, Foster Child Tuition Grant, Dual Enrollment Grant, Math & Science Teacher Loan Forgiveness Program, Helping Heroes Grant, the STEP UP Scholarship, Community College Reconnect Grant, TCAT Reconnect Grant, and the Tennessee Student Assistance Award.

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

Net Lottery Proceeds	FY2017-2018	FY2018-2019	FY2019-2020	FY2020-2021	FY2021-2022
Low	\$376,500,000	\$382,100,000	\$387,800,000	\$393,600,000	\$399,500,000
High	\$380,200,000	\$387,800,000	\$395,600,000	\$403,500,000	\$411,600,000

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

Attached is a copy of the letter from the Department of Education requesting \$23,000 from Net Lottery Proceeds pursuant to Tennessee Code Annotated Section 4-51-111(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 Randy McNally
The Honorable Beth Harwell

**COMPARISON OF ESTIMATED STATE TAX REVENUE FOR
FISCAL YEAR 2017 - 2018**

(Accrual - Basis Estimates)

DEPARTMENT OF REVENUE TAXES	2017-2018										
	2016-2017	July 1, 2017	% Change Over	Dr. Fox	% Change Over	Fiscal Review	% Change Over	Dept. of Revenue	% Change Over	Dr. Smith	% Change Over
	SOURCE OF REVENUE	Actual Year	Budget Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate
Sales and Use Tax ¹	\$ 8,556,773,600	\$ 8,746,100,000	2.21%	\$ 8,710,100,000	1.79%	\$ 8,735,000,000	2.08%	\$ 8,739,200,000	2.13%	\$ 8,727,909,100	2.00%
Gasoline Tax	669,631,000	807,300,000	20.56%	811,600,000	21.20%	844,350,000	26.09%	810,800,000	21.08%	790,164,600	18.00%
Motor Fuel Tax	177,544,100	220,100,000	23.97%	220,300,000	24.08%	223,000,000	25.60%	224,000,000	26.17%	214,828,400	21.00%
Gasoline Inspection Tax	68,241,000	68,600,000	0.53%	68,900,000	0.97%	70,000,000	2.58%	68,800,000	0.82%	68,976,100	1.08%
Motor Vehicle Registration Tax	275,166,400	311,300,000	13.13%	319,600,000	16.15%	318,000,000	15.57%	311,900,000	13.35%	311,445,100	13.18%
Income Tax	250,126,200	217,500,000	-13.04%	210,100,000	-16.00%	210,000,000	-16.04%	205,400,000	-17.88%	228,815,000	-8.52%
Privilege Tax - Less Earmarked Portion ¹	342,031,200	336,900,000	-1.50%	358,900,000	4.93%	363,000,000	6.13%	358,400,000	4.79%	364,263,200	6.50%
Gross Receipts Tax - TVA	341,555,000	345,000,000	1.01%	341,000,000	-0.16%	343,300,000	0.51%	343,300,000	0.51%	342,500,000	0.28%
Gross Receipts Tax - Other	31,907,500	29,000,000	-9.11%	31,900,000	-0.02%	27,000,000	-15.38%	33,000,000	3.42%	26,231,900	-17.79%
Beer Tax	17,246,100	17,600,000	2.05%	17,600,000	2.05%	18,050,000	4.66%	17,300,000	0.31%	18,072,600	4.79%
Alcoholic Beverage Tax	64,245,800	70,700,000	10.05%	67,400,000	4.91%	67,800,000	5.53%	66,700,000	3.82%	67,627,500	5.26%
Franchise & Excise Tax	2,620,205,200	2,377,100,000	-9.28%	2,436,200,000	-7.02%	2,630,000,000	0.37%	2,456,100,000	-6.26%	2,450,272,400	-6.49%
Inheritance and Estate Tax	9,241,200	3,000,000	-67.54%	8,000,000	-13.43%	-	-100.00%	1,900,000	-79.44%	2,500,000	-72.95%
Tobacco Tax	255,722,300	258,400,000	1.05%	255,700,000	-0.01%	255,000,000	-0.28%	252,100,000	-1.42%	256,209,500	0.19%
Motor Vehicle Title Fees	23,892,500	23,900,000	0.03%	24,100,000	0.87%	24,400,000	2.12%	24,900,000	4.22%	26,259,000	9.90%
Mixed Drink Tax	105,583,100	111,500,000	5.60%	114,000,000	7.97%	116,000,000	9.87%	114,500,000	8.45%	116,026,600	9.89%
Business Tax	173,097,700	164,800,000	-4.79%	181,800,000	5.03%	179,000,000	3.41%	185,700,000	7.28%	174,690,800	0.92%
Severance Tax	1,214,300	1,300,000	7.06%	1,200,000	-1.18%	1,100,000	-9.41%	900,000	-25.88%	1,154,400	-4.93%
Coin-operated Amusement Tax	233,300	300,000	28.59%	200,000	-14.27%	250,000	7.16%	200,000	-14.27%	285,400	22.33%
Unauthorized Substance Tax	900	-	N/A	-	N/A	-	N/A	-	N/A	500	-44.44%
TOTAL DEPARTMENT OF REVENUE	\$ 13,983,658,400	\$ 14,110,400,000	0.91%	\$ 14,178,600,000	1.39%	\$ 14,425,250,000	3.16%	\$ 14,215,100,000	1.66%	14,188,232,100	1.46%
TOTAL - RECURRING	\$ 13,795,445,400	\$ 14,114,100,000	2.31%	\$ 14,177,300,000	2.77%	\$ 14,431,950,000	4.61%	\$ 14,219,900,000	3.08%	14,192,432,100	2.88%
GENERAL FUND ONLY²	\$ 11,764,921,900	\$ 11,707,300,000	-0.49%	\$ 11,747,500,000	-0.15%	\$ 11,957,450,000	1.64%	\$ 11,786,700,000	0.19%	11,782,232,100	0.15%
GENERAL FUND - RECURRING³	\$ 11,576,708,900	\$ 11,711,000,000	1.16%	\$ 11,746,200,000	1.46%	\$ 11,964,150,000	3.35%	\$ 11,791,500,000	1.86%	11,786,432,100	1.81%

SELECTED TAXES	Actual Year	Budgeted	%	Dr. Fox	%	Fiscal Review	%	Revenue Dept.	%	Dr. Smith	%
SALES AND USE TAX	\$ 8,556,773,600	\$ 8,746,100,000	2.21%	\$ 8,710,100,000	1.79%	\$ 8,735,000,000	2.08%	\$ 8,739,200,000	2.13%	\$ 8,727,909,100	2.00%
FRANCHISE AND EXCISE TAXES	2,620,205,200	2,377,100,000	-9.28%	2,436,200,000	-7.02%	2,630,000,000	0.37%	2,456,100,000	-6.26%	2,450,272,400	-6.49%
INCOME TAX	250,126,200	217,500,000	-13.04%	210,100,000	-16.00%	210,000,000	-16.04%	205,400,000	-17.88%	228,815,000	-8.52%
ROAD USER TAXES	1,214,475,000	1,431,200,000	17.85%	1,444,500,000	18.94%	1,479,750,000	21.84%	1,440,400,000	18.60%	1,411,673,200	16.24%
ALL OTHER TAXES	1,342,078,400	1,338,500,000	-0.27%	1,377,700,000	2.65%	1,370,500,000	2.12%	1,374,000,000	2.38%	1,369,562,400	2.05%

¹ Sales and Use Taxes are reduced by \$112.0 million and Privilege Tax estimates are reduced by \$52.0 million for the earmarked portions of the tax.

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

³ FY 2016 -2017 actual collections include \$9.2 M in non-recurring inheritance tax collections, \$186.5 M in one-time F&E collections, and a one-time reduction of \$7.5 M for tax legislation. The July 1, 2017 Budget Estimates include \$3.0 M in non-recurring inheritance tax collections and a one-time reduction of \$6.7 M in non-recurring tax legislation adjustments.

**COMPARISON OF ESTIMATED STATE TAX REVENUE FOR
FISCAL YEAR 2018 - 2019**

(Accrual - Basis Estimates)

2018-2019

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	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate⁴	Estimate
Sales and Use Tax	\$ 9,036,500,000	3.75%	\$ 9,063,000,000	3.76%	\$ 9,045,200,000	3.50%	\$ 8,946,106,800	2.50%
Gasoline Tax	845,400,000	4.16%	894,000,000	5.88%	850,000,000	4.83%	821,771,200	4.00%
Motor Fuel Tax	254,200,000	15.39%	261,000,000	17.04%	259,800,000	15.98%	240,607,800	12.00%
Gasoline Inspection Tax	69,600,000	1.02%	71,300,000	1.86%	69,200,000	0.58%	69,847,700	1.26%
Motor Vehicle Registration Tax	326,000,000	2.00%	326,500,000	2.67%	315,100,000	1.03%	316,116,800	1.50%
Income Tax	163,900,000	-21.99%	175,000,000	-16.67%	157,900,000	-23.13%	160,170,500	-30.00%
Privilege Tax ¹	375,300,000	4.57%	386,000,000	6.34%	372,200,000	3.85%	375,191,100	3.00%
Gross Receipts Tax - TVA	341,000,000	0.00%	342,000,000	-0.38%	349,500,000	1.81%	342,500,000	0.00%
Gross Receipts Tax - Other	32,500,000	1.88%	29,000,000	7.41%	34,200,000	3.64%	26,625,400	1.50%
Beer Tax	18,100,000	2.84%	18,250,000	1.11%	17,400,000	0.58%	18,434,000	2.00%
Alcoholic Beverage Tax	71,500,000	6.08%	70,300,000	3.69%	69,800,000	4.65%	70,475,800	4.21%
Franchise & Excise Tax	2,523,900,000	3.60%	2,710,000,000	3.04%	2,569,800,000	4.63%	2,511,529,200	2.50%
Inheritance and Estate Tax	5,000,000	-37.50%	-	N/A	-	-100.00%	500,000	-80.00%
Tobacco Tax	253,100,000	-1.02%	250,500,000	-1.76%	248,100,000	-1.59%	251,085,300	-2.00%
Motor Vehicle Title Fees	24,400,000	1.24%	25,350,000	3.89%	25,800,000	3.61%	28,407,500	8.18%
Mixed Drink Tax	122,000,000	7.02%	125,750,000	8.41%	124,800,000	9.00%	128,055,600	10.37%
Business Tax	192,700,000	6.00%	189,000,000	5.59%	194,100,000	4.52%	179,058,000	2.50%
Severance Tax	1,400,000	16.67%	1,050,000	-4.55%	1,000,000	11.11%	1,131,300	-2.00%
Coin-operated Amusement Tax	200,000	N/A	250,000	0.00%	200,000	0.00%	292,500	2.49%
Unauthorized Substance Tax	-	N/A	-	N/A	-	N/A	500	0.00%
TOTAL DEPARTMENT OF REVENUE	\$ 14,656,700,000	3.37%	\$ 14,938,250,000	3.56%	\$ 14,704,100,000	3.44%	14,487,907,000	2.11%
TOTAL - RECURRING	\$ 14,655,100,000	3.37%	\$ 14,941,650,000	3.53%	\$ 14,707,500,000	3.43%	\$ 14,490,807,000	2.10%
GENERAL FUND ONLY²	\$ 12,149,800,000	3.42%	\$ 12,368,750,000	3.44%	\$ 12,193,100,000	3.45%	12,028,507,000	2.09%
GENERAL FUND - RECURRING³	\$ 12,148,200,000	3.42%	\$ 12,372,150,000	3.41%	\$ 12,196,500,000	3.43%	\$ 12,031,407,000	2.08%

SELECTED TAXES	Dr. Fox	%	Fiscal Review	%	Revenue Dept.	%	Dr. Smith	%
SALES AND USE TAX	\$ 9,036,500,000	3.75%	\$ 9,063,000,000	3.76%	\$ 9,045,200,000	3.50%	\$ 8,946,106,800	2.50%
FRANCHISE AND EXCISE TAXES	2,523,900,000	3.60%	2,710,000,000	3.04%	2,569,800,000	4.63%	2,511,529,200	2.50%
INCOME TAX	163,900,000	-21.99%	175,000,000	-16.67%	157,900,000	-23.13%	160,170,500	-30.00%
ROAD USER TAXES	1,519,600,000	5.20%	1,578,150,000	6.65%	1,519,900,000	5.52%	1,476,751,000	4.61%
ALL OTHER TAXES	1,412,800,000	2.55%	1,412,100,000	3.04%	1,411,300,000	2.71%	1,393,349,500	1.74%

¹ Sales and Use Taxes are reduced by \$112.0 million and Privilege Tax estimates are reduced by \$52.0 million for the earmarked portions of the tax.

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

³ FY 2016 -2017 actual collections include \$9.2 M in non-recurring inheritance tax collections, \$186.5 M in one-time F&E collections, and a one-time reduction of \$7.5 M for tax legislation. The July 1, 2016 Budget Estimates include \$3.0 M in non-recurring inheritance tax collections and a one-time reduction of \$6.7 M in non-recurring tax legislation adjustments.

Estimated Revenues Based on Recurring Growth Rates

November 2017

	<u>Recurring Actual FY 2016-2017</u>	<u>FY 2017-2018</u>	<u>Growth Rate</u>	<u>FY 2018-2019</u>	<u>Growth Rate</u>
Total Taxes				\$ 14,512,200,000	2.70%
		\$ 14,130,700,000	2.43%		
				\$ 14,582,900,000	3.20%
	\$ 13,795,445,400			\$ 14,546,200,000	2.70%
				\$ 14,617,000,000	3.20%
		<i>Spread</i>	<i>0.24%</i>		<i>0.50%</i>
General Fund				\$ 12,027,200,000	2.70%
		\$ 11,711,000,000	1.16%		
				\$ 12,085,800,000	3.20%
	\$ 11,576,708,900			\$ 12,055,700,000	2.70%
				\$ 12,114,400,000	3.20%
		<i>Spread</i>	<i>0.24%</i>		<i>0.50%</i>

Net Lottery Proceeds Estimates
Actual 2016-2017 and Estimated 2017-2018 Through 2021-2022
November 2017

	2016-2017	2017-2018		2018-2019		2019-2020		2020-2021		2021-2022	
	Actual	Revised	%	Estimated	%	Estimated	%	Estimated	%	Estimated	%
Lottery Corporation											
Low	372,783,000	381,308,000	2.29%	388,000,000	1.76%	396,000,000	2.06%	404,000,000	2.02%	413,000,000	2.23%
High	372,783,000	388,808,000	4.30%	398,000,000	2.36%	408,000,000	2.51%	418,000,000	2.45%	429,000,000	2.63%
Fiscal Review Staff											
Low	372,783,000	396,980,300	6.49%	410,821,000	3.49%						
Median	372,783,000	401,809,000	7.79%	416,435,500	3.64%	426,846,400	2.50%	437,517,500	2.50%	448,455,500	2.50%
High	372,783,000	406,867,800	9.14%	422,773,600	3.91%						
Recommended Range											
Low	372,783,000	376,500,000	1.00%	382,100,000	1.50%	387,800,000	1.50%	393,600,000	1.50%	399,500,000	1.50%
High	372,783,000	380,200,000	2.00%	387,800,000	2.00%	395,600,000	2.00%	403,500,000	2.00%	411,600,000	2.00%



STATE OF TENNESSEE
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November 20, 2017

MEMORANDUM

TO: State Funding Board

FROM: Tim Phelps, Associate Executive Director for Grant & Scholarship Programs
Tennessee Student Assistance Corporation

SUBJECT: Tennessee Education Lottery Scholarship Program Projections

Pursuant to T.C.A 4-51-111(c)(2)(A)(ii), the Tennessee Higher Education Commission (THEC) and Tennessee Student Assistance Corporation (TSAC) have collaborated to project expenditures for the lottery scholarship and grant programs through the 2021-22 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
2016-17 actual	N/A	\$313.7M	N/A	114,000
2017-18 estimated*	\$306.2M	\$312.4M	\$321.8M	113,600
2018-19 estimated	\$317.7M	\$324.2M	\$333.9M	117,900
2019-20 estimated	\$322.6M	\$329.2M	\$339.1M	119,700
2020-21 estimated	\$326.2M	\$332.9M	\$342.9M	121,000
2021-22 estimated	\$329.5M	\$336.2M	\$346.3M	122,300

**Does not include supplemental funding of \$6.8M for TSAA and administrative costs of \$5.1M. Does not include Tennessee Promise estimated expenditures of \$32.0M.*

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, 2016, and June 30, 2017**

	June 30, 2016	June 30, 2017
Assets		
Cash and Cash Equivalents	\$ 3,074,929,000	\$ 3,180,831,000
Investments	151,935,000	152,561,000
Receivables, net	1,385,377,000	1,375,622,000
Due from Other Funds	276,132,000	315,037,000
Due from Component Units	772,000	945,000
Inventories, at Cost	10,984,000	10,763,000
Loans Receivable, net	5,243,000	4,943,000
Prepayments	2,274,000	1,697,000
Total Assets	\$ 4,907,646,000	\$ 5,042,399,000
Liabilities, Deferred Inflows of Resources, and Fund Balance		
Liabilities:		
Accounts Payable and Accruals	\$ 1,358,448,000	\$ 927,720,000
Due to Other Funds	10,481,000	16,287,000
Due to Component Units	20,311,000	19,465,000
Unearned Revenue	266,069,000	283,084,000
Total Liabilities	\$ 1,655,309,000	\$ 1,246,556,000
Deferred Inflows of Resources	\$ 11,258,000	\$ 90,973,000
Fund Balance:		
Nonspendable - Inventories	\$ 10,984,000	\$ 10,762,000
Nonspendable - Accounts Receivable	7,781,000	14,355,000
Restricted	71,304,000	73,855,000
Committed	314,545,000	334,316,000
Assigned - Appropriations for 2016-2017	733,500,000	0
Assigned - Appropriations for 2017-2018	0	1,306,300,000
Assigned - Other Reserves	878,501,000	956,854,000
Unassigned - Revenue Fluctuation Reserve	568,000,000	668,000,000
Unassigned - Reserve for Future Requirements	656,400,000	340,300,000
Unassigned - Fund Balance	64,000	128,000
Total Fund Balance	\$ 3,241,079,000	\$ 3,704,870,000
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 4,907,646,000	\$ 5,042,399,000

**Education Fund
Comparative Balance Sheet
June 30, 2016, and June 30, 2017**

	June 30, 2016	June 30, 2017
Assets		
Cash and Cash Equivalents	\$ 12,480,000	\$ 15,801,000
Investments	41,406,000	98,608,000
Receivables, net	619,405,000	620,880,000
Due from Other Funds	66,000	4,223,000
Due from Component Units	100,863,000	110,950,000
Inventories	119,000	123,000
Restricted Assets - Investments	361,381,000	361,381,000
Total Assets	\$ 1,135,720,000	\$ 1,211,966,000
 Liabilities, Deferred Inflows of Resources, and Fund Balance		
Liabilities:		
Accounts Payable and Accruals	\$ 131,041,000	\$ 133,633,000
Due to Other Funds	276,205,000	311,601,000
Due to Component Units	11,264,000	14,106,000
Unearned Revenue	1,469,000	619,000
Total Liabilities	\$ 419,979,000	\$ 459,959,000
Deferred Inflows of Resources	\$ 56,105,000	\$ 50,051,000
Fund Balance:		
Nonspendable - Inventories	\$ 119,000	\$ 123,000
Nonspendable - Permanent Fund and Endowment Corpus	361,381,000	361,381,000
Restricted - Lottery Scholarships	169,746,000	157,891,000
Restricted - Energy Efficient Schools	2,831,000	2,299,000
Restricted - After School Program	23,336,000	25,967,000
Restricted - State Endowment	45,626,000	100,938,000
Restricted - Other	171,000	671,000
Committed	8,931,000	8,080,000
Assigned	47,495,000	44,606,000
Total Fund Balance	\$ 659,636,000	\$ 701,956,000
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 1,135,720,000	\$ 1,211,966,000

**Highway Fund
Comparative Balance Sheet
June 30, 2016, and June 30, 2017**

	<u>June 30, 2016</u>	<u>June 30, 2017</u>
Assets		
Cash and Cash Equivalents	\$ 720,081,000	\$ 928,657,000
Receivables, net	189,584,000	201,325,000
Due from Other Funds	0	91,000
Inventories, at Cost	11,020,000	11,512,000
Loans Receivable, net	<u>1,243,000</u>	<u>1,107,000</u>
Total Assets	<u>\$ 921,928,000</u>	<u>\$ 1,142,692,000</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance		
Liabilities:		
Accounts Payable and Accruals	\$ 166,098,000	\$ 186,921,000
Due to Other Funds	883,000	3,984,000
Due to Component Units	3,301,000	1,238,000
Unearned Revenue	<u>3,773,000</u>	<u>3,641,000</u>
Total Liabilities	<u>\$ 174,055,000</u>	<u>\$ 195,784,000</u>
Deferred Inflows of Resources	<u>\$ 21,700,000</u>	<u>\$ 22,305,000</u>
Fund Balance:		
Nonspendable - Inventories	\$ 11,020,000	\$ 11,512,000
Restricted	337,955,000	492,768,000
Committed	231,344,000	192,813,000
Assigned	<u>145,854,000</u>	<u>227,510,000</u>
Total Fund Balance	<u>\$ 726,173,000</u>	<u>\$ 924,603,000</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 921,928,000</u>	<u>\$ 1,142,692,000</u>

Debt Management

Recommended Budget, Fiscal Year 2018-2019

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, 2017, the debt limit calculation produced a maximum annual debt service debt limit of \$770,752,430. The annual debt service requirement on the state's outstanding debt, authorized but unissued debt, and proposed bond authorizations in the fiscal year 2018-2019 budget total \$288,147,000, 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 did not issue additional general obligation debt in the first six months of fiscal year 2017-2018. As of June 30, 2017, Tennessee's total general obligation bonded indebtedness was \$1,738,001,000, 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 2017-2018. Highway bond authorizations total \$80,000,000.

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 \$89,700,000 in highway construction bonds and \$13,264,043 in regular general obligation bond authorizations in fiscal year 2016-2017.

The reduction in bond authorizations coupled with the Funding Board's action on bond cancellations decreased the category of authorized but unissued bonds to \$1,318,856,000, which includes \$557.7 million in capital construction bonds, \$726.9 million in highway fund authorizations, \$29.9 million in FRF bonds, and \$4.4 million in software bonds.

The recommended 2018-2019 capital budget excluding FRF is funded from proposed bond authorizations in the amount of \$30,708,000, surplus cash of \$181,338,000, and \$118,774,000 from federal funds and other sources.

Debt Service Fund
Statement of Revenues, Expenditures, and Requirements
July 1, 2016 - June 30, 2019

	Actual 2016-2017	Estimated 2017-2018	Estimated 2018-2019
Unreserved Fund Balance, July 1	\$ 9,378,380.08	\$ 14,372,000.00	\$ 14,373,000.00
Tax Revenues:			
Sales Tax	\$ 60,698,764.45	\$ 61,900,000.00	\$ 64,100,000.00
Gasoline Tax	92,100,000.00	83,800,000.00	80,200,000.00
Franchise Tax	18,000,000.00	18,000,000.00	18,000,000.00
Excise Tax	233,801,235.55	198,800,000.00	188,900,000.00
Motor Vehicle Title Fees	2,700,000.00	2,700,000.00	2,700,000.00
Total Tax Revenues	\$ 407,300,000.00	\$ 365,200,000.00	\$ 353,900,000.00
Other Revenues:			
Sports Authority	\$ 3,647,458.77	\$ 3,500,000.00	\$ 3,708,000.00
Motlow State - Smyrna Center	104,132.98	0.00	0.00
University of Memphis - Land Bank	523,135.89	0.00	524,000.00
State Technology Centers	0.00	0.00	3,740,000.00
State Veterans' Homes - Refinancing	675,234.05	520,000.00	517,000.00
Telecommunications Ad Valorem Tax Reduction Fund	19,389.87	0.00	0.00
Premium on Bond Sales	376,563.78	0.00	0.00
Net Refunding Bond Premium	435,811.93	0.00	0.00
Federal Highway Bridge Funds (80% Match)	0.00	0.00	4,800,000.00
Total Other Revenues	\$ 5,781,727.27	\$ 4,020,000.00	\$ 13,289,000.00
Total Available Funds	\$ 422,460,107.35	\$ 383,592,000.00	\$ 381,562,000.00
Appropriations, Transfers, and Fund Balance			
Debt Service Appropriations for:			
Outstanding Bonds at July 1	\$ 219,770,422.23	\$ 217,719,000.00	\$ 204,001,000.00
Capital Outlay - Unissued Bonds (\$557,689,000)	0.00	0.00	61,346,000.00
Proposed Capital Outlay Bonds (\$118,500,000)	0.00	0.00	13,000,000.00
Highway Bridges - Unissued Bonds (\$87,900,000)	0.00	0.00	6,000,000.00
Short Term Interest	1,208,677.06	1,300,000.00	1,300,000.00
Debt Issuance Expense	2,225,220.96	2,500,000.00	2,500,000.00
Total Debt Service Appropriations	\$ 223,204,320.25	\$ 221,519,000.00	\$ 288,147,000.00
Transfers to Other Funds:			
Highway Fund - Bonds Cancelled	\$ 89,700,000.00	\$ 82,000,000.00	\$ 79,000,000.00
Highway Fund - Bridge Bonds - Debt Service	2,400,000.00	1,800,000.00	0.00
General Fund	83,900,000.00	55,500,000.00	0.00
Capital Projects Fund - Safety Communication System	7,000,000.00	7,000,000.00	0.00
Capital Projects - West TN Mega-site	1,400,000.00	1,400,000.00	0.00
Capital Projects Fund - University of Memphis	484,010.00	0.00	0.00
Capital Projects Fund - Bonds Cancelled	33.17	0.00	0.00
Total Transfers to Other Funds	\$ 184,884,043.17	\$ 147,700,000.00	\$ 79,000,000.00
Total Appropriations and Transfers	\$ 408,088,363.42	\$ 369,219,000.00	\$ 367,147,000.00
Unreserved Fund Balance, June 30			
Net Receivables	\$ 5,326,173.92	\$ 5,300,000.00	\$ 5,300,000.00
Cash and Cash Equivalents	9,045,570.01	9,073,000.00	9,115,000.00
Total Fund Balance, June 30	\$ 14,371,743.93	\$ 14,373,000.00	\$ 14,415,000.00

**Debt Service Fund
Comparative Balance Sheet
June 30, 2016, and June 30, 2017**

	June 30, 2016	June 30, 2017
Assets		
Cash and Cash Equivalents	\$ 4,097,000	\$ 9,046,000
Taxes Receivable	6,116,000	6,123,000
Loans Receivable	8,669,000	7,954,000
Total Assets	\$ 18,882,000	\$ 23,123,000
 Liabilities and Fund Balance		
Liabilities:		
Payables and Accruals	\$ 154,000	\$ 195,000
Total Liabilities	\$ 154,000	\$ 195,000
Deferred Inflows of Resources	\$ 9,350,000	\$ 8,556,000
Fund Balance:		
Unreserved	\$ 9,378,000	\$ 14,372,000
Total Fund Balance	\$ 9,378,000	\$ 14,372,000
 Total Liabilities and Fund Balance	\$ 18,882,000	\$ 23,123,000

Bond Fund
Statement of Bonds Authorized and Unissued
June 30, 2016 - June 30, 2018

Year	Authority	Description	June 30, 2016	June 30, 2017	June 30, 2018 *
1996	Chapter 952	Data Processing Equipment	\$ 20,000,000.00	\$ 0.00	\$ 0.00
2001	Chapter 462	Capital Outlay	356,206.73	356,206.73	356,206.73
2001	Chapter 462	Facilities Revolving Fund	1,657,931.38	739,844.53	739,844.53
2002	Chapter 852	Facilities Revolving Fund	2,421,701.98	2,421,701.98	2,421,701.98
2004	Chapter 958	Capital Outlay	9,368,926.50	8,028,409.92	8,028,409.92
2005	Chapter 501	Capital Outlay	963,379.32	774,757.09	774,757.09
2005	Chapter 501	Facilities Revolving Fund	2,420,944.63	2,420,944.63	2,420,944.63
2006	Chapter 962	Capital Outlay	34,575,212.98	23,637,092.73	23,637,092.73
2006	Chapter 962	Facilities Revolving Fund	6,352,061.20	6,352,061.20	6,352,061.20
2006	Chapter 962	Enterprise Resource Planning Software	13,139,930.67	8,759,930.67	4,379,930.67
2007	Chapter 591	Capital Outlay	17,987,543.88	14,363,528.47	14,363,528.47
2007	Chapter 591	Higher Education - Board of Regents	4,605,080.03	4,121,070.03	4,121,070.03
2007	Chapter 591	Facilities Revolving Fund	5,406,881.76	5,406,881.76	5,406,881.76
2008	Chapter 1119	Higher Education	293,486.99	221,947.23	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	0.00	0.00
2009	Chapter 552	Capital Outlay	28,799,013.91	26,442,133.12	25,042,133.12
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	0.00
2010	Chapter 1109	Capital Outlay	1,233,084.85	1,128,269.32	1,128,269.32
2010	Chapter 1109	Facilities Revolving Fund	1,465,579.16	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	29,500,000.00	400,000.00	400,000.00
2011	Chapter 470	Capital Outlay	22,142,343.70	15,176,165.26	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	4,600,000.00	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	136,592,669.75	59,740,029.99	59,740,029.99
2012	Chapter 1024	Capital Outlay - Communication System	42,000,000.00	35,000,000.00	28,000,000.00
2012	Chapter 1024	Highway Construction	77,000,000.00	76,000,000.00	75,000,000.00
2013	Chapter 452	Capital Outlay	140,696,303.50	79,535,013.75	79,535,013.75
2013	Chapter 452	Highway Construction	80,000,000.00	79,000,000.00	78,000,000.00
2014	Chapter 813	Capital Outlay	29,723,565.99	24,777,753.11	24,777,753.11
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	221,868,485.06	221,868,485.06
2015	Chapter 424	Capital Outlay - ECD Grants	35,000,000.00	0.00	0.00
2015	Chapter 424	Highway Construction	83,800,000.00	83,800,000.00	83,800,000.00
2016	Chapter 1060	Highway Construction	87,700,000.00	87,700,000.00	87,700,000.00
2017	Chapter 462	Highway Construction	0.00	80,000,000.00	80,000,000.00
Total Bonds Authorized and Unissued			\$ 1,703,700,083.15	\$ 1,413,636,039.98	\$ 1,318,856,039.98
Summary by Purpose:					
		Capital Outlay	\$ 792,054,881.63	\$ 566,088,925.31	\$ 557,688,925.31
		Facilities Revolving Fund	30,805,270.85	29,887,184.00	29,887,184.00
		Highway Construction	730,700,000.00	721,000,000.00	639,000,000.00
		Highway Construction - Bridges	117,000,000.00	87,900,000.00	87,900,000.00
		Data Processing Equipment	20,000,000.00	0.00	0.00
		Enterprise Resource Planning Software	13,139,930.67	8,759,930.67	4,379,930.67
Total Bonds Authorized and Unissued			\$ 1,703,700,083.15	\$ 1,413,636,039.98	\$ 1,318,856,039.98

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

Bond Fund
Statement of Bonds Sold
July 1, 2015 - June 30, 2018

Year	Authority	Description	July 1, 2015 - June 30, 2016	July 1, 2016 - June 30, 2017	July 1, 2017 - June 30, 2018
1997	Chapter 535	Capital Outlay	\$ 10,151.33	\$ 0.00	\$ 0.00
1999	Chapter 401	Capital Outlay	625,191.99	0.00	0.00
2000	Chapter 984	Capital Outlay	1,165,355.07	0.00	0.00
2001	Chapter 462	Facilities Revolving Fund	4,655,472.31	918,086.85	0.00
2004	Chapter 958	Capital Outlay	625,619.25	1,340,483.41	0.00
2004	Chapter 958	Facilities Revolving Fund	435,220.68	0.00	0.00
2005	Chapter 501	Capital Outlay	0.00	188,622.23	0.00
2005	Chapter 501	Facilities Revolving Fund	688,362.38	0.00	0.00
2006	Chapter 962	Capital Outlay	760,162.33	10,938,120.25	0.00
2006	Chapter 962	Facilities Revolving Fund	196,459.75	0.00	0.00
2007	Chapter 591	Capital Outlay	1,256,692.58	3,624,015.41	0.00
2007	Chapter 591	Facilities Revolving Fund	114,296.21	0.00	0.00
2008	Chapter 1119	Higher Education	2,000,000.00	71,539.76	0.00
2009	Chapter 552	Capital Outlay	3,607,672.09	956,880.79	0.00
2010	Chapter 1109	Capital Outlay	450,000.00	104,815.53	0.00
2010	Chapter 1109	Facilities Revolving Fund	900,000.00	0.00	0.00
2011	Chapter 470	Capital Outlay	13,061,888.47	6,966,178.44	0.00
2011	Chapter 470	Facilities Revolving Fund	570,550.11	0.00	0.00
2012	Chapter 1024	Capital Outlay	45,717,934.92	76,852,639.76	0.00
2013	Chapter 452	Capital Outlay	42,982,536.52	61,161,289.75	0.00
2014	Chapter 813	Capital Outlay	1,976,434.01	4,945,812.88	0.00
2014	Chapter 813	Capital Outlay - ECD Grants	52,400,000.00	0.00	0.00
2015	Chapter 424	Capital Outlay	0.00	14,931,514.94	0.00
2015	Chapter 424	Capital Outlay - ECD Grants	165,800,000.00	35,000,000.00	0.00
Total Bonds Sold			\$ 340,000,000.00	\$ 218,000,000.00	\$ 0.00
Summary by Purpose:					
		Capital Outlay	\$ 332,439,638.56	\$ 217,081,913.15	\$ 0.00
		Facilities Revolving Fund	7,560,361.44	918,086.85	0.00
		Total Bonds Sold	\$ 340,000,000.00	\$ 218,000,000.00	\$ 0.00

Bond Fund
Statement of Appropriations in Lieu of Issuing Bonds
Statement of Bonds Cancelled
July 1, 2015 - June 30, 2018

<u>Year</u>	<u>Authority</u>	<u>Description</u>	<u>July 1, 2015 - June 30, 2016</u>	<u>July 1, 2016 - June 30, 2017</u>	<u>July 1, 2017 - June 30, 2018 *</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
1997	Chapter 535	Capital Outlay	961,859.29	0.00	0.00
1998	Chapter 1103	Capital Outlay	375,666.27	0.00	0.00
1999	Chapter 401	Capital Outlay	133,022.74	0.00	0.00
2000	Chapter 984	Capital Outlay	335,957.84	0.00	0.00
2001	Chapter 462	Capital Outlay	633,774.34	0.00	0.00
2002	Chapter 852	Capital Outlay	175,592.10	0.00	0.00
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	0.00	33.17	0.00
2006	Chapter 962	Enterprise Resource Planning Software	4,380,000.00	4,380,000.00	4,380,000.00
2007	Chapter 591	Higher Education - Board of Regents - Univ. of Memphis	440,064.00	484,010.00	0.00
2007	Chapter 591	Highway Construction	83,800,000.00	0.00	0.00
2008	Chapter 1202	Highway Construction	0.00	87,700,000.00	0.00
2009	Chapter 552	Capital Outlay	1,400,000.00	1,400,000.00	1,400,000.00
2009	Chapter 552	Highway Construction	0.00	0.00	80,000,000.00
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	1,000,000.00	1,000,000.00	1,000,000.00
Total Appropriations in Lieu of Issuing Bonds			<u>\$ 102,545,056.81</u>	<u>\$ 102,964,043.17</u>	<u>\$ 94,780,000.00</u>
Summary by Purpose:					
		Capital Outlay	\$ 12,365,056.81	\$ 8,884,043.17	\$ 8,400,000.00
		Facilities Revolving Fund	0.00	0.00	0.00
		Highway Construction	85,800,000.00	89,700,000.00	82,000,000.00
		Enterprise Resource Planning Software	4,380,000.00	4,380,000.00	4,380,000.00
Total Appropriations in Lieu of Issuing Bonds			<u>\$ 102,545,056.81</u>	<u>\$ 102,964,043.17</u>	<u>\$ 94,780,000.00</u>

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

Note: 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

Chapter 758, Public Acts of 2016 (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

Bond Fund
Statement of Bonded Indebtedness
Principal and Interest on Bonded Debt
June 30, 2017

<u>Fiscal Year</u>	<u>Outstanding Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017 - 2018	\$ 144,671,000	\$ 73,048,000	\$ 217,719,000
2018 - 2019	137,241,000	66,760,000	204,001,000
2019 - 2020	134,751,000	60,763,000	195,514,000
2020 - 2021	128,816,000	54,828,000	183,644,000
2021 - 2022	129,008,000	48,965,000	177,973,000
2022 - 2023	121,741,000	43,237,000	164,978,000
2023 - 2024	119,419,000	38,209,000	157,628,000
2024 - 2025	112,133,000	33,594,000	145,727,000
2025 - 2026	110,249,000	28,948,000	139,197,000
2026 - 2027	104,801,000	24,505,000	129,306,000
2027 - 2028	100,606,000	20,306,000	120,912,000
2028 - 2029	93,529,000	16,163,000	109,692,000
2029 - 2030	70,613,000	12,490,000	83,103,000
2030 - 2031	60,909,000	9,471,000	70,380,000
2031 - 2032	54,269,000	6,856,000	61,125,000
2032 - 2033	32,307,000	4,889,000	37,196,000
2033 - 2034	25,720,000	3,504,000	29,224,000
2034 - 2035	25,720,000	2,218,000	27,938,000
2035 - 2036	22,745,000	1,006,000	23,751,000
2036 - 2037	8,753,000	219,000	8,972,000
Total	<u>\$ 1,738,001,000</u>	<u>\$ 549,979,000</u>	<u>\$ 2,287,980,000</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, 2017, the outstanding principal was \$167,529,000 and interest was \$51,305,000.

Capital Outlay and Facilities Program



Capital Outlay and Facilities Program

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Capital Budget

Recommended Budget, Fiscal Year 2018-2019

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.

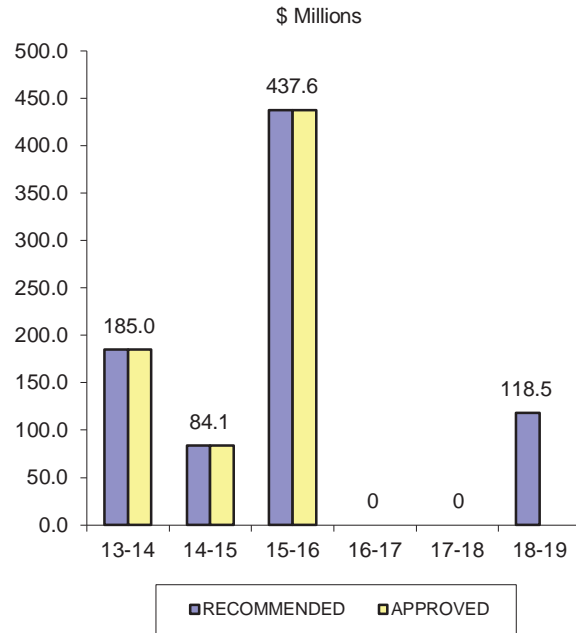
The 2018-2019 capital outlay budget recommends \$330,820,000 divided between capital improvement projects and capital maintenance requests. The recommendation includes \$215,912,000 for higher education projects, \$46,970,000 for correction facilities, \$30,708,000 for economic development projects, and various upgrades to state facilities.

Capital Improvement Projects — Capital improvement projects recommended for fiscal year 2018-2019 total \$138,390,000, including \$96,160,000 from state appropriation and \$30,708,000 from bonds. Federal and other funding sources account for the remainder of the total amount.

Capital Maintenance — Capital maintenance projects are recommended at a level of \$192,430,000. A state appropriation of \$85,178,000 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.

New Bond Authorizations — The capital budget includes a proposed bond authorization of \$118,435,000. This includes \$30,708,000 for economic development projects and \$87,727,000 in Facilities Revolving Fund requests. The following chart compares the bond authorizations recommended with those approved by the General Assembly during the past several years.

**Bond Authorization
Recommended vs. Approved**



Facilities Revolving Fund — Capital funding in the amount of \$115,817,000 is recommended for capital maintenance and capital improvement projects. A general fund appropriation of \$3,270,000, bonds of \$87,727,000, and residual maintenance appropriation of \$3,895,000 is recommended. 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 2018-2019**

	COUNTY	TOTAL	STATE	BONDS	FEDERAL	OTHER
Agriculture						
Chuck Swan State Forest Work Center	Union	\$ 1,750,000	\$ 1,750,000	\$ 0	\$ 0	\$ 0
Natchez Trace State Forest Work Center	Henderson	1,710,000	1,710,000	0	0	0
Sub-Total Agriculture		\$ 3,460,000	\$ 3,460,000	\$ 0	\$ 0	\$ 0
Children's Services						
Maintenance	Statewide	\$ 750,000	\$ 0	\$ 0	\$ 0	\$ 750,000
Commerce and Insurance						
Maintenance	Statewide	\$ 2,920,000	\$ 0	\$ 0	\$ 0	\$ 2,920,000
Correction						
Maintenance	Statewide	\$ 46,970,000	\$ 0	\$ 0	\$ 0	\$ 46,970,000
Economic and Community Development						
Memphis Regional Megasite Wastewater Improvements	Haywood	\$ 30,708,000	\$ 0	\$ 30,708,000	\$ 0	\$ 0
Education						
Maintenance	Statewide	\$ 2,190,000	\$ 0	\$ 0	\$ 0	\$ 2,190,000
Environment and Conservation						
Maintenance	Statewide	\$ 7,040,000	\$ 0	\$ 0	\$ 0	\$ 7,040,000
General Services						
Maintenance	Statewide	\$ 4,800,000	\$ 4,000,000	\$ 0	\$ 0	\$ 800,000
Emergency and Contingency Funds	Statewide	5,000,000	5,000,000	0	0	0
Sub-Total General Services		\$ 9,800,000	\$ 9,000,000	\$ 0	\$ 0	\$ 800,000
Historical Commission						
Maintenance	Statewide	\$ 1,700,000	\$ 0	\$ 0	\$ 0	\$ 1,700,000
Military						
Maintenance	Statewide	\$ 3,890,000	\$ 0	\$ 0	\$ 2,395,000	\$ 1,495,000
New McMinnville National Guard Readiness Center	Warren	910,000	0	0	910,000	0
Sub-Total Military		\$ 4,800,000	\$ 0	\$ 0	\$ 3,305,000	\$ 1,495,000
Safety						
Maintenance	Statewide	\$ 1,020,000	\$ 0	\$ 0	\$ 0	\$ 1,020,000
TRICOR						
HQ Complex Warehouse and Manufacturing Facility	Davidson	\$ 1,200,000	\$ 0	\$ 0	\$ 0	\$ 1,200,000
Bledsoe County Correctional Complex Loading Barn	Bledsoe	750,000	0	0	0	750,000
Sub-Total TRICOR		\$ 1,950,000	\$ 0	\$ 0	\$ 0	\$ 1,950,000
Tourist Development						
Tennessee Music Pathway Phase II	Statewide	\$ 1,500,000	\$ 1,500,000	\$ 0	\$ 0	\$ 0
Veterans Services						
East TN Veterans Cemetery Fuel Dispensing Station	Knox	\$ 100,000	\$ 0	\$ 0	\$ 100,000	\$ 0
Locally Governed Higher Education Institutions:						
Austin Peay State University						
Maintenance	Statewide	\$ 3,670,000	\$ 3,670,000	\$ 0	\$ 0	\$ 0
East Tennessee State University						
Maintenance	Statewide	\$ 9,540,000	\$ 2,500,000	\$ 0	\$ 0	\$ 7,040,000
Middle Tennessee State University						
Maintenance	Statewide	\$ 8,170,000	\$ 3,108,000	\$ 0	\$ 0	\$ 5,062,000
Academic Classroom Building	Rutherford	38,000,000	35,100,000	0	0	2,900,000
Sub-Total Middle Tennessee State University		\$ 46,170,000	\$ 38,208,000	\$ 0	\$ 0	\$ 7,962,000

**Proposed Capital Appropriations
from Bonds, Current Funds, and Other Revenues
Fiscal Year 2018-2019**

	COUNTY	TOTAL	STATE	BONDS	FEDERAL	OTHER
Tennessee State University						
Maintenance	Statewide	\$ 6,200,000	\$ 2,100,000	\$ 0	\$ 0	\$ 4,100,000
Tennessee Technological University						
Maintenance	Statewide	\$ 6,290,000	\$ 6,290,000	\$ 0	\$ 0	\$ 0
University of Memphis						
Maintenance	Statewide	\$ 15,010,000	\$ 8,010,000	\$ 0	\$ 0	\$ 7,000,000
Sub-Total Locally Governed Higher Education Institutions		\$ 86,880,000	\$ 60,778,000	\$ 0	\$ 0	\$ 26,102,000
Tennessee Board of Regents						
Maintenance	Statewide	\$ 24,790,000	\$ 14,720,000	\$ 0	\$ 0	\$ 10,070,000
CLSCC Campus Revitalization	Bradley	25,000,000	22,500,000	0	0	2,500,000
TCAT Improvements Phase III	Statewide	16,762,000	14,500,000	0	0	2,262,000
TBR and LGI Campus Security Recommendations	Statewide	2,000,000	2,000,000	0	0	0
Sub-Total Tennessee Board of Regents		\$ 68,552,000	\$ 53,720,000	\$ 0	\$ 0	\$ 14,832,000
University of Tennessee						
Maintenance	Statewide	\$ 47,480,000	\$ 40,780,000	\$ 0	\$ 0	\$ 6,700,000
UTIA Energy and Environmental Science Preplanning	Knox	4,000,000	4,000,000	0	0	0
UTIA Vet. Medical Center Teaching and Learning Center	Knox	9,000,000	8,100,000	0	0	900,000
Sub-Total University of Tennessee		\$ 60,480,000	\$ 52,880,000	\$ 0	\$ 0	\$ 7,600,000
Grand Total		\$ 330,820,000	\$ 181,338,000	\$ 30,708,000	\$ 3,405,000	\$ 115,369,000
Sub-Total Capital Maintenance		192,430,000	85,178,000	0	2,395,000	104,857,000
Sub-Total Capital Improvements		138,390,000	96,160,000	30,708,000	1,010,000	10,512,000
Sub-Total Higher Education:		\$ 215,912,000	\$ 167,378,000	\$ 0	\$ 0	\$ 48,534,000
Capital Maintenance		121,150,000	81,178,000	0	0	39,972,000
Capital Improvements		94,762,000	86,200,000	0	0	8,562,000
Sub-Total Other Agencies:		\$ 114,908,000	\$ 13,960,000	\$ 30,708,000	\$ 3,405,000	\$ 66,835,000
Capital Maintenance		71,280,000	4,000,000	0	2,395,000	64,885,000
Capital Improvements		43,628,000	9,960,000	30,708,000	1,010,000	1,950,000

**Proposed Capital Maintenance Appropriations
from Bonds, Current Funds, and Other Revenues
Fiscal Year 2018-2019**

	COUNTY	TOTAL	STATE	BONDS	FEDERAL	OTHER
Children's Services						
YDC Pavement Refurbishment and Replacement	Statewide	\$ 750,000	\$ 0	\$ 0	\$ 0	\$ 750,000
Commerce and Insurance						
TN Fire Academy HVAC and BAS Replacement	Bedford	\$ 2,920,000	\$ 0	\$ 0	\$ 0	\$ 2,920,000
Correction						
Statewide Arc Flash Repairs	Statewide	\$ 1,000,000	\$ 0	\$ 0	\$ 0	\$ 1,000,000
SCCF Life Safety Systems Upgrades	Wayne	2,500,000	0	0	0	2,500,000
WTSP Life Safety Systems Upgrades	Lauderdale	4,470,000	0	0	0	4,470,000
TPW HVAC, BAS, and Smoke Evacuation Replacement	Davidson	2,500,000	0	0	0	2,500,000
NWCX HVAC, BAS, and Smoke Evacuation Replacement	Lake	3,500,000	0	0	0	3,500,000
Statewide Detention Hardware Upgrades	Statewide	6,000,000	0	0	0	6,000,000
TCIX Secondary Electrical Upgrades	Hickman	1,600,000	0	0	0	1,600,000
WTSP Secondary Electrical Upgrades	Lauderdale	2,700,000	0	0	0	2,700,000
MCCX Perimeter Security Improvements	Morgan	1,500,000	0	0	0	1,500,000
LDSNF Sallyport and Pedestrian Gates Upgrades	Davidson	3,500,000	0	0	0	3,500,000
NWCX Sallyport, Traps, and Locking System Upgrades	Lake	3,000,000	0	0	0	3,000,000
TPW High Mast Lighting Upgrades	Davidson	2,500,000	0	0	0	2,500,000
WTSP Freezer and Cooler Upgrades	Lauderdale	1,000,000	0	0	0	1,000,000
MLTC Food Service Upgrades	Shelby	2,500,000	0	0	0	2,500,000
SCCF Security Electronics Upgrades	Wayne	3,700,000	0	0	0	3,700,000
TCIX Site Improvements	Hickman	3,000,000	0	0	0	3,000,000
High-Security Cells Prototypical Compliance	Statewide	1,000,000	0	0	0	1,000,000
MCCX Vocational Space Upgrades	Morgan	1,000,000	0	0	0	1,000,000
Sub-Total Correction		\$ 46,970,000	\$ 0	\$ 0	\$ 0	\$ 46,970,000
Education						
TSB Water Upgrades	Davidson	\$ 1,160,000	\$ 0	\$ 0	\$ 0	\$ 1,160,000
TSB Roof Replacements	Davidson	550,000	0	0	0	550,000
WTSD Security Doors	Madison	480,000	0	0	0	480,000
Sub-Total Education		\$ 2,190,000	\$ 0	\$ 0	\$ 0	\$ 2,190,000
Environment and Conservation						
Montgomery Bell State Park Woodhaven Dam Phase II	Dickson	\$ 3,620,000	\$ 0	\$ 0	\$ 0	\$ 3,620,000
Booker T. Washington State Park Waterline Replacement	Hamilton	1,970,000	0	0	0	1,970,000
Frozen Head State Park Stonecipher Kelly House Repair	Morgan	1,450,000	0	0	0	1,450,000
Sub-Total Environment and Conservation		\$ 7,040,000	\$ 0	\$ 0	\$ 0	\$ 7,040,000
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	600,000	600,000	0	0	0
Sub-Total General Services		\$ 4,800,000	\$ 4,000,000	\$ 0	\$ 0	\$ 800,000
Historical Commission						
Alex Haley Historic Site Repairs and Lighting Upgrades	Lauderdale	\$ 500,000	\$ 0	\$ 0	\$ 0	\$ 500,000
Tipton-Haynes Historic Site Buildings and Site Repairs	Washington	780,000	0	0	0	780,000
Marble Springs Historic Site Buildings and Site Repairs	Knox	420,000	0	0	0	420,000
Sub-Total Historical Commission		\$ 1,700,000	\$ 0	\$ 0	\$ 0	\$ 1,700,000
Military						
Bristol Readiness Center Re-Roof and Facility Update	Sullivan	\$ 1,330,000	\$ 0	\$ 0	\$ 665,000	\$ 665,000
New Tazewell Readiness Ctr. Re-Roof and Facility Update	Claiborne	760,000	0	0	380,000	380,000
Berry Field Building 721 Re-Roof and Fire Alarm Repair	Davidson	1,800,000	0	0	1,350,000	450,000
Sub-Total Military		\$ 3,890,000	\$ 0	\$ 0	\$ 2,395,000	\$ 1,495,000

