

STATE OF TENNESSEE



The Budget

FISCAL YEAR 2019-2020



Bill Lee, Governor



Bill Lee,
Governor

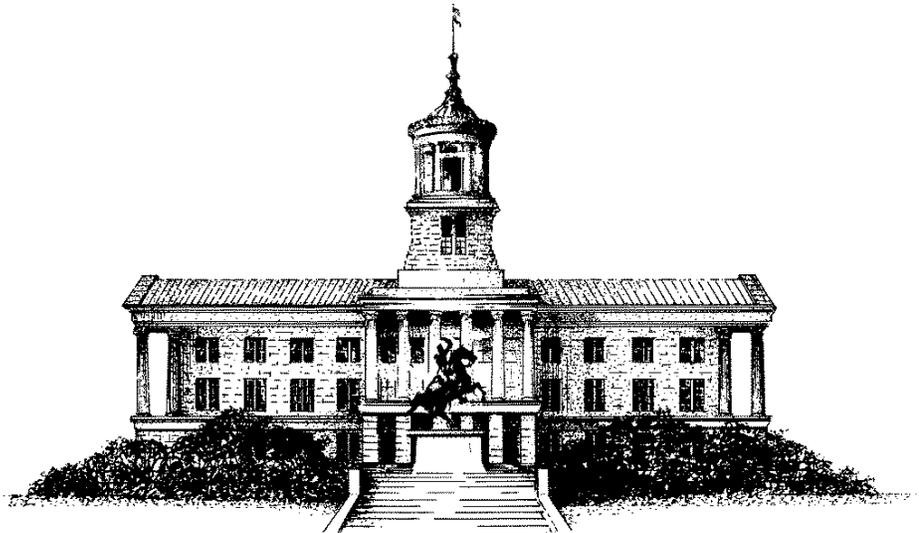


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BILL LEE
GOVERNOR
STATE OF TENNESSEE

March 4, 2019

To the members of the 111th General Assembly:

I am pleased to submit to you the fiscal year 2020 Budget for the State of Tennessee.

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.

In this budget, I am recommending important strategic investments in K-12 education, higher education, economic development, mental health and correction. Specifically, I am recommending initiatives that will improve our workforce readiness, begin reforming our criminal justice system, address the abuse of opioids, provide more services to those in need and support our struggling rural communities.

At the same time, I am recommending to raise the balance of the rainy day fund to \$1.1 billion, the highest level in the history of the state. I believe it's prudent for the state to take actions whenever possible that will better prepare for the eventual downturn of the economic business cycle.

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 blue ink that reads "Bill Lee".

Bill Lee
Governor of the State of Tennessee



**STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
STATE CAPITOL
NASHVILLE, TENNESSEE 37243-0285
Stuart C. McWhorter
COMMISSIONER**

March 4, 2019

The Honorable Bill Lee
State Capitol
600 Martin Luther King, Jr. Blvd.
Nashville, TN 37243

It is a pleasure and an honor to formally present to you your first budget. Tennessee's economy continues to demonstrate healthy growth. Remarkably, 2019 will mark the ninth consecutive year of economic recovery since the Great Recession. With that in mind, the recommended budget assumes a conservative growth rate for fiscal year 2020.

The recommended total budget is \$38.5 billion of which \$18.6 billion is state appropriations; \$13.9 billion is federal; and \$6 billion is from other departmental revenues, higher education tuition and fees, and bonds.

With this budget, strategic investments are recommended to improve education, improve our workforce readiness and support our communities. In addition, the budget will fund initiatives to assist rural communities as well as those individuals struggling with opioids and other substances.

The capital budget, totaling \$464.9 million, is heavily weighted toward the maintenance of our already owned assets in both state government and higher education. Because of a strong cash position, the budget does not propose the issuance of any long term debt to fund the recommended capital improvements. As a result, Tennessee will continue to be a low debt state.

In our effort to find efficiencies within state government, the budget recommends \$42.3 million in reductions and is detailed in Volume 2.

To strengthen our reserves, this budget recommends an additional deposit to the rainy day fund in Fiscal Year 2019 which will raise the reserve to \$875M. For Fiscal Year 2020, this budget proposes to make the largest one-time deposit in the state's history that will raise the rainy day fund balance to an all-time high of \$1.1 billion. At this amount, the reserve will now stand at 7.3 percent of the budgeted general fund revenues.

In summary, the recommended budget is balanced, assumes conservative growth rates, and makes key investments in important programs while growing reserves. I look forward to working with you on this budget and other important matters in the coming months.

Respectfully submitted,

Stuart C. McWhorter
Commissioner of Finance and Administration

Budget Highlights

Recommended Budget, Fiscal Year 2019-2020

The total recommended state budget for fiscal year 2019-2020 is \$38.6 billion, with \$18.6 billion from state appropriations; \$14 billion from federal funds; \$3.9 billion from other departmental revenues; \$1.9 billion from higher education student tuition and fees; and \$124 million in bonds. This is an increase of \$423.8 million in total funding and an increase of \$737.2 million in state funding from the revised current year 2018-2019 spending estimates. Federal revenue is decreasing by \$210.7 million, departmental revenue is decreasing by \$11.4 million, and capital and highway construction bonds are decreasing by \$91.3 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 2.35 percent compared with the actual 2017-2018 Department of Revenue collections. For fiscal year 2019-2020, before inter-fund reallocations, general fund taxes are expected to grow by \$393.1 million above the revised current-year estimate. This is a 3.21 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 2019-2020 and beyond.

Plan for Balancing

General fund supplemental appropriations in the current 2018-2019 fiscal year total \$36.1 million, \$21.9 million of which is in the Bureau of TennCare to fund increasing program costs in the Department of Children's Services. Additional programs requiring supplemental appropriations include \$2.7 million for the Clean Water and Drinking Water State Revolving Fund, \$1.7 million for the Hazardous Waste Remedial Action Fund, \$5 million in the Department of Children's Services for additional costs pertaining to an increase in the number of children in state custody, \$2.4 million to the Tennessee Bureau of Investigation to correct a revenue under collection problem, \$890,000 for state legal expenses, \$750,000 for the Electronic Monitoring Indigency Fund, \$500,000 for improvements to the water system in Pikeville, and a \$250,000 operating supplement to the Attorney General.

In fiscal year 2019-2020, the budget is balanced, with recurring revenues fully supporting recurring appropriations. This is accomplished by additional budget reductions in fiscal year 2019-2020. Base budgets in general fund programs throughout state government have been reduced by \$42.3 million in the general fund. The average general fund recurring reduction is 0.7 percent. A total of 37 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 2019-2020, federal participation in certain healthcare programs is decreasing from 65.858 percent to 65.375 percent. This creates shortfalls of \$41.4 million in state funding in TennCare, \$713,400 in CoverKids, and \$734,500 in the Department of Children's Services for foster care and adoption assistance. A total of \$42.8 million offsets the loss of federal funding in those programs.

A total of \$7.5 million in state funding is required to pay salary increases mandated by state law for certain job classifications within state government. These jobs and the state dollars necessary to fund the required increases include state judges (\$1,004,500), the attorney general (\$5,900), assistant district attorneys and criminal investigators (\$1.4 million), assistant public defenders and criminal investigators (\$744,700), public defender offices in Shelby and Davidson counties (\$187,800), assistant post-conviction defenders (\$33,000), the governor (\$6,000), trooper step increases (\$1.2 million) and border-state survey (\$1.4 million), and wildlife officer step increases (\$580,000) and border-state survey (\$804,400).

State statutes mandate that teachers at state-run schools must be compensated based on their training and experience. To fund this requirement, \$11,800 is provided to the Department of Children's Services for the Youth Development schools and \$113,800 in the Department of Education for state special schools.

K-12 Education

For K-12 education, the cost to maintain full funding of the Basic Education Program (BEP) formula, which provides an equitable state share of K-12 public education funding to Local Education Agencies (LEAs), is \$46.2 million.

To further support teachers and students, the administration recommends an appropriation of \$71.3 million in salary increases for teachers and other positions funded through the BEP formula, effective July 1, 2019. The amount of the salary increases will depend on each LEA's salary schedule and structure, but if applied across-the-board, this would be a 2.5% salary increase.

In response to an increased need for services to families with children with disabilities or developmental delays, \$3 million of recurring appropriations matches \$5 million in federal funding and 65 new positions will be added to the program.

A non-recurring \$5 million is recommended to support student services and scholastic improvement within the lowest performing 5 percent of schools.

Budget Highlights

To support professional development for educators and school leaders through the Office of Educator Licensure and Preparation (OLEP) program, two positions and \$227,000 recurring funding are recommended. A non-recurring investment of \$500,000 is recommended to support professional development of rural principals and expansion of the Rural Principal Network. 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 Governor's Civics Initiative to recognize public schools and districts implementing high-quality civic education programs that result in readiness for college, career, and life is funded with \$500,000 non-recurring.

To strengthen and promote student choice, \$12 million non-recurring is recommended for the Charter Schools Facilities fund to assist public charter schools in acquiring and improving property. Education Savings Accounts are funded with a recurring \$25.3 million appropriation and non-recurring of \$200,000 for program set-up and management.

An additional \$30 million is provided to the Local Education Agencies for school safety grants. Of that amount, \$20 million is non-recurring.

Also in the Department of Education's budget recommendation is \$2.8 million recurring for the ACT Senior Retake Opportunity,

The total amount of new funding requested for K-12 education is \$211.1 million.

New Workforce Development Initiatives

The administration recommends several new initiatives that will increase career options available to children and adults and provide the skills needed for meaningful, gainful employment.

The Governor's Investment in Vocational Education (GIVE) is funded in the Tennessee Higher Education Commission's (THEC's) budget recommendation with \$25 million in non-recurring funds for grants to community partnerships of K-12, higher education institutions, and local industry. The initiative aims to eliminate skills gaps in a proactive, data-driven, and coordinated manner by encouraging collaboration across education and industry. A recurring appropriation of \$4 million from lottery funds will be used for dual enrollment courses for trade and technical programs for high school juniors and seniors. The Supporting Postsecondary Access in Rural Communities (SPARC) initiative is funded with \$2 million non-recurring. The appropriation will be used to provide career and technical education (CTE) equipment and instruction in rural distressed counties.

The Governor's Future Workforce Initiative will provide technical assistance to school districts and establish new training and professional development resources for educators and instructors. An appropriation of \$1.1 million in the recommendation for the Department of Education will be used to expand science, technology, engineering, and math (STEM) programs statewide. The expansion will include additional computer science courses and standards training, STEM-

Budget Highlights

focused professional development and micro-credentialing, direct support to LEAs pursuing a STEM designation, and a grant to the Tennessee STEM Innovation Network (TSIN). This appropriation includes \$150,000 recurring and \$950,000 in non-recurring funds. Education funding of \$900,000 recurring and \$1.6 million non-recurring is recommended to build new capacity for Early Postsecondary Opportunities (EPSO) in high schools and to expand the reach of STEM dual credit, college level, and advanced placement courses statewide. Assistance will include exam fee support and a student aptitude and career development assessment pilot program. Also under the Future Workforce Initiative is a recommendation of \$750,000 non-recurring funds for CTE start-up grants in middle schools, including \$500,000 for STEM and \$250,000 for non-STEM.

Funding of \$1.6 million and one position in the Department of Education is recommended to create and administer an Occupational License Teacher Loan Forgiveness program. This new initiative will focus on recruitment and retention of occupational licensed teachers and will include loan forgiveness and technical assistance for district-led education preparation programs. The appropriation consists of \$1.5 million non-recurring and \$100,000 recurring funds.

In the Department of Agriculture's request, \$600,000 recurring is recommended for the Future Farmers of America and the 4-H Foundation.

Higher Education

A general fund recurring recommendation of \$56 million funds increased operational costs in the University of Tennessee system (\$16.5 million), Locally Governed Institutions (\$21.8 million), and the Board of Regents (\$17.8 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 2.0 percent salary pool for employees working in non-formula units of higher education is funded with \$8.5 million.

Recurring funding of \$12.3 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 6,900 students, bringing the total number of students with assistance to 63,900.

Security upgrades at various campuses are funded with \$10 million for the University of Tennessee and \$2 million for the Board of Regents, both non-recurring.

Tennessee State University will receive \$2 million non-recurring to support retention of highly qualified students from underserved populations and \$1.1 million recurring to expand capacity into new food and agricultural research areas.

The total amount of new funding requested for higher education is \$130.7 million.

Health and Mental Health Services for Under-Served Populations

The state's behavioral health safety net is expanded with \$5 million recurring funding in the Department of Mental Health and Substance Abuse Services that will provide services to an additional 7,000 uninsured adults with a serious mental illness. Increased operational costs at the state's four regional mental health institutes are funded with \$6.2 million recurring.

A new Creating Homes Initiative (CHI) that will provide regional housing facilitators and additional seed money for recovery housing for those living with substance use disorder is funded with \$3 million recurring. The program will be administered by Mental Health and Substance Abuse Services.

In an effort to reduce the number of suicides in the state, \$625,000 recurring will be used to expand the Tennessee Suicide Prevention Network (TSPN) and \$500,000 recurring will be used to expand and enhance suicide prevention and mental health awareness and promotion activities. These funds will also be appropriated to the Department of Mental Health and Substance Abuse Services.

To increase the number of primary care providers in underserved rural areas of the state, a recurring appropriation of \$3 million is recommended to match \$5.7 million federal for the Graduate Medical Education (GME) program in the Bureau of TennCare. GME provides financial assistance to students in medical school who agree to work in medically underserved areas.

Health services offered by faith-based providers and federally qualified health centers are enhanced with an appropriation of \$2 million recurring to the Department of Health.

In the Department of Economic & Community Development, \$1 million in non-recurring funds is recommended to support rural hospital interventions pursuant to the Rural Hospital Transformation Act. These funds will be used to help support rural hospitals in assessing viability and identifying new delivery models, strategic partnerships, and operational changes that enable the continuation of needed healthcare services in rural communities.

An additional 300 enrollees will participate in the Employment and Community First (ECF) program with a recurring appropriation of \$9.3 million that will be used to match \$17.5 million of federal funding.

New and Enhanced Opioid Initiatives

In response to the state's opioid crisis, the administration recommends an appropriation of \$25.3 million for treatment, education, and law enforcement initiatives. The Department of Mental Health and Substance Abuse Services will receive \$1 million recurring to expand a pilot program that supplies recovery courts with injectable pharmaceuticals that effectively treat opioid dependence; \$3 million recurring for the Creating Homes Initiative that will provide regional

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housing facilitators and additional seed money for recovery housing for those living with substance use disorder; \$1.5 million recurring and \$500,000 non-recurring for a new Women's Residential Recovery Court; \$1.7 million recurring to expand recovery courts across the state; \$1 million recurring to increase contracts for criminal justice liaisons and to serve additional counties; and \$600,000 recurring to fund six additional Tennessee Recovery Oriented Compliance Strategy (TN-ROCS) court-initiated diversion programs.

In the Department of Health, recommendations include \$1 million recurring for Federally Qualified Health Centers (FQHCs) and \$1 million recurring for faith-based clinics.

In the Department of Children's Services, \$5 million recurring is recommended to serve additional children coming into state custody for treatment and \$500,000 recurring will fund up to five additional Safe Baby Courts that provide services to drug-exposed children and their families.

To fund law enforcement expenditures that are part of this initiative, \$1 million recurring is recommended for the Department of Correction to adjust the penalty schedule for fentanyl and its derivatives to align them with those for heroin. An additional \$500,000 recurring for the Tennessee Bureau of Investigation is requested to fund the Overdose Death and Violent Crime task forces.

In the Departments of Education, TennCare, and Children's Services, a total of \$6.7 million recurring is recommended to account for additional children served by the Tennessee Early Intervention Services Program.

Health and Social Services

An additional \$59.9 million in recurring state funding is recommended for the TennCare program to offset increased costs due to a 2.1 percent medical inflation and utilization rate increase. The continued development of a new Medicaid eligibility system is funded with \$7.2 million and \$7.6 million is recommended to modernize the Medicaid management information system. An appropriation of \$1.7 million funds the third year of the medication therapy management pilot program.

TennCare general fund cost increases total \$165 million and are matched with \$255 million in federal funds and \$5.6 million in other funding for a total of \$425.7 million in new funding for the program.

The Pre-Arrest Diversion program in the Department of Mental Health is funded with \$1.5 million non-recurring. This program re-directs non-violent individuals from the criminal justice system to community-based treatments and supports in underserved counties.

An appropriation of \$15 million recurring to the Department of Children's Services is recommended to continue the same level of services to an increased number of children in state custody. The federal waiver program for Title IV-E requirements is ending, and that will require

Budget Highlights

the state to replace federal funds. Recurring funds of \$5 million are recommended for an increasing number of children in custody receiving treatment and recurring appropriations of \$1.6 million are recommended to provide support to an increasing number of children adopted in the state.

The total amount of new funding requested for health and social services is \$217.8 million.

New Investments in Criminal Justice Reform

To support the men and women working in criminal justice and to successfully re-introduce incarcerated individuals into society, the administration recommends new investments in several criminal justice areas.

A recurring appropriation of \$15.6 million is recommended in the Department of Correction to increase the starting salaries of correctional officers. The salary increase is aimed at reducing the extremely high turnover rate of these positions. An additional 40 probation and parole officers and managers in Correction are funded with a recurring appropriation of \$2,170,500 and non-recurring of \$250,000. These new positions reduce current caseload levels and bring supervision standards in-line with industry best practices.

A new Correctional Education Investment initiative is funded with an appropriation of \$3.6 million. This is the first year of a three-year initiative to expand adult basic education and, in partnership with THEC, to introduce new higher education programming and re-entry navigators in state correctional facilities. The goal of the program is to expand educational opportunities for incarcerated individuals and reduce recidivism by better preparing inmates for jobs outside of the correctional facilities. In the Department of Correction, recurring funds of \$150,000 are requested for two positions to administer the program and non-recurring of \$1.4 million to be used for equipment. Also in Correction, \$250,000 non-recurring is recommended for programs and services that provide access to on-site, degree-bearing higher education opportunities. THEC's budget request includes \$1.4 million for the Correctional Education Investment Initiative. Of that amount, \$426,000 recurring is for six re-entry navigator positions and \$975,000 non-recurring will be used for equipment. The Board of Regents recommendation includes six TCAT positions and \$426,000 recurring for this initiative.

In response to the increased demand for services that support justice-involved women and their families, the administration recommends additional investments in the following programs: The Department of Mental Health and Substance Abuse Services will establish and manage a women's statewide residential recovery court with an appropriation of \$2 million, of which \$500,000 is non-recurring. Recurring funding of \$285,000 for a judge and a legal secretary is included in the recommendation for the Administrative Office of the Courts. Up to five additional Safe Baby Courts are funded with \$500,000 recurring in the Department of Children's Services.

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To support judicial efforts to reduce the pre-trial incarceration of low-risk offenders, \$1 million in non-recurring funds are recommended for the Office of Criminal Justice Programs in the Department of Finance & Administration to support new pilot programs in pre-trial services and risk assessment. A non-recurring appropriation of \$1.5 million is recommended for the Electronic Monitoring Indigency Fund administered by the Treasury Department. The additional funds are for alternatives to pre-trial incarceration such as ignition interlock devices, transdermal patches, and other alcohol and drug monitoring devices for low-income individuals.

Safe Communities

In the Department of Correction, an inflator in a contract providing medical services to inmates is funded with a recurring recommendation of \$5.6 million. Increased pharmaceutical costs are funded with \$5.4 million recurring. Cost increases in contracts with non-state service providers are funded with \$3.5 million recurring. These contract increases include Trousdale County Incarceration Agreement (\$1.4 million), Hardeman County Agreement–Whiteville (\$875,800), South Central Correctional Facility (\$691,100), and the Hardeman County Incarceration Agreement (\$492,400). Recurring funding of \$2 million is recommended for updated Hepatitis C treatment standards.

A Federal Communications Commission (FCC) requirement to operate all radios on a 6.25 KHz digital bandwidth is funded with a recurring appropriation of \$1.6 million in the Department of Safety for maintenance and security upgrades.

The total amount of new funding requested for safe communities is \$52.1 million.

Rural Initiatives

The third year of the Broadband Initiative, an effort to increase broadband accessibility through grants and tax credits, is funded with \$20 million non-recurring. Grants and services to assist rural communities and distressed counties are funded with \$13.5 million non-recurring. This amount includes \$10.5 million for the Rural Development Fund for help with site development, community asset improvements, marketing, strategic planning, downtown revitalization, and technical assistance. 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 \$3 million non-recurring.

Business and Economic Development

A non-recurring appropriation of \$75 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

Budget Highlights

base. This appropriation is necessary to recruit new businesses and support workforce training, marketing, and education.

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 \$1.5 million, of which \$1.2 million is non-recurring.

The fifth year of a five-year commitment to fund advanced manufacturing research at Oak Ridge is funded with a non-recurring grant of \$3 million

Funding of \$500,000 recurring and \$500,000 non-recurring is recommended for the Department of Agriculture's rural development grants to rural communities and distressed counties.

The seventh 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, a new Tennessee Office of Rural Initiatives that will assist distressed and at-risk counties with marketing, grants, and educational outreach is funded with \$524,800 recurring and four positions.

The total amount of new funding requested for Business and Economic Development is \$122.6 million.

Resources and Regulation

In the Department of Environment & Conservation, \$2 million non-recurring is recommended for the Hazardous Waste Remedial Action Fund for remediation of National Priority and superfund sites.

In the Department of Commerce & Insurance, \$2.9 million recurring is recommended to increase the local law officer pay supplements and \$1.4 million recurring to increase local firefighter pay supplements. Both supplements will increase from \$600 to \$800.

The total amount of new funding requested for Resources and Regulation is \$7.9 million.

Pay for Performance and Employee Benefits

To continue implementing Pay for Performance in executive branch agencies, an appropriation of \$14.4 million is recommended. This amount is the equivalent of a 2 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, 2019, and the resulting salary increases will be effective on January 1, 2020. The six-month cost of these performance-based increases will be \$14.4 million in fiscal year

Budget Highlights

2019-2020 and the annualized cost will be \$28.8 million. Recurring funding for salary market adjustments is recommended at \$18.5 million.

Salary increases for state employees not covered by the Tennessee Excellence, Accountability, and Management (TEAM) Act will be funded with an appropriation of \$6.7 million, which is the equivalent of a 2 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, 2019.

Changes to state employee benefits including retirement and other post-employment benefit (OPEB) liabilities are funded with a recommendation of \$20 million recurring for retirement and \$12 million recurring for OPEB.

Information Technology

The Microsoft Corporation is requiring all users of Microsoft Office to pay for the software on an annual basis instead of a one-time purchase price. To pay for this new billing methodology, \$2.7 million is appropriated and that appropriation will generate enough federal and other revenue to pay the annual cost of \$5 million.

The Department of Revenue requests \$11.1 million non-recurring and 11 temporary positions for a new revenue and tax collection computer system. The new system is a commercial off-the-shelf product called GenTax that has already been implemented in 20 states. It will replace the existing COBOL-based Revenue Integrated Tax System (RITS), which was implemented over 20 years ago. The new system will enhance customer service, increase productivity and efficiency, and offer opportunities to increase revenue collections.

Capital Outlay

Capital outlay in fiscal year 2019-2020 totals \$417 million, including \$313.1 million in non-recurring current funds and \$103.9 million from federal and other sources. An appropriation of \$40.5 million is recommended for statewide capital maintenance, including \$7.1 million for general government, \$720,000 for the Board of Regents, \$1.4 million for the University of Tennessee, and \$31.3 million for Locally Governed Higher Education Institutions. Sentencing Act funds are the source of \$24.6 million for capital maintenance in the Department of Correction.

The Facilities Revolving Fund (FRF) capital budget provides an additional \$48 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 \$800 million on June 30, 2018, and is estimated to be \$875 million on June 30, 2019 including an additional deposit of \$14 million. A recommended deposit to the fund of \$225 million in fiscal year 2018-2019 will have the total revenue fluctuation reserve at \$1.1 billion on June 30, 2020. At the end of fiscal year 2019-2020, the Rainy Day Fund will be at record level (\$1.1 billion) after the largest single deposit (\$225 million) in the history of the fund with that deposit also being the largest percent (7.3) of revenues.

The TennCare reserve consists of prior-year unspent funds appropriated to the TennCare program. The unobligated reserve, as of June 30, 2018, is \$311.3 million and it is expected to be \$311.3 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,

The Budget Document

and certain programs affecting indigent or low-income persons.

There are two charts that provide the total fund balance available, indicating the appropriation requirements and the general fund and education fund revenues and reserves available to meet that need: "General Fund and Education Fund, Comparison of Appropriation Requirements and State Revenues" for the current year, and next (or recommended budget) year. The two charts show how the budget is balanced against general fund and education fund tax revenues for the two fiscal years. Because of its dedicated funding sources, the Department of Transportation's appropriation requirements and revenue sources are stated on a separate chart.

All agencies and departments are included in the summary comparison schedules by program and funding source.

Other schedules provide detail on the supplemental appropriations required to maintain programs in the current fiscal year, the Constitutional spending limitation requirement, a summary of personnel and funding for all state agencies and higher education institutions, and Tennessee characteristics, which include demographic and other information on the state.

Charts in the overview summarize base budget reductions and base budget adjustments (increases). The charts reflect changes from the current-year work program recurring state appropriations.

The overview also includes charts summarizing the lottery for education revenue estimates, program requirements funded from the lottery revenue, and lottery reserve fund balances.

The section entitled "State Tax Revenues" presents state tax revenue estimates for the ensuing fiscal year, compared with actual collections for the previous year and the revised estimate for the current year. This section explains the various sources of revenue, by collecting

agency, and the statutory apportionment among the various funds: the general fund, education fund, highway fund, sinking (or debt service) fund, and cities and counties fund.

Included in the "Financial Statements" section are the comparative balance sheets for the general fund, education fund, and highway fund.

This section is followed by the expenditures and requirements of the debt service fund for the previous, current, and subsequent fiscal years. A debt service fund comparative balance sheet also is included.

The status of the various authorized and unissued bonds is given in a schedule of bonds and appropriations made for capital purposes in lieu of bond issuance. The statement of bonded indebtedness presents the retirement schedule for the state's bonded debt. The cost of outstanding bonds is reflected as principal and interest.

The proposed capital outlay for the ensuing fiscal year is included within the "Capital Outlay and Facilities Program" section. Specific projects are shown for each department impacted, along with capital maintenance. Whether from current funds of the general fund, the sale of general obligation bonds, or from other sources, the proposed funding for each project is indicated.

All of the summary charts and program statements in this budget document include appropriations from all state sources, both general taxes and dedicated taxes and fees.

The major portion of the Budget Document is "Program Statements by Functional Area." For presentation in the Budget Document, departments and agencies with related missions, programs, goals, and objectives are grouped, resulting in six functional areas. This enables legislators, policy-makers, and citizens to have a better concept of the magnitude and costs of services provided through the various functional areas of state government.

The Budget Document

At the beginning of each functional 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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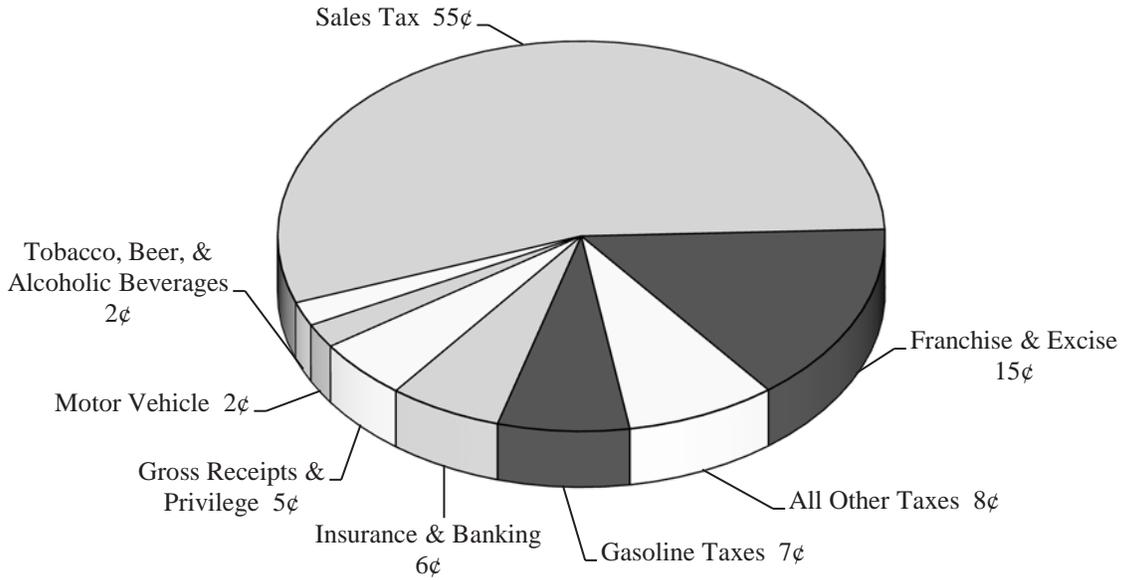
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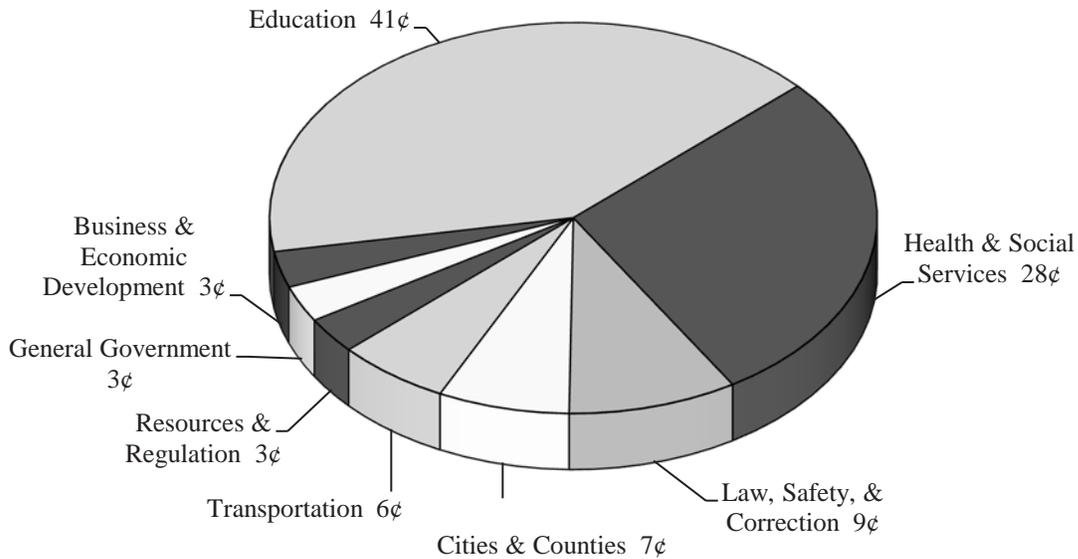
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Total State Budget Fiscal Year 2019-2020

Where Your State Tax Dollar Comes From

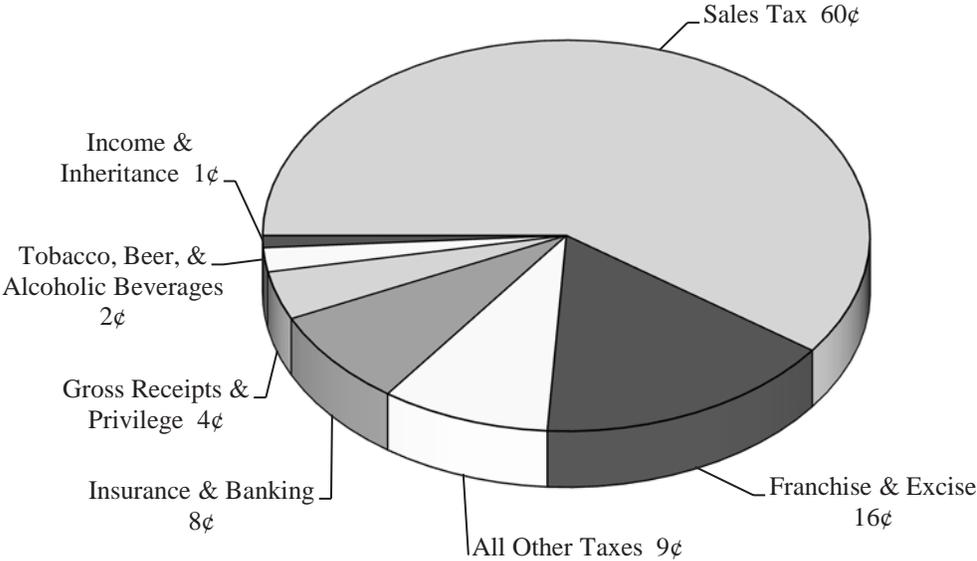


Where Your State Tax Dollar Goes

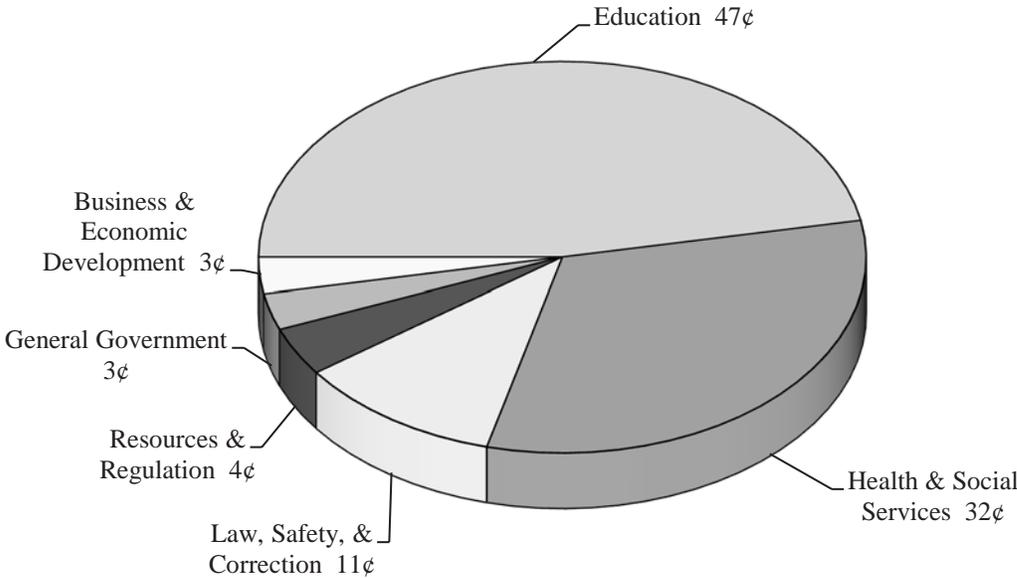


General Fund Budget Fiscal Year 2019-2020

Where Your State Tax Dollar Comes From



Where Your State Tax Dollar Goes



Total State Budget
Comparison of Programs and Revenue Sources
Fiscal Years 2017-2018, 2018-2019, and 2019-2020

	Actual 2017-2018	Estimated 2018-2019	Recommended 2019-2020	Act. vs. Est. Difference	Est. vs. Rec. Difference
I. PROGRAMS					
ALL PROGRAMS	\$ 34,962,072,800	\$ 38,129,039,100	\$ 38,552,831,200	\$ 3,166,966,300	\$ 423,792,100
General Fund ¹	30,887,002,500	33,742,878,300	34,049,729,400	2,855,875,800	306,851,100
Department of Transportation	1,910,830,800	2,242,390,700	2,295,152,500	331,559,900	52,761,800
Debt Service Requirements	370,228,800	356,675,000	338,855,000	(13,553,800)	(17,820,000)
Capital Outlay Program	339,789,000	340,618,000	417,020,100	829,000	76,402,100
Facilities Revolving Fund	271,302,000	226,877,100	200,874,200	(44,424,900)	(26,002,900)
Cities & Counties - State Shared Taxes	1,182,919,700	1,219,600,000	1,251,200,000	36,680,300	31,600,000
II. REVENUE SOURCES					
APPROPRIATION	\$ 16,751,095,100	\$ 17,905,687,500	\$ 18,642,908,200	\$ 1,154,592,400	\$ 737,220,700
General Fund ¹	13,827,840,800	15,130,160,900	15,651,891,500	1,302,320,100	521,730,600
Department of Transportation	961,501,600 ²	992,738,000	1,049,809,300	31,236,400	57,071,300
Debt Service Requirements	370,228,800	356,675,000	338,855,000	(13,553,800)	(17,820,000)
Capital Outlay Program	274,786,000 ²	190,178,000	313,096,800	(84,608,000)	122,918,800
Facilities Revolving Fund	133,818,200	16,335,600	38,055,600	(117,482,600)	21,720,000
Cities & Counties - State Shared Taxes	1,182,919,700	1,219,600,000	1,251,200,000	36,680,300	31,600,000
BONDS	\$ 0	\$ 215,295,000	\$ 124,000,000	\$ 215,295,000	\$ (91,295,000)
Department of Transportation	0	127,000,000	124,000,000	127,000,000	(3,000,000)
Capital Outlay Program	0	30,708,000	0	30,708,000	(30,708,000)
Facilities Revolving Fund	0	57,587,000	0	57,587,000	(57,587,000)
FEDERAL	\$ 12,614,913,200	\$ 14,164,781,000	\$ 13,954,065,000	\$ 1,549,867,800	\$ (210,716,000)
General Fund	11,698,221,300	13,075,807,300	12,876,632,900	1,377,586,000	(199,174,400)
Department of Transportation	912,631,900	1,084,568,700	1,074,169,600	171,936,800	(10,399,100)
Capital Outlay Program	4,060,000	4,405,000	3,262,500	345,000	(1,142,500)
CURRENT SERVICES & OTHER	\$ 5,596,064,500	\$ 5,843,275,600	\$ 5,831,858,000	\$ 247,211,100	\$ (11,417,600)
General Fund ³	5,360,940,400	5,536,910,100	5,521,205,000	175,969,700	(15,705,100)
Department of Transportation	36,697,300	38,084,000	47,173,600	1,386,700	9,089,600
Capital Outlay Program	60,943,000	115,327,000	100,660,800	54,384,000	(14,666,200)
Facilities Revolving Fund	137,483,800 ⁴	152,954,500	162,818,600	15,470,700	9,864,100
TOTAL STATE BUDGET	\$ 34,962,072,800	\$ 38,129,039,100	\$ 38,552,831,200	\$ 3,166,966,300	\$ 423,792,100

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 2017-2018, 2018-2019, and 2019-2020**

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Recommended 2019-2020</u>	<u>Act. vs. Est. Difference</u>	<u>Est. vs. Rec. Difference</u>
I. GENERAL FUND ¹	\$ 30,887,002,500	\$ 33,742,878,300	\$ 34,049,729,400	\$ 2,855,875,800	\$ 306,851,100
Appropriation	13,827,840,800	15,130,160,900	15,651,891,500	1,302,320,100	521,730,600
Federal	11,698,221,300	13,075,807,300	12,876,632,900	1,377,586,000	(199,174,400)
Current Services & Other Revenue ²	5,360,940,400	5,536,910,100	5,521,205,000	175,969,700	(15,705,100)
II. DEPARTMENT OF TRANSPORTATION	\$ 1,910,830,800	\$ 2,242,390,700	\$ 2,295,152,500	\$ 331,559,900	\$ 52,761,800
Appropriation	961,501,600 ³	992,738,000	1,049,809,300	31,236,400	57,071,300
Federal	912,631,900	1,084,568,700	1,074,169,600	171,936,800	(10,399,100)
Current Services & Other Revenue	36,697,300	38,084,000	47,173,600	1,386,700	9,089,600
Bonds	0	127,000,000	124,000,000	127,000,000	(3,000,000)
III. DEBT SERVICE REQUIREMENTS	\$ 370,228,800	\$ 356,675,000	\$ 338,855,000	\$ (13,553,800)	\$ (17,820,000)
Appropriation	370,228,800	356,675,000	338,855,000	(13,553,800)	(17,820,000)
IV. CAPITAL OUTLAY PROGRAM	\$ 339,789,000	\$ 340,618,000	\$ 417,020,100	\$ 829,000	\$ 76,402,100
Appropriation	274,786,000 ³	190,178,000	313,096,800	(84,608,000)	122,918,800
Federal	4,060,000	4,405,000	3,262,500	345,000	(1,142,500)
Current Services & Other Revenue	60,943,000	115,327,000	100,660,800	54,384,000	(14,666,200)
Bonds	0	30,708,000	0	30,708,000	(30,708,000)
V. FACILITIES REVOLVING FUND	\$ 271,302,000	\$ 226,877,100	\$ 200,874,200	\$ (44,424,900)	\$ (26,002,900)
Appropriation	133,818,200	16,335,600	38,055,600	(117,482,600)	21,720,000
Current Services & Other Revenue	137,483,800 ⁴	152,954,500	162,818,600	15,470,700	9,864,100
Bonds	0	57,587,000	0	57,587,000	(57,587,000)
VI. CITIES & COUNTIES - STATE SHARED TAXES	\$ 1,182,919,700	\$ 1,219,600,000	\$ 1,251,200,000	\$ 36,680,300	\$ 31,600,000
Appropriation	1,182,919,700	1,219,600,000	1,251,200,000	36,680,300	31,600,000
VII. TOTAL STATE BUDGET	\$ 34,962,072,800	\$ 38,129,039,100	\$ 38,552,831,200	\$ 3,166,966,300	\$ 423,792,100
Appropriation	16,751,095,100	17,905,687,500	18,642,908,200	1,154,592,400	737,220,700
Federal	12,614,913,200	14,164,781,000	13,954,065,000	1,549,867,800	(210,716,000)
Current Services & Other Revenue ²	5,596,064,500	5,843,275,600	5,831,858,000	247,211,100	(11,417,600)
Bonds	0	215,295,000	124,000,000	215,295,000	(91,295,000)

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 2018-2019**

	<u>TOTAL</u>	<u>RECURRING</u>	<u>NON-RECURRING</u>
I. APPROPRIATION REQUIREMENTS			
General Fund Programs:			
2018 Appropriation Act - Work Program	\$ 14,981,760,950	\$ 14,148,235,100	\$ 833,525,850
2018 Appropriation Act - Dedicated Funds	42,109,800	37,250,000	4,859,800
2019 Supplemental Appropriations - General Fund	36,099,100	0	36,099,100
Rounding Adjustment	(50)	0	(50)
Total General Fund Requirements	\$ 15,059,969,800	\$ 14,185,485,100	\$ 874,484,700
Less: Overappropriation	(76,808,500)	(76,808,500)	0
Net General Fund Requirements	\$ 14,983,161,300	\$ 14,108,676,600	\$ 874,484,700
Other Programs:			
Capital Outlay Program	\$ 260,369,100	\$ 70,191,100	\$ 190,178,000
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	\$ 281,412,600	\$ 87,964,600	\$ 193,448,000
Total Appropriation Requirements	\$ 15,264,573,900	\$ 14,196,641,200	\$ 1,067,932,700
II. GENERAL FUND REVENUES AND RESERVES			
State Tax Revenue - Department of Revenue	\$ 12,243,800,000	\$ 12,128,100,000	\$ 115,700,000
State Tax Revenue - Department of Revenue - 2017 Legislation	(5,000,000)	0	(5,000,000)
State Tax Revenue - Other State Revenue	2,133,900,000	1,467,978,000	665,922,000
Miscellaneous Revenue	55,500,000	55,061,000	439,000
Tobacco MSA Revenue	160,600,000	160,600,000	0
Lottery for Education Account	389,700,000	389,700,000	0
Transfers, Reserves, and Other Available Funds:			
Highway Fund Transfer - Gas Inspection Act	\$ 1,100,000	\$ 1,100,000	\$ 0
Reserve for 2018-2019 Appropriations	529,796,700	0	529,796,700
Transfer to Rainy Day Fund	(75,000,000)	0	(75,000,000)
Transfer to Highway Fund - ORNL Highway Signage	(500,000)	0	(500,000)
Transfer to Highway Fund - Aeronautics Development Fund	(20,000,000)	0	(20,000,000)
Debt Service Fund Transfer at June 30, 2019	45,200,000	0	45,200,000
Unappropriated Budget Surplus at June 30, 2018	610,118,300	0	610,118,300
Rounding	(78,900)	(78,900)	0
Sub-Total Transfers, Reserves, and Other Available Funds	\$ 1,090,636,100	\$ 1,021,100	\$ 1,089,615,000
Total General Fund Revenues and Reserves	\$ 16,069,136,100	\$ 14,202,460,100	\$ 1,866,676,000
III. AVAILABLE FUNDS AT JUNE 30, 2019			
Available Funds	\$ 804,562,200	\$ 5,818,900	\$ 798,743,300
Total Available Funds	\$ 804,562,200	\$ 5,818,900	\$ 798,743,300
Revenue Fluctuation Reserve at June 30, 2018	\$ 800,000,000		
Revenue Fluctuation Reserve at June 30, 2019	\$ 875,000,000		

**General Fund and Education Fund
Comparison of Appropriation Requirements and State Revenues
Fiscal Year 2019-2020**

	<u>TOTAL</u>	<u>RECURRING</u>	<u>NON-RECURRING</u>
I. APPROPRIATION REQUIREMENTS			
General Fund Programs:			
Base Budget Requirements	\$ 14,148,235,100	\$ 14,148,235,100	\$ 0
Preliminary Base Budget Adjustments - Dedicated Funds	587,667,000	0	587,667,000
Sum Sufficient Appropriations - Dedicated Funds	29,098,900	23,278,900	5,820,000
Base Budget Reduction Plans - General Fund	(63,079,000)	(42,267,800)	(20,811,200)
Base Budget Reduction Plans - Dedicated Funds	(252,000)	(252,000)	0
Base Budget Recommended	\$ 14,701,670,000	\$ 14,128,994,200	\$ 572,675,800
Cost Increases - Budget Recommendations			
All Programs - General Fund	\$ 877,195,000	\$ 618,883,100	\$ 258,311,900
All Programs - Dedicated Funds	2,835,400	2,798,000	37,400
Total Cost Increases Recommended	\$ 880,030,400	\$ 621,681,100	\$ 258,349,300
Total General Fund Requirements	\$ 15,581,700,400	\$ 14,750,675,300	\$ 831,025,100
Less: Overappropriation	(76,808,500)	(76,808,500)	0
Net General Fund Requirements	\$ 15,504,891,900	\$ 14,673,866,800	\$ 831,025,100
Other Programs:			
Capital Outlay Program	\$ 383,287,900	\$ 70,191,100	\$ 313,096,800
Designated to Other Funds:			
Metro Sports Authority Debt Service	\$ 3,712,700	\$ 3,712,700	\$ 0
Dedicated Funds - Reserves	1,000,000	1,000,000	0
Sub-Total Designated to Other Funds	\$ 4,712,700	\$ 4,712,700	\$ 0
Facilities Revolving Fund:			
Facilities Revolving Fund - Operations	\$ 13,065,600	\$ 13,065,600	\$ 0
Facilities Revolving Fund - Capital Outlay	24,990,000	0	24,990,000
Sub-Total Facilities Revolving Fund	\$ 38,055,600	\$ 13,065,600	\$ 24,990,000
Total Other Programs	\$ 426,056,200	\$ 87,969,400	\$ 338,086,800
Total Appropriation Requirements	\$ 15,930,948,100	\$ 14,761,836,200	\$ 1,169,111,900
II. GENERAL FUND REVENUES AND RESERVES			
State Tax Revenue - Department of Revenue	\$ 12,654,300,000	\$ 12,657,700,000	\$ (3,400,000)
State Tax Revenue - Department of Revenue - 2019 Legislation	(13,452,400)	(13,452,400)	0
State Tax Revenue - Other State Revenue	2,106,900,000	1,513,375,600	593,524,400
Miscellaneous Revenue	54,400,000	54,400,000	0
Tobacco MSA Revenue	160,600,000	160,600,000	0
Lottery for Education Account	388,300,000	388,300,000	0
Highway Fund Transfer - Gas Inspection Act	1,100,000	1,100,000	0
Available Funds at June 30, 2019	804,562,200	0	804,562,200
Transfer to Rainy Day Fund	(225,000,000)	0	(225,000,000)
Rounding Adjustment	(35,700)	(35,700)	0
Total General Fund Revenues and Reserves	\$ 15,931,674,100	\$ 14,761,987,500	\$ 1,169,686,600
III. AVAILABLE FUNDS AT JUNE 30, 2020			
Undesignated Fund Balance	\$ 726,000	\$ 151,300	\$ 574,700
Total Available Funds	\$ 726,000	\$ 151,300	\$ 574,700
Revenue Fluctuation Reserve at June 30, 2019	\$ 875,000,000		
Revenue Fluctuation Reserve at June 30, 2020	\$ 1,100,000,000		

