Budget Overview
2016-2017

	Recurring	Non-Recurring	Earmarked
I. Available Revenues 2016-2017:			
1. Revenue Base Increase - FY 2015-2016 Revised Recurring Estimate @ 3.4% Growth	$ 355,000,000	$ -	$ -
2. 2016-2017 Department of Revenue Growth @ 3.25%	348,900,000	14,500,000	-
3. 2015 Legislation - 2015 PC 514 - Revenue Modernization Act - Net Impact	(6,183,800)	-	-
4. 2016 Legislation - Department of Revenue Taxes	(5,036,700)	(11,845,400)	-
5. 2016 Legislation - Other State Revenue	215,800	4,000	1,104,900
6. Other State Revenue - Insurance Premium Tax	10,500,000	-	-
6a. Revenue Continuation - Hospital Coverage Assessment and Nursing Home Assessment	-	556,900,000	-
7. Tobacco MSA Adjustment @ $143.8 M ($132.1 M Recurring, $11.7 M Non-Recurring)	-	11,700,000	-
8. Available Funds	-	662,029,500	-
9. Reduction of Recurring Debt Service Requirements	5,000,000	-	-
10. Dedicated Revenue	-	-	(16,016,900)
Total Revenue	**$ 708,395,300**	**$ 1,233,288,100**	**$ (14,912,000)**
II. Cost Increases:			
1. Program and Inflationary Growth:			
a. TennCare - Federal Matching Inflation and Rate Increase	$ 149,627,200	$ -	$ -
b. Education - BEP Growth	88,985,000	-	-
c. Higher Education - Funding Formula	50,000,000	-	-
d. Higher Education - Non-Formula Units	7,510,100	-	-
e. Other Program and Inflationary Cost Increases:			
1. Correction - Contract Inflator	2,549,000		-
2. District Public Defenders - Davidson County and Shelby County Inflator	14,600	-	-
3. Other Program and Inflationary Growth	1,853,600		
Sub-Total Program and Inflationary Growth	**$ 300,539,500**	**$ -**	**$ -**
2. Salary and Benefits:			
a. Mandated Salary Increases - AG, DAs, Judges, District Public Defender, Governor, Wildlife Officers	$ 3,072,200	$ -	$ 518,900
b. Salary Pool - State Employees:			
1. 4.0% Pool - Pay for Performance - TEAM Act Agencies	51,664,800	(25,832,400)	-
2. 3.0% Pool - Across the Board - Non-TEAM Act Agencies	8,388,000	(4,194,000)	-
3. Market Rate Adjustment	36,060,100	-	-
4. Safety, Commerce & Insurance, and Wildlife Commissioned Officers @ 5.3%	3,266,500	-	1,782,900
5. FY 2015-2016 - Pay for Performance - TEAM Act agencies	1,657,200	-	-
c. Salary Policy - Higher Education - Included in Funding Formula	-	-	-
d. Salary Pool - Teachers	104,600,000	-	-
e. Group Health Insurance Rate Increase	45,301,300	-	-
f. Education - BEP - Health Insurance - Increase state share of teachers' health insurance - 12th month	29,480,000	-	-
Sub-Total Salary and Benefits	**$ 283,490,100**	**$ (30,026,400)**	**$ 2,301,800**
3. Previous Commitments	33,724,000	82,878,400	-
4. New Initiatives / Issues:			
a. Higher Education - Drive to 55 Initiative	$ 416,400	$ 5,274,900	$ -
b. Administration Amendment and Legislation	12,000,000	10,535,000	-
c. Other New Initiatives	59,544,800	94,311,400	300,000
Sub-Total New Initiatives / Issues	**$ 71,961,200**	**$ 110,121,300**	**$ 300,000**
5. Capital Outlay:			
a. Capital Outlay - Improvements - New Construction	$ -	$ 275,095,600	$ -
b. Capital Outlay - Maintenance	-	181,521,000	-
c. Capital Maintenance Fund	20,000,000	-	-
Sub-Total Capital Outlay	**$ 20,000,000**	**$ 456,616,600**	**$ -**
6. Other Essential Cost Increases:			
a. Higher Education - TN Student Assistant Corp.	$ 13,200,000	$ -	$ -
b. Mental Health and Substance Abuse Services - Regional MHIs - Operating deficit	5,470,600	-	-
c. Other Cost Increases:	12,022,700	15,168,800	-
Sub-Total Other Essential Cost Increases	**$ 30,693,300**	**$ 15,168,800**	**$ -**
7. Rainy Day Fund	-	100,000,000	-
Total Cost Increases	**$ 740,408,100**	**$ 734,758,700**	**$ 2,601,800**
III. Preliminary Base Budget Adjustments	5,654,000	556,900,000	(17,801,600)
IV. Total Cost Increases and Preliminary Base Budget Adjustments	**$ 746,062,100**	**$ 1,291,658,700**	**$ (15,199,800)**
V. Balance Before Reductions	**$ (37,666,800)**	**$ (58,370,600)**	**$ 287,800**
VI. Base Budget Reductions and Reallocations - Recurring Reductions @ 0.7%	(38,014,300)	(58,580,700)	287,800
VII. Balance	**$ 347,500**	**$ 210,100**	**$ -**

Budget Overview
2016-2017 Preliminary

Statement of Adjustments to Tax Estimates,
Department of Revenue Taxes
2014-2015 Through 2016-2017
General Fund