**Proposed Capital Maintenance Appropriations
from Bonds, Current Funds, and Other Revenues
Fiscal Year 2018-2019**

	COUNTY	TOTAL	STATE	BONDS	FEDERAL	OTHER
Safety						
Redditt Training Center Re-Roof	Davidson	\$ 1,020,000	\$ 0	\$ 0	\$ 0	\$ 1,020,000
Locally Governed Higher Education Institutions:						
Austin Peay State University						
Kimbrough HVAC Replacement	Montgomery	\$ 2,250,000	\$ 2,250,000	\$ 0	\$ 0	\$ 0
Fire Alarm Replacements	Montgomery	1,420,000	1,420,000	0	0	0
Sub-Total Austin Peay State University		\$ 3,670,000	\$ 3,670,000	\$ 0	\$ 0	\$ 0
East Tennessee State University						
Campus HVAC Upgrades	Washington	\$ 2,740,000	\$ 0	\$ 0	\$ 0	\$ 2,740,000
Clinical Education Building HVAC Repairs	Washington	1,800,000	0	0	0	1,800,000
Campus Water Lines Repair and Replacement Phase I	Washington	1,500,000	0	0	0	1,500,000
Multiple Building Roof Replacements	Washington	1,000,000	0	0	0	1,000,000
Memorial Center Code Corrections	Washington	2,500,000	2,500,000	0	0	0
Sub-Total East Tennessee State University		\$ 9,540,000	\$ 2,500,000	\$ 0	\$ 0	\$ 7,040,000
Middle Tennessee State University						
Data and Communication Centers Building Sys. Updates	Rutherford	\$ 1,212,000	\$ 0	\$ 0	\$ 0	\$ 1,212,000
University Center and Miller Education Center Re-Roof	Rutherford	1,500,000	0	0	0	1,500,000
Steam Lines and Manhole Repair and Repl. Phase II	Rutherford	2,350,000	0	0	0	2,350,000
Water and Sewer System Updates Phase I	Rutherford	1,010,000	1,010,000	0	0	0
Maintenance Complex Re-Roof	Rutherford	1,048,000	1,048,000	0	0	0
Smoke Evacuation Repairs and Retro-Commissioning	Rutherford	500,000	500,000	0	0	0
Elevator Modernization Phase II	Rutherford	550,000	550,000	0	0	0
Sub-Total Middle Tennessee State University		\$ 8,170,000	\$ 3,108,000	\$ 0	\$ 0	\$ 5,062,000
Tennessee State University						
Safety Upgrades and Improvements Phase I	Davidson	\$ 200,000	\$ 0	\$ 0	\$ 0	\$ 200,000
Gentry Center Building Envelope Repairs	Davidson	1,000,000	0	0	0	1,000,000
Floyd Payne Center HVAC Upgrades	Davidson	500,000	0	0	0	500,000
McCord Hall Fire Alarm System Replacement	Davidson	150,000	0	0	0	150,000
Strange Music Building HVAC Upgrades	Davidson	300,000	0	0	0	300,000
Electrical Upgrades Phase I	Davidson	550,000	0	0	0	550,000
Davis Humanities Building Envelope Repairs	Davidson	100,000	0	0	0	100,000
Gentry Center HVAC Upgrades	Davidson	300,000	0	0	0	300,000
Landscape Improvements Phase I	Davidson	200,000	0	0	0	200,000
Floyd Payne Center Colonnade Repair Phase I	Davidson	200,000	0	0	0	200,000
Kean Hall Water Intrusion Mitigation	Davidson	100,000	0	0	0	100,000
Floyd Payne Center Bldg. Envelope and Interior Upgrades	Davidson	500,000	0	0	0	500,000
Multiple Building Utility Metering	Davidson	150,000	150,000	0	0	0
Wellness Center HVAC Upgrades	Davidson	300,000	300,000	0	0	0
Multiple Building Water Isolation Valves	Davidson	500,000	500,000	0	0	0
Harned Hall HVAC Upgrades	Davidson	500,000	500,000	0	0	0
Perimeter Road Design and Construction	Davidson	500,000	500,000	0	0	0
McMinnville Nursery Research Center MPE Upgrades	Warren	150,000	150,000	0	0	0
Sub-Total Tennessee State University		\$ 6,200,000	\$ 2,100,000	\$ 0	\$ 0	\$ 4,100,000
Tennessee Technological University						
Multiple Building Upgrades	Putnam	\$ 6,290,000	\$ 6,290,000	\$ 0	\$ 0	\$ 0
University of Memphis						
Student Recreation Center Re-Roof and Repairs	Shelby	\$ 3,500,000	\$ 0	\$ 0	\$ 0	\$ 3,500,000
Student Recreation Center HVAC and Pool Repairs	Shelby	3,500,000	0	0	0	3,500,000
Campus-Wide Building Envelope Repairs	Shelby	3,500,000	3,500,000	0	0	0
Campus-Wide Boilers and Hot Water Pipes Repair	Shelby	4,510,000	4,510,000	0	0	0
Sub-total University of Memphis		\$ 15,010,000	\$ 8,010,000	\$ 0	\$ 0	\$ 7,000,000
Sub-Total Locally Governed Higher Education Institutions		\$ 48,880,000	\$ 25,678,000	\$ 0	\$ 0	\$ 23,202,000

**Proposed Capital Maintenance Appropriations
from Bonds, Current Funds, and Other Revenues
Fiscal Year 2018-2019**

	COUNTY	TOTAL	STATE	BONDS	FEDERAL	OTHER
Tennessee Board of Regents						
Management Support Services	Statewide	\$ 1,000,000	\$ 1,000,000	\$ 0	\$ 0	\$ 0
TCAT Building Systems Updates Phase II	Statewide	570,000	0	0	0	570,000
CHSCC Advanced Technology Building Re-Roof	Hamilton	680,000	0	0	0	680,000
VSCC Cookeville and Gallatin Roof Repairs	Putnam	1,220,000	0	0	0	1,220,000
NASCC East Davidson Campus Roof Repairs	Davidson	750,000	0	0	0	750,000
TCAT Roof Repairs and Replacements	Statewide	790,000	0	0	0	790,000
DSCC Science Building Interior Updates	Dyer	1,500,000	0	0	0	1,500,000
PSCC HVAC Updates	Knox	850,000	0	0	0	850,000
TCAT MPE and Infrastructure Updates Phase III	Statewide	2,040,000	0	0	0	2,040,000
STCC Macon Campus Plumbing Repairs and Updates	Shelby	1,300,000	1,300,000	0	0	0
JSCC Library HVAC Updates	Madison	770,000	0	0	0	770,000
WSSC Infrastructure Repair Phase I	Hamblen	1,450,000	1,450,000	0	0	0
COSCC Plumbing and Drainage Repairs	Maury	750,000	0	0	0	750,000
NESCC Chiller Replacement	Sullivan	520,000	520,000	0	0	0
MSSC Power Plant Boiler Update	Moore	1,020,000	1,020,000	0	0	0
RSCC Building Envelope Repair	Roane	820,000	820,000	0	0	0
CLSCC Campus Parking and Road Updates	Bradley	1,500,000	1,500,000	0	0	0
CHSCC Lift Station Replacement	Hamilton	390,000	390,000	0	0	0
VSCC Ramer Air Handler Replacement	Sumner	270,000	270,000	0	0	0
PSCC Electrical Updates and Repairs	Knox	500,000	500,000	0	0	0
STCC Union Campus Plumbing Repairs and Updates	Shelby	1,600,000	1,600,000	0	0	0
VSCC Thigpen Chiller Replacement	Sumner	150,000	0	0	0	150,000
RSCC Dunbar Classroom Elevator Replacement	Roane	320,000	320,000	0	0	0
CSCC Exterior Repairs and Updates	Maury	270,000	270,000	0	0	0
TCAT Shelbyville Restroom Renovations	Bedford	120,000	120,000	0	0	0
CHSCC CETAS Building Renovations	Bradley	3,140,000	3,140,000	0	0	0
PSCC ADA Corrections	Knox	500,000	500,000	0	0	0
Sub-Total Tennessee Board of Regents		\$ 24,790,000	\$ 14,720,000	\$ 0	\$ 0	\$ 10,070,000
University of Tennessee						
UTIA College of Vet. Medicine and Cherokee Lab Impvts.	Knox	\$ 6,700,000	\$ 0	\$ 0	\$ 0	\$ 6,700,000
UTK Roof Replacements	Knox	5,800,000	5,800,000	0	0	0
UTHSC Security Upgrades Phase III	Shelby	10,000,000	10,000,000	0	0	0
UTC Hunter Hall Improvements	Hamilton	13,000,000	13,000,000	0	0	0
UTM Hall-Moody Building Systems and Chiller Upgrade	Weakley	10,560,000	10,560,000	0	0	0
UTIA 4-H Center Building Improvements	Cumberland	1,420,000	1,420,000	0	0	0
Sub-Total University of Tennessee		\$ 47,480,000	\$ 40,780,000	\$ 0	\$ 0	\$ 6,700,000
Grand Total		\$ 192,430,000	\$ 85,178,000	\$ 0	\$ 2,395,000	\$ 104,857,000
Sub-Total Higher Education		\$ 121,150,000	\$ 81,178,000	\$ 0	\$ 0	\$ 39,972,000
Sub-Total Other		\$ 71,280,000	\$ 4,000,000	\$ 0	\$ 2,395,000	\$ 64,885,000

Proposed Capital Projects from School Bonds and Other Sources Fiscal Year 2018-2019

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, depending 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
Locally Governed Institutions				
Austin Peay State University				
Softball Field Improvements	\$ 100,000	\$ 0	\$ 100,000	\$ 0
East Tennessee State University				
Warf-Pickel Area Renovations	\$ 225,000	\$ 0	\$ 225,000	\$ 0
Outdoor Track and Field Facility	7,500,000	0	500,000	7,000,000
Niswonger Village at Eastman Valleybrook Campus	300,000	0	0	300,000
Total East Tennessee State University	\$ 8,025,000	\$ 0	\$ 725,000	\$ 7,300,000
Tennessee Technological University				
International House	\$ 730,000	\$ 0	\$ 0	\$ 730,000
University of Memphis				
Park Ave Housing - Additional Beds	\$ 18,000,000	\$ 0	\$ 18,000,000	\$ 0
Parking Garage North	11,250,000	11,250,000	0	0
Total University of Memphis	\$ 29,250,000	\$ 11,250,000	\$ 18,000,000	\$ 0
Total Locally Governed Institutions	\$ 38,105,000	\$ 11,250,000	\$ 18,825,000	\$ 8,030,000
Tennessee Board of Regents				
Pellissippi State Community College				
Blount College Greenhouse	\$ 90,000	\$ 0	\$ 0	\$ 90,000
Strawberry Plains Roof Replacement	2,900,000	0	2,900,000	0
Total Pellissippi State Community College	\$ 2,990,000	\$ 0	\$ 2,900,000	\$ 90,000
Volunteer State Community College				
Wood Building Dining and Kitchen Remodel	\$ 960,000	\$ 0	\$ 960,000	\$ 0
Walters State Community College				
Baking Kitchen Relocation	\$ 500,000	\$ 0	\$ 0	\$ 500,000
Total Tennessee Board of Regents	\$ 4,450,000	\$ 0	\$ 3,860,000	\$ 590,000
University of Tennessee System				
University of Tennessee Chattanooga				
Boling Roof Replacement	\$ 470,000	\$ 0	\$ 470,000	\$ 0
Mapp Bldg. Manufacturing Lab and Entrepreneurial Center	1,290,000	0	1,290,000	0
Total University of Tennessee Chattanooga	\$ 1,760,000	\$ 0	\$ 1,760,000	\$ 0
University of Tennessee Knoxville				
Andy Holt Tower Upgrades	\$ 5,000,000	\$ 0	\$ 5,000,000	\$ 0
Boathouse Deck Expansion	1,000,000	0	1,000,000	0
Indoor Tennis Center Improvements	3,500,000	0	0	3,500,000
Neyland Stadium Improvements (18-19)	5,000,000	0	5,000,000	0
Neyland-Thompson Sports Center Enhancements	3,000,000	0	0	3,000,000
Student Recreational Facilities Improvements	15,000,000	0	15,000,000	0
Total University of Tennessee Knoxville	\$ 32,500,000	\$ 0	\$ 26,000,000	\$ 6,500,000

**Proposed Capital Projects from School Bonds and Other Sources
Fiscal Year 2018-2019**

	<u>TOTAL</u>	<u>TSSBA</u>	<u>INSTITUTIONAL/ AUXILIARY</u>	<u>OTHER</u>
UT Health Science Center				
Bioworks Acquisition	\$ 25,010,000	\$ 25,010,000	\$ 0	\$ 0
UT Institute of Agriculture				
Lone Oaks 4-H Center Cabins	\$ 6,900,000	\$ 0	\$ 6,900,000	\$ 0
Lone Oaks 4-H Center Dining Hall	<u>3,350,000</u>	<u>0</u>	<u>3,350,000</u>	<u>0</u>
Total UT Institute of Agriculture	<u>\$ 10,250,000</u>	<u>\$ 0</u>	<u>\$ 10,250,000</u>	<u>\$ 0</u>
University of Tennessee Martin				
Elam Center Arena Lighting Upgrade	\$ 760,000	\$ 0	\$ 760,000	\$ 0
Total University of Tennessee	<u>\$ 70,280,000</u>	<u>\$ 25,010,000</u>	<u>\$ 38,770,000</u>	<u>\$ 6,500,000</u>
Grand Total	<u>\$ 112,835,000</u>	<u>\$ 36,260,000</u>	<u>\$ 61,455,000</u>	<u>\$ 15,120,000</u>

**Capital Outlay Project Descriptions
Fiscal Year 2018-2019**

	Total Project Cost
Agriculture	
Objective: Promote efficient use of agricultural resources.	
Chuck Swan State Forest Work Center	\$ 1,750,000
Funds are provided for construction of an operations building and a shop area for equipment maintenance, storage, and emergency management personnel staging. Funds also support site development and building demolition.	
Natchez Trace State Forest Work Center	1,710,000
Funds are provided for construction of an operations building.	
Sub-Total Agriculture	\$ 3,460,000
Children's Services	
Objective: Provide safe and secure surroundings for youth development residents.	
Maintenance	\$ 750,000
Funds to repair, maintain, and update facilities. See Capital Maintenance Project Descriptions for additional details.	
Commerce and Insurance	
Objective: Provide training to emergency personnel.	
Maintenance	\$ 2,920,000
Funds to repair, maintain, and update facilities. See Capital Maintenance Project Descriptions for additional details.	
Correction	
Objective: Provide safe and secure facilities to house inmates.	
Maintenance	\$ 46,970,000
Funds to repair, maintain, and update facilities. See Capital Maintenance Project Descriptions for additional details.	
Economic and Community Development	
Objective: Pursue strategies for business and job growth.	
Memphis Regional Megasite Wastewater Improvements	\$ 30,708,000
Funds are provided for wastewater improvements and all related work.	
Education	
Objective: Provide a safe and secure environment for learning.	
Maintenance	\$ 2,190,000
Funds to repair, maintain, and update facilities. See Capital Maintenance Project Descriptions for additional details.	
Environment and Conservation	
Objective: Increase visitation to the state's parks and historic areas.	
Maintenance	\$ 7,040,000
Funds to repair, maintain, and update facilities. See Capital Maintenance Project Descriptions for additional details.	

**Capital Outlay Project Descriptions
Fiscal Year 2018-2019**

	Total Project Cost
General Services	
Objective: Maintain, repair, and update general government facilities.	
Maintenance	\$ 4,800,000
Funds to repair, maintain, and update general government facilities. See Capital Maintenance Project Descriptions for additional details.	
Emergency and Contingency Funds	5,000,000
Funds to handle unforeseen and emergency situations that arise during the fiscal year.	
Sub-Total General Services	\$ 9,800,000
Historical Commission	
Objective: Protect, preserve, interpret, operate, maintain, and administer state historic sites.	
Maintenance	\$ 1,700,000
Funds to repair, maintain, and update facilities. See Capital Maintenance Project Descriptions for additional details.	
Military	
Objective: Expand and renovate military facilities.	
Maintenance	\$ 3,890,000
Funds to repair, maintain, and update facilities. See Capital Maintenance Project Descriptions for additional details.	
New McMinnville National Guard Readiness Center	910,000
Funds are provided for design services for construction of a new Readiness Center.	
Sub-Total Military	\$ 4,800,000
Safety	
Objective: Protect, serve, and secure the people of Tennessee.	
Maintenance	\$ 1,020,000
Funds to repair, maintain, and update facilities. See Capital Maintenance Project Descriptions for additional details.	
TRICOR	
Objective: Prepare offenders for success after release.	
Headquarters Complex Warehouse and Manufacturing Facility	\$ 1,200,000
Funds are provided for construction of a warehouse and manufacturing facility for production of license plates.	
Bledsoe County Correctional Complex Loafing Barn	\$ 750,000
Funds are provided for construction of a loafing barn to support dairy operations.	
Sub-Total TRICOR	\$ 1,950,000

**Capital Outlay Project Descriptions
Fiscal Year 2018-2019**

	Total Project Cost
Tourist Development	
Objective: Increase the economic impact of tourism.	
Tennessee Music Pathway Phase II	\$ 1,500,000
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 Services	
Objective: Expand and renovate state veteran cemetery facilities.	
East TN State Veterans Cemetery Fuel Dispensing Station	\$ 100,000
Funds are provided for installation of above ground fuel tanks including construction of a containment area, drives, and sidewalks.	
Locally Governed Higher Education Institutions	
Objective: Expand and enhance facilities for student and faculty needs.	
Austin Peay State University Maintenance	\$ 3,670,000
Funds to repair, maintain, and update campus facilities. See Capital Maintenance Project Descriptions for additional details.	
East Tennessee State University Maintenance	\$ 9,540,000
Funds to repair, maintain, and update campus facilities. See Capital Maintenance Project Descriptions for additional details.	
Middle Tennessee State University Maintenance	\$ 8,170,000
Funds to repair, maintain, and update campus facilities. See Capital Maintenance Project Descriptions for additional details.	
Academic Classroom Building	38,000,000
Funds are provided for construction of a building for the College of Behavioral and Health Sciences. Project includes all related work.	
Sub-Total Middle Tennessee State University	\$ 46,170,000
Tennessee State University Maintenance	\$ 6,200,000
Funds to repair, maintain, and update campus facilities. See Capital Maintenance Project Descriptions for additional details.	
Tennessee Technological University Maintenance	\$ 6,290,000
Funds to repair, maintain, and update campus facilities. See Capital Maintenance Project Descriptions for additional details.	
University of Memphis Maintenance	\$ 15,010,000
Funds to repair, maintain, and update campus facilities. See Capital Maintenance Project Descriptions for additional details.	
Sub-Total Locally Governed Higher Education Institutions	\$ 86,880,000

**Capital Outlay Project Descriptions
Fiscal Year 2018-2019**

	Total Project Cost
Tennessee Board of Regents	
Objective: Expand and enhance facilities for student and faculty needs.	
Maintenance	\$ 24,790,000
Funds to repair, maintain, and update higher education institution facilities statewide. See Capital Maintenance Project Descriptions for additional details.	
CLSCC Campus Revitalization	25,000,000
Funds are provided for construction of a general classroom building with laboratories and renovation of the Humanities building.	
TCAT Improvements Phase III	16,762,000
Funds are provided for expansion and improvements of TCATs statewide including minor enhancements in accordance with the TCAT master plan.	
TBR And LGI Campus Security Recommendations	2,000,000
Funds are provided for security upgrades to multiple campuses statewide.	
Sub-Total Tennessee Board of Regents	\$ 68,552,000
University of Tennessee	
Objective: Expand and enhance facilities for students and faculty needs.	
Maintenance	\$ 47,480,000
Funds to repair, maintain, and update higher education institution facilities statewide. See Capital Maintenance Project Descriptions for additional details.	
UTIA Energy and Environmental Science Preplanning	4,000,000
Funds are provided for preplanning to construct an energy and environmental sciences building and the demolition of the current plant sciences building.	
UTIA Veterinary Medical Center Teaching and Learning Center	9,000,000
Funds are provided for construction of additional academic, administrative, and student spaces and the renovation of existing space at the Veterinary Medical Hospital. Project includes construction of an exterior plaza and improvements to a corridor to the existing library.	
Sub-Total University of Tennessee	\$ 60,480,000
Grand Total	\$ 330,820,000

**Capital Maintenance Project Descriptions
Fiscal Year 2018-2019**

		Total Project Cost
Children's Services		
YDC Pavement Refurbishment and Replacement	\$	750,000
Funds are provided for repair and replacement of parking lots, driveway pavement, and curbs at youth development centers statewide. Project includes all related work.		
Commerce and Insurance		
TN Fire Academy HVAC and BAS Replacement	\$	2,920,000
Funds are provided for replacement of the HVAC and building automation systems in multiple buildings and all related work.		
Correction		
Statewide Arc Flash Repairs	\$	1,000,000
Funds are provided for identification and correction of arc flash in facilities statewide and all related work. Project includes training for employees on access and maintenance of the systems.		
SCCF Life Safety Systems Upgrades		2,500,000
Funds are provided for upgrade of the fire alarm, smoke evacuation, and building automation systems. Project includes all related work.		
WTSP Life Safety Systems Upgrades		4,470,000
Funds are provided for upgrade of the fire alarm, building automation, and smoke evacuation systems. Project includes all related work.		
TPW HVAC, BAS, and Smoke Evacuation Replacement		2,500,000
Funds are provided for replacement or upgrade of the HVAC, building automation, smoke evacuation, and fire alarm systems. Project includes all related work.		
NWCX HVAC, BAS, and Smoke Evacuation Replacement		3,500,000
Funds are provided for replacement or upgrades of the HVAC, building automation, smoke evacuation, and fire alarm systems. Project includes all related work.		
Statewide Detention Hardware Upgrades		6,000,000
Funds are provided for replacement of locking devices and all related work at institutions statewide.		
TCIX Secondary Electrical Upgrades		1,600,000
Funds are provided for repair or replacement of secondary electrical systems and all related work.		
WTSP Secondary Electrical Upgrades		2,700,000
Funds are provided for repair or replacement of secondary electrical systems and all related work.		
MCCX Perimeter Security Improvements		1,500,000
Funds are provided for installation of a new perimeter security system and supporting electrical equipment. Project includes all related work.		
LDNSF Sallyport and Pedestrian Gates Upgrades		3,500,000
Funds are provided for reconfiguration of a vehicle sallyport and to update or replace multiple sallyport buildings, gates, gate mechanisms, and all related work. Funds also support security systems upgrades and replacement of paving asphalt.		
NWCX Sallyport, Traps, and Locking System Upgrades		3,000,000
Funds are provided for reconfiguration of a vehicle sallyport and to update or replace multiple sallyport buildings, gates, gate mechanisms, and all related work. Funds also support security systems upgrades and replacement of paving asphalt.		

**Capital Maintenance Project Descriptions
Fiscal Year 2018-2019**

	Total Project Cost
TPW High Mast Lighting Upgrades 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.	\$ 2,500,000
WTSP Freezer and Cooler Upgrades Funds are provided for repair of existing coolers and freezer housings and to replace compressors and evaporators with energy efficient units. Project includes all related work.	1,000,000
MLTC Food Service Upgrades Funds are provided for renovation of the kitchen and support areas. Project includes all related work.	2,500,000
SCCF Security Electronics Upgrades Funds are provided for upgrades to the electronic security and electronic lock systems. Project includes installation of fiber optic cabling, upgrades to multiple electronic components, and all related work.	3,700,000
TCIX Site Improvements Funds are provided for mitigation of ponding water and soil erosion. Project includes site grading at the perimeter fence and all related work.	3,000,000
High-Security Cells Prototypical Compliance Funds are provided for fabrication and installation of metal tray passes on maximum security offender cell doors and all related work.	1,000,000
MCCX Vocational Space Upgrades Funds are provided for installation of a dust collection system, a fume exhaust system, exhaust fans, and duct insulation. Project includes all related work.	1,000,000
Sub-Total Correction	\$ 46,970,000
Education	
TSB Water Upgrades Funds are provided for campus-wide replacement of water lines and all related work.	\$ 1,160,000
TSB Roof Replacements Funds are provided for replacement of the roof systems on Building 11 and Building 14 and all related work. Project includes the addition of a roof access ladder on Building 11 and sealing of brick on the elevator shaft of Building 14.	550,000
WTSD Security Doors Funds are provided for campus-wide replacement of doors, frames, masonry openings, and all related work.	480,000
Sub-Total Education	\$ 2,190,000
Environment and Conservation	
Montgomery Bell State Park Woodhaven Dam Phase II Funds are provided for removal and reconstruction of the dam's weir and all related work. Project includes grouting of leaks and reconstruction and repair of one access road.	\$ 3,620,000
Booker T. Washington State Park Waterline Replacement Funds are provided for replacement of water pipes and all related work.	1,970,000

**Capital Maintenance Project Descriptions
Fiscal Year 2018-2019**

	Total Project Cost
<p>Frozen Head State Park Stonecipher Kelly House Repair Funds are provided for restoration of the Stonecipher Kelly House. Project includes interior and exterior restoration, landscaping, site improvements, and all related work.</p>	\$ 1,450,000
Sub-Total Environment and Conservation	\$ 7,040,000
General Services	
<p>ADA Compliance Capital maintenance activities, including facility assessments, associated with compliance with the Americans with Disabilities Act and other disabilities-related issues.</p>	\$ 800,000
<p>Management Support Services This project provides funding for consultant services regarding support for state construction-related activities.</p>	1,000,000
<p>Environmental Consultants This project provides environmental services expertise in mold identification and removal, asbestos identification and abatement, and other assistance to the State of Tennessee Real Estate Asset Management division of General Services.</p>	1,000,000
<p>State Owned Buildings OSHA Compliance Provide inspection and training services to building employees to insure compliance with OSHA directives.</p>	800,000
<p>TPAC Annual Maintenance Grant Grant to provide state maintenance assistance for the Tennessee Performing Arts Center.</p>	300,000
<p>National Civil Rights Museum Maintenance Grant Grant to provide maintenance support to the National Civil Rights Museum in Memphis.</p>	300,000
<p>Watkins College of Art Maintenance Grant Grant to provide state maintenance assistance for the Watkins College of Art in Nashville.</p>	600,000
Sub-Total General Services	\$ 4,800,000
Historical Commission	
<p>Alex Haley Historic Site Repairs and Lighting Upgrades Funds are provided for exterior repairs on the historic home and interpretative center. Funds also support general site repairs, reclamation of creek banks, and all related work.</p>	\$ 500,000
<p>Tipton-Haynes Historic Site Buildings and Site Repairs Funds are provided for exterior and electrical repairs to multiple site buildings. Funds also support painting, exhibit lighting upgrades, site repairs, security lighting upgrades, and all related work.</p>	780,000
<p>Marble Springs Historic Site Buildings and Site Repairs Funds are provided for exterior repairs to multiple buildings and general site repairs including driveway replacement, rain run-off mitigation, site grading, and all related work.</p>	420,000
Sub-Total Historical Commission	\$ 1,700,000
Military	
<p>Bristol Readiness Center Re-Roof and Facility Update Funds are provided for replacement of the roof system, multiple exterior and interior facility repairs, site grading and drainage improvements, and all related work.</p>	\$ 1,330,000

**Capital Maintenance Project Descriptions
Fiscal Year 2018-2019**

	<u>Total Project Cost</u>
New Tazewell Readiness Center Re-Roof and Facility Update Funds are provided for replacement of the roof system, multiple exterior and interior facility updates, site grading and drainage improvements, and all related work.	\$ 760,000
Berry Field Building 721 Re-Roof and Fire Alarm Repair Funds are provided for replacement of the roof system. Funds also support masonry repairs, interior finish upgrades, repair of the fire suppression and fire alarm systems, and all related work.	1,800,000
Sub-Total Military	<u>\$ 3,890,000</u>
Safety	
Redditt Training Center Re-Roof Funds are provided for replacement of the roof system, insulation, and all related work.	\$ 1,020,000
Locally Governed Higher Education Institutions:	
Austin Peay State University	
Kimbrough HVAC Replacement Funds are provided for replacement of the HVAC system, noise insulation, and all related work.	\$ 2,250,000
Fire Alarm Replacements Funds are provided for replacement of the fire alarm systems in three buildings and all related work.	1,420,000
Sub-Total Austin Peay State University	<u>\$ 3,670,000</u>
East Tennessee State University	
Campus HVAC Upgrades Funds are provided for repair and upgrade of the HVAC system in multiple buildings campus-wide and all related work. Project includes replacement of two water heaters.	\$ 2,740,000
Clinical Education Building HVAC Repairs Funds are provided for replacement of the HVAC system, controls, and all related work.	1,800,000
Campus Water Lines Repair and Replacement Phase I Funds are provided for repair and replacement of underground water lines, valves, and all related work.	1,500,000
Multiple Building Roof Replacements Funds are provided for replacement of roof systems campus-wide and all related work.	1,000,000
Memorial Center Code Corrections Funds are provided for updates to seating areas, handrails, risers, stair treads, and to perform other code repairs. Project includes all related work.	2,500,000
Sub-Total East Tennessee State University	<u>\$ 9,540,000</u>
Middle Tennessee State University	
Data and Communication Centers Building Systems Updates Funds are provided for replacement of the HVAC and electrical systems in multiple buildings and all related work.	\$ 1,212,000

**Capital Maintenance Project Descriptions
Fiscal Year 2018-2019**

	Total Project Cost
<p>University Center and Miller Education Center Re-Roof Funds are provided for replacement of roof systems and all related work.</p>	\$ 1,500,000
<p>Steam Lines and Manhole Repair and Replacement Phase II Funds are provided for updates to steam lines and manholes campus-wide and all related work.</p>	2,350,000
<p>Water and Sewer System Updates Phase I Funds are provided for repair and replacement of sewer and water lines campus-wide and all related work.</p>	1,010,000
<p>Maintenance Complex Re-Roof Funds are provided for replacement of the roof system of several maintenance complex buildings, a greenhouse, and all related work.</p>	1,048,000
<p>Smoke Evacuation Repairs and Retro-Commissioning Funds are provided for repair and retro-commissioning of smoke evacuation systems campus-wide and all related work.</p>	500,000
<p>Elevator Modernization Phase II Funds are provided for upgrade of elevators in multiple buildings campus-wide and all related work.</p>	550,000
<p>Sub-Total Middle Tennessee State University</p>	\$ 8,170,000
 Tennessee State University	
<p>Safety Upgrades and Improvements Phase I Funds are provided for multiple security upgrades campus-wide and all related work. Project includes lighting, access control, confined space and high bay safeguards, and other security improvements.</p>	\$ 200,000
<p>Gentry Center Building Envelope Repair Funds are provided for replacement of the Cal-Wall system and all related work. Project includes related roof, structural, and glazing interface.</p>	1,000,000
<p>Floyd Payne Center HVAC Upgrades Funds are provided for repair, upgrade, and recommissioning of the HVAC system. Project includes all related work.</p>	500,000
<p>McCord Hall Fire Alarm System Replacement Funds are provided for replacement of the fire alarm system and all related work.</p>	150,000
<p>Strange Music Building HVAC Upgrades Funds are provided for repair, upgrade, and recommissioning of the HVAC system. Project includes all related work.</p>	300,000
<p>Electrical Upgrades Phase I Funds are provided for improvements of building electrical systems campus-wide and all related work.</p>	550,000
<p>Davis Humanities Building Envelope Repairs Funds are provided for repair of doors, windows, masonry, and all related work. Project includes weatherproofing and energy conservation updates.</p>	100,000
<p>Gentry Center HVAC Upgrades Funds are provided for repair and updates of the HVAC system and all related work.</p>	300,000

**Capital Maintenance Project Descriptions
Fiscal Year 2018-2019**

	<u>Total Project Cost</u>
<p>Landscape Improvements Phase I Funds are provided for creation and implementation of a landscape plan to improve security and aesthetics. Project includes all related work.</p>	\$ 200,000
<p>Floyd Payne Center Colonnade Repair Phase I Funds are provided for mitigation of subgrade settling of soil and to repair sidewalks, facade, and trim. Project includes all related work.</p>	200,000
<p>Kean Hall Water Intrusion Mitigation Funds are provided for repair of the building foundation and roof system and to perform site drainage improvements. Project includes all related work.</p>	100,000
<p>Floyd Payne Center Building Envelope and Interior Upgrade Funds are provided for repair or update of exterior masonry, doors, and windows and related building envelope upgrades. Funds also support upgrades to the building interior for finishes, surfaces, and related work.</p>	500,000
<p>Multiple Building Utility Metering Funds are provided for upgrades to utility meters for electrical, steam, water, and other metered utilities campus-wide. Project includes all related work.</p>	150,000
<p>Wellness Center HVAC Upgrades Funds are provided for repair, upgrade, and recommissioning of the HVAC system. Project includes all related work.</p>	300,000
<p>Multiple Building Water Isolation Valves Funds are provided for updates and repair of building and floor water isolation valves campus-wide. Project includes all related work.</p>	500,000
<p>Harned Hall HVAC Upgrades Funds are provided for repair, upgrade, and recommissioning of the HVAC system. Project includes all related work.</p>	500,000
<p>Perimeter Road Design and Construction Funds are provided for design and construction of an internal campus perimeter road to improve security and utility. Project includes all related work.</p>	500,000
<p>McMinnville Nursery Research Center MPE Upgrades Funds are provided for updates to mechanical, plumbing, electrical systems, and all related work. Funds also support updates to specialized laboratory and greenhouse systems.</p>	150,000
<p>Sub-Total Tennessee State University</p>	\$ 6,200,000
Tennessee Technological University	
<p>Multiple Building Upgrades Funds are provided for updates to multiple buildings' systems and furniture, fixtures, and equipment in accordance with the campus master plan. Project includes all related work.</p>	\$ 6,290,000
University of Memphis	
<p>Student Recreation Center Re-Roof and Repairs Funds are provided for replacement of the roof system and to make multiple interior repairs to building systems and finishes. Project includes all related work.</p>	\$ 3,500,000
<p>Student Recreation Center HVAC and Pool Repairs Funds are provided for replacement of the HVAC system. Funds also support multiple interior repairs including electrical systems, water filtration systems, pool decking, and lighting. Project includes all related work.</p>	3,500,000

**Capital Maintenance Project Descriptions
Fiscal Year 2018-2019**

	Total Project Cost
Campus-Wide Building Envelope Repairs Funds are provided for repair of windows, doors, masonry, and other related repairs campus-wide. Project includes all related work.	\$ 3,500,000
Campus-Wide Boilers and Hot Water Pipes Repair Funds are provided for repair and update of building heating systems campus-wide and all related work.	4,510,000
Sub-Total University of Memphis	\$ 15,010,000
Sub-Total Locally Governed Higher Education Institutions	\$ 48,880,000
Tennessee Board of Regents	
Management Support Services Funds are provided for the support of management functions of the central office.	\$ 1,000,000
TCAT Building Systems Updates Phase II Funds are provided for updates to building systems, interior and exterior doors and door hardware, exterior lighting, security systems, and all related work.	570,000
CHSCC Advanced Technology Building Re-Roof Funds are provided for replacement of the roof system and all related work.	680,000
VSCC Cookeville and Gallatin Roof Repairs Funds are provided for repairs and replacement of multiple roof systems and all related work.	1,220,000
NASCC East Davidson Campus Roof Repairs Funds are provided for repairs and replacement of multiple roof systems and all related work.	750,000
TCAT Roof Repairs and Replacements Funds are provided for repairs and replacement of roof systems statewide and all related work.	790,000
DSCC Science Building Interior Updates Funds are provided for upgrades to biology and physics classrooms, laboratory space, and all related work. Project includes life safety upgrades and replacement of walls, ceilings, and flooring.	1,500,000
PSCC HVAC Updates Funds are provided for updates to cooling towers, HVAC, and control systems at various buildings on campus. Project includes electrical switchgear, duct cleaning, and other related work.	850,000
TCAT MPE and Infrastructure Updates Phase III Funds are provided for updates to mechanical, plumbing, electrical, and control systems, and all related work at TCAT locations statewide.	2,040,000
STCC Macon Campus Plumbing Repairs and Updates Funds are provided for updates and repairs to plumbing supply lines or other related equipment in multiple buildings and food service areas. Project includes aesthetic updates and ADA compliance improvements and all related work.	1,300,000
JSCC Library HVAC Update Funds are provided for replacement of the HVAC system, controls, and all related work.	770,000

**Capital Maintenance Project Descriptions
Fiscal Year 2018-2019**

	Total Project Cost
WSCC Infrastructure Repair Phase I Funds are provided for repair and replacement of fiber optic infrastructure, storm sewer system, and all related work. Project includes removal of tennis courts and new paving and landscaping.	\$ 1,450,000
COSCC Plumbing and Drainage Repairs Funds are provided for updating and repair of pipes, plumbing, and electrical systems. Project includes all related work.	750,000
NESCC Chiller Replacement Funds are provided for replacement of two chillers at the Central Energy Plant. Project includes all related work.	520,000
MSCC Power Plant Boiler Update Funds are provided for replacement of boiler systems, updates to hot water pipes, and all related work.	1,020,000
RSCC Building Envelope Repair Funds are provided for repair of multiple building envelopes campus-wide. Project includes sealing, caulking, damage repair, cleaning, and all related work.	820,000
CLSCC Campus Parking and Road Updates Funds are provided for updates and expansion of parking areas, loop road, and all related work.	1,500,000
CHSCC Lift Station Replacement Funds are provided for replacement of a lift station and all related work.	390,000
VSCC Ramer Air Handler Replacement Funds are provided for replacement of three air handlers and all related work.	270,000
PSCC Electrical Upgrades and Repairs Funds are provided for replacement and repair of electrical systems and controls campus-wide. Project includes all related work.	500,000
STCC Union Campus Plumbing Repairs and Updates Funds are provided for replacement of plumbing systems in restrooms and serving areas campus-wide. Project includes all related work.	1,600,000
VSCC Thigpen Chiller Replacement Funds are provided for replacement of the chiller, controls, piping, and all related work.	150,000
RSCC Dunbar Classroom Elevator Replacement Funds are provided for relocation and replacement of an elevator. Project includes ADA compliance upgrades and all related work.	320,000
CSCC Exterior Repairs and Updates Funds are provided for repair of brick, caulking, door and window replacement, and cleaning and sealing of multiple buildings. Project includes all related work.	270,000
TCAT Shelbyville Restroom Renovations Funds are provided for renovation of restrooms in multiple buildings campus-wide and all related work.	120,000
CHSCC CETAS Building Renovations Funds are provided for interior and exterior renovations and all related work.	3,140,000

**Capital Maintenance Project Descriptions
Fiscal Year 2018-2019**

	Total Project Cost
PSCC ADA Corrections Funds are provided for multiple ADA updates campus-wide and all related work.	\$ 500,000
Sub-Total Tennessee Board of Regents	\$ 24,790,000
University of Tennessee	
UTIA College of Veterinary Medicine and Cherokee Lab Improvements Funds are provided for replacement of various mechanical systems, laboratory equipment, and all related work. Project includes window and skylight replacement.	\$ 6,700,000
UTK Roof Replacements Funds are provided for replacement of the roof system on multiple buildings campus-wide and all related work.	5,800,000
UTHSC Security Upgrades Phase III Funds are provided for updates to building security systems and related IT infrastructure at multiple buildings campus-wide and all related work.	10,000,000
UTC Hunter Hall Improvements Funds are provided for upgrades to building infrastructure, building systems, and ADA compliance updates. Project includes upgrades to electrical, data/telecom, HVAC, plumbing, and all related work.	13,000,000
UTM Hall-Moody Building Systems and Chiller Upgrade Funds are provided for replacement of various building systems' components, repurposing an attic for mechanical system use, and upgrades to building finishes. Project includes all related work.	10,560,000
UTIA 4-H Center Building Improvements Funds are provided for replacement or update of multiple building envelope systems including roofs, windows, and exterior cladding. Project includes all related work.	1,420,000
Sub-Total University of Tennessee	\$ 47,480,000
Grand Total Capital Maintenance	\$ 192,430,000

**Projected First-Year Operating Costs for New Facilities
Recommended as Projects for Fiscal Year 2018-2019**

	<u>COUNTY</u>	<u>TOTAL</u>	<u>UTILITIES</u>	<u>MAINTENANCE</u>	<u>PROGRAM*</u>	<u>ADDITIONAL PERSONNEL</u>
Military						
New McMinnville National Guard Readiness Center	Warren	\$ 50,000	\$ 50,000	\$ 0	\$ 0	0
Middle Tennessee State University						
Academic Classroom Building	Rutherford	\$ 6,406,100	\$ 200,600	\$ 0	\$ 6,205,500	112
Tennessee Board of Regents						
CLSCC Campus Revitalization	Bradley	\$ 2,558,600	\$ 203,400	\$ 355,200	\$ 2,000,000	0
University of Tennessee						
UTIA Vet. Medical Center Teaching Center	Knox	\$ 211,600	\$ 87,100	\$ 124,500	\$ 0	0
Grand Total		<u>\$ 9,226,300</u>	<u>\$ 541,100</u>	<u>\$ 479,700</u>	<u>\$ 8,205,500</u>	<u>112</u>

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

Capital Budget

Commonly Used Abbreviations

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

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</u> <u>2016-2017</u>	<u>Estimated</u> <u>2017-2018</u>	<u>Base</u> <u>2018-2019</u>	<u>Cost Increase</u> <u>2018-2019</u>	<u>Recommended</u> <u>2018-2019</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	53,774,200	53,050,800	58,497,400	3,753,800	62,251,200
Total	\$53,774,200	\$53,050,800	\$58,497,400	\$3,753,800	\$62,251,200
State	7,517,200	7,518,000	7,518,000	0	7,518,000
Federal	0	0	0	0	0
Other	46,257,000	45,532,800	50,979,400	3,753,800	54,733,200

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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
Payroll	0	0	0	0	0
Operational	1,865,100	2,640,500	2,640,500	0	2,640,500
Total	\$1,865,100	\$2,640,500	\$2,640,500	\$0	\$2,640,500
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,865,100	2,640,500	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	55,207,000	52,851,600	57,907,100	2,491,600	60,398,700
Total	\$55,207,000	\$52,851,600	\$57,907,100	\$2,491,600	\$60,398,700
State	0	5,547,600	5,547,600	0	5,547,600
Federal	0	0	0	0	0
Other	55,207,000	47,304,000	52,359,500	2,491,600	54,851,100

501.04 FRF Capital Projects

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

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	91,856,900	148,370,000	0	24,195,000	24,195,000
Total	\$91,856,900	\$148,370,000	\$0	\$24,195,000	\$24,195,000
State	88,356,900	128,690,000	0	3,270,000	3,270,000
Federal	0	0	0	0	0
Other	3,500,000	19,680,000	0	20,925,000	20,925,000

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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
Payroll	0	0	0	0	0
Operational	22,865,600	23,900,000	23,900,000	0	23,900,000
Total	\$22,865,600	\$23,900,000	\$23,900,000	\$0	\$23,900,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	22,865,600	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	225,568,800	280,812,900	142,945,000	30,440,400	173,385,400
Total	\$225,568,800	\$280,812,900	\$142,945,000	\$30,440,400	\$173,385,400
State	95,874,100	141,755,600	13,065,600	3,270,000	16,335,600
Federal	0	0	0	0	0
Other	129,694,700	139,057,300	129,879,400	27,170,400	157,049,800

**Facilities Revolving Fund (FRF)
Proposed Capital Appropriations
From Bonds, General Fund, and FRF Current Funds
Fiscal Year 2018-2019**

	COUNTY	TOTAL	GENERAL FUND CURRENT	BONDS	RESIDUAL MAINTENANCE	OTHER
Capital Improvements:						
Library and Archives Building	Davidson	\$ 62,587,000	\$ 0	\$ 57,587,000	\$ 0	\$ 5,000,000
TennCare Building Purchase	Davidson	30,140,000	0	30,140,000	0	0
Sub-Total Capital Improvements		\$ 92,727,000	\$ 0	\$ 87,727,000	\$ 0	\$ 5,000,000
Capital Maintenance:						
TN Tower Life Safety Systems Upgrades	Davidson	\$ 3,890,000	\$ 0	\$ 0	\$ 0	\$ 3,890,000
RS Gass State Laboratory Cabling Upgrades	Davidson	230,000	0	0	0	230,000
RS Gass State Laboratory ADA Upgrades	Davidson	1,050,000	0	0	0	1,050,000
220 French Landing HVAC Upgrades and Life Safety Impvts.	Davidson	2,010,000	0	0	0	2,010,000
Crockett and Johnson Bldgs. Glazing Restoration	Davidson	2,200,000	0	0	0	2,200,000
RS Gass State Laboratory Elevator Modernization	Davidson	1,040,000	0	0	0	1,040,000
West TN Regional Health Office Air Handler Replacement	Madison	620,000	0	0	0	620,000
TN Tower Floor Drains and Plumbing Upgrades	Davidson	1,330,000	0	0	1,330,000	0
Andrew Jackson Building Elevator Replacement	Davidson	3,270,000	3,270,000	0	0	0
TBI Headquarters Safety Anchors	Davidson	450,000	0	0	450,000	0
LED Lighting and Controls Upgrades	Statewide	6,040,000	0	0	1,155,000	4,885,000
Ellington Agricultural Ctr. Paving and Parking Upgrades Ph. I	Davidson	740,000	0	0	740,000	0
Ellington Agricultural Ctr. Bruer Bldg. Roof and Window Repl.	Davidson	220,000	0	0	220,000	0
Sub-Total Capital Maintenance		\$ 23,090,000	\$ 3,270,000	\$ 0	\$ 3,895,000	\$ 15,925,000
Grand Total		\$ 115,817,000	\$ 3,270,000	\$ 87,727,000	\$ 3,895,000	\$ 20,925,000

**Proposed Facilities Revolving Fund Project Descriptions
Fiscal Year 2018-2019**

Objective: Provide efficient management of state facilities.