Department of Transportation
Comparison of Appropriations and Funding Requirements
Fiscal Years 2018-2019 and 2019-2020

	<u>2018-2019</u>	<u>2019-2020</u>	<u>Difference</u>
I. APPROPRIATION REQUIREMENTS			
ADMINISTRATION	\$ 92,536,400	\$ 101,304,900	\$ 8,768,500
HEADQUARTERS OPERATIONS	\$ 37,218,100	\$ 36,474,800	\$ (743,300)
FIELD OPERATIONS	\$ 78,386,600	\$ 79,261,500	\$ 874,900
GARAGE AND FLEET OPERATIONS	\$ 40,474,500	\$ 38,303,700	\$ (2,170,800)
CAPITAL IMPROVEMENTS	\$ 0	\$ 1,500,000	\$ 1,500,000
HIGHWAY SYSTEM MAINTENANCE	\$ 315,149,900	\$ 348,028,000	\$ 32,878,100
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	<u>\$ 87,067,800</u>	<u>\$ 87,067,800</u>	<u>\$ 0</u>
FEDERALLY FUNDED PROGRAMS			
Planning and Research	\$ 6,647,000	\$ 6,873,000	\$ 226,000
Interstate System	18,472,000	0	(18,472,000)
Highway Infrastructure	341,524,500	381,161,000	39,636,500
Transit	67,161,200	73,734,600	6,573,400
Air, Water, and Rail	15,100,000	20,100,000	5,000,000
Aeronautics Economic Development Fund	20,000,000	0	(20,000,000)
Sub-Total Federally Funded Programs	<u>\$ 468,904,700</u>	<u>\$ 481,868,600</u>	<u>\$ 12,963,900</u>
TOTAL APPROPRIATION REQUIREMENTS	<u>\$ 1,119,738,000</u>	<u>\$ 1,173,809,300</u>	<u>\$ 54,071,300</u>
II. STATE FUNDING SOURCES			
Highway User Taxes	\$ 923,200,000	\$ 990,600,000	\$ 67,400,000
Sales Tax - Transportation Equity Fund	15,100,000	15,100,000	0
Miscellaneous Revenue	25,938,000	31,109,300	5,171,300
Bond Authorization	127,000,000	124,000,000	(3,000,000)
General Fund transfers	20,500,000	0	(20,500,000)
Highway Fund Balance / Reserves	8,000,000	13,000,000	5,000,000
TOTAL STATE FUNDING SOURCES	<u>\$ 1,119,738,000</u>	<u>\$ 1,173,809,300</u>	<u>\$ 54,071,300</u>

Department of Transportation
Comparison of Appropriations by Funding Sources
Fiscal Years 2018-2019 and 2019-2020

	<u>2018-2019</u>	<u>2019-2020</u>	<u>Difference</u>
I. STATE FUNDS			
Administration	\$ 92,536,400	\$ 101,304,900	\$ 8,768,500
Headquarters Operations	37,218,100	36,474,800	(743,300)
Field Operations	78,386,600	79,261,500	874,900
Garage and Fleet Operations	40,474,500	38,303,700	(2,170,800)
Capital Improvements	0	1,500,000	1,500,000
Highway System Maintenance	315,149,900	348,028,000	32,878,100
State-Funded Programs	87,067,800	87,067,800	0
Federally Funded Programs	341,904,700	357,868,600	15,963,900
Total State Funds	<u>\$ 992,738,000</u>	<u>\$ 1,049,809,300</u>	<u>\$ 57,071,300</u>
II. BOND AUTHORIZATIONS			
Federally Funded Programs	\$ 127,000,000	\$ 124,000,000	\$ (3,000,000)
Total Bond Authorizations	<u>\$ 127,000,000</u>	<u>\$ 124,000,000</u>	<u>\$ (3,000,000)</u>
III. FEDERAL AID			
Federally Funded Programs	\$ 1,084,568,700	\$ 1,074,169,600	\$ (10,399,100)
Total Federal Aid	<u>\$ 1,084,568,700</u>	<u>\$ 1,074,169,600</u>	<u>\$ (10,399,100)</u>
IV. LOCAL GOVERNMENTS			
State-Funded Programs	\$ 2,925,000	\$ 9,522,000	\$ 6,597,000
Federally Funded Programs	29,659,000	32,351,600	2,692,600
Total Local Governments	<u>\$ 32,584,000</u>	<u>\$ 41,873,600</u>	<u>\$ 9,289,600</u>
V. OTHER STATE AGENCIES			
Garage and Fleet Services	\$ 5,500,000	\$ 5,300,000	\$ (200,000)
Total Other State Agencies	<u>\$ 5,500,000</u>	<u>\$ 5,300,000</u>	<u>\$ (200,000)</u>
VI. GRAND TOTAL			
Administration	\$ 92,536,400	\$ 101,304,900	\$ 8,768,500
Headquarters Operations	37,218,100	36,474,800	(743,300)
Field Operations	78,386,600	79,261,500	874,900
Garage and Fleet Operations	45,974,500	43,603,700	(2,370,800)
Capital Improvements	0	1,500,000	1,500,000
Highway System Maintenance	315,149,900	348,028,000	32,878,100
State-Funded Programs	89,992,800	96,589,800	6,597,000
Federally Funded Programs	1,583,132,400	1,588,389,800	5,257,400
Grand Total	<u>\$ 2,242,390,700</u>	<u>\$ 2,295,152,500</u>	<u>\$ 52,761,800</u>

Department of Transportation
Actual Expenditures by Program and Funding Source
Fiscal Year 2017-2018

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>
Administration	\$ 76,497,300	\$ 0	\$ 0	\$ 76,497,300
Headquarters Operations	\$ 25,154,500	\$ 0	\$ 0	\$ 25,154,500
Field Operations	\$ 68,897,800	\$ 0	\$ 0	\$ 68,897,800
Flight Services	\$ 2,130,900	\$ 0	\$ 0	\$ 2,130,900
Garage and Fleet Operations	\$ 25,107,100	\$ 0	\$ 3,713,400	\$ 28,820,500
Capital Improvements	\$ 12,887,600	\$ 0	\$ 0	\$ 12,887,600
Highway System Maintenance	\$ 350,445,500	\$ 0	\$ 1,613,800	\$ 352,059,300
STATE-FUNDED PROGRAMS				
Betterments	\$ 2,533,700	\$ 0	\$ 106,800	\$ 2,640,500
State Aid	62,317,400	0	100	62,317,500
State Industrial Access	23,567,700	0	915,500	24,483,200
Local Interstate Connectors	1,775,700	0	1,979,400	3,755,100
Sub-Total State-Funded Programs	\$ 90,194,500	\$ 0	\$ 3,001,800	\$ 93,196,300
FEDERALLY FUNDED PROGRAMS				
Planning and Research	\$ 4,365,800	\$ 12,311,300	\$ 139,900	\$ 16,817,000
Interstate System	(345,800)	6,847,800	33,500	6,535,500
Highway Infrastructure	231,282,900	848,914,000	26,444,800	1,106,641,700
Transit	44,348,500	30,184,700	7,700	74,540,900
Air, Water, and Rail	30,535,000	14,374,100	1,742,400	46,651,500
Sub-Total Federally Funded Programs	\$ 310,186,400	\$ 912,631,900	\$ 28,368,300	\$ 1,251,186,600
TOTAL APPROPRIATIONS	\$ 961,501,600	\$ 912,631,900	\$ 36,697,300	\$ 1,910,830,800
STATE FUNDING SOURCES:				
Highway User Taxes	883,287,200			
Sales Tax - Transportation Equity Fund	27,019,200			
Miscellaneous Revenue	25,226,200			
Highway Fund Balance / Reserves	25,969,000			
TOTAL STATE FUNDING SOURCES	\$ 961,501,600			

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

	State	Federal	Other	Total
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	\$ 87,067,800	\$ 0	\$ 2,925,000	\$ 89,992,800
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	341,524,500	794,732,800	27,659,000	1,163,916,300
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
Aeronautics Economic Development	20,000,000	0	0	20,000,000
Sub-Total Federally Funded Programs	\$ 468,904,700	\$ 1,084,568,700	\$ 29,659,000	\$ 1,583,132,400
TOTAL APPROPRIATIONS	\$1,119,738,000	\$1,084,568,700	\$38,084,000	\$2,242,390,700
STATE FUNDING SOURCES:				
Highway User Taxes	923,200,000			
Sales Tax - Transportation Equity Fund	15,100,000			
Miscellaneous Revenue	25,938,000			
Fund Balance & Reserves	8,000,000			
General Fund transfers	20,500,000			
Bond Authorization	127,000,000			
TOTAL STATE FUNDING SOURCES	\$ 1,119,738,000			

**Department of Transportation
Recommended Budget by Program and Funding Source
Fiscal Year 2019-2020**

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>
Administration	\$ 101,304,900	\$ 0	\$ 0	\$ 101,304,900
Headquarters Operations	\$ 36,474,800	\$ 0	\$ 0	\$ 36,474,800
Field Operations	\$ 79,261,500	\$ 0	\$ 0	\$ 79,261,500
Garage and Fleet Operations	\$ 38,303,700	\$ 0	\$ 5,300,000	\$ 43,603,700
Capital Improvements	\$ 1,500,000	\$ 0	\$ 0	\$ 1,500,000
Highway System Maintenance	\$ 348,028,000	\$ 0	\$ 0	\$ 348,028,000
STATE-FUNDED PROGRAMS				
Betterments	\$ 800,000	\$ 0	\$ 100,000	\$ 900,000
State Aid	30,622,000	0	7,222,000	37,844,000
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>\$ 9,522,000</u>	<u>\$ 96,589,800</u>
FEDERALLY FUNDED PROGRAMS				
Planning and Research	\$ 6,873,000	\$ 18,508,000	\$ 0	\$ 25,381,000
Interstate System	0	0	0	0
Highway Infrastructure	381,161,000	945,516,300	29,934,000	1,356,611,300
Transit	73,734,600	96,645,300	417,600	170,797,500
Air, Water, and Rail	20,100,000	13,500,000	2,000,000	35,600,000
Sub-Total Federally Funded Programs	<u>\$ 481,868,600</u>	<u>\$ 1,074,169,600</u>	<u>\$ 32,351,600</u>	<u>\$ 1,588,389,800</u>
TOTAL APPROPRIATIONS	<u>\$ 1,173,809,300</u>	<u>\$ 1,074,169,600</u>	<u>\$ 47,173,600</u>	<u>\$ 2,295,152,500</u>
STATE FUNDING SOURCES:				
Highway User Taxes	\$ 990,600,000			
Sales Tax - Transportation Equity Fund	15,100,000			
Fund Balance and Reserves	13,000,000			
Miscellaneous Revenue	31,109,300			
Bond Authorization	124,000,000			
TOTAL STATE FUNDING SOURCES	<u>\$ 1,173,809,300</u>			

Comparison of Programs Fiscal Years 2017-2018, 2018-2019, and 2019-2020

Allot. Code	Department	Actual 2017-2018	Estimated 2018-2019	Recommended 2019-2020	Act. vs. Est. Difference	Est. vs. Rec. Difference
301	Legislature	\$ 42,986,000	\$ 49,006,000	\$ 56,283,300	\$ 6,020,000	\$ 7,277,300
	Appropriation	42,360,200	48,868,500	56,145,800	6,508,300	7,277,300
	Current Services and Other Revenue	625,800	137,500	137,500	(488,300)	0
301.50	Fiscal Review Committee	\$ 1,575,000	\$ 1,702,100	\$ 1,711,500	\$ 127,100	\$ 9,400
	Appropriation	1,575,000	1,702,100	1,711,500	127,100	9,400
302	Court System	\$ 144,289,600	\$ 157,179,500	\$ 156,354,500	\$ 12,889,900	\$ (825,000)
	Appropriation	136,577,800	149,814,600	149,228,500	13,236,800	(586,100)
	Federal	900,000	980,000	980,000	80,000	0
	Current Services and Other Revenue	6,811,800	6,384,900	6,146,000	(426,900)	(238,900)
303	Attorney General and Reporter	\$ 39,689,800	\$ 45,932,900	\$ 45,395,800	\$ 6,243,100	\$ (537,100)
	Appropriation	28,286,200	31,629,300	31,826,300	3,343,100	197,000
	Current Services and Other Revenue	11,403,600	14,303,600	13,569,500	2,900,000	(734,100)
304	District Attorneys General	\$ 126,828,300	\$ 139,648,400	\$ 141,124,700	\$ 12,820,100	\$ 1,476,300
	Appropriation	90,566,800	98,370,900	100,638,900	7,804,100	2,268,000
	Current Services and Other Revenue	36,261,500	41,277,500	40,485,800	5,016,000	(791,700)
305	Secretary of State	\$ 43,186,800	\$ 75,697,200	\$ 75,366,600	\$ 32,510,400	\$ (330,600)
	Appropriation	23,628,900	32,925,800	32,967,200	9,296,900	41,400
	Federal	4,626,000	30,216,800	30,216,800	25,590,800	0
	Current Services and Other Revenue	14,931,900	12,554,600	12,182,600	(2,377,300)	(372,000)
306	District Public Defenders	\$ 56,814,200	\$ 60,252,700	\$ 62,464,400	\$ 3,438,500	\$ 2,211,700
	Appropriation	56,188,500	59,676,700	61,888,400	3,488,200	2,211,700
	Current Services and Other Revenue	625,700	576,000	576,000	(49,700)	0
307	Comptroller of the Treasury	\$ 100,707,200	\$ 108,065,500	\$ 108,464,300	\$ 7,358,300	\$ 398,800
	Appropriation	85,525,900	98,336,400	98,730,000	12,810,500	393,600
	Current Services and Other Revenue	15,181,300	9,729,100	9,734,300	(5,452,200)	5,200
308	Post-Conviction Defender	\$ 2,220,500	\$ 2,670,000	\$ 2,711,000	\$ 449,500	\$ 41,000
	Appropriation	2,219,800	2,670,000	2,711,000	450,200	41,000
	Current Services and Other Revenue	700	0	0	(700)	0
309	Treasury Department	\$ 47,361,800	\$ 54,251,400	\$ 51,244,700	\$ 6,889,600	\$ (3,006,700)
	Appropriation	4,141,000	5,085,800	5,089,300	944,800	3,500
	Current Services and Other Revenue	43,220,800	49,165,600	46,155,400	5,944,800	(3,010,200)
313	Claims and Compensation	\$ 89,408,000	\$ 117,850,700	\$ 113,850,700	\$ 28,442,700	\$ (4,000,000)
	Appropriation	9,207,000	12,871,000	12,212,000	3,664,000	(659,000)
	Federal	5,205,300	3,479,000	4,138,000	(1,726,300)	659,000
	Current Services and Other Revenue	74,995,700	101,500,700	97,500,700	26,505,000	(4,000,000)

Comparison of Programs

Fiscal Years 2017-2018, 2018-2019, and 2019-2020

Allot. Code	Department	Actual 2017-2018	Estimated 2018-2019	Recommended 2019-2020	Act. vs. Est. Difference	Est. vs. Rec. Difference
315	Executive Department	\$ 5,156,200	\$ 5,508,200	\$ 5,537,000	\$ 352,000	\$ 28,800
	Appropriation	5,156,200	5,508,200	5,537,000	352,000	28,800
316	Commissions	\$ 417,889,500	\$ 507,122,300	\$ 501,644,800	\$ 89,232,800	\$ (5,477,500)
	Appropriation	37,357,100	43,362,100	43,104,000	6,005,000	(258,100)
	Federal	322,109,300	384,208,600	381,200,200	62,099,300	(3,008,400)
	Current Services and Other Revenue	58,423,100	79,551,600	77,340,600	21,128,500	(2,211,000)
317	Finance and Administration (F&A)	\$ 367,232,700	\$ 441,449,300	\$ 444,761,400	\$ 74,216,600	\$ 3,312,100
	Appropriation	20,739,400	17,478,100	17,437,600	(3,261,300)	(40,500)
	Federal	37,586,600	62,705,100	62,778,100	25,118,500	73,000
	Current Services and Other Revenue	308,906,700	361,266,100	364,545,700	52,359,400	3,279,600
	Criminal Justice Programs¹	\$ 37,613,400	\$ 62,425,300	\$ 62,889,500	\$ 24,811,900	\$ 464,200
	Appropriation	4,367,000	5,096,000	5,549,400	729,000	453,400
	Federal	33,023,700	57,223,500	57,234,300	24,199,800	10,800
	Current Services and Other Revenue	222,700	105,800	105,800	(116,900)	0
	Other F&A Programs¹	\$ 329,619,300	\$ 379,024,000	\$ 381,871,900	\$ 49,404,700	\$ 2,847,900
	Appropriation	16,372,400	12,382,100	11,888,200	(3,990,300)	(493,900)
	Federal	4,562,900	5,481,600	5,543,800	918,700	62,200
	Current Services and Other Revenue	308,684,000	361,160,300	364,439,900	52,476,300	3,279,600
318	F&A, TennCare	\$ 11,253,255,600	\$ 12,155,288,700	\$ 12,269,479,900	\$ 902,033,100	\$ 114,191,200
	Appropriation	3,576,035,400	3,825,971,400	3,910,904,300	249,936,000	84,932,900
	Federal	6,978,834,700	7,586,686,100	7,609,897,800	607,851,400	23,211,700
	Current Services and Other Revenue	698,385,500	742,631,200	748,677,800	44,245,700	6,046,600
319	Human Resources	\$ 14,217,500	\$ 14,618,600	\$ 14,707,500	\$ 401,100	\$ 88,900
	Appropriation	0	0	0	0	0
	Current Services and Other Revenue	14,217,500	14,618,600	14,707,500	401,100	88,900
321	General Services	\$ 114,160,800	\$ 169,965,800	\$ 173,020,100	\$ 55,805,000	\$ 3,054,300
	Appropriation	9,784,800	39,217,400	42,100,000	29,432,600	2,882,600
	Current Services and Other Revenue	104,376,000	130,748,400	130,920,100	26,372,400	171,700
323	Veterans Services	\$ 14,354,700	\$ 8,306,600	\$ 8,105,000	\$ (6,048,100)	\$ (201,600)
	Appropriation	5,538,600	6,462,000	6,506,500	923,400	44,500
	Federal	8,442,500	1,192,900	1,192,900	(7,249,600)	0
	Current Services and Other Revenue	373,600	651,700	405,600	278,100	(246,100)
324	Board of Parole	\$ 7,719,300	\$ 8,403,300	\$ 8,463,900	\$ 684,000	\$ 60,600
	Appropriation	7,716,600	8,402,300	8,462,900	685,700	60,600
	Current Services and Other Revenue	2,700	1,000	1,000	(1,700)	0

Comparison of Programs Fiscal Years 2017-2018, 2018-2019, and 2019-2020

Allot. Code	Department	Actual 2017-2018	Estimated 2018-2019	Recommended 2019-2020	Act. vs. Est. Difference	Est. vs. Rec. Difference
325	Agriculture	\$ 102,175,000	\$ 106,448,100	\$ 110,576,200	\$ 4,273,100	\$ 4,128,100
	Appropriation	70,584,000	76,407,700	79,983,900	5,823,700	3,576,200
	Federal	12,674,100	13,547,100	13,599,000	873,000	51,900
	Current Services and Other Revenue	18,916,900	16,493,300	16,993,300	(2,423,600)	500,000
326	Tourist Development	\$ 30,507,000	\$ 30,241,600	\$ 29,970,000	\$ (265,400)	\$ (271,600)
	Appropriation	21,296,000	20,458,900	20,301,300	(837,100)	(157,600)
	Current Services and Other Revenue	9,211,000	9,782,700	9,668,700	571,700	(114,000)
327	Environment and Conservation	\$ 375,696,200	\$ 414,949,300	\$ 412,703,300	\$ 39,253,100	\$ (2,246,000)
	Appropriation	185,715,200	203,683,200	200,042,400	17,968,000	(3,640,800)
	Federal	75,661,300	86,465,600	86,343,200	10,804,300	(122,400)
	Current Services and Other Revenue	114,319,700	124,800,500	126,317,700	10,480,800	1,517,200
328	Wildlife Resources Agency	\$ 102,860,400	\$ 140,606,100	\$ 118,274,900	\$ 37,745,700	\$ (22,331,200)
	Appropriation	55,960,100	70,030,500	64,905,000	14,070,400	(5,125,500)
	Federal	28,031,800	42,097,800	28,987,900	14,066,000	(13,109,900)
	Current Services and Other Revenue	18,868,500	28,477,800	24,382,000	9,609,300	(4,095,800)
329	Correction	\$ 974,048,600	\$ 1,036,237,100	\$ 1,067,147,000	\$ 62,188,500	\$ 30,909,900
	Appropriation	953,106,700	1,015,435,100	1,049,982,200	62,328,400	34,547,100
	Federal	324,800	715,600	801,900	390,800	86,300
	Current Services and Other Revenue	20,617,100	20,086,400	16,362,900	(530,700)	(3,723,500)
330	Economic and Community Development	\$ 191,667,000	\$ 206,781,600	\$ 194,830,100	\$ 15,114,600	\$ (11,951,500)
	Appropriation	142,923,900	177,250,000	165,298,500	34,326,100	(11,951,500)
	Federal	38,168,600	26,392,100	26,392,100	(11,776,500)	0
	Current Services and Other Revenue	10,574,500	3,139,500	3,139,500	(7,435,000)	0
331	Education (K-12)	\$ 6,247,916,800	\$ 6,448,121,500	\$ 6,563,295,700	\$ 200,204,700	\$ 115,174,200
	Appropriation	4,932,885,900	5,155,737,100	5,282,603,100	222,851,200	126,866,000
	Federal	1,160,065,800	1,138,905,500	1,129,269,800	(21,160,300)	(9,635,700)
	Current Services and Other Revenue	154,965,100	153,478,900	151,422,800	(1,486,200)	(2,056,100)
	Lottery-Funded Programs¹	\$ 13,615,000	\$ 13,500,000	\$ 13,500,000	\$ (115,000)	\$ 0
	Appropriation	13,504,000	13,500,000	13,500,000	(4,000)	0
	Current Services and Other Revenue	111,000	0	0	(111,000)	0
	Other Education (K-12) Programs¹	\$ 6,234,301,800	\$ 6,434,621,500	\$ 6,549,795,700	\$ 200,319,700	\$ 115,174,200
	Appropriation	4,919,381,900	5,142,237,100	5,269,103,100	222,855,200	126,866,000
	Federal	1,160,065,800	1,138,905,500	1,129,269,800	(21,160,300)	(9,635,700)
	Current Services and Other Revenue	154,854,100	153,478,900	151,422,800	(1,375,200)	(2,056,100)

Comparison of Programs

Fiscal Years 2017-2018, 2018-2019, and 2019-2020

Allot. Code	Department	Actual 2017-2018	Estimated 2018-2019	Recommended 2019-2020	Act. vs. Est. Difference	Est. vs. Rec. Difference
332	Higher Education	\$ 4,547,826,200	\$ 4,685,783,000	\$ 4,821,427,700	\$ 137,956,800	\$ 135,644,700
	Appropriation	1,837,686,600	1,998,668,500	2,136,794,100	160,981,900	138,125,600
	Federal	69,474,900	63,456,200	62,959,700	(6,018,700)	(496,500)
	Current Services and Other Revenue	771,485,400	735,623,100	733,638,700	(35,862,300)	(1,984,400)
	Tuition and Student Fees	1,869,179,300	1,888,035,200	1,888,035,200	18,855,900	0
	Lottery for Education Account¹	\$ 338,961,400	\$ 376,200,000	\$ 374,800,000	\$ 37,238,600	\$ (1,400,000)
	Appropriation	329,861,400	376,200,000	374,800,000	46,338,600	(1,400,000)
	Current Services and Other Revenue	9,100,000	0	0	(9,100,000)	0
	Other Higher Education Programs¹	\$ 4,208,864,800	\$ 4,309,583,000	\$ 4,446,627,700	\$ 100,718,200	\$ 137,044,700
	Appropriation	1,507,825,200	1,622,468,500	1,761,994,100	114,643,300	139,525,600
	Federal	69,474,900	63,456,200	62,959,700	(6,018,700)	(496,500)
	Current Services and Other Revenue	762,385,400	735,623,100	733,638,700	(26,762,300)	(1,984,400)
	Tuition and Student Fees	1,869,179,300	1,888,035,200	1,888,035,200	18,855,900	0
335	Commerce and Insurance	\$ 203,418,300	\$ 222,672,300	\$ 229,268,200	\$ 19,254,000	\$ 6,595,900
	Appropriation	149,062,000	160,591,700	165,177,300	11,529,700	4,585,600
	Federal	752,500	607,900	324,800	(144,600)	(283,100)
	Current Services and Other Revenue	53,603,800	61,472,700	63,766,100	7,868,900	2,293,400
336	Financial Institutions	\$ 19,522,600	\$ 25,466,900	\$ 25,575,600	\$ 5,944,300	\$ 108,700
	Appropriation	19,172,600	25,464,500	25,573,200	6,291,900	108,700
	Current Services and Other Revenue	350,000	2,400	2,400	(347,600)	0
337	Labor and Workforce Development	\$ 175,505,500	\$ 202,941,900	\$ 200,669,200	\$ 27,436,400	\$ (2,272,700)
	Appropriation	36,309,400	47,690,600	47,048,800	11,381,200	(641,800)
	Federal	133,773,800	141,722,800	134,927,700	7,949,000	(6,795,100)
	Current Services and Other Revenue	5,422,300	13,528,500	18,692,700	8,106,200	5,164,200
339	Mental Health and Substance Abuse	\$ 356,834,800	\$ 409,668,300	\$ 417,192,000	\$ 52,833,500	\$ 7,523,700
	Appropriation	242,557,200	259,727,000	281,492,500	17,169,800	21,765,500
	Federal	70,217,000	101,782,400	93,072,400	31,565,400	(8,710,000)
	Current Services and Other Revenue	44,060,600	48,158,900	42,627,100	4,098,300	(5,531,800)
341	Military	\$ 90,896,100	\$ 109,700,500	\$ 109,292,900	\$ 18,804,400	\$ (407,600)
	Appropriation	16,914,800	17,945,300	18,053,000	1,030,500	107,700
	Federal	72,534,900	87,137,700	87,180,200	14,602,800	42,500
	Current Services and Other Revenue	1,446,400	4,617,500	4,059,700	3,171,100	(557,800)
343	Health	\$ 636,808,600	\$ 648,366,300	\$ 641,879,100	\$ 11,557,700	\$ (6,487,200)
	Appropriation	179,529,600	208,068,200	207,417,700	28,538,600	(650,500)
	Federal	273,925,800	247,715,700	247,714,900	(26,210,100)	(800)
	Current Services and Other Revenue	183,353,200	192,582,400	186,746,500	9,229,200	(5,835,900)
344	Intellectual and Developmental Disabilities	\$ 145,420,600	\$ 151,030,200	\$ 147,951,000	\$ 5,609,600	\$ (3,079,200)
	Appropriation	21,767,100	25,483,200	25,409,900	3,716,100	(73,300)
	Federal	0	25,000	0	25,000	(25,000)
	Current Services and Other Revenue	123,653,500	125,522,000	122,541,100	1,868,500	(2,980,900)

Comparison of Programs Fiscal Years 2017-2018, 2018-2019, and 2019-2020

Allot. Code	Department	Actual 2017-2018	Estimated 2018-2019	Recommended 2019-2020	Act. vs. Est. Difference	Est. vs. Rec. Difference
345	Human Services	\$ 2,214,804,300	\$ 2,877,426,700	\$ 2,727,372,500	\$ 662,622,400	\$ (150,054,200)
	Appropriation	155,175,900	196,411,000	195,517,800	41,235,100	(893,200)
	Federal	2,009,263,700	2,626,534,500	2,477,345,100	617,270,800	(149,189,400)
	Current Services and Other Revenue	50,364,700	54,481,200	54,509,600	4,116,500	28,400
	Temporary Cash Assistance¹	\$ 48,778,200	\$ 112,965,500	\$ 112,965,500	\$ 64,187,300	\$ 0
	Appropriation	12,261,600	13,968,900	13,968,900	1,707,300	0
	Federal	36,516,600	98,896,600	98,896,600	62,380,000	0
	Current Services and Other Revenue	0	100,000	100,000	100,000	0
	Supplemental Nutrition Assistance¹	\$ 1,475,866,900	\$ 1,909,112,700	\$ 1,709,112,700	\$ 433,245,800	\$ (200,000,000)
	Federal	1,475,866,900	1,909,112,700	1,709,112,700	433,245,800	(200,000,000)
	Other Human Services Programs¹	\$ 690,159,200	\$ 855,348,500	\$ 905,294,300	\$ 165,189,300	\$ 49,945,800
	Appropriation	142,914,300	182,442,100	181,548,900	39,527,800	(893,200)
	Federal	496,880,200	618,525,200	669,335,800	121,645,000	50,810,600
	Current Services and Other Revenue	50,364,700	54,381,200	54,409,600	4,016,500	28,400
347	Revenue	\$ 120,242,600	\$ 134,635,100	\$ 133,475,900	\$ 14,392,500	\$ (1,159,200)
	Appropriation	80,101,800	101,724,400	100,059,600	21,622,600	(1,664,800)
	Federal	19,700	20,900	20,900	1,200	0
	Current Services and Other Revenue	40,121,100	32,889,800	33,395,400	(7,231,300)	505,600
348	Tennessee Bureau of Investigation	\$ 88,849,400	\$ 83,569,600	\$ 85,927,100	\$ (5,279,800)	\$ 2,357,500
	Appropriation	57,845,800	53,538,900	53,654,800	(4,306,900)	115,900
	Federal	7,681,800	11,125,600	11,909,700	3,443,800	784,100
	Current Services and Other Revenue	23,321,800	18,905,100	20,362,600	(4,416,700)	1,457,500
349	Safety	\$ 241,521,800	\$ 241,306,600	\$ 246,027,300	\$ (215,200)	\$ 4,720,700
	Appropriation	150,608,100	161,283,300	166,472,000	10,675,200	5,188,700
	Federal	28,181,300	30,739,100	30,745,600	2,557,800	6,500
	Current Services and Other Revenue	62,732,400	49,284,200	48,809,700	(13,448,200)	(474,500)
350	F&A, Strategic Health-Care Programs	\$ 204,397,500	\$ 233,342,100	\$ 233,344,400	\$ 28,944,600	\$ 2,300
	Appropriation	8,816,200	20,845,300	40,747,700	12,029,100	19,902,400
	Federal	188,036,400	209,787,700	189,887,600	21,751,300	(19,900,100)
	Current Services and Other Revenue	7,544,900	2,709,100	2,709,100	(4,835,800)	0
351	Miscellaneous Appropriations	\$ 52,446,900	\$ 250,934,500	\$ 323,058,200	\$ 198,487,600	\$ 72,123,700
	Appropriation	50,922,200	250,934,500	323,058,200	200,012,300	72,123,700
	Current Services and Other Revenue	1,524,700	0	0	(1,524,700)	0
352	Other Post-Employment Benefits	\$ 0	\$ 62,500,000	\$ 62,500,000	\$ 62,500,000	\$ 0
	Appropriation	0	62,500,000	62,500,000	62,500,000	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	\$ 134,300	\$ 400,000	\$ 400,000	\$ 265,700	\$ 0
	Appropriation	134,300	250,000	250,000	115,700	0
	Current Services and Other Revenue	0	150,000	150,000	150,000	0

Comparison of Programs Fiscal Years 2017-2018, 2018-2019, and 2019-2020

Allot. Code	Department	Actual 2017-2018	Estimated 2018-2019	Recommended 2019-2020	Act. vs. Est. Difference	Est. vs. Rec. Difference
359	Children's Services	\$ 874,448,500	\$ 895,829,800	\$ 905,880,000	\$ 21,381,300	\$ 10,050,200
	Appropriation	316,160,200	330,679,400	351,347,300	14,519,200	20,667,900
	Federal	171,728,700	177,559,600	164,746,600	5,830,900	(12,813,000)
	Current Services and Other Revenue	386,559,600	387,590,800	389,786,100	1,031,200	2,195,300
	Grand Total - General Fund	\$ 30,887,002,500	\$ 33,742,878,300	\$ 34,049,729,400	\$ 2,855,875,800	\$ 306,851,100
	Appropriation	13,827,840,800	15,130,160,900	15,651,891,500	1,302,320,100	521,730,600
	Federal	11,698,221,300	13,075,807,300	12,876,632,900	1,377,586,000	(199,174,400)
	Current Services and Other Revenue	3,491,761,100	3,648,874,900	3,633,169,800	157,113,800	(15,705,100)
	Tuition and Student Fees	1,869,179,300	1,888,035,200	1,888,035,200	18,855,900	0
400	Transportation	\$ 1,910,830,800	\$ 2,242,390,700	\$ 2,295,152,500	\$ 331,559,900	\$ 52,761,800
	Appropriation	961,501,600 ²	992,738,000	1,049,809,300	31,236,400	57,071,300
	Federal	912,631,900	1,084,568,700	1,074,169,600	171,936,800	(10,399,100)
	Current Services and Other Revenue	36,697,300	38,084,000	47,173,600	1,386,700	9,089,600
	Bonds	0	127,000,000	124,000,000	127,000,000	(3,000,000)
	Debt Service Requirements	\$ 370,228,800	\$ 356,675,000	\$ 338,855,000	\$ (13,553,800)	\$ (17,820,000)
	Appropriation	370,228,800	356,675,000	338,855,000	(13,553,800)	(17,820,000)
	Capital Outlay Program	\$ 339,789,000	\$ 340,618,000	\$ 417,020,100	\$ 829,000	\$ 76,402,100
	Appropriation	274,786,000 ²	190,178,000	313,096,800	(84,608,000)	122,918,800
	Federal	4,060,000	4,405,000	3,262,500	345,000	(1,142,500)
	Current Services and Other Revenue	60,943,000	115,327,000	100,660,800	54,384,000	(14,666,200)
	Bonds	0	30,708,000	0	30,708,000	(30,708,000)
	Facilities Revolving Fund	\$ 271,302,000	\$ 226,877,100	\$ 200,874,200	\$ (44,424,900)	\$ (26,002,900)
	Appropriation	133,818,200	16,335,600	38,055,600	(117,482,600)	21,720,000
	Current Services and Other Revenue	137,483,800 ³	152,954,500	162,818,600	15,470,700	9,864,100
	Bonds	0	57,587,000	0	57,587,000	(57,587,000)
	Cities & Counties - State Shared Taxes	\$ 1,182,919,700	\$ 1,219,600,000	\$ 1,251,200,000	\$ 36,680,300	\$ 31,600,000
	Appropriation	1,182,919,700	1,219,600,000	1,251,200,000	36,680,300	31,600,000
	Total State Budget - All Programs	\$ 34,962,072,800	\$ 38,129,039,100	\$ 38,552,831,200	\$ 3,166,966,300	\$ 423,792,100
	Appropriation	16,751,095,100	17,905,687,500	18,642,908,200	1,154,592,400	737,220,700
	Federal	12,614,913,200	14,164,781,000	13,954,065,000	1,549,867,800	(210,716,000)
	Current Services and Other Revenue	3,726,885,200	3,955,240,400	3,943,822,800	228,355,200	(11,417,600)
	Tuition and Student Fees	1,869,179,300	1,888,035,200	1,888,035,200	18,855,900	0
	Bonds	0	215,295,000	124,000,000	215,295,000	(91,295,000)

¹ Included in departmental total.

² Transportation and Capital Outlay Program - Actual 2017-2018 includes tax revenue and bonds.

³ Facilities Revolving Fund - Actual 2017-2018 includes departmental revenue and bonds.

Funding Summary All Programs

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Recommended 2019-2020</u>
GENERAL FUND AND EDUCATION FUND			
Expenditures			
Payroll	\$ 2,803,013,700	\$ 3,162,044,000	\$ 3,219,105,400
Operational	28,083,988,800	30,580,834,300	30,830,624,000
TOTAL	\$ 30,887,002,500	\$ 33,742,878,300	\$ 34,049,729,400
Funding			
State *	\$ 13,827,840,800	\$ 15,130,160,900	\$ 15,651,891,500
Federal	11,698,221,300	13,075,807,300	12,876,632,900
Other	3,491,761,100	3,648,874,900	3,633,169,800
Tuition and Fees	1,869,179,300	1,888,035,200	1,888,035,200
DEPARTMENT OF TRANSPORTATION			
Expenditures			
Payroll	\$ 275,976,800	\$ 339,239,500	\$ 346,767,300
Operational	1,634,854,000	1,903,151,200	1,948,385,200
TOTAL	\$ 1,910,830,800	\$ 2,242,390,700	\$ 2,295,152,500
Funding			
State	\$ 961,501,600	\$ 1,119,738,000	\$ 1,173,809,300
Federal	912,631,900	1,084,568,700	1,074,169,600
Other	36,697,300	38,084,000	47,173,600
GRAND TOTAL - ALL PROGRAMS			
Expenditures			
Payroll	\$ 3,078,990,500	\$ 3,501,283,500	\$ 3,565,872,700
Operational	29,718,842,800	32,483,985,500	32,779,009,200
TOTAL	\$ 32,797,833,300	\$ 35,985,269,000	\$ 36,344,881,900
Funding			
State *	\$ 14,789,342,400	\$ 16,249,898,900	\$ 16,825,700,800
Federal	12,610,853,200	14,160,376,000	13,950,802,500
Other	3,528,458,400	3,686,958,900	3,680,343,400
Tuition and Fees	1,869,179,300	1,888,035,200	1,888,035,200

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

\$ 343,365,400	\$ 389,700,000	\$ 388,300,000
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**Departmental Comparison of Recurring Appropriations from State Revenues,
2018-2019 and Base Budget 2019-2020**

Program	2018-2019	Base Budget 2019-2020	Increase/ (Decrease)	Pct. Chg.
301.00 Legislature	\$ 49,145,800	\$ 49,145,800	\$ 0	0.0%
301.50 Fiscal Review Committee	1,711,500	1,711,500	0	0.0%
302.00 Court System	147,939,000	147,939,000	0	0.0%
303.00 Attorney General and Reporter	31,520,400	31,520,400	0	0.0%
304.00 District Attorneys General	98,778,900	98,778,900	0	0.0%
305.00 Secretary of State	32,967,200	32,967,200	0	0.0%
306.00 District Public Defenders	59,989,700	59,989,700	0	0.0%
307.00 Comptroller of the Treasury	98,730,000	98,730,000	0	0.0%
308.00 Post-Conviction Defender	2,678,000	2,678,000	0	0.0%
309.00 Treasury Department	3,841,300	3,589,300	(252,000)	(6.6%)
313.00 Claims and Compensation	12,871,000	12,212,000	(659,000)	(5.1%)
315.00 Executive Department	5,531,000	5,531,000	0	0.0%
316.00 Commissions	42,993,200	43,044,000	50,800	0.1%
317.00 Finance and Administration (F&A)	16,999,200	16,437,600	(561,600)	(3.3%)
318.00 F&A - TennCare	3,182,538,700	3,158,265,700	(24,273,000)	(0.8%)
319.00 Human Resources	0	0	0	0.0%
321.00 General Services	42,243,700	42,100,000	(143,700)	(0.3%)
323.00 Veterans Services	6,506,500	6,506,500	0	0.0%
324.00 Board of Parole	8,462,900	8,462,900	0	0.0%
325.00 Agriculture	76,548,500	75,883,900	(664,600)	(0.9%)
326.00 Tourist Development	15,776,500	15,776,500	0	0.0%
327.00 Environment and Conservation	198,051,200	198,042,400	(8,800)	0.0%
328.00 Wildlife Resources Agency	65,034,100	57,700,600	(7,333,500)	(11.3%)
329.00 Correction	1,015,497,100	1,011,608,900	(3,888,200)	(0.4%)
330.00 Economic and Community Development	51,528,500	51,278,500	(250,000)	(0.5%)
331.00 Education (K-12)	<u>\$ 5,077,780,100</u>	<u>\$ 5,071,428,400</u>	<u>\$ (6,351,700)</u>	<u>(0.1%)</u>
Lottery-Funded Programs	13,500,000	13,500,000	0	0.0%
Other K-12 Education Programs	5,064,280,100	5,057,928,400	(6,351,700)	(0.1%)
332.00 Higher Education	<u>\$ 2,011,475,300</u>	<u>\$ 2,006,075,300</u>	<u>\$ (5,400,000)</u>	<u>(0.3%)</u>
Lottery-Funded Programs	376,200,000	370,800,000	(5,400,000)	(1.4%)
Other Higher Education Programs	1,635,275,300	1,635,275,300	0	0.0%

**Departmental Comparison of Recurring Appropriations from State Revenues,
2018-2019 and Base Budget 2019-2020**

Program	2018-2019	Base Budget 2019-2020	Increase/ (Decrease)	Pct. Chg.
335.00 Commerce and Insurance	160,548,400	160,664,100	115,700	0.1%
336.00 Financial Institutions	25,573,200	25,573,200	0	0.0%
337.00 Labor and Workforce Development	47,308,500	47,048,800	(259,700)	(0.5%)
339.00 Mental Health and Substance Abuse Services	258,022,600	258,022,600	0	0.0%
341.00 Military	18,164,200	18,053,000	(111,200)	(0.6%)
343.00 Health	205,952,200	204,917,700	(1,034,500)	(0.5%)
344.00 Intellectual and Developmental Disabilities	25,507,500	25,343,100	(164,400)	(0.6%)
345.00 Human Services	197,578,800	195,451,200	(2,127,600)	(1.1%)
347.00 Revenue	90,506,900	88,970,700	(1,536,200)	(1.7%)
348.00 Tennessee Bureau of Investigation	50,094,800	49,461,400	(633,400)	(1.3%)
349.00 Safety	162,454,300	162,332,800	(121,500)	(0.1%)
350.00 F&A - Strategic Health-Care Programs	60,845,500	60,845,500	0	0.0%
351.00 Miscellaneous Appropriations	205,975,300	205,975,300	0	0.0%
352.00 Other Post-Employment Benefits Liability	62,500,000	62,500,000	0	0.0%
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	326,254,700	325,371,900	(882,800)	(0.3%)
Total General Fund	\$ 14,255,676,200	\$ 14,199,185,300	\$ (56,490,900)	(0.4%)

**Departmental Comparison of Appropriations from State Revenues,
Recurring and Non-Recurring, for Fiscal Years 2018-2019 and 2019-2020**

Program	2018-2019 Appropriation		2019-2020 Base Recommended			2019-2020 Cost Increases		2019-2020 Total Recommended				
	Recurring	Non-Recurring	Recurring	Pct. Chg.	Non-Recurring	Recurring	Non-Recurring	Recurring	Pct. Chg.	Non-Recurring	Total	Pct. Chg.
Legislature	\$ 49,145,800	\$ (277,300)	\$ 49,145,800	0.0%	\$ 0	\$ 6,000,000	\$ 1,000,000	\$ 55,145,800	12.2%	\$ 1,000,000	\$ 56,145,800	14.9%
Fiscal Review Committee	1,711,500	(9,400)	1,711,500	0.0%	0	0	0	1,711,500	0.0%	0	1,711,500	0.6%
Court System	147,939,000	1,875,600	147,939,000	0.0%	0	1,289,500	0	149,228,500	0.9%	0	149,228,500	(0.4%)
Attorney General and Reporter	31,520,400	108,900	31,520,400	0.0%	0	305,900	0	31,826,300	1.0%	0	31,826,300	0.6%
District Attorneys General	98,778,900	(408,000)	98,778,900	0.0%	0	1,860,000	0	100,638,900	1.9%	0	100,638,900	2.3%
Secretary of State	32,967,200	(41,400)	32,967,200	0.0%	0	0	0	32,967,200	0.0%	0	32,967,200	0.1%
District Public Defenders	59,989,700	(313,000)	59,989,700	0.0%	0	1,842,900	55,800	61,832,600	3.1%	55,800	61,888,400	3.7%
Comptroller of the Treasury	98,730,000	(393,600)	98,730,000	0.0%	0	0	0	98,730,000	0.0%	0	98,730,000	0.4%
Post-Conviction Defender	2,678,000	(8,000)	2,678,000	0.0%	0	33,000	0	2,711,000	1.2%	0	2,711,000	1.5%
Treasury Department	3,841,300	1,244,500	3,589,300	(6.6%)	0	0	1,500,000	3,589,300	(6.6%)	1,500,000	5,089,300	0.1%
Claims and Compensation	12,871,000	0	12,212,000	(5.1%)	0	0	0	12,212,000	(5.1%)	0	12,212,000	(5.1%)
Executive Department	5,531,000	(22,800)	5,531,000	0.0%	0	6,000	0	5,537,000	0.1%	0	5,537,000	0.5%
Commissions	42,993,200	368,900	43,044,000	0.1%	0	60,000	0	43,104,000	0.3%	0	43,104,000	(0.6%)
Finance and Administration (F&A)	16,999,200	478,900	16,437,600	(3.3%)	0	0	1,000,000	16,437,600	(3.3%)	1,000,000	17,437,600	(0.2%)
F&A - TennCare	3,182,538,700	643,432,700	3,158,265,700	(0.8%)	587,667,000	152,443,300	12,528,300	3,310,709,000	4.0%	600,195,300	3,910,904,300	2.2%
Human Resources	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0.0%
General Services	42,243,700	(3,026,300)	42,100,000	(0.3%)	0	0	0	42,100,000	(0.3%)	0	42,100,000	7.4%
Veterans Services	6,506,500	(44,500)	6,506,500	0.0%	0	0	0	6,506,500	0.0%	0	6,506,500	0.7%
Board of Parole	8,462,900	(60,600)	8,462,900	0.0%	0	0	0	8,462,900	0.0%	0	8,462,900	0.7%
Agriculture	76,548,500	(140,800)	75,883,900	(0.9%)	0	1,100,000	3,000,000	76,983,900	0.6%	3,000,000	79,983,900	4.7%
Tourist Development	15,776,500	4,682,400	15,776,500	0.0%	0	524,800	4,000,000	16,301,300	3.3%	4,000,000	20,301,300	(0.8%)
Environment and Conservation	198,051,200	5,632,000	198,042,400	0.0%	0	0	2,000,000	198,042,400	0.0%	2,000,000	200,042,400	(1.8%)
Wildlife Resources Agency	65,034,100	4,996,400	57,700,600	(11.3%)	5,820,000	1,384,400	0	59,085,000	(9.1%)	5,820,000	64,905,000	(7.3%)
Correction	1,015,497,100	(62,000)	1,011,608,900	(0.4%)	0	36,223,300	2,150,000	1,047,832,200	3.2%	2,150,000	1,049,982,200	3.4%
Economic and Community Development	51,528,500	125,721,500	51,278,500	(0.5%)	0	320,000	113,700,000	51,598,500	0.1%	113,700,000	165,298,500	(6.7%)

