



***Department of
Economic & Community
Development
Budget Hearing***

December 3, 2014



Customer-Focused Government Goals

1. Ensure that companies seeking a greenfield site in TN have a pool of potential sites that have been certified by a third party.

a) By accomplishing a target of 36 for the number of select Tennessee sites certified.

2. Provide small and medium-sized TN businesses with the knowledge required to begin exporting to new international markets.

a) By increasing the current 13 businesses that have received assistance from a TNTrade international office to 100.

3. Make TN the #1 location in the Southeast to launch and grow a company.

a) By increasing the access to capital, resources, and mentors for entrepreneurs and high growth start-ups.



Department of Economic & Community Development Successes

- All-time record for job commitments set in 2013 exceeded in Nov. 2014
 - YTD 23,465 jobs committed for 2014
 - Expected to exceed 24,000 total job commitments anticipated for 2014
- #1 state in the nation for foreign direct investment jobs committed in 2013 – IBM's 2014 Global Location Trends report, Oct. 2014
- State of the Year for Economic Development – *Business Facilities*, Jan. 2014
- Job creation record since inauguration – 211,000 private sector jobs
- Staff levels reduced by 47%
- Decentralized organizational structure – new model for economic development in U.S.



Department of Economic & Community Development Successes

- Tennessee Film, Entertainment and Music Commission folded into department in 2011
 - “Nashville” launched in 2012 and now broadcasts in 60 countries worldwide
- Rural programs
 - Select Tennessee
 - Accelerator network
 - Strengthened partnerships with the Department of Agriculture
- TNTrade export program has worked with over 150 companies to initiate the process for 292 work orders
 - Companies served include Swiftwick and Jackson Kayak
- Major projects added new companies to “Brand Tennessee,” including:





Department of Economic & Community Development Challenges

Maintaining Momentum

Pipeline was more robust than ever going into 2014

Capital Projects

Accommodating increased needs of very large projects requiring capital grants

Megasite

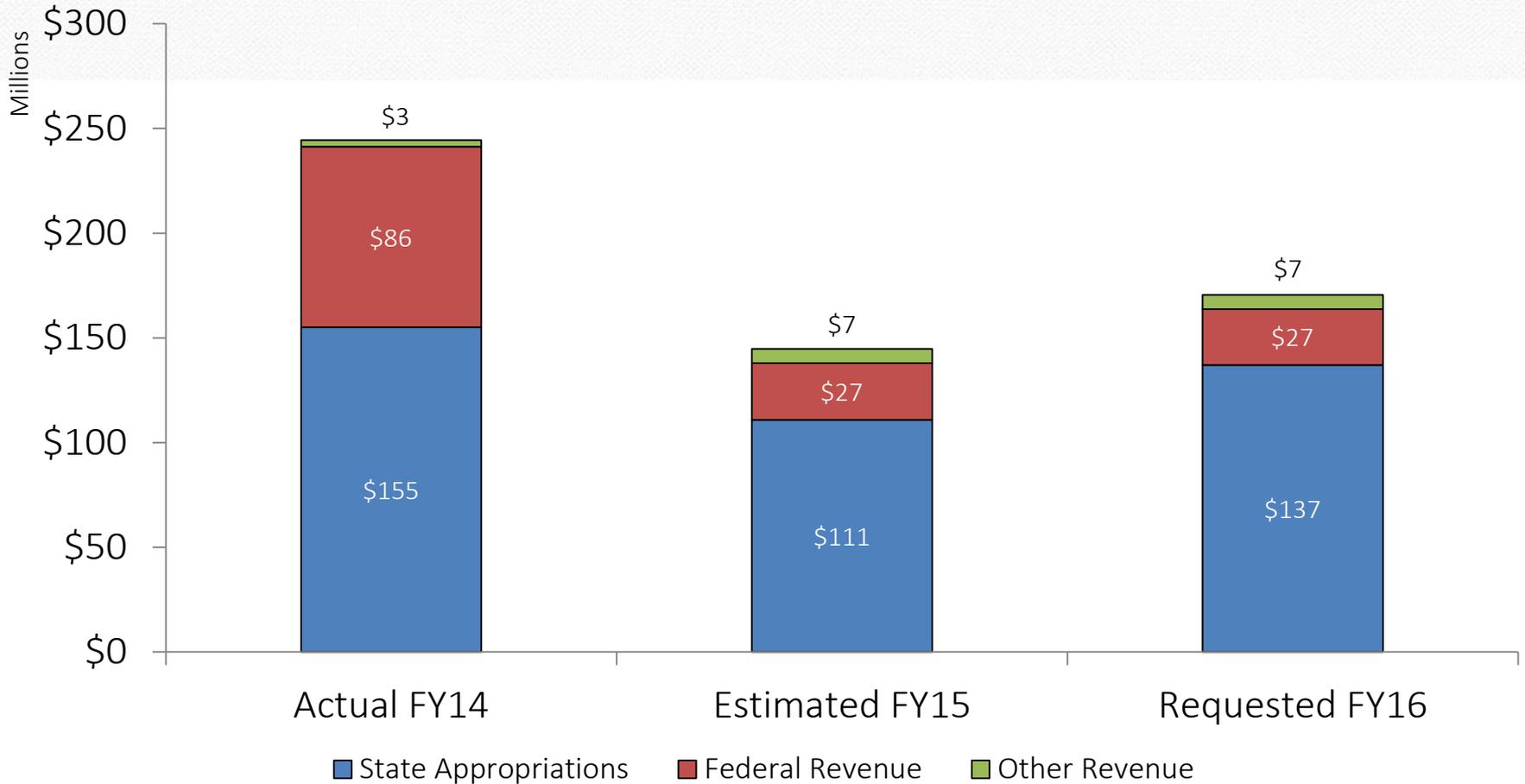
Ready to market in 2015

Non-incentive Based Programs

Continued investment in Launch TN, Export and other strategic growth programs



Revenue Sources





Proposed Reduction Plan

Priority	Category	Reduction Description	State Savings
1.	Program & Operations	Reduce the Headquarters Relocation Assistance funding to meet the reduction target due to less utilization.	\$1,269,100