Increase / (Decrease)

	Total	Recurring	Non-Recurring
I. FY 2014-2015			
a. Actual Accrual Collections	$ 10,588,863,600	$ 10,382,963,600	$ 205,900,000
b. February Budget Document Revised Estimate	$ 10,122,400,000	$ 10,102,000,000	$ 20,400,000
April 2015 Administration Amendment Adjustment	27,500,000	27,500,000	-
April 2015 Administration Amendment - F & E Tax - Non-Recurring Adjustment	150,000,000	-	150,000,000
Sub-Total Revised Estimate	**$ 10,299,900,000**	**$ 10,129,500,000**	**$ 170,400,000**
Total FY 2014-2015 Overcollection (a. - b.)	**$ 288,963,600**	**$ 253,463,600**	**$ 35,500,000**
II. FY 2015-2016			
February 2015 Budget Document Estimate	$ 10,370,400,000	$ 10,370,400,000	$ -
April 2015 Administration Amendment Adjustment	28,300,000	28,300,000	-
Sub-Total - March Top of Range Estimate	**$ 10,398,700,000**	**$ 10,398,700,000**	**$ -**
Plus / (Less): Tax Acts	23,600,000	(17,700,000)	41,300,000
Budgeted Estimate @ July 1, 2015	**$ 10,422,300,000**	**$ 10,381,000,000**	**$ 41,300,000**
Revenue Base Increase @ 3.40% Recurring Growth Rate over FY 2014-2015 Actual	355,000,000	355,000,000	-
Total FY 2015-2016 Revised Estimate	**$ 10,777,300,000**	**$ 10,736,000,000**	**$ 41,300,000**
III. FY 2016-2017			
Revenue Base (2014-2015 Revised Recurring Estimate)	$ 10,736,000,000	$ 10,736,000,000	$ -
Revenue Growth from Revised Recurring Estimate @ 3.25%	363,400,000	348,900,000	14,500,000
Total FY 2016-2017 Estimate	**$ 11,099,400,000**	**$ 11,084,900,000**	**$ 14,500,000**

Selected State Revenue Adjustments
Fiscal Year 2016-2017

Increase / (Decrease)
from July 1, 2015, Budgeted Estimates

	Recurring	Non-Recurring	Earmarked
I. Tax Legislation:			
1. **Department of Revenue Taxes - 2015 Public Acts:**	**$ (6,183,800)**	**$ -**	**$ -**
a. Public Chapter 514 - Revenue Modernization Act - Net Impact	(6,183,800)	-	-
2. **2016 Legislation: ***	**$ (5,036,700)**	**$ (11,845,400)**	**$ -**
Department of Revenue Taxes:			
a. Franchise and Excise Taxes - Estimated Payment Reform	$ -	$ (11,845,400)	$ -
b. Franchise and Excise Taxes - Qualified Data Center Tax Exemptions - Tax Credits	(4,100,000)	-	-
c. Franchise and Excise Taxes - Fourth Tier to County Designations - Tax Credits	(800,000)	-	-
d. Sales Tax - Compressed Natural Gas Exemption	(136,700)	-	-
Total Tax Legislation	**$ (11,220,500)**	**$ (11,845,400)**	**$ -**
II. Other State Revenue:			
1. Commerce & Insurance:			
a. Other Insurance Premium Taxes Growth	$ 10,500,000	$ -	$ -
b. New Building Construction - Fees	-	-	9,600
2. Environment and Conservation - Medical Radiation Inspection Fee Exemption	-	-	45,700
3. Financial Institutions - Private Trust Company Expanded Definition	5,000	4,000	-
4. Labor and Workforce Development:			
a. Workers' Compensation Changes	68,800	-	-
b. Workplace Compliance - Penalties	99,200	-	-
c. Unemployment Insurance Improvement Act	-	-	1,049,600
5. Miscellaneous Revenue - TennCare Fraud - Fines and Restitution	42,800	-	-
6. Nursing Home Bed Assessment @ $107.1 M	-	107,100,000	-
7. Hospital Coverage Assessment @ $449.8 M	-	449,800,000	-
Total Other State Revenue	**$ 10,715,800**	**$ 556,904,000**	**$ 1,104,900**

* 2016 Tax Legislation - Adjustments are included in 2016-2017 Budget Overview entitled "General Fund and Education Fund, Comparison of Appropriation Requirements and State Revenues."

Budget Overview
2016-2017

2015-2016 Available Funds

2014-2015 Closing
Unappropriated Budget Surplus
(Reserved for Future Requirements @ June 30, 2015)