Departmental Comparison of Appropriations from State Revenues, Recurring and Non-Recurring, for Fiscal Years 2018-2019 and 2019-2020

Program	2018-2019 Appropriation		2019-2020 Base Recommended			2019-2020 Cost Increases		2019-2020 Total Recommended				
	Recurring	Non-Recurring	Recurring	Pct. Chg.	Non-Recurring	Recurring	Non-Recurring	Recurring	Pct. Chg.	Non-Recurring	Total	Pct. Chg.
Education (K-12)	\$ 5,077,780,100	\$ 77,957,000	\$ 5,071,428,400	(0.1%)	\$ 0	\$ 160,224,700	\$ 50,950,000	\$ 5,231,653,100	3.0%	\$ 50,950,000	\$ 5,282,603,100	2.5%
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	5,064,280,100	77,957,000	5,057,928,400	(0.1%)	0	160,224,700	50,950,000	5,218,153,100	3.0%	50,950,000	5,269,103,100	2.5%
Higher Education	\$ 2,011,475,300	\$ (12,806,800)	\$ 2,006,075,300	(0.3%)	\$ 0	\$ 86,743,800	\$ 43,975,000	\$ 2,092,819,100	4.0%	\$ 43,975,000	\$ 2,136,794,100	6.9%
Lottery-Funded Programs	376,200,000	0	370,800,000	(1.4%)	0	4,000,000	0	374,800,000	(0.4%)	0	374,800,000	(0.4%)
Other Higher Education Programs	1,635,275,300	(12,806,800)	1,635,275,300	0.0%	0	82,743,800	43,975,000	1,718,019,100	5.1%	43,975,000	1,761,994,100	8.6%
Commerce and Insurance	160,548,400	43,300	160,664,100	0.1%	0	4,475,800	37,400	165,139,900	2.9%	37,400	165,177,300	2.9%
Financial Institutions	25,573,200	(108,700)	25,573,200	0.0%	0	0	0	25,573,200	0.0%	0	25,573,200	0.4%
Labor and Workforce Development	47,308,500	382,100	47,048,800	(0.5%)	0	0	0	47,048,800	(0.5%)	0	47,048,800	(1.3%)
Mental Health and Substance Abuse Services	258,022,600	1,704,400	258,022,600	0.0%	0	21,469,900	2,000,000	279,492,500	8.3%	2,000,000	281,492,500	8.4%
Military	18,164,200	(218,900)	18,053,000	(0.6%)	0	0	0	18,053,000	(0.6%)	0	18,053,000	0.6%
Health	205,952,200	2,116,000	204,917,700	(0.5%)	0	2,000,000	500,000	206,917,700	0.5%	500,000	207,417,700	(0.3%)
Intellectual and Developmental Disabilities	25,507,500	(24,300)	25,343,100	(0.6%)	0	66,800	0	25,409,900	(0.4%)	0	25,409,900	(0.3%)
Human Services	197,578,800	(1,167,800)	195,451,200	(1.1%)	0	66,600	0	195,517,800	(1.0%)	0	195,517,800	(0.5%)
Revenue	90,506,900	11,217,500	88,970,700	(1.7%)	0	0	11,088,900	88,970,700	(1.7%)	11,088,900	100,059,600	(1.6%)
Tennessee Bureau of Investigation	50,094,800	3,444,100	49,461,400	(1.3%)	0	3,683,400	510,000	53,144,800	6.1%	510,000	53,654,800	0.2%
Safety	162,454,300	(1,171,000)	162,332,800	(0.1%)	0	4,139,200	0	166,472,000	2.5%	0	166,472,000	3.2%
F&A - Strategic Health-Care Programs	60,845,500	(40,000,200)	60,845,500	0.0%	(20,811,200)	713,400	0	61,558,900	1.2%	(20,811,200)	40,747,700	95.5%
Miscellaneous Appropriations	205,975,300	44,959,200	205,975,300	0.0%	0	108,729,000	8,353,900	314,704,300	52.8%	8,353,900	323,058,200	28.7%
Other Post-Employment Benefits Liability	62,500,000	0	62,500,000	0.0%	0	0	0	62,500,000	0.0%	0	62,500,000	0.0%
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	326,254,700	4,424,700	325,371,900	(0.3%)	0	25,975,400	0	351,347,300	7.7%	0	351,347,300	6.3%
Total General Fund	\$ 14,255,676,200	\$ 874,484,700	\$ 14,199,185,300	(0.4%)	\$ 572,675,800	\$ 621,681,100	\$ 258,349,300	\$ 14,820,866,400	4.0%	\$ 831,025,100	\$ 15,651,891,500	3.4%

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Available Funds Fiscal Year 2018-2019

I. Unappropriated Budget Surplus / (Deficit) @ June 30, 2018	\$ 610,118,300
II. Revenue Adjustments and Other Available Funds:	
1. Dept. of Revenue Tax Base Increase @ 2.35% Growth over FY 2017-2018 Actual	\$ 119,100,000
2. Debt Service Fund Transfer @ June 30, 2019	45,200,000
3. 2018-2019 Enacted Budget Available Funds	6,243,000
4. 2018-2019 Treasurer's Earnings - Increase in Interest Earnings	74,000,000
Sub-Total Revenue Adjustments and Other Available Funds	\$ 244,543,000
III. Total Budget Surplus and Adjustments (I + II)	\$ 854,661,300
IV. Appropriation and Transfer Requirements:	
1. Less: 2018-2019 Supplemental Appropriations	\$ (36,099,100)
2. Less: 2018-2019 Additional Deposit to the Rainy Day Fund - Balance @ \$875 M	(14,000,000)
Sub-Total Appropriation and Transfer Requirements	\$ (50,099,100)
V. Total Available Funds at June 30, 2019 (III + IV)	\$ 804,562,200

**Supplemental Appropriations
General Fund
Fiscal Year 2018-2019**

		<u>2018-2019</u>	<u>Recurring 2019-2020</u>
	Attorney General		
303.08	Special Litigation - Operating Supplement	\$ 250,000	\$ 0
	Treasury Department		
309.10	Electronic Monitoring Indigency Fund - Operating Supplement	750,000	0
	Finance and Administration - Bureau of TennCare		
318.66	TennCare Medical Services - Additional Program Costs in the Dept. of Children's Services	21,850,900	22,160,000
	Environment and Conservation		
327.33	Clean Water and Drinking Water State Revolving Fund - Federal Grant Match	\$ 2,724,800	\$ 0
327.34	Water Resources - Pikeville Improvements	500,000	0
327.38	Hazardous Waste Remedial Action Fund:		
	EPA National Priority List Obligation with 90% Federal Match	\$ 1,000,000	\$ 0
	Dry Cleaner State-Wide Clean-up	700,000	0
	Sub-Total Hazardous Waste Remedial Action Fund	<u>\$ 1,700,000</u>	<u>\$ 0</u>
	Sub-Total Environment and Conservation	<u>\$ 4,924,800</u>	<u>\$ 0</u>
	Tennessee Bureau of Investigation		
348.00	TBI - Operational Support Due to Revenue Undercollection	2,433,400	2,433,400
	Miscellaneous Appropriations		
351.00	Miscellaneous Appropriations - Restore FY 2018 Appropriation for Legal Expenses	890,000	0
	Children's Services		
359.30	Custody Services - Increase in Children in State Custody	<u>5,000,000</u>	<u>5,000,000</u>
	Total General Fund	<u><u>\$ 36,099,100</u></u>	<u><u>\$ 29,593,400</u></u>

Combining Statement of Recurring Preliminary Base Budget Adjustments and Recurring Base Budget Reductions
General Fund State Appropriations
Fiscal Year 2019-2020
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	0	0
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	\$ 0	\$ 0
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	(4,000)	(4,000)
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	(251,200)	(251,200)
318.00	a. TennCare Programs	\$ 0	\$ (12,640,400)
	b. TennCare Waiver Payments	0	(11,253,100)
	c. TennCare for Children's Services	0	(137,400)
	d. TennCare for Intellectual Disabilities	0	(242,100)
	e. TennCare for Human Services	0	0
	f. TennCare for Commerce and Insurance	0	0
	g. TennCare for F&A Office of Inspector General	0	0
Sub-Total TennCare Programs			
	\$ 0	\$ (24,273,000)	\$ (24,273,000)
319.00	Human Resources	0	0
321.00	General Services	0	(143,700)
323.00	Veterans Services	0	0
324.00	Board of Parole	0	0
325.00	Agriculture	0	(664,600)
326.00	Tourist Development	0	0
327.00	Environment and Conservation	0	0
328.00	Tennessee Wildlife Resources Agency	0	0
329.00	Correction	0	(3,728,400)
330.00	Economic and Community Development	0	(250,000)
331.00	Education (K-12)	0	(6,351,700)
332.00	a. Higher Education State-Administered Programs	\$ 0	\$ 0
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	\$ 0	\$ 0
335.00	Commerce and Insurance	0	(20,500)
336.00	Financial Institutions	0	0
337.00	Labor and Workforce Development	0	(259,700)
339.00	Mental Health and Substance Abuse Services	0	0
341.00	Military	0	(120,000)
343.00	Health	0	(1,034,500)
344.00	Intellectual and Developmental Disabilities	0	(164,400)
345.00	Human Services	0	(2,127,600)
347.00	Revenue	0	(1,536,200)
348.00	Tennessee Bureau of Investigation	0	0
349.00	Safety	0	(455,500)
350.00	Strategic Health-Care Programs	0	0
351.00	Miscellaneous Appropriations	0	0
352.00	Other Post-Employment Benefits	0	0
353.00	Emergency and Contingency Fund	0	0
355.00	State Building Commission	0	0
359.00	Children's Services	0	(882,800)
Sub-Total Executive			
	\$ 0	\$ (42,267,800)	\$ (42,267,800)
Total - Budget File			
	\$ 0	\$ (42,267,800)	\$ (42,267,800)

**Preliminary Base Budget Adjustments
Fiscal Year 2019-2020
(Savings) / Cost**

		<u>General Fund</u>		<u>Dedicated / Other Funds</u>	<u>Total</u>
		<u>Recurring</u>	<u>Non-Recurring</u>		
TennCare					
318.00	Hospital Coverage Assessment	\$ 0	\$ 0	\$ 446,771,000	\$ 446,771,000
318.00	Nursing Home Bed Assessment	0	0	130,061,000	130,061,000
318.00	Ambulance Service Assessment	0	0	10,835,000	10,835,000
Sub-Total TennCare		<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 587,667,000</u>	<u>\$ 587,667,000</u>
Total - Budget File		<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 587,667,000</u></u>	<u><u>\$ 587,667,000</u></u>

**Departmental Comparison of 2018-2019 Recurring Appropriations, 2019-2020 Discretionary Base,
and 2019-2020 Base Budget Reductions (State Appropriation)**

Program	2018-2019 Recurring Appropriation	2019-2020								
		General Fund				Non- Recurring	Dedicated Funds	Net Reduction	Pct. Of 2018-19	Pct. Of 2019-20
		Discretionary Base	Recurring Reduction	Pct. Of 2018-19	Pct. Of 2019-20					
301.00 Legislature	\$ 49,145,800	\$ 38,444,500	\$ 0	0.0%	0.0%	\$ 0	\$ 0	\$ 0	0.0%	0.0%
301.50 Fiscal Review Committee	1,711,500	1,711,500	0	0.0%	0.0%	0	0	0	0.0%	0.0%
302.00 Court System	147,939,000	38,190,600	0	0.0%	0.0%	0	0	0	0.0%	0.0%
303.00 Attorney General and Reporter	31,520,400	25,771,900	0	0.0%	0.0%	0	0	0	0.0%	0.0%
304.00 District Attorneys General	98,778,900	92,186,300	0	0.0%	0.0%	0	0	0	0.0%	0.0%
305.00 Secretary of State	32,967,200	32,766,600	0	0.0%	0.0%	0	0	0	0.0%	0.0%
306.00 District Public Defenders	59,989,700	52,604,800	0	0.0%	0.0%	0	0	0	0.0%	0.0%
307.00 Comptroller of the Treasury	98,730,000	56,370,400	0	0.0%	0.0%	0	0	0	0.0%	0.0%
308.00 Post-Conviction Defender	2,678,000	0	0	0.0%	-	0	0	0	0.0%	-
309.00 Treasury Department	3,841,300	3,078,200	0	0.0%	0.0%	0	(252,000)	(252,000)	(6.6%)	(8.2%)
313.00 Claims and Compensation	12,871,000	0	0	0.0%	-	0	0	0	0.0%	-
Sub-Total Non-Executive	\$ 540,172,800	\$ 341,124,800	\$ 0	0.0%	0.0%	\$ 0	\$ (252,000)	\$ (252,000)	(0.0%)	(0.1%)
315.00 Executive Department	\$ 5,531,000	\$ 5,531,000	\$ 0	0.0%	0.0%	\$ 0	\$ 0	\$ 0	0.0%	0.0%
316.01 Children and Youth	3,262,600	3,262,600	0	0.0%	0.0%	0	0	0	0.0%	0.0%
316.02 Aging and Disability	14,835,400	14,835,400	0	0.0%	0.0%	0	0	0	0.0%	0.0%
316.04 Human Rights Commission	1,855,600	1,855,600	0	0.0%	0.0%	0	0	0	0.0%	0.0%
316.07 Health Services and Development Agency	1,182,100	0	0	0.0%	-	0	0	0	0.0%	-
316.11 Tennessee Public Utility Commission	6,782,200	0	0	0.0%	-	0	0	0	0.0%	-
316.12 TACIR	196,700	196,700	(4,000)	(2.0%)	(2.0%)	0	0	(4,000)	(2.0%)	(2.0%)
316.14 Council on Developmental Disabilities	214,100	214,100	0	0.0%	0.0%	0	0	0	0.0%	0.0%
316.25 Arts Commission	6,667,100	1,890,800	0	0.0%	0.0%	0	0	0	0.0%	0.0%
316.27 State Museum	7,997,400	7,997,400	0	0.0%	0.0%	0	0	0	0.0%	0.0%
317.00 Finance and Administration	16,999,200	12,564,800	(251,200)	(1.5%)	(2.0%)	0	0	(251,200)	(1.5%)	(2.0%)
318.00 TennCare Programs	\$ 2,783,432,100	\$ 2,783,432,100	\$ (12,640,400)	(0.5%)	(0.5%)	\$ 0	\$ 0	\$ (12,640,400)	(0.5%)	(0.5%)
TennCare Waiver Payments	239,032,400	239,032,400	(11,253,100)	(4.7%)	(4.7%)	0	0	(11,253,100)	(4.7%)	(4.7%)
TennCare for Children's Services	104,191,600	104,191,600	(137,400)	(0.1%)	(0.1%)	0	0	(137,400)	(0.1%)	(0.1%)
TennCare for Intellectual Disabilities	45,438,900	45,438,900	(242,100)	(0.5%)	(0.5%)	0	0	(242,100)	(0.5%)	(0.5%)
TennCare for Human Services	6,637,500	6,637,500	0	0.0%	0.0%	0	0	0	0.0%	0.0%
TennCare for Commerce and Insurance	1,307,200	1,307,200	0	0.0%	0.0%	0	0	0	0.0%	0.0%
TennCare for Office of Inspector General	2,499,000	2,499,000	0	0.0%	0.0%	0	0	0	0.0%	0.0%
Sub-total TennCare Programs	\$ 3,182,538,700	\$ 3,182,538,700	\$ (24,273,000)	(0.8%)	(0.8%)	\$ 0	\$ 0	\$ (24,273,000)	(0.8%)	(0.8%)
319.00 Human Resources	0	0	0	-	-	0	0	0	-	-
321.00 General Services	42,243,700	11,710,100	(143,700)	(0.3%)	(1.2%)	0	0	(143,700)	(0.3%)	(1.2%)
323.00 Veterans Services	6,506,500	6,506,500	0	0.0%	0.0%	0	0	0	0.0%	0.0%
324.00 Board of Parole	8,462,900	8,462,900	0	0.0%	0.0%	0	0	0	0.0%	0.0%
325.00 Agriculture	76,548,500	38,731,900	(664,600)	(0.9%)	(1.7%)	0	0	(664,600)	(0.9%)	(1.7%)
326.00 Tourist Development	15,776,500	15,776,500	0	0.0%	0.0%	0	0	0	0.0%	0.0%

**Departmental Comparison of 2018-2019 Recurring Appropriations, 2019-2020 Discretionary Base,
and 2019-2020 Base Budget Reductions (State Appropriation)**

Program	2018-2019 Recurring Appropriation	2019-2020								
		General Fund				Non- Recurring	Dedicated Funds	Net Reduction	Pct. Of 2018-19	Pct. Of 2019-20
		Discretionary Base	Recurring Reduction	Pct. Of 2018-19	Pct. Of 2019-20					
327.00 Environment and Conservation	198,051,200	101,099,500	0	0.0%	0.0%	0	0	0	0.0%	0.0%
328.00 Wildlife Resources Agency	65,034,100	0	0	0.0%	-	0	0	0	0.0%	-
329.00 Correction	1,015,497,100	186,423,100	(3,728,400)	(0.4%)	(2.0%)	0	0	(3,728,400)	(0.4%)	(2.0%)
330.00 Economic and Community Development	51,528,500	26,127,600	(250,000)	(0.5%)	(1.0%)	0	0	(250,000)	(0.5%)	(1.0%)
331.00 Education (K-12)	5,077,780,100	167,335,200	(6,351,700)	(0.1%)	(3.8%)	0	0	(6,351,700)	(0.1%)	(3.8%)
332.00 Higher Education State-Admin. Programs	\$ 558,251,800	\$ 39,099,300	\$ 0	0.0%	0.0%	\$ 0	\$ 0	\$ 0	0.0%	0.0%
332.10 University of Tennessee System	612,411,400	612,411,400	0	0.0%	0.0%	0	0	0	0.0%	0.0%
332.60 State Univ. and Comm. College System	840,812,100	840,812,100	0	0.0%	0.0%	0	0	0	0.0%	0.0%
Sub-Total Higher Education	\$ 2,011,475,300	\$ 1,492,322,800	\$ 0	0.0%	0.0%	\$ 0	\$ 0	\$ 0	0.0%	0.0%
335.00 Commerce and Insurance	160,548,400	10,991,300	(20,500)	(0.0%)	(0.2%)	0	0	(20,500)	(0.0%)	(0.2%)
336.00 Financial Institutions	25,573,200	0	0	0.0%	-	0	0	0	0.0%	-
337.00 Labor and Workforce Development	47,308,500	22,670,800	(259,700)	(0.5%)	(1.1%)	0	0	(259,700)	(0.5%)	(1.1%)
339.00 Mental Health and Substance Abuse Svcs.	258,022,600	16,385,100	0	0.0%	0.0%	0	0	0	0.0%	0.0%
341.00 Military	18,164,200	14,164,200	(120,000)	(0.7%)	(0.8%)	0	0	(120,000)	(0.7%)	(0.8%)
343.00 Health	205,952,200	162,514,200	(1,034,500)	(0.5%)	(0.6%)	0	0	(1,034,500)	(0.5%)	(0.6%)
344.00 Intellectual and Developmental Disabilities	25,507,500	24,874,200	(164,400)	(0.6%)	(0.7%)	0	0	(164,400)	(0.6%)	(0.7%)
345.00 Human Services	197,578,800	106,384,800	(2,127,600)	(1.1%)	(2.0%)	0	0	(2,127,600)	(1.1%)	(2.0%)
347.00 Revenue	90,506,900	76,806,000	(1,536,200)	(1.7%)	(2.0%)	0	0	(1,536,200)	(1.7%)	(2.0%)
348.00 Tennessee Bureau of Investigation	50,094,800	42,740,200	0	0.0%	0.0%	0	0	0	0.0%	0.0%
349.00 Safety	162,454,300	161,619,100	(455,500)	(0.3%)	(0.3%)	0	0	(455,500)	(0.3%)	(0.3%)
350.00 Strategic Health-Care Programs	60,845,500	499,400	0	0.0%	0.0%	(20,811,200)	0	(20,811,200)	(34.2%)	(4,167.2%)
351.00 Miscellaneous Appropriations	205,975,300	0	0	0.0%	-	0	0	0	0.0%	-
352.00 Other Post-Employment Benefits Liability	62,500,000	0	0	0.0%	-	0	0	0	0.0%	-
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	326,254,700	38,905,600	(882,800)	(0.3%)	(2.3%)	0	0	(882,800)	(0.3%)	(2.3%)
Sub-Total Executive	\$ 13,715,503,400	\$ 5,963,938,100	\$ (42,267,800)	(0.3%)	(0.7%)	\$ (20,811,200)	\$ 0	\$ (63,079,000)	(0.5%)	(1.1%)
Total	\$ 14,255,676,200	\$ 6,305,062,900	\$ (42,267,800)	(0.3%)	(0.7%)	\$ (20,811,200)	\$ (252,000)	\$ (63,331,000)	(0.4%)	(1.0%)

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**Departmental Summary of Cost Increases
Fiscal Year 2019-2020**

Code	Department	Total	Funding		
			Appropriation	Federal	Other
301	Legislature	\$ 7,000,000	\$ 7,000,000	\$ 0	\$ 0
301.50	Fiscal Review Committee	0	0	0	0
302	Court System	1,289,500	1,289,500	0	0
303	Attorney General and Reporter	305,900	305,900	0	0
304	District Attorneys General Conference	2,237,200	1,860,000	0	377,200
305	Secretary of State	0	0	0	0
306	District Public Defenders Conference	1,898,700	1,898,700	0	0
307	Comptroller of the Treasury	0	0	0	0
308	Office of the Post-Conviction Defender	33,000	33,000	0	0
309	Treasury Department	1,500,000	1,500,000	0	0
313	Claims and Compensation	0	0	0	0
315	Executive Department	6,000	6,000	0	0
316	Commissions	1,118,000	60,000	58,000	1,000,000
317	Finance and Administration (F&A)	6,000,000	1,000,000	0	5,000,000
317.06	Criminal Justice Programs *	1,000,000	1,000,000	0	0
	Other F&A Programs *	5,000,000	0	0	5,000,000
318	F&A, TennCare	425,742,800	164,971,600	255,137,700	5,633,500
319	Human Resources	0	0	0	0
321	General Services	0	0	0	0
323	Veterans Services	0	0	0	0
324	Board of Parole	0	0	0	0
325	Agriculture	4,100,000	4,100,000	0	0
326	Tourist Development	4,524,800	4,524,800	0	0
327	Environment and Conservation	3,574,900	2,000,000	0	1,574,900
328	Wildlife Resources Agency	1,384,400	1,384,400	0	0
329	Correction	39,668,300	38,373,300	0	1,295,000
330	Economic and Community Development	114,020,000	114,020,000	0	0
331	Education (K-12)	216,343,300	211,174,700	0	5,168,600
331.19	Lottery-Funded Programs *	0	0	0	0
	Other K-12 Education Programs *	216,343,300	211,174,700	0	5,168,600
332	Higher Education	130,718,800	130,718,800	0	0
332.19	Lottery for Education Account *	4,000,000	4,000,000	0	0
	Other Higher Education Programs *	126,718,800	126,718,800	0	0
335	Commerce and Insurance	4,513,200	4,513,200	0	0
336	Financial Institutions	0	0	0	0
337	Labor and Workforce Development	0	0	0	0
339	Mental Health and Substance Abuse Services	23,469,900	23,469,900	0	0
341	Military	0	0	0	0
343	Health	3,320,000	2,500,000	0	820,000
344	Intellectual and Developmental Disabilities	66,800	66,800	0	0
345	Human Services	42,695,900	66,600	42,629,300	0
345.23	Temporary Cash Assistance *	0	0	0	0
	Other Human Services Programs *	42,695,900	66,600	42,629,300	0
347	Revenue	11,088,900	11,088,900	0	0
348	Tennessee Bureau of Investigation	8,212,600	4,193,400	3,961,700	57,500
349	Safety	4,199,000	4,139,200	0	59,800
350	F&A, Strategic Health-Care Programs	0	713,400	(713,400)	0
351	Miscellaneous Appropriations	117,082,900	117,082,900	0	0
352	Other Post-Employment Benefits	0	0	0	0
353	Emergency and Contingency Fund	0	0	0	0
355	State Building Commission	0	0	0	0
359	Children's Services	78,820,100	25,975,400	(13,166,900)	66,011,600
	Sub-total General Fund	\$ 1,254,934,900	\$ 880,030,400	\$ 287,906,400	\$ 86,998,100
400	Transportation	0	0	0	0
501	Facilities Revolving Fund	54,944,600	24,990,000	0	29,954,600
	Total All Funds	\$ 1,309,879,500	\$ 905,020,400	\$ 287,906,400	\$ 116,952,700

* These items are included in the departmental totals.

**Salary Policy Recommendation
Fiscal Year 2019-2020**

	<u>General Fund</u>	<u>Dedicated</u>
I. Discretionary Raises:		
1. State Employees Salary Pool:		
a. 2.0% Salary Pool - Pay for Performance - TEAM Act agencies - Effective 1/1/2020	\$ 28,844,200	\$ 0
b. 2.0% Salary Pool - Across the Board - Non-TEAM Act agencies - Effective 7/1/2019	6,740,400	0
c. Market Rate Adjustment	18,500,000	0
2. Higher Education - Included in Funding Formula		
a. 2.0% Salary Pool - Formula Units	22,000,000	0
b. 2.0% Salary Pool - Non-Formula Units	8,529,600	0
3. K-12 Basic Education Program (BEP) - Teachers and Other Certified Staff at 2.5%	71,250,000	0
4. Safety - Commissioned Officers (Troopers) - Salary Survey Raise at 2.0%	1,426,800	0
5. Commerce and Insurance - TLETA Commissioned Officers - Salary Survey Raise at 2.0%	22,200	0
6. TWRA - Wildlife Officers - Salary Survey Raise at 2.0%	0	804,400
Sub-Total Discretionary Raises	\$ 157,313,200	\$ 804,400
II. Mandated Salary Increases:		
A. Statutory Step Raises:		
1. District Attorneys General - Assistant District Attorneys and Criminal Investigators (Includes Human Services: \$43,900 State)	\$ 1,437,500	\$ 0
2. District Public Defenders - Assistant Public Defenders and Investigators	744,700	0
3. District Public Defenders - Davidson County and Shelby County Adjustment	187,800	0
4. Post-Conviction Defender - Assistant Post-Conviction Defenders	33,000	0
5. Commerce and Insurance - TLETA Commissioned Officers	38,200	0
6. Safety - Commissioned Officers (Troopers)	1,160,600	0
7. TWRA - Wildlife Officers, Biologists, and Unique Positions	0	580,000
Sub-Total Statutory Step Raises	\$ 3,601,800	\$ 580,000
B. Cost of Living Adjustments:		
1. Court System - Judges salary increase - CPI Adjustment	\$ 1,004,500	\$ 0
2. Attorney General and Reporter statutory salary increase - CPI Adjustment	5,900	0
3. Governor's statutory salary increase - CPI Adjustment	6,000	0
Sub-Total Cost of Living Adjustments	\$ 1,016,400	\$ 0
Sub-Total Mandated Salary Increases	\$ 4,618,200	\$ 580,000
III. Other Salary Increases:		
1. Correctional Officer Salary Adjustment	\$ 15,600,000	\$ 0
2. Children's Services - Teacher Training and Experience	11,800	0
3. Education - Teacher Training and Experience - State Special Schools	113,800	0
Sub-Total Other Salary Increases	\$ 15,725,600	\$ 0
Total Salary Policy Recommendation	\$ 177,657,000	\$ 1,384,400

**Base Appropriations Preserved
by Proposed Assessment Legislation
Fiscal Year 2019-2020**

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.

<u>Description</u>	<u>State</u>	<u>Federal</u>	<u>Total</u>
I. Hospital Assessment			
Essential Access Hospital Payments	\$ 42,677,500	\$ 80,578,800	\$ 123,256,300
Disproportionate Share Hospital Payments	27,528,000	51,975,200	79,503,200
Graduate Medical Education	17,071,000	32,231,500	49,302,500
Critical Access Hospital Payments	3,414,200	6,446,300	9,860,500
Medicare Part A Reimbursement	12,137,600	22,916,800	35,054,400
Provider Reimbursement and Co-Pay	56,511,800	106,699,200	163,211,000
Hospital Reimbursement Ceiling	11,027,700	20,821,300	31,849,000
In-Patient Services	44,882,800	84,742,600	129,625,400
Lab and X-Ray Procedures	14,221,600	26,851,600	41,073,200
Therapies	8,636,200	16,305,900	24,942,100
Out-Patient Services	32,063,500	60,538,700	92,602,200
Office Visits	18,315,100	34,580,500	52,895,600
Match for Admissions Data Contract Payments	125,000	125,000	250,000
Directed Hospital Payments	155,346,100	293,306,900	448,653,000
Non-Emergent Care at Hospitals	573,200	1,082,300	1,655,500
340B Pricing Provision of MCO Contractor Agreement	2,048,500	3,867,700	5,916,200
Rate Variation Adjustment	191,200	361,000	552,200
Total Hospital Assessment	\$ 446,771,000	\$ 843,431,300	\$ 1,290,202,300
II. Nursing Home Assessment	\$ 130,061,000	\$ 245,566,400	\$ 375,627,400
III. Ambulance Service Assessment	\$ 10,835,000	\$ 20,388,600	\$ 31,223,600
IV. Total Proposed Assessments	\$ 587,667,000	\$ 1,109,386,300	\$ 1,697,053,300

**2019 Administration Legislation with Fiscal Impact
General Fund and Education Fund
Fiscal Year 2019-2020**

Description	General Fund		Dedicated Funds	
	Recurring	Non-Recurring	Recurring	Non-Recurring
I. Tax Adjustments - (Decrease) / Increase:				
1. Revenue - Sales Tax - Amusement Tax on Small Gyms - Expand Tax Exemption	\$ (12,435,400)	\$ -	\$ -	\$ -
2. Revenue - Sales Tax - Exempt all Sales of Agricultural Trailers	(449,800)	-	-	-
3. Revenue - Sales Tax - Exempt Sales of Water Provided by a Utility District Used Exclusively for Farming	(567,200)	-	-	-
Total Tax Adjustments - (Decrease) / Increase	\$ (13,452,400)	\$ -	\$ -	\$ -
II. Cost Increase - (Cost) / Savings:				
1. Commerce & Insurance - Police Pay Supplement - Increase to \$800	\$ (2,936,000)	\$ -	\$ -	\$ -
2. Commerce & Insurance - Firefighter Pay Supplement - Increase to \$800	(1,369,600)	-	-	-
3. Correction - Incarceration - Fentanyl Classification	(1,000,000)	-	-	-
4. Education - Education Savings Accounts	(25,250,000)	(200,000)	-	-
5. Education - Governor's Civics Initiative	-	(500,000)	-	-
6. Education - School Safety Grants	(10,000,000)	(20,000,000)	-	-
7. Higher Education - Governor's Investment in Vocational Education Act	-	(25,000,000)	(4,000,000)	-
8. Tennessee Bureau of Investigation - Reduce Expungement Fees	(2,763,000)	-	2,763,000	-
9. Treasury - Electronic Monitoring Indigency Fund - Program Changes	-	(1,500,000)	-	-
10. Multiple Agencies - Reinstate Service Credits FY 2009-2010				
a. District Attorneys General	(466,400)	-	-	-
b. Human Services (Child Support Enforcement in District Attorneys)	(22,700)	-	-	-
c. District Public Defenders	(236,100)	-	-	-
Total Cost Increase - (Cost) / Savings	\$ (44,043,800)	\$ (47,200,000)	\$ (1,237,000)	\$ -

Lottery for Education Account
Summary of Appropriation Requirements, Revenues, and Reserves
Fiscal Years 2017-2018 Through 2022-2023
(Millions)

	Actual 2017-2018	Estimated 2018-2019	Recommended 2019-2020	2020-2021	Projected	
					2021-2022	2022-2023
1. Appropriation Requirements:						
Higher Education Scholarships Base	\$ 328.1	\$ 367.7	\$ 364.0	\$ 367.5	\$ 371.0	\$ 374.6
GIVE Student Grants	0	0	4.0	4.0	4.0	4.0
Tennessee Student Assistance Corporation	3.5	6.7	5.0	3.4	3.4	3.4
Tennessee Higher Education Commission	1.8	1.8	1.8	1.7	1.7	1.7
Transfer to Tennessee Student Assistance Awards	5.6	0	0	0	0	0
Total Appropriation Requirements	\$ 339.0	\$ 376.2	\$ 374.8	\$ 376.6	\$ 380.1	\$ 383.7
2. Current Revenue:						
Net Education Lottery Proceeds	\$ 406.5	\$ 421.1	\$ 427.4	\$ 438.1	\$ 449.1	\$ 460.3
Lottery for Education Account - Interest	1.4	0.1	0.1	0.1	0.1	0.1
General Shortfall Reserve at prior June 30	100.0	100.0	100.0	100.0	100.0	100.0
Lottery for Education Account at prior June 30	10.0	10.0	10.0	10.0	10.0	10.0
Total Current Revenue	\$ 517.9	\$ 531.2	\$ 537.5	\$ 548.2	\$ 559.2	\$ 570.4
3. Lottery for Education Reserve at June 30:						
General Shortfall Reserve	\$ 100.0	\$ 100.0	\$ 100.0	\$ 100.0	\$ 100.0	\$ 100.0
Lottery for Education Account Reserve	10.0	10.0	10.0	10.0	10.0	10.0
Available to Transfer to Tennessee Promise Scholarships	68.9	45.0	52.7	61.6	69.1	76.7
Total Reserve at June 30	\$ 178.9	\$ 155.0	\$ 162.7	\$ 171.6	\$ 179.1	\$ 186.7

(Dollars)

4. 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: 2017-2018 Actual - 117,000; 2018-2019 Estimated - 133,300; and 2019-2020 Recommended - 131,900.

Lottery-Funded Education Programs
Comparison of Appropriation Requirements and State Revenues
Fiscal Years 2017-2018 Through 2022-2023

	<u>Actual</u> <u>2017-2018</u>	<u>Estimated</u> <u>2018-2019</u>	<u>Recommended</u> <u>2019-2020</u>	<u>Projected</u>		
				<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>
I. Appropriation Requirements						
Higher Education Scholarships	\$ 328,134,300	\$ 367,700,000	\$ 364,000,000	\$ 367,500,000	\$ 371,000,000	\$ 374,600,000
GIVE Student Grants	0	0	4,000,000	4,000,000	4,000,000	4,000,000
Tennessee Higher Education Commission	1,747,200	1,800,000	1,800,000	1,700,000	1,700,000	1,700,000
Tennessee Student Assistance Corporation (TSAC)	3,438,800	6,700,000	5,000,000	3,400,000	3,400,000	3,400,000
Tennessee Student Assistance Awards	5,641,100	0	0	0	0	0
Education - Lottery Scholarship Day	0	23,000	23,000	23,000	23,000	23,000
Rounding / Reconciling	0	(23,000)	(23,000)	(23,000)	(23,000)	(23,000)
Sub-Total Lottery for Education Acct.	\$ 338,961,400	\$ 376,200,000	\$ 374,800,000	\$ 376,600,000	\$ 380,100,000	\$ 383,700,000
After-School Programs	\$ 13,615,000	\$ 13,500,000	\$ 13,500,000	\$ 13,500,000	\$ 13,500,000	\$ 13,500,000
Total Appropriation Requirements	\$ 352,576,400	\$ 389,700,000	\$ 388,300,000	\$ 390,100,000	\$ 393,600,000	\$ 397,200,000
II. Available Revenues and Reserves						
Net Education Lottery Proceeds	\$ 406,514,000	\$ 421,100,000	\$ 427,400,000	\$ 438,100,000	\$ 449,100,000	\$ 460,300,000
Lottery for Education Account - Interest	1,334,300	75,000	75,000	75,000	75,000	75,000
Unclaimed Prizes (After-School Programs)	15,168,000	13,500,000	13,500,000	13,500,000	13,500,000	13,500,000
After-School Programs - Interest	284,300	100,000	100,000	100,000	100,000	100,000
General Shortfall Reserve at Prior June 30	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
Lottery for Education Account at Prior June 30	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Unclaimed Prizes at Prior June 30	25,966,800	27,804,100	27,904,100	28,004,100	28,104,100	28,204,100
Total Available Revenues and Reserves	\$ 559,267,400	\$ 572,579,100	\$ 578,979,100	\$ 589,779,100	\$ 600,879,100	\$ 612,179,100
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	27,804,100	27,904,100	28,004,100	28,104,100	28,204,100	28,304,100
Available to Transfer to Tennessee Promise Scholarships	68,886,900	44,975,000	52,675,000	61,575,000	69,075,000	76,675,000
Total Available Funds at June 30	\$ 206,691,000	\$ 182,879,100	\$ 190,679,100	\$ 199,679,100	\$ 207,279,100	\$ 214,979,100

**Tennessee Promise Last Dollar Scholarship
Multi-Year Projection
Fiscal Years 2017-2018 Through 2019-2020**

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, 2 four-year public institutions, or private institutions offering an associates 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 2018 was 27,600.

	Actual 2017-2018	Estimated 2018-2019	Estimated 2019-2020
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	\$ 47,891,400	\$ 68,886,900	\$ 44,975,000
Transfer from Tennessee Student Asst. Corp.	18,000,000	0	0
Endowment/Reserve Earnings	12,668,200	23,046,700	25,742,000
Total Available Revenue	\$ 78,559,600	\$ 91,933,600	\$ 70,717,000
III. Expenditures			
Tennessee Promise Cost	\$ 28,280,700	\$ 29,909,900	\$ 30,804,600
Treasury Administrative Fees	400,200	409,700	459,000
Total Expenditures	\$ 28,680,900	\$ 30,319,600	\$ 31,263,600
IV. Surplus/Deficit	\$ 49,878,700	\$ 61,614,000	\$ 39,453,400
V. Balance Forward/Special Reserve	\$ 150,817,200	\$ 212,431,200	\$ 251,884,600

**Rainy Day Fund and Unobligated TennCare Reserve
Fiscal Years 2015-2016 Through 2019-2020**

	<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	0	100,000,000
Plus: Program Savings	0	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	0	132,000,000
Less: Expenditures for Eligibility Determination System	0	(21,709,200)	(21,709,200)
Plus: Program Savings	0	90,480,400	90,480,400
Total Reserve at June 30, 2018	\$ 800,000,000	\$ 311,265,100	\$ 1,111,265,100
4. 2018-2019:			
Plus: Deposit at June 30, 2019	50,000,000	0	50,000,000
Plus: Additional Deposit at June 30, 2019 - Balance at \$861 M	11,000,000	0	11,000,000
Plus: Additional Deposit at June 30, 2019 - Balance at \$875 M	14,000,000	0	14,000,000
Total Reserve at June 30, 2019	\$ 875,000,000	\$ 311,265,100	\$ 1,186,265,100
4. 2019-2020:			
Plus: Deposit at June 30, 2020	43,000,000	0	43,000,000
Plus: Additional Deposit at June 30, 2020 - Balance at \$1.1 Billion	182,000,000	0	182,000,000
Total Reserve at June 30, 2020	\$ 1,100,000,000	\$ 311,265,100	\$ 1,411,265,100

**Summary Comparison of Tennessee Personal Income
and Appropriations from State Tax Revenues
Fiscal Years 1977-1978, 2017-2018, 2018-2019, and 2019-2020**

TABLE 1

**Tennessee Personal Income
Calendar Years 1977, 2017, 2018, and 2019
(Dollars in Millions)**

<u>Year</u>	<u>Personal Income ¹</u>	<u>Percent Growth</u>
1977	\$ 26,805.0	-
2017	305,690.6	-
2018	318,667.8	4.25
2019	332,239.2	4.26

TABLE 2

**Appropriations from State Tax Revenues
Fiscal Years 1977-1978, 2017-2018, 2018-2019, and 2019-2020
(Dollars in Millions)**

<u>Year</u>	<u>Appropriations</u>	<u>Percent Growth</u>
1977-1978	\$ 1,747.3	-
2017-2018	16,541.6	-
2018-2019	16,911.2	2.23
2019-2020	17,342.1	2.55

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 2019-2020

	Estimated 2018-2019	Estimated 2019-2020
I. Appropriated State Revenues	\$ 16,911,200,000	\$ 17,346,700,000
Less: Non-Tax Revenue	(152,400,000)	(72,500,000)
Total Appropriated from State Tax Revenues	<u>\$ 16,758,800,000</u>	<u>\$ 17,274,200,000</u>
Less: 2019 Tax Legislation - Small Gyms	0	(12,435,400)
Less: 2019 Tax Legislation - Agricultural Trailers	0	(449,800)
Less: 2019 Tax Legislation - Agricultural Water Sales	0	(567,200)
Rounding Adjustment	0	(47,600)
Total State Tax Revenue	<u>\$ 16,758,800,000</u>	<u>\$ 17,260,700,000</u>
Percent Increase Over the Prior Year		2.99%
II. Fiscal Year 2018-2019 Established Limit	\$ 16,760,700,000	\$ 16,760,700,000
Adjustment to Established Limit		(1,900,000) *
Fiscal Year 2019-2020 Base Appropriations Limit		<u>\$ 16,758,800,000</u>
State Economic Growth Measure		
2018 Forecasted Personal Income Growth	4.26%	713,900,000
Recommended Adjustment to Established Limit	0	0
Fiscal Year 2017-2018 Revised Appropriations Limit	<u>\$ 16,760,700,000</u>	
Fiscal Year 2018-2019 Appropriations Limit		<u>\$ 17,472,700,000</u>
III. Availability Under the Established Limit	<u>\$ 1,900,000</u>	<u>\$ 212,000,000</u>

* Cap reset to the appropriated state tax revenue in FY 2018-2019.

Comparison of Authorized Positions State Agencies and Higher Education

	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>Change From Current Year</u>
I. STATE AGENCIES *				
General Fund	42,752	42,617	42,695	78
Full-time	41,002	41,053	41,149	96
Part-time	1,280	1,112	1,112	0
Seasonal	470	452	434	(18)
Department of Transportation	4,635	4,566	4,566	0
Full-time	4,630	4,561	4,561	0
Part-time	5	5	5	0
Seasonal	0	0	0	0
Total State Agencies	47,387	47,183	47,261	78
Full-time	45,632	45,614	45,710	96
Part-time	1,285	1,117	1,117	0
Seasonal	470	452	434	(18)
II. HIGHER EDUCATION				
Total Positions	25,923	26,249	26,249	0
Full-time Equivalent (UT and TBR)				
Administrative	1,345	1,381	1,381	0
Professional	6,263	6,487	6,487	0
Faculty	9,862	10,015	10,015	0
Clerical and Support	8,453	8,366	8,366	0
III. TOTAL STATE AGENCIES AND HIGHER EDUCATION				
Total Positions	73,310	73,432	73,510	78
Full-time **	71,555	71,863	71,959	96
Part-time	1,285	1,117	1,117	0
Seasonal	470	452	434	(18)

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

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

**Fiscal Year 2019-2020
Authorized Positions Change
Recommended 2019-2020 Change from Estimated 2018-2019
Increase / (Decrease)**

	<u>Full-Time</u>	<u>Part-Time</u>	<u>Seasonal</u>	<u>Total</u>
I. 2019-2020 Total Recommended	96	0	(18)	78
II. 2019-2020 Base Budget	(98)	(5)	(18)	(121)
a. Base Reduction Plans	(37)	0	0	(37)
Treasury	(15)	0	0	(15)
Children's Services - Administrative Support Staff	(12)	0	0	(12)
Safety - Administrative Positions	(5)	0	0	(5)
Labor and Workforce Development - Workers' Compensation	(4)	0	0	(4)
Intellectual and Developmental Disabilities - Maintenance positions	(2)	0	0	(2)
TennCare - Estate Recovery Recoupments	1	0	0	1
b. Various Agencies - Miscellaneous Adjustments	4	(5)	(18)	(19)
c. 2018-2019 Non-recurring Appropriations Not Continued in 2019-2020 Base	(65)	0	0	(65)
District Attorneys General Conference - Criminal Justice Grants	(20)	0	0	(20)
Education (K-12) - Read to be Ready	(18)	0	0	(18)
Revenue - Tax Collection System Replacement	(16)	0	0	(16)
Education (K-12) - Charter Schools Program Project	(2)	0	0	(2)
Education (K-12) - Council of Chief State School Officers	(2)	0	0	(2)
Education (K-12) - Partnership for Pre-K Improvement	(2)	0	0	(2)
Mental Health and Substance Abuse Services - 21st Century Cures Act	(2)	0	0	(2)
Commission on Aging and Disability - Criminal Justice Grants	(1)	0	0	(1)
TennCare - Medication Therapy Management	(1)	0	0	(1)
Commerce and Insurance - Criminal Justice Grants	(1)	0	0	(1)
III. 2019-2020 Agency Cost Increase Requests	194	5	0	199
Education (K-12)	74	0	0	74
Correction	43	0	0	43
Tennessee Bureau of Investigation	26	5	0	31
Revenue	11	0	0	11
Public Defenders Conference	8	0	0	8
Health	7	0	0	7
Higher Education - State Administered Programs	6	0	0	6
Comptroller of the Treasury	4	0	0	4
Tourist Development	4	0	0	4
Court System	2	0	0	2
TennCare	2	0	0	2
Commerce and Insurance	2	0	0	2
Mental Health and Substance Abuse Services	2	0	0	2
Council on Developmental Disabilities	1	0	0	1
Intellectual and Developmental Disabilities	1	0	0	1
Safety	1	0	0	1

Full-Time Employees Overlapped Over 90 Days

Agency	Count
301.00 Legislature	29
302.00 Court System	15
304.00 District Attorneys General Conference	2
306.00 District Public Defenders Conference	2
315.00 Executive Department	1
316.12 Advisory Commission on Intergovernmental Relations	4
317.00 Finance and Administration	40
318.00 Finance and Administration, Division of TennCare	63
323.00 Veterans Services	1
324.00 Board of Parole	1
325.00 Agriculture	15
327.00 Environment and Conservation	12
328.00 Tennessee Wildlife Resources Agency	2
329.00 Correction	54
331.00 Education (K-12)	45
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	1
339.00 Mental Health and Substance Abuse Services	17
341.00 Military	6
343.00 Health	3
344.00 Intellectual and Developmental Disabilities	5
345.00 Human Services	4
348.00 Tennessee Bureau of Investigation	2
349.00 Safety	22
359.00 Children's Services	21
400.00 Transportation	3
Total	375

Based on Edison extract of full-time employees overlapped more than 90 days as of February 16, 2019.