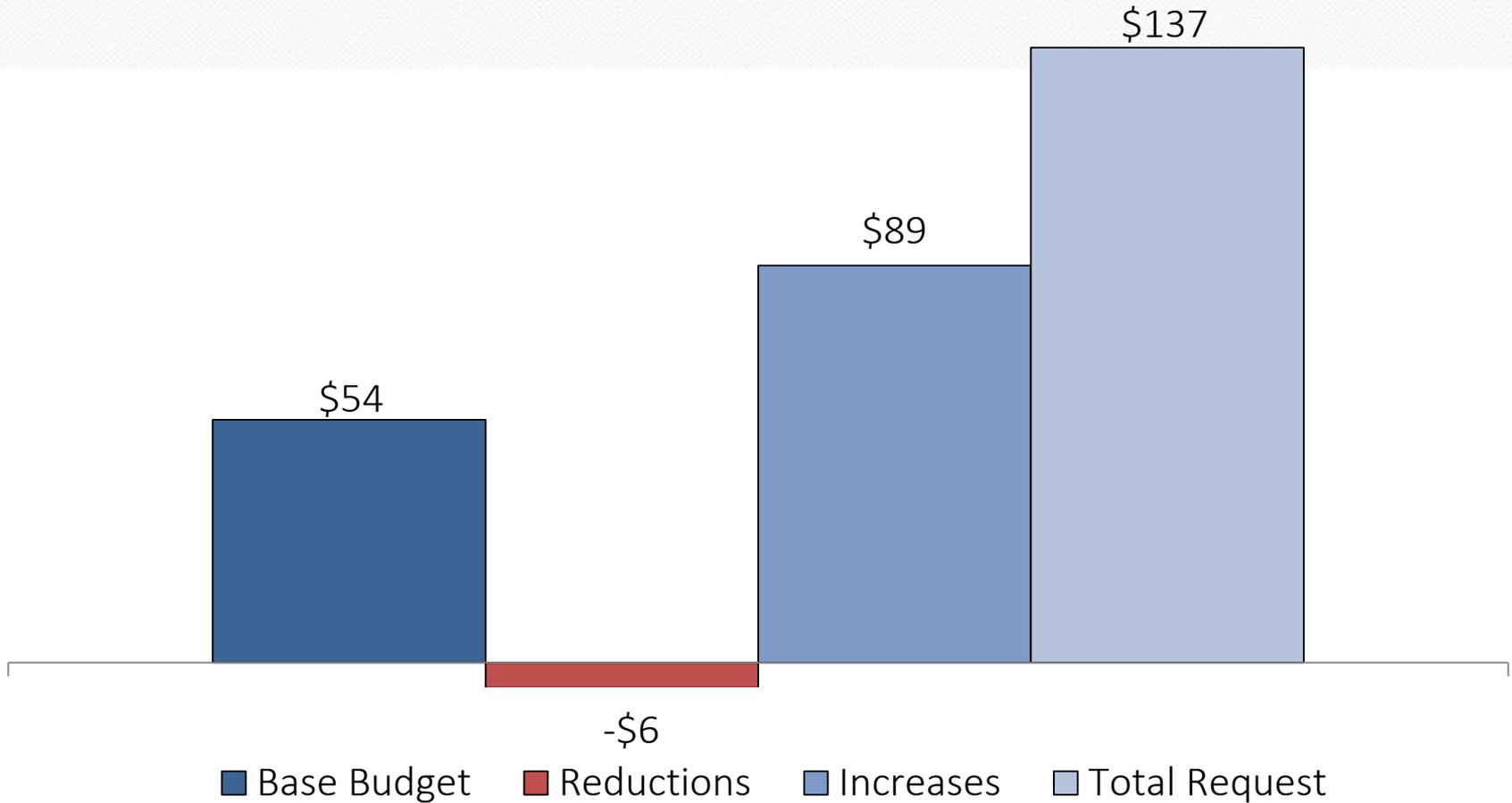
Proposed Cost Increases

	Increase	Total	State	Federal	Other	Positions
1.	Jobs4TN- FastTrack Job Development funding to reach a target of job creation of 22,000	\$79,200,000	\$79,200,000	\$0	\$0	0
2.	International Trade Program – Funding to support four foreign trade offices and three in-state export specialist to encourage local business to seek international trade markets	\$1,500,000	\$1,500,000	\$0	\$0	0
3.	Launch Tennessee- Increase funding to support nine regional accelerators to stimulate entrepreneurship	\$2,800,000	\$2,800,000	\$0	\$0	0
4.	Economic Development District Grants- Assist the nine mandated development districts which has increased due to a change in the local per capita assessment	\$30,000	\$30,000	\$0	\$0	0
5.	Business Development Project-Assist in making TN the No. 1 location for economic growth (Non-Recurring)	\$5,000,000	\$5,000,000	\$0	\$0	0
	Total Cost Increase	\$88,530,000	\$88,530,000	\$0	\$0	0
6.	Offset: To Reduce the Headquarters Relocation Assistance funding to offset the above items 2, 3, & 4.	(\$4,330,000)	(\$4,330,000)	\$0	\$0	0
	Total New Cost Increase	\$84,200,000	\$84,200,000	\$0	\$0	0