I.	**Department of Revenue Taxes - Net of Estimate @ $10,678,862,000 Cash Basis (Aug.-July)**	**$ 378,962,000**
	Plus / (Less): Accrual Adjustment	(89,998,400)
	Total Dept. of Revenue Taxes - Net of Estimate (Revised Est. $10,299,900,000)	**$ 288,963,600**
II.	**Other State Revenue - Net of Estimate**	
	Department of Commerce and Insurance @ $851,226,200 (Revised Estimate $806.0 M)	$ 45,226,200
	Other Agencies	10,971,000
	Sub-Total Other State Revenue - Net of Estimate	**$ 56,197,200**
III.	**Miscellaneous Revenue - Net of Estimate**	**4,193,200**
IV.	**Debt Service Fund Transfer at June 30, 2015 @ $72.0 M ($72.0 M Budgeted)**	**-**
V.	**Tobacco MSA @ $146,961,600 Collection (Budgeted Estimate $134.6 M)**	12,361,600
VI.	**Total Revenue Net of Estimate (I + II + III + IV + V = VI)**	**$ 361,715,600**
VII.	**Less: Dedicated Revenue, Reserve, and Liability Adjustments**	**(11,518,100)**
VIII.	**Reversion Excess / (Deficiency) @ $256,157,200 (Revised Est. $212,639,700):**	**$ 43,517,500**
IX.	**Total Unappropriated Budget Surplus at June 30, 2015**	**$ 393,715,000**

Available Funds
Fiscal Year 2015-2016

I. Unappropriated Budget Surplus / (Deficit) at June 30, 2015	**$**	**393,715,000**
II. Revenue Adjustments and Other Available Funds:		
1. Department of Revenue Tax Base Increase at 3.4% Growth over FY 2014-2015 Actual	$	355,000,000
2. Debt Service Fund Transfer at June 30, 2016		102,500,000
3. 2015-2016 Tobacco Master Settlement Agreement at $144.6 M ($132.1 M Budgeted)		12,500,000
4. Miscellaneous Revenue Adjustment		3,528,000
5. Revenue Unavailable for Appropriation Until 2017 Legislative Session		(35,000,000)
Sub-Total Revenue Adjustments and Other Available Funds	**$**	**438,528,000**
III. Total Budget Surplus and Adjustments (I + II)	**$**	**832,243,000**
IV. Transfer to the General Fund from the TennCare Reserve (Non-recurring)		**8,261,700**
V. Total Revenue, Reserves, and Adjustments	**$**	**840,504,700**
VI. Appropriation and Transfer Requirements:		
1. Less: Transfer to Highway Fund	$	(130,000,000)
2. Less: 2015-2016 Supplemental Appropriations		(48,475,200)
Sub-Total Appropriation and Transfer Requirements	**$**	**(178,475,200)**
VII. Total Available Funds at June 30, 2016 (V + VI)	**$**	**662,029,500**

Supplemental Appropriations
General and Education Funds
Fiscal Year 2015-2016

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

M = Mandate
P = Program & Inflationary Increase
O = Other Essential
C = Commitments
S = Salary and Benefits
N = New Initiative

2016-2017 Agency Cost Increases
Recommended Funding

		General Fund		
		Recurring	Non-Recurring	Dedicated
1.	Agriculture	698,300	0	0
O	1. Recover Agricultural Enhancement Funds	698,300		
2.	Attorney General and Reporter	500	0	0
S	1. AG's Salary Increase @ CPI Inflation Rate	500		
3.	Children's Services - See also TennCare for DCS	5,291,000	0	0
P	1. State Match Rate Increase - IV-E Foster Care and Adoption Assistance - From 34.965% to 35.017%	46,200		
S	2. Teacher Training and Experience	52,800		
C	3. Brian A. - Administration - DCS child information system (TFACTS) - Programmer / Analysts (4 FT)	217,500		
C	4. Brian A. - Administration - Additional health nurse (1 FT)	35,800		
C	5. Brian A. - Custody Services - Provider rate increase	1,304,600		
C	6. Brian A. - Custody Services - USDA foster care rate increase	249,000		
C	7. Brian A. - Adoption assistance caseload growth	1,945,500		
C	8. Brian A. - Child Protective Services - Additional assessment and investigation staff (52 FT)	1,360,100		
C	9. Brian A. - Child Protective Services - Additional licensing, provider quality, & risk management staff (3 FT)	79,500		
4.	Commerce and Insurance	13,300	0	0
S	1. Statutory Salary Increase - TLETA Commissioned Officers	13,300		
5.	Comptroller	7,152,000	0	0
C	1. Property Tax Relief	7,000,000		
O	2. State Bond Programs - Debt Management System - Additional staff to ensure segregation of duties (2 FT)	152,000		
6.	Correction	15,050,800	575,000	0
O	1. Sex Offender Treatment Program	1,250,000		
N	2. DeBerry Special Need Facility - Hepatitis C treatment standards	600,000		
P	3. Hardeman Co. Incarceration Agreement - Contract Inflator	871,000		
P	4. Whiteville Correctional Facility Agreement - Contract Inflator	941,700		
P	5. South Central Correctional Center Agreement - Contract Inflator	736,300		
N	6. Information Technology - Software licenses for inventory and asset management	924,000		
N	7. Administration Legislation - Public Safety Act of 2016 - Incarceration	7,224,600		
N	8. Administration Legislation - Public Safety Act of 2016 - Operating increase (102 FT)	2,373,800	575,000	
N	9. Administration Legislation - Contraband in Youth Development Centers - Incarceration	66,300		
N	10. Administration Legislation - TennCare Fraud - Incarceration	63,100		
7.	Court System	1,750,200	0	0
S	1. Judge's Salary Increase @ CPI Inflation Rate	77,600		
N	2. General Sessions Data Repository (7 FT)	1,672,600		
8.	District Attorneys General Conference	1,694,200	0	0
S	1. Statutory Salary Increase - Assistant DAs and CIs ($1,185,600 DAs; $41,800 DHS)	1,227,400		
O	2. Prosecution staffing (6 FT)	466,800		
9.	District Public Defenders Conference	666,300	0	0
S	1. Statutory Salary Increase - Assistant Public Defenders and Criminal Investigators	651,700		
P	2. Davidson County and Shelby County Adjustment (Shelby Co. $10,200; Davidson Co. $4,400)	14,600		
10.	Economic and Community Development	15,095,000	68,893,400	0
C	1. Fast Track Job Development	15,000,000	55,893,400	
C	2. Oak Ridge Manufacturing Research - Business Development - Grant - Year 2 of 5		3,000,000	
N	3. Rural Development Initiative		10,000,000	
O	4. Federal Delta Regional Authority - Dues assessment - Required to maintain eligibility for grants	95,000		
11.	Education	127,851,700	13,477,000	0
P	1. BEP Enrollment Growth and Inflationary Adjustments	48,800,000		
S	2. BEP - Health Insurance - Increase state share of teachers' health insurance - Fund 12th month	29,480,000		
P	3. BEP - English Language Learners	13,901,000		
P	4. BEP - Instructional Technology and Infrastructure Improvements - Support Classroom Instruction	15,000,000		
P	5. BEP - Special Education	4,801,000		
P	6. BEP - Other Formula Revisions - Baseline mandatory increases	6,483,000		
S	7. Teacher Training and Experience	107,600		
C	8. Professional development, ELA and math standards - Public Chapter 423		3,100,000	
C	9. Student Assessments - Implement Assessment Task Force recommendations	6,532,000		
N	10. K-12 Reading Initiative - Base Plus Option 1 (18 FT)		9,008,000	
N	11. K-12 Screener Assessment Tool	1,000,000		
N	12. Individualized Education Account Program - 2015 PC 431 (4 FT)	350,000		
N	13. Board of Education - Educator review, Standards Recommendation Committee - Stipends, travel, etc.		244,000	
N	14. Board of Education - Charter school authorization - Contract services (1 FT)	125,000		
N	15. School leadership training for principals (1 FT)	440,000		
N	16. Administration Legislation - Student Assessments (1 FT)	832,100		
O	17. Save the Children - Literacy Grant Continuation		1,000,000	
O	18. Tennessee Alliance for Boys and Girls Clubs - Grant Continuation		125,000	