Federal Aid Trends Fiscal Year 2019-2020

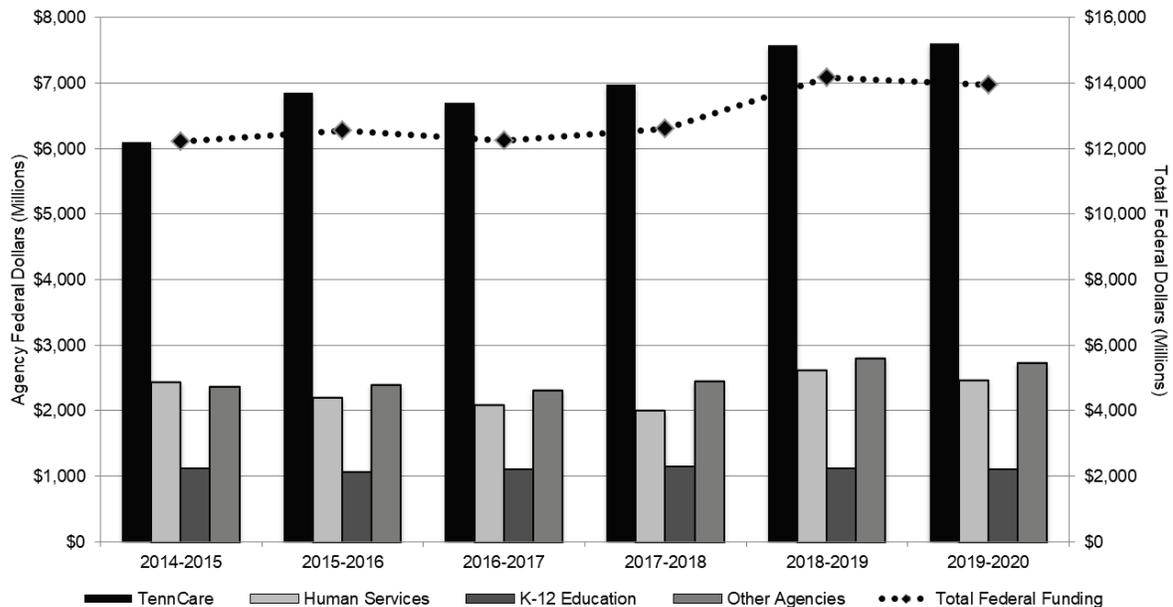
The total recommended budget for the fiscal year is \$38,552,831,200 with 36.2 percent from federal sources. The \$13,954,065,000 of federal funding is a decrease of 1.49 percent from the 2018-2019 estimate. Of the total federal funding, \$7,609,897,800 (54.5 percent) is recommended for TennCare expenditures, \$2,477,345,100 (17.8 percent) for the Department of Human Services, \$1,129,269,800 (8.1 percent) for the Department of Education, and \$2,737,552,300 (19.6 percent) 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 2014-2015	Actual 2015-2016	Actual 2016-2017	Actual 2017-2018	Estimated 2018-2019	Recommended 2019-2020
Total Federal Funding	\$12,054,843,400	\$12,561,114,500	\$12,254,856,700	\$12,614,913,200	\$14,164,781,000	\$13,954,065,000
TennCare	6,098,894,000	6,858,779,100	6,701,051,000	6,978,834,700	7,586,686,100	7,609,897,800
Human Services	2,443,249,400	2,215,274,600	2,101,900,900	2,009,263,700	2,626,534,500	2,477,345,100
K-12 Education	1,140,410,300	1,078,074,200	1,123,712,100	1,160,065,800	1,138,905,500	1,129,269,800
Other Agencies	2,372,289,700	2,408,986,600	2,328,192,700	2,466,749,000	2,812,654,900	2,737,552,300

	Average Annual Percent Change FY 2019 to 2020	Average Annual Percent Change FY 2015 to 2020
Total Federal Funding	-1.49%	2.97%
TennCare	0.31%	4.53%
Human Services	-5.68%	0.28%
K-12 Education	-0.85%	-0.20%
Other Agencies	-2.67%	2.91%

Federal Funds, Actual 2014-2015 to Recommended 2019-2020



From fiscal years 2014-2015 to 2017-2018, non-TennCare federal funding trended slightly downward due to the expiration of non-recurring sources, with estimated funding in fiscal years 2018-2019 and 2019-2020 above fiscal year 2017-2018 actual levels. In the TennCare program, an upward trend in federal funding from fiscal years 2014-2015 to 2017-2018 is continued in fiscal years 2018-2019 and 2019-2020. The increases in 2018-2019 and 2019-2020 are largely due to medical inflation and utilization in the program, continued implementation of information systems, 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 2019

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.

The Budget Control Act of 2011 was 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 Acts of 2015 and 2018 raised the discretionary program spending caps in federal fiscal years 2016, 2017 and 2018, while also extending the imposition of sequestration spending caps beyond 2021 to federal fiscal year 2027. As a result, there were no additional sequestration reductions of federally funded programs in state fiscal years 2016-2017 or 2017-2018.

The Consolidated Appropriations Act, 2019, was passed by Congress in February 2019 to fund the federal government until September 30, 2019. The spending caps in this law are subject to the discretionary program spending caps first described in the Budget Control Act of 2011 and amended by the Bipartisan Budget Act of 2018.

Fiscal Year 2020 Outlook

For fiscal year 2019-2020, increased federal aid is recommended largely in the TennCare program. Of the total cost increase from federal sources of \$287,906,400, the share directed to the TennCare program is \$255,137,700. 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 decreased fiscal year 2019-2020 federal funding by \$42,119,600 in TennCare and the Department of Children's Services. State appropriations cost increases are recommended to offset this reduction of federal funds.

Tennessee Economic Overview

Recommended Budget, Fiscal Year 2019–2020

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

The national and state economies experienced healthy economic growth in 2018, buoyed by strong fundamentals and federal tax cuts. Tax cuts and economic momentum helped generate a 6.9 percent gain in business fixed investment for the national economy. Perhaps the best indication of the strength of the economy is the labor market. Nonfarm and manufacturing job growth advanced at a healthy pace for both the national and state economies. The state unemployment rate settled at a remarkably low 3.5 percent rate in 2018, while the national unemployment rate was 3.9 percent for the year. Global growth slowed some over the year, but remained relatively strong helping domestic economic performance. The state and national economies are expected to see sustained growth in 2019 and 2020, though rates of growth are expected to slow. This is not a recessionary outlook, but one that recognizes that the economy is confronting the constraints of full employment and other headwinds.

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 Economic Report to the Governor of the State of Tennessee.”

Recent Economic Conditions

U.S. inflation-adjusted gross domestic product (GDP) had a strong showing in 2018, with a gain of 2.9 percent, matching the rate of growth in 2015. Consumer durable goods spending and business fixed investment helped drive GDP growth. A small setback in residential investment

and strong import growth dampened overall growth for the year. Nonfarm employment was up 1.6 percent and manufacturing employment surged 2.1 percent. December was noteworthy for job gains well in excess of 300 thousand. Inflation remained moderate, with the Consumer Price Index rising 2.5 percent. There are emerging signs of wage gains after years of earnings stagnation. This signal, along with overall strong economic conditions, caused the Federal Reserve to raise the federal funds rate, largely consistent with market expectations. The federal funds rate averaged just 1.8 percent for the year.

Economic conditions in Tennessee continued to show marked improvement. State inflation-adjusted GDP was up 2.7 percent for the year while nominal personal income saw a 4.3 percent gain, slightly below the national rate of income growth. While the unemployment rate has drifted up from the remarkably low 3.0 percent rate in September of 2017, it remains low with an average of 3.5 percent for 2018. Nonfarm jobs were up 1.8 percent, roughly on par with gains from the previous year. Employment in the state’s manufacturing sector slowed to 1.0 percent following 1.4 percent growth in 2017.

Short-Term Economic Outlook

If the economy remains on track, by mid-year this will be the longest economic expansion in the historical record. The economic outlook for 2019 and 2020 calls for slowing growth. A primary consideration is that the economy is operating at full employment, as indicated by record low unemployment rates. There is simply little capacity for economic acceleration. In addition, the influence of federal tax cuts will fade as 2019 unfolds. Other headwinds include tariff wars, rising interest rates, an appreciating dollar, and closure of the federal government. A recession is not expected as economic fundamentals remain strong.

U.S. inflation-adjusted GDP is expected to be up 2.7 percent in 2019 followed by slower growth of 2.1 percent in the following year. Employment growth will slow to 1.5 percent in 2019 and to just 1.1 percent in 2020, reflecting a scarcity of available workers. The U.S. unemployment rate

should hover in the vicinity of 3.4 percent. Import growth will exceed export growth, hurting the nation's growth prospects. The slowing economy should mean moderation as the Federal Reserve casts its monetary policy. Expect the federal funds rate to average 2.6 percent in 2019. Consumer inflation is expected to come in at 2.5 percent followed by slower price gains of 1.9 percent in 2020.

Tennessee's inflation-adjusted GDP will be up 2.6

percent in 2019 and 1.9 percent in 2020, generally in line with the national outlook. Nominal personal income will be up 4.3 percent in 2019 and 4.5 percent in 2020. On a fiscal year basis, personal income will advance 4.3 percent in 2019-2020. Nonfarm employment is projected to see growth of 1.4 percent in 2019, with slower growth of 0.9 percent projected for 2020. The state unemployment rate will inch up to 3.6 percent in 2019, as the strong labor market draws more people into the labor market.

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

Tennessee Characteristics

Population

	2000	2005	2010	2017
Total Population (April 1, July 1, April 1, July 1) ¹	5,689,427	5,991,057	6,346,105	6,715,984

Population by Grand Division ¹

East Tennessee	2,108,321	2,210,700	2,327,544	2,420,772
Middle Tennessee	2,081,255	2,250,472	2,455,911	2,733,908
West Tennessee	1,499,851	1,529,885	1,562,650	1,561,304

Metropolitan Statistical Area Population ^{1, 2}

Chattanooga, TN-GA	476,611	499,564	528,143	556,548
Tennessee Portion	347,142	358,471	378,812	404,774
Georgia Portion	129,469	141,093	149,331	151,774
Clarksville, TN-KY	219,727	237,633	260,625	285,042
Tennessee Portion	134,725	151,122	172,331	200,182
Kentucky Portion	85,002	86,511	88,294	84,860
Cleveland, TN	104,012	109,410	115,788	122,317
Jackson, TN	121,969	126,192	130,011	129,235
Johnson City, TN	181,585	189,182	198,716	202,053
Kingsport-Bristol, TN - Bristol, VA	298,564	302,519	309,544	306,659
Tennessee Portion	206,671	209,002	213,656	213,617
Virginia Portion	91,893	93,517	95,888	93,042
Knoxville, TN	748,231	790,669	837,571	877,104
Memphis, TN-MS-AR	1,213,285	1,271,965	1,324,829	1,348,260
Tennessee Portion	977,574	1,003,054	1,027,138	1,038,363
Arkansas Portion	50,855	50,244	50,902	48,750
Mississippi Portion	184,856	218,667	246,789	261,147
Morristown, TN	102,444	107,703	113,951	118,081
Nashville-Davidson - Murfreesboro - Franklin, TN	1,381,412	1,511,310	1,670,890	1,903,045
Total Tennessee Metropolitan Statistical Area Population	4,305,765	4,556,115	4,858,864	5,208,771
Total Tennessee Non-Metropolitan Population	1,383,662	1,434,942	1,487,241	1,507,213

Demographic Characteristics ¹

Percent of Population by Age Group:

Under Age 5	6.6%	6.7%	6.4%	6.0%
Age 5 to 17	18.0%	17.1%	17.1%	16.4%
Age 18 to 24	9.6%	9.0%	9.6%	9.2%
Age 25 to 64	53.4%	55.0%	53.4%	52.4%
Age 65 and Older	12.4%	12.2%	13.5%	16.0%

Percent of Population by Race:

White	80.2%	79.6%	77.5%	78.6%
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, Native Hawaiian, and Other Pacific Islander	1.0%	1.3%	1.5%	2.0%
Other	2.1%	2.4%	4.0%	1.9%

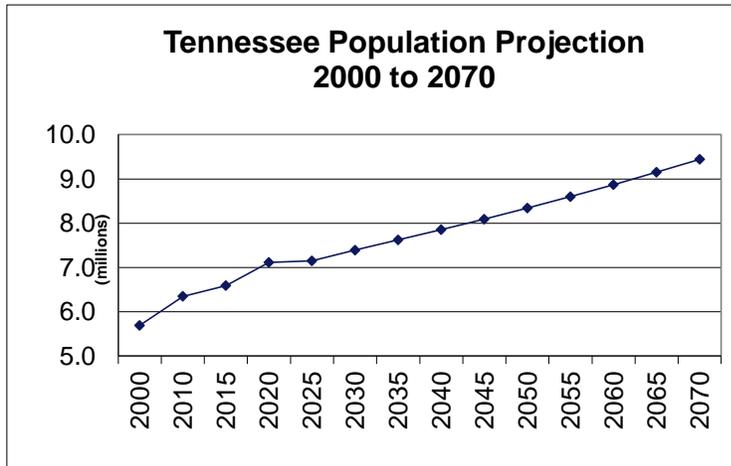
Hispanic Population (Percent of Total Population)

	2.2%	3.0%	4.6%	5.5%
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Place of Birth of Tennessee Residents:

Born in Tennessee	64.7%	62.5%	61.0%	59.7%
Born in Another State	31.9%	33.1%	33.7%	34.3%
Born Outside the United States	0.6%	0.6%	0.8%	0.8%
Born in a Foreign Country	2.8%	3.8%	4.5%	5.2%
Naturalized Citizen	0.9%	1.2%	1.5%	1.9%
Not a Citizen	1.9%	2.6%	3.0%	3.3%

Tennessee Population 2000 to 2070 ³



Year	Population
2000	5,689,283
2010	6,346,105
2015	6,590,726
2020	7,112,424
2025	7,148,217
2030	7,390,535
2035	7,621,801
2040	7,853,224
2045	8,091,886
2050	8,341,055
2055	8,599,961
2060	8,870,988
2065	9,153,058
2070	9,443,390

Education Characteristics

Public School Enrollment and Expenditures ⁴

	1999-2000	2004-2005	2009-2010	2016-2017
Total Number of Public Schools	1,611	1,693	1,746	1,814
Total K-12 Public School Average Daily Attendance (ADA)	842,733	867,134	894,764	914,518
Total Operating Expenditures (in thousands)	\$ 4,885,072	\$ 6,387,036	\$ 7,849,989	\$ 9,122,039
Public School Per Pupil Expenditures (based on ADA)	\$ 5,794	\$ 7,366	\$ 8,773	\$ 9,958

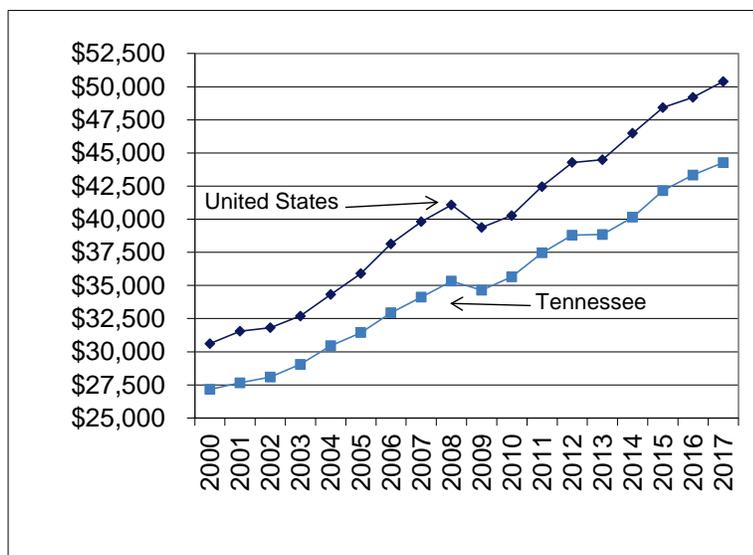
Educational Attainment ⁵

	2000	2005	2010	2017
Population 25 Years and Over				
Less Than 9th Grade	9.6%	7.0%	6.3%	4.4%
9th to 12th Grade, No Diploma	14.5%	11.8%	10.1%	7.8%
High School Graduate (includes equivalency)	31.6%	34.5%	33.5%	32.4%
Some College, No Degree	20.0%	19.3%	20.8%	20.8%
Associate Degree	4.7%	5.6%	6.2%	7.3%
Bachelor's Degree	12.8%	14.1%	14.6%	17.2%
Graduate or Professional Degree	6.8%	7.7%	8.5%	10.1%
Percent High School Graduate or Higher				
United States	80.4%	84.2%	85.6%	88.0%
Tennessee	75.9%	81.2%	83.6%	87.8%
Percent Bachelor's Degree or Higher				
United States	24.4%	27.2%	28.2%	32.0%
Tennessee	19.6%	21.8%	23.1%	27.3%

Income and Poverty

	2000	2005	2010	2017
Tennessee's Per Capita Income as a Percent of the U.S.	88.7%	87.6%	88.5%	87.8%
Tennessee's Rank in U.S. by Per Capita Income	35	37	35	33

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	40,278	35,657
2011	42,463	37,465
2012	44,283	38,800
2013	44,489	38,838
2014	46,486	40,156
2015	48,429	42,156
2016	49,204	43,338
2017	50,393	44,266
% Change 2000-2017	64.7%	63.0%

Percentage of Population Below Poverty ⁷

	1999	2005	2010	2017
United States	12.4%	13.3%	15.3%	13.4%
Tennessee	13.5%	15.5%	17.7%	15.0%

Tennessee Gross Domestic Product ⁸

	2000	2005	2010	2017
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%	0.3%
Utilities	0.7%	0.6%	0.8%	0.6%
Construction	4.5%	4.4%	3.4%	3.9%
Manufacturing	18.9%	18.1%	15.6%	16.3%
Durable Goods	10.7%	11.3%	8.1%	9.2%
Nondurable Goods	8.2%	6.7%	7.5%	7.1%
Wholesale Trade	7.0%	6.9%	7.0%	6.9%
Retail Trade	8.0%	8.1%	7.4%	7.3%
Transportation and Warehousing, Excluding Postal Service	4.9%	5.0%	4.6%	4.7%
Information	2.8%	3.1%	3.3%	2.9%
Finance and Insurance	5.6%	5.2%	5.1%	5.7%
Real Estate and Rental and Leasing	10.2%	9.5%	11.1%	11.0%
Professional, Scientific, and Technical Services	4.4%	4.9%	5.2%	5.2%
Management of Companies and Enterprises	0.9%	0.9%	1.3%	1.9%
Administrative and Waste Services	3.8%	3.8%	4.0%	4.0%
Educational Services	0.8%	1.1%	1.0%	0.9%
Health Care and Social Assistance	6.9%	7.8%	9.8%	9.3%
Arts, Entertainment, and Recreation	1.2%	1.3%	1.4%	1.4%
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	\$19,263,350
Tennessee	\$ 181,216	\$ 227,505	\$ 252,478	\$ 345,218
Tennessee as a Percent of U.S.	1.77%	1.75%	1.70%	1.79%
Tennessee's Rank in U.S.	19	18	20	18

Civilian Labor Force ⁹

	2000	2005	2010	2017
Civilian Labor Force	2,871,500	2,942,300	3,084,100	3,198,800
Employment	2,756,500	2,778,500	2,783,000	3,080,200
Unemployment	115,000	163,800	301,100	118,600
Unemployment Rate	4.0%	5.6%	9.8%	3.7%

Employment by Industry ⁹

	2000	2005	2010	2017
Non-Farm Employment - Percentage by Industry				
Goods Producing	22.7%	19.5%	15.4%	15.7%
Mining, Logging, and Construction	4.8%	4.6%	4.0%	4.1%
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%	84.3%
Trade, Transportation, and Utilities	21.5%	21.8%	21.2%	20.6%
Wholesale Trade	4.8%	4.8%	4.5%	4.0%
Retail Trade	11.6%	11.8%	11.7%	11.1%
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%	5.3%
Professional and Business Services	11.0%	11.4%	11.6%	13.5%
Educational and Health Services	10.2%	12.0%	14.3%	14.3%
Leisure and Hospitality	8.6%	9.5%	10.0%	11.0%
Other Services	4.3%	3.7%	4.0%	3.8%
Government	14.6%	15.1%	16.6%	14.3%
Federal	2.0%	1.8%	2.0%	1.6%
State and Local	12.6%	13.3%	14.6%	12.7%

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 2017 American Community Survey.

² Metropolitan Statistical Area (MSA) population is based on the 2017 MSA definitions published by the U. S. Office of Management and Budget (OMB) in OMB Bulletin 17-01, August 15, 2017.

³ Source: U.S. Bureau of the Census for 2000, 2010 and 2015; University of Tennessee, Boyd Center for Business and Economic Research for 2020 through 2070.

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 2017 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 2019-2020

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 franchise and excise tax collections and Tennessee Valley Authority in lieu of tax payments.

Motor vehicle fuel (primarily diesel fuel)

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

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

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

The Commissioner of Finance and Administration prepares revenue estimates based on advice from economists, his own staff, the Department of Revenue, and the State Funding Board. The State Funding Board, which is composed of the Governor, the Commissioner of Finance and Administration, the Comptroller, the State Treasurer, and the Secretary of State, is assisted in preparing its range of revenue growth estimates by economists from the state's universities, the executive director of the Fiscal Review Committee, and staff of the Department of Finance and Administration, Department of Revenue, and the Treasurer's Office. The State Funding Board prepares and recommends a range of revenue growth estimates using the information provided by the economists, the executive director of the Fiscal Review Committee, and staff.

The State Funding Board's review and recommendations concern only the taxes collected by the Department of Revenue. The growth estimates provide a basis for the tax revenue estimates that are used in preparing the budget. However, recommendation of revenue estimates in the budget is the responsibility of the Governor

and Commissioner of Finance and Administration.

The State Funding Board's most recent letter notifying the Governor and the chairmen of the Senate and House Finance, Ways and Means committees of its revenue growth estimates is included at the end of the state revenues section in subsection entitled "State Funding Board, Range of Tax Revenue Estimates." This letter states the economic assumptions affecting the State Funding Board's recommendations. A more detailed economic overview is presented in the "Budget Overview" section of the Budget Document.

The tax revenue estimates recommended in the Budget Document are shown in a following subsection entitled "Comparison Statement of State Revenues." These taxes include not only the taxes collected by the Department of Revenue (the major taxes), but also those collected and deposited to the general fund by some other line agencies in conjunction with carrying out their programs. In the revenue estimate charts, the latter are shown by collecting agency and are subtotaled as other state revenue.

Following the chart comparing taxes for the three fiscal years are three charts included to show collections by fund. The distribution of taxes among the funds on these charts is as provided by law as it existed last year for 2017-2018, actual revenue and as it exists currently for 2018-2019, and 2019-2020 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, 2017 – June 30, 2020

Comparison Statement of State Revenues
Actual and Estimated July 1, 2017 - June 30, 2020

SOURCE OF REVENUE

Department of Revenue	Actual 2017-2018	Estimated 2018-2019	Estimated 2019-2020	Percent Required
Sales and Use Tax	\$ 8,835,187,100	\$ 9,100,000,000	\$ 9,463,900,000	4.00%
Gasoline Tax	807,686,700	842,300,000	872,700,000	3.61%
Motor Fuel Tax	222,690,400	257,100,000	289,200,000	12.49%
Gasoline Inspection Tax	68,964,800	69,700,000	70,400,000	1.00%
Motor Vehicle Registration Tax	327,417,400	335,900,000	339,300,000	1.01%
Income Tax	245,979,600	152,200,000	103,200,000	-32.19%
Privilege Tax	360,069,900	375,100,000	390,100,000	4.00%
Gross Receipts Tax - TVA	343,562,100	360,000,000	360,000,000	0.00%
Gross Receipts Tax - Other	24,809,400	25,300,000	26,300,000	3.95%
Beer Tax	16,663,400	16,900,000	16,900,000	0.00%
Alcoholic Beverage Tax	66,676,800	70,700,000	74,900,000	5.94%
Franchise Tax	928,028,100	899,700,000	915,800,000	1.79%
Excise Tax	1,642,743,000	1,671,000,000	1,700,800,000	1.78%
Inheritance and Estate Tax	(731,900)	0	0	NA
Tobacco Tax	248,160,900	245,700,000	240,800,000	-1.99%
Motor Vehicle Title Fees	25,194,900	25,400,000	26,200,000	3.15%
Mixed Drink Tax	119,340,900	127,700,000	136,600,000	6.97%
Business Tax	192,329,300	201,600,000	211,700,000	5.01%
Severance Tax	1,022,000	800,000	800,000	0.00%
Coin-operated Amusement Tax	288,500	200,000	200,000	0.00%
Unauthorized Substance Tax	100	0	0	NA
Sub-Total Department of Revenue	\$ 14,476,083,400	\$ 14,777,300,000	\$ 15,239,800,000	3.13%
Other State Revenue				
Dept. of Commerce and Insurance	\$ 1,007,383,500	\$ 950,800,000	\$ 980,800,000	3.16%
E-911 Emergency Communications	118,136,200	112,000,000	112,000,000	0.00%
Dept. of Financial Institutions	20,866,400	25,500,000	25,600,000	0.39%
Wildlife Resources Agency	57,755,100	69,500,000	64,400,000	-7.34%
Dept. of Agriculture	18,283,000	14,200,000	14,200,000	0.00%
Regulatory Board Fees	43,438,100	47,600,000	47,900,000	0.63%
Tennessee Public Utilities Commission	5,148,600	6,800,000	6,800,000	0.00%
Secretary of State	50,924,700	35,000,000	49,500,000	41.43%
Dept. of Safety	49,690,300	38,200,000	48,500,000	26.96%
Dept. of Revenue	6,360,300	6,400,000	6,500,000	1.56%
State Treasurer	65,342,100	77,700,000	3,700,000	-95.24%
Dept. of Education	1,347,700	1,700,000	1,700,000	0.00%
Dept. of Health	14,821,400	12,200,000	12,200,000	0.00%
Dept. of Environment and Conservation	75,198,500	76,400,000	76,800,000	0.52%
Miscellaneous Revenue	147,785,100	60,900,000	57,300,000	-5.91%
Nursing Home Tax	135,165,000	141,400,000	141,400,000	0.00%
Hospital Coverage Assessment	449,257,500	446,800,000	446,800,000	0.00%
Ambulance Service Assessment	9,391,300	10,800,000	10,800,000	0.00%
Sub-Total Other State Revenue	\$ 2,276,294,800	\$ 2,133,900,000	\$ 2,106,900,000	-1.27%
Total State Revenue	\$ 16,752,378,200	\$ 16,911,200,000	\$ 17,346,700,000	2.58%

**Distribution of Actual 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 *	\$ 8,835,187,100	\$3,221,319,300	\$5,072,767,900	\$ 27,019,200	\$ 62,471,400	\$ 451,609,300
Gasoline Tax	807,686,700	12,944,700	0	403,146,800	83,800,000	307,795,200
Motor Fuel Tax	222,690,400	2,061,300	0	162,306,600	0	58,322,500
Gasoline Inspection Tax	68,964,800	20,117,800	0	36,830,000	0	12,017,000
Motor Vehicle Registration Tax	327,417,400	51,910,200	73,400	275,433,800	0	0
Income Tax	245,979,600	164,780,200	0	0	0	81,199,400
Privilege Tax	360,069,900	353,947,700	143,900	0	0	5,978,300
Gross Receipts Tax - TVA	343,562,100	190,109,800	0	0	0	153,452,300
Gross Receipts Tax - Other	24,809,400	21,338,300	0	3,471,100	0	0
Beer Tax	16,663,400	11,206,600	0	2,098,900	0	3,357,900
Alcoholic Beverage Tax	66,676,800	55,123,900	0	0	0	11,552,900
Franchise Tax	928,028,100	910,028,100	0	0	18,000,000	0
Excise Tax	1,642,743,000	1,407,095,200	0	0	198,228,600	37,419,200
Inheritance and Estate Tax	(731,900)	(731,900)	0	0	0	0
Tobacco Tax	248,160,900	29,466,200	218,694,700	0	0	0
Motor Vehicle Title Fees	25,194,900	22,494,900	0	0	2,700,000	0
Mixed Drink Tax	119,340,900	0	59,659,100	0	0	59,681,800
Business Tax	192,329,300	192,329,300	0	0	0	0
Severance Tax	1,022,000	488,100	0	0	0	533,900
Coin-operated Amusement Tax	288,500	288,500	0	0	0	0
Unauthorized Substance Tax	100	100	0	0	0	0
Sub-Total Department of Revenue	\$ 14,476,083,400	\$ 6,666,318,300	\$ 5,351,339,000	\$ 910,306,400	\$ 365,200,000	\$ 1,182,919,700
Other State Revenue						
Dept. of Commerce and Insurance	\$ 1,007,383,500	\$1,007,383,500	\$ 0	\$ 0	\$ 0	\$ 0
E-911 Emergency Communications	118,136,200	118,136,200	0	0	0	0
Dept. of Financial Institutions	20,866,400	20,866,400	0	0	0	0
Wildlife Resources Agency	57,755,100	57,755,100	0	0	0	0
Dept. of Agriculture	18,283,000	18,283,000	0	0	0	0
Regulatory Board Fees	43,438,100	43,438,100	0	0	0	0
Tennessee Public Utilities Commission	5,148,600	5,148,600	0	0	0	0
Secretary of State	50,924,700	50,924,700	0	0	0	0
Dept. of Safety	49,690,300	49,690,300	0	0	0	0
Dept. of Revenue	6,360,300	6,360,300	0	0	0	0
State Treasurer	65,342,100	65,342,100	0	0	0	0
Dept. of Education	1,347,700	0	1,347,700	0	0	0
Dept. of Health	14,821,400	14,821,400	0	0	0	0
Dept. of Environment and Conservation	75,198,500	75,198,500	0	0	0	0
Miscellaneous Revenue	147,785,100	147,785,100	0	0	0	0
Nursing Home Tax	135,165,000	135,165,000	0	0	0	0
Hospital Coverage Assessment	449,257,500	449,257,500	0	0	0	0
Ambulance Service Assessment	9,391,300	9,391,300	0	0	0	0
Sub-Total Other State Revenue	\$ 2,276,294,800	\$ 2,274,947,100	\$ 1,347,700	\$ 0	\$ 0	\$ 0
Total State Revenue	\$ 16,752,378,200	\$ 8,941,265,400	\$ 5,352,686,700	\$ 910,306,400	\$ 365,200,000	\$ 1,182,919,700

* 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 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 *	\$ 9,100,000,000	\$3,307,400,000	\$5,224,900,000	\$ 22,600,000	\$ 64,600,000	\$ 480,500,000
Gasoline Tax	842,300,000	13,300,000	0	427,700,000	80,200,000	321,100,000
Motor Fuel Tax	257,100,000	2,300,000	0	187,400,000	0	67,400,000
Gasoline Inspection Tax	69,700,000	20,500,000	0	37,200,000	0	12,000,000
Motor Vehicle Registration Tax	335,900,000	53,000,000	100,000	282,800,000	0	0
Income Tax	152,200,000	101,900,000	0	0	0	50,300,000
Privilege Tax	375,100,000	368,700,000	200,000	0	0	6,200,000
Gross Receipts Tax - TVA	360,000,000	198,000,000	0	0	0	162,000,000
Gross Receipts Tax - Other	25,300,000	21,800,000	0	3,500,000	0	0
Beer Tax	16,900,000	11,400,000	0	2,100,000	0	3,400,000
Alcoholic Beverage Tax	70,700,000	58,500,000	0	0	0	12,200,000
Franchise Tax	899,700,000	881,700,000	0	0	18,000,000	0
Excise Tax	1,671,000,000	1,445,900,000	0	0	185,100,000	40,000,000
Inheritance and Estate Tax	0	0	0	0	0	0
Tobacco Tax	245,700,000	29,300,000	216,400,000	0	0	0
Motor Vehicle Title Fees	25,400,000	22,700,000	0	0	2,700,000	0
Mixed Drink Tax	127,700,000	(100,000)	63,900,000	0	0	63,900,000
Business Tax	201,600,000	201,600,000	0	0	0	0
Severance Tax	800,000	200,000	0	0	0	600,000
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	\$ 14,777,300,000	\$ 6,738,300,000	\$ 5,505,500,000	\$ 963,300,000	\$ 350,600,000	\$ 1,219,600,000
Other State Revenue						
Dept. of Commerce and Insurance	\$ 950,800,000	\$ 950,800,000	\$ 0	\$ 0	\$ 0	\$ 0
E-911 Emergency Communications	112,000,000	112,000,000	0	0	0	0
Dept. of Financial Institutions	25,500,000	25,500,000	0	0	0	0
Wildlife Resources Agency	69,500,000	69,500,000	0	0	0	0
Dept. of Agriculture	14,200,000	14,200,000	0	0	0	0
Regulatory Board Fees	47,600,000	47,600,000	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	38,200,000	38,200,000	0	0	0	0
Dept. of Revenue	6,400,000	6,400,000	0	0	0	0
State Treasurer	77,700,000	77,700,000	0	0	0	0
Dept. of Education	1,700,000	0	1,700,000	0	0	0
Dept. of Health	12,200,000	12,200,000	0	0	0	0
Dept. of Environment and Conservation	76,400,000	76,400,000	0	0	0	0
Miscellaneous Revenue	60,900,000	60,900,000	0	0	0	0
Nursing Home Tax	141,400,000	141,400,000	0	0	0	0
Hospital Coverage Assessment	446,800,000	446,800,000	0	0	0	0
Ambulance Service Assessment	10,800,000	10,800,000	0	0	0	0
Sub-Total Other State Revenue	\$ 2,133,900,000	\$ 2,132,200,000	\$ 1,700,000	\$ 0	\$ 0	\$ 0
Total State Revenue	\$ 16,911,200,000	\$ 8,870,500,000	\$ 5,507,200,000	\$ 963,300,000	\$ 350,600,000	\$ 1,219,600,000

* 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 2019-2020**

SOURCE OF REVENUE

Department of Revenue	Total Revenue	General Fund	Education Fund	Highway Fund	Debt Service Fund	Cities & Counties *
Sales and Use Tax *	\$ 9,463,900,000	\$3,444,800,000	\$5,433,900,000	\$ 15,100,000	\$ 67,200,000	\$ 502,900,000
Gasoline Tax	872,700,000	13,800,000	0	450,600,000	75,600,000	332,700,000
Motor Fuel Tax	289,200,000	2,500,000	0	210,900,000	0	75,800,000
Gasoline Inspection Tax	70,400,000	20,800,000	0	37,600,000	0	12,000,000
Motor Vehicle Registration Tax	339,300,000	53,500,000	100,000	285,700,000	0	0
Income Tax	103,200,000	69,100,000	0	0	0	34,100,000
Privilege Tax	390,100,000	383,500,000	200,000	0	0	6,400,000
Gross Receipts Tax - TVA	360,000,000	198,000,000	0	0	0	162,000,000
Gross Receipts Tax - Other	26,300,000	22,600,000	0	3,700,000	0	0
Beer Tax	16,900,000	11,400,000	0	2,100,000	0	3,400,000
Alcoholic Beverage Tax	74,900,000	61,900,000	0	0	0	13,000,000
Franchise Tax	915,800,000	897,800,000	0	0	18,000,000	0
Excise Tax	1,700,800,000	1,495,700,000	0	0	165,100,000	40,000,000
Inheritance and Estate Tax	0	0	0	0	0	0
Tobacco Tax	240,800,000	29,100,000	211,700,000	0	0	0
Motor Vehicle Title Fees	26,200,000	23,500,000	0	0	2,700,000	0
Mixed Drink Tax	136,600,000	0	68,300,000	0	0	68,300,000
Business Tax	211,700,000	211,700,000	0	0	0	0
Severance Tax	800,000	200,000	0	0	0	600,000
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	\$ 15,239,800,000	\$6,940,100,000	\$5,714,200,000	\$ 1,005,700,000	\$ 328,600,000	\$1,251,200,000
Other State Revenue						
Dept. of Commerce and Insurance	\$ 980,800,000	\$ 980,800,000	\$ 0	\$ 0	\$ 0	\$ 0
E-911 Emergency Communications	112,000,000	112,000,000	0	0	0	0
Dept. of Financial Institutions	25,600,000	25,600,000	0	0	0	0
Wildlife Resources Agency	64,400,000	64,400,000	0	0	0	0
Dept. of Agriculture	14,200,000	14,200,000	0	0	0	0
Regulatory Board Fees	47,900,000	47,900,000	0	0	0	0
Tennessee Public Utilities Commission	6,800,000	6,800,000	0	0	0	0
Secretary of State	49,500,000	49,500,000	0	0	0	0
Dept. of Safety	48,500,000	48,500,000	0	0	0	0
Dept. of Revenue	6,500,000	6,500,000	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	12,200,000	12,200,000	0	0	0	0
Dept. of Environment and Conservation	76,800,000	76,800,000	0	0	0	0
Miscellaneous Revenue	57,300,000	57,300,000	0	0	0	0
Nursing Home Tax	141,400,000	141,400,000	0	0	0	0
Hospital Coverage Assessment	446,800,000	446,800,000	0	0	0	0
Ambulance Service Assessment	10,800,000	10,800,000	0	0	0	0
Sub-Total Other State Revenue	\$ 2,106,900,000	\$2,105,200,000	\$ 1,700,000	\$ 0	\$ 0	\$ 0
Total State Revenue	\$ 17,346,700,000	\$9,045,300,000	\$5,715,900,000	\$ 1,005,700,000	\$ 328,600,000	\$1,251,200,000

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

County Revenue Partnership Fund	\$ 0	\$ (1,000,000)	\$ 1,000,000
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Comparative Statement of Revenues of Regulatory Boards
Actual and Estimated July 1, 2017 - June 30, 2020
To Support Statement of State Revenues

	Actual 2017-2018	Estimated 2018-2019	Estimated 2019-2020
Commerce and Insurance Regulatory Boards			
State Board of Accountancy	\$ 935,100	\$ 1,234,500	\$ 1,261,000
State Board of Examiners for Architects and Engineers	1,386,300	1,838,600	1,816,100
Tennessee Auctioneer Commission	187,600	249,500	246,700
Board of Barber Examiners	314,900	394,000	356,400
Tennessee Collection Service Board	189,100	315,200	239,900
Licensing Contractors, Home Improvement, and Interior Designers	2,291,100	3,298,100	3,147,600
State Board of Cosmetology	2,128,200	2,889,200	2,741,300
Board of Funeral Directors and Embalmers	762,200	525,300	993,700
Board of Examiners for Land Surveyors	309,600	32,800	411,200
Board of Alarm Contractors	552,900	906,100	925,200
Private Investigators Licensing and Regulation	179,200	256,100	246,700
Private Protective Services Licensing and Regulation	1,304,100	1,772,900	1,781,900
Board of Polygraph Examiners	5,700	1,100	6,200
Real Estate Appraiser Commission	788,500	853,600	1,076,000
Registration of Geologists	81,700	118,200	116,500
Tennessee Real Estate Commission	2,345,700	2,889,200	2,878,400
Tennessee Motor Vehicle Commission	1,589,100	2,757,800	2,193,100
Locksmith Licensing Board	67,900	118,200	89,100
Private Probation Registration	71,700	78,800	75,400
Home Inspectors License	116,700	151,000	178,200
Scrap Metal Dealers Registration	50,900	65,700	54,800
Soil Scientist Licensing	4,100	26,900	6,200
Tennessee Athletic Commission	47,900	65,700	68,500
Court Reporting Services	85,500	52,500	68,500
Debt Management Services	109,700	91,900	123,400
Health Club Registration	500	0	0
Credit Service Businesses	0	700	1,000
Sub-Total: Commerce and Insurance	\$ 15,905,900	\$ 20,983,600	\$ 21,103,000
Health Regulatory Boards			
Board of Chiropractic Examiners	\$ 251,700	\$ 239,000	\$ 240,300
Board of Dentistry	1,301,200	1,288,300	1,295,000
Board of Dietitian / Nutritionist Examiners	97,100	97,000	97,500
Board of Dispensing Opticians	134,400	149,700	150,400
State Board of Electrolysis Examiners	10,600	11,200	11,200
Council for Licensing Hearing Instrument Specialists	67,200	80,600	81,000
Board of Social Worker Certification and Licensure	387,900	418,300	420,400
Board of Medical Examiners	3,255,900	3,518,000	3,536,600
Tennessee Medical Laboratory Board	651,500	702,800	706,400
Board of Nursing and Certified Medication Aide Licensure	7,327,400	7,475,000	7,513,500
Board of Examiners for Nursing Home Administrators	92,400	109,100	109,600
Board of Occupational and Physical Therapy Examiners	668,000	654,800	658,100
Massage Licensure Board	674,900	759,200	763,200
State Board of Athletic Trainers	115,700	102,400	102,900
Board of Respiratory Care	271,500	318,500	320,100
State Board of Optometry	178,700	203,200	204,300
Board of Osteopathic Examination	315,800	284,700	286,200
Board of Pharmacy	3,667,500	3,319,400	3,336,500
Board of Registration for Podiatry	97,400	102,900	103,200
Board of Cert. for Prof. Counselors, and Marital and Family Therapists	263,200	267,600	269,000
Board of Examiners in Psychology	226,400	291,900	293,400
Board for Communication Disorders and Sciences	166,900	172,200	173,100
Committee on Physician Assistants	266,200	268,800	270,200
Board of Veterinary Medical Examiners	676,700	661,900	665,300
Alcohol and Drug Abuse Counselors	72,500	74,500	74,900
Board of Midwifery	16,100	21,800	21,900
Board of Acupuncture	29,400	37,300	37,500
Board of Clinical Perfusionists	27,500	25,800	25,900
Reflexologist License	27,400	23,000	23,200
Polysomnographic Professional Standards Board	39,300	42,600	42,800
Pain Management Clinic Certificate	418,200	157,400	158,100
Applied Behavioral Analyst Board	131,000	28,900	29,000
Medical Spas Licensure	100	13,300	13,300
Sub-Total: Health	\$ 21,927,700	\$ 21,921,100	\$ 22,034,000
Other Regulatory Boards			
State Regulatory Fee	\$ 2,898,600	\$ 2,500,000	\$ 2,500,000
State Board of Law Examiners	898,600	997,500	1,006,000
Health Services Development Agency	1,807,300	1,176,400	1,236,900
Sub-Total: Other	\$ 5,604,500	\$ 4,673,900	\$ 4,742,900
Rounding Adjustment	\$ 0	\$ 21,400	\$ 20,100
Total Regulatory Boards	\$ 43,438,100	\$ 47,600,000	\$ 47,900,000

Tax Expenditures

Recommended Budget, Fiscal Year 2019-2020

Tennessee Code Annotated (TCA) 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 2019-2020. 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 2019-2020 Estimated Loss	
	State	Local *
Administrative and Support Services	\$ 585,400,000	\$ 209,100,000
Collection Agencies and Credit Bureaus	28,100,000	10,000,000
Employment Services	319,300,000	114,000,000
Investigation and Security Services	62,300,000	22,300,000
Mail, Document Reproduction, and Call Centers	56,700,000	20,300,000
Services to Buildings and Dwellings	119,000,000	42,500,000
Construction Services	\$ 766,700,000	\$ 273,900,000
Construction of Buildings	224,600,000	80,200,000
Heavy and Civil Engineering Construction	87,500,000	31,300,000
Specialty Trade Contractors	454,600,000	162,400,000
Educational Services	\$ 51,700,000	\$ 18,500,000
Educational Services (for-profit)	45,300,000	16,200,000
Educational Services (nonprofit)	6,400,000	2,300,000
Finance, Insurance, and Real Estate	\$ 270,600,000	\$ 96,600,000
Investment Banking, Securities Brokerage, and Related	145,700,000	52,000,000
Insurance Agents and Related	15,700,000	5,600,000
Real Estate Agents and Brokers	109,200,000	39,000,000
Health Care and Social Services (For-profit)	\$ 1,437,800,000	\$ 513,500,000
Physicians and Dentists	717,300,000	256,200,000
Other Health Practitioners	92,700,000	33,100,000
Hospitals	225,100,000	80,400,000
Nursing and Residential Care Facilities	175,900,000	62,800,000
Outpatient Care Centers	64,200,000	22,900,000
Medical and Diagnostic Laboratories	60,900,000	21,800,000
Other Selected Health Services	43,200,000	15,400,000
Social and Community Services	58,500,000	20,900,000
Health Care and Social Services (Nonprofit)	\$ 810,300,000	\$ 289,500,000
Hospitals	672,500,000	240,200,000
Nursing and Residential Care Facilities	44,100,000	15,800,000
Outpatient Care Centers	40,900,000	14,600,000
Other Selected Health Services	10,100,000	3,600,000
Social and Community Services	42,700,000	15,300,000
Information Services	\$ 88,300,000	\$ 34,800,000
Data Processing Services	62,700,000	22,400,000
Movie Production and Sound Recording Studios	14,700,000	5,300,000
Cable TV Subscriptions (exempt amount)	10,900,000	7,100,000
Media Advertising Sales	\$ 136,900,000	\$ 48,900,000
Newspaper Advertising	13,600,000	4,900,000
Radio Advertising	17,900,000	6,400,000
Television Advertising (Broadcast and Cable)	105,400,000	37,600,000
Personal Services	\$ 152,400,000	\$ 54,500,000
Coin-operated Laundry	2,800,000	1,000,000
Death Care Services	20,600,000	7,400,000
Diet and Weight Loss	1,500,000	500,000
Hair, Nail, and Skin Care Services	66,600,000	23,800,000
Nonprofit Amusement and Membership Organizations	60,900,000	21,800,000
Professional and Technical Services	\$ 1,173,600,000	\$ 419,100,000
Accounting, Tax Return Preparation, and Payroll	186,900,000	66,800,000
Advertising and Public Relations	76,900,000	27,500,000
Architectural Services	27,800,000	9,900,000
Engineering Services	151,300,000	54,000,000
All Other Architectural, Engineering, and Related	22,500,000	8,000,000
Specialized Design Services	23,600,000	8,400,000
Computer Systems Design and Related Services	203,200,000	72,600,000
Legal Services (for-profit and nonprofit)	238,300,000	85,100,000
Management, Scientific, and Technical Consulting	233,300,000	83,300,000
Scientific Research and Development (for-profit and nonprofit)	9,800,000	3,500,000
Transportation Services (Local Trucking only)	\$ 79,700,000	\$ 28,500,000
Truck Transportation (Local)	79,700,000	28,500,000
Total Revenue Loss	\$ 5,553,400,000	\$ 1,986,900,000

* 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 2019-2020 Estimated Loss	
		State	Local
	Sales and Use Tax	\$ 3,503,200,000	\$ 1,094,900,000
67-6-329(a)(1)	Gasoline	614,200,000	219,400,000
67-6-329(a)(2)	Motor vehicle fuel (diesel fuel)	219,900,000	78,500,000
67-6-217	Aviation fuel (reduced rate)	23,400,000	23,400,000
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	863,500,000	308,400,000
67-6-319	Prescription drug samples	19,900,000	7,100,000
67-6-334	Energy fuels sold for residential use	355,600,000	127,000,000
67-6-206(b)(1-2), 702(b)	Energy and water sales to manufacturers (reduced rate)	133,100,000	60,500,000
67-6-206(b)(2-8)	Energy and water sales to manufacturers for direct processing (exempt)	36,100,000	12,900,000
67-6-102(44), 206(a), 207, 702(b)	Industrial and farm machinery and equipment	221,400,000	47,400,000
67-6-228(a)	Food sales (reduced rate)	398,100,000	12,200,000
67-6-329(a)(13)	Packaging sold for resale or use	146,100,000	50,100,000
67-6-329(a)(3), (18)	School books and lunches	36,300,000	13,000,000
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	23,600,000	8,400,000
67-6-103(f), 226, 714	Cable television (exempt portion)	10,900,000	7,100,000
67-6-329(a)(10)	Newspaper periodical sales	5,000,000	1,800,000
67-6-303	Motor vehicles sold to active-duty or non-resident military personnel	6,300,000	300,000
67-6-216	Non-material cost of manufactured homes (reduced rate)	9,100,000	0
67-6-301	Agricultural products	192,300,000	51,400,000
67-6-219, 702(e)	Sales to common carriers (reduced rate)	11,400,000	4,800,000
67-6-330(a)(16)	Physical fitness facility fees	9,800,000	3,500,000
67-6-313(g), 321	Railroad rolling stock, materials, and repairs	6,700,000	1,500,000
67-6-309(a)	Film and transcription rentals	1,300,000	500,000
67-6-102(44)(H)(i)	Certain warehouse equipment	6,700,000	1,300,000
67-6-207(a)(10-17)	Fertilizers, pesticides, seeds, and related items to nurseries	58,300,000	20,800,000
67-6-335	Dentists	26,100,000	9,300,000
	All other remaining exemptions	29,900,000	10,700,000
	Corporate Franchise and Excise Tax	\$ 152,000,000	\$ 0
67-4-2109	Jobs credit (Franchise and Excise)	63,800,000	NA
67-4-2108	Cap on value of inventories (Franchise)	26,200,000	NA
67-4-2009	Industrial machinery credit (Franchise and Excise)	62,000,000	NA
	Motor Vehicle Registration Fees	\$ 5,300,000	\$ 0
55-4-223	Government vehicles	2,300,000	NA
55-4-228(d)(1)(a)	Enlisted members of the Tennessee National Guard	100,000	NA
55-4-235, 236, 237	Former POWs, Medal of Honor recipients, and disabled Veterans	700,000	NA
55-4-113(6)	Special zone tags - Class 1	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	\$ 306,100,000	\$ 0
67-4-405(b)	Gas, Water, and Electric Companies - Govt. operations exempt	303,500,000	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	2,100,000	NA
	Miscellaneous Taxes	\$ 12,300,000	\$ 6,800,000
67-2-104(a)	Standard Exemption on the income tax	11,900,000	6,800,000
67-4-409(b)(4)	Mortgage Tax - \$2,000 exemption	400,000	NA
	Total Revenue Loss	\$ 3,978,900,000	\$ 1,101,700,000

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.....\$0.25 in fiscal year 2019 and \$0.26 in fiscal year 2020 on each gallon of gasoline sold, stored, or distributed in the state (TCA 67-3-201 and 60-4-102).