Request Summary

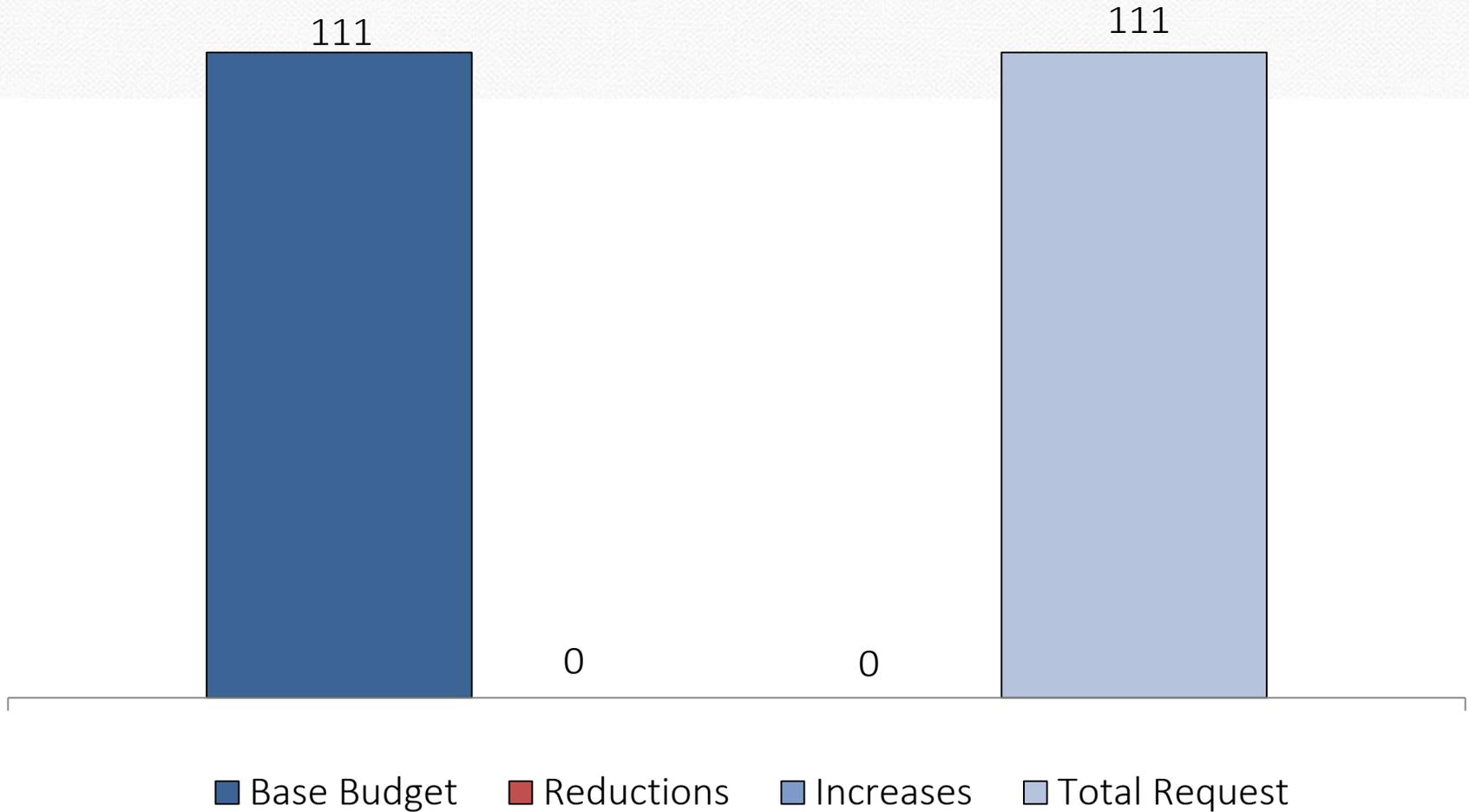
State Appropriations (in millions)