M = Mandate
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2016-2017 Agency Cost Increases
Recommended Funding

		General Fund		
		Recurring	Non-Recurring	Dedicated
12.	Environment and Conservation	4,505,100	0	300,000
N	1. State Parks - Seasonal staffing support (5 FT positions will allow hiring 10 PT personnel)	441,500		
N	2. State Parks - Reduce maintenance backlog	4,000,000		
O	3. Historical Commission - Historic preservation specialist (1 FT)	63,600		
N	4. Administration Legislation - Used Oil Collection Fund			300,000
13.	Finance and Administration	8,018,000	0	0
N	1. Business Solutions Delivery - Agency NextGen (25 FT)	5,758,800		
N	2. Strategic Technology Solutions - Enterprise IT Transformation (7 FT)	698,600		
N	3. Edison - NextGen - Salaries	637,400		
N	4. Administration - Human Resources Analysts (2 FT)	53,800		
N	5. Strategic Technology Solutions - Security Initiatives	630,900		
O	6. Capital Projects Accounting - Processing capital project & EmPower TN financial transactions (2 FT)	155,900		
O	7. Budget Division - Budget analyst (1 FT)	82,600		
14.	General Services	570,700	0	0
N	1. Governor's Books from Birth - Increased enrollment, book purchases, mailing costs	570,700		
15.	Governor's Office	500	0	0
S	1. Governor's Salary Increase @ CPI Inflation Rate	500		
16.	Health	1,911,100	19,788,100	0
C	1. Electronic Public Health Information System - Continue implementation of new record-keeping system (24 FT)		14,560,000	
N	2. Hepatitis C - Monitor viral hepatitis, detect and respond to outbreaks (8 FT)	1,383,300		
C	3. Sickle Cell Foundation of Tennessee - Grant Continuation		75,000	
C	4. Methodist Healthcare Foundation - Sickle Cell Clinic of Memphis - Grant - Year 4 of 5		50,000	
O	5. Healthy Start (Middle and West TN) - Grant Continuation		1,500,000	
O	6. Epilepsy Program - Grant Continuation		103,100	
O	7. Child Health and Development (CHAD) (East TN) - Grant Continuation		450,000	
N	8. Administration Legislation - Medical Examiner Training	527,800		
O	9. Health and Wellness Foundation		3,000,000	
O	10. Men's Health Network - Grant increase		50,000	
17.	Higher Education	72,323,100	42,838,900	0
P	1. Academic Formula Units - Operating Increase	50,000,000		
P	2. Medical Education - Operating Increase	4,761,200		
P	3. Research and Public Service - Operating Increase	2,105,500		
P	4. Other Specialized Units - Operating Increase	643,400		
O	5. TN Student Assistance Corp. - TSAA Grants	13,200,000		
N	6. Board of Regents - Community College Shared Services Initiative (ERP Consolidation)		28,742,600	
N	7. THEC - Outcome Improvement Grants for Low-Performing Institutions		800,000	
N	8. Labor Education Alignment Program (LEAP 2.0) - Expand LEAP - new centers, equipment, lab space, etc.		10,000,000	
N	9. LEAP - Continuation of FY 16 non-recurring cost increase (1 FT)		96,300	
N	10. Adult Learner Program - Continuation of FY 16 non-recurring cost increase (2 FT)		200,000	
C	11. UT Health Science Center - Pediatric Physician Scientists Recruiting - Match St. Jude - Year 4 of 5		3,000,000	
O	12. UT - 401(k) State Match @ $10/Month ($40 in Base)	745,000		
O	13. Board of Regents System - 401(k) State Match @ $10/Month ($40 in Base)	868,000		
18.	Higher Education - Drive to 55 Initiative	416,400	5,274,900	0
N	1. Drive to 55 Operating Fund - Brochure and pamphlet		150,000	
N	2. Veteran Reconnect Grants - Program development		1,000,000	
N	3. TN Promise Forward Grants - Institutional use for outreach		800,000	
N	4. TN Promise Bridge Grants - Promise student boot camp		400,000	
N	5. College Advisor Corps (3 FT)		2,455,800	
N	6. Seamless Alignment and Integrated Learning Support (SAILS) Capacity - Shelby County expansion		469,100	
N	7. THEC - FOCUS Act (3 FT)	416,400		
19.	Intellectual and Developmental Disabilities Services	123,500	552,900	0
O	1. Greene Valley Developmental Center - 6 month extension		277,900	
O	2. Seating and Positioning Clinics - Mobile Unit (1 FT)	123,500	275,000	
20.	Labor and Workforce Development	97,500	489,600	0
O	1. Amusement Device Unit - Inspection & licensing - Compliance with state law (5 FT) - Year 1 of 2		489,600	
O	2. Workers Compensation - Statistical research - Impact of 2013 Workers Compensation Reform Act (1 FT)	97,500		
21.	Mental Health and Substance Abuse Services	8,240,600	5,038,400	0
O	1. Regional Mental Health Institutes - Operating increase - Reduced insurance coverage for patients	5,470,600		
O	2. Moccasin Bend RMHI - Compliance with Joint Commission standards	1,500,000		
N	3. Regional Mental Health Institutes - Electronic clinical records system - Year 1 of 2 (7 FT)		5,038,400	
P	4. Recovery and Veterans Courts	1,270,000		
22.	Post-Conviction Defender	34,700	0	0
S	1. Statutory Salary Increase - Assistant Post-Conviction Defenders	34,700		