General Fund.....Approximately 1.6% (TCA 67-3-901).

Highway Fund.....Approximately 60.3%, less an amount to the Debt Service Fund (TCA 67-3-901).

Debt Service FundAmount required from Highway Fund apportionment (TCA 9-9-103 and 67-3-901).

CitiesApproximately 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\$0.24 in fiscal year 2019 and \$0.27 in fiscal year 2020 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); \$0.18 in fiscal year 2019 and \$0.21 in fiscal year 2020 on each gallon of compressed natural gas used for motor vehicles on public highways (TCA 67-3-1113); \$0.19 in fiscal year 2019 and \$0.22 in fiscal year 2020 on each gallon of liquefied gas used for motor vehicles on public highways (TCA 67-3-1102).

General Fund.....Approximately 1.0% (TCA 67-3-905, 67-3-908, and 67-3-901(k)).

Highway Fund.....Approximately 72.8%, less an amount to the Debt Service Fund, and less 2% to the General Fund (TCA 67-3-905, 67-3-908, and 67-3-901(k)).

Debt Service Fund.....Amount required from Highway Fund apportionment (TCA 9-9-105, 9-9-106, 67-3-905, and 67-3-908).

CitiesApproximately 8.7% based on population (TCA 54-4-203, 67-3-905, and 67-3-908).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Counties.....Approximately 17.5% based ¼ on population, ¼ on area, and ½ divided equally (TCA 54-4-103, 67-3-905, and 67-3-908).

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

\$0.01 for each gallon of gasoline and most other volatile fuels sold, used, or stored (TCA 67-3-203); an additional \$0.004 per gallon for the environmental assurance fee (TCA 67-3-204 and 68-215-110); and an export fee of 1/20 of one cent on fuels subject to the special petroleum products tax (TCA 67-3-205).

General Fund.....2% of the balance remaining after the local government apportionment of the \$0.01 per gallon tax and the export fee (TCA 67-3-906). The environmental assurance fee is earmarked for the Petroleum Underground Storage Tank Fund (TCA 68-215-110).

Highway Fund.....98% of the balance remaining after the local government apportionment of the \$0.01 per gallon tax and the export fee (TCA 67-3-906).

Debt Service Fund.....Amount required from General Fund and Highway Fund apportionments (TCA 9-9-103).

Cities and Counties.....\$12,017,000 allocated to a local government fund. From the fund, \$381,583 is distributed monthly to counties based on population earmarked for county roads; and \$619,833 is distributed monthly to cities based on population earmarked for city roads. 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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

registration fees. 2% of the balance of registration fee revenue (TCA 55-6-107) after the allocation of \$2.75 per vehicle plate to the General Fund (TCA 55-4-103), of which \$1 from non-freight registration is earmarked for police pay supplement (TCA 55-4-111); and after an additional \$2 per motorcycle plate to the General Fund, earmarked for the motorcycle rider safety fund (TCA 55-51-104); except for special license plates, for which all revenue above the expense incurred in designing, manufacturing and marketing such plates is allocated in the following manner: personalized plates – 100% to the Arts Commission (TCA 55-4-214); personalized trailer plates – 100% to the Trailer License Plate Fund (TCA 55-4-214); specialty earmarked plates – 50% to the nonprofit organization, state agency or fund earmarked and 40% to the Arts Commission (55-4-215); cultural plates – 80% to the Arts Commission (55-4-216). A \$1 registration and renewal fee is earmarked to the Department of Revenue for funding the acquisition, updating, and operation of a computerized titling and registration system (TCA 55-4-132). All penalties and fines, except only 20% of overweight-truck fines, earmarked for administration (TCA 55-6-107); less an amount required for debt service (TCA 55-6-107 and 9-9-103). Also, an amount is allocated from the Highway Fund for motor vehicle registration plates in the annual appropriations bill (TCA 55-6-107(a)).

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	3% for tax years beginning on or after January 1, 2018; 2% for tax years beginning on or after January 1, 2019; 1% for tax years beginning on or after January 1, 2020; and zero percent for tax years beginning on or after January 1, 2021 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	

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

municipal traffic citation, a \$12 fee per bail bond, a maximum fine of \$200 for persons convicted of either assault, aggravated assault, or domestic assault, a maximum fine of \$5,000 for assault, \$15,000 for aggravated assault on a law enforcement officer or other first responder, 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. A \$2 fee on adult performance entry. 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-

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3-616, 39-13-709, 40-24-107, 67-4-409, 67-4-602, 67-4-606, 67-4-1701, and 67-4-1905). In addition, portions of the proceeds of the sale of various contraband items seized under alcoholic beverage laws are reported under the privilege tax and earmarked for criminal injuries compensation. These proceeds are explained below under the alcoholic beverage tax (TCA 40-24-107). From the automobile rental surcharge, \$1.5 million is earmarked for the Department of Safety to train, equip, and pay members of the Tennessee highway patrol (TCA 67-4-1905). Of the bail bond tax, 96% is earmarked for the civil legal representation of low-income persons as determined by the Tennessee Supreme Court and 4% is earmarked for development costs and continuing education for bail bonding agents (TCA 67-4-806). Revenue from the assault fines is directed to fund family violence shelters and services (TCA 39-13-101, 39-13-102, and 39-13-111). \$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 Electronic Monitoring Indigency 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

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Safety; and \$1.25 to the Department of Finance and Administration, Office of Criminal Justice Programs for funding grant awards to qualifying halfway houses who assist drug and alcohol offenders. Any surplus in the interlock assistance fund beginning fiscal year 2013-2014 will be allocated as follows: 60% to the Tennessee Hospital Association; 20% to the Department of Mental Health, alcohol and drug addiction treatment fund; and 20% to the Department of Finance and Administration, Office of Criminal Justice Programs (TCA 55-10-403). The \$13.75 cash bond forfeiture fee is allocated to the general fund (TCA 38-6-103(f)). Of the 6% tax on fantasy sports 70% of the funds received are allocated to the general fund and 10% of the tax received is allocated to the fantasy sports fund (TCA 67-4-905). 100% of adult performance fees to general fund for victims of sex trafficking (TCA 67-4-1202).

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

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

General Fund..... 79% of bottlers' gross receipts tax, plus 2% of gross highway litter amount

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Basis of Apportionment

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

Highway Fund.....Approximately 21% of the bottlers' gross receipts tax is earmarked for litter control, less 2% to the General Fund (TCA 67-4-402).

Cities and Counties.....51.5% of the TVA in lieu of tax payments 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

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

General Fund.....67.1% of privilege tax revenue (4% of total tax earmarked for administration

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Rate and Source

Basis of Apportionment

and 0.41% for alcohol and drug treatment programs); 100% of registration fees (earmarked 50% for the Department of Revenue and 50% for Highway Patrol) (TCA 57-5-102, 57-5-202, and 57-5-205).

Highway Fund.....12.8% of privilege tax 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

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Basis of Apportionment

contraband goods, less 15% retained as departmental revenue by the Department of General Services (TCA 57-9-205, 12-2-207, and 12-2-209).

Cities and Counties.....90% of the proceeds of sale of liquor seized by local law enforcement officers, earmarked to city or county employing officer (TCA 57-9-115), and 50% of proceeds of sale of vehicles, aircraft, and boats seized by local officers, earmarked to city or county employing officer (TCA 57-9-201).

FRANCHISE TAX\$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 Fund100% less an amount to the Debt Service Fund (TCA 67-4-2120).

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

EXCISE TAX6.5% 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 FundRemaining balance after cities, counties, and Debt Service Fund distribution (TCA 67-4-2017).

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

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

**INHERITANCE,
ESTATE, AND**

GIFT TAXInheritance and estate taxes are imposed on estates that exceed the maximum single exemption. The exemption varies depending on the

**Collecting Agency
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Rate and Source

Basis of Apportionment

year in which the decedent died. For decedents dying in 2016 and thereafter, no tax is imposed. The gift tax was repealed for any transfer by gift occurring on or after January 1, 2012. (TCA 67-8-101, 67-8-204, 67-8-303, 67-8-314, 67-8-316, and 67-8-318).

General Fund.....100% (TCA 67-8-210 and 67-8-415).

TOBACCO TAX.....\$0.031 per cigarette or \$0.62 per package of 20; \$0.0005 per cigarette pack enforcement fee; 6.6% of wholesale price on other tobacco products; license fees of \$100 to \$200 per location for manufacturing distributors, tobacco manufacturer’s warehouses, wholesale dealers and jobbers and tobacco distributors; a \$25 fee for replacing a lost or destroyed license; proceeds from the sale of confiscated goods; and penalties of \$100 to \$5,000 for violations of the Unfair Cigarette Sales Law (TCA 67-4-1002 through 67-4-1005, 67-4-1015, 67-4-1020, 47-25-308, and 47-25-309).

General Fund.....Approximately 12.1%. 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).

Education FundApproximately 87.9%. 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

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Basis of Apportionment

penalties; and 96% of the 6% tax rate on other tobacco products and of proceeds from the sale of confiscated tobacco products (TCA 67-4-1025 and 49-3-357).

MOTOR VEHICLE

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

General Fund Approximately 89.7% (including \$0.50 of the \$5.50 fee, earmarked for enforcement action against odometer fraud; and a portion of \$1.50 of the \$5.00 fee in excess of debt service requirements, earmarked for State Parks capital projects) (TCA 55-6-101 and 55-6-103).

Debt Service Fund Approximately 10.3% (including \$1.50 of the \$5.50 fee, earmarked for debt service on a State Parks bond issue) (TCA 55-6-101).

MIXED DRINK

TAX A 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 Fund 50% 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 TAX Tax 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)

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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%.

UNAUTHORIZED

SUBSTANCE TAX..... Tax on merchants, peddlers, or privileges on various controlled substances or controlled substance

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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

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

Department of Commerce and Insurance

**INSURANCE
COMPANY**

PREMIUM TAX.....Life, accident, and health companies are taxed at a rate of 1.75% on gross premiums received; health maintenance organizations and prepaid limited health service organizations are taxed 6% of the gross amount of all dollars collected from an enrollee or on an enrollee's behalf. All other companies, except captive insurance companies, workers' compensation insurance companies, and surplus lines insurance companies, pay a tax rate of 2.5% on gross premiums paid by or for policyholders residing in state or on property located in state. Companies writing fire insurance and lines of business having fire coverage as a part

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

of the risk rate pay a 0.75% tax on that portion of the premium applicable to fire risk. The minimum aggregate tax on insurance companies is \$150. Captive insurance companies are taxed at various rates on premiums collected and reinsurance assumed. The minimum aggregate tax on captive insurance companies is \$5,000 and the maximum is \$100,000. Cell insurance companies with ten or more cells are subject to a \$10,000 minimum tax and maximum tax of \$100,000, 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% on gross premiums collected for workers' compensation insurance, plus a surcharge of 0.4% on gross premiums. Other revenues collected include retaliatory fees, captive and traditional insurance companies 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 50 and 56, including TCA 50-6-115, 50-6-401, 56-2-305, 56-4-101, 56-4-205 through 208, 56-4-216, 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, and 56-51-152).

General Fund.....100%. (Premium taxes paid by captive insurance companies under TCA 56-13-114 are held by the Department of Commerce and Insurance as expendable receipts for administering the captive insurance law and for promoting the Tennessee captive insurance industry).

WORKERS'

COMPENSATION4% on gross premiums collected. Up to 50% of the gross premium tax is earmarked for the Subsequent Injury and Vocational Recovery Fund. In addition, a 0.4% surcharge on gross premiums is levied, which is earmarked for administration of the Tennessee Occupational Safety and

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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**

FUNDA monthly surcharge of \$1.16 is charged to all users and subscribers for service capable of contacting a 911 network. The surcharge is collected by the Department of Revenue and submitted to the Tennessee Emergency Communications Board. The surcharge is used to provide funding for the State's emergency communications districts, and to implement, operate, maintain, and enhance a uniform statewide 911 service. The Department of Revenue may deduct an administrative fee of 1.125% of the collected charges. Service providers or dealers may retain up to 2% of the fees collected for administrative expenses (TCA 7-86-128, 7-86-303, and 7-86-306).

General Fund..... 100% (earmarked for the 911
Emergency Communications Fund)
(TCA 7-86-303(d)).

Department of Financial Institutions

**STATE-CHARTERED
BANKING**.....

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

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

**CREDIT UNION
SUPERVISION**.....

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

Collecting Agency and Classification	Rate and Source	Basis of Apportionment
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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, and 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 SAFETYFees received for the registration of propelled vessels for a one-, two-, or three-year period; and a portion of the tax on marine fuel (TCA 69-9-207 and 67-3-901(g)).

General Fund.....100% (earmarked for administration of the Boating Safety program) (TCA 67-3-901(g), 69-9-207, and 69-9-208).

Department of Agriculture

**AGRICULTURAL
REGULATORY**

FUNDAll money collected from fees, licenses, certifications, registrations, fines, examinations, civil penalties (TCA 4-3-204), and damages pursuant to the following: Plant Pest Act (TCA 43-6 part 1), Insecticide, Fungicide, and Rodenticide Act (TCA 43-8-parts 1, 2 & 3), Seed Law of 1986 (TCA 43-10), Commercial Fertilizer Law of 1969 (TCA 43-11-part 1), Agricultural Liming Materials Act (TCA 43-11-part 4), (TCA 43-26-103) relative to industrial hemp, Commercial Feed Law of 1972 (TCA 44-6), (TCA 44-7) relative to marks, brands, registration, and certification, Livestock Dealer Act (TCA 44-10-part 2), (TCA 44-11)

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

relative to livestock sales, (TCA 47-26) 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), and 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 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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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).

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).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

**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, and TCA 65-21-115).

General Fund.....100% (earmarked for TDAP program of Tennessee Public Utility Commission) (TCA 65-21-115).

GAS SAFETY

INSPECTIONAnnual 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).

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

COMPETITIVE

CABLE AND

VIDEO SERVICESAn application fee for a state-issued certificate of franchise authority or to amend a previously issued certificate. The fees, which are based on the population of the proposed service

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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 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) -

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

\$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

PENALTIES.....All 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 TAX.....A 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

CARRIERS.....Annual fees for inspection, control, supervision, and safety of motor carriers. A fee of 2.5% of vehicle registration fees paid by motor vehicles (TCA 55-4-113(b) and 65-15-116); and an \$8 annual fee per vehicle also is paid under the federal single state registration plan. Motor carriers and contract haulers must pay a \$50 application fee (TCA 65-15-109).

General Fund..... 100% (earmarked for motor vehicle safety enforcement) (TCA 55-4-113(b) and 65-15-116).

State Treasurer

INTEREST

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

General Fund..... 100%.

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Department of Education

LITIGATION

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

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

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 Fund100%.

**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 Fund100%.

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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**

FUNDFines and penalties levied for motor vehicle violations in addition to those fines and penalties levied in Title 55 Chapters 8, 10, and 50 for speeding, reckless driving, driving with an invalid license, driving under the influence, accidents involving death or personal injury, and drag racing. (TCA 68-55-301 through 68-55-306).

General Fund.....100% (earmarked for the Traumatic Brain Injury Fund) (TCA 68-55-301 through 68-55-306).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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 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).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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% 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, 2019 (TCA 71-5-1003 and 71-5-1006).

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

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

RECEIPTS TAX.....A 5.5% monthly gross receipts tax on revenue generated from ICF/IID certified beds (TCA 68-11-830(d)(2)).

General Fund.....100% (TCA 68-11-830(d)(5)).

Annual Hospital Coverage Assessment

**ANNUAL
HOSPITAL
COVERAGE**

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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

penalty for failure to pay a quarterly installment. Authorization for the Annual Hospital Coverage Assessment expires on June 30, 2019 (TCA 71-5-2003 and 71-5-2004).

General Fund 100% (earmarked for the Maintenance of Coverage Trust Fund TCA 71-5-2005).

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, 2019 (TCA 71-5-1504 and 71-5-1506).

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

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 Fund 100% (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
 Office of the Chairperson
 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 18, 2018

Subject: State Funding Board Growth Projections for FY 2018-19 and FY 2019-2020

The State Funding Board met on November 20, 2018, to hear presentations on the State’s economic outlook for the remainder of fiscal year 2018-2019 and for fiscal year 2019-2020. The Board reconvened on November 26, 2017, to discuss revenue growth projections and to arrive at 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 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 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 a report regarding the economy from Ms. Laurel Graefe of the Federal Reserve Bank of Atlanta. Then, the Board heard testimony from 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 the recent Supreme Court decision regarding collection of sales and use tax from on-line retailers (*South Dakota v. Wayfair*) will not have a significant impact on future tax collections.

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

	FY 2018-2019		FY 2019-2020	
	Low	High	Low	High
Total State Taxes	2.35%	3.25%	2.73%	3.13%
General Fund	2.20%	3.20%	2.71%	3.21%

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 2018 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 2018 session of the General Assembly include the HOPE Scholarship, General Assembly Merit Scholarship, ASPIRE Award, HOPE Access Grant, Wilder-Naifeh Technical Skills Grant, HOPE Scholarship for Non-traditional Students, Foster Child Tuition Grant, Dual Enrollment Grant, Math & Science Teacher Loan Forgiveness Program, Helping Heroes Grant, the STEP UP Scholarship, TCAT Reconnect Grant, the Tennessee Reconnect Grant, and the Tennessee Middle College Scholarship.

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	FY2018-2019	FY2019-2020	FY2020-2021	FY2021-2022	FY2022-2023
Low	\$417,100,000	\$415,000,000	\$421,200,000	\$427,500,000	\$433,900,000
High	\$421,100,000	\$427,400,000	\$438,100,000	\$449,100,000	\$460,300,000

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 2018 - 2019**

(Accrual - Basis Estimates)

DEPARTMENT OF REVENUE TAXES	2018-2019																						
	2017-2018		July 1, 2018		% 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	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate
Sales and Use Tax ¹	\$	8,835,187,100	\$	9,025,500,000	2.15%	\$	9,206,300,000	4.20%	\$	9,218,000,000	4.33%	\$	9,223,900,000	4.40%	\$	9,035,120,000	2.26%	\$	9,035,120,000	2.26%	\$	9,035,120,000	2.26%
Gasoline Tax		807,686,700		849,000,000	5.12%		841,400,000	4.17%		855,000,000	5.86%		842,200,000	4.27%		853,000,000	5.61%		853,000,000	5.61%		853,000,000	5.61%
Motor Fuel Tax		222,690,400		254,200,000	14.15%		257,100,000	15.45%		262,000,000	17.65%		260,700,000	17.07%		273,500,000	22.82%		273,500,000	22.82%		273,500,000	22.82%
Gasoline Inspection Tax		68,964,800		69,600,000	0.92%		69,700,000	1.07%		70,300,000	1.94%		69,800,000	1.21%		69,630,000	0.96%		69,630,000	0.96%		69,630,000	0.96%
Motor Vehicle Registration Tax		327,417,400		314,800,000	-3.85%		335,900,000	2.59%		352,000,000	7.51%		337,500,000	3.08%		353,800,000	8.06%		353,800,000	8.06%		353,800,000	8.06%
Income Tax		245,979,600		157,900,000	-35.81%		191,900,000	-21.99%		170,000,000	-30.89%		152,200,000	-38.12%		179,000,000	-27.23%		179,000,000	-27.23%		179,000,000	-27.23%
Privilege Tax - Less Earmarked Portion ¹		360,069,900		372,600,000	3.48%		375,100,000	4.17%		393,000,000	9.15%		376,300,000	4.51%		374,450,000	3.99%		374,450,000	3.99%		374,450,000	3.99%
Gross Receipts Tax - TVA		343,562,100		349,500,000	1.73%		360,000,000	4.78%		360,300,000	4.87%		360,300,000	4.87%		342,110,000	-0.42%		342,110,000	-0.42%		342,110,000	-0.42%
Gross Receipts Tax - Other		24,809,400		32,500,000	31.00%		25,300,000	1.98%		29,000,000	16.89%		28,500,000	14.88%		26,800,000	8.02%		26,800,000	8.02%		26,800,000	8.02%
Beer Tax		16,663,400		18,100,000	8.62%		16,900,000	1.42%		17,900,000	7.42%		16,800,000	0.82%		17,700,000	6.22%		17,700,000	6.22%		17,700,000	6.22%
Alcoholic Beverage Tax		66,676,800		71,200,000	6.78%		70,700,000	6.03%		71,400,000	7.08%		69,400,000	4.08%		71,810,000	7.70%		71,810,000	7.70%		71,810,000	7.70%
Franchise & Excise Tax		2,570,771,100		2,523,900,000	-1.82%		2,663,200,000	3.60%		2,562,000,000	-0.34%		2,716,300,000	5.66%		2,681,450,000	4.31%		2,681,450,000	4.31%		2,681,450,000	4.31%
Inheritance and Estate Tax		(731,900)		-	N/A		-	N/A		-	N/A		-	N/A		-	N/A		-	N/A		-	N/A
Tobacco Tax		248,160,900		250,500,000	0.94%		245,700,000	-0.99%		243,000,000	-2.08%		234,800,000	-5.38%		251,520,000	1.35%		251,520,000	1.35%		251,520,000	1.35%
Motor Vehicle Title Fees		25,194,900		24,400,000	-3.16%		25,400,000	0.81%		26,300,000	4.39%		26,200,000	3.99%		26,100,000	3.59%		26,100,000	3.59%		26,100,000	3.59%
Mixed Drink Tax		119,340,900		122,200,000	2.40%		127,700,000	7.00%		133,500,000	11.86%		132,100,000	10.69%		133,400,000	11.78%		133,400,000	11.78%		133,400,000	11.78%
Business Tax		192,329,300		179,100,000	-6.88%		210,200,000	9.29%		202,000,000	5.03%		213,800,000	11.16%		193,896,500	0.81%		193,896,500	0.81%		193,896,500	0.81%
Severance Tax		1,022,000		1,100,000	7.63%		1,100,000	7.63%		1,100,000	7.63%		800,000	-21.72%		1,100,000	7.63%		1,100,000	7.63%		1,100,000	7.63%
Coin-operated Amusement Tax		288,500		200,000	-30.68%		200,000	-30.68%		310,000	7.45%		300,000	3.99%		301,500	4.51%		301,500	4.51%		301,500	4.51%
Unauthorized Substance Tax		100		-	N/A		-	N/A		-	N/A		-	N/A		100	0.00%		100	0.00%		100	0.00%
TOTAL DEPARTMENT OF REVENUE	\$	14,476,083,400	\$	14,616,300,000	0.97%	\$	15,023,800,000	3.78%	\$	14,967,110,000	3.39%	\$	15,061,900,000	4.05%	\$	14,884,688,100	2.82%		14,884,688,100	2.82%		14,884,688,100	2.82%
TOTAL - RECURRING³	\$	14,421,115,300	\$	14,616,300,000	1.35%	\$	15,023,800,000	4.18%	\$	14,967,110,000	3.79%	\$	15,061,900,000	4.44%	\$	14,884,688,100	3.21%		14,884,688,100	3.21%		14,884,688,100	3.21%
GENERAL FUND ONLY²	\$	12,017,657,300	\$	12,124,700,000	0.89%	\$	12,473,600,000	3.79%	\$	12,387,110,000	3.07%	\$	12,515,900,000	4.15%	\$	12,308,688,100	2.42%		12,308,688,100	2.42%		12,308,688,100	2.42%
GENERAL FUND - RECURRING³	\$	11,965,971,200	\$	12,128,100,000	1.35%	\$	12,477,000,000	4.27%	\$	12,390,510,000	3.55%	\$	12,519,300,000	4.62%	\$	12,312,088,100	2.89%		12,312,088,100	2.89%		12,312,088,100	2.89%
SELECTED TAXES		Actual Year		Budgeted	%		Dr. Fox	%		Fiscal Review	%		Revenue Dept.	%		Dr. Smith	%						
SALES AND USE TAX	\$	8,835,187,100	\$	9,025,500,000	2.15%	\$	9,206,300,000	4.20%	\$	9,218,000,000	4.33%	\$	9,223,900,000	4.40%	\$	9,035,120,000	2.26%		9,035,120,000	2.26%		9,035,120,000	2.26%
FRANCHISE AND EXCISE TAXES		2,570,771,100		2,523,900,000	-1.82%		2,663,200,000	3.60%		2,562,000,000	-0.34%		2,716,300,000	5.66%		2,681,450,000	4.31%		2,681,450,000	4.31%		2,681,450,000	4.31%
INCOME TAX		245,979,600		157,900,000	-35.81%		191,900,000	-21.99%		170,000,000	-30.89%		152,200,000	-38.12%		179,000,000	-27.23%		179,000,000	-27.23%		179,000,000	-27.23%
ROAD USER TAXES		1,451,954,200		1,512,000,000	4.14%		1,529,500,000	5.34%		1,565,600,000	7.83%		1,536,400,000	5.82%		1,576,030,000	8.55%		1,576,030,000	8.55%		1,576,030,000	8.55%
ALL OTHER TAXES		1,372,191,400		1,397,000,000	1.81%		1,432,900,000	4.42%		1,451,510,000	5.78%		1,433,100,000	4.44%		1,413,088,100	2.98%		1,413,088,100	2.98%		1,413,088,100	2.98%

¹ Estimated Sales and Use Taxes are reduced by \$112.0 million and estimated Privilege Tax estimates are reduced by \$52.0 million for designated earmarked funds.

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

³ FY 2017 -2018 actual collections include negative \$731,900 in non-recurring inheritance tax collections, \$55.7 M in one-time F&E collections, and a negative \$3,282,000 non-recurring general fund reduction to accommodate for 2017 PC 390. FY 2018-2019 and FY 2019-2020 also include a \$3.4 M non-recurring general fund reduction to accommodate for 2017 PC 390

**COMPARISON OF ESTIMATED STATE TAX REVENUE FOR
FISCAL YEAR 2019 - 2020**
(Accrual - Basis Estimates)

2019-2020

DEPARTMENT OF REVENUE TAXES	Dr. Fox		Fiscal Review		Dept. of Revenue		Dr. Smith	
	Estimate	% Change Over	Estimate	% Change Over	Estimate	% Change Over	Estimate	% Change Over
SOURCE OF REVENUE	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Sales and Use Tax ¹	\$ 9,510,100,000	3.30%	\$ 9,568,000,000	3.80%	\$ 9,596,500,000	4.04%	\$ 9,318,100,000	3.13%
Gasoline Tax	875,000,000	3.99%	915,000,000	7.02%	876,600,000	4.08%	890,000,000	4.34%
Motor Fuel Tax	289,200,000	12.49%	302,000,000	15.27%	299,100,000	14.73%	292,300,000	6.87%
Gasoline Inspection Tax	70,400,000	1.00%	71,500,000	1.71%	70,600,000	1.15%	70,370,800	1.06%
Motor Vehicle Registration Tax	339,300,000	1.01%	364,000,000	3.41%	347,200,000	2.87%	362,050,000	2.33%
Income Tax	133,000,000	-30.69%	125,000,000	-26.47%	103,200,000	-32.19%	143,800,000	-19.66%
Privilege Tax - Less Earmarked Portion ¹	390,100,000	4.00%	412,000,000	4.83%	395,400,000	5.08%	415,800,000	11.04%
Gross Receipts Tax - TVA	360,000,000	0.00%	362,100,000	0.50%	363,900,000	1.00%	345,320,000	0.94%
Gross Receipts Tax - Other	26,300,000	3.95%	29,000,000	0.00%	29,100,000	2.11%	27,500,000	2.61%
Beer Tax	16,900,000	0.00%	18,000,000	0.56%	16,800,000	0.00%	17,750,000	0.28%
Alcoholic Beverage Tax	74,900,000	5.94%	74,500,000	4.34%	72,000,000	3.75%	73,500,000	2.35%
Franchise & Excise Tax	2,823,000,000	6.00%	2,550,000,000	-0.47%	2,826,300,000	4.05%	2,716,150,000	1.29%
Inheritance and Estate Tax	-	N/A	-	N/A	-	N/A	-	N/A
Tobacco Tax	240,800,000	-1.99%	238,700,000	-1.77%	229,800,000	-2.13%	254,470,000	1.17%
Motor Vehicle Title Fees	26,200,000	3.15%	27,300,000	3.80%	27,300,000	4.20%	26,150,000	0.19%
Mixed Drink Tax	136,600,000	6.97%	147,400,000	10.41%	144,200,000	9.16%	142,000,000	6.45%
Business Tax	222,800,000	5.99%	215,000,000	6.44%	221,900,000	3.79%	190,010,000	-2.00%
Severance Tax	1,100,000	0.00%	1,100,000	0.00%	700,000	-12.50%	1,150,000	4.55%
Coin-operated Amusement Tax	200,000	N/A	300,000	-3.23%	300,000	0.00%	400,900	32.97%
Unauthorized Substance Tax	-	N/A	-	N/A	-	N/A	100	0.00%
TOTAL DEPARTMENT OF REVENUE	\$ 15,535,900,000	3.41%	\$ 15,420,900,000	3.03%	\$ 15,620,900,000	3.71%	15,286,821,800	2.70%
TOTAL - RECURRING³	\$ 15,535,900,000	3.41%	\$ 15,420,900,000	3.03%	\$ 15,620,900,000	3.71%	15,286,821,800	2.70%
GENERAL FUND ONLY²	\$ 12,918,700,000	3.57%	\$ 12,722,600,000	2.71%	\$ 12,986,400,000	3.76%	12,641,221,800	2.70%
GENERAL FUND - RECURRING³	\$ 12,922,100,000	3.57%	\$ 12,726,000,000	2.71%	\$ 12,989,800,000	3.76%	12,644,621,800	2.70%
SELECTED TAXES	Dr. Fox	%	Fiscal Review	%	Revenue Dept.	%	Dr. Smith	%
SALES AND USE TAX	\$ 9,510,100,000	3.30%	\$ 9,568,000,000	3.80%	\$ 9,596,500,000	4.04%	\$ 9,318,100,000	3.13%
FRANCHISE AND EXCISE TAXES	2,823,000,000	6.00%	2,550,000,000	-0.47%	2,826,300,000	4.05%	2,716,150,000	1.29%
INCOME TAX	133,000,000	-30.69%	125,000,000	-26.47%	103,200,000	-32.19%	143,800,000	-19.66%
ROAD USER TAXES	1,600,100,000	4.62%	1,679,800,000	7.29%	1,620,800,000	5.49%	1,640,870,800	4.11%
ALL OTHER TAXES	1,469,700,000	2.57%	1,498,100,000	3.21%	1,474,100,000	2.86%	1,467,901,000	3.88%

¹ Estimated Sales and Use Taxes are reduced by \$112.0 million and estimated Privilege Tax estimates are reduced by \$52.0 million for designated earmarked funds.

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

³ FY 2017 -2018 actual collections include negative \$731,900 in non-recurring inheritance tax collections, \$55.7 M in one-time F&E collections, and a negative \$3,282,000 non-recurring general fund reduction to accommodate for 2017 PC 390. FY 2018-2019 and FY 2019-2020 also include a \$3.4 M non-recurring general fund reduction to accommodate for 2017 PC 390

Estimated Revenues Based on Recurring Growth Rates

November 2018

	Recurring Actual FY 2017-2018	FY 2018-2019	Growth Rate	FY 2019-2020	Growth Rate
Total Taxes				\$ 15,162,900,000	2.73%
		\$ 14,760,000,000	2.35%	\$ 15,222,000,000	3.13%
	\$ 14,421,115,300			\$ 15,296,300,000	2.73%
		\$ 14,889,800,000	3.25%	\$ 15,355,900,000	3.13%
			<i>Spread</i>	<i>0.90%</i>	<i>0.40%</i>
General Fund				\$ 12,560,600,000	2.71%
		\$ 12,229,200,000	2.20%	\$ 12,621,800,000	3.21%
	\$ 11,965,971,200			\$ 12,683,600,000	2.71%
		\$ 12,348,900,000	3.20%	\$ 12,745,300,000	3.21%
			<i>Spread</i>	<i>1.00%</i>	<i>0.50%</i>

Net Lottery Proceeds Estimates
Actual 2017-2018 and Estimated 2018-2019 Through 2022-2023
November 2018

	2017-2018	2018-2019		2019-2020		2020-2021		2021-2022		2022-2023	
	Actual	Revised	%	Estimated	%	Estimated	%	Estimated	%	Estimated	%
Lottery Corporation											
Low	406,513,000	411,175,000	1.15%	412,000,000	0.20%	420,000,000	1.94%	429,000,000	2.14%	437,000,000	1.86%
High	406,513,000	421,537,000	3.70%	416,000,000	-1.31%	429,000,000	3.13%	441,000,000	2.80%	455,000,000	3.17%
Fiscal Review Staff											
Low	406,513,000	421,064,474	3.58%	426,893,538	1.38%						
Median	406,513,000	426,893,538	5.01%	435,749,960	2.07%	446,643,709	2.50%	457,809,802	2.50%	469,255,047	2.50%
High	406,513,000	432,722,602	6.45%	444,838,965	2.80%						
Recommended Range											
Low	406,513,000	417,100,000	2.60%	415,000,000	-0.50%	421,200,000	1.50%	427,500,000	1.50%	433,900,000	1.50%
High	406,513,000	421,100,000	3.60%	427,400,000	1.50%	438,100,000	2.50%	449,100,000	2.50%	460,300,000	2.50%





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

November 20, 2018

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 2022-23 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, the Math & Science Teacher Loan Forgiveness Program, the Tennessee Middle College Scholarship, and Tennessee Reconnect.

Fiscal Year	TELS Expenditures Low	TELS Expenditures Baseline	TELS Expenditures High	Recipients
2017-18 actual	N/A	\$327.0M	N/A	117,000
2018-19 estimated*	\$349.9M	\$357.0M	\$367.7M	133,300
2019-20 estimated*	\$346.3M	\$353.4M	\$364.0M	131,900
2020-21 estimated*	\$349.6M	\$356.8M	\$367.5M	133,100
2021-22 estimated*	\$353.0M	\$360.2M	\$371.0M	134,400
2022-23 estimated*	\$356.4M	\$363.7M	\$374.6M	135,700

*Does not include estimated administrative costs of \$5.6M and Tennessee Promise estimated expenditures of \$30M.

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 me know if you have questions or need anything further.

Financial Statements



Financial Statements

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**General Fund
Comparative Balance Sheet
June 30, 2017, and June 30, 2018**

	<u>June 30, 2017</u>	<u>June 30, 2018</u>
Assets:		
Cash and Cash Equivalents	\$ 3,180,831,000	\$ 3,351,167,000
Investments	152,561,000	150,478,000
Receivables, net	1,375,622,000	1,807,555,000
Due from Other Funds	315,037,000	202,380,000
Due from Component Units	945,000	560,000
Inventories, at Cost	10,763,000	11,225,000
Loans Receivable, net	4,943,000	2,890,000
Prepayments	1,697,000	12,761,000
Restricted Assets - Cash and Cash Equivalents	0	37,586,000
Total Assets	<u>\$ 5,042,399,000</u>	<u>\$ 5,576,602,000</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance		
Liabilities:		
Accounts Payable and Accruals	\$ 927,720,000	\$ 1,242,870,000
Due to Other Funds	16,287,000	19,365,000
Due to Component Units	19,465,000	22,467,000
Payable from Restricted Assets	0	37,586,000
Unearned Revenue	283,084,000	270,803,000
Total Liabilities	<u>\$ 1,246,556,000</u>	<u>\$ 1,593,091,000</u>
Deferred Inflows of Resources	<u>\$ 90,973,000</u>	<u>\$ 157,705,000</u>
Fund Balance:		
Nonspendable - Inventories	\$ 10,762,000	\$ 11,225,000
Nonspendable - Accounts Receivable	14,355,000	9,983,000
Restricted	73,855,000	73,201,000
Committed	334,316,000	372,189,000
Assigned - Appropriations for 2017-2018	1,306,300,000	0
Assigned - Appropriations for 2018-2019	0	529,800,000
Assigned - Other Reserves	956,854,000	1,419,289,000
Unassigned - Revenue Fluctuation Reserve	668,000,000	800,000,000
Unassigned - Reserve for Future Requirements	340,300,000	610,119,000
Unassigned - Fund Balance	128,000	0
Total Fund Balance	<u>\$ 3,704,870,000</u>	<u>\$ 3,825,806,000</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 5,042,399,000</u>	<u>\$ 5,576,602,000</u>

Education Fund
Comparative Balance Sheet
June 30, 2017, and June 30, 2018

	<u>June 30, 2017</u>	<u>June 30, 2018</u>
Assets:		
Cash and Cash Equivalents	\$ 15,801,000	\$ 5,684,000
Investments	98,608,000	149,455,000
Receivables, net	620,880,000	654,202,000
Due from Other Funds	4,223,000	5,361,000
Due from Component Units	110,950,000	113,861,000
Inventories	123,000	76,000
Restricted Assets - Investments	<u>361,381,000</u>	<u>361,382,000</u>
Total Assets	<u>\$ 1,211,966,000</u>	<u>\$ 1,290,021,000</u>
 Liabilities, Deferred Inflows of Resources, and Fund Balance		
Liabilities:		
Accounts Payable and Accruals	\$ 133,633,000	\$ 249,836,000
Due to Other Funds	311,601,000	200,327,000
Due to Component Units	14,106,000	12,057,000
Unearned Revenue	<u>619,000</u>	<u>92,000</u>
Total Liabilities	<u>\$ 459,959,000</u>	<u>\$ 462,312,000</u>
Deferred Inflows of Resources	<u>\$ 50,051,000</u>	<u>\$ 47,331,000</u>
Fund Balance:		
Nonspendable - Inventories	\$ 123,000	\$ 76,000
Nonspendable - Permanent Fund and Endowment Corpus	361,381,000	361,381,000
Restricted - Lottery Scholarships	157,891,000	178,887,000
Restricted - Energy Efficient Schools	2,299,000	1,927,000
Restricted - After School Program	25,967,000	27,804,000
Restricted - State Endowment	100,938,000	151,005,000
Restricted - Other	671,000	817,000
Committed	8,080,000	8,370,000
Assigned	<u>44,606,000</u>	<u>50,111,000</u>
Total Fund Balance	<u>\$ 701,956,000</u>	<u>\$ 780,378,000</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 1,211,966,000</u>	<u>\$ 1,290,021,000</u>

**Highway Fund
Comparative Balance Sheet
June 30, 2017, and June 30, 2018**

	<u>June 30, 2017</u>	<u>June 30, 2018</u>
Assets:		
Cash and Cash Equivalents	\$ 928,657,000	\$ 1,079,658,000
Receivables, net	201,325,000	222,293,000
Due from Other Funds	91,000	0
Inventories, at Cost	11,512,000	12,492,000
Loans Receivable, net	<u>1,107,000</u>	<u>968,000</u>
Total Assets	<u>\$ 1,142,692,000</u>	<u>\$ 1,315,411,000</u>
 Liabilities, Deferred Inflows of Resources, and Fund Balance		
Liabilities:		
Accounts Payable and Accruals	\$ 186,921,000	\$ 215,118,000
Due to Other Funds	3,984,000	1,233,000
Due to Component Units	1,238,000	1,160,000
Unearned Revenue	<u>3,641,000</u>	<u>5,509,000</u>
Total Liabilities	<u>\$ 195,784,000</u>	<u>\$ 223,020,000</u>
Deferred Inflows of Resources	<u>\$ 22,305,000</u>	<u>\$ 30,496,000</u>
Fund Balance:		
Nonspendable - Inventories	\$ 11,512,000	\$ 12,492,000
Restricted	492,768,000	711,071,000
Committed	192,813,000	226,109,000
Assigned	<u>227,510,000</u>	<u>112,223,000</u>
Total Fund Balance	<u>\$ 924,603,000</u>	<u>\$ 1,061,895,000</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 1,142,692,000</u>	<u>\$ 1,315,411,000</u>

Debt Management

Recommended Budget, Fiscal Year 2019-2020

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, 2018, the debt limit calculation produced a maximum annual debt service debt limit of \$794,182,470. The annual debt service requirement on the state's outstanding debt, authorized but unissued debt, and proposed bond authorizations in the fiscal year 2019-2020 budget total \$263,855,000, 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 2018-2019. As of June 30, 2018, Tennessee's total general obligation bonded indebtedness was \$1,741,155, excluding the Facilities Revolving Fund (FRF). This debt was issued entirely for institutional and building construction.

In the spring of fiscal 2018, the second session of the 110th General Assembly approved new general obligation bond authorizations in the amount of \$215,295,000. Of this amount, institutional and building bonds accounted for \$57,587,000, economic and community development grants \$30,708,000, and highway bonds \$127,000,000.

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 \$82,000,000 in highway construction bonds and \$13,281,487 in regular general obligation bond authorizations in fiscal year 2017-2018.

The reduction in bond authorizations coupled with the Funding Board's action on bond cancellations decreased the category of authorized but unissued bonds to \$1,232,770,000, which includes \$404.8 million in capital construction bonds, \$745.8 million in highway fund authorizations, and \$82.1 million in FRF bonds.

The recommended 2019-2020 capital budget is funded entirely from surplus cash in the amount of \$313,096,800 and \$103,923,300 from federal funds and other sources.