	<u>Total Project Cost</u>
Capital Improvements:	
Library and Archives Building Funds are provided for completion of a new library and archives building and all related work.	\$ 62,587,000
TennCare Building Purchase Funds are provided for purchase of the building located at 310 Great Circle Road in Nashville that was originally constructed to suit TennCare offices. Project includes replacement of roof system, HVAC, interior upgrades, and all related work.	30,140,000
Total Capital Improvements	<u>\$ 92,727,000</u>
Capital Maintenance:	
TN Tower Life Safety Systems Upgrades Funds are provided for replacement of multiple life safety systems, including the fire alarm and sprinkler systems, and all related work.	\$ 3,890,000
RS Gass State Laboratory Cabling Upgrades Funds are provided for upgrade and relocation of the cabling system on floors 2-7 and all related work.	230,000
RS Gass State Laboratory ADA Upgrades Funds are provided for multiple ADA improvements. Project includes replacement of steps, sidewalks, curbing, installation of ramps and railing at main entrance, parking improvements, and all related work.	1,050,000
220 French Landing HVAC Upgrades and Life Safety Improvements Funds are provided for replacement of HVAC equipment, installation of perimeter anchor points for maintenance platforms, and all related work.	2,010,000
Crockett and Johnson Buildings Glazing Restoration Funds are provided for repair and re-glazing of the buildings and all related work.	2,200,000
RS Gass State Laboratory Elevator Modernization Funds are provided for modernization of two central elevators and all related work.	1,040,000
West TN Regional Health Office Air Handler Replacement Funds are provided for replacement of existing air handler units, associated controls, and all related work.	620,000
TN Tower Floor Drains and Plumbing Upgrades Funds are provided for upgrades to the drainage system, including the installation of floor drains, replacement of plumbing lines, and all related work.	1,330,000
Andrew Jackson Building Elevator Replacement Funds are provided for replacement of elevators, associated controls, and all related work.	3,270,000
TBI Headquarters Safety Anchors Funds are provided for installation of exterior anchor points and safety tie-offs for maintenance personnel, a new lightning protection system, and all related work.	450,000
LED Lighting and Controls Upgrades Funds are provided for replacement or retrofit of fluorescent to LED lights and associated controls in multiple buildings statewide and all related work.	6,040,000

**Proposed Facilities Revolving Fund Project Descriptions
Fiscal Year 2018-2019**

	<u>Total Project Cost</u>
Ellington Agricultural Center Paving and Parking Upgrades Phase I Funds are provided for repaving and refinishing of multiple parking areas, drives, and all related work.	740,000
Ellington Agricultural Center Bruer Building Roof and Window Replacement Funds are provided for removal and replacement of the roof system and windows and all related work.	220,000
Total Capital Maintenance	<u>\$ 23,090,000</u>
Grand Total FRF Capital Outlay	<u><u>\$ 115,817,000</u></u>

Program Statements by Functional Area



Program Statements by Functional Area

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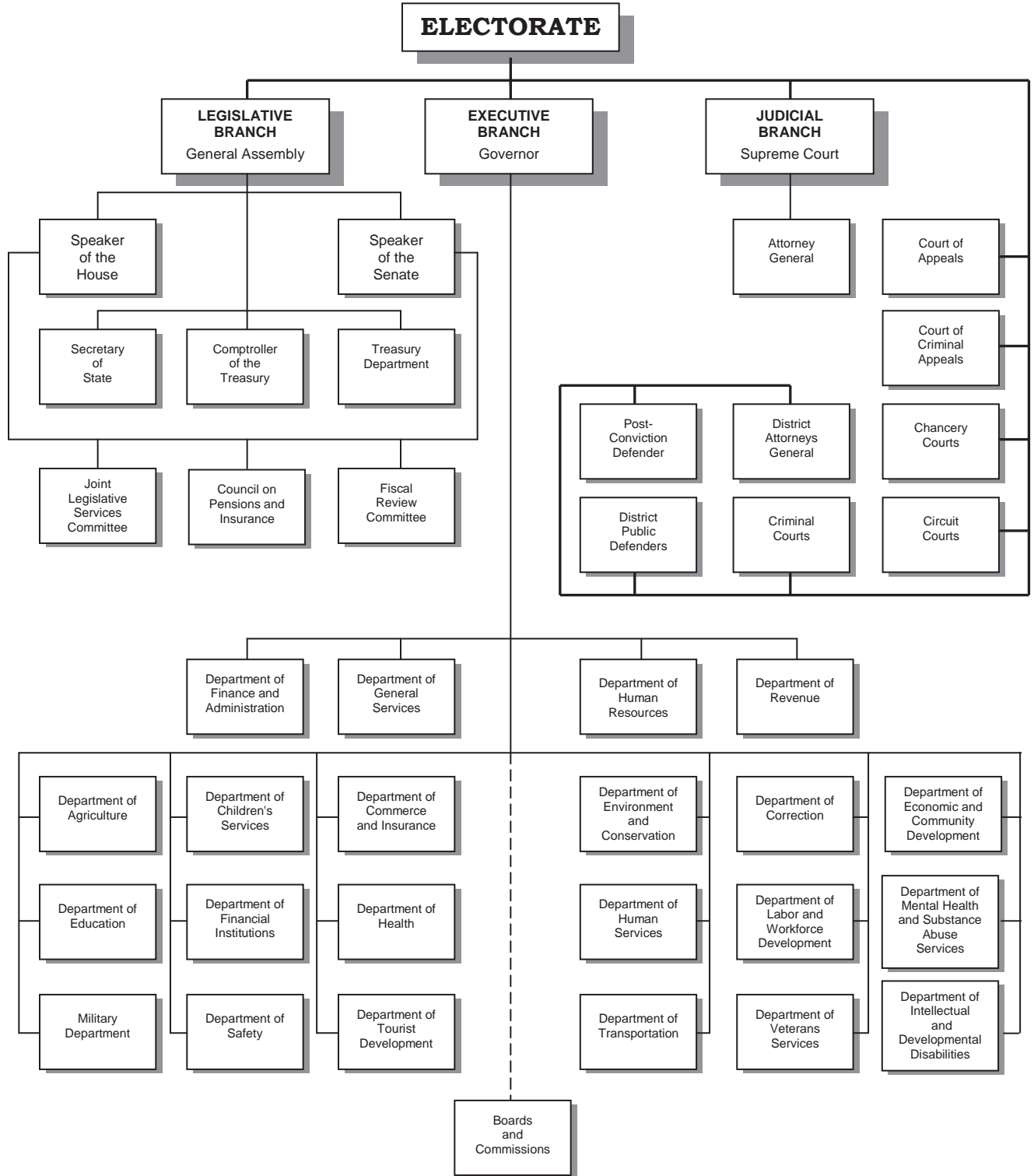


Tennessee State Government Organizational Chart.....B-5

Recommended Budget for Fiscal Year 2018-2019 by Functional AreaB-7

TENNESSEE STATE GOVERNMENT ORGANIZATIONAL CHART

FISCAL YEAR 2018 - 2019



**Recommended Budget for Fiscal Year 2018-2019
By Functional Area**

Functional Area	State	Federal	Other	Total
General Government	728,751,400	94,496,300	689,551,900	1,512,799,600
Education	7,076,097,400	1,201,726,500	2,722,633,600 *	11,000,457,500
Health and Social Services	4,817,950,100	10,860,991,100	1,464,465,600	17,143,406,800
Law, Safety, and Correction	1,581,950,500	134,946,500	186,312,900	1,903,209,900
Resources and Regulation	508,819,900	250,267,600	214,813,300	973,900,800
Transportation, Business, and Economic Development	1,374,308,800	1,350,872,800	95,657,100	2,820,838,700
Total	\$16,087,878,100	\$13,893,300,800	\$5,373,434,400	\$35,354,613,300

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

General Government



General Government

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General Government

Recommended Budget, Fiscal Year 2018 – 2019

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 Public Utility Commission
- 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 the 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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Recommended 2018-2019</u>
Personnel			
Full-Time	4,857	5,219	5,263
Part-Time	175	175	175
Seasonal	28	28	28
TOTAL	5,060	5,422	5,466
Expenditures			
Payroll	\$ 362,917,400	\$ 467,061,600	\$ 473,532,100
Operational	591,774,400	1,013,470,400	1,039,267,500
TOTAL	\$ 954,691,800	\$ 1,480,532,000	\$ 1,512,799,600
Funding			
State	\$ 311,883,000	\$ 711,913,100	\$ 728,751,400
Federal	42,355,600	98,263,800	94,496,300
Other	600,453,200	670,355,100	689,551,900
Tuition/Fees	0	0	0

General Government
Recommended Budget for Fiscal Year 2018-2019
By Funding Source

Department	State	Federal	Other	Total
301.00 Legislature	48,391,900	0	137,500	48,529,400
301.50 Fiscal Review Committee	1,670,300	0	0	1,670,300
305.00 Secretary of State	32,158,500	30,216,800	12,169,100	74,544,400
307.00 Comptroller of the Treasury	97,688,800	0	9,309,100	106,997,900
309.00 Treasury Department	4,273,700	0	47,130,700	51,404,400
313.00 Claims and Compensation	12,871,000	3,479,000	101,500,700	117,850,700
315.00 Executive Department	5,431,100	0	0	5,431,100
316.04 Tennessee Human Rights Commission	1,840,500	833,400	0	2,673,900
316.11 Tennessee Public Utility Commission	6,682,900	941,800	1,431,000	9,055,700
316.12 Advisory Commission on Intergovernmental Relations	196,700	0	3,150,000	3,346,700
317.00 Finance and Administration	16,765,400	57,811,500	337,710,100	412,287,000
319.00 Human Resources	0	0	13,443,500	13,443,500
321.00 General Services	42,232,000	0	130,124,800	172,356,800
323.00 Veterans Services	6,384,900	1,192,900	405,600	7,983,400
347.00 Revenue	100,363,700	20,900	32,889,800	133,274,400
351.00 Miscellaneous Appropriations	350,550,000	0	0	350,550,000
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	\$728,751,400	\$94,496,300	\$689,551,900	\$1,512,799,600

General Government
Cost Increases for Fiscal Year 2018-2019

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Legislature					
• Rent Increase for Cordell Hull					
To provide recurring funding to reflect cost of rent at Cordell Hull.					
301.01 Legislative Administration Services	\$2,345,900	\$0	\$0	\$2,345,900	0
Sub-total	\$2,345,900	\$0	\$0	\$2,345,900	0
Total Legislature	\$2,345,900	\$0	\$0	\$2,345,900	0
Comptroller of the Treasury					
• Technology Solutions Salary Increases					
To provide recurring funding for salaries for information technology staff.					
307.16 Division of Technology Solutions	\$265,000	\$0	\$0	\$265,000	0
Sub-total	\$265,000	\$0	\$0	\$265,000	0
Total Comptroller of the Treasury	\$265,000	\$0	\$0	\$265,000	0
Treasury Department					
• Accounting Positions					
To provide recurring funding for one senior accounting manager and one mid-level accountant.					
309.01 Treasury Department	\$0	\$0	\$207,000	\$207,000	2
Sub-total	\$0	\$0	\$207,000	\$207,000	2
• Risk Manager Position					
To provide recurring funding for one risk manager position for the workers' compensation program.					
309.01 Treasury Department	\$0	\$0	\$112,000	\$112,000	1
Sub-total	\$0	\$0	\$112,000	\$112,000	1
• Claims Commission Online Filing System					
To provide funding for the implementation of an electronic filing system. From this appropriation, \$100,000 is non-recurring.					
309.01 Treasury Department	\$0	\$0	\$110,000	\$110,000	0
Sub-total	\$0	\$0	\$110,000	\$110,000	0

General Government

Cost Increases for Fiscal Year 2018-2019

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<ul style="list-style-type: none"> Communications Publishing Software To provide funding to obtain software to update and streamline the process of producing financial statements. From this appropriation, \$75,000 is non-recurring. 					
309.01 Treasury Department	\$0	\$0	\$85,000	\$85,000	0
Sub-total	\$0	\$0	\$85,000	\$85,000	0
<ul style="list-style-type: none"> Customer Service Call Center Technology To provide funding to implement Customer Relationship Management (CRM) and a customer call survey. From this appropriation, \$135,000 is non-recurring. 					
309.01 Treasury Department	\$0	\$0	\$230,000	\$230,000	0
Sub-total	\$0	\$0	\$230,000	\$230,000	0
<ul style="list-style-type: none"> DUI Monitoring Fund Position To provide recurring funding for one DUI Monitoring Fund claims examiner position. 					
309.01 Treasury Department	\$0	\$0	\$60,000	\$60,000	1
309.10 DUI Monitoring Fund	\$60,000	\$0	\$0	\$60,000	0
Sub-total	\$60,000	\$0	\$60,000	\$120,000	1
<ul style="list-style-type: none"> Human Resources Talent Management System To provide funding for the automation of human capital processes including recruitment, selection, on-boarding, learning and development, performance management, succession planning, human resources reporting, and analytics. From this appropriation, \$150,000 is non-recurring. 					
309.01 Treasury Department	\$0	\$0	\$210,000	\$210,000	0
Sub-total	\$0	\$0	\$210,000	\$210,000	0
<ul style="list-style-type: none"> Information Systems Data Analytics To provide funding for data analytics software. From this appropriation, \$200,000 is non-recurring. 					
309.01 Treasury Department	\$0	\$0	\$230,000	\$230,000	0
Sub-total	\$0	\$0	\$230,000	\$230,000	0
<ul style="list-style-type: none"> Information Systems Security To provide funding to obtain technology to automate the monitoring of the Treasury Department's data security capabilities. From this appropriation, \$270,000 is non-recurring. 					
309.01 Treasury Department	\$0	\$0	\$315,000	\$315,000	0
Sub-total	\$0	\$0	\$315,000	\$315,000	0
<ul style="list-style-type: none"> Information Systems Support Software To provide recurring funding for systems development and management software tools. 					
309.01 Treasury Department	\$0	\$0	\$70,000	\$70,000	0
Sub-total	\$0	\$0	\$70,000	\$70,000	0

General Government

Cost Increases for Fiscal Year 2018-2019

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<ul style="list-style-type: none"> Internal Audit Data Analyst Position To provide recurring funding for an internal audit data analyst position. 					
309.01 Treasury Department	\$0	\$0	\$106,000	\$106,000	1
Sub-total	\$0	\$0	\$106,000	\$106,000	1
<ul style="list-style-type: none"> Program Services Senior Director Position To provide recurring funding for one program services senior director position. This position will assist in managing the day-to-day operations of all program service areas including Unclaimed Property, Tennessee Consolidated Retirement System (TCRS), and the Division of Claims and Risk Management. 					
309.01 Treasury Department	\$0	\$0	\$120,000	\$120,000	1
Sub-total	\$0	\$0	\$120,000	\$120,000	1
<ul style="list-style-type: none"> TN Consolidated Retirement System Business Architect Positions To provide recurring funding for five senior business architect positions. 					
309.01 Treasury Department	\$0	\$0	\$630,000	\$630,000	5
Sub-total	\$0	\$0	\$630,000	\$630,000	5
<ul style="list-style-type: none"> TN Consolidated Retirement System Benefit Estimate Positions To provide recurring funding for two benefit estimate positions. These positions will help alleviate an increased workload. 					
309.01 Treasury Department	\$0	\$0	\$147,000	\$147,000	2
Sub-total	\$0	\$0	\$147,000	\$147,000	2
<ul style="list-style-type: none"> TN Consolidated Retirement System Local Government Education and Review Team Positions To provide recurring funding for two specialist positions. These positions will add west and east Tennessee local government representatives to review the census data reported by local governments to the retirement system. 					
309.01 Treasury Department	\$0	\$0	\$147,000	\$147,000	2
Sub-total	\$0	\$0	\$147,000	\$147,000	2
<ul style="list-style-type: none"> College Savings To provide non-recurring funding for incentives and marketing of the College Savings Program. 					
309.03 TN Stars College Savings 529 Program	\$450,000	\$0	\$0	\$450,000	0
Sub-total	\$450,000	\$0	\$0	\$450,000	0
Total Treasury Department	\$510,000	\$0	\$2,779,000	\$3,289,000	15

General Government

Cost Increases for Fiscal Year 2018-2019

	State	Federal	Other	Total	Positions
Executive Department					
• Statutory Salary Increase					
To provide recurring funding for the Governor's salary adjustment required by TCA 8-1-102. By law, the salary is linked to the salary of the chief justice of the Supreme Court.					
315.01 Governor's Office	\$4,900	\$0	\$0	\$4,900	0
Sub-total	\$4,900	\$0	\$0	\$4,900	0
Total Executive Department	\$4,900	\$0	\$0	\$4,900	0
Finance and Administration					
• Capital Accounting					
To provide recurring funding for capital accounting staff.					
317.01 Division of Administration	\$35,000	\$0	\$0	\$35,000	0
Sub-total	\$35,000	\$0	\$0	\$35,000	0
• Financial Oversight for Criminal Justice Grants					
To provide recurring funding for two full-time positions to support the Office of Criminal Justice Programs in maintaining financial oversight.					
317.06 Criminal Justice Programs	\$15,100	\$161,700	\$0	\$176,800	2
Sub-total	\$15,100	\$161,700	\$0	\$176,800	2
• NextGen IT Salaries					
To provide recurring funding for transitioning Department of Labor and Workforce Development and Department of Education staff to NextGen IT.					
317.20 Business Solutions Delivery	\$0	\$0	\$807,500	\$807,500	0
Sub-total	\$0	\$0	\$807,500	\$807,500	0
• IT Infrastructure Security Upgrades					
To provide recurring funding to increase and improve security within the IT infrastructure.					
317.03 Strategic Technology Solutions	\$0	\$0	\$2,100,000	\$2,100,000	0
Sub-total	\$0	\$0	\$2,100,000	\$2,100,000	0
Total Finance and Administration	\$50,100	\$161,700	\$2,907,500	\$3,119,300	2

General Government

Cost Increases for Fiscal Year 2018-2019

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
General Services					
• Books from Birth Foundation					
To provide recurring funding to cover growth in enrollment. These funds allow the foundation to provide a hardcover, age-appropriate book each month to enrolled children, from birth to age five, at no cost to the family.					
321.21 Governor's Books from Birth Fund	\$600,200	\$0	\$0	\$600,200	0
Sub-total	\$600,200	\$0	\$0	\$600,200	0
Total General Services	\$600,200	\$0	\$0	\$600,200	0

Revenue

- **Revenue and Tax Collection System Replacement**

To provide non-recurring funding for the continued development of the revenue and tax collection system replacement.

347.23 Tennessee Revenue Registration and Reporting System	\$10,555,600	\$0	\$0	\$10,555,600	16
Sub-total	\$10,555,600	\$0	\$0	\$10,555,600	16
Total Revenue	\$10,555,600	\$0	\$0	\$10,555,600	16

Miscellaneous Appropriations

- **Pay for Performance Salary Pool**

To provide a pool of recurring funding equivalent to a 2.5 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, 2019, with a recurring annualized cost of \$35,390,000.

351.00 Miscellaneous Appropriations	\$17,695,000	\$0	\$0	\$17,695,000	0
Sub-total	\$17,695,000	\$0	\$0	\$17,695,000	0

- **Salary Pool for Non-TEAM Act Agencies**

To provide a pool of recurring funding equivalent to a 2.5 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, 2018.

351.00 Miscellaneous Appropriations	\$8,065,800	\$0	\$0	\$8,065,800	0
Sub-total	\$8,065,800	\$0	\$0	\$8,065,800	0

General Government

Cost Increases for Fiscal Year 2018-2019

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<ul style="list-style-type: none"> • Retirement Contribution Increase - July 1, 2018 					
To provide recurring funding for the increase in the retirement contribution rate for state employees.					
351.00 Miscellaneous Appropriations	\$9,811,600	\$0	\$0	\$9,811,600	0
Sub-total	\$9,811,600	\$0	\$0	\$9,811,600	0
<ul style="list-style-type: none"> • Group Health Insurance - Annualize January 1, 2018 Rate Increase 					
To provide recurring funding for the state share of a 4.76 percent group health insurance premium increase. Additional funding for eligible higher education employees (\$6,070,000) is included in the departmental budget for Higher Education. The total cost to the general fund is \$12,749,700.					
351.00 Miscellaneous Appropriations	\$6,679,700	\$0	\$0	\$6,679,700	0
Sub-total	\$6,679,700	\$0	\$0	\$6,679,700	0
<ul style="list-style-type: none"> • Fiscal Year 2019 Insurance and Other Post-Employment Benefits 					
To provide recurring funding for state and higher education employees to address insurance and other post-employment benefit needs for fiscal year 2019.					
351.00 Miscellaneous Appropriations	\$15,317,600	\$0	\$0	\$15,317,600	0
Sub-total	\$15,317,600	\$0	\$0	\$15,317,600	0
<ul style="list-style-type: none"> • Administration Amendment 					
To provide recurring funding for the cost of legislation amendments proposed by the administration.					
351.00 Miscellaneous Appropriations	\$11,500,000	\$0	\$0	\$11,500,000	0
Sub-total	\$11,500,000	\$0	\$0	\$11,500,000	0
<ul style="list-style-type: none"> • Legislative Initiatives 					
To provide funding for legislative initiatives. From the appropriation, \$5,000,000 is recurring and \$10,000,000 is non-recurring.					
351.00 Miscellaneous Appropriations	\$15,000,000	\$0	\$0	\$15,000,000	0
Sub-total	\$15,000,000	\$0	\$0	\$15,000,000	0
<ul style="list-style-type: none"> • Governor's Transition Office 					
To provide funding for the transition of the Governor's Office. Of the appropriation, \$400,000 is non-recurring.					
351.00 Miscellaneous Appropriations	\$600,000	\$0	\$0	\$600,000	0
Sub-total	\$600,000	\$0	\$0	\$600,000	0

General Government
Cost Increases for Fiscal Year 2018-2019

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• NextGen IT Salaries					
To provide recurring funding for NextGen IT salaries in Business Solutions Delivery (BSD). Interdepartmental billing will be increased in BSD by \$807,500.					
351.00 Miscellaneous Appropriations	\$357,700	\$0	\$0	\$357,700	0
Sub-total	\$357,700	\$0	\$0	\$357,700	0
• IT Infrastructure Security Upgrades					
To provide recurring funding to increase and improve security within the state's IT infrastructure.					
351.00 Miscellaneous Appropriations	\$1,500,000	\$0	\$0	\$1,500,000	0
Sub-total	\$1,500,000	\$0	\$0	\$1,500,000	0
• MyTN.Gov Implementation					
To provide recurring funding to implement the MyTN.Gov mobile app to enhance the customer service to Tennessee citizens and users.					
351.00 Miscellaneous Appropriations	\$900,000	\$0	\$0	\$900,000	0
Sub-total	\$900,000	\$0	\$0	\$900,000	0
• Aeronautics Economic Development Fund					
To provide non-recurring funding for grants to local airport authorities for capital improvements.					
351.00 Miscellaneous Appropriations	\$10,000,000	\$0	\$0	\$10,000,000	0
Sub-total	\$10,000,000	\$0	\$0	\$10,000,000	0
• Doe Mountain Recreation Authority Grant					
To provide non-recurring funding for the Doe Mountain Recreation Authority Grant, year three of three.					
351.00 Miscellaneous Appropriations	\$100,000	\$0	\$0	\$100,000	0
Sub-total	\$100,000	\$0	\$0	\$100,000	0
• Bond Defeasance					
To provide non-recurring funding for the Citizen Plaza Building bond defeasance.					
351.00 Miscellaneous Appropriations	\$10,200,000	\$0	\$0	\$10,200,000	0
Sub-total	\$10,200,000	\$0	\$0	\$10,200,000	0

General Government
Cost Increases for Fiscal Year 2018-2019

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Re-Roof Historic Landmark					
To provide non-recurring funding for roof construction on the historic Promise Land School in Dickson County.					
351.00 Miscellaneous Appropriations	\$7,500	\$0	\$0	\$7,500	0
Sub-total	\$7,500	\$0	\$0	\$7,500	0
• Camp Blount Historic Site					
To provide non-recurring funding for the Camp Blount historic site in Fayetteville.					
351.00 Miscellaneous Appropriations	\$500,000	\$0	\$0	\$500,000	0
Sub-total	\$500,000	\$0	\$0	\$500,000	0
• Medal of Honor Heritage Center					
To provide non-recurring funding for the Medal of Honor Heritage Center in Chattanooga.					
351.00 Miscellaneous Appropriations	\$250,000	\$0	\$0	\$250,000	0
Sub-total	\$250,000	\$0	\$0	\$250,000	0
• Infrastructure Grant					
To provide non-recurring funding for infrastructure repairs for the city of Kingston.					
351.00 Miscellaneous Appropriations	\$500,000	\$0	\$0	\$500,000	0
Sub-total	\$500,000	\$0	\$0	\$500,000	0
• Captain Jeff Kuss USMC Memorial					
To provide non-recurring funding for a grant for the Captain Jeff Kuss USMC Memorial in Smyrna.					
351.00 Miscellaneous Appropriations	\$125,000	\$0	\$0	\$125,000	0
Sub-total	\$125,000	\$0	\$0	\$125,000	0
• Motor Vehicle Fee Exemption					
To provide recurring funding to reflect the motor vehicle registration fee exemption for volunteer firefighters and rescue squad members.					
351.00 Miscellaneous Appropriations	\$12,500	\$0	\$0	\$12,500	0
Sub-total	\$12,500	\$0	\$0	\$12,500	0

General Government
Cost Increases for Fiscal Year 2018-2019

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Legislation - Criminal Procedure					
To provide recurring funding for HB 149/SB 280, which prohibits judicial diversion for persons charged with incest.					
351.00 Miscellaneous Appropriations	\$69,400	\$0	\$0	\$69,400	0
Sub-total	\$69,400	\$0	\$0	\$69,400	0
• Van Buren County Grant					
To provide non-recurring funding for a grant to Van Buren County.					
351.00 Miscellaneous Appropriations	\$200,000	\$0	\$0	\$200,000	0
Sub-total	\$200,000	\$0	\$0	\$200,000	0
Total Miscellaneous Appropriations	\$109,391,800	\$0	\$0	\$109,391,800	0
Total General Government	\$123,723,500	\$161,700	\$5,686,500	\$129,571,700	33

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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	1,473,400	2,263,700	2,263,700	0	2,263,700
Operational	3,509,200	4,409,200	2,834,000	2,345,900	5,179,900
Total	\$4,982,600	\$6,672,900	\$5,097,700	\$2,345,900	\$7,443,600
State	4,921,700	6,655,900	5,080,700	2,345,900	7,426,600
Federal	0	0	0	0	0
Other	60,900	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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
Payroll	6,239,000	7,918,600	7,918,600	0	7,918,600
Operational	4,917,600	1,528,900	1,528,900	0	1,528,900
Total	\$11,156,600	\$9,447,500	\$9,447,500	\$0	\$9,447,500
State	4,992,700	9,377,500	9,377,500	0	9,377,500
Federal	0	0	0	0	0
Other	6,163,900	70,000	70,000	0	70,000

301.17 Tennessee Code Commission

The Tennessee Code Commission directs the publication, sale, and distribution of an official compilation of the statutes, codes, and laws of the state. The commission is comprised of five members: the Chief Justice, the Attorney General and Reporter, the director of legislative legal services, and two other members appointed by the Chief Justice.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	26,000	68,900	68,900	0	68,900
Total	\$26,000	\$68,900	\$68,900	\$0	\$68,900
State	26,000	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	14,760,900	16,683,800	16,683,800	0	16,683,800
Operational	8,196,600	3,480,100	3,480,100	0	3,480,100
Total	\$22,957,500	\$20,163,900	\$20,163,900	\$0	\$20,163,900
State	15,270,600	20,135,400	20,135,400	0	20,135,400
Federal	0	0	0	0	0
Other	7,686,900	28,500	28,500	0	28,500

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	7,791,700	9,644,200	9,644,200	0	9,644,200
Operational	6,497,700	1,761,300	1,761,300	0	1,761,300
Total	\$14,289,400	\$11,405,500	\$11,405,500	\$0	\$11,405,500
State	6,894,200	11,383,500	11,383,500	0	11,383,500
Federal	0	0	0	0	0
Other	7,395,200	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	30,265,000	36,510,300	36,510,300	0	36,510,300
Operational	23,147,100	11,248,400	9,673,200	2,345,900	12,019,100
Total	\$53,412,100	\$47,758,700	\$46,183,500	\$2,345,900	\$48,529,400
State	32,105,200	47,621,200	46,046,000	2,345,900	48,391,900
Federal	0	0	0	0	0
Other	21,306,900	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 Finances, 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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	1,420,600	1,637,000	1,637,000	0	1,637,000
Operational	62,100	33,300	33,300	0	33,300
Total	\$1,482,700	\$1,670,300	\$1,670,300	\$0	\$1,670,300
State	1,482,700	1,670,300	1,670,300	0	1,670,300
Federal	0	0	0	0	0
Other	0	0	0	0	0

Secretary of State

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

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

<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	11,554,800	15,398,800	15,398,800	0	15,398,800
Operational	3,909,100	3,830,100	3,750,100	0	3,750,100
Total	\$15,463,900	\$19,228,900	\$19,148,900	\$0	\$19,148,900
State	4,289,600	12,070,600	11,990,600	0	11,990,600
Federal	0	300,000	300,000	0	300,000
Other	11,174,300	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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	112,900	131,200	131,200	0	131,200
Operational	1,419,300	1,474,400	1,474,400	0	1,474,400
Total	\$1,532,200	\$1,605,600	\$1,605,600	\$0	\$1,605,600
State	1,532,200	1,605,600	1,605,600	0	1,605,600
Federal	0	0	0	0	0
Other	0	0	0	0	0

305.03 Public Documents

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

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	309,600	392,700	392,700	0	392,700
Total	\$309,600	\$392,700	\$392,700	\$0	\$392,700
State	309,600	392,700	392,700	0	392,700
Federal	0	0	0	0	0
Other	0	0	0	0	0

305.07 Bureau of Ethics and Campaign Finance

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

Full-Time	13	13	13	0	13
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	13	13	13	0	13
Payroll	863,200	1,157,900	1,157,900	0	1,157,900
Operational	201,500	165,600	165,600	0	165,600
Total	\$1,064,700	\$1,323,500	\$1,323,500	\$0	\$1,323,500

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
State	397,000	808,400	808,400	0	808,400
Federal	0	0	0	0	0
Other	667,700	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	926,800	1,753,100	1,753,100	0	1,753,100
Operational	423,100	246,600	246,600	0	246,600
Total	\$1,349,900	\$1,999,700	\$1,999,700	\$0	\$1,999,700
State	0	319,200	319,200	0	319,200
Federal	0	0	0	0	0
Other	1,349,900	1,680,500	1,680,500	0	1,680,500

305.10 Help America Vote Act

Congress passed the Help America Vote Act of 2002 (HAVA), requiring changes and improvements in the electoral process. The Secretary of State is responsible for implementing and administering these mandatory changes. Improved changes include voting systems, provisional voting, and establishing a statewide voter registration database. 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	1,142,000	27,500,000	27,500,000	0	27,500,000
Total	\$1,142,000	\$27,500,000	\$27,500,000	\$0	\$27,500,000
State	0	0	0	0	0
Federal	1,106,100	26,500,000	26,500,000	0	26,500,000
Other	35,900	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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
Payroll	523,900	625,400	625,400	0	625,400
Operational	562,800	629,700	629,700	0	629,700
Total	\$1,086,700	\$1,255,100	\$1,255,100	\$0	\$1,255,100
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,086,700	1,255,100	1,255,100	0	1,255,100

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	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	44,600	181,500	181,500	0	181,500
Operational	600	15,000	15,000	0	15,000
Total	\$45,200	\$196,500	\$196,500	\$0	\$196,500
State	45,200	196,500	196,500	0	196,500
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	5,916,100	7,040,400	7,040,400	0	7,040,400
Operational	6,035,900	6,084,600	6,084,600	0	6,084,600
Total	\$11,952,000	\$13,125,000	\$13,125,000	\$0	\$13,125,000

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
State	5,847,300	9,639,200	9,639,200	0	9,639,200
Federal	2,699,500	2,820,700	2,820,700	0	2,820,700
Other	3,405,200	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	3,595,300	4,238,800	4,238,800	0	4,238,800
Operational	3,528,900	3,758,600	3,758,600	0	3,758,600
Total	\$7,124,200	\$7,997,400	\$7,997,400	\$0	\$7,997,400
State	5,087,400	7,206,300	7,206,300	0	7,206,300
Federal	538,200	596,100	596,100	0	596,100
Other	1,498,600	195,000	195,000	0	195,000

305.00 Total Secretary of State

Full-Time	353	353	353	0	353
Part-Time	10	10	10	0	10
Seasonal	0	0	0	0	0
Total	363	363	363	0	363
Payroll	23,537,600	30,527,100	30,527,100	0	30,527,100
Operational	17,532,800	44,097,300	44,017,300	0	44,017,300
Total	\$41,070,400	\$74,624,400	\$74,544,400	\$0	\$74,544,400
State	17,508,300	32,238,500	32,158,500	0	32,158,500
Federal	4,343,800	30,216,800	30,216,800	0	30,216,800
Other	19,218,300	12,169,100	12,169,100	0	12,169,100

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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	12	8	8	0	8
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	12	8	8	0	8
Payroll	1,080,100	1,194,000	1,194,000	0	1,194,000
Operational	1,248,900	1,022,300	1,013,100	0	1,013,100
Total	\$2,329,000	\$2,216,300	\$2,207,100	\$0	\$2,207,100
State	2,214,800	2,106,900	2,097,700	0	2,097,700
Federal	0	0	0	0	0
Other	114,200	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	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	2,177,500	2,458,400	2,458,400	0	2,458,400
Operational	609,600	976,000	948,300	0	948,300
Total	\$2,787,100	\$3,434,400	\$3,406,700	\$0	\$3,406,700
State	2,787,100	3,434,400	3,406,700	0	3,406,700
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	20	22	22	0	22
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	20	22	22	0	22
Payroll	2,087,000	2,226,500	2,226,500	0	2,226,500
Operational	162,900	217,600	217,600	0	217,600
Total	\$2,249,900	\$2,444,100	\$2,444,100	\$0	\$2,444,100
State	2,249,900	2,444,100	2,444,100	0	2,444,100
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	31	33	33	0	33
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	31	33	33	0	33
Payroll	2,922,200	3,442,900	3,442,900	265,000	3,707,900
Operational	8,017,300	6,192,900	5,167,500	0	5,167,500
Total	\$10,939,500	\$9,635,800	\$8,610,400	\$265,000	\$8,875,400
State	7,249,000	8,363,300	8,337,900	265,000	8,602,900
Federal	0	0	0	0	0
Other	3,690,500	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 of Education Accountability 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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	13	13	0	13
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	12	13	13	0	13
Payroll	1,027,000	1,303,600	1,303,600	0	1,303,600
Operational	100,800	118,200	109,000	0	109,000
Total	\$1,127,800	\$1,421,800	\$1,412,600	\$0	\$1,412,600
State	1,127,800	1,421,800	1,412,600	0	1,412,600
Federal	0	0	0	0	0
Other	0	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 functional area 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 functional area 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	186	188	188	0	188
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	186	188	188	0	188
Payroll	15,274,500	17,384,300	17,384,300	0	17,384,300
Operational	1,403,400	1,386,700	1,326,600	0	1,326,600
Total	\$16,677,900	\$18,771,000	\$18,710,900	\$0	\$18,710,900
State	10,305,700	13,817,100	13,757,000	0	13,757,000
Federal	0	0	0	0	0
Other	6,372,200	4,953,900	4,953,900	0	4,953,900

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	98	98	98	0	98
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	98	98	98	0	98
Payroll	9,040,700	10,036,300	10,036,300	0	10,036,300
Operational	737,000	2,363,300	771,600	0	771,600
Total	\$9,777,700	\$12,399,600	\$10,807,900	\$0	\$10,807,900
State	8,260,800	11,112,400	9,520,700	0	9,520,700
Federal	0	0	0	0	0
Other	1,516,900	1,287,200	1,287,200	0	1,287,200

307.06 Office of Legal and Public Affairs

The Office 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	21	20	20	0	20
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	21	20	20	0	20
Payroll	1,677,500	2,134,700	2,134,700	0	2,134,700
Operational	272,200	296,900	271,500	0	271,500
Total	\$1,949,700	\$2,431,600	\$2,406,200	\$0	\$2,406,200
State	1,931,100	2,369,100	2,343,700	0	2,343,700
Federal	0	0	0	0	0
Other	18,600	62,500	62,500	0	62,500

Services to Local Governments

The Services to Local Governments functional area works towards improving the operation of city and county governments by providing assistance and information that affects the state and local governments. In addition, the functional area is required to assist local governments with debt management and ensure that local governments adopt balanced budgets. The functional area also acts as agents and liaisons between state, county, and city ad valorem tax assessment and collecting officials. The functional area also serves 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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	17	17	17	0	17
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	17	17	17	0	17
Payroll	1,356,200	1,684,000	1,684,000	0	1,684,000
Operational	93,800	141,200	132,000	0	132,000
Total	\$1,450,000	\$1,825,200	\$1,816,000	\$0	\$1,816,000
State	833,400	1,158,500	1,149,300	0	1,149,300
Federal	0	0	0	0	0
Other	616,600	666,700	666,700	0	666,700

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	117	117	117	0	117
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	117	117	117	0	117
Payroll	8,008,500	9,385,100	9,385,100	0	9,385,100
Operational	1,766,700	1,858,200	1,806,600	0	1,806,600
Total	\$9,775,200	\$11,243,300	\$11,191,700	\$0	\$11,191,700
State	7,893,400	9,393,800	9,342,200	0	9,342,200
Federal	0	0	0	0	0
Other	1,881,800	1,849,500	1,849,500	0	1,849,500

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	26,625,500	41,265,100	41,265,100	0	41,265,100
Total	\$26,625,500	\$41,265,100	\$41,265,100	\$0	\$41,265,100
State	26,625,500	41,265,100	41,265,100	0	41,265,100
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	917,900	999,500	999,500	0	999,500
Operational	256,600	251,100	251,100	0	251,100
Total	\$1,174,500	\$1,250,600	\$1,250,600	\$0	\$1,250,600
State	1,060,800	1,143,200	1,143,200	0	1,143,200
Federal	0	0	0	0	0
Other	113,700	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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	995,100	1,087,100	1,087,100	0	1,087,100
Operational	121,400	128,000	116,500	0	116,500
Total	\$1,116,500	\$1,215,100	\$1,203,600	\$0	\$1,203,600
State	991,500	1,215,100	1,203,600	0	1,203,600
Federal	0	0	0	0	0
Other	125,000	0	0	0	0

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. Legislation was passed by the 110th General Assembly to discontinue the Telecommunications Ad Valorem Tax Reduction Fund starting June 2, 2017.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	9,015,800	0	0	0	0
Total	\$9,015,800	\$0	\$0	\$0	\$0
State	7,000,000	0	0	0	0
Federal	0	0	0	0	0
Other	2,015,800	0	0	0	0

307.00 Total Comptroller of the Treasury

Full-Time	562	564	564	0	564
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	570	572	572	0	572
Payroll	46,564,200	53,336,400	53,336,400	265,000	53,601,400
Operational	50,431,900	56,217,500	53,396,500	0	53,396,500
Total	\$96,996,100	\$109,553,900	\$106,732,900	\$265,000	\$106,997,900
State	80,530,800	99,244,800	97,423,800	265,000	97,688,800
Federal	0	0	0	0	0
Other	16,465,300	10,309,100	9,309,100	0	9,309,100

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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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 staff manages the state pooled investment fund, the local government investment pool, the state employees' deferred compensation program, the ABLE TN program for disabled Tennesseans, 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	293	307	307	15	322
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	293	307	307	15	322
Payroll	25,729,300	31,628,900	31,628,900	1,409,000	33,037,900
Operational	12,027,300	15,297,200	14,080,200	1,370,000	15,450,200
Total	\$37,756,600	\$46,926,100	\$45,709,100	\$2,779,000	\$48,488,100
State	1,239,700	1,732,500	1,732,500	0	1,732,500
Federal	0	0	0	0	0
Other	36,516,900	45,193,600	43,976,600	2,779,000	46,755,600

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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
Payroll	0	0	0	0	0
Operational	406,000	407,300	407,300	0	407,300
Total	\$406,000	\$407,300	\$407,300	\$0	\$407,300
State	406,000	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	1,792,400	2,545,900	1,045,900	450,000	1,495,900
Total	\$1,792,400	\$2,545,900	\$1,045,900	\$450,000	\$1,495,900
State	1,672,100	2,420,800	920,800	450,000	1,370,800
Federal	0	0	0	0	0
Other	120,300	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	306,700	250,000	250,000	0	250,000
Total	\$306,700	\$250,000	\$250,000	\$0	\$250,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	306,700	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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	770,300	703,100	703,100	60,000	763,100
Total	\$770,300	\$703,100	\$703,100	\$60,000	\$763,100
State	770,300	703,100	703,100	60,000	763,100
Federal	0	0	0	0	0
Other	0	0	0	0	0
309.00 Total Treasury Department					
Full-Time	293	307	307	15	322
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	293	307	307	15	322
Payroll	25,729,300	31,628,900	31,628,900	1,409,000	33,037,900
Operational	15,302,700	19,203,500	16,486,500	1,880,000	18,366,500
Total	\$41,032,000	\$50,832,400	\$48,115,400	\$3,289,000	\$51,404,400
State	4,088,100	5,263,700	3,763,700	510,000	4,273,700
Federal	0	0	0	0	0
Other	36,943,900	45,568,700	44,351,700	2,779,000	47,130,700

Claims and Compensation

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

<u>Actual</u> <u>2016-2017</u>	<u>Estimated</u> <u>2017-2018</u>	<u>Base</u> <u>2018-2019</u>	<u>Cost Increase</u> <u>2018-2019</u>	<u>Recommended</u> <u>2018-2019</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	13,038,600	16,350,000	16,350,000	0	16,350,000
Total	\$13,038,600	\$16,350,000	\$16,350,000	\$0	\$16,350,000
State	8,019,400	11,410,000	12,871,000	0	12,871,000
Federal	4,974,000	4,940,000	3,479,000	0	3,479,000
Other	45,200	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	47,123,900	63,250,700	63,250,700	0	63,250,700
Total	\$47,123,900	\$63,250,700	\$63,250,700	\$0	\$63,250,700

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	47,123,900	63,250,700	63,250,700	0	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	50,848,200	38,250,000	38,250,000	0	38,250,000
Total	\$50,848,200	\$38,250,000	\$38,250,000	\$0	\$38,250,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	50,848,200	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	111,010,700	117,850,700	117,850,700	0	117,850,700
Total	\$111,010,700	\$117,850,700	\$117,850,700	\$0	\$117,850,700
State	8,019,400	11,410,000	12,871,000	0	12,871,000
Federal	4,974,000	4,940,000	3,479,000	0	3,479,000
Other	98,017,300	101,500,700	101,500,700	0	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.

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
315.01 Governor's Office					
Full-Time	39	39	39	0	39
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	39	39	39	0	39
Payroll	4,068,400	4,380,600	4,380,600	4,900	4,385,500
Operational	959,000	1,045,600	1,045,600	0	1,045,600
Total	\$5,027,400	\$5,426,200	\$5,426,200	\$4,900	\$5,431,100
State	5,027,400	5,426,200	5,426,200	4,900	5,431,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

Tennessee Human Rights Commission

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

The THRC 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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	1,807,500	2,145,100	2,145,100	0	2,145,100
Operational	509,900	528,800	528,800	0	528,800
Total	\$2,317,400	\$2,673,900	\$2,673,900	\$0	\$2,673,900
State	1,702,100	1,840,500	1,840,500	0	1,840,500
Federal	581,300	833,400	833,400	0	833,400
Other	34,000	0	0	0	0

Tennessee Public Utility Commission

The Tennessee Public Utility Commission (TPUC) 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. TPUC'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. TPUC'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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
316.11 Tennessee Public Utility Commission					
Full-Time	61	61	58	0	58
Part-Time	5	5	5	0	5
Seasonal	0	0	0	0	0
Total	66	66	63	0	63
Payroll	4,840,200	6,113,900	5,991,100	0	5,991,100
Operational	2,413,700	3,314,600	3,064,600	0	3,064,600
Total	\$7,253,900	\$9,428,500	\$9,055,700	\$0	\$9,055,700
State	4,344,500	6,855,700	6,682,900	0	6,682,900
Federal	981,000	1,141,800	941,800	0	941,800
Other	1,928,400	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.

	Actual 2016-2017	Estimated 2017-2018	Base 2018-2019	Cost Increase 2018-2019	Recommended 2018-2019
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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	1,929,800	2,391,700	2,386,700	0	2,386,700
Operational	879,700	960,000	960,000	0	960,000
Total	\$2,809,500	\$3,351,700	\$3,346,700	\$0	\$3,346,700
State	0	201,700	196,700	0	196,700
Federal	0	0	0	0	0
Other	2,809,500	3,150,000	3,150,000	0	3,150,000

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 Division 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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
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Administrative Services

Administrative Services include 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, 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	92	90	90	0	90
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	92	90	90	0	90
Payroll	6,764,100	8,641,600	8,641,600	35,000	8,676,600
Operational	2,489,700	3,430,400	3,428,100	0	3,428,100
Total	\$9,253,800	\$12,072,000	\$12,069,700	\$35,000	\$12,104,700
State	3,205,800	3,465,000	3,462,700	35,000	3,497,700
Federal	0	0	0	0	0
Other	6,048,000	8,607,000	8,607,000	0	8,607,000

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	99	99	0	99
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	100	99	99	0	99

	Actual 2016-2017	Estimated 2017-2018	Base 2018-2019	Cost Increase 2018-2019	Recommended 2018-2019
Payroll	6,813,800	8,152,800	8,152,800	0	8,152,800
Operational	3,088,500	3,493,700	3,469,700	0	3,469,700
Total	\$9,902,300	\$11,646,500	\$11,622,500	\$0	\$11,622,500
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	9,902,300	11,646,500	11,622,500	0	11,622,500

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	23	23	23	2	25
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	23	23	23	2	25
Payroll	1,603,600	2,232,900	2,232,900	141,700	2,374,600
Operational	27,976,900	56,047,400	55,437,400	35,100	55,472,500
Total	\$29,580,500	\$58,280,300	\$57,670,300	\$176,800	\$57,847,100
State	3,604,800	5,104,100	4,494,100	15,100	4,509,200
Federal	25,791,400	53,070,400	53,070,400	161,700	53,232,100
Other	184,300	105,800	105,800	0	105,800

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	367,000	585,300	585,300	0	585,300
Operational	4,160,900	4,049,400	4,311,000	0	4,311,000
Total	\$4,527,900	\$4,634,700	\$4,896,300	\$0	\$4,896,300
State	213,300	296,900	296,900	0	296,900
Federal	4,292,300	4,337,800	4,579,400	0	4,579,400
Other	22,300	0	20,000	0	20,000

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.

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
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317.02 Division of Budget

In accordance with budget recommendations of the Governor and the Commissioner of Finance and Administration, the Division of Budget prepares the annual budget document and general appropriations bill for transmittal to the General Assembly. The division also is responsible for preparing the annual work program (enacted budget allotments) by adjusting the proposed budget 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	31	31	31	0	31
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
Total	33	33	33	0	33
Payroll	2,977,500	3,718,000	3,718,000	0	3,718,000
Operational	533,900	620,700	620,700	0	620,700
Total	\$3,511,400	\$4,338,700	\$4,338,700	\$0	\$4,338,700
State	3,511,400	4,338,700	4,338,700	0	4,338,700
Federal	0	0	0	0	0
Other	0	0	0	0	0

317.05 Division of Accounts

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

Full-Time	334	386	386	0	386
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	334	386	386	0	386
Payroll	18,625,500	28,501,900	28,501,900	0	28,501,900
Operational	2,067,500	2,348,900	2,318,900	0	2,318,900
Total	\$20,693,000	\$30,850,800	\$30,820,800	\$0	\$30,820,800
State	0	1,872,900	1,872,900	0	1,872,900
Federal	0	0	0	0	0
Other	20,693,000	28,977,900	28,947,900	0	28,947,900

Enterprise IT Transformation

Enterprise IT Transformation (EIT) is a 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, Enterprise Resource Planning, and Business Solutions Delivery.

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
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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. STS provides for statewide data, voice, and video operations; information systems planning; information technology training; and security policy, direction, and protection. 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	503	482	482	0	482
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	503	482	482	0	482
Payroll	38,289,600	51,000,100	51,000,100	0	51,000,100
Operational	121,018,200	137,907,100	133,342,500	2,100,000	135,442,500
Total	\$159,307,800	\$188,907,200	\$184,342,600	\$2,100,000	\$186,442,600
State	0	2,250,000	2,250,000	0	2,250,000
Federal	105,800	0	0	0	0
Other	159,202,000	186,657,200	182,092,600	2,100,000	184,192,600

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	128	128	0	128
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	104	128	128	0	128
Payroll	9,630,400	13,780,500	13,780,500	0	13,780,500
Operational	22,882,700	18,308,900	17,617,100	0	17,617,100
Total	\$32,513,100	\$32,089,400	\$31,397,600	\$0	\$31,397,600
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	32,513,100	32,089,400	31,397,600	0	31,397,600

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	292	573	605	0	605
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	292	573	605	0	605

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
Payroll	26,464,200	58,060,000	62,137,300	807,500	62,944,800
Operational	1,733,500	4,400,000	4,603,900	0	4,603,900
Total	\$28,197,700	\$62,460,000	\$66,741,200	\$807,500	\$67,548,700
State	7,304,100	10,730,600	0	0	0
Federal	0	0	0	0	0
Other	20,893,600	51,729,400	66,741,200	807,500	67,548,700

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	48	0	48
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	49	49	48	0	48
Payroll	3,198,700	4,195,100	4,096,800	0	4,096,800
Operational	737,400	1,208,600	1,171,200	0	1,171,200
Total	\$3,936,100	\$5,403,700	\$5,268,000	\$0	\$5,268,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	3,936,100	5,403,700	5,268,000	0	5,268,000

317.00 Total Finance and Administration

Full-Time	1,535	1,868	1,899	2	1,901
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
Total	1,537	1,870	1,901	2	1,903
Payroll	114,734,400	178,868,200	182,847,200	984,200	183,831,400
Operational	186,689,200	231,815,100	226,320,500	2,135,100	228,455,600
Total	\$301,423,600	\$410,683,300	\$409,167,700	\$3,119,300	\$412,287,000
State	17,839,400	28,058,200	16,715,300	50,100	16,765,400
Federal	30,189,500	57,408,200	57,649,800	161,700	57,811,500
Other	253,394,700	325,216,900	334,802,600	2,907,500	337,710,100

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 learning and 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 2016-2017	Estimated 2017-2018	Base 2018-2019	Cost Increase 2018-2019	Recommended 2018-2019
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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	292,300	290,000	290,000	0	290,000
Operational	1,015,500	895,200	841,300	0	841,300
Total	\$1,307,800	\$1,185,200	\$1,131,300	\$0	\$1,131,300
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,307,800	1,185,200	1,131,300	0	1,131,300

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 develop targeted results to achieve strategic business goals and objectives.

Full-Time	19	19	19	0	19
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	19	19	19	0	19
Payroll	1,549,700	1,742,300	1,742,300	0	1,742,300
Operational	1,679,100	1,527,100	1,478,600	0	1,478,600
Total	\$3,228,800	\$3,269,400	\$3,220,900	\$0	\$3,220,900
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	3,228,800	3,269,400	3,220,900	0	3,220,900

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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. This division also partners with agencies to recruit qualified talent to fill preferred and executive service positions.

Full-Time	65	68	65	0	65
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	65	68	65	0	65
Payroll	4,339,600	5,073,500	4,825,700	0	4,825,700
Operational	205,900	125,900	109,300	0	109,300
Total	\$4,545,500	\$5,199,400	\$4,935,000	\$0	\$4,935,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	4,545,500	5,199,400	4,935,000	0	4,935,000

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	11	11	25	0	25
Part-Time	18	18	18	0	18
Seasonal	0	0	0	0	0
Total	29	29	43	0	43
Payroll	1,075,900	1,235,100	2,137,000	0	2,137,000
Operational	132,300	173,800	186,100	0	186,100
Total	\$1,208,200	\$1,408,900	\$2,323,100	\$0	\$2,323,100
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,208,200	1,408,900	2,323,100	0	2,323,100

319.06 HR Operations

HR Operations is comprised of Fiscal Services and Organizational Performance and Data Management.

Full-Time	21	22	10	0	10
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	21	22	10	0	10
Payroll	1,500,100	1,568,200	850,200	0	850,200
Operational	47,300	45,400	20,100	0	20,100
Total	\$1,547,400	\$1,613,600	\$870,300	\$0	\$870,300

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,547,400	1,613,600	870,300	0	870,300

319.07 Human Resources Business Solutions

Human Resources Business Solutions is responsible for administering human resources internally for the Department, several boards and commissions, and the Department of General Services.