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2016-2017 Agency Cost Increases
Recommended Funding

		General Fund		
		Recurring	Non-Recurring	Dedicated
23.	Revenue	626,800	12,749,000	0
N	1. Revenue Modernization Act - 2015 PC 514 - Business Tax and Franchise & Excise Tax staffing (4 FT)	350,600	21,400	
N	2. James Lee Atwood Act - 2015 PC 511 - Motor vehicle insurance verification - Fund for 6 months (6 FT)	276,200		
N	3. Revenue and Tax Collection System Replacement (16 FT)		12,727,600	
24.	Safety	2,359,600	739,200	0
S	1. Highway Patrol - Step Raises for Commissioned Officers	906,100		
O	2. Highway Patrol - 12 Additional Road Troopers (12 FT)	413,500	739,200	
O	3. Statewide Communication System - Maintenance services for sites not under warranty	1,040,000		
25.	TennCare (FY 16-17 Match Rate - 35.017% R)	171,334,500	8,261,700	0
P	1. State Match Rate Increase	3,921,400		
P	2. Medical and Pharmacy Inflation and Utilization	64,264,100		
P	3. Medicare Part B premiums and Part D prescription benefits for dual-elibible enrollees	77,749,200		
P	4. Aging Caregiver - Annualize cost of 21 people to enroll in the self-determination waiver	308,900		
O	5. Opiate addiction treatment - Extend prescription length for Buprenorphine - Restore FY 15-16 reduction	1,590,300		
N	6. Enrollment and Community CHOICES program - Home & Community Based Services - Services for developmentally & intellectually disabled (8 FT)	19,040,400		
N	7. Information Tech. - TN Eligibility Determination System (TEDS) - Software development & implementation		8,261,700	
N	8. Eligibility determination - Staffing (250 FT)	4,460,200		
26.	TennCare Waiver Payments - DIDD Recommendation	2,258,100	0	0
P	1. Waiver cost growth - Annualize cost of current enrollees	588,900		
P	2. Transition from facility-based day services to community-based day services	1,669,200		
27.	TennCare for Children's Services	1,662,900	0	0
P	1. Brian A. - Child Protective Services - Additional assessment and investigation staff (52 FT)	583,600		
P	2. Brian A. - Administration - DCS child information system (TFACTS) - Programmer / Analysts (4 FT)	52,200		
P	3. Brian A. - Child Protective Services - Additional licensing, provider quality, & risk management staff (3 FT)	33,300		
P	4. Brian A. - Custody Services - Provider rate increase	979,800		
P	5. Brian A. - Regional health nurse unit	14,000		
28.	TennCare for Intellectual and Developmental Disabilities	0	6,259,000	0
O	1. Greene Valley Developmental Center - 6 month extension		6,259,000	
29.	Tourist Development	0	5,000,000	0
N	1. Tourism Marketing Task Force		5,000,000	
30.	Treasury	0	3,700,000	0
C	1. Treasury Risk Management Fund - Deficit Recovery		3,200,000	
N	2. College Savings Plan - Administration, incentives, and marketing		500,000	
31.	Veterans Services	126,500	(84,300)	0
N	1. Parkers Crossroads Cemetery - Fund beginning last quarter of fiscal year (2 FT)	126,500	(84,300)	
32.	Wildlife Resources Agency	0	0	518,900
S	1. Statutory Step Raises - Wildlife Officers and Biologists			518,900
33.	Emergency and Contingency Fund	180,700	0	0
O	1. Emergency and Contingency Fund - Increase balance to $1 M	180,700		
34.	Group Health Insurance - Annualize 1-1-16 Rate Increase	8,900,000	0	0
S	1. State Agencies @ 3.5%	4,800,000		
S	2. Higher Education @ 3.5%	4,100,000		
S	3. K-12 BEP @ 0%	0		
35.	Group Health Insurance - 1-1-17 Rate Increase	27,491,300	0	0
S	1. State Agencies @ 4.7%	6,600,000		
S	2. Higher Education @ 4.7%	5,704,700		
S	3. K-12 BEP @ 6.1%	15,186,600		
36.	Health Insurance - Retirees and Retired Teachers	8,910,000	0	0
S	1. Retirees (Medicare Supplement)	110,000		
S	2. Retired Teachers	8,800,000		
37.	Salary Increase @ 7-1-2016 (1% = $34.3 M)	205,636,600	(30,026,400)	1,782,900
S	1. State Employees Salary Pool (1% = $15.7 M):			
S	a. 4.0% Salary Pool - Pay for Performance - TEAM Act agencies - Effective 1/1/2017	51,664,800	(25,832,400)	
S	b. 3.0% Salary Pool - Across the Board - Non-TEAM Act agencies - Effective 1/1/2017	8,388,000	(4,194,000)	
S	c. Market Rate Adjustment ($29.6 M + $6.1 M)	36,060,100		
S	2. K-12 BEP - Salary Pool (1% = $18.6 M)	104,600,000		
S	3. Safety - Commissioned Officers Salary Survey Raise @ 5.3%	3,222,000		
S	4. Commerce & Insurance - Commissioned Officers Salary Survey Raise @ 5.3%	44,500		
S	5. Wildlife Salary Survey Raise @ 5.3%			1,782,900
S	6. FY 2015-2016 - Pay for Performance - TEAM Act agencies (Other Adjustment)	1,657,200		