Debt Service Fund
Statement of Revenues, Expenditures, and Requirements
July 1, 2017 - June 30, 2020

	Actual 2017-2018	Estimated 2018-2019	Estimated 2019-2020
Unreserved Fund Balance, July 1	\$ 14,371,743.93	\$ 14,584,000.00	\$ 12,734,000.00
Tax Revenues:			
Sales Tax	\$ 62,471,394.42	\$ 64,600,000.00	\$ 67,200,000.00
Gasoline Tax	83,800,000.00	80,200,000.00	75,600,000.00
Franchise Tax	18,000,000.00	18,000,000.00	18,000,000.00
Excise Tax	198,228,605.58	185,100,000.00	165,100,000.00
Motor Vehicle Title Fees	2,700,000.00	2,700,000.00	2,700,000.00
Total Tax Revenues	\$ 365,200,000.00	\$ 350,600,000.00	\$ 328,600,000.00
Other Revenues:			
Sports Authority	\$ 3,499,903.36	\$ 3,708,000.00	\$ 3,713,000.00
Motlow State - Smyrna Center	0.00	0.00	0.00
University of Memphis - Land Bank	551,541.58	0.00	552,000.00
State Technology Centers	0.00	0.00	3,740,000.00
State Veterans' Homes - Refinancing	656,599.53	517,000.00	381,000.00
Miscellaneous	1,095.89	0.00	0.00
Premium on Bond Sales	448,130.37	0.00	0.00
Net Refunding Bond Premium	83,886.98	0.00	0.00
Federal Highway Bridge Funds (80% Match)	0.00	0.00	2,400,000.00
Total Other Revenues	\$ 5,241,157.71	\$ 4,225,000.00	\$ 10,786,000.00
Total Available Funds	\$ 384,812,901.64	\$ 369,409,000.00	\$ 352,120,000.00
Appropriations, Transfers, and Fund Balance			
Debt Service Appropriations for:			
Outstanding Bonds at July 1	\$ 217,607,314.62	\$ 216,875,000.00	\$ 209,822,000.00
Capital Outlay - Unissued Bonds (\$404,847,000)	0.00	0.00	44,533,000.00
Highway Bridges - Unissued Bonds (\$29,700,000)	0.00	0.00	3,000,000.00
Short Term Interest	2,226,412.42	3,500,000.00	3,500,000.00
Debt Issuance Expense	2,193,541.35	2,500,000.00	3,000,000.00
Total Debt Service Appropriations	\$ 222,027,268.39	\$ 222,875,000.00	\$ 263,855,000.00
Transfers to Other Funds:			
Highway Fund - Bonds Cancelled	\$ 82,000,000.00	\$ 79,000,000.00	\$ 75,000,000.00
Highway Fund - Bridge Bonds - Debt Service	1,800,000.00	1,200,000.00	0.00
General Fund	55,500,000.00	45,200,000.00	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	501,487.00	0.00	0.00
Capital Projects Fund - Bonds Cancelled	0.00	0.00	0.00
Total Transfers to Other Funds	\$ 148,201,487.00	\$ 133,800,000.00	\$ 75,000,000.00
Total Appropriations and Transfers	\$ 370,228,755.39	\$ 356,675,000.00	\$ 338,855,000.00
Unreserved Fund Balance, June 30			
Net Receivables	\$ 5,656,260.78	\$ 5,300,000.00	\$ 5,300,000.00
Cash and Cash Equivalents	8,927,885.47	7,434,000.00	7,965,000.00
Total Fund Balance, June 30	\$ 14,584,146.25	\$ 12,734,000.00	\$ 13,265,000.00

**Debt Service Fund
Comparative Balance Sheet
June 30, 2017, and June 30, 2018**

	June 30, 2017	June 30, 2018
Assets:		
Cash and Cash Equivalents	\$ 9,046,000	\$ 8,928,000
Taxes Receivable	6,123,000	6,385,000
Loans Receivable	7,954,000	7,479,000
Total Assets	\$ 23,123,000	\$ 22,792,000
 Liabilities and Fund Balance		
Liabilities:		
Payables and Accruals	\$ 195,000	\$ 160,000
Total Liabilities	\$ 195,000	\$ 160,000
Deferred Inflows of Resources	\$ 8,556,000	\$ 8,048,000
Fund Balance:		
Unreserved	\$ 14,372,000	\$ 14,584,000
Total Fund Balance	\$ 14,372,000	\$ 14,584,000
Total Liabilities and Fund Balance	\$ 23,123,000	\$ 22,792,000

Bond Fund
Statement of Bonds Authorized and Unissued
June 30, 2017 - June 30, 2019

Year	Authority	Description	June 30, 2017	June 30, 2018	June 30, 2019 *
2001	Chapter 462	Capital Outlay	\$ 356,206.73	\$ 356,206.73	\$ 356,206.73
2001	Chapter 462	Facilities Revolving Fund	1,707,382.09	388,396.64	388,396.64
2002	Chapter 852	Facilities Revolving Fund	2,421,701.98	2,421,701.98	2,421,701.98
2004	Chapter 958	Capital Outlay	8,028,409.92	6,615,690.91	6,615,690.91
2005	Chapter 501	Capital Outlay	774,757.09	570,849.78	570,849.78
2005	Chapter 501	Facilities Revolving Fund	2,420,944.63	0.00	0.00
2006	Chapter 962	Capital Outlay	23,637,092.73	23,031,512.97	23,031,512.97
2006	Chapter 962	Facilities Revolving Fund	5,384,523.64	5,384,523.64	5,384,523.64
2006	Chapter 962	Enterprise Resource Planning Software	8,759,930.67	4,379,930.67	0.00
2007	Chapter 591	Capital Outlay	14,366,807.84	12,505,741.04	12,505,671.71
2007	Chapter 591	Higher Education - Board of Regents	4,121,070.03	3,619,583.03	3,619,583.03
2007	Chapter 591	Facilities Revolving Fund	5,406,881.76	3,981,349.20	3,981,349.20
2008	Chapter 1119	Higher Education	221,947.23	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	5,471,638.49	5,471,638.49
2009	Chapter 552	Capital Outlay	26,442,133.12	25,042,133.12	23,642,133.12
2009	Chapter 552	Facilities Revolving Fund	822,377.81	822,377.81	822,377.81
2009	Chapter 552	Highway Construction	80,000,000.00	0.00	0.00
2010	Chapter 1109	Capital Outlay	1,128,269.32	1,030,009.43	1,030,009.43
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	0.00
2010	Chapter 1109	Highway Construction - Bridges	400,000.00	0.00	0.00
2011	Chapter 470	Capital Outlay	15,172,885.89	13,360,784.87	13,360,784.87
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	58,800,000.00	58,800,000.00
2012	Chapter 1024	Capital Outlay	59,740,029.99	34,175,209.14	34,175,209.14
2012	Chapter 1024	Capital Outlay - Communication System	35,000,000.00	28,000,000.00	21,000,000.00
2012	Chapter 1024	Highway Construction	76,000,000.00	75,000,000.00	74,000,000.00
2013	Chapter 452	Capital Outlay	79,535,013.75	49,632,257.64	49,632,257.64
2013	Chapter 452	Highway Construction	79,000,000.00	78,000,000.00	77,000,000.00
2014	Chapter 813	Capital Outlay	24,777,753.11	8,272,378.41	8,272,378.41
2014	Chapter 813	Highway Construction	83,500,000.00	83,500,000.00	83,500,000.00
2015	Chapter 424	Capital Outlay	221,868,485.06	125,186,687.59	125,186,687.59
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	80,000,000.00	80,000,000.00	80,000,000.00
2018	Chapter 1062	Capital Outlay	0.00	30,708,000.00	30,708,000.00
2018	Chapter 1062	Facilities Revolving Fund	0.00	57,587,000.00	57,587,000.00
2018	Chapter 1062	Highway Construction	0.00	127,000,000.00	127,000,000.00
Total Bonds Authorized and Unissued			\$ 1,413,636,039.98	\$ 1,324,549,552.98	\$ 1,232,769,552.98
Summary by Purpose:					
		Capital Outlay	\$ 566,088,925.31	\$ 413,247,055.39	\$ 404,846,986.06
		Facilities Revolving Fund	29,887,184.00	82,122,566.92	82,122,566.92
		Highway Construction	721,000,000.00	766,000,000.00	687,000,000.00
		Highway Construction - Bridges	87,900,000.00	58,800,000.00	58,800,000.00
		Enterprise Resource Planning Software	8,759,930.67	4,379,930.67	0.00
Total Bonds Authorized and Unissued			\$ 1,413,636,039.98	\$ 1,324,549,552.98	\$ 1,232,769,552.98

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

Bond Fund
Statement of Bonds Sold
July 1, 2016 - June 30, 2019

<u>Year</u>	<u>Authority</u>	<u>Description</u>	<u>July 1, 2016 - June 30, 2017</u>	<u>July 1, 2017 - June 30, 2018</u>	<u>July 1, 2018 - June 30, 2019</u>
2001	Chapter 462	Facilities Revolving Fund	\$ 918,086.85	\$ 1,318,985.45	\$ 0.00
2004	Chapter 958	Capital Outlay	1,340,483.41	1,412,719.01	0.00
2005	Chapter 501	Capital Outlay	188,622.23	203,907.31	0.00
2005	Chapter 501	Facilities Revolving Fund	0.00	2,420,944.63	0.00
2006	Chapter 962	Capital Outlay	10,938,120.25	605,579.76	0.00
2007	Chapter 591	Capital Outlay	3,620,736.04	1,861,066.80	0.00
2007	Chapter 591	Facilities Revolving Fund	0.00	1,425,532.56	0.00
2008	Chapter 1119	Higher Education	71,539.76	0.00	0.00
2008	Chapter 1202	Facilities Revolving Fund	0.00	186,154.44	0.00
2009	Chapter 552	Capital Outlay	956,880.79	0.00	0.00
2010	Chapter 1109	Capital Outlay	104,815.53	98,259.89	0.00
2011	Chapter 470	Capital Outlay	6,969,457.81	1,812,101.02	0.00
2012	Chapter 1024	Capital Outlay	76,852,639.76	25,564,820.85	0.00
2013	Chapter 452	Capital Outlay	61,161,289.75	29,902,756.11	0.00
2014	Chapter 813	Capital Outlay	4,945,812.88	16,505,374.70	0.00
2015	Chapter 424	Capital Outlay	14,931,514.94	96,681,797.47	0.00
2015	Chapter 424	Capital Outlay - ECD Grants	35,000,000.00	0.00	0.00
Total Bonds Sold			<u>\$ 218,000,000.00</u>	<u>\$ 180,000,000.00</u>	<u>\$ 0.00</u>
Summary by Purpose:					
		Capital Outlay	\$ 217,081,913.15	\$ 174,648,382.92	\$ 0.00
		Facilities Revolving Fund	918,086.85	5,351,617.08	0.00
		Total Bonds Sold	<u>\$ 218,000,000.00</u>	<u>\$ 180,000,000.00</u>	<u>\$ 0.00</u>

Bond Fund
Statement of Appropriations in Lieu of Issuing Bonds
Statement of Bonds Cancelled
July 1, 2016 - June 30, 2019

Year	Authority	Description	July 1, 2016 - June 30, 2017	July 1, 2017 - June 30, 2018	July 1, 2018 - June 30, 2019 *
2004	Chapter 958	Capital Outlay	\$ 33.17	\$ 0.00	\$ 0.00
2006	Chapter 962	Enterprise Resource Planning Software	4,380,000.00	4,380,000.00	4,379,930.67
2007	Chapter 591	Capital Outlay	0.00	0.00	69.33
2007	Chapter 591	Higher Education - Board of Regents - Univ. of Memphis	484,010.00	501,487.00	0.00
2008	Chapter 1202	Highway Construction	87,700,000.00	0.00	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	80,000,000.00	0.00
2010	Chapter 1109	Highway Construction	0.00	0.00	77,000,000.00
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			\$ 102,964,043.17	\$ 95,281,487.00	\$ 91,780,000.00
Summary by Purpose:					
		Capital Outlay	\$ 8,884,043.17	\$ 8,901,487.00	\$ 8,400,069.33
		Facilities Revolving Fund	0.00	0.00	0.00
		Highway Construction	89,700,000.00	82,000,000.00	79,000,000.00
		Enterprise Resource Planning Software	4,380,000.00	4,380,000.00	4,379,930.67
Total Appropriations in Lieu of Issuing Bonds			\$ 102,964,043.17	\$ 95,281,487.00	\$ 91,780,000.00

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

Note: 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

Chapter 460, Public Acts of 2017 (Section 6, Item 2(b)), cancelled the following bond authorization that was converted to federal financing:

2010 Chapter 1109 Highway Construction - Bridges \$ 400,000.00

2011 Chapter 470 Highway Construction - Bridges \$ 28,700,000.00

Bond Fund
Statement of Bonded Indebtedness
Principal and Interest on Bonded Debt
June 30, 2018

<u>Fiscal Year</u>	<u>Outstanding Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018 - 2019	\$ 144,712,000	\$ 72,163,000	\$ 216,875,000
2019 - 2020	141,801,000	68,021,000	209,822,000
2020 - 2021	135,918,000	61,655,000	197,573,000
2021 - 2022	136,173,000	55,359,000	191,532,000
2022 - 2023	128,944,000	49,217,000	178,161,000
2023 - 2024	126,631,000	43,809,000	170,440,000
2024 - 2025	119,609,000	38,825,000	158,434,000
2025 - 2026	117,725,000	33,805,000	151,530,000
2026 - 2027	112,277,000	28,988,000	141,265,000
2027 - 2028	108,082,000	24,415,000	132,497,000
2028 - 2029	101,005,000	19,899,000	120,904,000
2029 - 2030	78,089,000	15,852,000	93,941,000
2030 - 2031	68,380,000	12,460,000	80,840,000
2031 - 2032	61,740,000	9,471,000	71,211,000
2032 - 2033	39,778,000	7,130,000	46,908,000
2033 - 2034	33,190,000	5,372,000	38,562,000
2034 - 2035	33,190,000	3,712,000	36,902,000
2035 - 2036	30,216,000	2,127,000	32,343,000
2036 - 2037	16,224,000	966,000	17,190,000
2037 - 2038	7,471,000	374,000	7,845,000
Total	<u>\$ 1,741,155,000</u>	<u>\$ 553,620,000</u>	<u>\$ 2,294,775,000</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, 2018, the outstanding principal was \$156,640,000 and interest was \$46,537,000.

Capital Outlay and Facilities Program



Capital Outlay and Facilities Program

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Capital Budget

Recommended Budget, Fiscal Year 2019-2020

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, Division of Budget. 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.

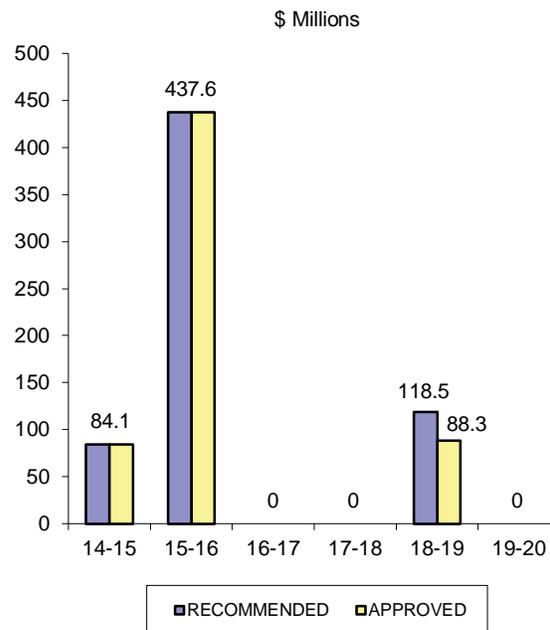
The 2019-2020 capital outlay budget recommends \$417,020,100 divided between capital improvement projects and capital maintenance requests. The recommendation includes \$223.5 million for higher education projects, \$115 million for economic development projects, \$28 million for state parks, \$24.6 million for correction facilities, and various upgrades to state facilities.

Capital Improvement Projects — Capital improvement projects recommended for fiscal year 2019-2020 total \$289,570,100, including \$272,536,300 from state appropriation. Other funding sources account for the remainder of the total amount. Projects from dedicated sources of revenue are also recommended for the Tennessee Wildlife Resources Agency totaling \$5,570,000.

Capital Maintenance — Capital maintenance projects are recommended at a level of \$127,450,000. A state appropriation of \$40,560,500 is requested. Federal and other funding sources account for the remainder of the total amount. These projects focus on maintaining current facilities, primarily through repair and renovation of roofing, mechanical, and electrical systems. Funding is also included to bring state facilities in line with federal standards for asbestos and citizens with disabilities. The Locally Governed Higher Education Institutions, the Tennessee Board of Regents, and the University of Tennessee are also funded for modifications to assist in ADA compliance.

New Bond Authorizations — Total capital maintenance, capital improvements, and Facilities Revolving Fund requests will require no new bond authorization. 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 \$47,963,000 is recommended for capital maintenance and capital improvement projects. A general fund appropriation of \$24,990,000 and residual appropriation of \$4,700,000 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 2019-2020**

	COUNTY	TOTAL	STATE	BONDS	FEDERAL	OTHER
Correction						
Maintenance	Statewide	\$ 24,600,000	\$ 0	\$ 0	\$ 0	\$ 24,600,000
Economic and Community Development						
Amazon Operations Center Infrastructure Grant	Davidson	\$ 65,000,000	\$ 65,000,000	\$ 0	\$ 0	\$ 0
Volkswagen Plant Infrastructure Grant	Hamilton	50,000,000	50,000,000	0	0	0
Sub-Total Economic and Community Development		\$ 115,000,000	\$ 115,000,000	\$ 0	\$ 0	\$ 0
Education						
Maintenance	Statewide	\$ 2,070,000	\$ 0	\$ 0	\$ 0	\$ 2,070,000
Environment and Conservation						
Maintenance	Statewide	\$ 8,520,000	\$ 2,925,500	\$ 0	\$ 0	\$ 5,594,500
Fall Creek Falls State Park Inn Replacement	Van Buren	11,000,000	11,000,000	0	0	0
Paris Landing State Park Inn Replacement	Henry	8,470,000	8,470,000	0	0	0
Sub-Total Environment and Conservation		\$ 27,990,000	\$ 22,395,500	\$ 0	\$ 0	\$ 5,594,500
General Services						
Maintenance	Statewide	\$ 4,200,000	\$ 4,200,000	\$ 0	\$ 0	\$ 0
Emergency and Contingency Funds	Statewide	5,000,000	5,000,000	0	0	0
Sub-Total General Services		\$ 9,200,000	\$ 9,200,000	\$ 0	\$ 0	\$ 0
Human Services						
Maintenance	Statewide	\$ 5,330,000	\$ 0	\$ 0	\$ 0	\$ 5,330,000
Intellectual and Developmental Disabilities						
Maintenance	Statewide	\$ 590,000	\$ 0	\$ 0	\$ 0	\$ 590,000
Military						
Maintenance	Statewide	\$ 8,705,000	\$ 0	\$ 0	\$ 3,262,500	\$ 5,442,500
Locally Governed Higher Education Institutions						
Austin Peay State University						
Maintenance	Statewide	\$ 3,770,000	\$ 3,770,000	\$ 0	\$ 0	\$ 0
East Tennessee State University						
Maintenance	Statewide	\$ 4,110,000	\$ 4,110,000	\$ 0	\$ 0	\$ 0
Middle Tennessee State University						
Maintenance	Statewide	\$ 6,370,000	\$ 6,370,000	\$ 0	\$ 0	\$ 0
School of Concrete and Construction Management	Rutherford	40,100,000	34,085,000	0	0	6,015,000
Sub-Total Middle Tennessee State University		\$ 46,470,000	\$ 40,455,000	\$ 0	\$ 0	\$ 6,015,000
Tennessee State University						
Maintenance	Statewide	\$ 2,475,000	\$ 2,475,000	\$ 0	\$ 0	\$ 0
Tennessee Technological University						
Maintenance	Statewide	\$ 7,910,000	\$ 7,910,000	\$ 0	\$ 0	\$ 0
Engineering Building Planning	Putnam	3,250,000	3,250,000	0	0	0
Sub-Total Tennessee Technological University		\$ 11,160,000	\$ 11,160,000	\$ 0	\$ 0	\$ 0
University of Memphis						
Maintenance	Statewide	\$ 8,970,000	\$ 6,650,000	\$ 0	\$ 0	\$ 2,320,000
Sub-Total Locally Governed Higher Education Institutions		\$ 76,955,000	\$ 68,620,000	\$ 0	\$ 0	\$ 8,335,000
Tennessee Board of Regents						
Maintenance	Statewide	\$ 19,710,000	\$ 720,000	\$ 0	\$ 0	\$ 18,990,000
TCAT Athens and Cleveland Higher Education Center	McMinn	17,750,100	14,231,300	0	0	3,518,800
Sub-Total Tennessee Board of Regents		\$ 37,460,100	\$ 14,951,300	\$ 0	\$ 0	\$ 22,508,800
University of Tennessee						
Maintenance	Statewide	\$ 20,120,000	\$ 1,430,000	\$ 0	\$ 0	\$ 18,690,000
UTIA Energy & Environmental Science Edu. Research Ctr.	Knox	89,000,000	81,500,000	0	0	7,500,000
Sub-Total University of Tennessee		\$ 109,120,000	\$ 82,930,000	\$ 0	\$ 0	\$ 26,190,000

**Proposed Capital Appropriations
from Bonds, Current Funds, and Other Revenues
Fiscal Year 2019-2020**

COUNTY	TOTAL	STATE	BONDS	FEDERAL	OTHER
Grand Total	\$ 417,020,100	\$ 313,096,800	\$ 0	\$ 3,262,500	\$ 100,660,800
Sub-Total Capital Maintenance	127,450,000	40,560,500	0	3,262,500	83,627,000
Sub-Total Capital Improvements	289,570,100	272,536,300	0	0	17,033,800
Sub-Total Higher Education	\$ 223,535,100	\$ 166,501,300	\$ 0	\$ 0	\$ 57,033,800
Capital Maintenance	73,435,000	33,435,000	0	0	40,000,000
Capital Improvements	150,100,100	133,066,300	0	0	17,033,800
Sub-Total Other Agencies	\$ 193,485,000	\$ 146,595,500	\$ 0	\$ 3,262,500	\$ 43,627,000
Capital Maintenance	54,015,000	7,125,500	0	3,262,500	43,627,000
Capital Improvements	139,470,000	139,470,000	0	0	0

**Proposed Capital Maintenance Appropriations
from Bonds, Current Funds, and Other Revenues
Fiscal Year 2019-2020**

	COUNTY	TOTAL	STATE	BONDS	FEDERAL	OTHER
Correction						
WTSP Water Treatment Plant Renovations	Lauderdale	\$ 2,000,000	\$ 0	\$ 0	\$ 0	\$ 2,000,000
High Security Cells Prototypical Compliance FY20	Statewide	1,000,000	0	0	0	1,000,000
Upgrade Fire Alarm Systems Phase 3	Statewide	2,000,000	0	0	0	2,000,000
Upgrade Locking Systems Phase 3	Statewide	4,000,000	0	0	0	4,000,000
RMSI Smoke Evacuation and BAS Upgrades	Davidson	6,700,000	0	0	0	6,700,000
TCIX Electrical Infrastructure Upgrades Phase 3	Hickman	3,700,000	0	0	0	3,700,000
WTSP HVAC/BAS/Smoke Evacuation Upgrades	Lauderdale	5,200,000	0	0	0	5,200,000
Sub-Total Correction		\$ 24,600,000	\$ 0	\$ 0	\$ 0	\$ 24,600,000
Education						
TSD Buildings 420 and 421 Windows and HVAC Upgrades	Knox	\$ 2,070,000	\$ 0	\$ 0	\$ 0	\$ 2,070,000
Environment and Conservation						
General Statewide Roof Replacements West TN	Statewide	\$ 2,720,000	\$ 0	\$ 0	\$ 0	\$ 2,720,000
Cumberland Mountain SP Restaurant HVAC Replacement	Cumberland	630,000	0	0	0	630,000
Civilian Conservation Corps Cabin Renovation	Statewide	5,170,000	2,925,500	0	0	2,244,500
Sub-Total Environment and Conservation		\$ 8,520,000	\$ 2,925,500	\$ 0	\$ 0	\$ 5,594,500
General Services						
ADA Compliance	Statewide	\$ 800,000	\$ 800,000	\$ 0	\$ 0	\$ 0
Environmental Consultants	Statewide	1,000,000	1,000,000	0	0	0
Management Support Services	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
Sub-Total General Services		\$ 4,200,000	\$ 4,200,000	\$ 0	\$ 0	\$ 0
Human Services						
TRC Smyrna Campus System Upgrades	Rutherford	\$ 5,330,000	\$ 0	\$ 0	\$ 0	\$ 5,330,000
Intellectual and Developmental Disabilities						
WTRO Baker Building Elevator Replacement	Shelby	\$ 590,000	\$ 0	\$ 0	\$ 0	\$ 590,000
Military						
Lexington RC HVAC and Energy Update	Henderson	\$ 950,000	\$ 0	\$ 0	\$ 475,000	\$ 475,000
Ripley RC HVAC and Energy Update	Lauderdale	830,000	0	0	415,000	415,000
TEMA Building 130 Re-Roof and Facility Update	Davidson	2,180,000	0	0	0	2,180,000
Humboldt RC Re-Roof and Facility Update	Gibson	1,320,000	0	0	660,000	660,000
Lobelville RC Re-Roof and Facility Update	Perry	985,000	0	0	492,500	492,500
Elizabethton RC Re-Roof and Facility Update	Sullivan	880,000	0	0	440,000	440,000
JFHQ Hugh Mott Building Lighting Upgrade	Davidson	810,000	0	0	405,000	405,000
Statewide Paving	Statewide	750,000	0	0	375,000	375,000
Sub-Total Military		\$ 8,705,000	\$ 0	\$ 0	\$ 3,262,500	\$ 5,442,500
Locally Governed Higher Education Institutions						
Austin Peay State University						
Campus Boiler Installation Phase 1	Montgomery	\$ 2,420,000	\$ 2,420,000	\$ 0	\$ 0	\$ 0
Chiller and Cooling Tower Replacement	Montgomery	1,250,000	1,250,000	0	0	0
ADA Compliance	Montgomery	100,000	100,000	0	0	0
Sub-Total Austin Peay State University		\$ 3,770,000	\$ 3,770,000	\$ 0	\$ 0	\$ 0
East Tennessee State University						
Campus HVAC Upgrades	Washington	\$ 1,640,000	\$ 1,640,000	\$ 0	\$ 0	\$ 0
Chiller Replacement	Washington	2,210,000	2,210,000	0	0	0
ADA Compliance	Washington	260,000	260,000	0	0	0
Sub-Total East Tennessee State University		\$ 4,110,000	\$ 4,110,000	\$ 0	\$ 0	\$ 0
Middle Tennessee State University						
Multiple Buildings Roof Replacement	Rutherford	\$ 600,000	\$ 600,000	\$ 0	\$ 0	\$ 0
KOM Mech., HVAC, Fire Prot., Light and Ceiling Upgrades	Rutherford	5,600,000	5,600,000	0	0	0
ADA Compliance	Rutherford	170,000	170,000	0	0	0
Sub-Total Middle Tennessee State University		\$ 6,370,000	\$ 6,370,000	\$ 0	\$ 0	\$ 0

**Proposed Capital Maintenance Appropriations
from Bonds, Current Funds, and Other Revenues
Fiscal Year 2019-2020**

	COUNTY	TOTAL	STATE	BONDS	FEDERAL	OTHER
Tennessee State University						
Utility Tunnel Upgrades	Davidson	\$ 375,000	\$ 375,000	\$ 0	\$ 0	\$ 0
Multiple Buildings Fire Alarm Upgrades	Davidson	705,000	705,000	0	0	0
Multiple Buildings Electrical Upgrades	Davidson	1,205,000	1,205,000	0	0	0
ADA Compliance	Davidson	190,000	190,000	0	0	0
Sub-Total Tennessee State University		\$ 2,475,000	\$ 2,475,000	\$ 0	\$ 0	\$ 0
Tennessee Technological University						
Roof Replacements Phase 3	Putnam	\$ 3,060,000	\$ 3,060,000	\$ 0	\$ 0	\$ 0
Multiple Buildings Upgrades	Putnam	4,650,000	4,650,000	0	0	0
ADA Compliance	Putnam	200,000	200,000	0	0	0
Sub-Total Tennessee Technological University		\$ 7,910,000	\$ 7,910,000	\$ 0	\$ 0	\$ 0
University of Memphis						
Multiple Buildings Roof Replacements	Shelby	\$ 3,000,000	\$ 3,000,000	\$ 0	\$ 0	\$ 0
Multiple Buildings Interior Repairs	Shelby	5,540,000	3,220,000	0	0	2,320,000
ADA Compliance	Shelby	430,000	430,000	0	0	0
Sub-Total University of Memphis		\$ 8,970,000	\$ 6,650,000	\$ 0	\$ 0	\$ 2,320,000
Sub-Total Locally Governed Higher Education Institutions		\$ 33,605,000	\$ 31,285,000	\$ 0	\$ 0	\$ 2,320,000
Tennessee Board of Regents						
TCAT Building System Updates	Statewide	\$ 1,050,000	\$ 0	\$ 0	\$ 0	\$ 1,050,000
TCAT Roof Repairs and Replacements	Statewide	1,160,000	0	0	0	1,160,000
CLSCC Technology Building Roof Replacement	Bradley	250,000	0	0	0	250,000
STCC Roof Replacement and Envelope Repairs	Shelby	610,000	0	0	0	610,000
COSCC Multiple Buildings Roof Replacements	Mauzy	470,000	0	0	0	470,000
PSCC Exterior Lighting Upgrades	Knox	390,000	0	0	0	390,000
WSSC Sevier County Mechanical Upgrades	Sevier	800,000	0	0	0	800,000
TCAT MPE and Infrastructure Updates	Statewide	1,050,000	0	0	0	1,050,000
DSCC Multiple Buildings Boiler Systems Updates	Dyer	440,000	0	0	0	440,000
NASCC Interior Lighting Updates	Davidson	750,000	0	0	0	750,000
MSSC Fayetteville Campus HVAC Modernization	Lincoln	680,000	0	0	0	680,000
CHSCC CETAS Building Modernization	Hamilton	1,890,000	0	0	0	1,890,000
RSCC HVAC Corrections	Roane	1,100,000	0	0	0	1,100,000
JSCC McWherter HVAC Updates Phase 1	Madison	910,000	0	0	0	910,000
NESCC Network and Communication Modernization	Sullivan	1,000,000	0	0	0	1,000,000
VSCC Cookeville Higher Education Parking Expansion	Putnam	360,000	0	0	0	360,000
CHSCC Gym Roof System Replacement	Hamilton	660,000	0	0	0	660,000
VSCC Chiller Replacement	Sumner	380,000	0	0	0	380,000
PSCC Alarm System Upgrades	Knox	700,000	0	0	0	700,000
TCAT Jacksboro Door and Window Replacements	Campbell	140,000	0	0	0	140,000
TCAT Parking and Paving Repairs	Statewide	730,000	0	0	0	730,000
STCC Exterior Safety Repairs and Updates	Shelby	1,550,000	0	0	0	1,550,000
TCAT Maintenance Repairs	Statewide	580,000	0	0	0	580,000
WSSC Sevier County Campus Reroof	Sevier	1,000,000	0	0	0	1,000,000
JSCC McWherter HVAC Updates Phase 2	Madison	340,000	0	0	0	340,000
ADA Compliance	Statewide	720,000	720,000	0	0	0
Sub-Total Tennessee Board of Regents		\$ 19,710,000	\$ 720,000	\$ 0	\$ 0	\$ 18,990,000
University of Tennessee						
UTK Multiple Buildings Fire Safety Upgrades	Knox	\$ 7,500,000	\$ 0	\$ 0	\$ 0	\$ 7,500,000
UTIA 4-H Center Multiple Buildings Improvements	Mauzy	5,000,000	0	0	0	5,000,000
UTC East Campus Utility Expansion	Hamilton	6,190,000	0	0	0	6,190,000
ADA Compliance	Statewide	1,430,000	1,430,000	0	0	0
Sub-Total University of Tennessee		\$ 20,120,000	\$ 1,430,000	\$ 0	\$ 0	\$ 18,690,000
Grand Total		\$ 127,450,000	\$ 40,560,500	\$ 0	\$ 3,262,500	\$ 83,627,000
Sub-Total Higher Education		73,435,000	33,435,000	0	0	40,000,000
Sub-Total Other Agencies		54,015,000	7,125,500	0	3,262,500	43,627,000

**Projects Funded from Dedicated Revenues
Fiscal Year 2019-2020**

	<u>COUNTY</u>	<u>TOTAL</u>	<u>STATE</u>	<u>BONDS</u>	<u>FEDERAL</u>	<u>OTHER</u>
Tennessee Wildlife Resources Agency						
Region 1 - Buffalo Ridge Hunter Education Facility	Humphreys	\$ 5,570,000	\$ 0	\$ 0	\$ 0	\$ 5,570,000
Total Dedicated Funds		<u>\$ 5,570,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,570,000</u>

**Proposed Capital Projects from School Bonds and Other Sources
Fiscal Year 2019-2020**

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.

	<u>TOTAL</u>	<u>TSSBA</u>	<u>INSTITUTIONAL/ AUXILIARY</u>	<u>OTHER</u>
Locally Governed Institutions				
Austin Peay State University				
Hayes House Renovations	\$ 2,000,000	\$ 0	\$ 2,000,000	\$ 0
Miller Hall Elevator Installation	850,000	0	850,000	0
Browning Hall Elevator Installation	850,000	0	850,000	0
Sevier Hall Restroom Upgrades	1,500,000	0	1,500,000	0
Health Professions Building	7,965,000	0	0	7,965,000
Total Austin Peay State University	\$ 13,165,000	\$ 0	\$ 5,200,000	\$ 7,965,000
East Tennessee State University				
Humanities Building	\$ 9,513,500	\$ 0	\$ 0	\$ 9,513,500
Middle Tennessee State University				
Miller Education Center Academic Renovation	\$ 12,000,000	\$ 4,000,000	\$ 8,000,000	\$ 0
Parking Structure	17,000,000	17,000,000	0	0
School of Concrete and Construction Management	6,015,000	2,000,000	1,000,000	3,015,000
Football Operations Facility	50,000,000	40,000,000	0	10,000,000
Women's Softball Facilities Upgrades	3,000,000	2,500,000	500,000	0
Athletic Video Board Upgrades	3,000,000	3,000,000	0	0
Total Middle Tennessee State University	\$ 91,015,000	\$ 68,500,000	\$ 9,500,000	\$ 13,015,000
Tennessee State University				
Agriculture Food Science Research Facility	\$ 10,000,000	\$ 0	\$ 0	\$ 10,000,000
Housing Upgrades and Repairs	2,000,000	0	2,000,000	0
Auxiliary Facilities Upgrades and Repairs	2,000,000	0	2,000,000	0
Agriculture Facilities Upgrades and Repairs	2,000,000	0	0	2,000,000
Total Tennessee State University	\$ 16,000,000	\$ 0	\$ 4,000,000	\$ 12,000,000
Tennessee Technological University				
Engineering Building	\$ 8,750,000	\$ 0	\$ 500,000	\$ 8,250,000
Facilities Services Complex	10,100,000	0	10,100,000	0
Athletics Facilities Improvements	56,750,000	0	12,000,000	44,750,000
Residence Hall Innovation Center	29,500,000	29,000,000	500,000	0
Total Tennessee Technological University	\$ 105,100,000	\$ 29,000,000	\$ 23,100,000	\$ 53,000,000
University of Memphis				
Child Development Center	\$ 9,000,000	\$ 9,000,000	\$ 0	\$ 0
Ellipse Plaza Development	1,000,000	0	1,000,000	0
Library Services Improvements	1,200,000	0	1,200,000	0
Fogelman Executive Center Upgrades	1,500,000	0	1,500,000	0
Campus School Expansion	2,000,000	0	2,000,000	0
Mynders Hall Re-roof	700,000	0	700,000	0
Student Venture Hub	1,000,000	0	1,000,000	0
Campus Police Renovation	700,000	0	700,000	0
Park Avenue Physical Plant	600,000	0	600,000	0
Soccer Facility	4,000,000	0	0	4,000,000
Student Housing Improvements	1,800,000	0	1,800,000	0
STEM Research and Classroom Building	4,000,000	0	0	4,000,000
Total University of Memphis	\$ 27,500,000	\$ 9,000,000	\$ 10,500,000	\$ 8,000,000
Total Locally Governed Institutions	\$ 262,293,500	\$ 106,500,000	\$ 52,300,000	\$ 103,493,500

**Proposed Capital Projects from School Bonds and Other Sources
Fiscal Year 2019-2020**

	<u>TOTAL</u>	<u>TSSBA</u>	<u>INSTITUTIONAL/ AUXILIARY</u>	<u>OTHER</u>
Tennessee Board of Regents				
Columbia State Community College				
Williamson County Technology Building	\$ 376,000	\$ 0	\$ 263,200	\$ 112,800
Northeast State Community College				
Amphitheater Plaza and Stage	\$ 500,000	\$ 0	\$ 500,000	\$ 0
Pellissippi State Community College				
Division Street Renovations	\$ 1,500,000	\$ 0	\$ 1,500,000	\$ 0
Hardin Valley Parking Expansion	900,000	0	0	900,000
Student Recreation Center Flooring	100,000	0	0	100,000
Total Pellissippi State Community College	\$ 2,500,000	\$ 0	\$ 1,500,000	\$ 1,000,000
Roane State Community College				
Cumberland County Science Lab	\$ 1,530,000	\$ 0	\$ 30,000	\$ 1,500,000
TCAT Athens and Cleveland State Community College				
McMinn County Higher Education Center	\$ 3,518,800	\$ 0	\$ 0	\$ 3,518,800
Volunteer State Community College				
Wood Building Dining and Kitchen Remodel	\$ 980,000	\$ 0	\$ 980,000	\$ 0
Total Tennessee Board of Regents	\$ 9,404,800	\$ 0	\$ 3,273,200	\$ 6,131,600
University of Tennessee System				
University of Tennessee Chattanooga				
Campus Pedestrian Ways	\$ 3,610,000	\$ 3,310,000	\$ 300,000	\$ 0
University of Tennessee Knoxville				
Classroom Upgrades (19-20)	\$ 5,000,000	\$ 0	\$ 5,000,000	\$ 0
Concord Campus Phase II	8,000,000	0	8,000,000	0
Total University of Tennessee Knoxville	\$ 13,000,000	\$ 0	\$ 13,000,000	\$ 0
UT Health Science Center				
Good Manufacturing Practice Facility Expansion	\$ 10,000,000	\$ 10,000,000	\$ 0	\$ 0
UT Institute of Agriculture				
West Tennessee 4-H Center Improvements	\$ 1,550,000	\$ 0	\$ 1,550,000	\$ 0
Energy and Environmental Science Education Research Center	7,500,000	0	4,650,000	2,850,000
Total UT Institute of Agriculture	\$ 9,050,000	\$ 0	\$ 6,200,000	\$ 2,850,000
Total University of Tennessee System	\$ 35,660,000	\$ 13,310,000	\$ 19,500,000	\$ 2,850,000
Grand Total	\$ 307,358,300	\$ 119,810,000	\$ 75,073,200	\$ 112,475,100

Capital Outlay Project Descriptions Fiscal Year 2019-2020

	Total Project Cost
Correction	
Objective: Provide safe and secure facilities to house inmates.	
Maintenance Funds to repair, maintain, and update facilities. See Capital Maintenance Project Descriptions for additional details.	\$ 24,600,000
Economic and Community Development	
Objective: Pursue strategies for business and job growth.	
Amazon Operations Center Infrastructure Grant Funds are provided for costs associated with site development, infrastructure, equipment, and facility construction of the Amazon Operations Center in Davidson County.	\$ 65,000,000
Volkswagen Plant Infrastructure Grant Funds are provided for costs associated with site development, infrastructure, equipment, and facility construction of the Volkswagen Plant in Hamilton County.	50,000,000
Sub-Total Economic and Community Development	\$ 115,000,000
Education	
Objective: Provide a safe and secure environment for learning.	
Maintenance Funds to repair, maintain, and update facilities. See Capital Maintenance Project Descriptions for additional details.	\$ 2,070,000
Environment and Conservation	
Objective: Increase visitation to the state's parks and historic areas.	
Maintenance Funds to repair, maintain, and update facilities. See Capital Maintenance Project Descriptions for additional details.	\$ 8,520,000
Fall Creek Falls State Park Inn Replacement Additional funds are provided for the completion of the replacement of the inn, conference center, restaurant, swimming pools, and site work.	11,000,000
Paris Landing State Park Inn Replacement Additional funds are provided to add 25-30 rooms to the new inn, which is currently under construction.	8,470,000
Sub-Total Environment and Conservation	\$ 27,990,000
General Services	
Objective: Maintain, repair, and update general government facilities.	
Maintenance Funds to repair, maintain, and update facilities. See Capital Maintenance Project Descriptions for additional details.	\$ 4,200,000

Capital Outlay Project Descriptions Fiscal Year 2019-2020

	Total Project Cost
Emergency and Contingency Funds Funds to handle unforeseen and emergency situations that arise during the fiscal year.	\$ 5,000,000
Sub-Total General Services	\$ 9,200,000
Human Services	
Objective: Provide facilities to support rehabilitation services.	
Maintenance Funds to repair, maintain, and update facilities. See Capital Maintenance Project Descriptions for additional details.	\$ 5,330,000
Intellectual and Developmental Disabilities	
Objective: Provide alternative residential settings for clients and plan for the future.	
Maintenance Funds to repair, maintain, and update facilities. See Capital Maintenance Project Descriptions for additional details.	\$ 590,000
Military	
Objective: Expand and renovate military facilities.	
Maintenance Funds to repair, maintain, and update facilities. See Capital Maintenance Project Descriptions for additional details.	\$ 8,705,000
Locally Governed Higher Education Institutions	
Objective: Expand and enhance facilities for student and faculty needs.	
Austin Peay State University	
Maintenance Funds to repair, maintain, and update campus facilities. See Capital Maintenance Project Descriptions for additional details.	\$ 3,770,000
East Tennessee State University	
Maintenance Funds to repair, maintain, and update campus facilities. See Capital Maintenance Project Descriptions for additional details.	\$ 4,110,000
Middle Tennessee State University	
Maintenance Funds to repair, maintain, and update campus facilities. See Capital Maintenance Project Descriptions for additional details.	\$ 6,370,000
School of Concrete and Construction Management Funds are provided for construction of a facility for the School of Concrete and Construction Management. Project includes relocation of current functions and demolition of Abernathy and Ezell buildings, along with an addition to the satellite chiller plant, and all related work.	40,100,000
Sub-Total Middle Tennessee State University	\$ 46,470,000

Capital Outlay Project Descriptions Fiscal Year 2019-2020

	Total Project Cost
Tennessee State University	
Maintenance	\$ 2,475,000
Funds to repair, maintain, and update campus facilities. See Capital Maintenance Project Descriptions for additional details.	
Tennessee Technological University	
Maintenance	\$ 7,910,000
Funds to repair, maintain, and update campus facilities. See Capital Maintenance Project Descriptions for additional details.	
Engineering Building Planning	3,250,000
Funds are provided for construction planning of a new interdisciplinary engineering building.	
Sub-Total Tennessee Technological University	\$ 11,160,000
University of Memphis	
Maintenance	\$ 8,970,000
Funds to repair, maintain, and update campus facilities. See Capital Maintenance Project Descriptions for additional details.	
Sub-Total Locally Governed Higher Education Institutions	\$ 76,955,000
Tennessee Board of Regents	
Objective: Expand and enhance facilities for student and faculty needs.	
Maintenance	\$ 19,710,000
Funds to repair, maintain, and update higher education institution facilities statewide. See Capital Maintenance Project Descriptions for additional details.	
TCAT Athens and Cleveland Higher Education Center	17,750,100
Funds are provided for the construction of a facility for collaboration between TCAT Athens, Cleveland State Community College, UT Extension, Adult Education, and local industry.	
Sub-Total Tennessee Board of Regents	\$ 37,460,100
University of Tennessee	
Objective: Expand and enhance facilities for students and faculty needs.	
Maintenance	\$ 20,120,000
Funds to repair, maintain, and update higher education institution facilities statewide. See Capital Maintenance Project Descriptions for additional details.	
UTIA Energy and Environmental Science Education Research Center	89,000,000
Funds are provided for construction of an energy and environmental science building and the demolition of the current plant sciences building. Funds the construction of a surge building on the Ag Campus.	
Sub-Total University of Tennessee	\$ 109,120,000
Grand Total	\$ 417,020,100

Capital Maintenance Project Descriptions Fiscal Year 2019-2020

	Total Project Cost
Correction	
WTSP Water Treatment Plant Renovations Funds are provided for upgrades to the existing water and waste water treatment plants and all related work.	\$ 2,000,000
High Security Cells Prototypical Compliance FY20 Funds are provided for upgrades to existing high security cells at various institutions.	1,000,000
Upgrade Fire Alarm Systems Phase 3 Funds are provided for upgrade of the fire alarm systems. Project includes all related work.	2,000,000
Upgrade Locking Systems Phase 3 Funds are provided for replacement of locking devices and all related work at institutions statewide.	4,000,000
RMSI Smoke Evacuation and BAS Upgrades Funds are provided for replacement or upgrades of building automation and smoke evacuation systems. Project includes all related work.	6,700,000
TCIX Electrical Infrastructure Upgrades Phase 3 Funds are provided for repair or replacement of secondary electrical systems and all related work.	3,700,000
WTSP HVAC/BAS/Smoke Evacuation Upgrades Funds are provided for replacement or upgrades of the HVAC, building automation, smoke evacuation, and fire alarm systems. Project includes all related work.	5,200,000
Sub-Total Correction	\$ 24,600,000
Education	
TSD Buildings 420 and 421 Windows and HVAC Upgrades Funds are provided for the replacement of existing HVAC equipment and conversion to a 4-pipe system, upgrade related electrical panels, installation of new windows, and all related work.	\$ 2,070,000
Environment and Conservation	
General Statewide Roof Replacements West TN Funds are provided for the replacement of roof systems at Pinson Mounds State Archaeological Park and Reelfoot Lake State Park. Project includes all related work.	\$ 2,720,000
Cumberland Mountain State Park Restaurant HVAC Replacement Funds are provided for replacement of the HVAC system and duct work equipment including all related work.	630,000
Civilian Conservation Corps Cabin Renovation Funds are provided for the renovation of Civilian Conservation Corps cabins at Chickasaw State Park, Pickett State Park, and Cumberland Mountain State Park. Renovations include upgrades to HVAC, plumbing and electrical systems, and all related work.	5,170,000
Sub-Total Environment and Conservation	\$ 8,520,000

Capital Maintenance Project Descriptions Fiscal Year 2019-2020

	Total Project Cost
General Services	
<p>ADA Compliance Funds are provided for capital maintenance activities, including facility assessments, associated with compliance with the Americans with Disabilities Act and other disability-related issues.</p>	\$ 800,000
<p>Environmental Consultants Funds are provided for 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>Management Support Services Funds are provided for consultant services regarding support for state construction-related activities.</p>	1,000,000
<p>State Owned Buildings OSHA Compliance Funds are provided for the provision of 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>Sub-Total General Services</p>	\$ 4,200,000
Human Services	
<p>Tennessee Rehabilitation Center Smyrna Campus System Upgrades Funds are provided for upgrades to various systems including mechanical, lighting, accessibility, compliance, technology, security systems, and all related work.</p>	\$ 5,330,000
Intellectual and Developmental Disabilities	
<p>WTRO Baker Building Elevator Replacement Funds are provided for the replacement of the existing elevator including all related work.</p>	\$ 590,000
Military	
<p>Lexington Readiness Center HVAC and Energy Update Funds are provided for replacement of the HVAC, energy management, and fire alarm systems, modification to power systems, repairs to finishes and equipment, and all related work.</p>	\$ 950,000
<p>Ripley Readiness Center HVAC and Energy Update Funds are provided for replacement of the HVAC, energy management, and fire alarm systems, modification to power systems, repairs to finishes and equipment, and all related work.</p>	830,000
<p>TEMA Building 130 Re-Roof and Facility Update Funds are provided for replacement of the roof system, doors, windows, and masonry. Funds also support updates to the interior and exterior of the facility. Project includes all related work.</p>	2,180,000