Full-Time	11	9	10	0	10
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	11	9	10	0	10
Payroll	753,600	850,200	914,100	0	914,100
Operational	199,900	69,800	48,800	0	48,800
Total	\$953,500	\$920,000	\$962,900	\$0	\$962,900
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	953,500	920,000	962,900	0	962,900

319.00 Total Human Resources

Full-Time	129	131	131	0	131
Part-Time	18	18	18	0	18
Seasonal	0	0	0	0	0
Total	147	149	149	0	149
Payroll	9,511,200	10,759,300	10,759,300	0	10,759,300
Operational	3,280,000	2,837,200	2,684,200	0	2,684,200
Total	\$12,791,200	\$13,596,500	\$13,443,500	\$0	\$13,443,500
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	12,791,200	13,596,500	13,443,500	0	13,443,500

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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	36	36	36	0	36
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	36	36	36	0	36
Payroll	2,925,100	3,806,100	3,806,100	0	3,806,100
Operational	2,304,400	2,796,100	2,796,100	0	2,796,100
Total	\$5,229,500	\$6,602,200	\$6,602,200	\$0	\$6,602,200
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	5,229,500	6,602,200	6,602,200	0	6,602,200

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	0	0	0	0	0
Operational	907,100	2,252,500	2,252,500	0	2,252,500
Total	\$907,100	\$2,252,500	\$2,252,500	\$0	\$2,252,500
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	907,100	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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	21	21	21	0	21
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	21	21	21	0	21
Payroll	1,092,300	1,410,100	1,410,100	0	1,410,100
Operational	46,019,000	55,047,600	60,087,600	0	60,087,600
Total	\$47,111,300	\$56,457,700	\$61,497,700	\$0	\$61,497,700
State	2,084,700	0	0	0	0
Federal	0	0	0	0	0
Other	45,026,600	56,457,700	61,497,700	0	61,497,700

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	113	112	112	0	112
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	113	112	112	0	112
Payroll	9,113,900	10,772,600	10,802,600	0	10,802,600
Operational	5,538,400	8,702,700	8,672,700	0	8,672,700
Total	\$14,652,300	\$19,475,300	\$19,475,300	\$0	\$19,475,300
State	5,115,700	6,090,100	6,090,100	0	6,090,100
Federal	0	0	0	0	0
Other	9,536,600	13,385,200	13,385,200	0	13,385,200

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	1,193,100	5,270,100	5,086,200	0	5,086,200
Total	\$1,193,100	\$5,270,100	\$5,086,200	\$0	\$5,086,200

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
State	1,193,100	1,270,100	1,086,200	0	1,086,200
Federal	0	0	0	0	0
Other	0	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	30,191,100	30,191,100	0	30,191,100
Total	\$0	\$30,191,100	\$30,191,100	\$0	\$30,191,100
State	0	30,191,100	30,191,100	0	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	1,543,800	1,937,700	1,887,700	0	1,887,700
Operational	15,409,900	17,703,300	17,753,300	0	17,753,300
Total	\$16,953,700	\$19,641,000	\$19,641,000	\$0	\$19,641,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	16,953,700	19,641,000	19,641,000	0	19,641,000

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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	3,308,500	3,907,200	3,907,200	0	3,907,200
Operational	3,460,200	4,047,100	4,047,100	0	4,047,100
Total	\$6,768,700	\$7,954,300	\$7,954,300	\$0	\$7,954,300
State	0	339,600	339,600	0	339,600
Federal	0	0	0	0	0
Other	6,768,700	7,614,700	7,614,700	0	7,614,700

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	5,550,300	6,889,900	6,889,900	0	6,889,900
Operational	4,252,000	3,018,600	3,008,600	0	3,008,600
Total	\$9,802,300	\$9,908,500	\$9,898,500	\$0	\$9,898,500
State	0	10,000	0	0	0
Federal	0	0	0	0	0
Other	9,802,300	9,898,500	9,898,500	0	9,898,500

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	1,339,300	1,905,700	1,905,700	0	1,905,700
Operational	1,708,500	3,327,300	3,327,300	0	3,327,300
Total	\$3,047,800	\$5,233,000	\$5,233,000	\$0	\$5,233,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	3,047,800	5,233,000	5,233,000	0	5,233,000

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	3,924,800	3,924,800	3,924,800	600,200	4,525,000
Total	\$3,924,800	\$3,924,800	\$3,924,800	\$600,200	\$4,525,000
State	3,924,800	3,924,800	3,924,800	600,200	4,525,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

321.00 Total General Services

Full-Time	393	392	392	0	392
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	393	392	392	0	392
Payroll	24,873,200	30,629,300	30,609,300	0	30,609,300
Operational	84,717,400	136,281,200	141,147,300	600,200	141,747,500
Total	\$109,590,600	\$166,910,500	\$171,756,600	\$600,200	\$172,356,800
State	12,318,300	41,825,700	41,631,800	600,200	42,232,000
Federal	0	0	0	0	0
Other	97,272,300	125,084,800	130,124,800	0	130,124,800

Department of Veterans Services

The Department of Veterans Services serves Tennessee's approximately 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 five veterans cemeteries, located within each grand division. In addition to these duties, the department participates in programs that increase public awareness of the services and sacrifices made by veterans.

<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
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323.01 Administration

Administration provides administrative support services for the department, including legal, fiscal, human resources, procurement, asset management, and budgeting. Additionally, this division supports veterans and dependents with disability and pension claims and works closely with universities, colleges, and technical schools in the efforts of tracking veterans' statistics and establishing supportive campuses for veterans.

Full-Time	55	55	55	0	55
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	55	55	55	0	55
Payroll	3,108,900	3,550,800	3,550,800	0	3,550,800
Operational	682,400	874,100	874,100	0	874,100
Total	\$3,791,300	\$4,424,900	\$4,424,900	\$0	\$4,424,900
State	3,671,400	4,424,900	4,424,900	0	4,424,900
Federal	0	0	0	0	0
Other	119,900	0	0	0	0

323.02 Tennessee State Veterans Cemeteries

Tennessee State Veterans Cemeteries schedules and performs interment services for eligible veterans and dependents, maintains perpetual care of the cemetery grounds and facilities, and inspects and sets headstones in accordance with National Cemetery Administration standards.

Full-Time	44	50	50	0	50
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	44	50	50	0	50
Payroll	1,726,200	2,286,700	2,286,700	0	2,286,700
Operational	1,384,800	3,623,000	1,271,800	0	1,271,800
Total	\$3,111,000	\$5,909,700	\$3,558,500	\$0	\$3,558,500
State	1,448,900	1,960,000	1,960,000	0	1,960,000
Federal	1,283,500	3,702,700	1,192,900	0	1,192,900
Other	378,600	247,000	405,600	0	405,600

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
323.00 Total Veterans Services					
Full-Time	99	105	105	0	105
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	99	105	105	0	105
Payroll	4,835,100	5,837,500	5,837,500	0	5,837,500
Operational	2,067,200	4,497,100	2,145,900	0	2,145,900
Total	\$6,902,300	\$10,334,600	\$7,983,400	\$0	\$7,983,400
State	5,120,300	6,384,900	6,384,900	0	6,384,900
Federal	1,283,500	3,702,700	1,192,900	0	1,192,900
Other	498,500	247,000	405,600	0	405,600

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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	94	93	93	0	93
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	94	93	93	0	93
Payroll	7,962,300	8,750,400	8,750,400	0	8,750,400
Operational	15,552,900	18,736,200	19,329,600	0	19,329,600
Total	\$23,515,200	\$27,486,600	\$28,080,000	\$0	\$28,080,000
State	11,529,500	16,639,100	16,136,500	0	16,136,500
Federal	2,500	0	0	0	0
Other	11,983,200	10,847,500	11,943,500	0	11,943,500

347.23 Tennessee Revenue Registration and Reporting System

The Tennessee Revenue Registration and Reporting System division develops and operates the next generation of the state's tax administration system. This platform handles 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 includes state-of-the art reporting features and a taxpayer access portal for secure online transactions.

Full-Time	16	17	0	16	16
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	16	17	0	16	16
Payroll	469,700	1,667,100	40,400	1,602,900	1,643,300
Operational	9,814,900	9,365,200	123,800	8,952,700	9,076,500
Total	\$10,284,600	\$11,032,300	\$164,200	\$10,555,600	\$10,719,800
State	10,284,600	11,032,300	164,200	10,555,600	10,719,800
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	113	120	120	0	120
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	113	120	120	0	120
Payroll	6,144,200	7,359,600	7,359,600	0	7,359,600
Operational	2,191,100	2,262,200	2,462,200	0	2,462,200
Total	\$8,335,300	\$9,621,800	\$9,821,800	\$0	\$9,821,800
State	6,659,500	7,950,600	8,150,600	0	8,150,600
Federal	0	0	0	0	0
Other	1,675,800	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	111	104	104	0	104
Part-Time	4	4	4	0	4
Seasonal	0	0	0	0	0
Total	115	108	108	0	108
Payroll	5,270,000	6,461,100	6,461,100	0	6,461,100
Operational	926,000	1,266,900	1,266,900	0	1,266,900
Total	\$6,196,000	\$7,728,000	\$7,728,000	\$0	\$7,728,000
State	2,565,500	4,433,300	4,433,300	0	4,433,300
Federal	0	0	0	0	0
Other	3,630,500	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	91	91	91	0	91
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	91	91	91	0	91

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
Payroll	4,668,300	5,924,400	5,924,400	0	5,924,400
Operational	15,260,900	13,153,900	13,435,200	0	13,435,200
Total	\$19,929,200	\$19,078,300	\$19,359,600	\$0	\$19,359,600
State	15,233,800	17,532,900	17,814,200	0	17,814,200
Federal	0	0	0	0	0
Other	4,695,400	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	3,116,400	2,500,000	2,500,000	0	2,500,000
Total	\$3,116,400	\$2,500,000	\$2,500,000	\$0	\$2,500,000
State	3,116,400	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	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	103,400	403,400	403,400	0	403,400
Operational	3,671,200	4,415,400	4,587,300	0	4,587,300
Total	\$3,774,600	\$4,818,800	\$4,990,700	\$0	\$4,990,700
State	3,774,600	4,818,800	4,990,700	0	4,990,700
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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	90,800	591,100	591,100	0	591,100
Operational	686,200	2,445,900	2,445,900	0	2,445,900
Total	\$777,000	\$3,037,000	\$3,037,000	\$0	\$3,037,000
State	777,000	3,037,000	3,037,000	0	3,037,000
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	129	129	0	129
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	127	129	129	0	129
Payroll	6,852,200	8,668,600	8,668,600	0	8,668,600
Operational	948,400	1,170,400	1,170,400	0	1,170,400
Total	\$7,800,600	\$9,839,000	\$9,839,000	\$0	\$9,839,000
State	4,401,200	6,469,100	6,469,100	0	6,469,100
Federal	0	0	0	0	0
Other	3,399,400	3,369,900	3,369,900	0	3,369,900

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	359	363	363	0	363
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	359	363	363	0	363
Payroll	25,853,700	30,953,000	30,953,000	0	30,953,000
Operational	4,198,800	4,177,400	4,177,400	0	4,177,400
Total	\$30,052,500	\$35,130,400	\$35,130,400	\$0	\$35,130,400
State	18,425,200	24,044,400	24,044,400	0	24,044,400
Federal	0	20,900	20,900	0	20,900
Other	11,627,300	11,065,100	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	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	1,245,500	1,517,600	1,517,600	0	1,517,600
Operational	525,200	300,500	300,500	0	300,500
Total	\$1,770,700	\$1,818,100	\$1,818,100	\$0	\$1,818,100
State	1,702,200	1,818,100	1,818,100	0	1,818,100
Federal	0	0	0	0	0
Other	68,500	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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	0	3,600,000	250,000	0	250,000
Total	\$0	\$3,600,000	\$250,000	\$0	\$250,000
State	0	3,600,000	250,000	0	250,000
Federal	0	0	0	0	0
Other	0	0	0	0	0
347.00 Total Revenue					
Full-Time	938	944	927	16	943
Part-Time	4	4	4	0	4
Seasonal	0	0	0	0	0
Total	942	948	931	16	947
Payroll	58,660,100	72,296,300	70,669,600	1,602,900	72,272,500
Operational	56,892,000	63,394,000	52,049,200	8,952,700	61,001,900
Total	\$115,552,100	\$135,690,300	\$122,718,800	\$10,555,600	\$133,274,400
State	78,469,500	103,875,600	89,808,100	10,555,600	100,363,700
Federal	2,500	20,900	20,900	0	20,900
Other	37,080,100	31,793,800	32,889,800	0	32,889,800

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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	10,140,800	0	0	0	0
Operational	35,728,700	318,746,100	241,158,200	109,391,800	350,550,000
Total	\$45,869,500	\$318,746,100	\$241,158,200	\$109,391,800	\$350,550,000
State	43,234,300	318,746,100	241,158,200	109,391,800	350,550,000
Federal	0	0	0	0	0
Other	2,635,200	0	0	0	0

Emergency and Contingency Fund

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

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	150,300	400,000	400,000	0	400,000
Total	\$150,300	\$400,000	\$400,000	\$0	\$400,000
State	92,700	250,000	250,000	0	250,000
Federal	0	0	0	0	0
Other	57,600	150,000	150,000	0	150,000

Education



Education

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Education

Recommended Budget, Fiscal Year 2018 – 2019

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 comprised of eight governing boards in two independent systems: the University of Tennessee System and the State University and Community College System. The State University and Community College System includes the Tennessee Board of Regents (TBR), which governs the community colleges and colleges of applied technology, and six distinct local governing boards for Austin Peay University, East Tennessee State University, Middle Tennessee State University, Tennessee State University, Tennessee Technological University, and the University of Memphis. 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 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 the 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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Recommended 2018-2019</u>
Personnel			
Full-Time *	27,237	27,416	27,377
Part-Time	69	45	45
Seasonal	0	0	0
TOTAL	27,306	27,461	27,422
Expenditures			
Payroll	\$ 108,005,700	\$ 123,972,900	\$ 119,671,900
Operational	10,235,010,800	10,653,364,800	10,880,785,600
TOTAL	\$ 10,343,016,500	\$ 10,777,337,700	\$ 11,000,457,500
Funding			
State **	\$ 6,457,588,500	\$ 6,864,243,100	\$ 7,076,097,400
Federal	1,192,412,000	1,190,374,000	1,201,726,500
Other	886,485,300	864,101,600	864,014,600
Tuition/Fees	1,806,530,700	1,858,619,000	1,858,619,000

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

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

\$	336,739,300	\$	345,900,000	\$	359,300,000
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Education
Recommended Budget for Fiscal Year 2018-2019
By Funding Source

Department	State	Federal	Other	Total
331.00 Education (K-12)	5,107,571,400	1,137,319,100	149,847,000	6,394,737,500
332.00 Higher Education	1,968,526,000	64,407,400	2,572,786,600 *	4,605,720,000
Total	\$7,076,097,400	\$1,201,726,500	\$2,722,633,600	\$11,000,457,500

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

Education
Cost Increases for Fiscal Year 2018-2019

	<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 funding 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, 2018.					
331.25 Basic Education Program	\$55,124,000	\$0	\$0	\$55,124,000	0
Sub-total	\$55,124,000	\$0	\$0	\$55,124,000	0
• Basic Education Program - Growth and Inflationary Costs					
To provide recurring funding for Basic Education Program (BEP) formula growth and inflationary costs.					
331.25 Basic Education Program	\$48,820,000	\$0	\$0	\$48,820,000	0
Sub-total	\$48,820,000	\$0	\$0	\$48,820,000	0
• Basic Education Program - TCRS (Retirement) Contribution Increase July 1, 2018					
To provide recurring funding for the increase in the retirement contribution effective July 1, 2018 for local certified personnel.					
331.25 Basic Education Program	\$22,214,000	\$0	\$0	\$22,214,000	0
Sub-total	\$22,214,000	\$0	\$0	\$22,214,000	0
• Basic Education Program - Current Year Growth					
To provide funding 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 – Response to Intervention Positions					
To provide recurring funding for Response to Intervention positions in the Basic Education Program.					
331.25 Basic Education Program	\$13,334,000	\$0	\$0	\$13,334,000	0
Sub-total	\$13,334,000	\$0	\$0	\$13,334,000	0
• Group Health Insurance - Annualize January 1, 2018 Rate Increase					
To provide recurring funding for the state share of a 9.04 percent group health insurance premium increase for January 1, 2018. This is funded for six months in the recommended budget.					
331.25 Basic Education Program	\$17,329,000	\$0	\$0	\$17,329,000	0
Sub-total	\$17,329,000	\$0	\$0	\$17,329,000	0

Education

Cost Increases for Fiscal Year 2018-2019

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Group Health Insurance – January 1, 2019					
To provide recurring funding for the state share of a 5.0 percent group health insurance increase for LEAs for January 1, 2019. This is funded for six months in the recommended budget.					
331.25 Basic Education Program	\$10,464,000	\$0	\$0	\$10,464,000	0
Sub-total	\$10,464,000	\$0	\$0	\$10,464,000	0
• Priority Schools Improvement Grants					
To provide non-recurring funding to support improvement within the lowest-performing 5.0 percent of schools.					
331.03 ESSA and Federal Programs	\$10,000,000	\$0	\$0	\$10,000,000	0
Sub-total	\$10,000,000	\$0	\$0	\$10,000,000	0
• Charter Schools Facilities Fund					
To provide non-recurring funding for the charter schools facilities fund to assist public charter schools in acquiring and improving property in which to educate students.					
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 funding for the third 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
• Principal Leadership					
To provide funding for a comprehensive principal leadership initiative that includes a focus on principal training programs, recruitment and retention, and professional development.					
331.05 Academic Offices	\$1,750,000	\$0	\$0	\$1,750,000	0
Sub-total	\$1,750,000	\$0	\$0	\$1,750,000	0
• Teach For America					
To provide non-recurring funding for Teach For America, which recruits college graduates to serve as teachers in low-income communities across Tennessee.					
331.02 Grants-In-Aid	\$1,500,000	\$0	\$0	\$1,500,000	0
Sub-total	\$1,500,000	\$0	\$0	\$1,500,000	0

Education

Cost Increases for Fiscal Year 2018-2019

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<ul style="list-style-type: none"> • Centers of Regional Excellence (CORE) To provide recurring funding to the department's eight Centers of Regional Excellence (CORE) to provide support to LEAs to build educator capacity through targeted, differentiated academic support resulting in student readiness. 					
331.39 Centers of Regional Excellence (CORE)	\$1,000,000	\$452,000	\$0	\$1,452,000	19
Sub-total	\$1,000,000	\$452,000	\$0	\$1,452,000	19
<ul style="list-style-type: none"> • Standards-Based Professional Learning To provide non-recurring funding for implementation and training on new social studies standards. 					
331.05 Academic Offices	\$700,000	\$0	\$0	\$700,000	0
Sub-total	\$700,000	\$0	\$0	\$700,000	0
<ul style="list-style-type: none"> • Office of School Improvement To provide recurring funding for positions for the department's Office of School Improvement (OSI) to provide strategic and tailored interventions to support growth in schools. 					
331.03 ESSA and Federal Programs	\$276,000	\$0	\$0	\$276,000	2
Sub-total	\$276,000	\$0	\$0	\$276,000	2
<ul style="list-style-type: none"> • Tennessee Educator Survey To provide recurring funding for the design, administration, analysis, and development of the Tennessee Educator Survey, a comprehensive tool for gathering feedback from educators statewide. 					
331.11 Data and Research	\$230,000	\$0	\$0	\$230,000	0
Sub-total	\$230,000	\$0	\$0	\$230,000	0
<ul style="list-style-type: none"> • Music and Arts Education Administration To provide recurring funding for a position to oversee the music and arts grant program to serve districts across the state. 					
331.01 Administration	\$135,000	\$0	\$0	\$135,000	1
Sub-total	\$135,000	\$0	\$0	\$135,000	1
<ul style="list-style-type: none"> • Textbook Commission To provide recurring funding for the review of textbooks. 					
331.05 Academic Offices	\$130,000	\$0	\$0	\$130,000	0
Sub-total	\$130,000	\$0	\$0	\$130,000	0

Education
Cost Increases for Fiscal Year 2018-2019

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Standards Review Process					
To provide recurring funding to reimburse standards review committee members involved in the state's standards review process of major curriculum areas.					
331.07 State Board of Education	\$106,700	\$0	\$0	\$106,700	0
Sub-total	\$106,700	\$0	\$0	\$106,700	0
• Tennessee Arts Academy					
To provide recurring funding 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
• Compliance Attorney					
To provide recurring funding for a compliance attorney for the State Board of Education.					
331.07 State Board of Education	\$87,700	\$0	\$0	\$87,700	1
Sub-total	\$87,700	\$0	\$0	\$87,700	1
• Accountability Analyst					
To provide recurring funding for a position to develop, support, and implement new accountability indicators as required by the Every Student Succeeds Act (ESSA).					
331.03 ESSA and Federal Programs	\$50,000	\$50,000	\$0	\$100,000	1
Sub-total	\$50,000	\$50,000	\$0	\$100,000	1
• Content Specialists					
To provide additional positions for the department's content and assessment design team.					
331.05 Academic Offices	\$0	\$0	\$0	\$0	8
Sub-total	\$0	\$0	\$0	\$0	8
• English Language Learner Support to Districts					
To provide a position within the department's Office of Consolidated Planning and Monitoring to add capacity to serve English Language Learners.					
331.03 ESSA and Federal Programs	\$0	\$0	\$0	\$0	1
Sub-total	\$0	\$0	\$0	\$0	1
Total Education (K-12)	\$211,797,400	\$502,000	\$0	\$212,299,400	51

Education

Cost Increases for Fiscal Year 2018-2019

	State	Federal	Other	Total	Positions
Higher Education - State Administered Programs					
• Tennessee Student Assistance Awards					
<p>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 2017-2018, funding for the TSAA program includes \$90,962,500 from state appropriations and \$6,800,000 from lottery funds, for a total of \$97,762,500. This amount reflects an increase of \$10.0 million over the prior fiscal year. In spite of increased appropriations over the past several years, approximately 70,500 students are currently eligible for the TSAA but are unable to receive the award due to insufficient funding. The Tennessee Student Assistance Corporation's (TSAC) goal is to fully fund eligible student applicants over a five year period. To accomplish this, TSAC is recommending for fiscal year 2018-2019, an increase of \$10.0 million. Based on projected acceptance rates, this will serve approximately 5,500 students, bringing the total number of awarded students to approximately 59,800. 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.</p>					
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
• University Research Fund					
<p>To provide non-recurring funding to support research areas aligned with state economic and community development priorities and initiatives.</p>					
332.09 THEC Grants	\$5,000,000	\$0	\$0	\$5,000,000	0
Sub-total	\$5,000,000	\$0	\$0	\$5,000,000	0
• Advise TN					
<p>To provide recurring funding 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.</p>					
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
• College Coaching					
<p>To provide recurring funding for a college coaching initiative for students entering higher education institutions through the Tennessee Promise Scholarship program.</p>					
332.09 THEC Grants	\$1,250,000	\$0	\$0	\$1,250,000	0
Sub-total	\$1,250,000	\$0	\$0	\$1,250,000	0

Education
Cost Increases for Fiscal Year 2018-2019

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Veteran Reconnect Grants					
To provide non-recurring funding 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 funding 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
• Seamless Alignment and Integrated Learning Support (SAILS) Program					
To provide recurring funding 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
• Tennessee Promise Bridge Grants					
To provide recurring funding for a structured summer academic program for Tennessee Promise students to address remediation needs and gain college success skills prior to enrolling in the fall semester.					
332.09 THEC Grants	\$500,000	\$0	\$0	\$500,000	0
Sub-total	\$500,000	\$0	\$0	\$500,000	0
• THEC/TSAC - Salary Pool					
To provide recurring funding for a 2.5 percent salary pool for higher education employees effective July 1, 2018.					
332.08 Centers of Excellence	\$364,300	\$0	\$0	\$364,300	0
332.11 Campus Centers of Emphasis	\$24,300	\$0	\$0	\$24,300	0
332.14 Foreign Language Institute	\$41,000	\$0	\$0	\$41,000	0
Sub-total	\$429,600	\$0	\$0	\$429,600	0

Education
Cost Increases for Fiscal Year 2018-2019

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Mechatronics Pilot Program					
To provide non-recurring funding to expand opportunities for mechatronics education, which is a multidisciplinary field combining mechanical engineering and electronics, through a high school and post-secondary partnership.					
332.09 THEC Grants	\$276,000	\$0	\$0	\$276,000	0
Sub-total	\$276,000	\$0	\$0	\$276,000	0
• Adult Learner Program					
To provide recurring funding for positions that will provide administrative/fiscal oversight and leadership for the Adult Learner program.					
332.01 Tennessee Higher Education Commission	\$200,000	\$0	\$0	\$200,000	2
Sub-total	\$200,000	\$0	\$0	\$200,000	2
• Labor Education Alignment Program (LEAP) Administration					
To provide recurring funding for a position that will provide coordination, administrative/fiscal oversight, and leadership for LEAP.					
332.01 Tennessee Higher Education Commission	\$96,300	\$0	\$0	\$96,300	1
Sub-total	\$96,300	\$0	\$0	\$96,300	1
• Tennessee Reconnect Coordinator					
To provide recurring funding for a position to administer fiscal affairs for the Tennessee Reconnect program.					
332.01 Tennessee Higher Education Commission	\$84,000	\$0	\$0	\$84,000	1
Sub-total	\$84,000	\$0	\$0	\$84,000	1
Total Higher Education - State Administered Programs	\$22,841,700	\$0	\$0	\$22,841,700	7

University of Tennessee System

• UT System Formula Unit - Salary Pool					
To provide recurring funding for a 2.5 percent salary pool for higher education employees effective July 1, 2018.					
332.40 UT Chattanooga	\$1,433,000	\$0	\$0	\$1,433,000	0
332.42 UT Knoxville	\$5,480,800	\$0	\$0	\$5,480,800	0
332.44 UT Martin	\$829,300	\$0	\$0	\$829,300	0
Sub-total	\$7,743,100	\$0	\$0	\$7,743,100	0

Education
Cost Increases for Fiscal Year 2018-2019

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• UT System Outcome Growth					
To provide recurring funding 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	\$1,458,200	\$0	\$0	\$1,458,200	0
332.42 UT Knoxville	\$6,036,800	\$0	\$0	\$6,036,800	0
332.44 UT Martin	\$890,100	\$0	\$0	\$890,100	0
Sub-total	\$8,385,100	\$0	\$0	\$8,385,100	0
• UT System Non-Formula Unit - Salary Pool					
To provide recurring funding for a 2.5 percent salary pool for higher education employees effective July 1, 2018.					
332.10 UT University-Wide Administration	\$107,500	\$0	\$0	\$107,500	0
332.15 UT Institute for Public Service	\$111,300	\$0	\$0	\$111,300	0
332.16 UT Municipal Technical Advisory Service	\$124,800	\$0	\$0	\$124,800	0
332.17 UT County Technical Assistance Service	\$103,000	\$0	\$0	\$103,000	0
332.23 UT Space Institute	\$204,300	\$0	\$0	\$204,300	0
332.25 UT Agricultural Experiment Station	\$711,500	\$0	\$0	\$711,500	0
332.26 UT Agricultural Extension Service	\$919,800	\$0	\$0	\$919,800	0
332.28 UT Veterinary Medicine	\$856,300	\$0	\$0	\$856,300	0
332.30 UT Health Science Center	\$4,905,800	\$0	\$0	\$4,905,800	0
Sub-total	\$8,044,300	\$0	\$0	\$8,044,300	0

Education
Cost Increases for Fiscal Year 2018-2019

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• UT System Group Health Insurance - Annualize January 1, 2018 Rate Increase					
To provide recurring funding for the state share of a 4.7 percent group health insurance premium increase for January 1, 2018. This is funded for six months in the recommended budget.					
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
• Genomics Center for the Advancement of Agriculture					
To provide recurring funding to establish a genomics center at the University of Tennessee Institute of Agriculture to conduct innovative research to improve agricultural outcomes such as improved feed efficiency and pest and disease resistance.					
332.42 UT Knoxville	\$860,000	\$0	\$0	\$860,000	0
Sub-total	\$860,000	\$0	\$0	\$860,000	0
• Minority Teaching Scholarships					
To provide non-recurring funding for minority teaching scholarships.					
332.42 UT Knoxville	\$200,000	\$0	\$0	\$200,000	0
Sub-total	\$200,000	\$0	\$0	\$200,000	0
Total University of Tennessee System	\$27,733,800	\$0	\$0	\$27,733,800	0

Education
Cost Increases for Fiscal Year 2018-2019

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>	
State University and Community College System						
• Locally Governed Institutions Formula Unit - Salary Pool						
To provide recurring funding for a 2.5 percent salary pool for higher education employees effective July 1, 2018.						
332.70	Austin Peay State University	\$1,122,500	\$0	\$0	\$1,122,500	0
332.72	East Tennessee State University	\$1,842,300	\$0	\$0	\$1,842,300	0
332.74	University of Memphis	\$3,055,300	\$0	\$0	\$3,055,300	0
332.75	Middle Tennessee State University	\$2,638,800	\$0	\$0	\$2,638,800	0
332.77	Tennessee State University	\$1,188,300	\$0	\$0	\$1,188,300	0
332.78	Tennessee Technological University	\$1,281,500	\$0	\$0	\$1,281,500	0
Sub-total		\$11,128,700	\$0	\$0	\$11,128,700	0
• TBR System Formula Unit - Salary Pool						
To provide recurring funding for a 2.5 percent salary pool for higher education employees effective July 1, 2018.						
332.89	Tennessee Community Colleges	\$6,216,100	\$0	\$0	\$6,216,100	0
332.98	Tennessee Colleges of Applied Technology	\$1,346,800	\$0	\$0	\$1,346,800	0
Sub-total		\$7,562,900	\$0	\$0	\$7,562,900	0
• Locally Governed Institutions Outcome Growth						
To provide recurring funding 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	\$1,260,600	\$0	\$0	\$1,260,600	0
332.72	East Tennessee State University	\$1,708,000	\$0	\$0	\$1,708,000	0
332.74	University of Memphis	\$3,095,500	\$0	\$0	\$3,095,500	0
332.75	Middle Tennessee State University	\$2,708,400	\$0	\$0	\$2,708,400	0
332.77	Tennessee State University	\$1,028,300	\$0	\$0	\$1,028,300	0
332.78	Tennessee Technological University	\$1,327,400	\$0	\$0	\$1,327,400	0
Sub-total		\$11,128,200	\$0	\$0	\$11,128,200	0

Education
Cost Increases for Fiscal Year 2018-2019

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• TBR System Outcome Growth					
To provide recurring funding 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.					
332.89 Tennessee Community Colleges	\$7,152,100	\$0	\$0	\$7,152,100	0
332.98 Tennessee Colleges of Applied Technology	\$1,899,900	\$0	\$0	\$1,899,900	0
Sub-total	\$9,052,000	\$0	\$0	\$9,052,000	0
• Locally Governed Institutions Non-Formula Unit - Salary Pool					
To provide recurring funding for a 2.5 percent salary pool for higher education employees effective July 1, 2018.					
332.62 TSU McMinnville Center	\$10,800	\$0	\$0	\$10,800	0
332.63 TSU Institute of Agricultural and Environmental Research	\$65,500	\$0	\$0	\$65,500	0
332.64 TSU Cooperative Education	\$95,000	\$0	\$0	\$95,000	0
332.65 ETSU College of Medicine	\$1,186,500	\$0	\$0	\$1,186,500	0
332.67 ETSU Family Practice	\$337,800	\$0	\$0	\$337,800	0
332.68 TSU McIntire-Stennis Forestry Research	\$2,800	\$0	\$0	\$2,800	0
Sub-total	\$1,698,400	\$0	\$0	\$1,698,400	0
• TBR System Non-Formula Unit - Salary Pool					
To provide recurring funding for a 2.5 percent salary pool for higher education employees effective July 1, 2018.					
332.60 Tennessee Board of Regents	\$408,000	\$0	\$0	\$408,000	0
Sub-total	\$408,000	\$0	\$0	\$408,000	0

Education

Cost Increases for Fiscal Year 2018-2019

	State	Federal	Other	Total	Positions	
• Locally Governed Institutions Group Health Insurance - Annualize January 1, 2018 Rate Increase						
To provide recurring funding for the state share of a 4.7 percent group health insurance premium increase for January 1, 2018. This is funded for six months in the recommended budget.						
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
Sub-total		\$2,230,800	\$0	\$0	\$2,230,800	0
• TBR System Group Health Insurance - Annualize January 1, 2018 Rate Increase						
To provide recurring funding for the state share of a 4.7 percent group health insurance premium increase for January 1, 2018. This is funded for six months in the recommended budget.						
332.60	Tennessee Board of Regents	\$30,800	\$0	\$0	\$30,800	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		\$1,337,900	\$0	\$0	\$1,337,900	0
• Relational Advising						
To provide recurring funding to implement a relational advising model at the Tennessee Board of Regents' 13 community colleges.						
332.60	Tennessee Board of Regents	\$1,000,000	\$0	\$0	\$1,000,000	0
Sub-total		\$1,000,000	\$0	\$0	\$1,000,000	0
• Mobile Adaptive Training Unit						
To provide non-recurring funding for a mobile adaptive training unit at the Tennessee Board of Regents to provide quick responses to training needs for new and existing industries.						
332.60	Tennessee Board of Regents	\$1,000,000	\$0	\$0	\$1,000,000	0
Sub-total		\$1,000,000	\$0	\$0	\$1,000,000	0

Education
Cost Increases for Fiscal Year 2018-2019

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Cost Allocation Support					
To provide non-recurring funding for cost allocation support.					
332.60 Tennessee Board of Regents	\$750,000	\$0	\$0	\$750,000	0
Sub-total	\$750,000	\$0	\$0	\$750,000	0
• Medical Education Program					
To provide non-recurring funding for financial aid for students in the medical education program administered by Middle Tennessee State University and Meharry Medical College					
332.75 Middle Tennessee State University	\$750,000	\$0	\$0	\$750,000	0
Sub-total	\$750,000	\$0	\$0	\$750,000	0
• National Science Foundation (Year Two of Four)					
To provide the second year of non-recurring funding 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
Total State University and Community College System	\$48,546,900	\$0	\$0	\$48,546,900	0
Total Higher Education	\$99,122,400	\$0	\$0	\$99,122,400	7
Total Education	\$310,919,800	\$502,000	\$0	\$311,421,800	58

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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	61	49	17	1	18
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	61	49	17	1	18
Payroll	6,005,000	5,412,600	2,801,600	123,000	2,924,600
Operational	2,135,600	8,477,900	5,088,900	6,012,000	11,100,900
Total	\$8,140,600	\$13,890,500	\$7,890,500	\$6,135,000	\$14,025,500
State	5,260,900	12,039,500	6,039,500	6,135,000	12,174,500
Federal	2,691,300	1,774,600	1,774,600	0	1,774,600
Other	188,400	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	11	11	1	12
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	10	11	11	1	12
Payroll	971,900	1,127,100	1,127,100	82,700	1,209,800
Operational	372,600	2,016,600	2,016,600	111,700	2,128,300
Total	\$1,344,500	\$3,143,700	\$3,143,700	\$194,400	\$3,338,100
State	1,344,500	1,409,300	1,409,300	194,400	1,603,700
Federal	0	0	0	0	0
Other	0	1,734,400	1,734,400	0	1,734,400

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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; Grants-In-Aid; Technology, Infrastructure, and Support Systems; Academic Offices; Career Ladder; Data and Research; After-School Programs Special Account; Early Childhood Education; Energy Efficient Schools Initiative; Centers of Regional Excellence (CORE); and Driver Education.

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	4,439,855,100	4,663,307,600	4,613,093,600	185,285,000	4,798,378,600
Total	\$4,439,855,100	\$4,663,307,600	\$4,613,093,600	\$185,285,000	\$4,798,378,600
State	4,439,855,100	4,663,307,600	4,613,093,600	185,285,000	4,798,378,600
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	5,516,800	6,850,600	4,300,600	1,600,000	5,900,600
Total	\$5,516,800	\$6,850,600	\$4,300,600	\$1,600,000	\$5,900,600
State	5,516,800	6,850,600	4,300,600	1,600,000	5,900,600
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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
Full-Time	14	18	18	0	18
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	14	18	18	0	18
Payroll	1,469,500	2,076,400	2,076,400	0	2,076,400
Operational	1,156,200	1,556,700	1,556,700	0	1,556,700
Total	\$2,625,700	\$3,633,100	\$3,633,100	\$0	\$3,633,100
State	2,400,700	2,433,100	2,433,100	0	2,433,100
Federal	225,000	200,000	200,000	0	200,000
Other	0	1,000,000	1,000,000	0	1,000,000

331.05 Academic Offices

Academic Offices provide 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.

Full-Time	54	57	57	8	65
Part-Time	10	9	9	0	9
Seasonal	0	0	0	0	0
Total	64	66	66	8	74
Payroll	4,673,700	5,269,500	6,332,500	0	6,332,500
Operational	6,796,500	8,512,200	5,644,200	2,580,000	8,224,200
Total	\$11,470,200	\$13,781,700	\$11,976,700	\$2,580,000	\$14,556,700
State	8,956,300	11,038,500	9,233,500	2,580,000	11,813,500
Federal	1,697,800	2,110,700	2,110,700	0	2,110,700
Other	816,100	632,500	632,500	0	632,500

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.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	18,884,000	18,900,000	18,900,000	0	18,900,000
Total	\$18,884,000	\$18,900,000	\$18,900,000	\$0	\$18,900,000

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
State	18,884,000	18,900,000	18,900,000	0	18,900,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

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	28	28	28	0	28
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	28	28	28	0	28
Payroll	2,325,500	2,689,900	2,689,900	0	2,689,900
Operational	63,070,100	51,692,300	48,935,300	230,000	49,165,300
Total	\$65,395,600	\$54,382,200	\$51,625,200	\$230,000	\$51,855,200
State	45,280,500	45,570,000	42,813,000	230,000	43,043,000
Federal	8,930,600	8,712,200	8,712,200	0	8,712,200
Other	11,184,500	100,000	100,000	0	100,000

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 both new and existing after-school programs. The education lottery that funds this program began in January 2004, and the lottery-funded after-school program began in July 2005.

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	208,800	230,600	230,600	0	230,600
Operational	11,176,600	13,269,400	13,269,400	0	13,269,400
Total	\$11,385,400	\$13,500,000	\$13,500,000	\$0	\$13,500,000
State	11,385,400	13,500,000	13,500,000	0	13,500,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
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331.32 Early Childhood Education

The Early Childhood Education initiative was established to promote successful pre-kindergarten programs and prepare children for academic success, with emphasis on children at risk of failure. The Office of Early Learning coordinates and supports this initiative, in addition to school-age child care, Family Resource Centers, and Head Start.

Full-Time	31	33	33	0	33
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	31	33	33	0	33
Payroll	2,414,700	2,910,900	2,910,900	0	2,910,900
Operational	103,830,100	107,484,800	107,484,800	0	107,484,800
Total	\$106,244,800	\$110,395,700	\$110,395,700	\$0	\$110,395,700
State	88,420,100	92,408,800	92,408,800	0	92,408,800
Federal	17,822,100	17,678,200	17,678,200	0	17,678,200
Other	2,600	308,700	308,700	0	308,700

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	280,700	291,900	291,900	0	291,900
Operational	264,400	169,100	169,100	0	169,100
Total	\$545,100	\$461,000	\$461,000	\$0	\$461,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	545,100	461,000	461,000	0	461,000

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.

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
Full-Time	72	72	19	37	56
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	72	72	19	37	56
Payroll	5,993,100	7,484,900	2,557,300	3,161,900	5,719,200
Operational	8,361,800	13,350,900	10,468,900	2,737,100	13,206,000
Total	\$14,354,900	\$20,835,800	\$13,026,200	\$5,899,000	\$18,925,200
State	5,449,700	6,723,300	2,276,300	5,447,000	7,723,300
Federal	2,832,800	4,110,300	747,700	452,000	1,199,700
Other	6,072,400	10,002,200	10,002,200	0	10,002,200

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	1,440,600	1,700,000	1,700,000	0	1,700,000
Total	\$1,440,600	\$1,700,000	\$1,700,000	\$0	\$1,700,000
State	1,440,600	1,700,000	1,700,000	0	1,700,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Federally-Funded and Supported LEA Programs

Various federally-funded programs, including funding for the Every Student Succeeds Act (ESSA), 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. Child nutrition programs, services to students with disabilities, and career and technical education programs are federally and state-funded.

331.03 ESSA and Federal Programs

The Every Student Succeeds 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.

Full-Time	30	32	32	4	36
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	30	32	32	4	36
Payroll	2,683,100	3,958,700	4,036,700	364,000	4,400,700
Operational	367,888,700	366,829,500	371,751,500	10,012,000	381,763,500
Total	\$370,571,800	\$370,788,200	\$375,788,200	\$10,376,000	\$386,164,200

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
State	402,100	10,781,600	781,600	10,326,000	11,107,600
Federal	370,161,800	360,006,600	375,006,600	50,000	375,056,600
Other	7,900	0	0	0	0

331.09 Improving Schools Program

The Improving Schools Program funds a variety of initiatives designed to provide support for local efforts. The Safe and Drug-Free Schools and Communities program provides financial and technical support to schools and communities to reduce adolescent drug use and violence. The Tobacco Prevention program addresses smoking among young children. The 21st Century Learning Centers administer grants to serve students who attend high-poverty, low-achieving schools. School Health programs provide technical and financial assistance in implementing and developing comprehensive school health programs in the local schools. Financial support is provided through a variety of grant programs, including formula grants to LEAs, 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	13	15	15	0	15
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	13	15	15	0	15
Payroll	1,225,300	2,394,200	2,394,200	0	2,394,200
Operational	45,578,400	46,980,100	46,980,100	0	46,980,100
Total	\$46,803,700	\$49,374,300	\$49,374,300	\$0	\$49,374,300
State	20,145,900	20,586,400	20,586,400	0	20,586,400
Federal	26,270,200	28,508,400	28,508,400	0	28,508,400
Other	387,600	279,500	279,500	0	279,500

331.35 School Nutrition Program

The School Nutrition Program provides nutrition education and nutritious meals during the school day. To ensure that all students have access to a nutritious meal, the division reimburses LEAs for all eligible students participating in the School Lunch and School Breakfast programs. Student eligibility is based on federal income poverty guidelines.

Full-Time	23	24	24	0	24
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	23	24	24	0	24
Payroll	1,853,200	2,522,100	2,522,100	0	2,522,100
Operational	408,066,000	415,448,700	415,448,700	0	415,448,700
Total	\$409,919,200	\$417,970,800	\$417,970,800	\$0	\$417,970,800
State	4,767,500	4,810,900	4,810,900	0	4,810,900
Federal	405,117,700	413,154,900	413,154,900	0	413,154,900
Other	34,000	5,000	5,000	0	5,000

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
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331.36 Special Education Services

The Division of Special Education Services is responsible for initiating, improving, and expanding special education programs and services to children with disabilities, as mandated by state and federal law. The division serves children through two major efforts: providing technical assistance to school systems and agencies that provide special education programs, and ensuring that the rights of disabled children and their parents are protected by mediating disagreements between local school systems and parents regarding a child's educational program and providing due process hearings. This division also administers the Individualized Education Act.

Full-Time	34	34	35	0	35
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	34	34	35	0	35
Payroll	3,304,900	4,056,300	4,056,300	0	4,056,300
Operational	252,377,400	249,073,200	249,073,200	0	249,073,200
Total	\$255,682,300	\$253,129,500	\$253,129,500	\$0	\$253,129,500
State	860,700	1,118,900	1,118,900	0	1,118,900
Federal	254,821,600	252,010,600	252,010,600	0	252,010,600
Other	0	0	0	0	0

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 post-secondary 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 post-secondary 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	48	49	49	0	49
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	48	49	49	0	49
Payroll	3,942,700	4,812,900	4,812,900	0	4,812,900
Operational	28,196,100	46,773,100	30,158,100	0	30,158,100
Total	\$32,138,800	\$51,586,000	\$34,971,000	\$0	\$34,971,000
State	7,372,400	24,424,200	7,809,200	0	7,809,200
Federal	24,246,000	26,436,800	26,436,800	0	26,436,800
Other	520,400	725,000	725,000	0	725,000

331.55 Achievement School District

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

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
Full-Time	226	204	202	0	202
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	226	204	202	0	202
Payroll	15,095,800	14,952,300	14,865,300	0	14,865,300
Operational	106,337,800	104,403,800	104,403,800	0	104,403,800
Total	\$121,433,600	\$119,356,100	\$119,269,100	\$0	\$119,269,100
State	0	3,800	3,800	0	3,800
Federal	0	0	0	0	0
Other	121,433,600	119,352,300	119,265,300	0	119,265,300

331.95 Tennessee Early Intervention Services

The Tennessee Early Intervention Services (TEIS) program provides direct services to children with disabilities, from birth through the age of two, as well as home-based services to parents and other primary care providers.

Full-Time	200	214	209	0	209
Part-Time	14	0	0	0	0
Seasonal	0	0	0	0	0
Total	214	214	209	0	209
Payroll	12,622,500	15,708,900	14,076,900	0	14,076,900
Operational	22,563,600	20,211,500	21,843,500	0	21,843,500
Total	\$35,186,100	\$35,920,400	\$35,920,400	\$0	\$35,920,400
State	11,364,300	12,921,000	12,921,000	0	12,921,000
Federal	8,839,000	10,416,400	10,416,400	0	10,416,400
Other	14,982,800	12,583,000	12,583,000	0	12,583,000

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).

Full-Time	178	185	185	0	185
Part-Time	17	10	10	0	10
Seasonal	0	0	0	0	0
Total	195	195	195	0	195
Payroll	10,016,900	12,222,300	12,222,300	0	12,222,300
Operational	2,470,800	1,898,900	1,898,900	0	1,898,900
Total	\$12,487,700	\$14,121,200	\$14,121,200	\$0	\$14,121,200

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
State	11,685,400	13,208,200	13,208,200	0	13,208,200
Federal	0	0	0	0	0
Other	802,300	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	237	237	0	237
Part-Time	11	12	12	0	12
Seasonal	0	0	0	0	0
Total	249	249	249	0	249
Payroll	13,280,700	15,188,300	15,188,300	0	15,188,300
Operational	3,448,800	2,853,600	2,853,600	0	2,853,600
Total	\$16,729,500	\$18,041,900	\$18,041,900	\$0	\$18,041,900
State	16,286,400	17,498,500	17,498,500	0	17,498,500
Federal	0	0	0	0	0
Other	443,100	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	37	37	0	37
Part-Time	9	8	8	0	8
Seasonal	0	0	0	0	0
Total	45	45	45	0	45
Payroll	2,280,000	2,827,600	2,827,600	0	2,827,600
Operational	398,400	408,300	408,300	0	408,300
Total	\$2,678,400	\$3,235,900	\$3,235,900	\$0	\$3,235,900
State	2,559,900	3,013,200	3,013,200	0	3,013,200
Federal	0	0	0	0	0
Other	118,500	222,700	222,700	0	222,700

331.90 Alvin C. York Institute

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

Full-Time	67	69	69	0	69
Part-Time	8	6	6	0	6
Seasonal	0	0	0	0	0
Total	75	75	75	0	75

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
Payroll	4,910,200	5,736,000	5,736,000	0	5,736,000
Operational	1,698,200	994,400	994,400	0	994,400
Total	\$6,608,400	\$6,730,400	\$6,730,400	\$0	\$6,730,400
State	5,156,700	5,675,500	5,675,500	0	5,675,500
Federal	56,200	60,000	60,000	0	60,000
Other	1,395,500	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	110,100	239,100	239,100	0	239,100
Total	\$110,100	\$239,100	\$239,100	\$0	\$239,100
State	110,100	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	1,369	1,374	1,283	51	1,334
Part-Time	69	45	45	0	45
Seasonal	0	0	0	0	0
Total	1,438	1,419	1,328	51	1,379
Payroll	95,558,200	111,873,400	103,756,800	3,731,600	107,488,400
Operational	5,901,994,700	6,153,402,300	6,078,681,300	208,567,800	6,287,249,100
Total	\$5,997,552,900	\$6,265,275,700	\$6,182,438,100	\$212,299,400	\$6,394,737,500
State	4,714,906,000	4,990,162,000	4,895,774,000	211,797,400	5,107,571,400
Federal	1,123,712,100	1,125,179,700	1,136,817,100	502,000	1,137,319,100
Other	158,934,800	149,934,000	149,847,000	0	149,847,000

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				
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	588	6	19	40
2017-2018	634	20	26	45
2018-2019	611	11	26	45
Annual Releases				
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	156	7	29	5
2017-2018	202	5	30	5
2018-2019	179	5	30	5
Average Daily Census				
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	563	106	146	45
2017-2018	587	135	178	50
2018-2019	575	115	178	50
Cost Per Occupancy Day				
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	\$65.21	\$654.49	\$636.59	\$330.67
2017-2018	\$63.70	\$581.12	\$563.11	\$359.54
2018-2019	\$65.03	\$682.18	\$563.11	\$359.54

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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	72	66	7	73
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	71	72	66	7	73
Payroll	6,962,800	7,487,500	6,959,200	612,300	7,571,500
Operational	6,884,500	6,502,400	6,435,400	13,200	6,448,600
Total	\$13,847,300	\$13,989,900	\$13,394,600	\$625,500	\$14,020,100

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
State	3,753,700	5,050,300	4,455,000	625,500	5,080,500
Federal	5,581,600	4,635,200	4,635,200	0	4,635,200
Other	4,512,000	4,304,400	4,304,400	0	4,304,400

332.02 Contract Education

Contract Education is a program through which Tennessee residents are enrolled in Tennessee's private colleges and universities to address special educational needs in the state. Also included in this program is minority teacher education, which provides services through public institutions that expand the recruitment pool of African-Americans preparing to teach in grades K-12. The program also includes funds for the post-Geier desegregation settlement access and diversity initiative.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	2,136,900	1,832,500	1,832,500	0	1,832,500
Total	\$2,136,900	\$1,832,500	\$1,832,500	\$0	\$1,832,500
State	2,136,900	1,832,500	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	19,317,300	13,775,900	6,528,400	11,786,600	18,315,000
Total	\$19,317,300	\$13,775,900	\$6,528,400	\$11,786,600	\$18,315,000
State	17,795,800	12,489,000	6,028,400	11,786,600	17,815,000
Federal	1,186,800	1,286,900	500,000	0	500,000
Other	334,700	0	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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	17,133,600	17,685,600	17,685,600	364,300	18,049,900
Total	\$17,133,600	\$17,685,600	\$17,685,600	\$364,300	\$18,049,900
State	17,133,600	17,685,600	17,685,600	364,300	18,049,900
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	1,236,600	1,288,100	1,288,100	24,300	1,312,400
Total	\$1,236,600	\$1,288,100	\$1,288,100	\$24,300	\$1,312,400
State	1,236,600	1,288,100	1,288,100	24,300	1,312,400
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 post-secondary 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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	92,093,600	97,762,500	97,762,500	10,000,000	107,762,500
Total	\$92,093,600	\$97,762,500	\$97,762,500	\$10,000,000	\$107,762,500
State	85,293,600	90,962,500	90,962,500	10,000,000	100,962,500
Federal	0	0	0	0	0
Other	6,800,000	6,800,000	6,800,000	0	6,800,000

332.05 Tennessee Student Assistance Corporation

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

Full-Time	56	53	53	0	53
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	56	53	53	0	53
Payroll	5,484,700	4,612,000	4,612,000	0	4,612,000
Operational	2,791,000	1,944,900	1,923,300	0	1,923,300
Total	\$8,275,700	\$6,556,900	\$6,535,300	\$0	\$6,535,300
State	2,327,300	1,817,900	1,796,300	0	1,796,300
Federal	0	0	0	0	0
Other	5,948,400	4,739,000	4,739,000	0	4,739,000

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	747,000	1,590,500	1,590,500	0	1,590,500
Total	\$747,000	\$1,590,500	\$1,590,500	\$0	\$1,590,500

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
State	696,800	1,211,800	1,211,800	0	1,211,800
Federal	0	0	0	0	0
Other	50,200	378,700	378,700	0	378,700

332.07 Loan/Scholarship Programs

Loan/Scholarship Programs encourages exemplary students who are Tennessee residents and U.S. citizens to enter the teaching, medical, and nursing education fields. Participants in the teaching and medical programs incur an obligation to work in an area of need in Tennessee for each year an award is received. Participants in the nursing education program agree to enter a faculty or administrative position at a college or university in Tennessee in a nursing education program and serve for four years.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	1,328,300	2,069,200	2,069,200	0	2,069,200
Total	\$1,328,300	\$2,069,200	\$2,069,200	\$0	\$2,069,200
State	443,500	778,200	778,200	0	778,200
Federal	0	0	0	0	0
Other	884,800	1,291,000	1,291,000	0	1,291,000

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	325,353,900	332,400,000	345,800,000	0	345,800,000
Total	\$325,353,900	\$332,400,000	\$345,800,000	\$0	\$345,800,000
State	325,353,900	332,400,000	345,800,000	0	345,800,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
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Tennessee Foreign Language Institute

332.14 Foreign Language Institute

The Tennessee Foreign Language Institute's mission is to encourage and facilitate the learning and teaching of foreign languages. The institute serves more than 4,000 persons annually through classes in more than 115 languages.