M = Mandate
P = Program & Inflationary Increase
O = Other Essential
C = Commitments
S = Salary and Benefits
N = New Initiative

2016-2017 Agency Cost Increases
Recommended Funding

		General Fund		
		Recurring	Non-Recurring	Dedicated
38.	Miscellaneous Appropriations	19,416,600	14,615,700	0
N	1. Administration Amendment	8,000,000	6,535,000	
N	2. Legislative Initiatives	4,000,000	4,000,000	
N	3. IPT phone system conversion	166,600	1,330,700	
N	4. Risk Management Billing	1,000,000		
N	5. Middle TN State Univ. - Chair of Excellence in Accounting		1,500,000	
N	6. Families Free - Assistance for babies born addicted to drugs		100,000	
N	7. National Organization of Black Elected Legislative (NOBEL) Women - Conference		150,000	
N	8. TN Arts Academy Foundation		100,000	
N	9. Facilities Revolving Fund - Davidson County Rent Adjustment	3,750,000		
O	10. Severance Benefits - Based on positions included in reduction plans		900,000	
O	11. State Employees - 401(k) State Match $10/Month ($40 in Base)	2,500,000		
39.	Capital Outlay Budget	20,000,000	456,616,600	0
	1. Capital Improvements		275,095,600	
	2. Capital Maintenance		181,521,000	
	3. State Facility Maintenance	20,000,000		
40.	Rainy Day Fund - Deposit	0	100,000,000	0
M	1. Rainy Day Fund Deposit @ 10% of Revenue Growth		34,500,000	
	2. Rainy Day Fund Deposit - Additional Deposit		65,500,000	
	Sub-Total Cost Increases	**740,408,100**	**734,758,700**	**2,601,800**

Other Requirements and Adjustments

41.	Preliminary Base Adjustments	5,654,000	556,900,000	(17,801,600)
	1. Preliminary Base Adjustments	5,654,000	0	(17,801,600)
	2. TennCare - From Hospital Coverage Assessment		449,800,000	
	3. TennCare - From Nursing Home Bed Tax		107,100,000	
	4. Base Reallocations - Cost / (Savings)	0		
	Grand Total	**746,062,100**	**1,291,658,700**	**(15,199,800)**