**Capital Maintenance Project Descriptions
Fiscal Year 2019-2020**

	Total Project Cost
<p>Humboldt Readiness Center Re-Roof and Facility Update Funds are provided for replacement of the roof system, doors, windows, and masonry. Funds also support updates to the interior and exterior of the facility and site grading and drainage improvements. Project includes all related work.</p>	\$ 1,320,000
<p>Lobelville Readiness Center Re-Roof and Facility Update Funds are provided for replacement of the roof system, doors, windows, and masonry. Funds also support updates to the interior and exterior of the facility and site grading and drainage improvements. Project includes all related work.</p>	985,000
<p>Elizabethton Readiness Center Re-Roof and Facility Update Funds are provided for replacement of the roof system, doors, windows, and masonry. Funds also support updates to the interior and exterior of the facility and site grading and drainage improvements. Project includes all related work.</p>	880,000
<p>Joint Force Headquarters Hugh Mott Building Lighting Upgrade Funds are provided to replace lighting, associated control systems, and all related work.</p>	810,000
<p>Statewide Paving Funds are provided to repair parking areas at five readiness centers statewide including restriping, site drainage, and all related work.</p>	750,000
<p>Sub-Total Military</p>	\$ 8,705,000
 Locally Governed Higher Education Institutions	
Austin Peay State University	
<p>Campus Boiler Installation Phase 1 Funds are provided for water boilers for six buildings and all related work.</p>	\$ 2,420,000
<p>Chiller and Cooling Tower Replacement Funds are provided for replacement of the central chiller and cooling tower and all related work.</p>	1,250,000
<p>ADA Compliance Funds are provided for capital maintenance activities, including facility assessments, associated with compliance with the Americans with Disabilities Act and other disabilities-related issues.</p>	100,000
<p>Sub-Total Austin Peay State University</p>	\$ 3,770,000
 East Tennessee State University	
<p>Campus HVAC Upgrades Funds are provided for the replacement of the HVAC system in multiple buildings campus-wide and all related work.</p>	\$ 1,640,000
<p>Chiller Replacement Funds are provided for replacement of a chiller at the chilled water plant for HVAC and all related work.</p>	2,210,000

Capital Maintenance Project Descriptions Fiscal Year 2019-2020

	Total Project Cost
<p>ADA Compliance Funds are provided for capital maintenance activities, including facility assessments, associated with compliance with the Americans with Disabilities Act and other disabilities-related issues.</p>	\$ 260,000
<p>Sub-Total East Tennessee State University</p>	\$ 4,110,000
Middle Tennessee State University	
<p>Multiple Buildings Roof Replacement Funds are provided for replacement of roof systems for multiple buildings and all related work.</p>	\$ 600,000
<p>KOM Mechanical, HVAC, Fire Protection, Light and Ceiling Upgrades Funds are provided for replacement of the HVAC system, sprinkler system, ceilings, and lighting in the Kirskey Old Main building.</p>	5,600,000
<p>ADA Compliance Funds are provided for capital maintenance activities, including facility assessments, associated with compliance with the Americans with Disabilities Act and other disabilities-related issues.</p>	170,000
<p>Sub-Total Middle Tennessee State University</p>	\$ 6,370,000
Tennessee State University	
<p>Utility Tunnel Upgrades Funds are provided for the replacement of utility tunnel lighting including fixtures, conduit, distribution equipment, and all related work.</p>	\$ 375,000
<p>Multiple Buildings Fire Alarm Upgrades Funds are provided for repair and upgrade of fire alarm systems in multiple buildings and all related work.</p>	705,000
<p>Multiple Buildings Electrical Upgrades Funds are provided for repair of electrical systems in multiple buildings and all related work.</p>	1,205,000
<p>ADA Compliance Funds are provided for capital maintenance activities, including facility assessments, associated with compliance with the Americans with Disabilities Act and other disabilities-related issues.</p>	190,000
<p>Sub-Total Tennessee State University</p>	\$ 2,475,000
Tennessee Technological University	
<p>Roof Replacements Phase 3 Funds are provided for replacement of roofs on several buildings including masonry repairs. Project also funds replacement and repairs to various cupolas, replacement of the clock on Derryberry Hall, and all related work.</p>	\$ 3,060,000
<p>Multiple Buildings Upgrades Funds are provided for system and space upgrades in Brown, Bruner, and Prescott Halls. Project includes all related work.</p>	4,650,000

Capital Maintenance Project Descriptions Fiscal Year 2019-2020

	Total Project Cost
<p>ADA Compliance Funds are provided for capital maintenance activities, including facility assessments, associated with compliance with the Americans with Disabilities Act and other disabilities-related issues.</p>	\$ 200,000
<p>Sub-Total Tennessee Technological University</p>	\$ 7,910,000
University of Memphis	
<p>Multiple Buildings Roof Replacements Funds are provided for replacement of roof systems for several buildings and all related work.</p>	\$ 3,000,000
<p>Multiple Buildings Interior Repairs Funds are provided for repairs of building interiors including bathroom rehabilitations, floor finishes, doors and hardware, HVAC, and elevators. Project includes all related work.</p>	5,540,000
<p>ADA Compliance Funds are provided for capital maintenance activities, including facility assessments, associated with compliance with the Americans with Disabilities Act and other disabilities-related issues.</p>	430,000
<p>Sub-Total University of Memphis</p>	\$ 8,970,000
<p>Sub-Total Locally Governed Higher Education Institutions</p>	\$ 33,605,000
Tennessee Board of Regents	
<p>TCAT Building System Updates Funds are provided for updates to building systems including fire alarms and security systems at Whiteville, Hartsville, and Nashville. Project includes all related work.</p>	\$ 1,050,000
<p>TCAT Roof Repairs and Replacements Funds are provided for replacement of roofing systems at Chattanooga, Hohenwald, and Mckenzie. Project includes all related work.</p>	1,160,000
<p>CLSCC Technology Building Roof Replacement Funds are provided for roof replacement and all related work.</p>	250,000
<p>STCC Roof Replacement and Envelope Repairs Funds are provided for replacement of roofs and exterior windows at various building and all related work.</p>	610,000
<p>COSCC Multiple Buildings Roof Replacements Funds are provided for replacement of multiple roof systems and all related work.</p>	470,000
<p>PSCC Exterior Lighting Upgrades Funds are provided for replacement of high mast and street lighting. Project includes all related work.</p>	390,000
<p>WSCC Sevier County Mechanical Upgrades Funds are provided for replacement of chillers, boilers, and HVAC, updates to controls, and new LED exterior lighting. Project includes all related work.</p>	800,000

Capital Maintenance Project Descriptions Fiscal Year 2019-2020

	Total Project Cost
<p>TCAT MPE and Infrastructure Updates Funds are provided for updates to various TCATs including boiler and chiller replacements, updates to control systems, electrical upgrades, and all related work.</p>	\$ 1,050,000
<p>DSCC Multiple Buildings Boiler Systems Updates Funds are provided for boilers and pump heating systems at three buildings on the main campus and all related work.</p>	440,000
<p>NASCC Interior Lighting Updates Funds are provided for LED interior lighting updates at the main campus and all related work.</p>	750,000
<p>MSCC Fayetteville Campus HVAC Modernization Funds are provided for replacement of existing HVAC system and controls upgrades. Project includes all related work.</p>	680,000
<p>CHSCC CETAS Building Modernization Funds are provided for updates to the second floor of the CETAS building and installation of an elevator. Project includes all related work.</p>	1,890,000
<p>RSCC HVAC Corrections Funds are provided for replacement of HVAC systems in Dunbar and gym buildings including all related work.</p>	1,100,000
<p>JSCC McWherter HVAC Updates Phase 1 Funds are provided for replacement and upgrades of the McWherter Center HVAC system and controls. Project includes all related work.</p>	910,000
<p>NESCC Network and Communication Modernization Funds are provided for modernization of the campus network infrastructure and telephone system. Project includes all related work.</p>	1,000,000
<p>VSCC Cookeville Higher Education Parking Expansion Funds are provided for the replacement and repairs of existing parking areas including seals, stripes, and signage. Project includes all related work.</p>	360,000
<p>CHSCC Gym Roof System Replacement Funds are provided for replacement of the roof system and all related work.</p>	660,000
<p>VSCC Chiller Replacement Funds are provided for replacement of two chillers including HVAC infrastructure and controls. Project includes all related work.</p>	380,000
<p>PSCC Alarm System Upgrades Funds are provided for upgrades to existing fire alarm and emergency alarm systems at all five campuses. Project includes all related work.</p>	700,000
<p>TCAT Jacksboro Door and Window Replacements Funds are provided for replacement of doors and windows on campus and all related work.</p>	140,000
<p>TCAT Parking and Paving Repairs Funds are provided for upgrades to parking lots including resurfacing, striping, curbs, drainage, sidewalks, LED lighting, and all related work.</p>	730,000

**Capital Maintenance Project Descriptions
Fiscal Year 2019-2020**

	Total Project Cost
STCC Exterior Safety Repairs and Updates Funds are provided for repairs to roadways, parking lots, walkways, and upgrades of exterior lighting. Project includes all related work.	\$ 1,550,000
TCAT Maintenance Repairs Funds are provided for repairs and updates to TCATs including interior and exterior corrections, restroom modernizations, and door and hardware replacements. Project includes all related work.	580,000
WSCC Sevier County Campus Reroof Funds are provided for replacement of the roof systems on Maples-Marshall Hall, Conner-Short Center, and Cates-Cutshaw Hall. Project includes all related work.	1,000,000
JSCC McWherter HVAC Updates Phase 2 Funds are provided for replacement and upgrades to the HVAC system and controls at the McWherter Center. Project includes all related work.	340,000
ADA Compliance Funds are provided for capital maintenance activities, including facility assessments, associated with compliance with the Americans with Disabilities Act and other disabilities-related issues.	720,000
Sub-Total Tennessee Board of Regents	\$ 19,710,000
University of Tennessee	
UTK Multiple Buildings Fire Safety Upgrades Funds are provided for upgrades of fire systems at multiple buildings and all related work.	\$ 7,500,000
UTIA 4-H Center Multiple Buildings Improvements Funds are provided for improvements to the interiors and exteriors of multiple buildings including replacement of roofs, windows, interior finishes, upgrading restrooms, interior lighting, and HVAC replacements. Project includes all related work.	5,000,000
UTC East Campus Utility Expansion Funds are provided for replacement of existing electrical equipment and other utilities. Project includes all related work.	6,190,000
ADA Compliance Funds are provided for capital maintenance activities, including facility assessments, associated with compliance with the Americans with Disabilities Act and other disabilities-related issues.	1,430,000
Sub-Total University of Tennessee	\$ 20,120,000
Grand Total Capital Maintenance	\$ 127,450,000

**Projected First-Year Operating Costs for New Facilities
Recommended as Projects for Fiscal Year 2019-2020**

	<u>COUNTY</u>	<u>TOTAL</u>	<u>UTILITIES</u>	<u>MAINTENANCE</u>	<u>PROGRAM*</u>	<u>ADDITIONAL PERSONNEL</u>
Middle Tennessee State University						
School of Concrete and Construction Management	Rutherford	\$ 1,534,100	\$ 102,600	\$ 16,200	\$ 1,415,300	16
Tennessee Board of Regents						
TCAT Athens and Cleveland Higher Education Center	McMinn	\$ 1,057,900	\$ 185,900	\$ 438,000	\$ 434,000	8
Tennessee Technological University						
Engineering Building Planning	Putnam	\$ 1,160,000	\$ 450,000	\$ 710,000	\$ 0	0
University of Tennessee						
UTIA Energy and Environmental Science Education Research Center	Knox	\$ 1,931,300	\$ 798,800	\$ 1,132,500	\$ 0	0
Grand Total		<u>\$ 5,683,300</u>	<u>\$ 1,537,300</u>	<u>\$ 2,296,700</u>	<u>\$ 1,849,300</u>	<u>24</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	Re-Roof	Replace Roof
Ag	Agriculture	Renov.	Renovation
APSU	Austin Peay State University	RMSI	Riverbend Maximum Security Institution
BAS	Building Automation Systems	RSCC	Roane State Community College
BCCX	Bledsoe County Correctional Complex	SCCF	South Central Correctional Facility
Bldg(s).	Building(s)	SCRHO	South Central Regional Health Office
CETAS	Center for Engineering Technology, Arts, & Sciences	SP	State Park
CHSCC	Chattanooga State Community College	STCC	Southwest Tennessee Community College
CLSCC	Cleveland State Community College	STREAM	State of TN Real Estate Asset Management
COSCC	Columbia State Community College	TBI	Tennessee Bureau of Investigation
Ctr.	Center	TBR	Tennessee Board of Regents
DCS	Department of Children's Services	TCAT	Tennessee College of Applied Technology
DSCC	Dyersburg State Community College	TCIX	Turney Center Industrial Complex
Edu.	Education	TDEC	Tennessee Department of Environment and Conservation
ETRHO	East Tennessee Regional Health Office	TDOT	Tennessee Department of Transportation
ETSU	East Tennessee State University	TEMA	Tennessee Emergency Management Agency
FRF	Facilities Revolving Fund	THEC	Tennessee Higher Education Commission
HVAC	Heating, Ventilation, and Air Conditioning	THP	Tennessee Highway Patrol
HQ	Headquarters	TLETA	Tennessee Law Enforcement Training Academy
Impvts.	Improvements	TN	Tennessee
JFHQ	Joint Force Headquarters	TPAC	Tennessee Performing Arts Center
JSCC	Jackson State Community College	TRC	Tennessee Rehabilitation Center
KOM	Kirksey Old Main Building	TPS	Tennessee Preparatory School
LDSNF	Lois M. Deberry Special Needs Facility	TPW	Tennessee Prison for Women
LGI	Locally Governed Institution(s)	TSB	Tennessee School for the Blind
Maint.	Maintenance	TSD	Tennessee School for the Deaf
MCCX	Morgan County Correctional Complex	TSU	Tennessee State University
MCRHO	Mid-Cumberland Regional Health Office	TTU	Tennessee Technological University
Mech.	Mechanical	TWRA	Tennessee Wildlife Resources Agency
Mgmt.	Management	UoM	University of Memphis
MHI	Mental Health Institute	UT	University of Tennessee
MLTC	Mark Luttrell Transition Center	UTHSC	University of Tennessee Health Science Center
MPE	Mechanical, Plumbing, and Electrical	UTC	University of Tennessee at Chattanooga
MSCC	Motlow State Community College	UTIA	University of Tennessee Institute of Agriculture
MTSU	Middle Tennessee State University	UTK	University of Tennessee at Knoxville
NESCC	Northeast State Community College	UTM	University of Tennessee at Martin
NASCC	Nashville State Community College	VSCC	Volunteer State Community College
NWCX	Northwest Correctional Complex	WMA	Wildlife Management Area
NWRHO	Northwest Regional Health Office	WSCC	Walters State Community College
OSHA	Occupational Safety & Health Administration	WTRO	West Tennessee Regional Office
Prot.	Protection	WTSD	West Tennessee School for the Deaf
PSCC	Pellissippi State Community College	WTSP	West Tennessee State Penitentiary
RC	Readiness Center	YDC	Youth Development Center

Facilities Revolving Fund

The State Office Buildings and Support Facilities Revolving Fund (FRF) was established in 1988 to provide efficient management of the state office and warehousing facilities. State agencies are charged a rental rate based on usage, location, and market rate for the space they occupy. These revenues, along with any necessary current services revenue and reserve funds, constitute the operating funds for FRF.

The fund pays for facilities management costs of state-owned and leased office 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.

	Actual 2017-2018	Estimated 2018-2019	Base 2019-2020	Cost Increase 2019-2020	Recommended 2019-2020
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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 paid from Facilities 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	54,934,000	56,220,900	56,772,000	0	56,772,000
Total	\$54,934,000	\$56,220,900	\$56,772,000	\$0	\$56,772,000
State	7,518,000	7,518,000	7,518,000	0	7,518,000
Federal	0	0	0	0	0
Other	47,416,000	48,702,900	49,254,000	0	49,254,000

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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
Payroll	0	0	0	0	0
Operational	1,294,700	2,640,500	2,640,500	0	2,640,500
Total	\$1,294,700	\$2,640,500	\$2,640,500	\$0	\$2,640,500
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,294,700	2,640,500	2,640,500	0	2,640,500

501.03 Leases and Space Planning

From 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.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	59,209,500	60,398,700	62,617,100	6,981,600	69,598,700
Total	\$59,209,500	\$60,398,700	\$62,617,100	\$6,981,600	\$69,598,700
State	0	5,547,600	5,547,600	0	5,547,600
Federal	0	0	0	0	0
Other	59,209,500	54,851,100	57,069,500	6,981,600	64,051,100

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. Funds for statewide capital outlay projects and capital maintenance projects are included in the recommended FRF Capital Projects 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	133,903,100	26,130,000	0	47,963,000	47,963,000
Total	\$133,903,100	\$26,130,000	\$0	\$47,963,000	\$47,963,000
State	126,300,200	3,270,000	0	24,990,000	24,990,000
Federal	0	0	0	0	0
Other	7,602,900	22,860,000	0	22,973,000	22,973,000

501.05 FRF Debt Service

From 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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
Payroll	0	0	0	0	0
Operational	21,960,700	23,900,000	23,900,000	0	23,900,000
Total	\$21,960,700	\$23,900,000	\$23,900,000	\$0	\$23,900,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	21,960,700	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	271,302,000	169,290,100	145,929,600	54,944,600	200,874,200
Total	\$271,302,000	\$169,290,100	\$145,929,600	\$54,944,600	\$200,874,200
State	133,818,200	16,335,600	13,065,600	24,990,000	38,055,600
Federal	0	0	0	0	0
Other	137,483,800	152,954,500	132,864,000	29,954,600	162,818,600

**Facilities Revolving Fund (FRF)
Proposed Capital Appropriations
from Bonds, General Fund, and Other Sources
Fiscal Year 2019-2020**

	COUNTY	TOTAL	GENERAL FUND CURRENT	BONDS	RESIDUAL FUNDS	OTHER
Capital Improvements:						
TennCare Building Purchase	Davidson	\$ 26,900,000	\$ 15,400,000	\$ 0	\$ 4,700,000	\$ 6,800,000
THP District 1 HQ Knoxville New Facility	Knox	3,990,000	3,990,000	0	0	0
TBI New Jackson Crime Lab Consolidated Facility	Madison	5,600,000	5,600,000	0	0	0
Sub-Total Capital Improvements		\$ 36,490,000	\$ 24,990,000	\$ 0	\$ 4,700,000	\$ 6,800,000
Capital Maintenance:						
TN Tower Plaza Waterproofing	Davidson	\$ 2,400,000	\$ 0	\$ 0	\$ 0	\$ 2,400,000
TN Residence Lightning Protection	Davidson	803,000	0	0	0	803,000
TN Tower Equipment Removal and Roof Replacement	Davidson	1,790,000	0	0	0	1,790,000
Ellington Ag Bruer Building Roof and Window Replacement	Davidson	240,000	0	0	0	240,000
THP District 5 HQ Fall Branch Roof Replacement	Washington	150,000	0	0	0	150,000
Motlow Tunnel Waterproofing and Interior Renov. Phase 1	Davidson	2,300,000	0	0	0	2,300,000
Foster Avenue Campus TPS Roof Replacements	Davidson	1,110,000	0	0	0	1,110,000
ETRHO Interior Renovations and Chiller Replacement	Knox	2,680,000	0	0	0	2,680,000
Sub-Total Capital Maintenance		\$ 11,473,000	\$ 0	\$ 0	\$ 0	\$ 11,473,000
Grand Total		\$ 47,963,000	\$ 24,990,000	\$ 0	\$ 4,700,000	\$ 18,273,000

Proposed Facilities Revolving Fund Project Descriptions Fiscal Year 2019-2020

Objective: Provide efficient management of state facilities.

	<u>Total Project Cost</u>
Capital Improvements:	
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. Funds also support closing costs.	\$ 26,900,000
THP District 1 HQ Knoxville New Facility	3,990,000
Additional funds are provided to complete the construction of a new district headquarters building in Knoxville.	
TBI New Jackson Crime Lab Consolidated Facility	5,600,000
Additional funds are provided to complete the construction of a new consolidated crime laboratory facility in Jackson.	
Total Capital Improvements	<u>\$ 36,490,000</u>
 Capital Maintenance:	
TN Tower Plaza Waterproofing	\$ 2,400,000
Funds are provided for waterproofing of the 4th floor exterior entrance plaza, monumental stair, and all related work.	
TN Residence Lightning Protection	803,000
Funds are provided for the installation of lightning protection elements, conductors, ground plates, grounding system, and all related work.	
TN Tower Equipment Removal and Roof Replacement	1,790,000
Funds are provided for the removal of rooftop equipment, replacement of roof sections, and all related work.	
Ellington Ag Bruer Building Roof and Window Replacement	240,000
Funds are provided for removal and replacement of the roof, windows, and all related work.	
THP District 5 HQ Fall Branch Roof Replacement	150,000
Funds are provided for replacement of the roof and all related work.	
Motlow Tunnel Waterproofing and Interior Renovation Phase 1	2,300,000
Funds are provided for renovations to the existing tunnel including waterproofing, elevator replacement, and all related work.	
Foster Avenue Campus TPS Roof Replacements	1,110,000
Funds are provided for roof replacements and all related work.	
ETRHO Interior Renovations and Chiller Replacement	2,680,000
Funds are provided for interior renovations of upper office floors including the replacement of an indoor chiller and associated pumps. Project includes all related work.	
Total Capital Maintenance	<u>\$ 11,473,000</u>
 Grand Total FRF Capital Outlay	 <u>\$ 47,963,000</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 2019-2020 by Functional AreaB-7

**Recommended Budget for Fiscal Year 2019-2020
By Functional Area**

Functional Area	State	Federal	Other	Total
General Government	774,135,200	100,137,600	714,486,300	1,588,759,100
Education	7,419,397,200	1,192,229,500	2,773,096,700 *	11,384,723,400
Health and Social Services	5,032,446,200	10,813,428,900	1,549,679,100	17,395,554,200
Law, Safety, and Correction	1,642,918,000	131,644,400	189,099,500	1,963,661,900
Resources and Regulation	517,411,200	251,464,200	235,403,700	1,004,279,100
Transportation, Business, and Economic Development	1,439,393,000	1,461,897,900	106,613,300	3,007,904,200
Total	\$16,825,700,800	\$13,950,802,500	\$5,568,378,600	\$36,344,881,900

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

General Government



General Government

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General Government

Recommended Budget, Fiscal Year 2019 – 2020

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 area 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 area 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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Recommended 2019-2020</u>
Personnel			
Full-Time	5,221	5,565	5,551
Part-Time	175	175	175
Seasonal	28	28	28
TOTAL	5,424	5,768	5,754
Expenditures			
Payroll	\$ 419,179,700	\$ 562,877,700	\$ 570,747,900
Operational	607,009,100	948,223,800	1,018,011,200
TOTAL	\$ 1,026,188,800	\$ 1,511,101,500	\$ 1,588,759,100
Funding			
State	\$ 345,737,400	\$ 693,655,200	\$ 774,135,200
Federal	56,952,900	99,399,000	100,137,600
Other	623,498,500	718,047,300	714,486,300
Tuition/Fees	0	0	0

General Government
Recommended Budget for Fiscal Year 2019-2020
By Funding Source

Department	State	Federal	Other	Total
301.00 Legislature	56,145,800	0	137,500	56,283,300
301.50 Fiscal Review Committee	1,711,500	0	0	1,711,500
305.00 Secretary of State	32,967,200	30,216,800	12,182,600	75,366,600
307.00 Comptroller of the Treasury	98,730,000	0	9,734,300	108,464,300
309.00 Treasury Department	5,089,300	0	46,155,400	51,244,700
313.00 Claims and Compensation	12,212,000	4,138,000	97,500,700	113,850,700
315.00 Executive Department	5,537,000	0	0	5,537,000
316.04 Tennessee Human Rights Commission	1,855,600	840,400	0	2,696,000
316.11 Tennessee Public Utility Commission	6,782,200	950,500	1,431,000	9,163,700
316.12 Advisory Commission on Intergovernmental Relations	192,700	0	3,220,500	3,413,200
317.00 Finance and Administration	17,437,600	62,778,100	364,545,700	444,761,400
319.00 Human Resources	0	0	14,707,500	14,707,500
321.00 General Services	42,100,000	0	130,920,100	173,020,100
323.00 Veterans Services	6,506,500	1,192,900	405,600	8,105,000
347.00 Revenue	100,059,600	20,900	33,395,400	133,475,900
351.00 Miscellaneous Appropriations	323,058,200	0	0	323,058,200
352.00 Other Post-Employment Benefits Liability	62,500,000	0	0	62,500,000
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	\$774,135,200	\$100,137,600	\$714,486,300	\$1,588,759,100

General Government
Cost Increases for Fiscal Year 2019-2020

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Legislature					
• Legislative Operations					
To provide recurring funding for legislative operations.					
301.01 Legislative Administration Services	\$6,000,000	\$0	\$0	\$6,000,000	0
Sub-total	\$6,000,000	\$0	\$0	\$6,000,000	0
• Redistricting					
To provide non-recurring funds for equipment and training.					
301.01 Legislative Administration Services	\$1,000,000	\$0	\$0	\$1,000,000	0
Sub-total	\$1,000,000	\$0	\$0	\$1,000,000	0
Total Legislature	\$7,000,000	\$0	\$0	\$7,000,000	0
Comptroller of the Treasury					
• Local Government Audit Senior Auditor Position					
To establish one senior auditor to oversee the certified financial manager programs with existing funds.					
307.05 Division of Local Government Audit	\$0	\$0	\$0	\$0	1
Sub-total	\$0	\$0	\$0	\$0	1
• Technology Solutions Positions					
To establish one information security analyst and two software developers with existing funds.					
307.16 Division of Technology Solutions	\$0	\$0	\$0	\$0	3
Sub-total	\$0	\$0	\$0	\$0	3
Total Comptroller of the Treasury	\$0	\$0	\$0	\$0	4

General Government

Cost Increases for Fiscal Year 2019-2020

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Treasury Department					
• Electronic Monitoring Indigency Fund					
To provide non-recurring funding for the Electronic Monitoring Indigency Fund for costs associated with the lease, purchase, installation, removal, and maintenance of ignition interlock, transdermal, and other alcohol and drug monitoring devices for persons deemed by the court to be indigent.					
309.10 Electronic Monitoring Indigency Fund	\$1,500,000	\$0	\$0	\$1,500,000	0
Sub-total	\$1,500,000	\$0	\$0	\$1,500,000	0
Total Treasury Department	\$1,500,000	\$0	\$0	\$1,500,000	0
Executive Department					
• Statutory Salary Increase					
To provide recurring funding for the Governor's salary adjustment required by TCA 8-1-102. By statute, the salary is linked to the salary of the Chief Justice of the Supreme Court.					
315.01 Governor's Office	\$6,000	\$0	\$0	\$6,000	0
Sub-total	\$6,000	\$0	\$0	\$6,000	0
Total Executive Department	\$6,000	\$0	\$0	\$6,000	0
Finance and Administration					
• State Pre-Trial Services Pilot Grant					
To provide non-recurring funding for competitive pilot grants for state pre-trial services.					
317.06 Criminal Justice Programs	\$1,000,000	\$0	\$0	\$1,000,000	0
Sub-total	\$1,000,000	\$0	\$0	\$1,000,000	0
• Microsoft Office 365 Statewide Migration					
To provide recurring funding for Microsoft Office 365 subscriptions. Microsoft is moving from a license to an annual subscription service and older Microsoft Office products will no longer be supported.					
317.03 Strategic Technology Solutions	\$0	\$0	\$5,000,000	\$5,000,000	0
Sub-total	\$0	\$0	\$5,000,000	\$5,000,000	0
Total Finance and Administration	\$1,000,000	\$0	\$5,000,000	\$6,000,000	0

General Government

Cost Increases for Fiscal Year 2019-2020

	State	Federal	Other	Total	Positions
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	\$11,088,900	\$0	\$0	\$11,088,900	11
Sub-total	\$11,088,900	\$0	\$0	\$11,088,900	11
Total Revenue	\$11,088,900	\$0	\$0	\$11,088,900	11

Miscellaneous Appropriations

• Pay for Performance Salary Pool					
To provide a pool of recurring funding equivalent to a 2.0 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 of Valued, Advanced, or Outstanding. These increases will be effective January 1, 2020, with a recurring annualized cost of \$28,844,200.					
351.00 Miscellaneous Appropriations	\$14,422,100	\$0	\$0	\$14,422,100	0
Sub-total	\$14,422,100	\$0	\$0	\$14,422,100	0
• Salary Pool for Non-TEAM Act Agencies					
To provide a pool of recurring funding equivalent to a 2.0 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, 2019.					
351.00 Miscellaneous Appropriations	\$6,740,400	\$0	\$0	\$6,740,400	0
Sub-total	\$6,740,400	\$0	\$0	\$6,740,400	0
• Market Adjustment					
To provide recurring funding for salary market adjustments for state employees effective July 1, 2019.					
351.00 Miscellaneous Appropriations	\$18,500,000	\$0	\$0	\$18,500,000	0
Sub-total	\$18,500,000	\$0	\$0	\$18,500,000	0

General Government

Cost Increases for Fiscal Year 2019-2020

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Retirement Contribution Increase					
To provide recurring funding for the increase in the retirement contribution rate for state and higher education employees. This increase will be effective July 1, 2019.					
351.00 Miscellaneous Appropriations	\$20,000,000	\$0	\$0	\$20,000,000	0
Sub-total	\$20,000,000	\$0	\$0	\$20,000,000	0
• Administration Amendment					
To provide funding for the cost of administration initiatives. From the appropriation, \$10,000,000 is recurring and \$10,000,000 is non-recurring.					
351.00 Miscellaneous Appropriations	\$20,000,000	\$0	\$0	\$20,000,000	0
Sub-total	\$20,000,000	\$0	\$0	\$20,000,000	0
• 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
• Other Post-Employment Benefits					
To provide recurring funding for state and higher education employees to address other post-employment benefit needs for fiscal year 2020.					
351.00 Miscellaneous Appropriations	\$12,000,000	\$0	\$0	\$12,000,000	0
Sub-total	\$12,000,000	\$0	\$0	\$12,000,000	0
• Facilities Revolving Fund (FRF)					
To provide recurring funding for a Davidson County rent adjustment. Interdepartmental billing will be increased in FRF by \$6,981,600.					
351.00 Miscellaneous Appropriations	\$4,677,700	\$0	\$0	\$4,677,700	0
Sub-total	\$4,677,700	\$0	\$0	\$4,677,700	0
• Transition to New Microsoft Office Billing Methodology					
To provide recurring funding to pay for a new billing methodology for Microsoft Office 365. Billing will now be on an annual rate instead of a one-time license fee. Interdepartmental billing will be increased in Strategic Technology Solutions (STS) by \$5,000,000.					
351.00 Miscellaneous Appropriations	\$2,700,000	\$0	\$0	\$2,700,000	0
Sub-total	\$2,700,000	\$0	\$0	\$2,700,000	0

General Government
Cost Increases for Fiscal Year 2019-2020

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Aeronautics Economic Development Fund					
To provide non-recurring funding for grants to local airport authorities for capital improvements.					
351.00 Miscellaneous Appropriations	\$1,000,000	\$0	\$0	\$1,000,000	0
Sub-total	\$1,000,000	\$0	\$0	\$1,000,000	0
• Strategic Technology Solutions (STS) Consolidation Costs					
To provide recurring state dollar funding for STS consolidation costs.					
351.00 Miscellaneous Appropriations	\$238,000	\$0	\$0	\$238,000	0
Sub-total	\$238,000	\$0	\$0	\$238,000	0
• Native American Indian Center Grant					
To provide non-recurring funding to construct a Native American Indian Center. Funds will be combined with federal grants and private donations.					
351.00 Miscellaneous Appropriations	\$276,000	\$0	\$0	\$276,000	0
Sub-total	\$276,000	\$0	\$0	\$276,000	0
• Real Estate Master Plan					
To provide non-recurring funding to develop a real estate master plan.					
351.00 Miscellaneous Appropriations	\$1,500,000	\$0	\$0	\$1,500,000	0
Sub-total	\$1,500,000	\$0	\$0	\$1,500,000	0
• Tennessee Association of Rescue Squads					
To provide recurring funding for the Tennessee Association of Rescue Squads. This will bring the total recurring appropriation to \$100,000.					
351.00 Miscellaneous Appropriations	\$28,700	\$0	\$0	\$28,700	0
Sub-total	\$28,700	\$0	\$0	\$28,700	0
Total Miscellaneous Appropriations	\$117,082,900	\$0	\$0	\$117,082,900	0
Total General Government	\$137,677,800	\$0	\$5,000,000	\$142,677,800	15

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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	1,564,300	2,288,700	2,299,300	3,000,000	5,299,300
Operational	3,307,800	5,191,100	5,191,100	4,000,000	9,191,100
Total	\$4,872,100	\$7,479,800	\$7,490,400	\$7,000,000	\$14,490,400
State	4,276,400	7,462,800	7,473,400	7,000,000	14,473,400
Federal	0	0	0	0	0
Other	595,700	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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
Payroll	6,635,600	8,051,800	8,084,700	0	8,084,700
Operational	1,877,100	1,528,300	1,528,300	0	1,528,300
Total	\$8,512,700	\$9,580,100	\$9,613,000	\$0	\$9,613,000
State	8,511,200	9,510,100	9,543,000	0	9,543,000
Federal	0	0	0	0	0
Other	1,500	70,000	70,000	0	70,000

301.17 Tennessee Code Commission

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

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	27,600	68,900	68,900	0	68,900
Total	\$27,600	\$68,900	\$68,900	\$0	\$68,900
State	27,600	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	15,781,000	16,836,700	17,004,400	0	17,004,400
Operational	3,665,300	3,491,300	3,490,200	0	3,490,200
Total	\$19,446,300	\$20,328,000	\$20,494,600	\$0	\$20,494,600
State	19,418,900	20,299,500	20,466,100	0	20,466,100
Federal	0	0	0	0	0
Other	27,400	28,500	28,500	0	28,500

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	8,021,800	9,776,400	9,844,700	0	9,844,700
Operational	2,105,500	1,772,800	1,771,700	0	1,771,700
Total	\$10,127,300	\$11,549,200	\$11,616,400	\$0	\$11,616,400
State	10,126,100	11,527,200	11,594,400	0	11,594,400
Federal	0	0	0	0	0
Other	1,200	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	32,002,700	36,953,600	37,233,100	3,000,000	40,233,100
Operational	10,983,300	12,052,400	12,050,200	4,000,000	16,050,200
Total	\$42,986,000	\$49,006,000	\$49,283,300	\$7,000,000	\$56,283,300
State	42,360,200	48,868,500	49,145,800	7,000,000	56,145,800
Federal	0	0	0	0	0
Other	625,800	137,500	137,500	0	137,500

Fiscal Review Committee

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

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

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	1,521,000	1,668,800	1,678,200	0	1,678,200
Operational	54,000	33,300	33,300	0	33,300
Total	\$1,575,000	\$1,702,100	\$1,711,500	\$0	\$1,711,500
State	1,575,000	1,702,100	1,711,500	0	1,711,500
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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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, the State Election Commission, Public Documents, the 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	166	166	0	166
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	165	166	166	0	166
Payroll	12,369,800	15,663,300	15,754,500	0	15,754,500
Operational	3,890,800	4,022,800	3,862,800	0	3,862,800
Total	\$16,260,600	\$19,686,100	\$19,617,300	\$0	\$19,617,300
State	6,604,500	12,149,500	12,459,000	0	12,459,000
Federal	0	300,000	300,000	0	300,000
Other	9,656,100	7,236,600	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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	116,300	127,700	133,200	0	133,200
Operational	1,488,400	1,474,500	1,474,500	0	1,474,500
Total	\$1,604,700	\$1,602,200	\$1,607,700	\$0	\$1,607,700
State	1,604,700	1,602,200	1,607,700	0	1,607,700
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	468,200	392,700	392,700	0	392,700
Total	\$468,200	\$392,700	\$392,700	\$0	\$392,700
State	385,200	392,700	392,700	0	392,700
Federal	0	0	0	0	0
Other	83,000	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	853,200	1,179,800	1,183,200	0	1,183,200
Operational	192,300	169,500	169,500	0	169,500
Total	\$1,045,500	\$1,349,300	\$1,352,700	\$0	\$1,352,700

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
State	348,600	834,200	837,600	0	837,600
Federal	0	0	0	0	0
Other	696,900	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	924,800	1,774,100	1,779,800	0	1,779,800
Operational	324,500	246,200	246,200	0	246,200
Total	\$1,249,300	\$2,020,300	\$2,026,000	\$0	\$2,026,000
State	0	339,800	345,500	0	345,500
Federal	0	0	0	0	0
Other	1,249,300	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	1,566,500	27,878,300	27,500,000	0	27,500,000
Total	\$1,566,500	\$27,878,300	\$27,500,000	\$0	\$27,500,000
State	0	378,300	0	0	0
Federal	1,512,000	26,500,000	26,500,000	0	26,500,000
Other	54,500	1,000,000	1,000,000	0	1,000,000

305.13 Records Management

Records Management is the primary records management agency for Tennessee state government. Records Management directs the disposition of all records, including paper forms, electronic data, and microform records. The division also transfers historical records to the State Library and Archives and provides administrative support to the Public Records Commission.

Full-Time	8	8	8	0	8
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	8	8	8	0	8

Secretary of State

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
Payroll	573,100	632,600	638,900	0	638,900
Operational	573,200	629,700	629,700	0	629,700
Total	\$1,146,300	\$1,262,300	\$1,268,600	\$0	\$1,268,600
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,146,300	1,262,300	1,268,600	0	1,268,600

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	96,600	184,900	185,600	0	185,600
Operational	3,800	15,000	15,000	0	15,000
Total	\$100,400	\$199,900	\$200,600	\$0	\$200,600
State	99,400	199,900	200,600	0	200,600
Federal	0	0	0	0	0
Other	1,000	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 the 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	6,231,200	7,134,100	7,190,700	0	7,190,700
Operational	5,973,500	6,149,400	6,149,400	0	6,149,400
Total	\$12,204,700	\$13,283,500	\$13,340,100	\$0	\$13,340,100

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
State	8,155,100	9,797,700	9,854,300	0	9,854,300
Federal	2,605,400	2,820,700	2,820,700	0	2,820,700
Other	1,444,200	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	3,845,800	4,273,300	4,311,600	0	4,311,600
Operational	3,694,800	3,749,300	3,749,300	0	3,749,300
Total	\$7,540,600	\$8,022,600	\$8,060,900	\$0	\$8,060,900
State	6,431,400	7,231,500	7,269,800	0	7,269,800
Federal	508,600	596,100	596,100	0	596,100
Other	600,600	195,000	195,000	0	195,000

305.00 Total Secretary of State

Full-Time	353	354	354	0	354
Part-Time	10	10	10	0	10
Seasonal	0	0	0	0	0
Total	363	364	364	0	364
Payroll	25,010,800	30,969,800	31,177,500	0	31,177,500
Operational	18,176,000	44,727,400	44,189,100	0	44,189,100
Total	\$43,186,800	\$75,697,200	\$75,366,600	\$0	\$75,366,600
State	23,628,900	32,925,800	32,967,200	0	32,967,200
Federal	4,626,000	30,216,800	30,216,800	0	30,216,800
Other	14,931,900	12,554,600	12,182,600	0	12,182,600

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, Office of Research and Education Accountability, Audit Services, Services to Local Governments, and Property Assessment and Appraisal.

<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	8	8	8	0	8
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	8	8	8	0	8
Payroll	1,097,200	1,136,000	1,140,400	0	1,140,400
Operational	283,400	553,400	553,400	0	553,400
Total	\$1,380,600	\$1,689,400	\$1,693,800	\$0	\$1,693,800
State	1,254,500	1,580,000	1,584,400	0	1,584,400
Federal	0	0	0	0	0
Other	126,100	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	26	26	0	26
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	25	26	26	0	26
Payroll	2,330,200	2,686,400	2,706,100	0	2,706,100
Operational	663,700	922,900	922,900	0	922,900
Total	\$2,993,900	\$3,609,300	\$3,629,000	\$0	\$3,629,000
State	2,993,900	3,609,300	3,629,000	0	3,629,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
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307.06 Office of Legal and Public Affairs

The Division of Legal and Public Affairs provides legal and legislative support for the various divisions of the Comptroller's Office, including internal legal matters.

Full-Time	20	19	19	0	19
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	20	19	19	0	19
Payroll	1,860,300	2,006,400	2,017,100	0	2,017,100
Operational	212,700	271,800	271,800	0	271,800
Total	\$2,073,000	\$2,278,200	\$2,288,900	\$0	\$2,288,900
State	2,039,700	2,215,700	2,226,400	0	2,226,400
Federal	0	0	0	0	0
Other	33,300	62,500	62,500	0	62,500

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. This division is responsible for implementation and support of the technology infrastructure, including network, server, database, and end point administration, security, maintenance, and support. Additionally, the division offers application development and data management services including backup and recovery support and disaster recovery.

Full-Time	33	33	33	3	36
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	33	33	33	3	36
Payroll	3,367,300	3,779,800	3,802,400	0	3,802,400
Operational	9,265,900	5,262,800	5,262,800	0	5,262,800
Total	\$12,633,200	\$9,042,600	\$9,065,200	\$0	\$9,065,200
State	8,368,200	8,770,100	8,792,700	0	8,792,700
Federal	0	0	0	0	0
Other	4,265,000	272,500	272,500	0	272,500

Office of Research and Education Accountability

The Office of Education Accountability was created by the Education Improvement Act of 1992. In 1994, the Comptroller placed the office with the Office of Research; together, they form the Office of Research and Education Accountability. They are charged with providing non-partisan, objective analysis of policy issues for the Comptroller of the Treasury, General Assembly, state agencies, and the public.

307.14 Office of Research and Education Accountability

The Office of Research and Education Accountability provides the General Assembly reports on a variety of education topics, as well as on various state and local government issues at the request of the Comptroller and the General Assembly. The office assists the House and Senate education committees, as requested, and provides the General Assembly an independent means to evaluate the financial impact of state policy on the public education system. In addition, the office prepares fiscal note support forms for the Fiscal Review Committee, monitors legislation, and analyzes the budget.

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
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	1,094,100	1,308,300	1,315,600	0	1,315,600
Operational	80,000	108,800	108,800	0	108,800
Total	\$1,174,100	\$1,417,100	\$1,424,400	\$0	\$1,424,400
State	1,174,100	1,417,100	1,424,400	0	1,424,400
Federal	0	0	0	0	0
Other	0	0	0	0	0

Audit Services

The Audit Services program is 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 program audits all counties, or in lieu of a state audit, accepts an audit prepared by a certified public accountant. Through a contractual process with independent certified public accounting firms, the program ensures the performance of audits for the state's municipalities, public internal school funds, charter schools, utility districts, housing authorities, local government-created entities, quasi-governmental organizations, and other government-funded agencies. The department also computes rates for nursing facilities that participate in the state's TennCare program and conducts financial-related reviews of nursing homes, managed care organizations, and behavioral health organizations.

307.04 Division of State Audit

The Division of State Audit conducts financial and compliance audits, performance audits, information systems audits, and attestation engagements. It also performs special studies to provide the General Assembly, the Governor, and the citizens of Tennessee with objective information about the state's financial condition and the performance of the state's agencies and programs. 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	188	191	191	0	191
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	188	191	191	0	191
Payroll	16,765,000	17,885,200	18,015,700	0	18,015,700
Operational	1,383,900	1,336,300	1,336,300	0	1,336,300
Total	\$18,148,900	\$19,221,500	\$19,352,000	\$0	\$19,352,000
State	11,634,100	13,860,100	13,990,600	0	13,990,600
Federal	0	0	0	0	0
Other	6,514,800	5,361,400	5,361,400	0	5,361,400

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
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307.05 Division of Local Government Audit

The Division of Local Government Audit is responsible for the annual audits of Tennessee's 95 counties; division staff currently conduct audits in 90 of those counties. Audits in the remaining five counties are conducted by private Certified Public Accountants (CPAs). This division also ensures that municipalities, public internal school funds, certain quasi-governmental entities, utility districts, housing authorities, charter schools, and certain nonprofit and for-profit organizations receiving funds from the State of Tennessee are audited as required by state statute. These audits are performed by CPAs.

Full-Time	98	98	98	1	99
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	98	98	98	1	99
Payroll	9,673,800	10,141,800	10,220,700	0	10,220,700
Operational	705,600	774,200	774,200	0	774,200
Total	\$10,379,400	\$10,916,000	\$10,994,900	\$0	\$10,994,900
State	8,790,900	9,628,800	9,707,700	0	9,707,700
Federal	0	0	0	0	0
Other	1,588,500	1,287,200	1,287,200	0	1,287,200

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	22	28	28	0	28
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	22	28	28	0	28
Payroll	2,214,200	2,875,400	2,889,800	0	2,889,800
Operational	225,000	261,300	261,300	0	261,300
Total	\$2,439,200	\$3,136,700	\$3,151,100	\$0	\$3,151,100
State	2,435,400	3,136,700	3,151,100	0	3,151,100
Federal	0	0	0	0	0
Other	3,800	0	0	0	0

Services to Local Governments

Programs providing services to local governments work toward improving the operation of city and county governments by providing assistance and information that affects the state and local governments. In addition, these programs are required to assist local governments with debt management and ensure that local governments adopt balanced budgets. These programs also serve property assessors and tax-collecting officials through property reappraisal assistance; computerized tax billing; computer-assisted appraisal systems; maintenance of property ownership maps; and reimbursement to certain elderly, disabled, or disabled veteran homeowners for a portion of or for all property taxes paid.