Full-Time	14	14	14	0	14
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	14	14	14	0	14
Payroll	0	0	0	0	0
Operational	2,872,100	2,128,700	2,128,700	41,000	2,169,700
Total	\$2,872,100	\$2,128,700	\$2,128,700	\$41,000	\$2,169,700
State	516,700	637,800	637,800	41,000	678,800
Federal	0	0	0	0	0
Other	2,355,400	1,490,900	1,490,900	0	1,490,900

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	40,000,000	40,000,000	0	40,000,000
Total	\$0	\$40,000,000	\$40,000,000	\$0	\$40,000,000
State	0	40,000,000	40,000,000	0	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	139	133	7	140
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	141	139	133	7	140
Payroll	12,447,500	12,099,500	11,571,200	612,300	12,183,500
Operational	471,894,800	518,980,300	525,044,200	22,229,400	547,273,600
Total	\$484,342,300	\$531,079,800	\$536,615,400	\$22,841,700	\$559,457,100
State	456,688,400	506,153,700	512,476,200	22,841,700	535,317,900
Federal	6,768,400	5,922,100	5,135,200	0	5,135,200
Other	20,885,500	19,004,000	19,004,000	0	19,004,000

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 2016 and Fall 2017. 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>2016-2017</u>	<u>Estimated</u> <u>2017-2018</u>	<u>Base</u> <u>2018-2019</u>	<u>Cost Increase</u> <u>2018-2019</u>	<u>Recommended</u> <u>2018-2019</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	67	67	0	67
Professional	148	147	147	0	147
Faculty	0	0	0	0	0
Clerical/Support	72	70	70	0	70
Total	288	284	284	0	284
Headcount	0	0	0	0	0
State	5,453,600	5,537,800	5,537,800	177,900	5,715,700
Federal	0	0	0	0	0
Other	21,979,100	17,594,600	17,594,600	0	17,594,600
Tuition/Fees	0	0	0	0	0
Total	\$27,432,700	\$23,132,400	\$23,132,400	\$177,900	\$23,310,300

332.21 UT Access and Diversity Initiative

The UT Access and Diversity Initiative 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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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

The UT Institute for Public Service 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	6	6	0	6
Professional	13	20	20	0	20
Faculty	0	0	0	0	0
Clerical/Support	10	12	12	0	12
Total	27	38	38	0	38
Headcount	0	0	0	0	0
State	5,629,800	5,827,300	5,827,300	126,700	5,954,000
Federal	681,900	358,400	358,400	0	358,400
Other	852,300	1,565,400	1,565,400	0	1,565,400
Tuition/Fees	0	0	0	0	0
Total	\$7,164,000	\$7,751,100	\$7,751,100	\$126,700	\$7,877,800

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	35	35	0	35
Faculty	0	0	0	0	0
Clerical/Support	9	8	8	0	8
Total	45	45	45	0	45
Headcount	0	0	0	0	0

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
State	3,157,700	3,408,700	3,408,700	136,100	3,544,800
Federal	0	0	0	0	0
Other	3,713,100	3,690,900	3,690,900	0	3,690,900
Tuition/Fees	0	0	0	0	0
Total	\$6,870,800	\$7,099,600	\$7,099,600	\$136,100	\$7,235,700

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	2	2	0	2
Professional	27	27	27	0	27
Faculty	0	0	0	0	0
Clerical/Support	4	4	4	0	4
Total	32	33	33	0	33
Headcount	0	0	0	0	0
State	2,236,800	2,962,700	2,962,700	110,900	3,073,600
Federal	0	0	0	0	0
Other	3,249,600	3,231,700	3,231,700	0	3,231,700
Tuition/Fees	0	0	0	0	0
Total	\$5,486,400	\$6,194,400	\$6,194,400	\$110,900	\$6,305,300

Agricultural Units

Agricultural programs are an important focus of the University of Tennessee in its capacity as a land grant institution. The various units of the program promote and support agriculture through basic and applied research, assistance to community groups in all 95 counties, and veterinary training and research.

332.25 UT Agricultural Experiment Station

The UT Agricultural Experiment Station develops technology to enhance the efficiency of agricultural, forest, and ornamental industries; improve the quality of rural life; and conserve rural environmental resources including soil, water, air, and wildlife. Services are provided through campus-based programs and field laboratories.

Full-Time Administrative	19	19	19	0	19
Professional	80	80	80	0	80
Faculty	95	94	94	0	94
Clerical/Support	117	116	116	0	116
Total	311	309	309	0	309
Headcount	0	0	0	0	0
State	27,632,300	29,048,400	29,048,400	820,300	29,868,700
Federal	7,959,900	8,115,100	8,115,100	0	8,115,100
Other	5,655,300	4,051,500	4,051,500	0	4,051,500
Tuition/Fees	0	0	0	0	0
Total	\$41,247,500	\$41,215,000	\$41,215,000	\$820,300	\$42,035,300

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	17	15	15	0	15
Professional	272	254	254	0	254
Faculty	62	48	48	0	48
Clerical/Support	157	139	139	0	139
Total	508	456	456	0	456
Headcount	0	0	0	0	0
State	33,839,900	35,590,500	35,590,500	1,092,300	36,682,800
Federal	7,696,200	9,320,600	9,320,600	0	9,320,600
Other	6,109,000	7,069,700	7,069,700	0	7,069,700
Tuition/Fees	0	0	0	0	0
Total	\$47,645,100	\$51,980,800	\$51,980,800	\$1,092,300	\$53,073,100

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	9	9	0	9
Professional	42	42	42	0	42
Faculty	107	101	101	0	101
Clerical/Support	182	193	193	0	193
Total	339	345	345	0	345
Headcount	345	373	373	0	373
State	18,128,100	19,710,800	19,710,800	939,200	20,650,000
Federal	1,273,400	980,700	980,700	0	980,700
Other	16,417,200	16,620,500	16,620,500	0	16,620,500
Tuition/Fees	12,444,300	12,000,100	12,000,100	0	12,000,100
Total	\$48,263,000	\$49,312,100	\$49,312,100	\$939,200	\$50,251,300

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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
Full-Time Administrative	110	117	117	0	117
Professional	322	253	253	0	253
Faculty	621	642	642	0	642
Clerical/Support	830	937	937	0	937
Total	1,883	1,949	1,949	0	1,949
Headcount	3,097	3,199	3,199	0	3,199
State	143,616,500	152,498,300	149,498,300	5,540,800	155,039,100
Federal	10,910,600	10,080,000	10,080,000	0	10,080,000
Other	31,248,900	32,077,200	32,077,200	0	32,077,200
Tuition/Fees	86,057,900	88,251,300	88,251,300	0	88,251,300
Total	\$271,833,900	\$282,906,800	\$279,906,800	\$5,540,800	\$285,447,600

University and Research Campuses

The University of Tennessee provides comprehensive undergraduate and graduate studies at each of its three major campuses at Knoxville, Chattanooga, and Martin. These campuses provide services to citizens in all areas of the state through education, research, and public service activities. Graduate studies in aerospace and related fields are provided at the UT Space Institute in Tullahoma.

332.12 UT Research Initiatives

All technical and research-related appropriations are reflected in this program. Funds are transferred to the appropriate institutional program.

Full-Time Administrative	0	0	0	0	0
Professional	0	0	0	0	0
Faculty	0	0	0	0	0
Clerical/Support	0	0	0	0	0
Total	0	0	0	0	0
Headcount	0	0	0	0	0
State	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	9	10	10	0	10
Professional	11	14	14	0	14
Faculty	24	21	21	0	21
Clerical/Support	39	35	35	0	35
Total	83	80	80	0	80
Headcount	113	108	108	0	108

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
State	8,491,900	8,900,500	8,900,500	221,000	9,121,500
Federal	341,500	170,000	170,000	0	170,000
Other	389,800	358,700	358,700	0	358,700
Tuition/Fees	1,415,100	1,308,000	1,308,000	0	1,308,000
Total	\$10,638,300	\$10,737,200	\$10,737,200	\$221,000	\$10,958,200

332.40 UT Chattanooga

The University of Tennessee at Chattanooga is a comprehensive university offering degrees at the bachelor's, master's, and doctorate levels, as well as various certificate and pre-professional programs. The university's center of excellence is in computer applications.

Full-Time Administrative	131	140	140	0	140
Professional	220	227	227	0	227
Faculty	481	482	482	0	482
Clerical/Support	330	343	343	0	343
Total	1,162	1,192	1,192	0	1,192
Headcount	11,533	11,587	11,587	0	11,587
State	45,847,400	51,005,300	51,847,500	3,154,500	55,002,000
Federal	509,200	160,000	160,000	0	160,000
Other	22,952,800	20,425,700	20,425,700	0	20,425,700
Tuition/Fees	107,008,800	110,715,500	110,715,500	0	110,715,500
Total	\$176,318,200	\$182,306,500	\$183,148,700	\$3,154,500	\$186,303,200

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	308	308	308	0	308
Professional	815	848	848	0	848
Faculty	1,460	1,453	1,453	0	1,453
Clerical/Support	1,580	1,553	1,553	0	1,553
Total	4,163	4,162	4,162	0	4,162
Headcount	27,707	27,840	27,840	0	27,840
State	199,956,000	223,270,000	217,640,600	13,511,400	231,152,000
Federal	19,368,500	17,430,000	17,430,000	0	17,430,000
Other	257,237,800	251,975,400	251,975,400	0	251,975,400
Tuition/Fees	418,544,000	421,938,000	421,938,000	0	421,938,000
Total	\$895,106,300	\$914,613,400	\$908,984,000	\$13,511,400	\$922,495,400

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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
Full-Time Administrative	60	59	59	0	59
Professional	101	104	104	0	104
Faculty	319	301	301	0	301
Clerical/Support	260	258	258	0	258
Total	740	722	722	0	722
Headcount	6,705	6,772	6,772	0	6,772
State	30,804,000	32,495,400	32,097,300	1,902,700	34,000,000
Federal	137,500	88,400	88,400	0	88,400
Other	13,852,400	15,099,300	15,099,300	0	15,099,300
Tuition/Fees	55,937,300	58,294,900	58,294,900	0	58,294,900
Total	\$100,731,200	\$105,978,000	\$105,579,900	\$1,902,700	\$107,482,600

332.10 Total University of Tennessee System

Full-Time Administrative	737	754	754	0	754
Professional	2,085	2,051	2,051	0	2,051
Faculty	3,169	3,142	3,142	0	3,142
Clerical/Support	3,590	3,668	3,668	0	3,668
Total	9,581	9,615	9,615	0	9,615
Headcount	49,500	49,879	49,879	0	49,879
State	536,453,600	581,915,300	573,730,000	27,733,800	601,463,800
Federal	48,878,700	46,703,200	46,703,200	0	46,703,200
Other	383,657,300	373,760,600	373,760,600	0	373,760,600
Tuition/Fees	681,407,400	692,507,800	692,507,800	0	692,507,800
Total	\$1,650,397,000	\$1,694,886,900	\$1,686,701,600	\$27,733,800	\$1,714,435,400

State University and Community College System

The State University and Community College System was created by the General Assembly in 1972 to serve the state and its citizenry by providing educational opportunities, research, continuing education and public activities. It consists of four-year universities, two-year community colleges, and colleges of applied technology. The institutions span the state and are reported as a network of public education with each campus offering unique characteristics and services.

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) that were previously a part of the Board of Regents. As of March 2017, each of the universities operates independently from the system, with the board maintaining authority over the operating budget of each university to ensure Tennessee state school bond financing agreements are met.

Note: Position counts shown below are for full-time, unrestricted education and general employees only. Headcount figures are for Fall 2016 and Fall 2017. Federal revenues, tuition and fees, and other revenues are unrestricted current funds derived from education and general sources and from auxiliary enterprise sources.

<u>Actual</u> <u>2016-2017</u>	<u>Estimated</u> <u>2017-2018</u>	<u>Base</u> <u>2018-2019</u>	<u>Cost Increase</u> <u>2018-2019</u>	<u>Recommended</u> <u>2018-2019</u>
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Tennessee Board of Regents

The Tennessee Board of Regents system governs the activities of the community colleges and colleges of applied technology. A chancellor is appointed as the 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.

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	32	32	0	32
Professional	73	79	79	0	79
Faculty	0	0	0	0	0
Clerical/Support	39	34	34	0	34
Total	141	145	145	0	145
Headcount	0	0	0	0	0
State	34,463,000	7,983,500	6,483,500	3,188,800	9,672,300
Federal	0	0	0	0	0
Other	20,307,800	18,166,800	18,166,800	0	18,166,800
Tuition/Fees	0	0	0	0	0
Total	\$54,770,800	\$26,150,300	\$24,650,300	\$3,188,800	\$27,839,100

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
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332.59 Regents Access and Diversity Initiative

The Regents Access and Diversity Initiative program provides financial support to the State University and Community College System 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.

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

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	192	186	186	0	186
Professional	1,194	1,168	1,168	0	1,168
Faculty	1,940	1,961	1,961	0	1,961
Clerical/Support	1,650	1,663	1,663	0	1,663
Total	4,976	4,978	4,978	0	4,978
Headcount	84,773	86,621	86,621	0	86,621
State	232,964,500	254,764,100	254,284,600	14,467,800	268,752,400
Federal	1,705,400	1,744,600	1,744,600	0	1,744,600
Other	15,707,200	15,022,200	15,022,200	0	15,022,200
Tuition/Fees	287,253,000	295,054,600	295,054,600	0	295,054,600
Total	\$537,630,100	\$566,585,500	\$566,106,000	\$14,467,800	\$580,573,800

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
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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	53	55	55	0	55
Professional	103	107	107	0	107
Faculty	557	564	564	0	564
Clerical/Support	217	211	211	0	211
Total	930	937	937	0	937
Headcount	12,635	15,700	15,700	0	15,700
State	60,821,200	66,857,600	67,553,600	3,454,200	71,007,800
Federal	54,800	98,200	98,200	0	98,200
Other	10,931,900	8,761,600	8,761,600	0	8,761,600
Tuition/Fees	35,508,900	36,370,900	36,370,900	0	36,370,900
Total	\$107,316,800	\$112,088,300	\$112,784,300	\$3,454,200	\$116,238,500

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
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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	32	35	35	0	35
Professional	229	238	238	0	238
Faculty	386	389	389	0	389
Clerical/Support	267	265	265	0	265
Total	914	927	927	0	927
Headcount	10,023	10,195	10,195	0	10,195
State	40,393,800	44,621,700	44,820,600	2,582,600	47,403,200
Federal	142,700	150,000	150,000	0	150,000
Other	20,252,200	21,019,600	21,019,600	0	21,019,600
Tuition/Fees	79,181,600	82,399,400	82,399,400	0	82,399,400
Total	\$139,970,300	\$148,190,700	\$148,389,600	\$2,582,600	\$150,972,200

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. To help meet the health needs of the citizens of eastern Tennessee, East Tennessee State University (ETSU) provides comprehensive medical training and residency programs through the Quillen College of Medicine, the family medicine residency programs, and the College of Pharmacy.

Full-Time Administrative	45	49	49	0	49
Professional	456	479	479	0	479
Faculty	664	673	673	0	673
Clerical/Support	494	495	495	0	495
Total	1,659	1,696	1,696	0	1,696
Headcount	13,419	13,764	13,764	0	13,764
State	55,391,900	61,099,800	61,078,800	3,946,600	65,025,400
Federal	1,493,100	1,500,000	1,500,000	0	1,500,000
Other	40,485,600	42,907,500	42,907,500	0	42,907,500
Tuition/Fees	136,597,200	147,759,400	147,759,400	0	147,759,400
Total	\$233,967,800	\$253,266,700	\$253,245,700	\$3,946,600	\$257,192,300

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
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332.65 ETSU College of Medicine

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

Full-Time Administrative	5	5	5	0	5
Professional	86	88	88	0	88
Faculty	156	148	148	0	148
Clerical/Support	111	113	113	0	113
Total	358	354	354	0	354
Headcount	284	277	277	0	277
State	31,291,900	33,094,900	33,094,900	1,269,000	34,363,900
Federal	1,269,300	1,200,000	1,200,000	0	1,200,000
Other	12,777,500	14,740,800	14,740,800	0	14,740,800
Tuition/Fees	10,025,000	9,820,800	9,820,800	0	9,820,800
Total	\$55,363,700	\$58,856,500	\$58,856,500	\$1,269,000	\$60,125,500

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	2	2	2	0	2
Professional	14	14	14	0	14
Faculty	35	35	35	0	35
Clerical/Support	14	13	13	0	13
Total	65	64	64	0	64
Headcount	321	311	311	0	311
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	13,000	35,000	35,000	0	35,000
Tuition/Fees	11,224,200	11,245,800	11,245,800	0	11,245,800
Total	\$11,237,200	\$11,280,800	\$11,280,800	\$0	\$11,280,800

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 communities of East Tennessee and Southern Appalachia.

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
Full-Time Administrative	0	0	0	0	0
Professional	21	24	24	0	24
Faculty	32	32	32	0	32
Clerical/Support	54	54	54	0	54
Total	107	110	110	0	110
Headcount	0	0	0	0	0
State	6,689,900	7,160,800	7,160,800	352,800	7,513,600
Federal	0	0	0	0	0
Other	9,538,000	9,616,000	9,616,000	0	9,616,000
Tuition/Fees	0	0	0	0	0
Total	\$16,227,900	\$16,776,800	\$16,776,800	\$352,800	\$17,129,600

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	61	61	61	0	61
Professional	659	698	698	0	698
Faculty	997	1,008	1,008	0	1,008
Clerical/Support	799	793	793	0	793
Total	2,516	2,560	2,560	0	2,560
Headcount	21,301	21,535	21,535	0	21,535
State	102,487,500	110,827,200	110,058,300	6,681,600	116,739,900
Federal	3,661,600	3,556,500	3,556,500	0	3,556,500
Other	81,999,000	78,712,800	78,712,800	0	78,712,800
Tuition/Fees	198,777,300	203,267,800	203,267,800	0	203,267,800
Total	\$386,925,400	\$396,364,300	\$395,595,400	\$6,681,600	\$402,277,000

332.75 Middle Tennessee State University

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

Full-Time Administrative	60	61	61	0	61
Professional	636	640	640	0	640
Faculty	1,015	1,022	1,022	0	1,022
Clerical/Support	498	492	492	0	492
Total	2,209	2,215	2,215	0	2,215
Headcount	22,047	21,912	21,912	0	21,912

	Actual 2016-2017	Estimated 2017-2018	Base 2018-2019	Cost Increase 2018-2019	Recommended 2018-2019
State	90,791,800	97,003,700	96,297,700	6,606,400	102,904,100
Federal	773,900	950,000	950,000	0	950,000
Other	51,284,800	51,367,600	51,367,600	0	51,367,600
Tuition/Fees	187,150,400	193,126,100	193,126,100	0	193,126,100
Total	\$330,000,900	\$342,447,400	\$341,741,400	\$6,606,400	\$348,347,800

332.77 Tennessee State University

Tennessee State University (TSU) is a comprehensive, land-grant university located in Nashville. TSU offers numerous bachelor and master degrees and 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. Agricultural units are an important part of TSU's mission. 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.

Full-Time Administrative	61	65	65	0	65
Professional	313	318	318	0	318
Faculty	431	432	432	0	432
Clerical/Support	295	333	333	0	333
Total	1,100	1,148	1,148	0	1,148
Headcount	8,754	8,461	8,461	0	8,461
State	34,773,400	36,757,500	36,559,900	2,450,800	39,010,700
Federal	2,660,800	2,500,000	2,500,000	0	2,500,000
Other	30,099,400	32,896,000	32,896,000	0	32,896,000
Tuition/Fees	82,560,000	88,505,900	88,505,900	0	88,505,900
Total	\$150,093,600	\$160,659,400	\$160,461,800	\$2,450,800	\$162,912,600

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	2,417,800	3,541,700	3,541,700	65,500	3,607,200
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$2,417,800	\$3,541,700	\$3,541,700	\$65,500	\$3,607,200

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
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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.

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	594,500	608,200	608,200	10,800	619,000
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$594,500	\$608,200	\$608,200	\$10,800	\$619,000

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	8	15	15	0	15
Faculty	1	1	1	0	1
Clerical/Support	2	3	3	0	3
Total	11	19	19	0	19
Headcount	0	0	0	0	0
State	3,320,300	3,510,100	3,510,100	95,000	3,605,100
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$3,320,300	\$3,510,100	\$3,510,100	\$95,000	\$3,605,100

332.68 TSU McIntire-Stennis Forestry Research

The McIntire-Stennis Act of 1962 makes funding available to state programs at land grant institutions for forestry research. States must provide matching funds equal to or greater than the federal allocation. Eligible institutions are required to conduct research in areas such as reforestation and land management; watershed and rangeland management; management of forest lands for outdoor recreation; protection of forests and resources against fire, insects, and disease; utilization of wood and other forest-related products; and studies promoting the most effective use of forest resources.

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	189,400	193,300	193,300	2,800	196,100
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$189,400	\$193,300	\$193,300	\$2,800	\$196,100

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	328	328	328	0	328
Faculty	447	453	453	0	453
Clerical/Support	338	307	307	0	307
Total	1,150	1,125	1,125	0	1,125
Headcount	10,520	10,526	10,526	0	10,526
State	42,692,700	47,731,100	47,694,500	3,372,200	51,066,700
Federal	1,291,200	869,700	869,700	0	869,700
Other	29,611,300	28,157,100	28,157,100	0	28,157,100
Tuition/Fees	96,845,700	98,560,500	98,560,500	0	98,560,500
Total	\$170,440,900	\$175,318,400	\$175,281,800	\$3,372,200	\$178,654,000

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
332.60 Total State University and Community College System					
Full-Time Administrative	579	590	590	0	590
Professional	4,123	4,199	4,199	0	4,199
Faculty	6,663	6,720	6,720	0	6,720
Clerical/Support	4,781	4,779	4,779	0	4,779
Total	16,146	16,288	16,288	0	16,288
Headcount	184,077	189,302	189,302	0	189,302
State	749,540,500	786,012,100	783,197,400	48,546,900	831,744,300
Federal	13,052,800	12,569,000	12,569,000	0	12,569,000
Other	323,007,700	321,403,000	321,403,000	0	321,403,000
Tuition/Fees	1,125,123,300	1,166,111,200	1,166,111,200	0	1,166,111,200
Total	\$2,210,724,300	\$2,286,095,300	\$2,283,280,600	\$48,546,900	\$2,331,827,500

Grand Total Higher Education

Full-Time Positions	141	139	133	7	140
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
Full-Time Administrative	1,316	1,344	1,344	0	1,344
Professional	6,208	6,250	6,250	0	6,250
Faculty	9,832	9,862	9,862	0	9,862
Clerical/Support	8,371	8,447	8,447	0	8,447
Total	25,868	26,042	26,036	7	26,043
Headcount	233,577	239,181	239,181	0	239,181
State	1,742,682,500	1,874,081,100	1,869,403,600	99,122,400	1,968,526,000
Federal	68,699,900	65,194,300	64,407,400	0	64,407,400
Other	727,550,500	714,167,600	714,167,600	0	714,167,600
Tuition/Fees	1,806,530,700	1,858,619,000	1,858,619,000	0	1,858,619,000
Total	\$4,345,463,600	\$4,512,062,000	\$4,506,597,600	\$99,122,400	\$4,605,720,000

Health and Social Services



Health and Social Services

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Health and Social Services

Recommended Budget, Fiscal Year 2018 – 2019

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, Division 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 the 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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Recommended 2018-2019</u>
Personnel			
Full-Time	16,514	15,978	15,906
Part-Time	227	222	221
Seasonal	0	0	0
TOTAL	16,741	16,200	16,127
Expenditures			
Payroll	\$ 978,653,400	\$ 1,097,181,100	\$ 1,086,967,000
Operational	14,550,789,500	15,709,456,100	16,056,439,800
TOTAL	\$ 15,529,442,900	\$ 16,806,637,200	\$ 17,143,406,800
Funding			
State	\$ 4,427,881,100	\$ 4,732,621,500	\$ 4,817,950,100
Federal	9,474,578,200	10,591,158,200	10,860,991,100
Other	1,626,983,600	1,482,857,500	1,464,465,600
Tuition/Fees	0	0	0

Health and Social Services
Recommended Budget for Fiscal Year 2018-2019
By Funding Source

Department	State	Federal	Other	Total
316.01 Commission on Children and Youth	3,189,000	1,228,100	1,335,800	5,752,900
316.02 Commission on Aging and Disability	14,809,100	27,859,900	482,400	43,151,400
316.07 Health Services and Development Agency	1,160,700	0	0	1,160,700
316.14 Council on Developmental Disabilities	214,800	1,714,300	40,000	1,969,100
318.00 Finance and Administration, Division of TennCare	3,776,991,100	7,493,714,600	742,631,200	12,013,336,900
339.00 Mental Health and Substance Abuse Services	252,527,600	78,517,300	41,716,200	372,761,100
343.00 Health	205,796,100	246,506,000	179,804,300	632,106,400
344.00 Intellectual and Developmental Disabilities	25,463,800	25,000	121,461,000	146,949,800
345.00 Human Services	195,573,100	2,625,940,100	54,254,800	2,875,768,000
350.00 Finance and Administration, Strategic Health-Care Programs	20,859,000	209,923,500	2,700,500	233,483,000
359.00 Children's Services	321,365,800	175,562,300	320,039,400	816,967,500
Total	\$4,817,950,100	\$10,860,991,100	\$1,464,465,600	\$17,143,406,800

Health and Social Services

Cost Increases for Fiscal Year 2018-2019

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Commission on Children and Youth					
• Young Child Wellness Council					
To provide recurring funding to establish one position to support the Tennessee Young Child Wellness Council. The other revenue is interdepartmental funding from the Department of Health.					
316.01 Commission on Children and Youth	\$0	\$0	\$93,500	\$93,500	1
Sub-total	\$0	\$0	\$93,500	\$93,500	1
Total Commission on Children and Youth	\$0	\$0	\$93,500	\$93,500	1

Finance and Administration, Division of TennCare

- **Medical Inflation and Utilization**

To provide recurring funding for a 2.13 percent medical inflation and utilization increase in managed care organization (MCO) expenditures.

318.66 TennCare Medical Services	\$51,384,100	\$99,117,000	\$0	\$150,501,100	0
Sub-total	\$51,384,100	\$99,117,000	\$0	\$150,501,100	0

- **Eligibility Systems Development**

To provide funding for the continued development of a new eligibility system. Of these funds, \$21,709,200 in state appropriation and \$99,840,900 in federal revenue is non-recurring.

318.65 TennCare Administration	\$36,707,200	\$129,283,900	\$0	\$165,991,100	0
Sub-total	\$36,707,200	\$129,283,900	\$0	\$165,991,100	0

- **Pharmacy Utilization**

To provide recurring funding for the pharmacy program due to an increase in costs for specialty and brand-name drugs.

318.66 TennCare Medical Services	\$17,071,000	\$32,929,000	\$0	\$50,000,000	0
Sub-total	\$17,071,000	\$32,929,000	\$0	\$50,000,000	0

- **Health Insurer Fee**

To provide recurring funding to recognize an increase in the health insurer fee as specified in federal law.

318.66 TennCare Medical Services	\$11,130,100	\$21,469,300	\$0	\$32,599,400	0
Sub-total	\$11,130,100	\$21,469,300	\$0	\$32,599,400	0

Health and Social Services

Cost Increases for Fiscal Year 2018-2019

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<ul style="list-style-type: none"> Medicaid Management Information System (MMIS) Contract To provide recurring funding for increased contract costs of the MMIS system, which analyzes claims and payment data, due to federal modernization requirements. 					
318.65 TennCare Administration	\$10,934,700	\$45,090,900	\$0	\$56,025,600	0
Sub-total	\$10,934,700	\$45,090,900	\$0	\$56,025,600	0
<ul style="list-style-type: none"> Employment and Community First (ECF) CHOICES Program To provide recurring funding for the ECF CHOICES program to add additional enrollees. 					
318.66 TennCare Medical Services	\$7,269,300	\$14,022,000	\$0	\$21,291,300	0
Sub-total	\$7,269,300	\$14,022,000	\$0	\$21,291,300	0
<ul style="list-style-type: none"> Medication Therapy Management To provide non-recurring funding for year two of the Medication Therapy Management pilot program. 					
318.65 TennCare Administration	\$40,300	\$120,800	\$0	\$161,100	1
318.66 TennCare Medical Services	\$1,684,200	\$3,248,700	\$0	\$4,932,900	0
Sub-total	\$1,724,500	\$3,369,500	\$0	\$5,094,000	1
<ul style="list-style-type: none"> Intellectual and Developmental Disabilities Waiver - Direct Care and Case Management Providers To provide recurring funding for a direct care and case management provider rate increase of 1.0 percent. 					
318.71 Intellectual Disabilities Services	\$1,811,500	\$3,494,400	\$0	\$5,305,900	0
Sub-total	\$1,811,500	\$3,494,400	\$0	\$5,305,900	0
<ul style="list-style-type: none"> Intellectual and Developmental Disabilities Waiver - Community-Based Services To provide recurring funding for an increase in waiver costs due to a transition from facility-based day services due to changes in federal requirements. 					
318.71 Intellectual Disabilities Services	\$847,300	\$1,634,500	\$0	\$2,481,800	0
Sub-total	\$847,300	\$1,634,500	\$0	\$2,481,800	0
<ul style="list-style-type: none"> Intellectual and Developmental Disabilities Waiver - Transition from Large Homes To provide recurring funding 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	\$353,200	\$681,200	\$0	\$1,034,400	0
Sub-total	\$353,200	\$681,200	\$0	\$1,034,400	0

Health and Social Services

Cost Increases for Fiscal Year 2018-2019

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• TennCare for Department of Children's Services					
To provide recurring funding for the TennCare share of cost increases recommended for the Department of Children's Services. Of the \$992,300 in state appropriation, \$408,900 is for custodial case management staff and \$583,400 is for a provider rate increase.					
318.66 TennCare Medical Services	\$992,300	\$1,835,000	\$0	\$2,827,300	0
Sub-total	\$992,300	\$1,835,000	\$0	\$2,827,300	0
• TennCare for Intellectual and Developmental Disabilities					
To provide recurring funding for the TennCare share of cost increases recommended for the Department of Intellectual and Developmental Disabilities.					
318.71 Intellectual Disabilities Services	\$78,400	\$92,900	\$0	\$171,300	0
Sub-total	\$78,400	\$92,900	\$0	\$171,300	0
Total Finance and Administration, Division of TennCare	\$140,303,600	\$353,019,600	\$0	\$493,323,200	1

Mental Health and Substance Abuse Services

• Targeted Provider Rate Increases					
To provide recurring funding for a targeted provider rate increase. Of the \$6,000,000 total funds, \$3,000,000 will be used for core substance abuse services and \$3,000,000 will be used for core mental health services.					
339.03 Community Substance Abuse Services	\$3,000,000	\$0	\$0	\$3,000,000	0
339.08 Community Mental Health Services	\$3,000,000	\$0	\$0	\$3,000,000	0
Sub-total	\$6,000,000	\$0	\$0	\$6,000,000	0
• Governor's Opioid Initiative - Substance Abuse Treatment Services					
To provide recurring funding to expand prevention, treatment, and recovery services.					
339.03 Community Substance Abuse Services	\$8,250,000	\$0	\$0	\$8,250,000	0
Sub-total	\$8,250,000	\$0	\$0	\$8,250,000	0
• Governor's Opioid Initiative - Lifeline Network					
To provide recurring funding for non-state staffing of peer recovery specialists in hospital emergency departments in targeted, high-need areas of the state.					
339.03 Community Substance Abuse Services	\$750,000	\$0	\$0	\$750,000	0
Sub-total	\$750,000	\$0	\$0	\$750,000	0

Health and Social Services

Cost Increases for Fiscal Year 2018-2019

	State	Federal	Other	Total	Positions
<ul style="list-style-type: none"> Governor's Opioid Initiative - Naltrexone in Recovery Courts To provide non-recurring funding to expand a pilot program that supplies recovery courts with long-acting, injectable naltrexone to effectively treat opioid dependence. 					
339.03 Community Substance Abuse Services	\$750,000	\$0	\$0	\$750,000	0
Sub-total	\$750,000	\$0	\$0	\$750,000	0
<ul style="list-style-type: none"> Governor's Opioid Initiative - Naltrexone in County Jails To provide non-recurring funding for a pilot program in county jails to make long-acting, injectable naltrexone available for the treatment of opioid dependence. 					
339.03 Community Substance Abuse Services	\$300,000	\$0	\$0	\$300,000	0
Sub-total	\$300,000	\$0	\$0	\$300,000	0
Total Mental Health and Substance Abuse Services	\$16,050,000	\$0	\$0	\$16,050,000	0

Health

<ul style="list-style-type: none"> Governor's Opioid Initiative - Data Initiatives and Improvements To provide funding for improved data access and sharing to better and more timely identify critical hotspots for targeting resources and to increase information about patient and community risks. Of these funds, \$1,500,000 is non-recurring. 					
343.01 Administration	\$1,600,000	\$0	\$0	\$1,600,000	0
Sub-total	\$1,600,000	\$0	\$0	\$1,600,000	0
<ul style="list-style-type: none"> Governor's Opioid Initiative - Health-Care Collaborative To provide non-recurring funding for a collaborative of health-care stakeholders to study, formulate, and implement best practices around pain management. 					
343.01 Administration	\$250,000	\$0	\$0	\$250,000	0
Sub-total	\$250,000	\$0	\$0	\$250,000	0
<ul style="list-style-type: none"> Governor's Opioid Initiative - Special Commission for Improved Prescriber Training To provide non-recurring funding for travel and other expenses for a special commission to formulate current, evidence-based pain and addiction medicine competencies for adoption by schools of medicine. 					
343.01 Administration	\$7,500	\$0	\$0	\$7,500	0
Sub-total	\$7,500	\$0	\$0	\$7,500	0

Health and Social Services

Cost Increases for Fiscal Year 2018-2019

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<ul style="list-style-type: none"> Tobacco-Related Diseases To provide non-recurring funding for grants to counties to support local efforts to reduce tobacco-related diseases. 					
343.60 Health Services	\$4,000,000	\$0	\$0	\$4,000,000	0
Sub-total	\$4,000,000	\$0	\$0	\$4,000,000	0
<ul style="list-style-type: none"> Early Childhood Home Visiting Restoration To provide recurring funding for the Healthy Start and Child Health and Development (CHAD) home visiting programs. Of this funding, \$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
<ul style="list-style-type: none"> Laboratory Services - Core Public Health Environmental Services To provide recurring funding to the State Laboratory to cover core environmental health testing functions. 					
343.08 Laboratory Services	\$850,000	\$0	\$0	\$850,000	0
Sub-total	\$850,000	\$0	\$0	\$850,000	0
<ul style="list-style-type: none"> Sterile Compound Pharmacist Investigators To provide recurring dedicated state appropriation for two sterile compound pharmacist investigator positions in order to provide increased oversight of sterile compounders to reduce instances of improper dispensing of controlled substances. 					
343.05 Health Licensure and Regulation	\$385,600	\$0	\$0	\$385,600	2
Sub-total	\$385,600	\$0	\$0	\$385,600	2
<ul style="list-style-type: none"> Men's Health Network - Grant Increase To provide recurring funding for grants to increase men's health awareness. 					
343.52 Community and Medical Services	\$140,000	\$0	\$0	\$140,000	0
Sub-total	\$140,000	\$0	\$0	\$140,000	0
Total Health	\$9,183,100	\$0	\$0	\$9,183,100	2

Health and Social Services

Cost Increases for Fiscal Year 2018-2019

	State	Federal	Other	Total	Positions
Intellectual and Developmental Disabilities					
• Enabling Technology Project					
To provide recurring funding for a project involving the use of audio, video, sensors, and mobile applications to support people with disabilities in their homes and the community.					
344.02 Community Intellectual Disabilities Services	\$500,000	\$0	\$0	\$500,000	0
Sub-total	\$500,000	\$0	\$0	\$500,000	0
• Community Homes - Equipment Replacement Cycle					
To provide recurring funding for the purchase of hospital beds and lifts in the state-operated community homes on a ten-year replacement cycle.					
344.50 Major Maintenance	\$150,000	\$0	\$0	\$150,000	0
Sub-total	\$150,000	\$0	\$0	\$150,000	0
• Additional Internal Auditor Positions					
To provide recurring funding for three new internal auditor positions. The other revenue is from TennCare and is comprised of \$78,400 in state appropriation and \$92,900 in federal revenue.					
344.01 Intellectual Disabilities Services Administration	\$9,400	\$0	\$179,000	\$188,400	3
344.15 Harold Jordan Center	\$4,100	\$0	\$3,100	\$7,200	0
344.35 Seating and Positioning Clinics	\$3,600	\$0	\$0	\$3,600	0
344.40 West Tennessee Community Homes	\$0	\$0	\$14,300	\$14,300	0
344.41 Middle Tennessee Community Homes	\$0	\$0	\$10,700	\$10,700	0
344.42 East Tennessee Community Homes	\$0	\$0	\$17,900	\$17,900	0
Sub-total	\$17,100	\$0	\$225,000	\$242,100	3
• Seating and Positioning Clinics Equipment Purchase					
To provide non-recurring funding for the purchase of a Computer Numeric Control (CNC) machine for the seating and positioning clinic in east Tennessee. The purchase of a CNC machine will improve the overall structure of the equipment built and make the process more efficient.					
344.35 Seating and Positioning Clinics	\$35,000	\$0	\$0	\$35,000	0
Sub-total	\$35,000	\$0	\$0	\$35,000	0
Total Intellectual and Developmental Disabilities	\$702,100	\$0	\$225,000	\$927,100	3

Health and Social Services

Cost Increases for Fiscal Year 2018-2019

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Human Services					
• Administration Legislation - Multi-State Program Integrity					
To provide funding for proposed legislation concerning a multi-state program integrity cooperative for identifying individuals currently receiving benefits in other states. These funds will be utilized to help reduce dual participation in the Supplemental Nutrition Assistance Program (SNAP) and the Temporary Assistance to Needy Family (TANF) program. Of these funds, \$62,000 in state appropriation and \$62,000 in federal revenue is non-recurring.					
345.30 Family Assistance Services	\$109,500	\$109,500	\$0	\$219,000	0
Sub-total	\$109,500	\$109,500	\$0	\$219,000	0
• Agape Grant					
To provide non-recurring grant funding for Agape Child and Family Services.					
345.30 Family Assistance Services	\$250,000	\$0	\$0	\$250,000	0
Sub-total	\$250,000	\$0	\$0	\$250,000	0
• Child Support Assistant District Attorneys Step Raises					
To provide recurring funding 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	\$44,900	\$87,200	\$0	\$132,100	0
Sub-total	\$44,900	\$87,200	\$0	\$132,100	0
Total Human Services	\$404,400	\$196,700	\$0	\$601,100	0

Children's Services

- **Private Provider Rate Increase**

To provide recurring funding for an increase in the private provider rate. The other revenue is from TennCare, and is comprised of \$583,400 in state appropriation and \$1,125,400 in federal revenue.

359.30 Custody Services	\$2,655,100	\$893,800	\$1,708,800	\$5,257,700	0
Sub-total	\$2,655,100	\$893,800	\$1,708,800	\$5,257,700	0

- **Adoption Assistance Growth**

To provide recurring funding for an increase in the number of children adopted in Tennessee.

359.40 Adoption Services	\$2,659,200	\$3,988,800	\$0	\$6,648,000	0
Sub-total	\$2,659,200	\$3,988,800	\$0	\$6,648,000	0

Health and Social Services

Cost Increases for Fiscal Year 2018-2019

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<ul style="list-style-type: none"> Custodial Case Management Staff To provide recurring funding to establish 30 additional case manager positions to meet increased caseloads. The other revenue is from TennCare, and is comprised of \$408,900 in state appropriation and \$709,600 in federal revenue. 					
359.50 Child and Family Management	\$798,900	\$213,000	\$1,118,500	\$2,130,400	30
Sub-total	\$798,900	\$213,000	\$1,118,500	\$2,130,400	30
<ul style="list-style-type: none"> Subsidized Permanent Guardianship Caseload Growth To provide recurring funding for an increase in the number of children in the Subsidized Permanent Guardianship program. 					
359.30 Custody Services	\$487,300	\$730,900	\$0	\$1,218,200	0
Sub-total	\$487,300	\$730,900	\$0	\$1,218,200	0
<ul style="list-style-type: none"> Governor's Opioid Initiative - Transportation for Zero to Three Courts To provide non-recurring funding to the state's Zero to Three Court programs for transportation needs relative to therapeutic and family support services. 					
359.20 Family Support Services	\$175,000	\$0	\$0	\$175,000	0
Sub-total	\$175,000	\$0	\$0	\$175,000	0
<ul style="list-style-type: none"> Adverse Childhood Experience Prevention Grants To provide recurring funding for grants to 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
<ul style="list-style-type: none"> Teacher Training and Experience Compensation To provide recurring funding 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	\$7,600	\$0	\$0	\$7,600	0
Sub-total	\$7,600	\$0	\$0	\$7,600	0
Total Children's Services	\$8,033,100	\$5,826,500	\$2,827,300	\$16,686,900	30
Total Health and Social Services	\$174,676,300	\$359,042,800	\$3,145,800	\$536,864,900	37

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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
316.01 Commission on Children and Youth					
Full-Time	30	32	33	1	34
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	30	32	33	1	34
Payroll	2,375,900	2,860,000	2,938,100	88,000	3,026,100
Operational	2,173,500	2,759,400	2,721,300	5,500	2,726,800
Total	\$4,549,400	\$5,619,400	\$5,659,400	\$93,500	\$5,752,900
State	2,755,500	3,249,000	3,189,000	0	3,189,000
Federal	901,000	1,228,100	1,228,100	0	1,228,100
Other	892,900	1,142,300	1,242,300	93,500	1,335,800

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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
316.02 Commission on Aging and Disability					
Full-Time	31	32	29	0	29
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	31	32	29	0	29
Payroll	2,090,100	2,506,600	2,434,400	0	2,434,400
Operational	36,527,500	43,261,300	40,717,000	0	40,717,000
Total	\$38,617,600	\$45,767,900	\$43,151,400	\$0	\$43,151,400
State	13,679,900	15,159,100	14,809,100	0	14,809,100
Federal	24,904,800	28,289,900	27,859,900	0	27,859,900
Other	32,900	2,318,900	482,400	0	482,400

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.

	Actual 2016-2017	Estimated 2017-2018	Base 2018-2019	Cost Increase 2018-2019	Recommended 2018-2019
316.07 Health Services and Development Agency					
Full-Time	8	8	8	0	8
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	16	16	16	0	16
Payroll	797,600	828,300	828,300	0	828,300
Operational	174,800	332,400	332,400	0	332,400
Total	\$972,400	\$1,160,700	\$1,160,700	\$0	\$1,160,700
State	971,400	1,160,700	1,160,700	0	1,160,700
Federal	0	0	0	0	0
Other	1,000	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.

	Actual 2016-2017	Estimated 2017-2018	Base 2018-2019	Cost Increase 2018-2019	Recommended 2018-2019
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	786,600	985,800	985,800	0	985,800
Operational	681,800	983,300	983,300	0	983,300
Total	\$1,468,400	\$1,969,100	\$1,969,100	\$0	\$1,969,100
State	183,600	214,800	214,800	0	214,800
Federal	1,246,400	1,714,300	1,714,300	0	1,714,300
Other	38,400	40,000	40,000	0	40,000

Department of Finance and Administration, Division of TennCare

TennCare is responsible for administering Tennessee's Medicaid waiver program. TennCare provides basic health care, behavioral health services, and long-term services and supports to people who meet program eligibility requirements.

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
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	1,036	1,282	1,280	1	1,281
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,036	1,282	1,280	1	1,281
Payroll	73,941,100	97,933,400	97,780,700	152,700	97,933,400
Operational	297,664,600	332,892,300	187,710,500	222,025,100	409,735,600
Total	\$371,605,700	\$430,825,700	\$285,491,200	\$222,177,800	\$507,669,000
State	98,420,700	129,079,700	102,436,100	47,682,200	150,118,300
Federal	271,338,200	299,694,100	181,003,200	174,495,600	355,498,800
Other	1,846,800	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. 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	8,111,643,300	8,951,193,300	8,968,793,400	262,152,000	9,230,945,400
Total	\$8,111,643,300	\$8,951,193,300	\$8,968,793,400	\$262,152,000	\$9,230,945,400
State	2,422,172,200	2,658,191,400	2,638,893,800	89,531,000	2,728,424,800
Federal	4,887,917,500	5,586,699,500	5,623,597,200	172,621,000	5,796,218,200
Other	801,553,600	706,302,400	706,302,400	0	706,302,400

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
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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	886,807,300	464,589,000	489,278,000	0	489,278,000
Total	\$886,807,300	\$464,589,000	\$489,278,000	\$0	\$489,278,000
State	266,033,900	109,941,900	117,582,000	0	117,582,000
Federal	584,113,100	320,435,200	337,484,100	0	337,484,100
Other	36,660,300	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	936,114,300	943,832,700	919,284,700	8,993,400	928,278,100
Total	\$936,114,300	\$943,832,700	\$919,284,700	\$8,993,400	\$928,278,100
State	333,936,300	331,648,100	320,806,300	3,090,400	323,896,700
Federal	602,171,300	612,119,600	598,413,400	5,903,000	604,316,400
Other	6,700	65,000	65,000	0	65,000

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

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
Payroll	0	0	0	0	0
Operational	767,644,900	867,166,400	857,166,400	0	857,166,400
Total	\$767,644,900	\$867,166,400	\$857,166,400	\$0	\$857,166,400
State	412,134,000	468,500,100	456,969,300	0	456,969,300
Federal	355,510,900	398,666,300	400,197,100	0	400,197,100
Other	0	0	0	0	0
318.00 Total Finance and Administration, Division of TennCare					
Full-Time	1,036	1,282	1,280	1	1,281
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,036	1,282	1,280	1	1,281
Payroll	73,941,100	97,933,400	97,780,700	152,700	97,933,400
Operational	10,999,874,400	11,559,673,700	11,422,233,000	493,170,500	11,915,403,500
Total	\$11,073,815,500	\$11,657,607,100	\$11,520,013,700	\$493,323,200	\$12,013,336,900
State	3,532,697,100	3,697,361,200	3,636,687,500	140,303,600	3,776,991,100
Federal	6,701,051,000	7,217,614,700	7,140,695,000	353,019,600	7,493,714,600
Other	840,067,400	742,631,200	742,631,200	0	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 two functional areas: Administrative Services and Mental Health and Substance Abuse Services.