Base Budget Reduction Plans
State Appropriations
Fiscal Year 2016-2017

	Program	a. General Fund Discretionary Base	b. General Fund Recurring Reduction	Pct.	b. Non-Recurring	c. (a + b) Total	c. Dedicated Funds	d. (b + c) Net Reduction	Pct.
301.00	Legislature	$ 32,525,200	$ -	0.0%	$ -	$ -	$ -	$ -	0.0%
301.50	Fiscal Review Committee	1,495,600	-	0.0%	-	-	-	-	0.0%
302.00	Court System	32,588,300	-	0.0%	-	-	-	-	0.0%
303.00	Attorney General and Reporter	22,836,100	-	0.0%	-	-	-	-	0.0%
304.00	District Attorneys General	74,328,400	-	0.0%	-	-	-	-	0.0%
305.00	Secretary of State	29,000,600	-	0.0%	-	-	-	-	0.0%
306.00	District Public Defenders	43,130,754	-	0.0%	-	-	-	-	0.0%
307.00	Comptroller of the Treasury	49,483,600	-	0.0%	-	-	-	-	0.0%
309.00	Treasury Department	2,129,700	-	0.0%	-	-	-	-	0.0%
	Sub-Total Non-Executive	**$ 287,518,254**	**$ -**	**0.0%**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**
315.00	Executive Department	$ 5,182,700	$ -	0.0%	$ -	$ -	$ -	$ -	0.0%
316.01	Children and Youth Commission	2,488,300	-	0.0%	-	-	-	-	0.0%
316.02	Aging and Disability Commission	13,725,700	-	0.0%	-	-	-	-	0.0%
316.03	Alcoholic Beverage Commission	-	-	0.0%	-	-	-	-	0.0%
316.04	Human Rights Commission	1,712,300	-	0.0%	-	-	-	-	0.0%
316.07	Health Services and Development Agency	1,204,300	-	0.0%	-	-	-	-	0.0%
316.11	Tennessee Regulatory Authority	-	-	0.0%	-	-	-	-	0.0%
316.12	TACIR	201,700	-	0.0%	-	-	-	-	0.0%
316.14	Council on Developmental Disabilities	204,500	-	0.0%	-	-	-	-	0.0%
316.25	Arts Commission	1,698,900	-	0.0%	-	-	-	-	0.0%
316.27	State Museum	3,806,800	-	0.0%	-	-	-	-	0.0%
317.00	Finance and Administration	13,964,900	(129,600)	-0.9%	-	(129,600)	-	(129,600)	-0.9%
318.00	TennCare Programs	$ 2,397,973,650	$ (16,263,700)	-0.7%	$ -	$ (16,263,700)	$ -	$ (16,263,700)	-0.7%
	TennCare Waiver Payments	238,450,300	-	0.0%	-	-	-	-	0.0%
	TennCare for Children's Services	78,835,700	374,200	0.5%	-	374,200	-	374,200	0.5%
	TennCare for Intellectual Disabilities	55,667,900	(1,100,800)	-2.0%	-	(1,100,800)	-	(1,100,800)	-2.0%
	TennCare for Human Services	11,130,300	-	0.0%	-	-	-	-	0.0%
	TennCare for Commerce and Insurance	1,238,400	-	0.0%	-	-	-	-	0.0%
	TennCare for F&A Office of Inspector General	2,301,850	-	0.0%	-	-	-	-	0.0%
	Sub-total TennCare Programs	$ 2,785,598,100	$ (16,990,300)	-0.6%	$ -	$ (16,990,300)	$ -	$ (16,990,300)	-0.6%
319.00	Human Resources	-	-	0.0%	-	-	-	-	0.0%
321.00	General Services	9,490,000	(214,800)	-2.3%	-	(214,800)	-	(214,800)	-2.3%
323.00	Veterans Services	5,467,100	-	0.0%	-	-	-	-	0.0%
324.00	Board of Parole	7,471,200	(51,000)	-0.7%	-	(51,000)	-	(51,000)	-0.7%
325.00	Agriculture	34,879,600	(579,800)	-1.7%	-	(579,800)	287,800	(292,000)	-0.8%
326.00	Tourist Development	14,270,300	-	0.0%	-	-	-	-	0.0%
327.00	Environment and Conservation	85,822,000	-	0.0%	-	-	-	-	0.0%
328.00	Tennessee Wildlife Resources Agency	-	-	0.0%	-	-	-	-	0.0%
329.00	Correction	146,341,400	(1,850,100)	-1.3%	-	(1,850,100)	-	(1,850,100)	-1.3%
330.00	Economic and Community Development	22,765,700	(559,300)	-2.5%	-	(559,300)	-	(559,300)	-2.5%
331.00	Education (K-12)	156,043,300	(1,000,000)	-0.6%	-	(1,000,000)	-	(1,000,000)	-0.6%
332.00	Higher Ed. State-Administered Programs	$ 29,884,600	$ (405,800)	-1.4%	$ -	$ (405,800)	$ -	$ (405,800)	-1.4%
332.10	University of Tennessee System	503,605,700	-	0.0%	-	-	-	-	0.0%
332.60	State Univ. and Comm. College System	675,048,300	-	0.0%	-	-	-	-	0.0%
	Sub-Total Higher Education	$ 1,208,538,600	$ (405,800)	0.0%	$ -	$ (405,800)	$ -	$ (405,800)	0.0%
335.00	Commerce and Insurance	7,769,300	(272,000)	-3.5%	-	(272,000)	-	(272,000)	-3.5%
336.00	Financial Institutions	-	-	0.0%	-	-	-	-	0.0%
337.00	Labor and Workforce Development	21,488,600	(313,700)	-1.5%	-	(313,700)		(313,700)	-1.5%
339.00	Mental Health & Substance Abuse Services	14,060,900	(492,100)	-3.5%	-	(492,100)	-	(492,100)	-3.5%
341.00	Military	10,953,700	(179,300)	-1.6%	-	(179,300)	-	(179,300)	-1.6%
343.00	Health	135,735,100	(2,314,900)	-1.7%	-	(2,314,900)		(2,314,900)	-1.7%
344.00	Intellectual and Developmental Disabilities	23,153,500	(142,800)	-0.6%	-	(142,800)	-	(142,800)	-0.6%
345.00	Human Services	91,606,600	(3,215,100)	-3.5%	-	(3,215,100)	-	(3,215,100)	-3.5%
347.00	Revenue	69,879,500	(1,200,000)	-1.7%	-	(1,200,000)	-	(1,200,000)	-1.7%
348.00	Tennessee Bureau of Investigation	29,015,400	-	0.0%	-	-	-	-	0.0%
349.00	Safety	134,232,400	(921,600)	-0.7%	-	(921,600)	-	(921,600)	-0.7%
350.00	Strategic Health-Care Programs	316,100	-	0.0%	(58,580,700)	(58,580,700)	-	(58,580,700)	NA
351.00	Miscellaneous Appropriations	-	-	0.0%	-	-	-	-	0.0%
359.00	Children's Services	30,318,200	(4,151,800)	-13.7%	-	(4,151,800)	-	(4,151,800)	-13.7%
	Sub-Total Executive	**$ 5,089,406,700**	**$ (34,984,000)**	**-0.7%**	**$ (58,580,700)**	**$ (93,564,700)**	**$ 287,800**	**$ (93,276,900)**	**-1.8%**
	Total Reductions - Budget File	**$ 5,376,924,954**	**$ (34,984,000)**	**-0.7%**	**$ (58,580,700)**	**$ (93,564,700)**	**$ 287,800**	**$ (93,276,900)**	**-1.7%**
	Overappropriation:								
305.00	Secretary of State	$ -	$ -	NA	$ -	$ -	$ -	$ -	NA
307.00	Comptroller of the Treasury	-	-	NA	-	-	-	-	NA
309.00	State Treasurer	-	-	NA	-	-	-	-	NA
300.00	State Agencies - Reduce	-	(3,030,300)	NA	-	(3,030,300)	-	(3,030,300)	NA
	Sub-total Overappropriation	**$ -**	**$ (3,030,300)**	**NA**	**$ -**	**$ (3,030,300)**	**$ -**	**$ (3,030,300)**	**NA**
	Total Reductions	**$ 5,376,924,954**	**$ (38,014,300)**	**-0.7%**	**$ (58,580,700)**	**$ (96,595,000)**	**$ 287,800**	**$ (96,307,200)**	**-1.8%**