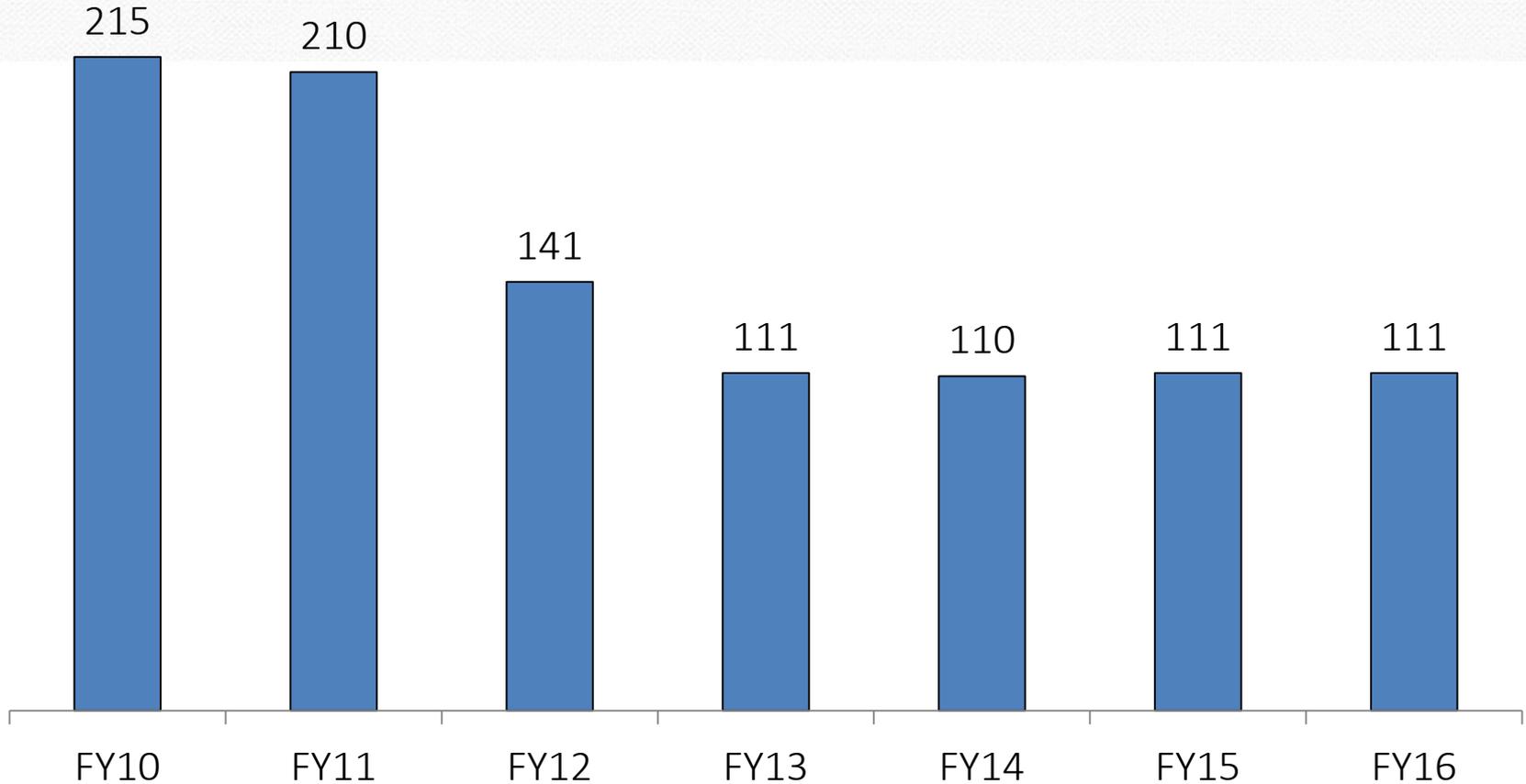


Request Summary

Authorized Positions

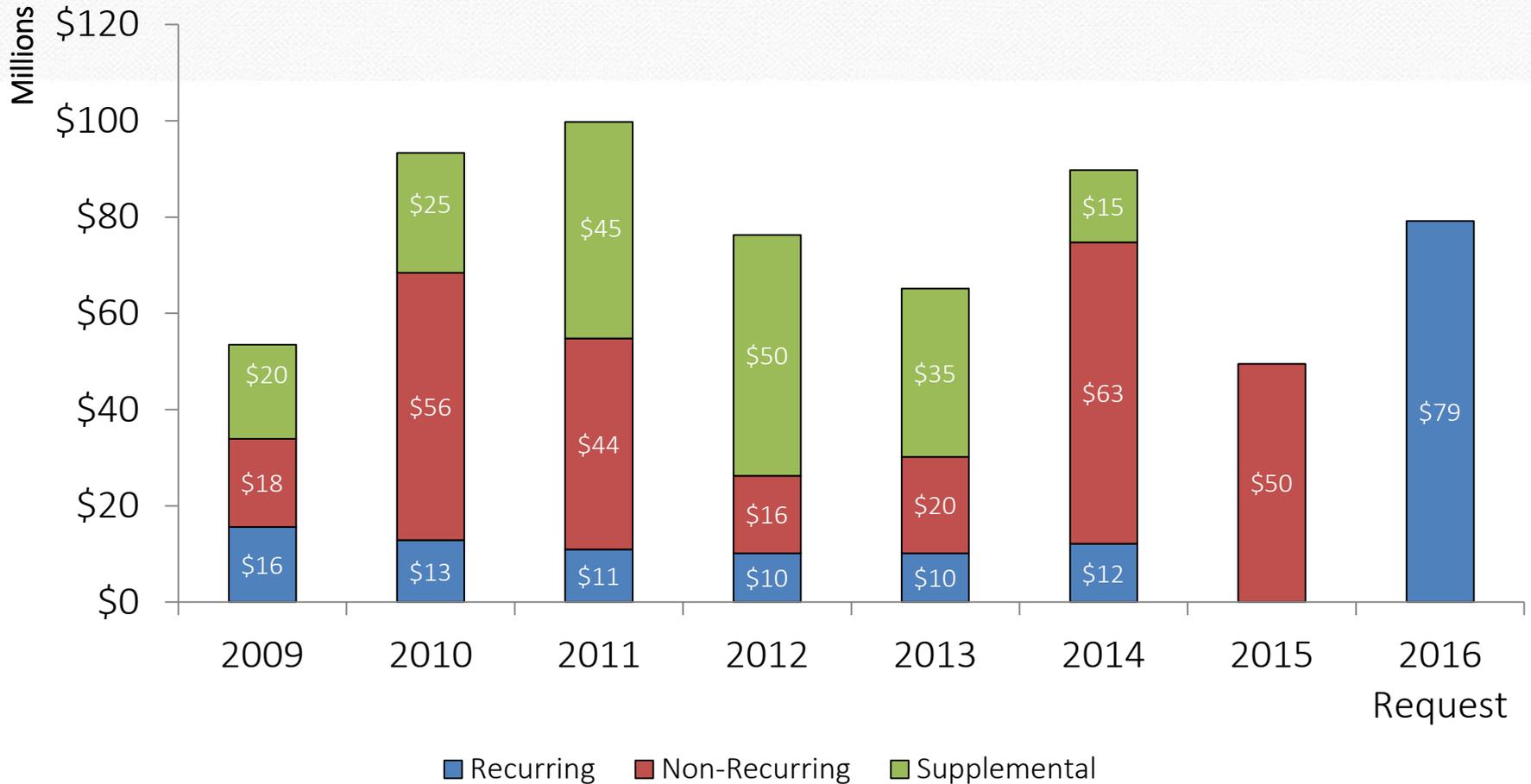


Authorized Positions





Fast Track Funding History





Fast Track Announced Job Creation by Calendar Year