<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	167	175	175	0	175
Part-Time	5	0	0	0	0
Seasonal	0	0	0	0	0
Total	172	175	175	0	175
Payroll	13,273,100	16,210,400	15,868,400	0	15,868,400
Operational	5,432,100	6,693,100	7,045,600	0	7,045,600
Total	\$18,705,200	\$22,903,500	\$22,914,000	\$0	\$22,914,000
State	12,774,400	15,615,600	16,030,000	0	16,030,000
Federal	3,060,800	4,794,200	4,298,600	0	4,298,600
Other	2,870,000	2,493,700	2,585,400	0	2,585,400

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	61,511,700	87,863,800	87,379,300	13,050,000	100,429,300
Total	\$61,511,700	\$87,863,800	\$87,379,300	\$13,050,000	\$100,429,300
State	22,606,400	32,097,600	31,097,600	13,050,000	44,147,600
Federal	34,262,100	50,928,700	51,444,200	0	51,444,200
Other	4,643,200	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	97,112,900	118,019,000	101,340,100	3,000,000	104,340,100
Total	\$97,112,900	\$118,019,000	\$101,340,100	\$3,000,000	\$104,340,100

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
State	78,064,800	98,625,100	83,625,100	3,000,000	86,625,100
Federal	16,797,500	18,619,400	16,972,000	0	16,972,000
Other	2,250,600	774,500	743,000	0	743,000

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	580	580	580	0	580
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	580	580	580	0	580
Payroll	37,099,000	38,599,600	38,689,600	0	38,689,600
Operational	13,111,100	12,066,500	10,816,500	0	10,816,500
Total	\$50,210,100	\$50,666,100	\$49,506,100	\$0	\$49,506,100
State	35,898,900	37,715,800	36,555,800	0	36,555,800
Federal	817,500	1,519,600	1,519,600	0	1,519,600
Other	13,493,700	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	446	444	444	0	444
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	446	444	444	0	444
Payroll	27,294,000	31,088,800	31,043,800	0	31,043,800
Operational	7,949,400	7,041,300	7,041,300	0	7,041,300
Total	\$35,243,400	\$38,130,100	\$38,085,100	\$0	\$38,085,100
State	23,462,700	27,568,200	27,523,200	0	27,523,200
Federal	508,100	748,800	650,000	0	650,000
Other	11,272,600	9,813,100	9,911,900	0	9,911,900

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	461	461	461	0	461
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	461	461	461	0	461
Payroll	25,928,000	28,436,500	28,436,500	0	28,436,500
Operational	11,009,500	9,059,400	9,059,400	0	9,059,400
Total	\$36,937,500	\$37,495,900	\$37,495,900	\$0	\$37,495,900

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
State	24,805,900	25,243,100	25,243,100	0	25,243,100
Federal	2,114,000	2,932,900	2,932,900	0	2,932,900
Other	10,017,600	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	12,237,400	13,924,700	13,879,700	0	13,879,700
Operational	6,281,800	5,660,900	5,660,900	0	5,660,900
Total	\$18,519,200	\$19,585,600	\$19,540,600	\$0	\$19,540,600
State	14,660,900	15,997,800	15,952,800	0	15,952,800
Federal	563,900	724,500	700,000	0	700,000
Other	3,294,400	2,863,300	2,887,800	0	2,887,800

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	679,900	450,000	450,000	0	450,000
Total	\$679,900	\$450,000	\$450,000	\$0	\$450,000
State	450,000	450,000	450,000	0	450,000
Federal	0	0	0	0	0
Other	229,900	0	0	0	0

339.00 Total Mental Health and Substance Abuse Services

Full-Time	1,840	1,846	1,846	0	1,846
Part-Time	5	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,845	1,846	1,846	0	1,846
Payroll	115,831,500	128,260,000	127,918,000	0	127,918,000
Operational	203,088,400	246,854,000	228,793,100	16,050,000	244,843,100
Total	\$318,919,900	\$375,114,000	\$356,711,100	\$16,050,000	\$372,761,100
State	212,724,000	253,313,200	236,477,600	16,050,000	252,527,600
Federal	58,123,900	80,268,100	78,517,300	0	78,517,300
Other	48,072,000	41,532,700	41,716,200	0	41,716,200

Statistical Data Mental Health Institutes

	Lakeshore* 339.10	Middle Tennessee 339.11	Western 339.12	Moccasin Bend 339.16	Memphis 339.17	Total
Annual Admissions						
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	3,785	959	2,862	1,526	9,132
2017-2018	0	3,790	960	2,860	1,530	9,140
2018-2019	0	3,790	960	2,860	1,530	9,140
Annual Releases						
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	3,807	953	2,853	1,528	9,141
2017-2018	0	3,810	980	2,850	1,530	9,170
2018-2019	0	3,810	980	2,850	1,530	9,170
Average Daily Census						
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	175	141	139	50	505
2017-2018	0	175	141	139	50	505
2018-2019	0	175	141	139	50	505
Cost Per Occupancy Day**						
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	\$786.07	\$684.80	\$728.05	\$1,014.75	\$764.47
2017-2018	\$0.00	\$793.21	\$740.89	\$739.05	\$1,073.18	\$791.42
2018-2019	\$0.00	\$775.05	\$740.02	\$739.05	\$1,070.72	\$784.63

* 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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	309	231	243	0	243
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	309	231	243	0	243
Payroll	23,104,000	23,034,400	24,106,300	0	24,106,300
Operational	8,882,200	8,635,700	8,017,500	1,857,500	9,875,000
Total	\$31,986,200	\$31,670,100	\$32,123,800	\$1,857,500	\$33,981,300
State	24,435,900	22,788,300	23,950,200	1,857,500	25,807,700
Federal	6,543,800	8,227,200	7,538,200	0	7,538,200
Other	1,006,500	654,600	635,400	0	635,400

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	181	187	187	2	189
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	181	187	187	2	189

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
Payroll	12,611,000	15,379,600	15,250,100	325,000	15,575,100
Operational	5,954,100	10,187,900	5,173,900	60,600	5,234,500
Total	\$18,565,100	\$25,567,500	\$20,424,000	\$385,600	\$20,809,600
State	2,893,000	16,142,300	10,821,800	385,600	11,207,400
Federal	13,655,800	8,216,700	8,393,700	0	8,393,700
Other	2,016,300	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	91,500	93,700	98,700	0	98,700
Operational	5,857,700	8,406,300	8,401,300	0	8,401,300
Total	\$5,949,200	\$8,500,000	\$8,500,000	\$0	\$8,500,000
State	5,949,200	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	1,135,300	1,365,300	1,365,300	0	1,365,300
Operational	609,700	803,800	803,800	0	803,800
Total	\$1,745,000	\$2,169,100	\$2,169,100	\$0	\$2,169,100
State	86,300	95,400	95,400	0	95,400
Federal	0	53,200	53,200	0	53,200
Other	1,658,700	2,020,500	2,020,500	0	2,020,500

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	141	185	186	0	186
Part-Time	197	197	197	0	197
Seasonal	0	0	0	0	0
Total	338	382	383	0	383
Payroll	9,712,400	13,791,600	13,791,600	0	13,791,600
Operational	7,409,000	9,327,600	9,314,400	0	9,314,400
Total	\$17,121,400	\$23,119,200	\$23,106,000	\$0	\$23,106,000
State	16,232,100	20,826,100	20,812,900	0	20,812,900
Federal	1,800	0	0	0	0
Other	887,500	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	161	153	141	0	141
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	161	153	141	0	141
Payroll	10,215,300	10,954,500	9,998,800	261,000	10,259,800
Operational	16,233,600	13,794,700	13,020,100	589,000	13,609,100
Total	\$26,448,900	\$24,749,200	\$23,018,900	\$850,000	\$23,868,900
State	6,865,100	7,783,000	7,783,000	850,000	8,633,000
Federal	4,265,400	1,342,800	312,500	0	312,500
Other	15,318,400	15,623,400	14,923,400	0	14,923,400

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	125	125	124	0	124
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	125	125	124	0	124
Payroll	7,077,000	8,658,000	8,619,200	0	8,619,200
Operational	3,882,500	6,104,600	5,960,200	0	5,960,200
Total	\$10,959,500	\$14,762,600	\$14,579,400	\$0	\$14,579,400
State	3,640,900	4,104,200	3,921,000	0	3,921,000
Federal	2,591,300	3,421,000	3,421,000	0	3,421,000
Other	4,727,300	7,237,400	7,237,400	0	7,237,400

343.39 General Environmental Health

General Environmental Health enforces sanitation and safety standards in hotels, food service establishments, bed and breakfast establishments, campgrounds, swimming pools, tattoo studios, and body piercing establishments through field inspections. In addition, the program is responsible for rabies control activities, West Nile surveillance, and environmental surveys that are conducted in schools, child care facilities, and state correctional institutions.

Full-Time	105	107	106	0	106
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	105	107	106	0	106
Payroll	7,463,700	8,477,000	8,434,600	0	8,434,600
Operational	501,500	4,887,400	4,066,700	0	4,066,700
Total	\$7,965,200	\$13,364,400	\$12,501,300	\$0	\$12,501,300
State	7,841,800	13,190,800	12,327,700	0	12,327,700
Federal	7,100	85,000	85,000	0	85,000
Other	116,300	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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
Full-Time	100	103	103	0	103
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	100	103	103	0	103
Payroll	6,505,300	8,675,500	8,675,500	0	8,675,500
Operational	32,065,100	36,764,600	34,364,600	1,500,000	35,864,600
Total	\$38,570,400	\$45,440,100	\$43,040,100	\$1,500,000	\$44,540,100
State	10,555,800	10,757,200	9,257,200	1,500,000	10,757,200
Federal	22,518,100	26,426,800	26,426,800	0	26,426,800
Other	5,496,500	8,256,100	7,356,100	0	7,356,100

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	236	246	0	246
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	187	236	246	0	246
Payroll	14,371,000	21,533,100	22,265,200	0	22,265,200
Operational	64,052,700	54,065,400	54,147,800	0	54,147,800
Total	\$78,423,700	\$75,598,500	\$76,413,000	\$0	\$76,413,000
State	1,357,500	11,784,800	11,569,000	0	11,569,000
Federal	50,187,300	35,981,000	37,011,300	0	37,011,300
Other	26,878,900	27,832,700	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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
Full-Time	22	20	20	0	20
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	22	20	20	0	20
Payroll	1,438,900	1,442,900	1,442,900	0	1,442,900
Operational	19,580,700	16,496,900	6,502,000	140,000	6,642,000
Total	\$21,019,600	\$17,939,800	\$7,944,900	\$140,000	\$8,084,900
State	15,896,400	9,205,700	6,330,600	140,000	6,470,600
Federal	1,575,000	1,564,300	1,564,300	0	1,564,300
Other	3,548,200	7,169,800	50,000	0	50,000

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	22	22	22	0	22
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	22	22	22	0	22
Payroll	1,211,900	2,089,200	1,717,300	0	1,717,300
Operational	111,953,000	139,816,200	134,206,100	0	134,206,100
Total	\$113,164,900	\$141,905,400	\$135,923,400	\$0	\$135,923,400
State	0	0	0	0	0
Federal	75,154,200	96,772,400	90,790,400	0	90,790,400
Other	38,010,700	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	1,650	1,637	1,622	0	1,622
Part-Time	3	3	2	0	2
Seasonal	0	0	0	0	0
Total	1,653	1,640	1,624	0	1,624
Payroll	101,477,500	117,627,100	116,607,900	0	116,607,900
Operational	118,167,500	111,943,000	106,571,500	4,450,000	111,021,500
Total	\$219,645,000	\$229,570,100	\$223,179,400	\$4,450,000	\$227,629,400

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
State	71,225,900	88,014,700	81,244,200	4,450,000	85,694,200
Federal	76,851,100	70,567,600	70,909,600	0	70,909,600
Other	71,568,000	70,987,800	71,025,600	0	71,025,600
343.00 Total Health					
Full-Time	3,021	3,024	3,018	2	3,020
Part-Time	213	213	212	0	212
Seasonal	0	0	0	0	0
Total	3,234	3,237	3,230	2	3,232
Payroll	196,414,800	233,121,900	232,373,400	586,000	232,959,400
Operational	395,149,300	421,234,100	390,549,900	8,597,100	399,147,000
Total	\$591,564,100	\$654,356,000	\$622,923,300	\$9,183,100	\$632,106,400
State	166,979,900	213,192,500	196,613,000	9,183,100	205,796,100
Federal	253,350,900	252,658,000	246,506,000	0	246,506,000
Other	171,233,300	188,505,500	179,804,300	0	179,804,300

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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	236	233	235	3	238
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	236	233	235	3	238
Payroll	17,909,800	19,019,000	19,407,700	166,000	19,573,700
Operational	10,207,700	12,514,600	8,705,600	22,400	8,728,000
Total	\$28,117,500	\$31,533,600	\$28,113,300	\$188,400	\$28,301,700
State	2,396,800	1,973,600	1,907,800	9,400	1,917,200
Federal	0	0	0	0	0
Other	25,720,700	29,560,000	26,205,500	179,000	26,384,500

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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
Payroll	0	0	0	0	0
Operational	14,702,700	17,059,100	14,351,100	500,000	14,851,100
Total	\$14,702,700	\$17,059,100	\$14,351,100	\$500,000	\$14,851,100
State	10,846,500	12,460,000	12,258,300	500,000	12,758,300
Federal	0	0	0	0	0
Other	3,856,200	4,599,100	2,092,800	0	2,092,800

344.04 Protection from Harm

The Protection from Harm division serves as a safeguard for the service recipient and focuses on investigation, complaint resolution, and incident management.

Full-Time	63	65	66	0	66
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	63	65	66	0	66
Payroll	4,672,000	5,087,200	5,084,600	0	5,084,600
Operational	637,100	572,700	659,800	0	659,800
Total	\$5,309,100	\$5,659,900	\$5,744,400	\$0	\$5,744,400
State	0	301,000	301,000	0	301,000
Federal	0	0	0	0	0
Other	5,309,100	5,358,900	5,443,400	0	5,443,400

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	130	125	122	0	122
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	130	125	122	0	122
Payroll	8,734,700	9,782,400	9,396,600	0	9,396,600
Operational	2,174,700	1,736,000	1,834,800	0	1,834,800
Total	\$10,909,400	\$11,518,400	\$11,231,400	\$0	\$11,231,400
State	653,500	1,315,100	1,315,100	0	1,315,100
Federal	0	0	0	0	0
Other	10,255,900	10,203,300	9,916,300	0	9,916,300

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	117	113	0	113
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	119	117	113	0	113

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
Payroll	7,712,300	8,586,800	8,196,900	0	8,196,900
Operational	3,471,700	2,477,000	2,626,100	0	2,626,100
Total	\$11,184,000	\$11,063,800	\$10,823,000	\$0	\$10,823,000
State	522,700	547,200	547,200	0	547,200
Federal	0	0	0	0	0
Other	10,661,300	10,516,600	10,275,800	0	10,275,800

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	127	125	119	0	119
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	127	125	119	0	119
Payroll	8,595,300	9,149,300	8,485,400	0	8,485,400
Operational	2,166,600	1,576,100	1,564,300	0	1,564,300
Total	\$10,761,900	\$10,725,400	\$10,049,700	\$0	\$10,049,700
State	193,800	539,300	539,300	0	539,300
Federal	0	0	0	0	0
Other	10,568,100	10,186,100	9,510,400	0	9,510,400

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	28	29	28	0	28
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	28	29	28	0	28
Payroll	1,774,200	2,177,800	2,126,700	0	2,126,700
Operational	1,775,900	1,388,000	1,334,200	38,600	1,372,800
Total	\$3,550,100	\$3,565,800	\$3,460,900	\$38,600	\$3,499,500
State	2,569,400	2,872,700	2,767,800	38,600	2,806,400
Federal	0	25,000	25,000	0	25,000
Other	980,700	668,100	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	217	225	223	0	223
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	217	225	223	0	223

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
Payroll	11,755,100	13,887,000	13,696,200	0	13,696,200
Operational	5,064,800	5,447,300	5,488,100	14,300	5,502,400
Total	\$16,819,900	\$19,334,300	\$19,184,300	\$14,300	\$19,198,600
State	0	185,300	35,300	0	35,300
Federal	0	0	0	0	0
Other	16,819,900	19,149,000	19,149,000	14,300	19,163,300

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	172	174	165	0	165
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	172	174	165	0	165
Payroll	7,788,500	9,669,400	9,426,600	0	9,426,600
Operational	5,785,600	4,862,700	5,105,500	10,700	5,116,200
Total	\$13,574,100	\$14,532,100	\$14,532,100	\$10,700	\$14,542,800
State	42,300	95,900	95,900	0	95,900
Federal	0	0	0	0	0
Other	13,531,800	14,436,200	14,436,200	10,700	14,446,900

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	248	254	255	0	255
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	248	254	255	0	255
Payroll	12,850,500	14,172,100	14,300,500	0	14,300,500
Operational	5,034,000	5,925,900	6,058,100	17,900	6,076,000
Total	\$17,884,500	\$20,098,000	\$20,358,600	\$17,900	\$20,376,500
State	0	349,200	248,400	0	248,400
Federal	0	0	0	0	0
Other	17,884,500	19,748,800	20,110,200	17,900	20,128,100

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.

344.12 Greene Valley Developmental Center

Greene Valley Developmental Center was established in Greeneville in 1960 and was licensed for 70 beds. Greene Valley Developmental Center closed in May of 2017.

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
Full-Time	452	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	452	0	0	0	0
Payroll	19,136,400	0	0	0	0
Operational	10,536,400	0	0	0	0
Total	\$29,672,800	\$0	\$0	\$0	\$0
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	29,672,800	0	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	90	107	107	0	107
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	90	107	107	0	107
Payroll	3,554,100	5,095,900	5,109,400	0	5,109,400
Operational	3,017,000	2,716,700	2,964,500	7,200	2,971,700
Total	\$6,571,100	\$7,812,600	\$8,073,900	\$7,200	\$8,081,100
State	4,217,800	4,500,700	4,645,600	4,100	4,649,700
Federal	0	0	0	0	0
Other	2,353,300	3,311,900	3,428,300	3,100	3,431,400

344.50 Major Maintenance

Major Maintenance provides institutional maintenance funds to the state's developmental centers and state-owned community homes in the event of an emergency and provides funds for maintenance projects that do not meet the criteria for capital maintenance.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	56,000	329,000	100,000	150,000	250,000
Total	\$56,000	\$329,000	\$100,000	\$150,000	\$250,000
State	56,000	100,000	100,000	150,000	250,000
Federal	0	0	0	0	0
Other	0	229,000	0	0	0

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
344.00 Total Intellectual and Developmental Disabilities					
Full-Time	1,882	1,454	1,433	3	1,436
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,882	1,454	1,433	3	1,436
Payroll	104,482,900	96,626,900	95,230,600	166,000	95,396,600
Operational	64,630,200	56,605,100	50,792,100	761,100	51,553,200
Total	\$169,113,100	\$153,232,000	\$146,022,700	\$927,100	\$146,949,800
State	21,498,800	25,240,000	24,761,700	702,100	25,463,800
Federal	0	25,000	25,000	0	25,000
Other	147,614,300	127,967,000	121,236,000	225,000	121,461,000

Statistical Data
Intellectual Disabilities Developmental Centers

	Clover Bottom 344.11*	Greene Valley 344.12	Total
Annual Admissions			
2011-2012	0	2	2
2012-2013	0	0	0
2013-2014	0	0	0
2014-2015	18	0	18
2015-2016	9	0	9
2016-2017	12	0	12
2017-2018	15	0	15
2018-2019	10	0	10
Annual Releases			
2011-2012	36	43	79
2012-2013	0	0	0
2013-2014	14	0	14
2014-2015	12	27	39
2015-2016	26	21	47
2016-2017	13	60	73
2017-2018	5	0	5
2018-2019	10	0	10
Average Daily Census			
2011-2012	51	140	191
2012-2013	47	135	182
2013-2014	43	120	163
2014-2015	36	106	142
2015-2016	25	72	97
2016-2017	14	46	60
2017-2018	24	0	24
2018-2019	24	0	24
Cost Per Occupancy Day**			
2011-2012	\$1,426.52	\$955.16	\$1,081.02
2012-2013	\$1,525.36	\$1,019.12	\$1,149.85
2013-2014	\$1,677.22	\$1,151.38	\$1,290.10
2014-2015	\$1,520.56	\$1,206.14	\$1,285.85
2015-2016	\$1,028.90	\$1,432.90	\$1,328.78
2016-2017	\$1,285.93	\$1,767.29	\$1,654.97
2017-2018	\$891.85	\$0.00	\$891.85
2018-2019	\$922.50	\$0.00	\$922.50

* 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				
2011-2012	3	0	35	38
2012-2013	4	0	4	8
2013-2014	8	11	0	19
2014-2015	2	6	13	21
2015-2016	4	21	3	28
2016-2017	1	2	4	7
2017-2018	0	1	0	1
2018-2019	0	0	0	0
Annual Releases				
2011-2012	2	0	0	2
2012-2013	5	0	4	9
2013-2014	4	0	0	4
2014-2015	3	1	2	6
2015-2016	3	1	3	7
2016-2017	1	3	3	7
2017-2018	0	0	0	0
2018-2019	0	0	0	0
Average Daily Census				
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
2018-2019	48	36	64	148
Cost Per Occupancy Day*				
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	\$960.04	\$1,033.04	\$765.60	\$893.72
2017-2018	\$1,103.56	\$1,105.94	\$860.36	\$998.97
2018-2019	\$1,095.81	\$1,106.76	\$872.28	\$1,001.81

* 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 includes Administration, Adult and Family Services, Child Support, and Rehabilitation Services.

<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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, personnel, staff development, program performance, and improved customer service.

Full-Time	542	422	411	0	411
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	542	422	411	0	411
Payroll	34,999,500	31,719,700	31,719,700	0	31,719,700
Operational	38,193,500	52,014,100	54,020,800	0	54,020,800
Total	\$73,193,000	\$83,733,800	\$85,740,500	\$0	\$85,740,500
State	28,055,400	35,268,500	36,342,900	0	36,342,900
Federal	41,274,900	40,604,700	44,590,200	0	44,590,200
Other	3,862,700	7,860,600	4,807,400	0	4,807,400

345.17 County Rentals

The County Rentals program provides funds for payment of certain operational costs in the department's field offices, including rent, telephone, janitorial services, maintenance, and network computer charges.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	15,312,300	16,601,200	16,601,200	0	16,601,200
Total	\$15,312,300	\$16,601,200	\$16,601,200	\$0	\$16,601,200
State	5,451,300	8,011,300	8,011,300	0	8,011,300
Federal	9,411,800	7,436,100	7,843,100	0	7,843,100
Other	449,200	1,153,800	746,800	0	746,800

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
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	120	113	0	113
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	124	120	113	0	113
Payroll	8,200,200	9,480,900	9,480,900	0	9,480,900
Operational	703,900	1,405,300	1,405,300	0	1,405,300
Total	\$8,904,100	\$10,886,200	\$10,886,200	\$0	\$10,886,200
State	4,194,900	5,307,400	5,307,400	0	5,307,400
Federal	4,693,700	5,558,100	5,558,100	0	5,558,100
Other	15,500	20,700	20,700	0	20,700

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.

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
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345.20 Child Care Benefits

The Child Care Benefits program provides assistance for child care services to qualifying participants in programs such as Families First, foster care, child protective services, transitional Families First, and Department of Children's Services relative care.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	90,070,900	178,795,600	178,795,600	0	178,795,600
Total	\$90,070,900	\$178,795,600	\$178,795,600	\$0	\$178,795,600
State	12,339,600	19,307,200	19,307,200	0	19,307,200
Federal	71,516,100	153,088,400	153,088,400	0	153,088,400
Other	6,215,200	6,400,000	6,400,000	0	6,400,000

345.23 Temporary Cash Assistance

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

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	56,976,300	112,965,500	112,965,500	0	112,965,500
Total	\$56,976,300	\$112,965,500	\$112,965,500	\$0	\$112,965,500
State	13,975,200	13,968,900	13,968,900	0	13,968,900
Federal	43,001,100	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	1,604,946,700	1,909,112,700	1,909,112,700	0	1,909,112,700
Total	\$1,604,946,700	\$1,909,112,700	\$1,909,112,700	\$0	\$1,909,112,700

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
State	0	0	0	0	0
Federal	1,604,946,700	1,909,112,700	1,909,112,700	0	1,909,112,700
Other	0	0	0	0	0

345.30 Family Assistance Services

The Family Assistance Services program provides eligibility determination for the Families First, SNAP, and administrative support to TennCare for Medicaid eligibility determination. In addition, SNAP recipients receive nutrition education and outreach services. Families First clients receive job training, employment career services, and counseling. Family Assistance Services also provides supervision and administrative support to the Department of Human Services offices in each of Tennessee's 95 counties.

Full-Time	2,112	2,087	2,087	0	2,087
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2,112	2,087	2,087	0	2,087
Payroll	99,816,900	116,160,300	114,292,200	0	114,292,200
Operational	45,006,000	69,913,400	69,913,400	469,000	70,382,400
Total	\$144,822,900	\$186,073,700	\$184,205,600	\$469,000	\$184,674,600
State	67,677,100	77,818,700	77,818,700	359,500	78,178,200
Federal	73,337,200	102,729,400	102,729,400	109,500	102,838,900
Other	3,808,600	5,525,600	3,657,500	0	3,657,500

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 Division of TennCare.

Full-Time	436	433	440	0	440
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	436	433	440	0	440
Payroll	21,775,700	27,247,900	26,647,900	0	26,647,900
Operational	115,121,900	117,757,800	117,757,800	0	117,757,800
Total	\$136,897,600	\$145,005,700	\$144,405,700	\$0	\$144,405,700
State	5,778,200	8,056,800	8,056,800	0	8,056,800
Federal	126,933,200	131,399,700	131,399,700	0	131,399,700
Other	4,186,200	5,549,200	4,949,200	0	4,949,200

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
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Child Support

345.13 Child Support

The Child Support Enforcement program is a federal, state, and local partnership to collect and distribute child support. Program goals include ensuring children have the financial support of both parents, fostering responsible behavior towards children, and reducing welfare costs. Tennessee's Child Support Enforcement program is administered by the department through contracts with district attorneys general, private vendors, local governments, and program staff. Services include locating non-custodial parents, establishing paternity, establishing and enforcing financial and medical support orders, reviewing and adjusting support orders, and collecting and distributing child support payments. Enforcement staff is included in the District Attorneys General budget with funding from this program.

Full-Time	101	100	100	0	100
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	101	100	100	0	100
Payroll	6,387,500	7,285,700	7,285,700	0	7,285,700
Operational	76,316,600	83,187,000	83,187,000	132,100	83,319,100
Total	\$82,704,100	\$90,472,700	\$90,472,700	\$132,100	\$90,604,800
State	14,769,500	14,902,400	14,902,400	44,900	14,947,300
Federal	37,206,400	49,360,500	49,360,500	87,200	49,447,700
Other	30,728,200	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	606	553	0	553
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	608	606	553	0	553
Payroll	24,122,000	35,846,800	33,400,100	0	33,400,100
Operational	35,043,000	41,134,900	43,581,600	0	43,581,600
Total	\$59,165,000	\$76,981,700	\$76,981,700	\$0	\$76,981,700
State	12,750,700	11,453,100	11,453,100	0	11,453,100
Federal	38,737,700	58,165,200	58,165,200	0	58,165,200
Other	7,676,600	7,363,400	7,363,400	0	7,363,400

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
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	483	483	481	0	481
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	483	483	481	0	481
Payroll	24,181,100	30,369,300	30,369,300	0	30,369,300
Operational	26,661,000	34,630,200	34,630,200	0	34,630,200
Total	\$50,842,100	\$64,999,500	\$64,999,500	\$0	\$64,999,500
State	0	0	0	0	0
Federal	50,842,100	64,999,500	64,999,500	0	64,999,500
Other	0	0	0	0	0
345.00 Total Human Services					
Full-Time	4,406	4,251	4,185	0	4,185
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	4,406	4,251	4,185	0	4,185
Payroll	219,482,900	258,110,600	253,195,800	0	253,195,800
Operational	2,104,352,100	2,617,517,700	2,621,971,100	601,100	2,622,572,200
Total	\$2,323,835,000	\$2,875,628,300	\$2,875,166,900	\$601,100	\$2,875,768,000
State	164,991,900	194,094,300	195,168,700	404,400	195,573,100
Federal	2,101,900,900	2,621,350,900	2,625,743,400	196,700	2,625,940,100
Other	56,942,200	60,183,100	54,254,800	0	54,254,800

Department of Finance and Administration, Strategic Health-Care Programs

Strategic Health-Care Programs includes Health-Care Planning and Innovation and Cover Tennessee Health-Care Programs, which are CoverKids, and CoverRx.

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	5	5	0	5
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	8	5	5	0	5
Payroll	672,600	799,900	799,900	0	799,900
Operational	5,931,700	7,722,400	7,722,400	0	7,722,400
Total	\$6,604,300	\$8,522,300	\$8,522,300	\$0	\$8,522,300
State	534,400	513,600	513,600	0	513,600
Federal	5,901,200	7,770,100	7,770,100	0	7,770,100
Other	168,700	238,600	238,600	0	238,600

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. CoverKids was 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.

350.50 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	178,347,200	213,806,400	213,806,400	0	213,806,400
Total	\$178,347,200	\$213,806,400	\$213,806,400	\$0	\$213,806,400
State	3,613,000	2,187,400	10,791,100	0	10,791,100
Federal	168,127,100	210,757,100	202,153,400	0	202,153,400
Other	6,607,100	861,900	861,900	0	861,900

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
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	8,320,200	11,154,300	11,154,300	0	11,154,300
Total	\$8,320,200	\$11,154,300	\$11,154,300	\$0	\$11,154,300
State	7,482,900	9,554,300	9,554,300	0	9,554,300
Federal	0	0	0	0	0
Other	837,300	1,600,000	1,600,000	0	1,600,000

350.00 Total Finance and Administration, Strategic Health-Care Programs

Full-Time	8	5	5	0	5
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	8	5	5	0	5
Payroll	672,600	799,900	799,900	0	799,900
Operational	192,599,100	232,683,100	232,683,100	0	232,683,100
Total	\$193,271,700	\$233,483,000	\$233,483,000	\$0	\$233,483,000
State	11,630,300	12,255,300	20,859,000	0	20,859,000
Federal	174,028,300	218,527,200	209,923,500	0	209,923,500
Other	7,613,100	2,700,500	2,700,500	0	2,700,500

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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	450	354	349	0	349
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	450	354	349	0	349
Payroll	33,686,200	34,909,900	29,913,700	0	29,913,700
Operational	19,149,500	24,651,900	28,050,400	1,250,000	29,300,400
Total	\$52,835,700	\$59,561,800	\$57,964,100	\$1,250,000	\$59,214,100
State	30,702,600	35,508,300	33,936,000	1,250,000	35,186,000
Federal	5,720,500	6,563,900	6,522,000	0	6,522,000
Other	16,412,600	17,489,600	17,506,100	0	17,506,100

Child Welfare

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

359.20 Family Support Services

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

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	38,887,300	42,092,200	41,642,200	175,000	41,817,200
Total	\$38,887,300	\$42,092,200	\$41,642,200	\$175,000	\$41,817,200

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
State	23,774,700	27,360,000	26,910,000	175,000	27,085,000
Federal	8,909,700	12,232,200	12,232,200	0	12,232,200
Other	6,202,900	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	328,363,000	304,170,000	304,170,000	6,475,900	310,645,900
Total	\$328,363,000	\$304,185,000	\$304,185,000	\$6,475,900	\$310,660,900
State	74,533,700	81,895,700	80,220,100	3,142,400	83,362,500
Federal	60,687,800	53,667,900	53,843,500	1,624,700	55,468,200
Other	193,141,500	168,621,400	170,121,400	1,708,800	171,830,200

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	4,809,200	4,119,700	4,119,700	0	4,119,700
Total	\$4,809,200	\$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	689,500	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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
Payroll	0	15,000	15,000	0	15,000
Operational	100,636,100	99,165,700	99,165,700	6,648,000	105,813,700
Total	\$100,636,100	\$99,180,700	\$99,180,700	\$6,648,000	\$105,828,700
State	46,869,400	49,313,800	49,129,900	2,659,200	51,789,100
Federal	53,766,700	49,790,400	49,974,300	3,988,800	53,963,100
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	3,338	3,389	3,382	30	3,412
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	3,338	3,389	3,382	30	3,412
Payroll	204,817,000	223,035,900	222,685,700	1,680,400	224,366,100
Operational	52,995,700	49,083,900	49,008,900	450,000	49,458,900
Total	\$257,812,700	\$272,119,800	\$271,694,600	\$2,130,400	\$273,825,000
State	90,536,900	98,216,200	98,049,300	798,900	98,848,200
Federal	29,986,300	47,227,600	47,163,800	213,000	47,376,800
Other	137,289,500	126,676,000	126,481,500	1,118,500	127,600,000

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

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
Payroll	10,894,800	11,473,100	11,473,100	7,600	11,480,700
Operational	2,761,000	2,458,200	2,455,900	0	2,455,900
Total	\$13,655,800	\$13,931,300	\$13,929,000	\$7,600	\$13,936,600
State	13,251,900	13,528,200	13,528,200	7,600	13,535,800
Federal	0	0	0	0	0
Other	403,900	403,100	400,800	0	400,800

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	93	93	93	0	93
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	93	93	93	0	93
Payroll	5,371,100	5,698,800	5,698,800	0	5,698,800
Operational	1,970,300	1,425,300	1,481,400	0	1,481,400
Total	\$7,341,400	\$7,124,100	\$7,180,200	\$0	\$7,180,200
State	7,234,300	7,069,400	7,069,400	0	7,069,400
Federal	0	0	0	0	0
Other	107,100	54,700	110,800	0	110,800

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	163	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	163	0	0	0	0
Payroll	7,008,300	0	0	0	0
Operational	1,790,100	0	0	0	0
Total	\$8,798,400	\$0	\$0	\$0	\$0
State	8,569,300	0	0	0	0
Federal	0	0	0	0	0
Other	229,100	0	0	0	0

359.80 Major Maintenance

The Major Maintenance program provides institutional maintenance funds for the state youth development centers in the event of an emergency, as well as 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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
Payroll	0	0	0	0	0
Operational	176,200	385,100	385,100	0	385,100
Total	\$176,200	\$385,100	\$385,100	\$0	\$385,100
State	176,200	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	4,243	4,035	4,023	30	4,053
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	4,244	4,036	4,024	30	4,054
Payroll	261,777,400	275,147,700	269,801,300	1,688,000	271,489,300
Operational	551,538,400	527,552,000	530,479,300	14,998,900	545,478,200
Total	\$813,315,800	\$802,699,700	\$800,280,600	\$16,686,900	\$816,967,500
State	299,768,700	317,381,400	313,332,700	8,033,100	321,365,800
Federal	159,071,000	169,482,000	169,735,800	5,826,500	175,562,300
Other	354,476,100	315,836,300	317,212,100	2,827,300	320,039,400

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						
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	0	0	188
2018-2019	156	0	30	0	0	186
Annual Releases						
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	0	0	188
2018-2019	152	0	36	0	0	188
Average Daily Census						
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	44	0	0	160
2018-2019	116	0	44	0	0	160
Cost Per Occupancy Day *						
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	\$322.53	\$0.00	\$670.45	\$602.63	\$0.00	\$438.88
2017-2018	\$329.03	\$0.00	\$443.59	\$0.00	\$0.00	\$360.54
2018-2019	\$329.16	\$0.00	\$447.09	\$0.00	\$0.00	\$361.59

* 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 2018 – 2019

The agencies and departments that 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 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 the 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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Recommended 2018-2019</u>
Personnel			
Full-Time	12,042	12,021	12,133
Part-Time	98	98	98
Seasonal	4	0	0
TOTAL	12,144	12,119	12,231
Expenditures			
Payroll	\$ 794,449,900	\$ 908,636,700	\$ 922,258,000
Operational	934,840,900	985,487,800	980,951,900
TOTAL	\$ 1,729,290,800	\$ 1,894,124,500	\$ 1,903,209,900
Funding			
State	\$ 1,402,424,900	\$ 1,566,403,800	\$ 1,581,950,500
Federal	119,406,400	134,046,700	134,946,500
Other	207,459,500	193,674,000	186,312,900
Tuition/Fees	0	0	0

Law, Safety, and Correction
Recommended Budget for Fiscal Year 2018-2019
By Funding Source

Department	State	Federal	Other	Total
302.00 Court System	146,879,000	980,000	6,105,300	153,964,300
303.00 Attorney General and Reporter	30,774,900	0	13,342,700	44,117,600
304.00 District Attorneys General Conference	95,720,300	0	39,485,600	135,205,900
306.00 District Public Defenders Conference	58,986,600	0	576,000	59,562,600
308.00 Office of the Post-Conviction Defender	2,639,700	0	0	2,639,700
316.03 Alcoholic Beverage Commission	0	27,000	9,097,100	9,124,100
316.08 TRICOR	0	0	30,012,400	30,012,400
324.00 Board of Parole	8,320,700	0	1,000	8,321,700
329.00 Correction	1,010,493,400	568,900	15,067,900	1,026,130,200
341.00 Military Department	17,691,500	87,068,900	4,058,100	108,818,500
348.00 Tennessee Bureau of Investigation	50,080,900	10,771,100	18,905,100	79,757,100
349.00 Safety	160,363,500	35,530,600	49,661,700	245,555,800
Total	\$1,581,950,500	\$134,946,500	\$186,312,900	\$1,903,209,900

Law, Safety, and Correction
Cost Increases for Fiscal Year 2018-2019

	<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, 2018.					
302.01 Appellate and Trial Courts	\$847,400	\$0	\$0	\$847,400	0
Sub-total	\$847,400	\$0	\$0	\$847,400	0
• Indigent Representation Task Force					
To provide recurring funding for the Indigent Representation Task Force initiatives to raise hourly rates and case caps.					
302.10 Indigent Defendants' Counsel	\$9,744,000	\$0	\$0	\$9,744,000	0
Sub-total	\$9,744,000	\$0	\$0	\$9,744,000	0
• 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	\$1,000,000	\$0	\$0	\$1,000,000	0
Sub-total	\$1,000,000	\$0	\$0	\$1,000,000	0
Total Court System	\$11,591,400	\$0	\$0	\$11,591,400	0
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	\$4,900	\$0	\$0	\$4,900	0
Sub-total	\$4,900	\$0	\$0	\$4,900	0
Total Attorney General and Reporter	\$4,900	\$0	\$0	\$4,900	0

Law, Safety, and Correction
Cost Increases for Fiscal Year 2018-2019

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
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	\$1,338,500	\$0	\$164,900	\$1,503,400	0
304.10 Executive Director	\$0	\$0	\$4,000	\$4,000	0
304.15 IV-D Child Support Enforcement	\$0	\$0	\$132,100	\$132,100	0
Sub-total	<u>\$1,338,500</u>	<u>\$0</u>	<u>\$301,000</u>	<u>\$1,639,500</u>	<u>0</u>
Total District Attorneys General Conference	\$1,338,500	\$0	\$301,000	\$1,639,500	0

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 8-14-107. These step raises are based on employees' service anniversary dates.

306.01 District Public Defenders	\$678,400	\$0	\$0	\$678,400	0
Sub-total	<u>\$678,400</u>	<u>\$0</u>	<u>\$0</u>	<u>\$678,400</u>	<u>0</u>

• **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	\$112,000	\$0	\$0	\$112,000	0
306.12 Davidson County Public Defender	\$48,900	\$0	\$0	\$48,900	0
Sub-total	<u>\$160,900</u>	<u>\$0</u>	<u>\$0</u>	<u>\$160,900</u>	<u>0</u>
Total District Public Defenders Conference	\$839,300	\$0	\$0	\$839,300	0

Law, Safety, and Correction
Cost Increases for Fiscal Year 2018-2019

	<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	\$28,400	\$0	\$0	\$28,400	0
Sub-total	\$28,400	\$0	\$0	\$28,400	0
Total Office of the Post-Conviction Defender	\$28,400	\$0	\$0	\$28,400	0

Alcoholic Beverage Commission

• New Salary Plan					
To provide recurring funding for law enforcement, regulatory, and support staff salary increases.					
316.03 Alcoholic Beverage Commission	\$0	\$0	\$420,000	\$420,000	0
Sub-total	\$0	\$0	\$420,000	\$420,000	0
Total Alcoholic Beverage Commission	\$0	\$0	\$420,000	\$420,000	0

Correction

• Contract Inflatots					
To provide recurring funding for the Hardeman County Agreement contract inflator (\$762,000), Hardeman County - Whiteville contract inflator (\$851,500), Trousdale County Incarceration Agreement (\$2,060,200), and the South Central Correctional Facility contract inflator (\$671,200).					
329.21 Hardeman County Incarceration Agreement	\$762,000	\$0	\$0	\$762,000	0
329.22 Hardeman County Agreement - Whiteville	\$851,500	\$0	\$0	\$851,500	0
329.23 Trousdale County Incarceration Agreement	\$2,060,200	\$0	\$0	\$2,060,200	0
329.44 South Central Correctional Facility	\$671,200	\$0	\$0	\$671,200	0
Sub-total	\$4,344,900	\$0	\$0	\$4,344,900	0

Law, Safety, and Correction

Cost Increases for Fiscal Year 2018-2019

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Medical Contract					
To provide recurring funding for increased operational costs of new medical contract services.					
329.13 Tennessee Prison for Women	\$3,042,300	\$0	\$0	\$3,042,300	0
329.16 Mark Luttrell Transition Center	\$811,000	\$0	\$0	\$811,000	0
329.21 Hardeman County Incarceration Agreement	\$1,356,400	\$0	\$0	\$1,356,400	0
329.22 Hardeman County Agreement - Whiteville	\$234,000	\$0	\$0	\$234,000	0
329.23 Trousdale County Incarceration Agreement	\$1,593,500	\$0	\$0	\$1,593,500	0
329.41 West Tennessee State Penitentiary	\$1,329,600	\$0	\$0	\$1,329,600	0
329.43 Northeast Correctional Complex	\$2,252,800	\$0	\$0	\$2,252,800	0
329.44 South Central Correctional Facility	\$1,602,600	\$0	\$0	\$1,602,600	0
329.45 Northwest Correctional Complex	\$3,277,800	\$0	\$0	\$3,277,800	0
Sub-total	\$15,500,000	\$0	\$0	\$15,500,000	0
• Public Safety Act of 2016 - Year Three					
To provide recurring funding and position authorizations for the third 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.					
329.51 Probation and Parole Field Supervision	\$2,211,000	\$0	\$0	\$2,211,000	38
Sub-total	\$2,211,000	\$0	\$0	\$2,211,000	38
• Caseload Management Personnel					
To provide funding for 50 additional probation and parole officers and managers to reduce current caseload levels and bring supervision standards in line with industry best practices. Of the total cost, the amount of \$1,000,000 is non-recurring and \$2,434,700 is recurring.					
329.51 Probation and Parole Field Supervision	\$3,434,700	\$0	\$0	\$3,434,700	50
Sub-total	\$3,434,700	\$0	\$0	\$3,434,700	50
• COMET System					
To provide recurring funding for additional users of the Correctional Offender Management Electronic Tracking (COMET) system.					
329.01 Administration	\$523,700	\$0	\$0	\$523,700	0
Sub-total	\$523,700	\$0	\$0	\$523,700	0

Law, Safety, and Correction
Cost Increases for Fiscal Year 2018-2019

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Protective Vests					
To provide non-recurring funding for protective vests for probation and parole officers and correctional officers. Of the total cost, \$450,000 is funded with state appropriations and \$429,300 is funded with supervision fees.					
329.13 Tennessee Prison for Women	\$51,300	\$0	\$0	\$51,300	0
329.14 Turney Center Industrial Complex	\$37,800	\$0	\$0	\$37,800	0
329.18 Bledsoe County Correctional Complex	\$36,900	\$0	\$0	\$36,900	0
329.41 West Tennessee State Penitentiary	\$74,700	\$0	\$0	\$74,700	0
329.42 Riverbend Maximum Security Institution	\$63,000	\$0	\$0	\$63,000	0
329.43 Northeast Correctional Complex	\$15,300	\$0	\$0	\$15,300	0
329.45 Northwest Correctional Complex	\$23,900	\$0	\$0	\$23,900	0
329.46 Lois M. DeBerry Special Needs Facility	\$22,500	\$0	\$0	\$22,500	0
329.47 Morgan County Correctional Complex	\$124,600	\$0	\$0	\$124,600	0
329.51 Probation and Parole Field Supervision	\$429,300	\$0	\$0	\$429,300	0
Sub-total	\$879,300	\$0	\$0	\$879,300	0
• Administration Legislation - Earned Discharge Credits - Probation/Parole - Additional Personnel					
To provide recurring funding for 12 new positions in Sentence Management Services to process earned probation and parole discharge credits.					
329.01 Administration	\$771,400	\$0	\$0	\$771,400	12
Sub-total	\$771,400	\$0	\$0	\$771,400	12
• Governor's Opioid Initiative - Controlled Substances Schedule Update					
To provide recurring funding to reclassify certain controlled substances for the purpose of enhancing criminal penalties for possession, distribution, and/or trafficking of those substances.					
329.99 Sentencing Act of 1985	\$286,300	\$0	\$0	\$286,300	0
Sub-total	\$286,300	\$0	\$0	\$286,300	0
Total Correction	\$27,951,300	\$0	\$0	\$27,951,300	100

Law, Safety, and Correction
Cost Increases for Fiscal Year 2018-2019

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Military Department					
• Computer Services Network Upgrades					
To provide recurring funding for Tennessee Emergency Management Agency (TEMA) computer services to make upgrades and maintain modern standards.					
341.04 Tennessee Emergency Management Agency	\$43,300	\$0	\$0	\$43,300	0
Sub-total	\$43,300	\$0	\$0	\$43,300	0
• Construction and Facility Management Office Personnel for Sustainment Restoration Management					
To provide recurring funding for six new positions in the Sustainment Restoration Management division of the Construction and Facility Management Office to address maintenance services and monitoring needs in conjunction with new federal requirements.					
341.02 Army National Guard	\$0	\$408,500	\$0	\$408,500	6
Sub-total	\$0	\$408,500	\$0	\$408,500	6
• Construction Facility Management Office Personnel for Environmental Services					
To provide recurring funding for five new positions in the Environmental Services division of the Construction and Facility Management Office to address cultural resource, biologist, and budget support services needs in conjunction with new federal requirements.					
341.02 Army National Guard	\$0	\$332,400	\$0	\$332,400	5
Sub-total	\$0	\$332,400	\$0	\$332,400	5
Total Military Department	\$43,300	\$740,900	\$0	\$784,200	11
Tennessee Bureau of Investigation					
• Governor's Opioid Initiative - TBI Drug Investigation Special Agents					
To provide funding to address the illicit sale and trafficking of opioids through additional agents and training. Of the total cost, \$855,000 is non-recurring and \$1,300,000 is recurring.					
348.00 Tennessee Bureau of Investigation	\$2,155,000	\$0	\$0	\$2,155,000	10
Sub-total	\$2,155,000	\$0	\$0	\$2,155,000	10
Total Tennessee Bureau of Investigation	\$2,155,000	\$0	\$0	\$2,155,000	10

Law, Safety, and Correction

Cost Increases for Fiscal Year 2018-2019

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
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, 2018.					
349.03 Highway Patrol	\$1,069,100	\$0	\$0	\$1,069,100	0
Sub-total	\$1,069,100	\$0	\$0	\$1,069,100	0
• 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, 2018. The survey averages the current compensation levels of commissioned officers in the eight adjacent states.					
349.03 Highway Patrol	\$1,662,000	\$0	\$0	\$1,662,000	0
Sub-total	\$1,662,000	\$0	\$0	\$1,662,000	0
• 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	\$950,000	\$0	\$0	\$950,000	0
Sub-total	\$950,000	\$0	\$0	\$950,000	0
• Homeland Security Positions					
To provide recurring funding for eight Homeland Security positions that were previously funded by federal grants.					
349.15 Office of Homeland Security	\$790,000	\$0	\$0	\$790,000	8
Sub-total	\$790,000	\$0	\$0	\$790,000	8
• Manpower Increase of Driver License Examiners					
To provide recurring funding for five additional driver license examiner positions. These positions will help maintain full operating capacity and improve wait times at driver services centers.					
349.02 Driver License Issuance	\$250,000	\$0	\$0	\$250,000	5
Sub-total	\$250,000	\$0	\$0	\$250,000	5
Total Safety	\$4,721,100	\$0	\$0	\$4,721,100	13
Total Law, Safety, and Correction	\$48,673,200	\$740,900	\$721,000	\$50,135,100	134

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 have primary 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>2016-2017</u>	<u>Estimated</u> <u>2017-2018</u>	<u>Base</u> <u>2018-2019</u>	<u>Cost Increase</u> <u>2018-2019</u>	<u>Recommended</u> <u>2018-2019</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	433	433	0	433
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	432	433	433	0	433

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
Payroll	60,785,000	62,875,900	62,875,900	847,400	63,723,300
Operational	2,580,300	4,380,500	2,380,500	1,000,000	3,380,500
Total	\$63,365,300	\$67,256,400	\$65,256,400	\$1,847,400	\$67,103,800
State	63,314,200	67,229,100	65,229,100	1,847,400	67,076,500
Federal	0	0	0	0	0
Other	51,100	27,300	27,300	0	27,300

302.08 Child Support Referees

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

Full-Time	24	24	24	0	24
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	24	24	24	0	24
Payroll	2,303,800	2,585,900	2,585,900	0	2,585,900
Operational	178,000	279,300	279,300	0	279,300
Total	\$2,481,800	\$2,865,200	\$2,865,200	\$0	\$2,865,200
State	842,600	921,200	921,200	0	921,200
Federal	0	0	0	0	0
Other	1,639,200	1,944,000	1,944,000	0	1,944,000

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	6,240,000	6,047,500	6,047,500	0	6,047,500
Total	\$6,240,000	\$6,047,500	\$6,047,500	\$0	\$6,047,500
State	6,240,000	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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
Payroll	0	0	0	0	0
Operational	31,223,600	30,468,000	30,468,000	9,744,000	40,212,000
Total	\$31,223,600	\$30,468,000	\$30,468,000	\$9,744,000	\$40,212,000
State	31,010,400	30,463,000	30,463,000	9,744,000	40,207,000
Federal	0	0	0	0	0
Other	213,200	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	3,626,900	3,327,900	3,327,900	0	3,327,900
Total	\$3,626,900	\$3,327,900	\$3,327,900	\$0	\$3,327,900
State	3,626,900	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	1,935,000	3,056,500	3,056,500	0	3,056,500
Operational	1,659,100	1,048,800	1,048,800	0	1,048,800
Total	\$3,594,100	\$4,105,300	\$4,105,300	\$0	\$4,105,300
State	3,594,100	4,105,300	4,105,300	0	4,105,300
Federal	0	0	0	0	0
Other	0	0	0	0	0

302.13 Court Interpreter Services

The Court Interpreter Services 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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
Payroll	67,300	77,200	77,200	0	77,200
Operational	2,198,800	2,370,900	2,370,900	0	2,370,900
Total	\$2,266,100	\$2,448,100	\$2,448,100	\$0	\$2,448,100
State	2,266,100	2,448,100	2,448,100	0	2,448,100
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	95,900	127,300	127,300	0	127,300
Total	\$95,900	\$127,300	\$127,300	\$0	\$127,300
State	43,100	60,300	60,300	0	60,300
Federal	0	0	0	0	0
Other	52,800	67,000	67,000	0	67,000

Support Services

The 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	81	81	81	0	81
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	82	82	82	0	82
Payroll	6,223,200	7,698,500	7,698,500	0	7,698,500
Operational	8,831,300	6,273,300	5,955,000	0	5,955,000
Total	\$15,054,500	\$13,971,800	\$13,653,500	\$0	\$13,653,500
State	10,642,800	11,399,300	11,389,800	0	11,389,800
Federal	878,500	980,000	980,000	0	980,000
Other	3,533,200	1,592,500	1,283,700	0	1,283,700

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
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	505,900	764,100	764,100	0	764,100
Operational	2,536,300	2,551,600	2,551,600	0	2,551,600
Total	\$3,042,200	\$3,315,700	\$3,315,700	\$0	\$3,315,700
State	2,466,600	2,702,700	2,702,700	0	2,702,700
Federal	0	0	0	0	0
Other	575,600	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	8,200	74,500	74,500	0	74,500
Total	\$8,200	\$74,500	\$74,500	\$0	\$74,500
State	8,200	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	241,500	413,700	413,700	0	413,700
Total	\$241,500	\$413,700	\$413,700	\$0	\$413,700
State	179,300	373,700	373,700	0	373,700
Federal	0	0	0	0	0
Other	62,200	40,000	40,000	0	40,000

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	499,400	911,700	911,700	0	911,700
Total	\$499,400	\$911,700	\$911,700	\$0	\$911,700
State	235,500	413,500	413,500	0	413,500
Federal	0	0	0	0	0
Other	263,900	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	209,700	260,100	260,100	0	260,100
Total	\$209,700	\$260,100	\$260,100	\$0	\$260,100
State	209,700	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	2,036,000	2,268,600	2,268,600	0	2,268,600
Operational	256,600	297,200	297,200	0	297,200
Total	\$2,292,600	\$2,565,800	\$2,565,800	\$0	\$2,565,800

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
State	731,600	938,700	938,700	0	938,700
Federal	0	0	0	0	0
Other	1,561,000	1,627,100	1,627,100	0	1,627,100

Professional Standards

The Professional Standards 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	601,000	611,300	611,300	0	611,300
Operational	414,400	370,100	370,100	0	370,100
Total	\$1,015,400	\$981,400	\$981,400	\$0	\$981,400
State	997,900	981,400	981,400	0	981,400
Federal	0	0	0	0	0
Other	17,500	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	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	2,701,000	2,794,600	2,794,600	0	2,794,600
Operational	1,334,200	1,071,500	1,071,500	0	1,071,500
Total	\$4,035,200	\$3,866,100	\$3,866,100	\$0	\$3,866,100
State	3,674,900	3,866,100	3,866,100	0	3,866,100
Federal	0	0	0	0	0
Other	360,300	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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	362,500	402,100	402,100	0	402,100
Operational	158,800	118,500	118,500	0	118,500
Total	\$521,300	\$520,600	\$520,600	\$0	\$520,600
State	495,300	520,600	520,600	0	520,600
Federal	0	0	0	0	0
Other	26,000	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	493,200	553,400	553,400	0	553,400
Operational	385,700	402,200	402,200	0	402,200
Total	\$878,900	\$955,600	\$955,600	\$0	\$955,600
State	873,700	955,600	955,600	0	955,600
Federal	0	0	0	0	0
Other	5,200	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	216,200	208,500	208,500	0	208,500
Total	\$216,200	\$208,500	\$208,500	\$0	\$208,500
State	203,500	208,500	208,500	0	208,500
Federal	0	0	0	0	0
Other	12,700	0	0	0	0

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
302.00 Total Court System					
Full-Time	673	674	674	0	674
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	681	682	682	0	682
Payroll	78,013,900	83,688,100	83,688,100	847,400	84,535,500
Operational	62,894,900	61,003,100	58,684,800	10,744,000	69,428,800
Total	\$140,908,800	\$144,691,200	\$142,372,900	\$11,591,400	\$153,964,300
State	131,656,400	137,297,100	135,287,600	11,591,400	146,879,000
Federal	878,500	980,000	980,000	0	980,000
Other	8,373,900	6,414,100	6,105,300	0	6,105,300

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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	339	0	339
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	321	321	339	0	339
Payroll	26,409,800	35,392,000	35,374,000	4,900	35,378,900
Operational	8,444,400	7,395,200	7,395,200	0	7,395,200
Total	\$34,854,200	\$42,787,200	\$42,769,200	\$4,900	\$42,774,100
State	24,713,400	30,233,300	30,215,300	4,900	30,220,200
Federal	0	0	0	0	0
Other	10,140,800	12,553,900	12,553,900	0	12,553,900

303.05 Publication of Tennessee Reports

The 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	174,300	184,800	202,800	0	202,800
Operational	40,400	62,200	62,200	0	62,200
Total	\$214,700	\$247,000	\$265,000	\$0	\$265,000
State	214,700	247,000	265,000	0	265,000
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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	1,360,200	1,078,500	1,078,500	0	1,078,500
Total	\$1,360,200	\$1,078,500	\$1,078,500	\$0	\$1,078,500
State	346,400	289,700	289,700	0	289,700
Federal	0	0	0	0	0
Other	1,013,800	788,800	788,800	0	788,800
303.00 Total Attorney General and Reporter					
Full-Time	323	323	341	0	341
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	323	323	341	0	341
Payroll	26,584,100	35,576,800	35,576,800	4,900	35,581,700
Operational	9,845,000	8,535,900	8,535,900	0	8,535,900
Total	\$36,429,100	\$44,112,700	\$44,112,700	\$4,900	\$44,117,600
State	25,274,500	30,770,000	30,770,000	4,900	30,774,900
Federal	0	0	0	0	0
Other	11,154,600	13,342,700	13,342,700	0	13,342,700

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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	805	829	810	0	810
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
Total	814	838	819	0	819
Payroll	82,722,600	92,225,900	90,851,500	1,503,400	92,354,900
Operational	7,730,700	8,833,000	8,441,000	0	8,441,000
Total	\$90,453,300	\$101,058,900	\$99,292,500	\$1,503,400	\$100,795,900
State	83,318,600	91,780,700	91,331,500	1,338,500	92,670,000
Federal	0	0	0	0	0
Other	7,134,700	9,278,200	7,961,000	164,900	8,125,900

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	660,800	601,300	601,300	0	601,300
Total	\$660,800	\$601,300	\$601,300	\$0	\$601,300
State	406,300	440,300	440,300	0	440,300
Federal	0	0	0	0	0
Other	254,500	161,000	161,000	0	161,000

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	31	31	0	31
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	27	31	31	0	31
Payroll	2,713,600	3,321,700	3,321,700	4,000	3,325,700
Operational	603,100	1,241,600	1,227,500	0	1,227,500
Total	\$3,316,700	\$4,563,300	\$4,549,200	\$4,000	\$4,553,200
State	1,996,900	2,624,100	2,610,000	0	2,610,000
Federal	0	0	0	0	0
Other	1,319,800	1,939,200	1,939,200	4,000	1,943,200
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	384	384	384	0	384
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	385	385	385	0	385
Payroll	22,315,300	25,713,700	25,413,700	132,100	25,545,800
Operational	3,540,700	3,409,700	3,709,700	0	3,709,700
Total	\$25,856,000	\$29,123,400	\$29,123,400	\$132,100	\$29,255,500
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	25,856,000	29,123,400	29,123,400	132,100	29,255,500
304.00 Total District Attorneys General Conference					
Full-Time	1,216	1,244	1,225	0	1,225
Part-Time	10	10	10	0	10
Seasonal	0	0	0	0	0
Total	1,226	1,254	1,235	0	1,235
Payroll	107,751,500	121,261,300	119,586,900	1,639,500	121,226,400
Operational	12,535,300	14,085,600	13,979,500	0	13,979,500
Total	\$120,286,800	\$135,346,900	\$133,566,400	\$1,639,500	\$135,205,900
State	85,721,800	94,845,100	94,381,800	1,338,500	95,720,300
Federal	0	0	0	0	0
Other	34,565,000	40,501,800	39,184,600	301,000	39,485,600

District Public Defenders Conference

As required by the United States Constitution and the Tennessee Constitution, district public defenders and their staff provide legal representation at trial and through the state appellate process for indigent persons charged with the commission of a crime. In Tennessee, a statewide system of public defenders was created by the General Assembly in 1989. Public defenders are appointed as counsel for indigent persons in any criminal prosecution or juvenile delinquency proceeding involving the possible deprivation of liberty or in any habeas corpus or other post-conviction proceeding. Twenty-nine judicial districts participate directly in the District Public Defenders Conference. The public defenders for Shelby and Davidson counties receive direct appropriations with no administrative support or control from the conference.