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

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

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

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

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

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

Salary Policy Recommendation
Fiscal Year 2016-2017

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

TennCare Program
Non-Recurring Appropriations from the Hospital Coverage Assessment
Estimated 2015-2016 and Base 2016-2017

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

	FY 2015-2016			FY 2016-2017		
Description	**State**	**Federal**	**Total**	**State**	**Federal**	**Total**
Essential Access Hospital Payments	$ 34,965,000	$ 65,030,000	$ 99,995,000	$ 35,017,000	$ 64,983,000	$ 100,000,000
Disproportionate Share Hospital Payments	-	-	-	28,613,700	53,100,000	81,713,700
Graduate Medical Education	17,482,500	32,517,500	50,000,000	17,508,500	32,491,500	50,000,000
Critical Access Hospital Payments	3,496,500	6,503,500	10,000,000	3,501,700	6,498,300	10,000,000
Medicare Part A Reimbursement	12,430,200	23,120,200	35,550,400	12,448,700	23,101,700	35,550,400
Provider Reimbursement and Co-Pay	62,741,400	116,699,200	179,440,600	83,450,400	154,863,600	238,314,000
Hospital Reimbursement Ceiling	15,243,400	28,352,800	43,596,200	-	-	-
In-Patient Services	43,329,000	80,592,100	123,921,100	36,573,300	67,871,100	104,444,400
Lab and X-Ray Procedures	18,123,900	33,710,600	51,834,500	15,118,700	28,056,500	43,175,200
Therapies	4,851,300	9,023,300	13,874,600	6,138,800	11,392,100	17,530,900
Out-Patient Services	24,182,900	44,980,200	69,163,100	25,609,800	47,525,600	73,135,400
Office Visits	19,009,900	35,358,500	54,368,400	19,967,700	37,055,100	57,022,800
Expanded Essential Access Hospital Payments	28,329,700	52,693,300	81,023,000	-	-	-
Add'l Cost-Based Reimb. for CAH facilities	6,000,000	-	6,000,000	6,000,000	-	6,000,000
Hospital Payments - Unreimb. Costs	159,614,300	296,883,100	456,497,400	159,851,700	296,645,700	456,497,400
Total Expenditures	**$ 449,800,000**	**$ 825,464,300**	**$ 1,275,264,300**	**$ 449,800,000**	**$ 823,584,200**	**$ 1,273,384,200**

Base Appropriations Preserved by Proposed Legislation

Nursing Home Assessment Fee

Fiscal Year 2016-2017

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

	State	Federal	Total
Nursing Home Reimbursement - 31.5%	$ 107,100,000	$ 199,206,000	$ 306,306,000
Total	**$ 107,100,000**	**$ 199,206,000**	**$ 306,306,000**

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

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