<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
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306.01 District Public Defenders

The District Public Defenders program provides funding for the personnel and operational costs of the district public defenders, assistant public defenders, investigators, and support staff.

Full-Time	352	377	377	0	377
Part-Time	24	24	24	0	24
Seasonal	0	0	0	0	0
Total	376	401	401	0	401
Payroll	37,980,500	44,571,600	44,571,600	678,400	45,250,000
Operational	3,796,700	4,745,400	4,338,200	0	4,338,200
Total	\$41,777,200	\$49,317,000	\$48,909,800	\$678,400	\$49,588,200
State	40,867,200	48,741,000	48,333,800	678,400	49,012,200
Federal	0	0	0	0	0
Other	910,000	576,000	576,000	0	576,000

306.03 Executive Director

The Executive Director 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	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	1,709,500	1,881,900	1,881,900	0	1,881,900
Operational	238,500	267,900	267,900	0	267,900
Total	\$1,948,000	\$2,149,800	\$2,149,800	\$0	\$2,149,800
State	1,948,000	2,149,800	2,149,800	0	2,149,800
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	5,086,800	5,332,900	5,332,900	112,000	5,444,900
Total	\$5,086,800	\$5,332,900	\$5,332,900	\$112,000	\$5,444,900
State	5,086,800	5,332,900	5,332,900	112,000	5,444,900
Federal	0	0	0	0	0
Other	0	0	0	0	0

306.12 Davidson County Public Defender

This program provides an appropriation to the Davidson County public defender's office.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	2,221,900	2,330,800	2,330,800	48,900	2,379,700
Total	\$2,221,900	\$2,330,800	\$2,330,800	\$48,900	\$2,379,700
State	2,221,900	2,330,800	2,330,800	48,900	2,379,700
Federal	0	0	0	0	0
Other	0	0	0	0	0

306.00 Total District Public Defenders Conference

Full-Time	368	393	393	0	393
Part-Time	24	24	24	0	24
Seasonal	0	0	0	0	0
Total	392	417	417	0	417
Payroll	39,690,000	46,453,500	46,453,500	678,400	47,131,900
Operational	11,343,900	12,677,000	12,269,800	160,900	12,430,700
Total	\$51,033,900	\$59,130,500	\$58,723,300	\$839,300	\$59,562,600
State	50,123,900	58,554,500	58,147,300	839,300	58,986,600
Federal	0	0	0	0	0
Other	910,000	576,000	576,000	0	576,000

Office of the Post-Conviction Defender

The Office of the Post-Conviction Defender was created in 1995 in order to provide for the representation of any person convicted and sentenced to death who is unable to secure counsel due to indigence. This office also provides continuing legal education and consulting services to attorneys representing indigents in capital cases and recruits qualified members of the private bar who are willing to provide representation in state death penalty proceedings.

The Post-Conviction Defender 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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	1,741,400	2,197,500	2,197,500	28,400	2,225,900
Operational	387,200	413,800	413,800	0	413,800
Total	\$2,128,600	\$2,611,300	\$2,611,300	\$28,400	\$2,639,700
State	2,128,100	2,611,300	2,611,300	28,400	2,639,700
Federal	0	0	0	0	0
Other	500	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 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. The commission is governed by three members appointed by the Governor to terms concurrent with the Governor's term.

ABC conducts felony investigations originating under its jurisdiction and enforces laws pertaining to the illegal manufacture, transportation, and sale of alcoholic beverages. The commission 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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
316.03 Alcoholic Beverage Commission					
Full-Time	85	89	89	0	89
Part-Time	3	3	3	0	3
Seasonal	0	0	0	0	0
Total	88	92	92	0	92
Payroll	5,136,500	6,413,300	6,363,300	420,000	6,783,300
Operational	2,485,500	3,318,300	2,340,800	0	2,340,800
Total	\$7,622,000	\$9,731,600	\$8,704,100	\$420,000	\$9,124,100
State	0	0	0	0	0
Federal	40,300	27,000	27,000	0	27,000
Other	7,581,700	9,704,600	8,677,100	420,000	9,097,100

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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
316.08 TRICOR					
Full-Time	161	161	154	0	154
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	161	161	154	0	154
Payroll	6,885,000	9,364,800	9,550,500	0	9,550,500
Operational	24,120,900	21,179,800	20,461,900	0	20,461,900
Total	\$31,005,900	\$30,544,600	\$30,012,400	\$0	\$30,012,400
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	31,005,900	30,544,600	30,012,400	0	30,012,400

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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
324.02 Board of Parole					
Full-Time	81	83	83	0	83
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	81	83	83	0	83
Payroll	5,758,400	6,371,100	6,371,100	0	6,371,100
Operational	1,660,800	1,828,100	1,950,600	0	1,950,600
Total	\$7,419,200	\$8,199,200	\$8,321,700	\$0	\$8,321,700
State	7,417,800	8,198,200	8,320,700	0	8,320,700
Federal	0	0	0	0	0
Other	1,400	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.

TDOC carries out its responsibilities through four major functional areas: Administrative and Other Services, Institutional Operations, Special Purpose Facilities, and Contract Management Facilities.

<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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, computes 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	229	227	227	12	239
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	229	227	227	12	239
Payroll	19,299,400	18,844,800	18,893,100	707,800	19,600,900
Operational	13,680,400	8,999,200	8,951,400	587,300	9,538,700
Total	\$32,979,800	\$27,844,000	\$27,844,500	\$1,295,100	\$29,139,600
State	27,991,300	27,105,600	27,221,200	1,295,100	28,516,300
Federal	656,800	413,800	568,900	0	568,900
Other	4,331,700	324,600	54,400	0	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 TDOC, and when counties house felons who have been sentenced to TDOC 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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	149,065,100	175,802,800	167,491,700	0	167,491,700
Total	\$149,065,100	\$175,802,800	\$167,491,700	\$0	\$167,491,700
State	148,386,600	175,002,800	166,691,700	0	166,691,700
Federal	0	0	0	0	0
Other	678,500	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 and certification programs.

Full-Time	84	76	76	0	76
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	84	76	76	0	76
Payroll	3,936,300	4,508,500	4,508,500	0	4,508,500
Operational	2,279,500	1,950,900	1,950,900	0	1,950,900
Total	\$6,215,800	\$6,459,400	\$6,459,400	\$0	\$6,459,400
State	6,188,300	6,394,500	6,394,500	0	6,394,500
Federal	0	0	0	0	0
Other	27,500	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	1,773,300	1,918,800	1,918,800	0	1,918,800
Total	\$1,773,300	\$1,918,800	\$1,918,800	\$0	\$1,918,800
State	1,773,300	1,918,800	1,918,800	0	1,918,800
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	55	56	56	0	56
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	55	56	56	0	56
Payroll	4,052,300	4,258,500	4,258,500	0	4,258,500
Operational	7,501,900	6,585,300	6,585,300	0	6,585,300
Total	\$11,554,200	\$10,843,800	\$10,843,800	\$0	\$10,843,800
State	11,317,500	10,843,800	10,843,800	0	10,843,800
Federal	0	0	0	0	0
Other	236,700	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	72	73	73	0	73
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	72	73	73	0	73
Payroll	5,348,500	5,387,700	5,387,700	0	5,387,700
Operational	1,428,900	864,700	864,700	0	864,700
Total	\$6,777,400	\$6,252,400	\$6,252,400	\$0	\$6,252,400
State	6,630,400	6,252,400	6,252,400	0	6,252,400
Federal	146,300	0	0	0	0
Other	700	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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
Payroll	0	0	0	0	0
Operational	1,466,400	1,753,600	1,753,600	0	1,753,600
Total	\$1,466,400	\$1,753,600	\$1,753,600	\$0	\$1,753,600
State	1,466,400	1,693,600	1,693,600	0	1,693,600
Federal	0	0	0	0	0
Other	0	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	1,066	1,123	1,140	88	1,228
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,066	1,123	1,140	88	1,228
Payroll	54,397,300	64,388,800	65,030,000	4,011,900	69,041,900
Operational	22,808,100	19,327,100	15,989,100	2,063,100	18,052,200
Total	\$77,205,400	\$83,715,900	\$81,019,100	\$6,075,000	\$87,094,100
State	74,923,800	82,546,400	79,949,600	6,075,000	86,024,600
Federal	0	0	0	0	0
Other	2,281,600	1,169,500	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	14,223,800	14,795,500	14,795,500	0	14,795,500
Total	\$14,223,800	\$14,795,500	\$14,795,500	\$0	\$14,795,500
State	14,217,600	14,795,500	14,795,500	0	14,795,500
Federal	0	0	0	0	0
Other	6,200	0	0	0	0

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	24,150,900	24,150,900	286,300	24,437,200
Total	\$0	\$24,150,900	\$24,150,900	\$286,300	\$24,437,200
State	0	24,143,400	24,143,400	286,300	24,429,700
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	248	240	237	0	237
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	248	240	237	0	237
Payroll	12,171,900	13,709,000	13,599,800	0	13,599,800
Operational	14,295,300	12,094,800	12,094,800	3,093,600	15,188,400
Total	\$26,467,200	\$25,803,800	\$25,694,600	\$3,093,600	\$28,788,200
State	25,474,700	24,919,100	24,809,900	3,093,600	27,903,500
Federal	0	0	0	0	0
Other	992,500	884,700	884,700	0	884,700

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	439	421	418	0	418
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	439	421	418	0	418
Payroll	22,246,300	25,325,000	25,196,400	0	25,196,400
Operational	20,501,500	18,191,700	18,191,700	37,800	18,229,500
Total	\$42,747,800	\$43,516,700	\$43,388,100	\$37,800	\$43,425,900
State	40,537,400	42,054,100	41,925,500	37,800	41,963,300
Federal	0	0	0	0	0
Other	2,210,400	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	160	157	157	0	157
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	160	157	157	0	157
Payroll	7,561,600	9,020,500	9,020,500	0	9,020,500
Operational	4,609,500	6,478,400	6,478,400	811,000	7,289,400
Total	\$12,171,100	\$15,498,900	\$15,498,900	\$811,000	\$16,309,900
State	11,955,300	14,930,600	14,930,600	811,000	15,741,600
Federal	0	0	0	0	0
Other	215,800	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	321,200	420,000	0	0	0
Total	\$321,200	\$420,000	\$0	\$0	\$0

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
State	321,200	420,000	0	0	0
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	721	693	693	0	693
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	721	693	693	0	693
Payroll	36,113,700	39,516,600	39,516,600	0	39,516,600
Operational	44,622,500	41,646,300	41,646,300	36,900	41,683,200
Total	\$80,736,200	\$81,162,900	\$81,162,900	\$36,900	\$81,199,800
State	78,468,400	78,730,100	78,730,100	36,900	78,767,000
Federal	0	0	0	0	0
Other	2,267,800	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	682	664	658	0	658
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	682	664	658	0	658
Payroll	29,959,500	39,018,800	38,797,400	0	38,797,400
Operational	24,351,600	25,812,400	25,812,400	1,404,300	27,216,700
Total	\$54,311,100	\$64,831,200	\$64,609,800	\$1,404,300	\$66,014,100
State	52,933,600	63,442,000	63,220,600	1,404,300	64,624,900
Federal	0	0	0	0	0
Other	1,377,500	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	347	342	339	0	339
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	347	342	339	0	339

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
Payroll	17,379,800	19,768,500	19,659,300	0	19,659,300
Operational	12,803,000	12,163,100	12,163,100	63,000	12,226,100
Total	\$30,182,800	\$31,931,600	\$31,822,400	\$63,000	\$31,885,400
State	29,453,500	31,479,700	31,370,500	63,000	31,433,500
Federal	0	0	0	0	0
Other	729,300	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	496	474	474	0	474
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	496	474	474	0	474
Payroll	27,145,300	28,024,600	28,024,600	0	28,024,600
Operational	21,790,000	19,884,900	19,884,900	2,268,100	22,153,000
Total	\$48,935,300	\$47,909,500	\$47,909,500	\$2,268,100	\$50,177,600
State	47,183,500	46,515,400	46,515,400	2,268,100	48,783,500
Federal	0	0	0	0	0
Other	1,751,800	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	642	626	624	0	624
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	642	626	624	0	624
Payroll	30,500,500	36,789,300	36,716,500	0	36,716,500
Operational	26,215,400	22,319,700	22,319,700	3,301,700	25,621,400
Total	\$56,715,900	\$59,109,000	\$59,036,200	\$3,301,700	\$62,337,900
State	54,935,500	57,041,500	56,968,700	3,301,700	60,270,400
Federal	0	0	0	0	0
Other	1,780,400	2,067,500	2,067,500	0	2,067,500

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
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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.

Full-Time	690	661	661	0	661
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	690	661	661	0	661
Payroll	35,512,200	38,247,700	38,247,700	0	38,247,700
Operational	29,835,400	30,957,300	30,957,300	124,600	31,081,900
Total	\$65,347,600	\$69,205,000	\$69,205,000	\$124,600	\$69,329,600
State	63,795,000	67,477,900	67,477,900	124,600	67,602,500
Federal	0	0	0	0	0
Other	1,552,600	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	506	505	505	0	505
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	506	505	505	0	505
Payroll	25,618,500	31,578,800	31,578,800	0	31,578,800
Operational	22,543,100	18,225,000	18,225,000	22,500	18,247,500
Total	\$48,161,600	\$49,803,800	\$49,803,800	\$22,500	\$49,826,300
State	47,060,400	49,239,900	49,239,900	22,500	49,262,400
Federal	0	0	0	0	0
Other	1,101,200	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	3	1	1	0	1
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	3	1	1	0	1

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
Payroll	201,300	128,800	128,800	0	128,800
Operational	40,800,400	42,270,200	42,270,200	2,118,400	44,388,600
Total	\$41,001,700	\$42,399,000	\$42,399,000	\$2,118,400	\$44,517,400
State	40,985,900	42,380,100	42,380,100	2,118,400	44,498,500
Federal	0	0	0	0	0
Other	15,800	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	4	1	1	0	1
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	4	1	1	0	1
Payroll	227,700	108,000	108,000	0	108,000
Operational	34,355,500	35,078,500	35,078,500	1,085,500	36,164,000
Total	\$34,583,200	\$35,186,500	\$35,186,500	\$1,085,500	\$36,272,000
State	34,563,600	35,167,800	35,167,800	1,085,500	36,253,300
Federal	0	0	0	0	0
Other	19,600	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	3	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	3	2	2	0	2
Payroll	120,700	141,700	141,700	0	141,700
Operational	52,308,900	58,562,200	58,562,200	3,653,700	62,215,900
Total	\$52,429,600	\$58,703,900	\$58,703,900	\$3,653,700	\$62,357,600
State	52,422,500	58,690,700	58,690,700	3,653,700	62,344,400
Federal	0	0	0	0	0
Other	7,100	13,200	13,200	0	13,200

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
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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	2	1	1	0	1
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2	1	1	0	1
Payroll	126,200	100,300	100,300	0	100,300
Operational	30,702,600	31,128,300	31,128,300	2,273,800	33,402,100
Total	\$30,828,800	\$31,228,600	\$31,228,600	\$2,273,800	\$33,502,400
State	30,813,600	31,209,900	31,209,900	2,273,800	33,483,700
Federal	0	0	0	0	0
Other	15,200	18,700	18,700	0	18,700

329.00 Total Correction

Full-Time	6,449	6,343	6,343	100	6,443
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	6,449	6,343	6,343	100	6,443
Payroll	331,919,000	378,865,900	378,914,200	4,719,700	383,633,900
Operational	594,283,300	631,381,600	619,264,700	23,231,600	642,496,300
Total	\$926,202,300	\$1,010,247,500	\$998,178,900	\$27,951,300	\$1,026,130,200
State	903,799,300	994,395,600	982,542,100	27,951,300	1,010,493,400
Federal	803,100	413,800	568,900	0	568,900
Other	21,599,900	15,438,100	15,067,900	0	15,067,900

Statistical Data Correctional Institutions

	TPW 329.13	TCIX 329.14	MLTC 329.16	CBCX 329.17	BCCX 329.18
Annual Admissions					
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	1,334	962	376	0	6,256
2017-2018	550	1,150	180	0	3,950
2018-2019	550	1,150	180	0	3,950
Annual Releases					
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	1,486	900	540	0	5,955
2017-2018	550	1,150	180	0	3,950
2018-2019	550	1,150	180	0	3,950
Average Daily Census					
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	770	1,571	189	0	2,368
2017-2018	805	1,772	440	0	2,521
2018-2019	805	1,772	440	0	2,521
Cost Per Occupancy Day (Total Expenditures)**					
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	\$94.17	\$74.55	\$176.43	N/A	\$93.41
2017-2018	\$87.82	\$67.28	\$96.51	N/A	\$88.20
2018-2019	\$97.98	\$67.14	\$101.56	N/A	\$88.24

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 2011-2012 to 2016-2017 are actual expenditures from all sources; 2017-2018 to 2018-2019 are estimates.

Statistical Data Correctional Institutions

	WTSP 329.41	RMSI 329.42	NECX 329.43	NWCX 329.45	MCCX 329.47
Annual Admissions					
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	2,723	450	860	1,187	1,584
2017-2018	2,600	310	925	1,000	800
2018-2019	2,600	310	925	1,000	800
Annual Releases					
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	1,843	430	783	1,143	1,965
2017-2018	2,600	310	925	1,000	800
2018-2019	2,600	310	925	1,000	800
Average Daily Census					
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	1,501	776	1,719	2,263	2,143
2017-2018	2,582	832	1,856	2,425	2,291
2018-2019	2,582	832	1,856	2,425	2,291
Cost Per Occupancy Day (Total Expenditures)**					
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	\$99.13	\$106.56	\$77.99	\$68.66	\$83.54
2017-2018	\$68.79	\$105.15	\$70.72	\$66.78	\$82.76
2018-2019	\$70.05	\$105.00	\$74.07	\$70.43	\$82.91

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 2011-2012 to 2016-2017 are actual expenditures from all sources; 2017-2018 to 2018-2019 are estimates.

Statistical Data Correctional Institutions

	<u>LDSNF</u> 329.46	<u>HCCF</u> 329.21	<u>WCFA</u> 329.22	<u>TTCC</u> 329.23	<u>SCCF</u> 329.44	<u>Total**</u>
Annual Admissions						
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	10,379
2016-2017	360	1,068	1,081	2,101	786	10,697
2017-2018	300	1,100	1,000	1,200	730	10,700
2018-2019	300	1,100	1,000	1,200	730	10,700
Annual Releases						
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	9,962
2016-2017	455	1,040	1,078	1,272	750	9,286
2017-2018	300	1,100	1,000	1,200	730	10,700
2018-2019	300	1,100	1,000	1,200	730	10,700
Average Daily Census						
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	766	1,969	1,500	2,332	1,633	21,500
2017-2018	800	2,016	1,536	2,552	1,676	24,104
2018-2019	800	2,016	1,536	2,552	1,676	24,104
Cost Per Occupancy Day (Total Expenditures)*						
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	\$172.26	\$57.05	\$63.17	\$61.60	\$51.72	\$79.64
2017-2018	\$170.56	\$57.62	\$62.76	\$63.02	\$51.05	\$74.64
2018-2019	\$170.64	\$60.50	\$64.70	\$66.94	\$54.77	\$76.83

LDSNF: Lois DeBerry Special Needs Facility
HCCF: Hardeman Co. Correctional Facility
WCFA: Whiteville Correctional Facility

TTCC: Trousdale Turner Correctional Center
SCCF: South Central Correctional Facility

*Fiscal years 2011-2012 to 2016-2017 are actual expenditures from all sources; 2017-2018 to 2018-2019 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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	42	43	43	0	43
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	42	43	43	0	43
Payroll	3,184,300	3,332,200	3,332,200	0	3,332,200
Operational	853,400	866,600	990,600	0	990,600
Total	\$4,037,700	\$4,198,800	\$4,322,800	\$0	\$4,322,800
State	2,979,400	3,311,000	3,435,000	0	3,435,000
Federal	1,055,200	884,800	884,800	0	884,800
Other	3,100	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	69	69	11	80
Part-Time	0	0	0	0	0
Seasonal	4	0	0	0	0
Total	66	69	69	11	80
Payroll	4,214,400	5,755,900	5,755,900	740,900	6,496,800
Operational	3,169,300	1,000,900	940,900	0	940,900
Total	\$7,383,700	\$6,756,800	\$6,696,800	\$740,900	\$7,437,700

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
State	583,200	1,164,900	1,104,900	0	1,104,900
Federal	6,800,500	4,922,000	4,922,000	740,900	5,662,900
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	168	165	163	0	163
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	168	165	163	0	163
Payroll	8,027,700	9,577,700	9,520,500	0	9,520,500
Operational	6,561,800	3,673,800	3,613,800	0	3,613,800
Total	\$14,589,500	\$13,251,500	\$13,134,300	\$0	\$13,134,300
State	1,918,500	2,551,400	2,491,400	0	2,491,400
Federal	12,671,000	10,700,100	10,642,900	0	10,642,900
Other	0	0	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	4,227,200	8,215,500	8,215,500	0	8,215,500
Total	\$4,227,200	\$8,215,500	\$8,215,500	\$0	\$8,215,500
State	432,200	559,300	559,300	0	559,300
Federal	3,458,600	6,811,600	6,811,600	0	6,811,600
Other	336,400	844,600	844,600	0	844,600

341.10 Armories Utilities

Armories Utilities provides funding 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	4,486,300	5,682,300	5,682,300	0	5,682,300
Total	\$4,486,300	\$5,682,300	\$5,682,300	\$0	\$5,682,300

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
State	1,285,100	1,533,600	1,533,600	0	1,533,600
Federal	3,201,200	4,148,700	4,148,700	0	4,148,700
Other	0	0	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	274,200	650,000	650,000	0	650,000
Total	\$274,200	\$650,000	\$650,000	\$0	\$650,000
State	86,500	150,000	150,000	0	150,000
Federal	187,700	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	70	70	70	0	70
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	70	70	70	0	70
Payroll	569,200	4,177,000	4,177,000	0	4,177,000
Operational	1,305,800	1,569,000	1,569,000	0	1,569,000
Total	\$1,875,000	\$5,746,000	\$5,746,000	\$0	\$5,746,000
State	1,100	0	0	0	0
Federal	1,407,500	4,384,500	4,384,500	0	4,384,500
Other	466,400	1,361,500	1,361,500	0	1,361,500

341.13 STRONG Act of 2017

The Support Training and Renewing Opportunity for National Guardsmen (STRONG) Act program provides funding for tuition reimbursement to eligible members of the Tennessee National Guard. The STRONG Act is a three-year pilot program that began on July 1, 2017.

Full-Time	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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
Payroll	0	0	0	0	0
Operational	0	8,950,000	0	0	0
Total	\$0	\$8,950,000	\$0	\$0	\$0
State	0	8,950,000	0	0	0
Federal	0	0	0	0	0
Other	0	0	0	0	0

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	105	105	105	0	105
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	105	105	105	0	105
Payroll	6,583,500	8,190,000	8,190,000	0	8,190,000
Operational	7,927,500	5,898,200	6,320,500	43,300	6,363,800
Total	\$14,511,000	\$14,088,200	\$14,510,500	\$43,300	\$14,553,800
State	4,030,400	3,951,700	4,374,000	43,300	4,417,300
Federal	10,329,100	9,207,400	9,207,400	0	9,207,400
Other	151,500	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	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	3	2	2	0	2
Payroll	124,300	211,200	211,200	0	211,200
Operational	1,612,700	4,864,900	4,864,900	0	4,864,900
Total	\$1,737,000	\$5,076,100	\$5,076,100	\$0	\$5,076,100
State	1,100	0	0	0	0
Federal	1,735,900	5,076,100	5,076,100	0	5,076,100
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.

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	733,500	0	0	0	0
Operational	53,600,800	44,000,000	44,000,000	0	44,000,000
Total	\$54,334,300	\$44,000,000	\$44,000,000	\$0	\$44,000,000
State	4,000,000	4,000,000	4,000,000	0	4,000,000
Federal	48,376,700	40,000,000	40,000,000	0	40,000,000
Other	1,957,600	0	0	0	0
341.00 Total Military Department					
Full-Time	450	454	452	11	463
Part-Time	0	0	0	0	0
Seasonal	4	0	0	0	0
Total	454	454	452	11	463
Payroll	23,436,900	31,244,000	31,186,800	740,900	31,927,700
Operational	84,019,000	85,371,200	76,847,500	43,300	76,890,800
Total	\$107,455,900	\$116,615,200	\$108,034,300	\$784,200	\$108,818,500
State	15,317,500	26,171,900	17,648,200	43,300	17,691,500
Federal	89,223,400	86,385,200	86,328,000	740,900	87,068,900
Other	2,915,000	4,058,100	4,058,100	0	4,058,100

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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
348.00 Tennessee Bureau of Investigation					
Full-Time	540	540	540	10	550
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	540	540	540	10	550
Payroll	47,816,800	49,606,500	49,556,500	1,300,000	50,856,500
Operational	33,088,600	30,218,900	28,045,600	855,000	28,900,600
Total	\$80,905,400	\$79,825,400	\$77,602,100	\$2,155,000	\$79,757,100
State	48,917,300	49,175,900	47,925,900	2,155,000	50,080,900
Federal	7,646,000	10,771,100	10,771,100	0	10,771,100
Other	24,342,100	19,878,400	18,905,100	0	18,905,100

Department of Safety

The Tennessee Department of Safety works to provide safe highways for Tennessee's citizens and visitors by enforcing the laws governing the use of state and federal roads. Development and management of a comprehensive state homeland security strategy is also a function of the department. The department also provides services to motorists, including drivers license issuance, public safety education, and training assistance to local law enforcement officers. Responsibilities of the department focus on the following areas: Administrative and Support Services, Public Services, Investigation and Enforcement, and Education.

<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	85	81	77	0	77
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	85	81	77	0	77
Payroll	6,378,600	6,506,500	6,167,500	0	6,167,500
Operational	3,684,800	4,281,000	3,956,000	0	3,956,000
Total	\$10,063,400	\$10,787,500	\$10,123,500	\$0	\$10,123,500
State	9,622,800	9,966,400	9,577,500	0	9,577,500
Federal	0	0	0	0	0
Other	440,600	821,100	546,000	0	546,000

349.07 Motor Vehicle Operations

The Motor Vehicle Operations division 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	10,219,900	11,606,200	11,606,200	0	11,606,200
Total	\$10,219,900	\$11,606,200	\$11,606,200	\$0	\$11,606,200

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
State	10,219,900	11,606,200	11,606,200	0	11,606,200
Federal	0	0	0	0	0
Other	0	0	0	0	0

349.12 Major Maintenance

The Major Maintenance division provides funds for maintenance of Department of Safety buildings and other facilities.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	0	9,600	9,600	0	9,600
Total	\$0	\$9,600	\$9,600	\$0	\$9,600
State	0	9,600	9,600	0	9,600
Federal	0	0	0	0	0
Other	0	0	0	0	0

349.13 Technical Services

The Technical Services division 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	48	43	43	0	43
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	48	43	43	0	43
Payroll	1,561,400	2,192,900	2,192,900	0	2,192,900
Operational	4,581,400	5,963,100	7,323,100	0	7,323,100
Total	\$6,142,800	\$8,156,000	\$9,516,000	\$0	\$9,516,000
State	291,800	1,394,500	2,754,500	0	2,754,500
Federal	0	165,000	165,000	0	165,000
Other	5,851,000	6,596,500	6,596,500	0	6,596,500

349.16 Communications

The Communications division provides funding 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	102	102	102	0	102
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	102	102	102	0	102
Payroll	2,151,100	5,367,800	5,367,800	0	5,367,800
Operational	10,732,600	10,091,300	10,091,300	950,000	11,041,300
Total	\$12,883,700	\$15,459,100	\$15,459,100	\$950,000	\$16,409,100

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
State	11,872,400	14,379,100	14,379,100	950,000	15,329,100
Federal	178,300	100	100	0	100
Other	833,000	1,079,900	1,079,900	0	1,079,900

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	437	441	442	5	447
Part-Time	53	53	53	0	53
Seasonal	0	0	0	0	0
Total	490	494	495	5	500
Payroll	20,391,000	23,687,700	23,742,600	209,000	23,951,600
Operational	31,074,500	29,043,800	26,814,900	41,000	26,855,900
Total	\$51,465,500	\$52,731,500	\$50,557,500	\$250,000	\$50,807,500
State	1,653,800	14,930,700	14,930,700	250,000	15,180,700
Federal	470,700	1,903,300	1,964,300	0	1,964,300
Other	49,341,000	35,897,500	33,662,500	0	33,662,500

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	12	0	12
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	11	11	12	0	12
Payroll	1,235,200	628,500	2,775,200	0	2,775,200
Operational	13,087,000	25,839,500	23,802,000	0	23,802,000
Total	\$14,322,200	\$26,468,000	\$26,577,200	\$0	\$26,577,200
State	0	400,000	509,200	0	509,200
Federal	14,044,000	25,888,000	25,888,000	0	25,888,000
Other	278,200	180,000	180,000	0	180,000

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	964	990	993	0	993
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	964	990	993	0	993
Payroll	85,874,700	96,915,100	97,204,900	2,731,100	99,936,000
Operational	22,414,800	26,269,300	16,157,400	0	16,157,400
Total	\$108,289,500	\$123,184,400	\$113,362,300	\$2,731,100	\$116,093,400
State	94,627,200	108,989,800	99,167,700	2,731,100	101,898,800
Federal	6,122,100	7,513,200	7,513,200	0	7,513,200
Other	7,540,200	6,681,400	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	12,000	349,800	349,800	0	349,800
Total	\$12,000	\$349,800	\$349,800	\$0	\$349,800
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	12,000	349,800	349,800	0	349,800

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	12	8	20
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	25	25	12	8	20
Payroll	1,831,800	1,957,600	914,800	790,000	1,704,800
Operational	2,005,900	1,549,900	1,549,900	0	1,549,900
Total	\$3,837,700	\$3,507,500	\$2,464,700	\$790,000	\$3,254,700
State	3,124,200	1,899,100	1,899,100	790,000	2,689,100
Federal	0	0	0	0	0
Other	713,500	1,608,400	565,600	0	565,600

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	107,600	142,300	142,300	0	142,300
Operational	287,300	374,000	374,000	0	374,000
Total	\$394,900	\$516,300	\$516,300	\$0	\$516,300
State	394,900	516,300	516,300	0	516,300
Federal	0	0	0	0	0
Other	0	0	0	0	0

349.08 Driver Education

Driver Education promotes safety on the highways by developing, promoting, and coordinating programs that increase public awareness of safety on Tennessee highways. The program also regulates commercial driving schools.

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
Full-Time	2	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2	2	2	0	2
Payroll	185,000	195,500	195,500	0	195,500
Operational	76,300	97,000	97,000	0	97,000
Total	\$261,300	\$292,500	\$292,500	\$0	\$292,500
State	261,300	292,500	292,500	0	292,500
Federal	0	0	0	0	0
Other	0	0	0	0	0
349.00 Total Safety					
Full-Time	1,676	1,697	1,685	13	1,698
Part-Time	53	53	53	0	53
Seasonal	0	0	0	0	0
Total	1,729	1,750	1,738	13	1,751
Payroll	119,716,400	137,593,900	138,703,500	3,730,100	142,433,600
Operational	98,176,500	115,474,500	102,131,200	991,000	103,122,200
Total	\$217,892,900	\$253,068,400	\$240,834,700	\$4,721,100	\$245,555,800
State	132,068,300	164,384,200	155,642,400	4,721,100	160,363,500
Federal	20,815,100	35,469,600	35,530,600	0	35,530,600
Other	65,009,500	53,214,600	49,661,700	0	49,661,700

Resources and Regulation



Resources and Regulation

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Resources and Regulation

Recommended Budget, Fiscal Year 2018 – 2019

The Resources and Regulation functional group includes eight agencies and departments 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 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 the 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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Recommended 2018-2019</u>
Personnel			
Full-Time	5,093	5,119	5,081
Part-Time	783	734	667
Seasonal	292	264	258
TOTAL	6,168	6,117	6,006
Expenditures			
Payroll	\$ 311,237,300	\$ 385,240,400	\$ 382,358,200
Operational	523,473,800	622,902,300	591,542,600
TOTAL	\$ 834,711,100	\$ 1,008,142,700	\$ 973,900,800
Funding			
State	\$ 426,229,000	\$ 518,571,500	\$ 508,819,900
Federal	217,498,500	268,945,700	250,267,600
Other	190,983,600	220,625,500	214,813,300
Tuition/Fees	0	0	0

Resources and Regulation
Recommended Budget for Fiscal Year 2018-2019
By Funding Source

Department	State	Federal	Other	Total
316.25 Arts Commission	6,626,700	880,400	537,800	8,044,900
316.27 State Museum	7,608,400	0	5,000	7,613,400
327.00 Environment and Conservation	197,722,800	84,602,400	124,859,500	407,184,700
328.00 Tennessee Wildlife Resources Agency	64,427,300	23,441,600	14,936,400	102,805,300
335.00 Commerce and Insurance	160,306,000	324,800	60,944,700	221,575,500
336.00 Financial Institutions	24,895,600	0	2,400	24,898,000
337.00 Labor and Workforce Development	47,233,100	141,018,400	13,527,500	201,779,000
Total	\$508,819,900	\$250,267,600	\$214,813,300	\$973,900,800

Resources and Regulation
Cost Increases for Fiscal Year 2018-2019

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Arts Commission					
• Arts Grants					
To provide non-recurring funding for arts education, community enrichment, and other arts grants and program activities. Grant programs are intended to promote interest and participation in the performing, visual, and literary arts by developing cultural resources across the state. Funding is from the license plate reserve.					
316.25 Arts Commission	\$0	\$0	\$300,000	\$300,000	0
Sub-total	\$0	\$0	\$300,000	\$300,000	0
Total Arts Commission	\$0	\$0	\$300,000	\$300,000	0

State Museum

• **New State Museum Operations**

To provide funding for new museum operations including rent, maintenance, start-up inventory and supplies, and marketing expenses. The new museum is scheduled to open in the fall of 2018.

316.27 State Museum	\$2,456,900	\$0	\$0	\$2,456,900	0
Sub-total	\$2,456,900	\$0	\$0	\$2,456,900	0

• **New State Museum Staffing**

To provide recurring funding for 12 additional positions to assist with the new museum and salary market adjustments to retain and recruit additional talent.

316.27 State Museum	\$730,100	\$0	\$0	\$730,100	12
Sub-total	\$730,100	\$0	\$0	\$730,100	12

Total State Museum	\$3,187,000	\$0	\$0	\$3,187,000	12
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Environment and Conservation

• **Water Resources File Conversion**

To provide non-recurring funding to convert sub-surface sewage disposal records to electronic format.

327.34 Division of Water Resources	\$1,000,000	\$0	\$0	\$1,000,000	0
Sub-total	\$1,000,000	\$0	\$0	\$1,000,000	0

• **Ocoee River Recreation and Economic Development Fund**

To provide funding and four positions for the Ocoee river recreation and economic development fund, which supports recreational water releases and encourages economic growth. This appropriation includes \$491,700 recurring and \$66,200 non-recurring.

327.12 Tennessee State Parks	\$557,900	\$0	\$0	\$557,900	4
Sub-total	\$557,900	\$0	\$0	\$557,900	4

Resources and Regulation

Cost Increases for Fiscal Year 2018-2019

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<ul style="list-style-type: none"> Cummins Falls State Park To provide recurring funding for operations and staff for the new visitor center at Cummins Falls State Park. 					
327.12 Tennessee State Parks	\$111,100	\$0	\$0	\$111,100	2
Sub-total	\$111,100	\$0	\$0	\$111,100	2
<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	\$787,800	\$787,800	0
Sub-total	\$0	\$0	\$787,800	\$787,800	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	\$443,100	\$443,100	0
Sub-total	\$0	\$0	\$443,100	\$443,100	0
Total Environment and Conservation	\$1,669,000	\$0	\$1,230,900	\$2,899,900	6
<h3>Tennessee Wildlife Resources Agency</h3>					
<ul style="list-style-type: none"> Statutory Salary Step Increase To provide recurring funding for the mandated salary step increases, pursuant to TCA 70-1-309. The salary step increase is effective July 1, 2018 and effects the agency's officers, biologists, and other unique positions. 					
328.01 Wildlife Resources Agency	\$430,300	\$0	\$0	\$430,300	0
328.02 Boating Safety	\$94,700	\$0	\$0	\$94,700	0
Sub-total	\$525,000	\$0	\$0	\$525,000	0
<ul style="list-style-type: none"> Salary Survey To provide recurring funding for the salary increase for the annual salary survey results. The survey averages the current compensation levels for agency officers, biologists, and other unique positions in the bordering states. The salary survey is effective July 1, 2018. 					
328.01 Wildlife Resources Agency	\$950,000	\$0	\$0	\$950,000	0
328.02 Boating Safety	\$209,000	\$0	\$0	\$209,000	0
Sub-total	\$1,159,000	\$0	\$0	\$1,159,000	0
Total Tennessee Wildlife Resources Agency	\$1,684,000	\$0	\$0	\$1,684,000	0

Resources and Regulation
Cost Increases for Fiscal Year 2018-2019

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Commerce and Insurance					
• Captive Insurance Program					
To provide recurring funding for two insurance specialist positions to help with the recruitment and regulation of captive insurance companies.					
335.02 Insurance	\$366,100	\$0	\$0	\$366,100	2
Sub-total	\$366,100	\$0	\$0	\$366,100	2
• Basic Law Enforcement Training					
To provide funding and positions for an additional Basic Law Enforcement Recruit School at the Tennessee Law Enforcement Training Academy (TLETA) to address the backlog of law enforcement applicants. This appropriation includes \$197,100 recurring and \$57,500 non-recurring state dollars.					
335.11 Tennessee Law Enforcement Training Academy	\$254,600	\$0	\$137,000	\$391,600	5
Sub-total	\$254,600	\$0	\$137,000	\$391,600	5
• Police Training Vehicles					
To provide funding for the purchase and maintenance of ten police-package training vehicles to be used at TLETA. This appropriation includes \$36,400 recurring and \$145,700 non-recurring state dollars.					
335.11 Tennessee Law Enforcement Training Academy	\$182,100	\$0	\$98,100	\$280,200	0
Sub-total	\$182,100	\$0	\$98,100	\$280,200	0
• Additional Fire Prevention Staffing					
To provide recurring funding and personnel to support growth in the demand for electrical inspections.					
335.03 Fire Prevention	\$0	\$0	\$144,300	\$144,300	3
Sub-total	\$0	\$0	\$144,300	\$144,300	3
• 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, 2018.					
335.11 Tennessee Law Enforcement Training Academy	\$23,000	\$0	\$0	\$23,000	0
Sub-total	\$23,000	\$0	\$0	\$23,000	0

Resources and Regulation

Cost Increases for Fiscal Year 2018-2019

	<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, 2018.					
335.11 Tennessee Law Enforcement Training Academy	\$21,000	\$0	\$0	\$21,000	0
Sub-total	\$21,000	\$0	\$0	\$21,000	0
Total Commerce and Insurance	\$846,800	\$0	\$379,400	\$1,226,200	10

Financial Institutions

• Credit Union and Compliance Examiner Market Salary Adjustments					
To provide recurring funding for market salary adjustments to reduce turnover rates in the credit union and compliance examiner position classifications.					
336.00 Financial Institutions	\$144,600	\$0	\$0	\$144,600	0
Sub-total	\$144,600	\$0	\$0	\$144,600	0
Total Financial Institutions	\$144,600	\$0	\$0	\$144,600	0

Labor and Workforce Development

• Amusement Device Unit					
To provide 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	\$577,500	\$0	\$0	\$577,500	0
Sub-total	\$577,500	\$0	\$0	\$577,500	0
Total Labor and Workforce Development	\$1,004,300	\$0	\$0	\$1,004,300	5
Total Resources and Regulation	\$8,535,700	\$0	\$1,910,300	\$10,446,000	33

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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	1,572,700	1,660,700	1,660,700	0	1,660,700
Operational	6,058,000	6,384,200	6,084,200	300,000	6,384,200
Total	\$7,630,700	\$8,044,900	\$7,744,900	\$300,000	\$8,044,900
State	6,572,900	6,626,700	6,626,700	0	6,626,700
Federal	799,900	880,400	880,400	0	880,400
Other	257,900	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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
316.27 State Museum					
Full-Time	42	48	48	12	60
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	42	48	48	12	60
Payroll	2,497,000	3,059,000	3,059,000	720,100	3,779,100
Operational	1,417,900	1,767,400	1,367,400	2,466,900	3,834,300
Total	\$3,914,900	\$4,826,400	\$4,426,400	\$3,187,000	\$7,613,400
State	3,898,100	4,821,400	4,421,400	3,187,000	7,608,400
Federal	0	0	0	0	0
Other	16,800	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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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.

Full-Time	212	210	207	0	207
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	212	210	207	0	207
Payroll	16,028,700	18,240,900	18,194,900	0	18,194,900
Operational	5,149,800	5,434,900	4,024,000	0	4,024,000
Total	\$21,178,500	\$23,675,800	\$22,218,900	\$0	\$22,218,900
State	7,345,200	9,331,800	8,115,300	0	8,115,300
Federal	2,798,400	3,117,900	3,117,900	0	3,117,900
Other	11,034,900	11,226,100	10,985,700	0	10,985,700

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	11	11	0	11
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	9	11	11	0	11
Payroll	649,400	1,169,300	1,169,300	0	1,169,300
Operational	1,465,000	5,845,300	5,841,300	0	5,841,300
Total	\$2,114,400	\$7,014,600	\$7,010,600	\$0	\$7,010,600
State	34,800	34,800	34,800	0	34,800
Federal	1,285,300	1,177,400	1,173,400	0	1,173,400
Other	794,300	5,802,400	5,802,400	0	5,802,400

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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 used 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	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	133,100	314,500	314,500	0	314,500
Operational	24,500	9,000	9,000	0	9,000
Total	\$157,600	\$323,500	\$323,500	\$0	\$323,500
State	157,600	323,500	323,500	0	323,500
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 of local and state planning efforts. The program houses the Parks and Recreation Technical Advisory Service to specifically assist county and municipal governments and other recreation providers.

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
Full-Time	10	11	11	0	11
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	10	11	11	0	11
Payroll	670,100	998,300	998,300	0	998,300
Operational	2,733,800	4,349,300	4,349,300	0	4,349,300
Total	\$3,403,900	\$5,347,600	\$5,347,600	\$0	\$5,347,600
State	647,000	871,800	746,800	0	746,800
Federal	2,502,300	2,291,300	2,291,300	0	2,291,300
Other	254,600	2,184,500	2,309,500	0	2,309,500

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	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	979,900	1,211,400	1,211,400	0	1,211,400
Operational	3,499,000	4,815,400	2,549,100	1,230,900	3,780,000
Total	\$4,478,900	\$6,026,800	\$3,760,500	\$1,230,900	\$4,991,400
State	3,390,400	3,430,900	3,180,900	0	3,180,900
Federal	1,069,600	529,600	529,600	0	529,600
Other	18,900	2,066,300	50,000	1,230,900	1,280,900

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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
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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	735,300	791,400	791,400	0	791,400
Operational	155,200	177,400	177,400	0	177,400
Total	\$890,500	\$968,800	\$968,800	\$0	\$968,800
State	823,900	908,300	908,300	0	908,300
Federal	0	0	0	0	0
Other	66,600	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. 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	993	1,052	1,073	6	1,079
Part-Time	228	189	176	0	176
Seasonal	292	264	258	0	258
Total	1,513	1,505	1,507	6	1,513
Payroll	50,383,600	56,907,300	56,953,300	186,600	57,139,900
Operational	39,672,200	44,471,200	32,832,600	482,400	33,315,000
Total	\$90,055,800	\$101,378,500	\$89,785,900	\$669,000	\$90,454,900
State	46,872,200	64,268,300	52,435,300	669,000	53,104,300
Federal	570,800	125,000	125,000	0	125,000
Other	42,612,800	36,985,200	37,225,600	0	37,225,600

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
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327.14 Natural Areas

The Natural Areas program promotes the restoration and conservation of Tennessee's natural and biological diversity by cooperative management of land and scenic rivers and by collecting and disseminating information on rare plants. Scenic rivers are designated and protected under the 1968 Scenic Rivers Act 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	13	0	13
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	12	12	13	0	13
Payroll	886,500	969,800	1,094,800	0	1,094,800
Operational	312,000	276,300	276,300	0	276,300
Total	\$1,198,500	\$1,246,100	\$1,371,100	\$0	\$1,371,100
State	1,060,300	1,086,000	1,211,000	0	1,211,000
Federal	64,600	90,000	90,000	0	90,000
Other	73,600	70,100	70,100	0	70,100

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	5,420,400	5,379,100	5,129,100	0	5,129,100
Total	\$5,420,400	\$5,379,100	\$5,129,100	\$0	\$5,129,100
State	5,029,100	5,029,100	5,029,100	0	5,029,100
Federal	0	0	0	0	0
Other	391,300	350,000	100,000	0	100,000

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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	26,600	0	0	0	0
Total	\$26,600	\$0	\$0	\$0	\$0
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	26,600	0	0	0	0

327.18 Maintenance of Historic Sites

The Maintenance of Historic Sites program ensures that state-owned historical sites are properly maintained according to historic preservation standards and for visitation by the public. Sites are maintained through contractual agreements between the Tennessee Historical Commission and non-profit organizations.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	222,800	500,000	500,000	0	500,000
Total	\$222,800	\$500,000	\$500,000	\$0	\$500,000
State	222,800	500,000	500,000	0	500,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

327.19 Local Parks Acquisition Fund

The Local Parks Acquisition Fund, administered in conjunction with the Department of Agriculture and the Tennessee Wildlife Resources Agency, provides funds for grants to county and municipal governments for the purchase of land for parks, natural areas, greenways, and other recreational facilities. Funding for these grants comes from the real estate transfer tax. Local governments must match the grant on a one-to-one basis.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	2,552,900	3,718,700	3,718,700	0	3,718,700
Total	\$2,552,900	\$3,718,700	\$3,718,700	\$0	\$3,718,700
State	2,434,800	3,718,700	3,718,700	0	3,718,700
Federal	0	0	0	0	0
Other	118,100	0	0	0	0

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
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327.20 State Lands Acquisition Fund

The State Lands Acquisition Fund, administered in conjunction with the Department of Agriculture and the Tennessee Wildlife Resources Agency, provides funds for the acquisition of land for state parks, forests, natural areas, boundary areas along scenic rivers, and easement protection for these areas. Funding also supports trail construction at these sites and historic preservation of old theatres. Funding for these grants comes from the real estate transfer tax.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	6,616,200	3,067,500	3,067,500	0	3,067,500
Total	\$6,616,200	\$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	37,500	0	0	0	0
Other	3,511,200	0	0	0	0

327.22 State Lands Compensation Fund

The funds for this program come from the State Lands Acquisition Fund and are used to make in-lieu-of-tax payments to local governments, recognizing the loss of local property taxes resulting from the purchase of land by the state.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	122,700	145,000	145,000	0	145,000
Total	\$122,700	\$145,000	\$145,000	\$0	\$145,000
State	122,700	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

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
Payroll	0	0	0	0	0
Operational	879,900	1,000,000	1,000,000	0	1,000,000
Total	\$879,900	\$1,000,000	\$1,000,000	\$0	\$1,000,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	879,900	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	26,200	12,000	12,000	0	12,000
Total	\$26,200	\$12,000	\$12,000	\$0	\$12,000
State	22,600	12,000	12,000	0	12,000
Federal	0	0	0	0	0
Other	3,600	0	0	0	0

Environment

The environmental programs in the department are responsible for the preservation and enhancement of the state's environmental resources and for ensuring compliance with state and federal regulations.

327.11 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	574,500	616,700	616,700	0	616,700
Operational	126,200	131,000	131,000	0	131,000
Total	\$700,700	\$747,700	\$747,700	\$0	\$747,700
State	155,700	190,800	190,800	0	190,800
Federal	92,000	120,000	120,000	0	120,000
Other	453,000	436,900	436,900	0	436,900

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
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327.23 Used Oil Collection Program

The Used Oil Collection Program promotes the proper disposal of used oil, and staff of the Division of Solid Waste Management inspects used oil facilities. The program provides technical and financial assistance to local governments and private agencies that provide used oil collection centers. The program also provides general information to the public on proper disposal of oil, location of oil disposal facilities, and other information pertinent to the proper handling of oil.

Full-Time	4	4	4	0	4
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	4	4	4	0	4
Payroll	253,800	311,600	311,600	0	311,600
Operational	1,014,900	990,500	990,500	0	990,500
Total	\$1,268,700	\$1,302,100	\$1,302,100	\$0	\$1,302,100
State	1,256,000	1,301,100	1,301,100	0	1,301,100
Federal	0	0	0	0	0
Other	12,700	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	18	18	18	0	18
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	18	18	18	0	18
Payroll	1,177,500	1,283,900	1,283,900	0	1,283,900
Operational	1,386,600	5,248,900	4,798,900	0	4,798,900
Total	\$2,564,100	\$6,532,800	\$6,082,800	\$0	\$6,082,800
State	951,400	1,530,700	1,080,700	0	1,080,700
Federal	0	0	0	0	0
Other	1,612,700	5,002,100	5,002,100	0	5,002,100

327.24 West Tennessee River Basin Authority Maintenance

The West Tennessee River Basin Authority Maintenance program provides funds for maintenance projects for the WTRBA. These projects ensure the safe and efficient operation of flood control structures such as dams, sediment retention structures, and grade control structures.

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

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
Payroll	0	0	0	0	0
Operational	1,035,700	1,615,500	1,215,500	0	1,215,500
Total	\$1,035,700	\$1,615,500	\$1,215,500	\$0	\$1,215,500
State	870,400	1,615,500	1,215,500	0	1,215,500
Federal	0	0	0	0	0
Other	165,300	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	254,000	509,800	509,800	0	509,800
Operational	666,200	1,404,500	1,404,500	0	1,404,500
Total	\$920,200	\$1,914,300	\$1,914,300	\$0	\$1,914,300
State	914,400	1,914,300	1,914,300	0	1,914,300
Federal	0	0	0	0	0
Other	5,800	0	0	0	0

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	60	60	60	0	60
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	60	60	60	0	60
Payroll	3,304,400	3,737,500	3,737,500	0	3,737,500
Operational	851,100	995,200	678,300	0	678,300
Total	\$4,155,500	\$4,732,700	\$4,415,800	\$0	\$4,415,800
State	638,700	996,700	679,800	0	679,800
Federal	0	0	0	0	0
Other	3,516,800	3,736,000	3,736,000	0	3,736,000

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.

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
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	9,559,800	11,631,100	11,631,100	0	11,631,100
Operational	7,141,000	9,229,500	7,675,700	0	7,675,700
Total	\$16,700,800	\$20,860,600	\$19,306,800	\$0	\$19,306,800
State	1,213,300	2,867,200	1,313,400	0	1,313,400
Federal	1,503,000	1,177,500	1,177,500	0	1,177,500
Other	13,984,500	16,815,900	16,815,900	0	16,815,900

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	4,224,000	4,952,500	4,952,500	0	4,952,500
Operational	1,188,900	1,726,200	1,726,200	0	1,726,200
Total	\$5,412,900	\$6,678,700	\$6,678,700	\$0	\$6,678,700
State	648,400	656,400	656,400	0	656,400
Federal	0	152,500	152,500	0	152,500
Other	4,764,500	5,869,800	5,869,800	0	5,869,800

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	1,295,900	1,790,500	1,790,500	0	1,790,500
Operational	33,133,000	60,664,200	60,664,200	0	60,664,200
Total	\$34,428,900	\$62,454,700	\$62,454,700	\$0	\$62,454,700
State	8,168,600	5,777,000	5,777,000	0	5,777,000
Federal	25,562,400	55,177,700	55,177,700	0	55,177,700
Other	697,900	1,500,000	1,500,000	0	1,500,000

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
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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.

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	23,348,400	25,969,300	25,969,300	0	25,969,300
Operational	9,947,100	9,558,700	9,058,700	1,000,000	10,058,700
Total	\$33,295,500	\$35,528,000	\$35,028,000	\$1,000,000	\$36,028,000
State	13,458,900	15,395,100	14,895,100	1,000,000	15,895,100
Federal	7,826,600	6,704,700	6,704,700	0	6,704,700
Other	12,010,000	13,428,200	13,428,200	0	13,428,200

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	9,347,200	10,468,800	10,468,800	0	10,468,800
Operational	2,087,900	1,644,800	1,644,800	0	1,644,800
Total	\$11,435,100	\$12,113,600	\$12,113,600	\$0	\$12,113,600
State	1,871,800	2,073,600	2,073,600	0	2,073,600
Federal	1,979,500	2,165,600	2,165,600	0	2,165,600
Other	7,583,800	7,874,400	7,874,400	0	7,874,400

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.

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
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	3,324,800	3,973,700	3,973,700	0	3,973,700
Operational	1,036,600	2,985,100	2,668,200	0	2,668,200
Total	\$4,361,400	\$6,958,800	\$6,641,900	\$0	\$6,641,900
State	0	0	0	0	0
Federal	4,285,500	6,858,800	6,541,900	0	6,541,900
Other	75,900	100,000	100,000	0	100,000

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	330,800	500,000	500,000	0	500,000
Total	\$330,800	\$500,000	\$500,000	\$0	\$500,000
State	0	500,000	500,000	0	500,000
Federal	280,000	0	0	0	0
Other	50,800	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	3,626,300	5,101,400	5,101,400	0	5,101,400
Operational	2,862,500	4,831,100	4,831,100	0	4,831,100
Total	\$6,488,800	\$9,932,500	\$9,932,500	\$0	\$9,932,500
State	1,000,000	1,000,000	1,000,000	0	1,000,000
Federal	1,454,100	1,890,400	1,890,400	0	1,890,400
Other	4,034,700	7,042,100	7,042,100	0	7,042,100

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
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327.41 Underground Storage Tanks

The Underground Storage Tanks program regulates the installation of underground petroleum storage tanks and performs mandatory inspections of these tanks. The division issues certificates, collects fees, reimburses allowable environmental investigation costs to eligible tank owners and operators, and manages the Tennessee petroleum underground storage tanks fund.

Full-Time	87	87	87	0	87
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	87	87	87	0	87
Payroll	5,941,200	6,883,700	6,883,700	0	6,883,700
Operational	14,690,100	18,130,000	18,130,000	0	18,130,000
Total	\$20,631,300	\$25,013,700	\$25,013,700	\$0	\$25,013,700
State	18,075,900	23,040,300	23,040,300	0	23,040,300
Federal	1,627,300	1,973,400	1,973,400	0	1,973,400
Other	928,100	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, re-use, composting, and recycling.

Full-Time	18	18	18	0	18
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	18	18	18	0	18
Payroll	1,182,800	1,540,600	1,540,600	0	1,540,600
Operational	4,789,600	5,353,500	5,353,500	0	5,353,500
Total	\$5,972,400	\$6,894,100	\$6,894,100	\$0	\$6,894,100
State	5,910,600	6,894,100	6,894,100	0	6,894,100
Federal	0	0	0	0	0
Other	61,800	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

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
Payroll	0	0	0	0	0
Operational	45,170,700	51,862,700	51,862,700	0	51,862,700
Total	\$45,170,700	\$51,862,700	\$51,862,700	\$0	\$51,862,700
State	45,000,200	51,862,700	51,862,700	0	51,862,700
Federal	0	0	0	0	0
Other	170,500	0	0	0	0

327.44 Fleming Training Center

The Fleming Training Center assists and trains operators in the water and wastewater industry. The center offers 14 types of certification for water and wastewater operators requiring that each certified operator possesses certain experience requirements and completes mandatory examinations. The center also provides opportunities for operators to complete the required number of continuing education hours every three years to maintain certification.

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	367,700	526,000	572,000	0	572,000
Operational	372,300	317,400	271,400	0	271,400
Total	\$740,000	\$843,400	\$843,400	\$0	\$843,400
State	0	0	0	0	0
Federal	173,500	175,000	175,000	0	175,000
Other	566,500	668,400	668,400	0	668,400

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	795,600	1,076,700	1,076,700	0	1,076,700
Operational	1,105,600	2,150,600	2,150,600	0	2,150,600
Total	\$1,901,200	\$3,227,300	\$3,227,300	\$0	\$3,227,300
State	1,340,300	2,230,800	2,230,800	0	2,230,800
Federal	202,200	446,500	446,500	0	446,500
Other	358,700	550,000	550,000	0	550,000

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
327.00 Total Environment and Conservation					
Full-Time	2,216	2,276	2,295	6	2,301
Part-Time	265	226	213	0	213
Seasonal	292	264	258	0	258
Total	2,773	2,766	2,766	6	2,772
Payroll	139,044,500	160,976,700	161,147,700	186,600	161,334,300
Operational	197,816,000	262,290,500	243,137,100	2,713,300	245,850,400
Total	\$336,860,500	\$423,267,200	\$404,284,800	\$2,899,900	\$407,184,700
State	172,705,500	212,574,000	196,053,800	1,669,000	197,722,800
Federal	53,314,600	84,923,300	84,602,400	0	84,602,400
Other	110,840,400	125,769,900	123,628,600	1,230,900	124,859,500

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>2016-2017</u>	<u>Estimated</u> <u>2017-2018</u>	<u>Base</u> <u>2018-2019</u>	<u>Cost Increase</u> <u>2018-2019</u>	<u>Recommended</u> <u>2018-2019</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	46,035,900	52,836,900	52,836,900	1,380,300	54,217,200
Operational	30,616,600	41,743,300	25,602,900	0	25,602,900
Total	\$76,652,500	\$94,580,200	\$78,439,800	\$1,380,300	\$79,820,100
State	30,692,400	47,458,900	47,252,900	1,380,300	48,633,200
Federal	32,194,600	28,925,900	20,441,600	0	20,441,600
Other	13,765,500	18,195,400	10,745,300	0	10,745,300

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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	5,714,000	6,949,500	6,949,500	303,700	7,253,200
Operational	5,162,100	6,915,100	4,932,000	0	4,932,000
Total	\$10,876,100	\$13,864,600	\$11,881,500	\$303,700	\$12,185,200
State	5,952,500	6,352,400	6,352,400	303,700	6,656,100
Federal	3,143,300	3,008,300	3,000,000	0	3,000,000
Other	1,780,300	4,503,900	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	17,886,800	10,370,000	10,370,000	0	10,370,000
Total	\$17,886,800	\$10,370,000	\$10,370,000	\$0	\$10,370,000
State	6,488,000	8,708,000	8,708,000	0	8,708,000
Federal	0	0	0	0	0
Other	11,398,800	1,662,000	1,662,000	0	1,662,000

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	402,400	430,000	430,000	0	430,000
Total	\$402,400	\$430,000	\$430,000	\$0	\$430,000
State	398,400	430,000	430,000	0	430,000
Federal	0	0	0	0	0
Other	4,000	0	0	0	0

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	51,749,900	59,786,400	59,786,400	1,684,000	61,470,400
Operational	54,067,900	59,458,400	41,334,900	0	41,334,900
Total	\$105,817,800	\$119,244,800	\$101,121,300	\$1,684,000	\$102,805,300
State	43,531,300	62,949,300	62,743,300	1,684,000	64,427,300
Federal	35,337,900	31,934,200	23,441,600	0	23,441,600
Other	26,948,600	24,361,300	14,936,400	0	14,936,400

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</u> <u>2016-2017</u>	<u>Estimated</u> <u>2017-2018</u>	<u>Base</u> <u>2018-2019</u>	<u>Cost Increase</u> <u>2018-2019</u>	<u>Recommended</u> <u>2018-2019</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	67	67	67	0	67
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	67	67	67	0	67
Payroll	4,907,500	5,691,400	5,691,400	0	5,691,400
Operational	3,065,200	3,613,700	3,846,300	0	3,846,300
Total	\$7,972,700	\$9,305,100	\$9,537,700	\$0	\$9,537,700
State	1,391,800	1,605,700	1,638,300	0	1,638,300
Federal	0	0	0	0	0
Other	6,580,900	7,699,400	7,899,400	0	7,899,400

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	101	104	104	2	106
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	101	104	104	2	106
Payroll	5,431,300	8,297,700	8,297,700	170,200	8,467,900
Operational	6,225,400	7,586,600	7,586,600	195,900	7,782,500
Total	\$11,656,700	\$15,884,300	\$15,884,300	\$366,100	\$16,250,400

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
State	0	1,721,200	1,721,200	366,100	2,087,300
Federal	0	0	0	0	0
Other	11,656,700	14,163,100	14,163,100	0	14,163,100

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	27	29	29	0	29
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	27	29	29	0	29
Payroll	1,497,000	2,089,800	2,089,800	0	2,089,800
Operational	1,162,200	1,271,300	1,268,100	0	1,268,100
Total	\$2,659,200	\$3,361,100	\$3,357,900	\$0	\$3,357,900
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	2,659,200	3,361,100	3,357,900	0	3,357,900

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	452,400	737,000	714,900	0	714,900
Operational	241,500	146,400	146,400	0	146,400
Total	\$693,900	\$883,400	\$861,300	\$0	\$861,300
State	689,500	883,400	861,300	0	861,300
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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
Payroll	0	0	0	0	0
Operational	0	297,500	297,500	0	297,500
Total	\$0	\$297,500	\$297,500	\$0	\$297,500
State	0	297,500	297,500	0	297,500
Federal	0	0	0	0	0
Other	0	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	4,400	82,800	82,800	0	82,800
Total	\$4,400	\$82,800	\$82,800	\$0	\$82,800
State	3,100	82,800	82,800	0	82,800
Federal	0	0	0	0	0
Other	1,300	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	280,000	466,200	366,200	0	366,200
Total	\$280,000	\$466,200	\$366,200	\$0	\$366,200
State	277,300	461,200	361,200	0	361,200
Federal	0	0	0	0	0
Other	2,700	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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	136,100	350,100	350,100	0	350,100
Total	\$136,100	\$350,100	\$350,100	\$0	\$350,100
State	136,100	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	1,447,900	1,859,600	1,859,600	0	1,859,600
Operational	584,200	703,800	639,600	0	639,600
Total	\$2,032,100	\$2,563,400	\$2,499,200	\$0	\$2,499,200
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	2,032,100	2,563,400	2,499,200	0	2,499,200

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	194	194	194	0	194
Part-Time	131	131	131	0	131
Seasonal	0	0	0	0	0
Total	325	325	325	0	325

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
Payroll	10,046,600	13,185,300	13,185,300	0	13,185,300
Operational	4,821,100	8,532,700	8,672,200	0	8,672,200
Total	\$14,867,700	\$21,718,000	\$21,857,500	\$0	\$21,857,500
State	13,951,200	20,786,100	20,925,600	0	20,925,600
Federal	0	0	0	0	0
Other	916,500	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	17	0	17
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	16	16	17	0	17
Payroll	1,040,800	1,160,400	1,199,100	0	1,199,100
Operational	420,300	764,100	698,500	0	698,500
Total	\$1,461,100	\$1,924,500	\$1,897,600	\$0	\$1,897,600
State	1,354,800	1,829,000	1,802,100	0	1,802,100
Federal	0	0	0	0	0
Other	106,300	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	776,700	967,600	967,600	0	967,600
Operational	116,003,700	116,863,100	116,863,100	0	116,863,100
Total	\$116,780,400	\$117,830,700	\$117,830,700	\$0	\$117,830,700
State	111,934,400	112,008,900	112,008,900	0	112,008,900
Federal	0	0	0	0	0
Other	4,846,000	5,821,800	5,821,800	0	5,821,800

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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, fire investigation, and building codes enforcement.

Full-Time	150	154	158	3	161
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
Total	159	163	167	3	170
Payroll	8,336,700	10,319,200	10,493,400	144,300	10,637,700
Operational	10,755,900	13,435,700	12,593,400	0	12,593,400
Total	\$19,092,600	\$23,754,900	\$23,086,800	\$144,300	\$23,231,100
State	0	668,100	0	0	0
Federal	277,500	271,300	271,300	0	271,300
Other	18,815,100	22,815,500	22,815,500	144,300	22,959,800

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	2,341,000	2,498,500	2,498,500	0	2,498,500
Operational	1,977,700	1,981,800	1,780,000	0	1,780,000
Total	\$4,318,700	\$4,480,300	\$4,278,500	\$0	\$4,278,500
State	2,475,700	2,915,300	2,904,800	0	2,904,800
Federal	312,900	244,800	53,500	0	53,500
Other	1,530,100	1,320,200	1,320,200	0	1,320,200

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	3,680,400	4,109,100	4,109,100	0	4,109,100
Total	\$3,680,400	\$4,109,100	\$4,109,100	\$0	\$4,109,100
State	3,680,400	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	27	27	5	32
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	23	28	28	5	33
Payroll	1,627,300	2,114,400	2,114,400	306,000	2,420,400
Operational	2,610,100	2,518,400	2,430,900	409,800	2,840,700
Total	\$4,237,400	\$4,632,800	\$4,545,300	\$715,800	\$5,261,100
State	2,436,200	2,994,000	2,932,800	480,700	3,413,500
Federal	0	0	0	0	0
Other	1,801,200	1,638,800	1,612,500	235,100	1,847,600

335.12 POST Commission

The Tennessee 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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
Payroll	315,500	340,600	323,800	0	323,800
Operational	8,604,000	9,183,000	9,183,000	0	9,183,000
Total	\$8,919,500	\$9,523,600	\$9,506,800	\$0	\$9,506,800
State	8,913,400	9,480,300	9,463,500	0	9,463,500
Federal	0	0	0	0	0
Other	6,100	43,300	43,300	0	43,300
335.00 Total Commerce and Insurance					
Full-Time	646	660	665	10	675
Part-Time	230	230	230	0	230
Seasonal	0	0	0	0	0
Total	876	890	895	10	905
Payroll	38,220,700	49,261,500	49,435,500	620,500	50,056,000
Operational	160,572,200	171,906,300	170,913,800	605,700	171,519,500
Total	\$198,792,900	\$221,167,800	\$220,349,300	\$1,226,200	\$221,575,500
State	147,243,900	160,192,700	159,459,200	846,800	160,306,000
Federal	590,400	516,100	324,800	0	324,800
Other	50,958,600	60,459,000	60,565,300	379,400	60,944,700

Department of Financial Institutions

The Tennessee Department of Financial Institutions provides the citizens of Tennessee a supervised and sound system of state-chartered and licensed financial institutions. These include commercial banks; trust companies; savings institutions; credit unions; industrial loan and thrift companies; business and industrial development corporations; deferred presentment and check cashing companies; mortgage lenders, brokers, servicers, and originators; insurance premium finance companies; and money transmitters.

The primary statutory mission of the Department of Financial Institutions is to provide the people of Tennessee with a safe and sound system of banks and other institutions by ensuring safety, soundness, and compliance with governing law, while giving institutions the opportunity to contribute to the economic progress of Tennessee and the nation. None of the department's operating expenditures are funded with general state tax dollars. Revenue is derived solely from supervision, examination, and license fees assessed to those financial institutions regulated by the department.

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
336.00 Financial Institutions					
Full-Time	158	158	157	0	157
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	158	158	157	0	157
Payroll	13,831,400	17,158,400	17,158,400	144,600	17,303,000
Operational	3,235,800	7,034,700	7,595,000	0	7,595,000
Total	\$17,067,200	\$24,193,100	\$24,753,400	\$144,600	\$24,898,000
State	17,064,600	24,190,700	24,751,000	144,600	24,895,600
Federal	0	0	0	0	0
Other	2,600	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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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, and personnel.

Full-Time	114	63	48	0	48
Part-Time	3	3	3	0	3
Seasonal	0	0	0	0	0
Total	117	66	51	0	51
Payroll	7,112,500	8,297,100	5,772,800	0	5,772,800
Operational	9,508,600	10,100,100	11,806,400	0	11,806,400
Total	\$16,621,100	\$18,397,200	\$17,579,200	\$0	\$17,579,200
State	3,079,700	2,946,500	2,919,700	0	2,919,700
Federal	13,532,600	13,899,300	13,259,500	0	13,259,500
Other	8,800	1,551,400	1,400,000	0	1,400,000

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	6,982,700	8,539,400	8,539,400	0	8,539,400
Operational	1,399,300	1,718,800	1,718,800	0	1,718,800
Total	\$8,382,000	\$10,258,200	\$10,258,200	\$0	\$10,258,200
State	3,898,400	5,567,000	5,882,600	0	5,882,600
Federal	4,474,100	4,656,600	4,341,000	0	4,341,000
Other	9,500	34,600	34,600	0	34,600

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	4	4	0	4
Part-Time	15	15	15	0	15
Seasonal	0	0	0	0	0
Total	22	19	19	0	19
Payroll	313,300	436,100	436,100	0	436,100
Operational	178,400	122,300	115,600	0	115,600
Total	\$491,700	\$558,400	\$551,700	\$0	\$551,700
State	266,200	351,300	351,300	0	351,300
Federal	180,200	134,300	127,600	0	127,600
Other	45,300	72,800	72,800	0	72,800

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	67	67	62	5	67
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	67	67	62	5	67
Payroll	3,496,600	4,834,300	4,584,600	249,700	4,834,300
Operational	881,500	1,128,900	951,800	177,100	1,128,900
Total	\$4,378,100	\$5,963,200	\$5,536,400	\$426,800	\$5,963,200
State	4,292,000	5,890,300	5,463,500	426,800	5,890,300
Federal	0	0	0	0	0
Other	86,100	72,900	72,900	0	72,900

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 subsequent injury and vocational recovery 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	143	136	136	0	136
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	143	136	136	0	136

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
Payroll	9,992,400	11,925,900	11,925,900	0	11,925,900
Operational	2,124,900	3,186,500	2,453,400	577,500	3,030,900
Total	\$12,117,300	\$15,112,400	\$14,379,300	\$577,500	\$14,956,800
State	11,633,400	14,923,500	14,190,400	577,500	14,767,900
Federal	0	0	0	0	0
Other	483,900	188,900	188,900	0	188,900

337.08 Subsequent Injury and Vocational Recovery Fund

The Subsequent Injury and Vocational Recovery 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	809,500	963,700	963,700	0	963,700
Operational	4,064,100	9,327,400	9,327,400	0	9,327,400
Total	\$4,873,600	\$10,291,100	\$10,291,100	\$0	\$10,291,100
State	4,500,700	10,016,100	10,016,100	0	10,016,100
Federal	0	0	0	0	0
Other	372,900	275,000	275,000	0	275,000

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	550,900	740,100	740,100	0	740,100
Operational	432,300	441,000	441,000	0	441,000
Total	\$983,200	\$1,181,100	\$1,181,100	\$0	\$1,181,100
State	983,200	1,181,100	1,181,100	0	1,181,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	640,600	991,700	991,700	0	991,700
Operational	179,100	174,800	174,800	0	174,800
Total	\$819,700	\$1,166,500	\$1,166,500	\$0	\$1,166,500
State	786,800	1,166,500	1,166,500	0	1,166,500
Federal	0	0	0	0	0
Other	32,900	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	1,222,300	1,341,800	1,341,800	0	1,341,800
Operational	13,001,700	14,709,600	14,592,800	0	14,592,800
Total	\$14,224,000	\$16,051,400	\$15,934,600	\$0	\$15,934,600
State	4,107,100	4,764,600	4,647,800	0	4,647,800
Federal	10,023,700	11,266,800	11,266,800	0	11,266,800
Other	93,200	20,000	20,000	0	20,000

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	366	369	333	0	333
Part-Time	62	62	8	0	8
Seasonal	0	0	0	0	0
Total	428	431	341	0	341
Payroll	12,566,600	23,485,800	21,021,000	0	21,021,000
Operational	59,520,900	65,987,600	65,524,800	0	65,524,800
Total	\$72,087,500	\$89,473,400	\$86,545,800	\$0	\$86,545,800
State	0	0	0	0	0
Federal	71,385,700	87,786,100	84,858,500	0	84,858,500
Other	701,800	1,687,300	1,687,300	0	1,687,300

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	502	464	0	464
Part-Time	152	142	142	0	142
Seasonal	0	0	0	0	0
Total	650	644	606	0	606
Payroll	20,633,700	31,781,800	30,187,900	0	30,187,900
Operational	9,015,200	7,163,800	7,162,900	0	7,162,900
Total	\$29,648,900	\$38,945,600	\$37,350,800	\$0	\$37,350,800
State	1,665,200	409,800	409,800	0	409,800
Federal	27,859,400	32,948,600	27,165,000	0	27,165,000
Other	124,300	5,587,200	9,776,000	0	9,776,000

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
337.00 Total Labor and Workforce Development					
Full-Time	1,341	1,287	1,193	5	1,198
Part-Time	235	225	171	0	171
Seasonal	0	0	0	0	0
Total	1,576	1,512	1,364	5	1,369
Payroll	64,321,100	93,337,700	86,505,000	249,700	86,754,700
Operational	100,306,000	114,060,800	114,269,700	754,600	115,024,300
Total	\$164,627,100	\$207,398,500	\$200,774,700	\$1,004,300	\$201,779,000
State	35,212,700	47,216,700	46,228,800	1,004,300	47,233,100
Federal	127,455,700	150,691,700	141,018,400	0	141,018,400
Other	1,958,700	9,490,100	13,527,500	0	13,527,500

Transportation, Business, and Economic Development



Transportation, Business, and Economic Development



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Transportation, Business, and Economic Development

Recommended Budget, Fiscal Year 2018 – 2019

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 Tennessee 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 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 the 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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Recommended 2018-2019</u>
Personnel			
Full-Time	5,802	5,796	5,734
Part-Time	7	11	11
Seasonal	178	178	178
TOTAL	5,987	5,985	5,923
Expenditures			
Payroll	\$ 315,950,000	\$ 418,143,300	\$ 425,866,400
Operational	2,001,450,700	2,396,637,800	2,394,972,300
TOTAL	\$ 2,317,400,700	\$ 2,814,781,100	\$ 2,820,838,700
Funding			
State	\$ 1,014,094,900	\$ 1,378,264,400	\$ 1,374,308,800
Federal	1,201,702,000	1,336,752,600	1,350,872,800
Other	101,603,800	99,764,100	95,657,100
Tuition/Fees	0	0	0

**Transportation, Business, and Economic Development
Recommended Budget for Fiscal Year 2018-2019
By Funding Source**

Department	State	Federal	Other	Total
316.20 Tennessee Housing Development Agency	0	297,566,200	28,679,000	326,245,200
325.00 Agriculture	76,010,900	13,542,800	16,131,300	105,685,000
326.00 Tourist Development	19,724,500	0	9,623,300	29,347,800
330.00 Economic and Community Development	179,335,400	26,392,100	3,139,500	208,867,000
400.00 Transportation	1,099,238,000	1,013,371,700	38,084,000	2,150,693,700
Total	\$1,374,308,800	\$1,350,872,800	\$95,657,100	\$2,820,838,700

Transportation, Business and Economic Development Cost Increases for Fiscal Year 2018-2019

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Agriculture					
• Future Farmers of America Grant					
To provide non-recurring funding to the Future Farmers of America.					
325.01 Administration and Grants	\$100,000	\$0	\$0	\$100,000	0
Sub-total	\$100,000	\$0	\$0	\$100,000	0
• 4-H Foundation Grant					
To provide non-recurring funding to the 4-H Foundation.					
325.01 Administration and Grants	\$100,000	\$0	\$0	\$100,000	0
Sub-total	\$100,000	\$0	\$0	\$100,000	0
Total Agriculture	\$200,000	\$0	\$0	\$200,000	0
Tourist Development					
• Administration and Marketing					
To provide non-recurring funding for the Tourism Marketing Task Force.					
326.01 Administration and Marketing	\$4,000,000	\$0	\$0	\$4,000,000	0
Sub-total	\$4,000,000	\$0	\$0	\$4,000,000	0
• Welcome Centers Security					
To provide recurring funding for an increase in security costs for the 16 welcome centers in Tennessee.					
326.03 Welcome Centers	\$289,000	\$0	\$0	\$289,000	0
Sub-total	\$289,000	\$0	\$0	\$289,000	0
Total Tourist Development	\$4,289,000	\$0	\$0	\$4,289,000	0
Economic and Community Development					
• Jobs4TN - FastTrack Job Development					
To provide non-recurring funding 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.					
330.06 FastTrack Infrastructure and Job Training Assistance	\$80,000,000	\$0	\$0	\$80,000,000	0
Sub-total	\$80,000,000	\$0	\$0	\$80,000,000	0

Transportation, Business and Economic Development Cost Increases for Fiscal Year 2018-2019

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Rural Development Fund					
To provide non-recurring funding to the rural development fund 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	\$12,500,000	\$0	\$0	\$12,500,000	0
Sub-total	\$12,500,000	\$0	\$0	\$12,500,000	0
• Broadband Initiative					
To provide non-recurring funding for year two of three to increase broadband accessibility through grants and tax credits.					
330.07 Community and Rural Development	\$10,000,000	\$0	\$0	\$10,000,000	0
Sub-total	\$10,000,000	\$0	\$0	\$10,000,000	0
• Rural Opportunity Fund					
To provide non-recurring funding for the rural opportunity fund. The Tennessee rural opportunity fund is a public-private partnership that provides loans and technical assistance to small, minority, and women-owned rural businesses that are unable to access traditional loan capital.					
330.07 Community and Rural Development	\$2,000,000	\$0	\$0	\$2,000,000	0
Sub-total	\$2,000,000	\$0	\$0	\$2,000,000	0
• Launch Tennessee Grants					
To provide non-recurring funding to promote innovation and entrepreneurship through the distribution of grants aimed at increasing new businesses from research and development activities throughout the state.					
330.02 Business Development	\$3,000,000	\$0	\$0	\$3,000,000	0
Sub-total	\$3,000,000	\$0	\$0	\$3,000,000	0
• Film and Television Incentive Program					
To provide non-recurring funding for the Tennessee film and television incentive fund in order to provide incentive grants for the production of films and television shows and the development of interactive media in Tennessee.					
330.02 Business Development	\$83,300	\$0	\$0	\$83,300	0
330.17 Film and Television Incentive Fund	\$3,163,200	\$0	\$0	\$3,163,200	0
Sub-total	\$3,246,500	\$0	\$0	\$3,246,500	0

Transportation, Business and Economic Development Cost Increases for Fiscal Year 2018-2019

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<ul style="list-style-type: none"> London Direct Flights To provide non-recurring funding for a grant marketing direct flights to London. 					
330.01 Administrative Services	\$500,000	\$0	\$0	\$500,000	0
Sub-total	\$500,000	\$0	\$0	\$500,000	0
<ul style="list-style-type: none"> Economic Development District Grants To provide recurring funding to support the nine development districts pursuant to TCA 13-14-111. A funding formula is used to determine each district's grant award based on a per capita assessment. 					
330.15 Economic Development District Grants	\$20,000	\$0	\$0	\$20,000	0
Sub-total	\$20,000	\$0	\$0	\$20,000	0
<ul style="list-style-type: none"> St. Jude Children's Research Hospital Grant To provide non-recurring funding for year three of three for the benefit of St. Jude Hospital in Memphis. 					
330.06 FastTrack Infrastructure and Job Training Assistance	\$12,000,000	\$0	\$0	\$12,000,000	0
Sub-total	\$12,000,000	\$0	\$0	\$12,000,000	0
<ul style="list-style-type: none"> Oak Ridge Manufacturing Research Grant To provide non-recurring funding for year four 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
<ul style="list-style-type: none"> Housing and Urban Development (HUD) Grant – State Match To provide non-recurring funding for year three 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
Total Economic and Community Development	\$128,266,500	\$0	\$0	\$128,266,500	0
Total Transportation, Business and Economic Development	\$132,755,500	\$0	\$0	\$132,755,500	0

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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
316.20 Tennessee Housing Development Agency					
Full-Time	276	276	275	0	275
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	276	276	275	0	275
Payroll	18,542,200	24,006,700	23,953,300	0	23,953,300
Operational	272,157,200	305,791,900	302,291,900	0	302,291,900
Total	\$290,699,400	\$329,798,600	\$326,245,200	\$0	\$326,245,200
State	0	0	0	0	0
Federal	277,546,500	301,094,600	297,566,200	0	297,566,200
Other	13,152,900	28,704,000	28,679,000	0	28,679,000

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, Agricultural Advancement, Consumer and Industry Services, and Forestry.

<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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 administers the Tennessee Agricultural Enhancement Program, 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. 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	56	54	61	0	61
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	56	54	61	0	61
Payroll	4,361,600	4,605,400	5,201,200	0	5,201,200
Operational	8,097,100	12,089,900	28,608,400	200,000	28,808,400
Total	\$12,458,700	\$16,695,300	\$33,809,600	\$200,000	\$34,009,600
State	6,375,100	10,306,100	27,520,400	200,000	27,720,400
Federal	5,729,400	5,875,000	5,875,000	0	5,875,000
Other	354,200	514,200	414,200	0	414,200

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	7,691,500	3,187,500	3,187,500	0	3,187,500
Total	\$7,691,500	\$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	4,504,000	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	145,900	126,700	126,700	0	126,700
Total	\$145,900	\$126,700	\$126,700	\$0	\$126,700
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	145,900	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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
Payroll	0	0	0	0	0
Operational	358,000	250,000	250,000	0	250,000
Total	\$358,000	\$250,000	\$250,000	\$0	\$250,000
State	250,000	250,000	250,000	0	250,000
Federal	0	0	0	0	0
Other	108,000	0	0	0	0

Agricultural Advancement

325.06 Agricultural Advancement

The Agricultural Advancement division works with Tennessee producers and agribusinesses to build rural economies, increasing farm income through diverse growth and development activities, such as industry and producer-focused incentives, and consumer driven web and social media promotions. Agricultural Advancement coordinators focus on specialty crops, processed foods, equine, viticulture, horticulture, livestock, hay, fruits and vegetables, and direct farm marketing. Tennessee producers and processors are connected to local and world markets through trade missions, where targeted buyers are brought to Tennessee to see products and forge business relationships with producers. Grading and market news services are also available to help farmers strategically price, package, and market their products.

Full-Time	22	21	16	0	16
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	23	22	17	0	17
Payroll	1,476,500	1,714,500	1,281,100	0	1,281,100
Operational	16,814,800	20,225,000	1,325,100	0	1,325,100
Total	\$18,291,300	\$21,939,500	\$2,606,200	\$0	\$2,606,200
State	17,721,900	21,092,400	1,749,100	0	1,749,100
Federal	500,400	770,000	780,000	0	780,000
Other	69,000	77,100	77,100	0	77,100

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	227	226	227	0	227
Part-Time	0	5	5	0	5
Seasonal	3	3	3	0	3
Total	230	234	235	0	235

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
Payroll	13,869,200	16,117,400	16,036,200	0	16,036,200
Operational	8,354,400	8,497,800	8,547,500	0	8,547,500
Total	\$22,223,600	\$24,615,200	\$24,583,700	\$0	\$24,583,700
State	10,313,500	10,558,000	10,306,800	0	10,306,800
Federal	2,966,800	3,244,400	3,294,100	0	3,294,100
Other	8,943,300	10,812,800	10,982,800	0	10,982,800

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	8,457,100	10,473,200	10,473,200	0	10,473,200
Total	\$8,457,100	\$10,473,200	\$10,473,200	\$0	\$10,473,200
State	8,342,600	10,353,200	10,353,200	0	10,353,200
Federal	0	0	0	0	0
Other	114,500	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	310	307	306	0	306
Part-Time	1	0	0	0	0
Seasonal	175	175	175	0	175
Total	486	482	481	0	481
Payroll	18,372,700	19,497,500	19,416,300	0	19,416,300
Operational	13,536,800	10,924,600	10,874,600	0	10,874,600
Total	\$31,909,500	\$30,422,100	\$30,290,900	\$0	\$30,290,900
State	20,687,600	22,717,900	22,286,700	0	22,286,700
Federal	5,665,200	3,593,700	3,593,700	0	3,593,700
Other	5,556,700	4,110,500	4,410,500	0	4,410,500

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	730,200	157,200	157,200	0	157,200
Total	\$730,200	\$157,200	\$157,200	\$0	\$157,200
State	157,200	157,200	157,200	0	157,200
Federal	0	0	0	0	0
Other	573,000	0	0	0	0
325.00 Total Agriculture					
Full-Time	615	608	610	0	610
Part-Time	2	6	6	0	6
Seasonal	178	178	178	0	178
Total	795	792	794	0	794
Payroll	38,080,000	41,934,800	41,934,800	0	41,934,800
Operational	64,185,800	65,931,900	63,550,200	200,000	63,750,200
Total	\$102,265,800	\$107,866,700	\$105,485,000	\$200,000	\$105,685,000
State	67,035,400	78,622,300	75,810,900	200,000	76,010,900
Federal	14,861,800	13,483,100	13,542,800	0	13,542,800
Other	20,368,600	15,761,300	16,131,300	0	16,131,300

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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	28	27	27	0	27
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	28	27	27	0	27
Payroll	2,261,300	2,488,500	2,488,500	0	2,488,500
Operational	21,368,700	20,123,600	12,121,200	4,000,000	16,121,200
Total	\$23,630,000	\$22,612,100	\$14,609,700	\$4,000,000	\$18,609,700
State	22,680,900	21,822,900	13,820,500	4,000,000	17,820,500
Federal	0	0	0	0	0
Other	949,100	789,200	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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
Payroll	6,107,800	7,193,800	7,193,800	0	7,193,800
Operational	3,068,000	3,255,300	3,255,300	289,000	3,544,300
Total	\$9,175,800	\$10,449,100	\$10,449,100	\$289,000	\$10,738,100
State	1,449,300	1,615,000	1,615,000	289,000	1,904,000
Federal	0	0	0	0	0
Other	7,726,500	8,834,100	8,834,100	0	8,834,100
326.00 Total Tourist Development					
Full-Time	180	179	179	0	179
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	180	179	179	0	179
Payroll	8,369,100	9,682,300	9,682,300	0	9,682,300
Operational	24,436,700	23,378,900	15,376,500	4,289,000	19,665,500
Total	\$32,805,800	\$33,061,200	\$25,058,800	\$4,289,000	\$29,347,800
State	24,130,200	23,437,900	15,435,500	4,289,000	19,724,500
Federal	0	0	0	0	0
Other	8,675,600	9,623,300	9,623,300	0	9,623,300

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 is 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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	38	39	39	0	39
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	38	39	39	0	39
Payroll	3,916,800	4,294,300	4,294,300	0	4,294,300
Operational	2,839,000	3,637,000	2,572,400	500,000	3,072,400
Total	\$6,755,800	\$7,931,300	\$6,866,700	\$500,000	\$7,366,700
State	1,968,200	6,966,900	6,102,300	500,000	6,602,300
Federal	122,400	165,200	165,200	0	165,200
Other	4,665,200	799,200	599,200	0	599,200

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	49	46	46	0	46
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	49	46	46	0	46
Payroll	4,744,500	4,936,800	4,936,800	0	4,936,800
Operational	11,411,900	15,845,200	6,612,600	6,083,300	12,695,900
Total	\$16,156,400	\$20,782,000	\$11,549,400	\$6,083,300	\$17,632,700
State	13,491,900	20,248,400	10,802,800	6,083,300	16,886,100
Federal	130,600	128,200	128,200	0	128,200
Other	2,533,900	405,400	618,400	0	618,400

330.06 FastTrack Infrastructure and Job Training Assistance

The FastTrack Infrastructure 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 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	68,089,200	130,790,500	25,340,500	92,000,000	117,340,500
Total	\$68,089,200	\$130,790,500	\$25,340,500	\$92,000,000	\$117,340,500
State	68,089,200	130,450,000	25,000,000	92,000,000	117,000,000
Federal	0	0	0	0	0
Other	0	340,500	340,500	0	340,500

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	0	1,464,900	1,464,900	0	1,464,900
Total	\$0	\$1,464,900	\$1,464,900	\$0	\$1,464,900
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	0	1,464,900	1,464,900	0	1,464,900

330.17 Film and Television Incentive Fund

The Film and Television Incentive Fund, established by a 2006 law, provides incentive grants to encourage the production of films, movies, and television shows in Tennessee. To be eligible, such productions must meet criteria established by the Tennessee Film, Entertainment and Music Commission.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	11,008,100	14,298,600	2,048,600	3,163,200	5,211,800
Total	\$11,008,100	\$14,298,600	\$2,048,600	\$3,163,200	\$5,211,800
State	10,903,600	14,250,000	2,000,000	3,163,200	5,163,200
Federal	0	0	0	0	0
Other	104,500	48,600	48,600	0	48,600

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

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</u>
Payroll	0	0	0	0	0
Operational	54,400	400,900	400,900	0	400,900
Total	\$54,400	\$400,900	\$400,900	\$0	\$400,900
State	54,400	400,900	400,900	0	400,900
Federal	0	0	0	0	0
Other	0	0	0	0	0

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	242,500	200,000	200,000	0	200,000
Total	\$242,500	\$200,000	\$200,000	\$0	\$200,000
State	124,400	200,000	200,000	0	200,000
Federal	118,100	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	21,028,000	30,000,000	0	0	0
Total	\$21,028,000	\$30,000,000	\$0	\$0	\$0
State	21,028,000	30,000,000	0	0	0
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	9	9	0	9
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	8	9	9	0	9
Payroll	688,000	807,800	807,800	0	807,800
Operational	34,458,900	28,173,500	26,173,500	2,000,000	28,173,500
Total	\$35,146,900	\$28,981,300	\$26,981,300	\$2,000,000	\$28,981,300
State	543,300	2,814,700	814,700	2,000,000	2,814,700
Federal	34,602,400	26,098,700	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	6	9	9	0	9
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	6	9	9	0	9
Payroll	625,100	1,017,600	1,017,600	0	1,017,600
Operational	2,182,800	30,235,500	2,720,500	24,500,000	27,220,500
Total	\$2,807,900	\$31,253,100	\$3,738,100	\$24,500,000	\$28,238,100
State	2,807,900	31,253,100	3,738,100	24,500,000	28,238,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	20,000	2,030,100
Total	\$2,010,000	\$2,010,100	\$2,010,100	\$20,000	\$2,030,100
State	2,010,000	2,010,100	2,010,100	20,000	2,030,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

330.00 Total Economic and Community Development

Full-Time	101	103	103	0	103
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	101	103	103	0	103
Payroll	9,974,400	11,056,500	11,056,500	0	11,056,500
Operational	153,324,800	257,056,200	69,544,000	128,266,500	197,810,500
Total	\$163,299,200	\$268,112,700	\$80,600,500	\$128,266,500	\$208,867,000
State	121,020,900	238,594,100	51,068,900	128,266,500	179,335,400
Federal	34,973,500	26,392,100	26,392,100	0	26,392,100
Other	7,304,800	3,126,500	3,139,500	0	3,139,500

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 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	90	90	87	0	87
Part-Time	5	5	5	0	5
Seasonal	0	0	0	0	0
Total	95	95	92	0	92
Payroll	6,061,300	8,364,000	9,939,200	0	9,939,200
Operational	69,909,500	89,041,600	51,385,900	0	51,385,900
Total	\$75,970,800	\$97,405,600	\$61,325,100	\$0	\$61,325,100
State	54,190,900	81,905,600	45,825,100	0	45,825,100
Federal	19,640,300	13,500,000	13,500,000	0	13,500,000
Other	2,139,600	2,000,000	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	247	244	0	244
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	282	247	244	0	244
Payroll	17,727,300	21,783,000	22,814,500	0	22,814,500
Operational	42,011,400	34,979,400	42,311,500	0	42,311,500
Total	\$59,738,700	\$56,762,400	\$65,126,000	\$0	\$65,126,000
State	10,349,100	56,726,300	65,089,200	0	65,089,200
Federal	40,347,900	36,100	36,800	0	36,800
Other	9,041,700	0	0	0	0

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	486	517	507	0	507
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	486	517	507	0	507
Payroll	38,427,600	45,406,100	47,464,900	0	47,464,900
Operational	254,615,400	184,991,700	197,697,200	0	197,697,200
Total	\$293,043,000	\$230,397,800	\$245,162,100	\$0	\$245,162,100
State	101,398,800	107,014,700	119,970,500	0	119,970,500
Federal	166,575,000	116,660,000	119,231,300	0	119,231,300
Other	25,069,200	6,723,100	5,960,300	0	5,960,300

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. Garage and Fleet Operations is also responsible for the acquisition of consumable inventory items and fixed assets, as well as the maintenance and repair of equipment.

Full-Time	3,539	3,548	3,503	0	3,503
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	3,539	3,548	3,503	0	3,503
Payroll	165,080,200	237,317,000	240,150,600	0	240,150,600
Operational	998,311,600	1,222,728,900	1,299,509,000	0	1,299,509,000
Total	\$1,163,391,800	\$1,460,045,900	\$1,539,659,600	\$0	\$1,539,659,600
State	567,219,500	696,237,600	763,397,700	0	763,397,700
Federal	582,329,200	731,072,100	747,056,500	0	747,056,500
Other	13,843,100	32,736,200	29,205,400	0	29,205,400

	<u>Actual 2016-2017</u>	<u>Estimated 2017-2018</u>	<u>Base 2018-2019</u>	<u>Cost Increase 2018-2019</u>	<u>Recommended 2018-2019</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	233	228	226	0	226
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	233	228	226	0	226
Payroll	13,687,900	18,592,900	18,870,300	0	18,870,300
Operational	122,498,300	212,737,300	220,550,600	0	220,550,600
Total	\$136,186,200	\$231,330,200	\$239,420,900	\$0	\$239,420,900
State	68,750,100	95,725,900	104,955,500	0	104,955,500
Federal	65,427,800	134,514,600	133,547,100	0	133,547,100
Other	2,008,300	1,089,700	918,300	0	918,300

400.00 Total Transportation

Full-Time	4,630	4,630	4,567	0	4,567
Part-Time	5	5	5	0	5
Seasonal	0	0	0	0	0
Total	4,635	4,635	4,572	0	4,572
Payroll	240,984,300	331,463,000	339,239,500	0	339,239,500
Operational	1,487,346,200	1,744,478,900	1,811,454,200	0	1,811,454,200
Total	\$1,728,330,500	\$2,075,941,900	\$2,150,693,700	\$0	\$2,150,693,700
State	801,908,400	1,037,610,100	1,099,238,000	0	1,099,238,000
Federal	874,320,200	995,782,800	1,013,371,700	0	1,013,371,700
Other	52,101,900	42,549,000	38,084,000	0	38,084,000

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 Division of Budget 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 is then 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 Division of Budget 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 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
Business Solutions Delivery
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 Tennessee 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.

Budget Request - The annual spending and revenue plan submitted by each agency for review by the Department of Finance and Administration, the State Comptroller, and the Fiscal Review Committee.

C

Capital Budget - The portion of the budget devoted to proposed additions or maintenance to capital assets and the means of financing those additions.

Capital Maintenance - Major non-routine repairs and replacements unrelated to new construction. Improvements of this type have a cost of \$100,000 or more.

Capital Outlay - Expenditures that result in the acquisition of or addition to major fixed

Glossary of Budget Terms

assets (e.g., land, buildings, and equipment related to construction).

Christa McAuliffe Scholars Program - In-state scholarships offered as a merit-based award to students committed to teaching.

Clean Water Act - 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 Mandate - 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 Agency, which is 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 Organization, which is 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 Department 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

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.

Subsequent Injury and Vocational Recovery 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.

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.

TCAP - The Tennessee Comprehensive Assessment Program, which is used to assess academic progress of Tennessee students at specified points in their academic career.

Glossary of Budget Terms

TVA – The Tennessee Valley Authority, which is 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.

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State of Tennessee

The Budget

Fiscal Year 2018-2019

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