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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 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	1,437,100	1,719,800	1,731,300	0	1,731,300
Operational	79,700	131,800	131,800	0	131,800
Total	\$1,516,800	\$1,851,600	\$1,863,100	\$0	\$1,863,100
State	848,600	1,172,400	1,178,700	0	1,178,700
Federal	0	0	0	0	0
Other	668,200	679,200	684,400	0	684,400

Property Assessment and Appraisal

The Comptroller of the Treasury is responsible for the administration and coordination of property tax assessments. Work is accomplished through the combined efforts of the Division of Property Assessments, the State Board of Equalization, the Office of State Assessed Properties, 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	8,921,800	9,494,000	9,574,200	0	9,574,200
Operational	1,731,400	1,754,700	1,754,700	0	1,754,700
Total	\$10,653,200	\$11,248,700	\$11,328,900	\$0	\$11,328,900
State	8,807,300	9,399,200	9,479,400	0	9,479,400
Federal	0	0	0	0	0
Other	1,845,900	1,849,500	1,849,500	0	1,849,500

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
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307.10 Tax Relief

The Tax Relief program provides state funds to reimburse homeowners who meet statutory 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	34,862,700	41,265,100	41,265,100	0	41,265,100
Total	\$34,862,700	\$41,265,100	\$41,265,100	\$0	\$41,265,100
State	34,862,700	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; reviews, approves, and serves as a repository for certain tax incentive agreements; 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	10	10	0	10
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	19	18	18	0	18
Payroll	994,300	907,700	919,500	0	919,500
Operational	284,000	288,000	288,000	0	288,000
Total	\$1,278,300	\$1,195,700	\$1,207,500	\$0	\$1,207,500
State	1,142,600	1,088,300	1,100,100	0	1,100,100
Federal	0	0	0	0	0
Other	135,700	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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	1,077,200	1,071,300	1,078,100	0	1,078,100
Operational	96,700	122,300	122,300	0	122,300
Total	\$1,173,900	\$1,193,600	\$1,200,400	\$0	\$1,200,400
State	1,173,900	1,193,600	1,200,400	0	1,200,400
Federal	0	0	0	0	0
Other	0	0	0	0	0
307.00 Total Comptroller of the Treasury					
Full-Time	564	572	572	4	576
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	572	580	580	4	584
Payroll	50,832,500	55,012,100	55,410,900	0	55,410,900
Operational	49,874,700	53,053,400	53,053,400	0	53,053,400
Total	\$100,707,200	\$108,065,500	\$108,464,300	\$0	\$108,464,300
State	85,525,900	98,336,400	98,730,000	0	98,730,000
Federal	0	0	0	0	0
Other	15,181,300	9,729,100	9,734,300	0	9,734,300

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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	307	322	307	0	307
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	307	322	307	0	307
Payroll	30,092,700	33,428,200	34,088,300	0	34,088,300
Operational	13,587,200	17,106,900	13,442,100	0	13,442,100
Total	\$43,679,900	\$50,535,100	\$47,530,400	\$0	\$47,530,400
State	1,537,300	1,744,600	1,750,100	0	1,750,100
Federal	0	0	0	0	0
Other	42,142,600	48,790,500	45,780,300	0	45,780,300

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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
Payroll	0	0	0	0	0
Operational	407,300	407,300	407,300	0	407,300
Total	\$407,300	\$407,300	\$407,300	\$0	\$407,300
State	407,300	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	1,812,700	1,045,900	1,045,900	0	1,045,900
Total	\$1,812,700	\$1,045,900	\$1,045,900	\$0	\$1,045,900
State	1,642,200	920,800	920,800	0	920,800
Federal	0	0	0	0	0
Other	170,500	125,100	125,100	0	125,100

309.05 Small and Minority-Owned Business Assistance Program

The Small and Minority-Owned Business Assistance Program provides loan guarantees, education, training, consulting, and technical assistance to help small, minority, and women-owned businesses grow in Tennessee.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	507,700	250,000	250,000	0	250,000
Total	\$507,700	\$250,000	\$250,000	\$0	\$250,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	507,700	250,000	250,000	0	250,000

309.10 Electronic Monitoring Indigency Fund

The Electronic Monitoring Indigency 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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	954,200	2,013,100	511,100	1,500,000	2,011,100
Total	\$954,200	\$2,013,100	\$511,100	\$1,500,000	\$2,011,100
State	554,200	2,013,100	511,100	1,500,000	2,011,100
Federal	0	0	0	0	0
Other	400,000	0	0	0	0
309.00 Total Treasury Department					
Full-Time	307	322	307	0	307
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	307	322	307	0	307
Payroll	30,092,700	33,428,200	34,088,300	0	34,088,300
Operational	17,269,100	20,823,200	15,656,400	1,500,000	17,156,400
Total	\$47,361,800	\$54,251,400	\$49,744,700	\$1,500,000	\$51,244,700
State	4,141,000	5,085,800	3,589,300	1,500,000	5,089,300
Federal	0	0	0	0	0
Other	43,220,800	49,165,600	46,155,400	0	46,155,400

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, and Unclaimed Property.

<u>Actual</u> <u>2017-2018</u>	<u>Estimated</u> <u>2018-2019</u>	<u>Base</u> <u>2019-2020</u>	<u>Cost Increase</u> <u>2019-2020</u>	<u>Recommended</u> <u>2019-2020</u>
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Claims and Compensation

313.03 Criminal Injuries Compensation

The Criminal Injuries Compensation program assists those who are innocent victims of crime. Payments from the fund defray the costs of medical services, loss of earnings, burial costs, and other pecuniary losses either to the victim of a crime or to the dependents of a deceased victim. This program is funded through privilege taxes assessed in courts against criminal defendants and other offenders. Upon conviction, fees are levied against parolees and probationers, the proceeds of bond forfeitures in felony cases, and a federal grant. Jurors may also elect to donate their jury service reimbursement to the fund.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	14,507,000	16,350,000	16,350,000	0	16,350,000
Total	\$14,507,000	\$16,350,000	\$16,350,000	\$0	\$16,350,000
State	9,207,000	12,871,000	12,212,000	0	12,212,000
Federal	5,203,000	3,479,000	4,138,000	0	4,138,000
Other	97,000	0	0	0	0

313.10 Risk Management Fund

Effective July 1, 2003, the Risk Management Fund was consolidated from the financial operations of the claims award fund and the state's property and casualty insurance program. The Risk Management Fund is liable for all claims filed against the state for workers' compensation by state employees, employee property damage, tort liability, and property insurance for all state-owned buildings and contents. This is achieved through a combination of a self-insurance policy and a variety of other insurance policies.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	39,280,300	63,250,700	59,250,700	0	59,250,700
Total	\$39,280,300	\$63,250,700	\$59,250,700	\$0	\$59,250,700

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
State	0	0	0	0	0
Federal	2,300	0	0	0	0
Other	39,278,000	63,250,700	59,250,700	0	59,250,700

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	35,620,700	38,250,000	38,250,000	0	38,250,000
Total	\$35,620,700	\$38,250,000	\$38,250,000	\$0	\$38,250,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	35,620,700	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	89,408,000	117,850,700	113,850,700	0	113,850,700
Total	\$89,408,000	\$117,850,700	\$113,850,700	\$0	\$113,850,700
State	9,207,000	12,871,000	12,212,000	0	12,212,000
Federal	5,205,300	3,479,000	4,138,000	0	4,138,000
Other	74,995,700	101,500,700	97,500,700	0	97,500,700

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.

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	4,151,400	4,449,900	4,472,700	6,000	4,478,700
Operational	1,004,800	1,058,300	1,058,300	0	1,058,300
Total	\$5,156,200	\$5,508,200	\$5,531,000	\$6,000	\$5,537,000
State	5,156,200	5,508,200	5,531,000	6,000	5,537,000
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.

	Actual 2017-2018	Estimated 2018-2019	Base 2019-2020	Cost Increase 2019-2020	Recommended 2019-2020
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	1,851,100	2,145,800	2,159,900	0	2,159,900
Operational	538,000	536,100	536,100	0	536,100
Total	\$2,389,100	\$2,681,900	\$2,696,000	\$0	\$2,696,000
State	1,797,600	1,845,300	1,855,600	0	1,855,600
Federal	557,900	836,600	840,400	0	840,400
Other	33,600	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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
316.11 Tennessee Public Utility Commission					
Full-Time	61	58	58	0	58
Part-Time	5	5	5	0	5
Seasonal	0	0	0	0	0
Total	66	63	63	0	63
Payroll	5,151,200	6,039,900	6,075,900	0	6,075,900
Operational	2,602,400	3,087,800	3,087,800	0	3,087,800
Total	\$7,753,600	\$9,127,700	\$9,163,700	\$0	\$9,163,700
State	5,124,500	6,749,000	6,782,200	0	6,782,200
Federal	514,900	947,700	950,500	0	950,500
Other	2,114,200	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 studies of Tennessee's criminal statutes of limitations, broadband internet access and adoption, excess government owned property, and food deserts.

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

<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
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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	1,972,400	2,434,800	2,447,100	0	2,447,100
Operational	903,200	966,100	966,100	0	966,100
Total	\$2,875,600	\$3,400,900	\$3,413,200	\$0	\$3,413,200
State	0	196,700	192,700	0	192,700
Federal	0	0	0	0	0
Other	2,875,600	3,204,200	3,220,500	0	3,220,500

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 the Division of Administration, Benefits Administration, Grant Administration, 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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
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Division of Administration

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	90	41	41	0	41
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	90	41	41	0	41
Payroll	7,214,100	6,709,700	4,834,400	0	4,834,400
Operational	2,603,500	2,997,600	2,391,700	0	2,391,700
Total	\$9,817,600	\$9,707,300	\$7,226,100	\$0	\$7,226,100
State	3,001,600	3,540,100	3,561,100	0	3,561,100
Federal	0	0	0	0	0
Other	6,816,000	6,167,200	3,665,000	0	3,665,000

Benefits Administration

317.04 Benefits Administration

Benefits Administration administers the state-sponsored insurance benefits program directed by the State, Local Education, and Local Government Insurance committees. The division manages self-insured health, behavioral health, basic life and Medicare supplemental coverage as well as fully-insured dental, vision, voluntary life, short and long term disability insurance for approximately 300,000 state and higher education employees, local government and local education agency employees, retirees, and eligible dependents.

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
Full-Time	99	99	99	0	99
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	99	99	99	0	99
Payroll	7,263,100	8,250,900	8,314,500	0	8,314,500
Operational	2,656,200	3,471,900	3,473,700	0	3,473,700
Total	\$9,919,300	\$11,722,800	\$11,788,200	\$0	\$11,788,200
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	9,919,300	11,722,800	11,788,200	0	11,788,200

Grant Administration

Grant Administration manages and distributes federal and state grant funds for criminal justice programs and the Corporation for National and Community Service.

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	25	25	0	25
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	23	25	25	0	25
Payroll	1,838,500	2,387,900	2,401,600	0	2,401,600
Operational	35,774,900	60,037,400	59,487,900	1,000,000	60,487,900
Total	\$37,613,400	\$62,425,300	\$61,889,500	\$1,000,000	\$62,889,500
State	4,367,000	5,096,000	4,549,400	1,000,000	5,549,400
Federal	33,023,700	57,223,500	57,234,300	0	57,234,300
Other	222,700	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	441,600	591,500	595,000	0	595,000
Operational	4,334,700	5,209,000	5,269,500	0	5,269,500
Total	\$4,776,300	\$5,800,500	\$5,864,500	\$0	\$5,864,500

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
State	260,900	298,900	300,700	0	300,700
Federal	4,487,900	5,481,600	5,543,800	0	5,543,800
Other	27,500	20,000	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.

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 is also 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	2,999,200	3,760,700	3,778,900	0	3,778,900
Operational	561,000	629,900	630,500	0	630,500
Total	\$3,560,200	\$4,390,600	\$4,409,400	\$0	\$4,409,400
State	3,560,200	4,390,600	4,409,400	0	4,409,400
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	386	615	606	0	606
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	386	615	606	0	606
Payroll	23,801,900	41,815,700	44,957,700	0	44,957,700
Operational	1,967,000	2,975,000	3,589,000	0	3,589,000
Total	\$25,768,900	\$44,790,700	\$48,546,700	\$0	\$48,546,700
State	0	1,902,500	1,618,200	0	1,618,200
Federal	0	0	0	0	0
Other	25,768,900	42,888,200	46,928,500	0	46,928,500

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
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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.

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	484	484	484	0	484
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	484	484	484	0	484
Payroll	41,009,000	51,806,400	52,048,800	0	52,048,800
Operational	145,456,400	136,926,200	136,454,200	5,000,000	141,454,200
Total	\$186,465,400	\$188,732,600	\$188,503,000	\$5,000,000	\$193,503,000
State	0	2,250,000	1,998,800	0	1,998,800
Federal	75,000	0	0	0	0
Other	186,390,400	186,482,600	186,504,200	5,000,000	191,504,200

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 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	128	129	139	0	139
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	128	129	139	0	139
Payroll	12,049,400	13,922,700	15,050,200	0	15,050,200
Operational	24,332,400	17,715,800	13,218,000	0	13,218,000
Total	\$36,381,800	\$31,638,500	\$28,268,200	\$0	\$28,268,200
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	36,381,800	31,638,500	28,268,200	0	28,268,200

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
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	573	703	698	0	698
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	573	703	698	0	698
Payroll	46,393,000	73,011,100	73,020,700	0	73,020,700
Operational	2,329,100	3,916,200	3,905,200	0	3,905,200
Total	\$48,722,100	\$76,927,300	\$76,925,900	\$0	\$76,925,900
State	9,549,700	0	0	0	0
Federal	0	0	0	0	0
Other	39,172,400	76,927,300	76,925,900	0	76,925,900

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	48	48	0	48
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	49	48	48	0	48
Payroll	3,390,200	4,140,600	4,166,000	0	4,166,000
Operational	817,500	1,173,100	1,173,900	0	1,173,900
Total	\$4,207,700	\$5,313,700	\$5,339,900	\$0	\$5,339,900
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	4,207,700	5,313,700	5,339,900	0	5,339,900

317.00 Total Finance and Administration

Full-Time	1,870	2,182	2,178	0	2,178
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
Total	1,872	2,184	2,180	0	2,180
Payroll	146,400,000	206,397,200	209,167,800	0	209,167,800
Operational	220,832,700	235,052,100	229,593,600	6,000,000	235,593,600
Total	\$367,232,700	\$441,449,300	\$438,761,400	\$6,000,000	\$444,761,400
State	20,739,400	17,478,100	16,437,600	1,000,000	17,437,600
Federal	37,586,600	62,705,100	62,778,100	0	62,778,100
Other	308,906,700	361,266,100	359,545,700	5,000,000	364,545,700

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

<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
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319.01 Executive Administration

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

Full-Time	12	12	12	0	12
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	12	12	12	0	12
Payroll	1,105,300	1,159,200	1,176,100	0	1,176,100
Operational	1,450,200	982,300	982,300	0	982,300
Total	\$2,555,500	\$2,141,500	\$2,158,400	\$0	\$2,158,400
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	2,555,500	2,141,500	2,158,400	0	2,158,400

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 of 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	1,607,300	1,758,500	1,768,500	0	1,768,500
Operational	2,036,700	1,478,300	1,478,300	0	1,478,300
Total	\$3,644,000	\$3,236,800	\$3,246,800	\$0	\$3,246,800
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	3,644,000	3,236,800	3,246,800	0	3,246,800

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	68	81	81	0	81
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	68	81	81	0	81
Payroll	4,934,100	5,734,800	5,776,000	0	5,776,000
Operational	119,100	108,800	108,800	0	108,800
Total	\$5,053,200	\$5,843,600	\$5,884,800	\$0	\$5,884,800
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	5,053,200	5,843,600	5,884,800	0	5,884,800

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	22	27	27	0	27
Part-Time	18	18	18	0	18
Seasonal	0	0	0	0	0
Total	40	45	45	0	45
Payroll	1,667,000	2,235,600	2,246,400	0	2,246,400
Operational	109,600	186,800	186,800	0	186,800
Total	\$1,776,600	\$2,422,400	\$2,433,200	\$0	\$2,433,200
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,776,600	2,422,400	2,433,200	0	2,433,200

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	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	1,090,900	925,500	935,500	0	935,500
Operational	97,300	48,800	48,800	0	48,800
Total	\$1,188,200	\$974,300	\$984,300	\$0	\$984,300

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,188,200	974,300	984,300	0	984,300
319.00 Total Human Resources					
Full-Time	131	149	149	0	149
Part-Time	18	18	18	0	18
Seasonal	0	0	0	0	0
Total	149	167	167	0	167
Payroll	10,404,600	11,813,600	11,902,500	0	11,902,500
Operational	3,812,900	2,805,000	2,805,000	0	2,805,000
Total	\$14,217,500	\$14,618,600	\$14,707,500	\$0	\$14,707,500
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	14,217,500	14,618,600	14,707,500	0	14,707,500

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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	3,387,700	3,847,200	3,866,900	0	3,866,900
Operational	2,563,500	2,812,100	2,817,700	0	2,817,700
Total	\$5,951,200	\$6,659,300	\$6,684,600	\$0	\$6,684,600
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	5,951,200	6,659,300	6,684,600	0	6,684,600

321.15 Office of Information Technology Services (OITS)

The Office of Information Technology Services provides funding for information technology services provided by the Department of Finance and Administration, Enterprise IT Transformation divisions.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	608,200	2,549,800	2,549,800	0	2,549,800
Total	\$608,200	\$2,549,800	\$2,549,800	\$0	\$2,549,800
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	608,200	2,549,800	2,549,800	0	2,549,800

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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	22	22	0	22
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	21	22	22	0	22
Payroll	1,286,700	1,456,300	1,467,200	0	1,467,200
Operational	47,628,900	60,092,900	60,088,400	0	60,088,400
Total	\$48,915,600	\$61,549,200	\$61,555,600	\$0	\$61,555,600
State	0	5,000	500	0	500
Federal	0	0	0	0	0
Other	48,915,600	61,544,200	61,555,100	0	61,555,100

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 pre-plans 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	112	113	113	0	113
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	112	113	113	0	113
Payroll	9,791,700	10,927,800	10,990,500	0	10,990,500
Operational	6,379,900	8,716,900	8,573,200	0	8,573,200
Total	\$16,171,600	\$19,644,700	\$19,563,700	\$0	\$19,563,700
State	5,556,600	6,069,600	5,954,700	0	5,954,700
Federal	0	0	0	0	0
Other	10,615,000	13,575,100	13,609,000	0	13,609,000

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	342,700	5,086,200	5,086,200	0	5,086,200
Total	\$342,700	\$5,086,200	\$5,086,200	\$0	\$5,086,200

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
State	303,400	1,086,200	1,086,200	0	1,086,200
Federal	0	0	0	0	0
Other	39,300	4,000,000	4,000,000	0	4,000,000

321.99 Statewide Capital Maintenance

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

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	0	27,191,100	30,191,100	0	30,191,100
Total	\$0	\$27,191,100	\$30,191,100	\$0	\$30,191,100
State	0	27,191,100	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	1,686,000	1,897,400	1,914,200	0	1,914,200
Operational	16,215,800	17,753,700	17,753,700	0	17,753,700
Total	\$17,901,800	\$19,651,100	\$19,667,900	\$0	\$19,667,900
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	17,901,800	19,651,100	19,667,900	0	19,667,900

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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	3,310,000	3,919,700	3,954,100	0	3,954,100
Operational	3,917,100	4,047,600	4,047,600	0	4,047,600
Total	\$7,227,100	\$7,967,300	\$8,001,700	\$0	\$8,001,700
State	0	340,500	342,500	0	342,500
Federal	0	0	0	0	0
Other	7,227,100	7,626,800	7,659,200	0	7,659,200

321.10 Procurement Office

The Procurement Office is the centralized procurement office for goods and services to state government. The office is responsible for the competitive bidding and administration of statewide and agency term contracts, processing agency one-time purchase orders exceeding \$50,000, and training state personnel in purchasing procedures. This office also operates the Governor's Office of Diversity Business Enterprise, which assists minority-owned, women-owned, small, and service disabled veteran-owned businesses participating in state contracting and procurement activities.

Full-Time	82	82	82	0	82
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	82	82	82	0	82
Payroll	5,905,500	6,934,000	6,973,300	0	6,973,300
Operational	3,824,900	3,006,400	3,006,400	0	3,006,400
Total	\$9,730,400	\$9,940,400	\$9,979,700	\$0	\$9,979,700
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	9,730,400	9,940,400	9,979,700	0	9,979,700

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	32	32	0	32
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	33	32	32	0	32
Payroll	1,442,500	1,873,500	1,886,600	0	1,886,600
Operational	1,944,900	3,328,200	3,328,200	0	3,328,200
Total	\$3,387,400	\$5,201,700	\$5,214,800	\$0	\$5,214,800
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	3,387,400	5,201,700	5,214,800	0	5,214,800

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	4,525,000	4,525,000	0	4,525,000
Total	\$3,924,800	\$4,525,000	\$4,525,000	\$0	\$4,525,000
State	3,924,800	4,525,000	4,525,000	0	4,525,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

321.00 Total General Services

Full-Time	392	393	393	0	393
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	392	393	393	0	393
Payroll	26,810,100	30,855,900	31,052,800	0	31,052,800
Operational	87,350,700	139,109,900	141,967,300	0	141,967,300
Total	\$114,160,800	\$169,965,800	\$173,020,100	\$0	\$173,020,100
State	9,784,800	39,217,400	42,100,000	0	42,100,000
Federal	0	0	0	0	0
Other	104,376,000	130,748,400	130,920,100	0	130,920,100

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</u> <u>2017-2018</u>	<u>Estimated</u> <u>2018-2019</u>	<u>Base</u> <u>2019-2020</u>	<u>Cost Increase</u> <u>2019-2020</u>	<u>Recommended</u> <u>2019-2020</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	56	0	56
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	55	55	56	0	56
Payroll	3,192,900	3,581,500	3,643,900	0	3,643,900
Operational	761,200	909,400	894,500	0	894,500
Total	\$3,954,100	\$4,490,900	\$4,538,400	\$0	\$4,538,400
State	3,954,100	4,490,900	4,538,400	0	4,538,400
Federal	0	0	0	0	0
Other	0	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	50	50	49	0	49
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	50	50	49	0	49
Payroll	2,043,600	2,299,700	2,281,300	0	2,281,300
Operational	8,357,000	1,516,000	1,285,300	0	1,285,300
Total	\$10,400,600	\$3,815,700	\$3,566,600	\$0	\$3,566,600
State	1,584,500	1,971,100	1,968,100	0	1,968,100
Federal	8,442,500	1,192,900	1,192,900	0	1,192,900
Other	373,600	651,700	405,600	0	405,600

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
323.00 Total Veterans Services					
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	5,236,500	5,881,200	5,925,200	0	5,925,200
Operational	9,118,200	2,425,400	2,179,800	0	2,179,800
Total	\$14,354,700	\$8,306,600	\$8,105,000	\$0	\$8,105,000
State	5,538,600	6,462,000	6,506,500	0	6,506,500
Federal	8,442,500	1,192,900	1,192,900	0	1,192,900
Other	373,600	651,700	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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	86	86	0	86
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	94	86	86	0	86
Payroll	8,618,300	8,375,500	8,445,400	0	8,445,400
Operational	14,974,000	19,230,900	19,283,500	0	19,283,500
Total	\$23,592,300	\$27,606,400	\$27,728,900	\$0	\$27,728,900
State	11,851,900	15,662,900	15,279,800	0	15,279,800
Federal	13,600	0	0	0	0
Other	11,726,800	11,943,500	12,449,100	0	12,449,100

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	17	16	0	11	11
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	17	16	0	11	11
Payroll	921,300	1,657,700	59,400	1,141,200	1,200,600
Operational	8,572,800	9,076,500	123,800	9,947,700	10,071,500
Total	\$9,494,100	\$10,734,200	\$183,200	\$11,088,900	\$11,272,100
State	9,494,100	10,734,200	183,200	11,088,900	11,272,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	119	120	120	0	120
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	119	120	120	0	120
Payroll	6,658,100	7,364,100	7,434,700	0	7,434,700
Operational	2,009,600	2,480,400	2,480,400	0	2,480,400
Total	\$8,667,700	\$9,844,500	\$9,915,100	\$0	\$9,915,100
State	6,911,200	8,173,300	8,243,900	0	8,243,900
Federal	0	0	0	0	0
Other	1,756,500	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	104	104	104	0	104
Part-Time	4	4	4	0	4
Seasonal	0	0	0	0	0
Total	108	108	108	0	108
Payroll	5,884,200	6,503,200	6,571,500	0	6,571,500
Operational	902,400	1,290,400	1,290,400	0	1,290,400
Total	\$6,786,600	\$7,793,600	\$7,861,900	\$0	\$7,861,900
State	3,219,500	4,498,900	4,567,200	0	4,567,200
Federal	0	0	0	0	0
Other	3,567,100	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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
Payroll	5,027,100	5,944,100	5,995,100	0	5,995,100
Operational	14,539,300	13,448,400	13,064,500	0	13,064,500
Total	\$19,566,400	\$19,392,500	\$19,059,600	\$0	\$19,059,600
State	15,897,400	17,847,100	17,514,200	0	17,514,200
Federal	0	0	0	0	0
Other	3,669,000	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	2,330,800	3,800,000	2,500,000	0	2,500,000
Total	\$2,330,800	\$3,800,000	\$2,500,000	\$0	\$2,500,000
State	2,330,800	3,800,000	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	67,200	404,000	83,500	0	83,500
Operational	6,314,200	4,584,800	4,906,300	0	4,906,300
Total	\$6,381,400	\$4,988,800	\$4,989,800	\$0	\$4,989,800
State	2,781,400	4,988,800	4,989,800	0	4,989,800
Federal	0	0	0	0	0
Other	3,600,000	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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
Full-Time	6	6	12	0	12
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	6	6	12	0	12
Payroll	265,800	586,400	905,700	0	905,700
Operational	597,000	2,445,900	1,478,400	0	1,478,400
Total	\$862,800	\$3,032,300	\$2,384,100	\$0	\$2,384,100
State	862,800	3,032,300	2,384,100	0	2,384,100
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	129	129	129	0	129
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	129	129	129	0	129
Payroll	7,027,200	8,680,200	8,751,300	0	8,751,300
Operational	837,900	1,177,100	1,177,100	0	1,177,100
Total	\$7,865,100	\$9,857,300	\$9,928,400	\$0	\$9,928,400
State	4,346,700	6,487,400	6,558,500	0	6,558,500
Federal	0	0	0	0	0
Other	3,518,400	3,369,900	3,369,900	0	3,369,900

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	363	363	363	0	363
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	363	363	363	0	363
Payroll	28,495,300	31,267,200	31,500,400	0	31,500,400
Operational	4,213,800	4,224,500	4,224,500	0	4,224,500
Total	\$32,709,100	\$35,491,700	\$35,724,900	\$0	\$35,724,900
State	20,675,700	24,405,700	24,638,900	0	24,638,900
Federal	6,100	20,900	20,900	0	20,900
Other	12,027,300	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	1,427,300	1,544,500	1,561,800	0	1,561,800
Operational	559,000	299,300	299,300	0	299,300
Total	\$1,986,300	\$1,843,800	\$1,861,100	\$0	\$1,861,100
State	1,730,300	1,843,800	1,861,100	0	1,861,100
Federal	0	0	0	0	0
Other	256,000	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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	0	250,000	250,000	0	250,000
Total	\$0	\$250,000	\$250,000	\$0	\$250,000
State	0	250,000	250,000	0	250,000
Federal	0	0	0	0	0
Other	0	0	0	0	0
347.00 Total Revenue					
Full-Time	944	936	926	11	937
Part-Time	4	4	4	0	4
Seasonal	0	0	0	0	0
Total	948	940	930	11	941
Payroll	64,391,800	72,326,900	71,308,800	1,141,200	72,450,000
Operational	55,850,800	62,308,200	51,078,200	9,947,700	61,025,900
Total	\$120,242,600	\$134,635,100	\$122,387,000	\$11,088,900	\$133,475,900
State	80,101,800	101,724,400	88,970,700	11,088,900	100,059,600
Federal	19,700	20,900	20,900	0	20,900
Other	40,121,100	32,889,800	33,395,400	0	33,395,400

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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	13,350,900	0	0	0	0
Operational	39,096,000	250,934,500	205,975,300	117,082,900	323,058,200
Total	\$52,446,900	\$250,934,500	\$205,975,300	\$117,082,900	\$323,058,200
State	50,922,200	250,934,500	205,975,300	117,082,900	323,058,200
Federal	0	0	0	0	0
Other	1,524,700	0	0	0	0

Other Post-Employment Benefits Liability

The Other Post-Employment Benefits Liability allotment is designated for funding the annual amortized unfunded actuarial liability for state employees. This is a component of the annual actuarial determined contribution required to retire the total OPEB liability for state employees.

	<u>Actual</u> <u>2017-2018</u>	<u>Estimated</u> <u>2018-2019</u>	<u>Base</u> <u>2019-2020</u>	<u>Cost Increase</u> <u>2019-2020</u>	<u>Recommended</u> <u>2019-2020</u>
352.00 Other Post-Employment Benefits Liability					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	62,500,000	62,500,000	0	62,500,000
Operational	0	0	0	0	0
Total	\$0	\$62,500,000	\$62,500,000	\$0	\$62,500,000
State	0	62,500,000	62,500,000	0	62,500,000
Federal	0	0	0	0	0
Other	0	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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	134,300	400,000	400,000	0	400,000
Total	\$134,300	\$400,000	\$400,000	\$0	\$400,000
State	134,300	250,000	250,000	0	250,000
Federal	0	0	0	0	0
Other	0	150,000	150,000	0	150,000

Education



Education

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Education

Recommended Budget, Fiscal Year 2019 – 2020

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, Tennessee Reconnect, and the GIVE scholarship.

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.

Education Total Personnel and Funding

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Recommended 2019-2020</u>
Personnel			
Full-Time *	27,423	27,751	27,807
Part-Time	45	45	45
Seasonal	0	0	0
TOTAL	27,468	27,796	27,852
Expenditures			
Payroll	\$ 111,171,100	\$ 126,119,200	\$ 130,717,000
Operational	10,684,571,900	11,007,785,300	11,254,006,400
TOTAL	\$ 10,795,743,000	\$ 11,133,904,500	\$ 11,384,723,400
Funding			
State **	\$ 6,770,572,500	\$ 7,154,405,600	\$ 7,419,397,200
Federal	1,229,540,700	1,202,361,700	1,192,229,500
Other	926,450,500	889,102,000	885,061,500
Tuition/Fees	1,869,179,300	1,888,035,200	1,888,035,200

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

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

\$	343,365,400	\$	389,700,000	\$	388,300,000
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Education
Recommended Budget for Fiscal Year 2019-2020
By Funding Source

Department	State	Federal	Other	Total
331.00 Education (K-12)	5,282,603,100	1,129,269,800	151,422,800	6,563,295,700
332.00 Higher Education	2,136,794,100	62,959,700	2,621,673,900 *	4,821,427,700
Total	\$7,419,397,200	\$1,192,229,500	\$2,773,096,700	\$11,384,723,400

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

Education
Cost Increases for Fiscal Year 2019-2020

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Education (K-12)					
• Basic Education Program - Teacher Compensation					
To provide recurring funds for the enhancement of compensation for teachers and other positions to be distributed to each Local Education Agency (LEA) and administered according to each LEA's salary schedule and compensation structure. This increase is effective July 1, 2019.					
331.25 Basic Education Program	\$71,250,000	\$0	\$0	\$71,250,000	0
Sub-total	\$71,250,000	\$0	\$0	\$71,250,000	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	\$46,233,000	\$0	\$0	\$46,233,000	0
Sub-total	\$46,233,000	\$0	\$0	\$46,233,000	0
• School Safety Grants					
To provide funding for school safety grants to LEAs. This appropriation includes \$10,000,000 recurring and \$20,000,000 non-recurring.					
331.09 Improving Schools Program	\$30,000,000	\$0	\$0	\$30,000,000	0
Sub-total	\$30,000,000	\$0	\$0	\$30,000,000	0
• Education Savings Accounts					
To provide funding for Education Savings Accounts to expand school choice opportunities. This appropriation includes \$25,000,000 recurring for Education Savings Accounts; \$250,000 recurring and \$200,000 non-recurring for program setup and management.					
331.01 Administration	\$25,450,000	\$0	\$0	\$25,450,000	0
Sub-total	\$25,450,000	\$0	\$0	\$25,450,000	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	\$12,000,000	\$0	\$0	\$12,000,000	0
Sub-total	\$12,000,000	\$0	\$0	\$12,000,000	0
• Student Support and Services					
To provide non-recurring funding to support improvement within the lowest-performing 5.0 percent of schools.					
331.03 ESSA and Federal Programs	\$5,000,000	\$0	\$0	\$5,000,000	0
Sub-total	\$5,000,000	\$0	\$0	\$5,000,000	0

Education
Cost Increases for Fiscal Year 2019-2020

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• ACT Retake					
To provide recurring funding for the ACT Senior Retake Opportunity.					
331.45 College, Career and Technical Education	\$2,829,900	\$0	\$0	\$2,829,900	0
Sub-total	\$2,829,900	\$0	\$0	\$2,829,900	0
• Early Postsecondary Opportunities (EPSO)					
To provide funding for the expansion of EPSO and dual credit courses. This appropriation includes \$900,000 recurring and \$1,550,000 non-recurring for EPSO course expansion, exam fee support, and a student aptitude and career development assessment pilot program.					
331.45 College, Career and Technical Education	\$2,450,000	\$0	\$0	\$2,450,000	0
Sub-total	\$2,450,000	\$0	\$0	\$2,450,000	0
• Occupational License Teacher Loan Forgiveness					
To provide funding and one position to assist in recruitment and retention efforts for occupational licensed teachers including loan forgiveness and technical assistance for district-led education preparation programs. This appropriation includes \$1,500,000 non-recurring and \$100,000 recurring.					
331.45 College, Career and Technical Education	\$1,600,000	\$0	\$0	\$1,600,000	1
Sub-total	\$1,600,000	\$0	\$0	\$1,600,000	1
• Middle School Career and Technical Education (CTE) Start-Up Grants					
To provide non-recurring funding for CTE start-up grants in middle schools, including \$500,000 for STEM and \$250,000 for non-STEM.					
331.45 College, Career and Technical Education	\$750,000	\$0	\$0	\$750,000	0
Sub-total	\$750,000	\$0	\$0	\$750,000	0
• Work-Based Learning Coordinators					
To provide funding and two positions for work-based learning coordinators to connect LEAs with employers. This appropriation includes \$200,000 non-recurring and \$200,000 recurring.					
331.45 College, Career and Technical Education	\$400,000	\$0	\$0	\$400,000	2
Sub-total	\$400,000	\$0	\$0	\$400,000	2

Education
Cost Increases for Fiscal Year 2019-2020

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• STEM Expansion Program					
To provide funding for the expansion of STEM programs statewide including computer science course expansion and standards training, STEM focused professional development and micro-credentialing, direct support to LEAs pursuing a STEM designation, and a grant to the Tennessee STEM Innovation Network (TSIN). This appropriation includes \$150,000 recurring and \$950,000 non-recurring.					
331.45 College, Career and Technical Education	\$1,100,000	\$0	\$0	\$1,100,000	0
Sub-total	\$1,100,000	\$0	\$0	\$1,100,000	0
• Tennessee Early Intervention Services					
To provide recurring funding for positions and increased services in Tennessee Early Intervention Services, which provides services to Tennessee children who are developmentally delayed or have a significant risk for developmental delay.					
331.95 Tennessee Early Intervention Services	\$2,971,000	\$0	\$5,029,000	\$8,000,000	65
Sub-total	\$2,971,000	\$0	\$5,029,000	\$8,000,000	65
• Tennessee Association of Business Foundation Grant					
To provide non-recurring funding for a grant to the Tennessee Association of Business Foundation to raise K-12 student awareness of high-demand STEM jobs.					
331.45 College, Career and Technical Education	\$700,000	\$0	\$0	\$700,000	0
Sub-total	\$700,000	\$0	\$0	\$700,000	0
• Communities in Schools Pilot Program					
To provide non-recurring funding for the Communities in Schools pilot program, a public-partnership operating in all public high schools in 15 distressed Tennessee counties.					
331.05 Academic Offices	\$4,500,000	\$0	\$0	\$4,500,000	0
Sub-total	\$4,500,000	\$0	\$0	\$4,500,000	0
• Rural Principal Development (Year One of Three)					
To provide non-recurring funding for year one of three for rural principal development.					
331.05 Academic Offices	\$500,000	\$0	\$0	\$500,000	0
Sub-total	\$500,000	\$0	\$0	\$500,000	0
• Partnerships in Industry and Education (PIE) Center					
To provide non-recurring funding for Partnerships in Industry and Education (PIE), which provides a space for students, education partners, and businesses to work together to develop job skills.					
331.02 Grants-In-Aid	\$1,000,000	\$0	\$0	\$1,000,000	0
Sub-total	\$1,000,000	\$0	\$0	\$1,000,000	0

Education

Cost Increases for Fiscal Year 2019-2020

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Governor's Civics Initiative					
To provide non-recurring funding for the Governor's Civics Initiative to recognize public schools and districts implementing high-quality civic education programs that result in readiness for college, career, and civic life.					
331.05 Academic Offices	\$500,000	\$0	\$0	\$500,000	0
Sub-total	\$500,000	\$0	\$0	\$500,000	0
• Niswonger Foundation Grant					
To provide non-recurring funding for a grant to the Niswonger Foundation for the Work Ethic Diploma program. The Work Ethic Diploma is a workforce readiness credential that can be earned by higher school seniors in participating counties.					
331.02 Grants-In-Aid	\$100,000	\$0	\$0	\$100,000	0
Sub-total	\$100,000	\$0	\$0	\$100,000	0
• Educator and Leader Preparation					
To provide recurring funding and positions for the Office of Educator Licensure and Preparation (OLEP) to support educator preparation and evaluation.					
331.05 Academic Offices	\$227,000	\$0	\$0	\$227,000	2
Sub-total	\$227,000	\$0	\$0	\$227,000	2
• 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
• Teacher Training and Experience					
To provide recurring funding for growth in teacher training and experience at the state special schools.					
331.90 Alvin C. York Institute	\$23,700	\$0	\$0	\$23,700	0
331.91 Tennessee School for the Blind	\$35,400	\$0	\$0	\$35,400	0
331.92 Tennessee School for the Deaf	\$42,200	\$0	\$0	\$42,200	0
331.93 West Tennessee School for the Deaf	\$12,500	\$0	\$0	\$12,500	0
Sub-total	\$113,800	\$0	\$0	\$113,800	0

Education
Cost Increases for Fiscal Year 2019-2020

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Portfolio Project Coordinator					
To provide one position for the department's pre-K and kindergarten portfolio project program. Funding will come from existing funds.					
331.05 Academic Offices	\$0	\$0	\$0	\$0	1
Sub-total	\$0	\$0	\$0	\$0	1
• Charter School Position					
To provide one additional position to oversee charter schools in Tennessee. Funding will come from existing funds.					
331.01 Administration	\$0	\$0	\$0	\$0	1
Sub-total	\$0	\$0	\$0	\$0	1
• Charter School Support					
To provide two positions for the State Board of Education to support authorized charter schools.					
331.07 State Board of Education	\$0	\$0	\$139,600	\$139,600	2
Sub-total	\$0	\$0	\$139,600	\$139,600	2
Total Education (K-12)	\$211,174,700	\$0	\$5,168,600	\$216,343,300	74

Higher Education - State Administered Programs

• Governor's Investment in Vocational Education (GIVE) - Community Grants					
To provide non-recurring funding for the GIVE Community Grants, which aims to eliminate skills gaps across the state in a proactive, data-driven, and coordinated manner by encouraging collaboration across education and industry.					
332.09 THEC Grants	\$25,000,000	\$0	\$0	\$25,000,000	0
Sub-total	\$25,000,000	\$0	\$0	\$25,000,000	0
• Governor's Investment in Vocational Education (GIVE) - Student Grants					
To provide recurring funding for the GIVE Student Grants, which funds dual enrollment courses for trade and technical programs for high school juniors and seniors.					
332.19 Lottery for Education Account	\$4,000,000	\$0	\$0	\$4,000,000	0
Sub-total	\$4,000,000	\$0	\$0	\$4,000,000	0
• Tennessee Student Assistance Awards					
To provide recurring funding for Tennessee Student Assistance Awards (TSAA), Tennessee's primary need-based financial aid program. This appropriation will serve approximately 6,900 additional students, bringing the total number of awarded students to approximately 63,900.					
332.03 Tennessee Student Assistance Awards	\$12,300,000	\$0	\$0	\$12,300,000	0
Sub-total	\$12,300,000	\$0	\$0	\$12,300,000	0

Education
Cost Increases for Fiscal Year 2019-2020

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Supporting Postsecondary Access in Rural Communities					
To provide non-recurring funding for Supporting Postsecondary Access in Rural Communities (SPARC) micro grants for the purchase of CTE equipment.					
332.09 THEC Grants	\$2,000,000	\$0	\$0	\$2,000,000	0
Sub-total	\$2,000,000	\$0	\$0	\$2,000,000	0
• Correctional Education Investment					
To provide funding for personnel and equipment that will be utilized in the implementation of the Correctional Education Investment initiative. Recurring funding in the amount of \$426,000 will be used for personnel. Non-recurring funding in the amount of \$975,000 will be used for equipment.					
332.01 Tennessee Higher Education Commission	\$1,401,000	\$0	\$0	\$1,401,000	6
Sub-total	\$1,401,000	\$0	\$0	\$1,401,000	6
• 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
• Niswonger Foundation Grant					
To provide non-recurring funding for the Niswonger Foundation to support College and Career Advising initiatives.					
332.09 THEC Grants	\$500,000	\$0	\$0	\$500,000	0
Sub-total	\$500,000	\$0	\$0	\$500,000	0
• Seamless Alignment and Integrated Learning Support (SAILS) Program					
To provide recurring funding for operational increases for the SAILS program.					
332.09 THEC Grants	\$200,000	\$0	\$0	\$200,000	0
Sub-total	\$200,000	\$0	\$0	\$200,000	0
• THEC Non-Formula Unit - Salary Pool					
To provide recurring funding for a 2.0 percent salary pool for higher education employees effective July 1, 2019.					
332.08 Centers of Excellence	\$285,800	\$0	\$0	\$285,800	0
332.11 Campus Centers of Emphasis	\$22,000	\$0	\$0	\$22,000	0
Sub-total	\$307,800	\$0	\$0	\$307,800	0

Education
Cost Increases for Fiscal Year 2019-2020

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Contract Education					
To provide recurring funding for the Southern College of Optometry.					
332.02 Contract Education	\$417,400	\$0	\$0	\$417,400	0
Sub-total	\$417,400	\$0	\$0	\$417,400	0
Total Higher Education - State Administered Programs	\$47,126,200	\$0	\$0	\$47,126,200	6

University of Tennessee System

• 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. This appropriation fully funds the outcome-based funding formula and provides additional funds that can be used for salaries and/or operational expenditures.					
332.40 UT Chattanooga	\$2,867,000	\$0	\$0	\$2,867,000	0
332.42 UT Knoxville	\$11,886,900	\$0	\$0	\$11,886,900	0
332.44 UT Martin	\$1,709,500	\$0	\$0	\$1,709,500	0
Sub-total	\$16,463,400	\$0	\$0	\$16,463,400	0
• UT Non-Formula Unit - Salary Pool					
To provide recurring funding for a 2.0 percent salary pool for higher education employees effective July 1, 2019.					
332.10 UT University-Wide Administration	\$67,000	\$0	\$0	\$67,000	0
332.14 Tennessee Foreign Language Center	\$33,600	\$0	\$0	\$33,600	0
332.15 UT Institute for Public Service	\$92,600	\$0	\$0	\$92,600	0
332.16 UT Municipal Technical Advisory Service	\$98,000	\$0	\$0	\$98,000	0
332.17 UT County Technical Assistance Service	\$83,400	\$0	\$0	\$83,400	0
332.23 UT Space Institute	\$148,400	\$0	\$0	\$148,400	0
332.25 UT Agricultural Experiment Station	\$541,600	\$0	\$0	\$541,600	0
332.26 UT Agricultural Extension Service	\$709,000	\$0	\$0	\$709,000	0
332.28 UT Veterinary Medicine	\$717,400	\$0	\$0	\$717,400	0
332.30 UT Health Science Center	\$3,938,800	\$0	\$0	\$3,938,800	0
Sub-total	\$6,429,800	\$0	\$0	\$6,429,800	0

Education
Cost Increases for Fiscal Year 2019-2020

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Security Upgrades					
To provide non-recurring funding for security upgrades at multiple campuses statewide.					
332.10 UT University-Wide Administration	\$10,000,000	\$0	\$0	\$10,000,000	0
Sub-total	\$10,000,000	\$0	\$0	\$10,000,000	0
Total University of Tennessee System	\$32,893,200	\$0	\$0	\$32,893,200	0

State University and Community College System

• 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. This appropriation fully funds the outcome-based funding formula and provides additional funds that can be used for salaries and/or operational expenditures.					
332.70 Austin Peay State University	\$2,459,000	\$0	\$0	\$2,459,000	0
332.72 East Tennessee State University	\$3,383,800	\$0	\$0	\$3,383,800	0
332.74 University of Memphis	\$6,016,900	\$0	\$0	\$6,016,900	0
332.75 Middle Tennessee State University	\$5,230,300	\$0	\$0	\$5,230,300	0
332.77 Tennessee State University	\$2,032,200	\$0	\$0	\$2,032,200	0
332.78 Tennessee Technological University	\$2,653,800	\$0	\$0	\$2,653,800	0
Sub-total	\$21,776,000	\$0	\$0	\$21,776,000	0
• 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. This appropriation fully funds the outcome-based funding formula and provides additional funds that can be used for salaries and/or operational expenditures.					
332.89 Tennessee Community Colleges	\$14,110,200	\$0	\$0	\$14,110,200	0
332.98 Tennessee Colleges of Applied Technology	\$3,650,400	\$0	\$0	\$3,650,400	0
Sub-total	\$17,760,600	\$0	\$0	\$17,760,600	0

Education
Cost Increases for Fiscal Year 2019-2020

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>	
• Locally Governed Institutions Non-Formula Unit - Salary Pool						
To provide recurring funding for a 2.0 percent salary pool for higher education employees effective July 1, 2019.						
332.62	TSU McMinnville Center	\$9,400	\$0	\$0	\$9,400	0
332.63	TSU Institute of Agricultural and Environmental Research	\$48,400	\$0	\$0	\$48,400	0
332.64	TSU Cooperative Education	\$82,400	\$0	\$0	\$82,400	0
332.65	ETSU College of Medicine	\$1,024,800	\$0	\$0	\$1,024,800	0
332.67	ETSU Family Practice	\$281,200	\$0	\$0	\$281,200	0
332.68	TSU McIntire-Stennis Forestry Research	\$2,600	\$0	\$0	\$2,600	0
Sub-total		\$1,448,800	\$0	\$0	\$1,448,800	0
• TBR System Non-Formula Unit - Salary Pool						
To provide recurring funding for a 2.0 percent salary pool for higher education employees effective July 1, 2019.						
332.60	Tennessee Board of Regents	\$343,200	\$0	\$0	\$343,200	0
Sub-total		\$343,200	\$0	\$0	\$343,200	0
• Correctional Education Investment						
To provide recurring funding for operational expenditures that will be utilized in the Correctional Education Investment initiative.						
332.98	Tennessee Colleges of Applied Technology	\$426,000	\$0	\$0	\$426,000	0
Sub-total		\$426,000	\$0	\$0	\$426,000	0
• TBR Security Grants						
To provide non-recurring funding for security upgrades at multiple campuses statewide.						
332.60	Tennessee Board of Regents	\$2,000,000	\$0	\$0	\$2,000,000	0
Sub-total		\$2,000,000	\$0	\$0	\$2,000,000	0
• Tennessee State University Food and Agricultural Research						
To provide recurring funding to expand capacity into new Food and Agricultural Research areas. Funds will be utilized to hire faculty, support, and technical staff.						
332.77	Tennessee State University	\$1,100,000	\$0	\$0	\$1,100,000	0
Sub-total		\$1,100,000	\$0	\$0	\$1,100,000	0

Education
Cost Increases for Fiscal Year 2019-2020

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Tennessee State University Institutional Support Grant					
To provide non-recurring funding to support retention of highly qualified students from underserved populations and improve institutional outcomes.					
332.77 Tennessee State University	\$2,000,000	\$0	\$0	\$2,000,000	0
Sub-total	\$2,000,000	\$0	\$0	\$2,000,000	0
• TBR Administrative Support Costs					
To provide recurring funding for Tennessee Board of Regents administrative support costs.					
332.89 Tennessee Community Colleges	\$2,060,300	\$0	\$0	\$2,060,300	0
332.98 Tennessee Colleges of Applied Technology	\$384,500	\$0	\$0	\$384,500	0
Sub-total	\$2,444,800	\$0	\$0	\$2,444,800	0
• Carnegie Classification					
To provide recurring funding to recognize the change of Carnegie Classification at Tennessee Technological University.					
332.78 Tennessee Technological University	\$900,000	\$0	\$0	\$900,000	0
Sub-total	\$900,000	\$0	\$0	\$900,000	0
• National Science Foundation (Year Three of Four)					
To provide the third 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	\$50,699,400	\$0	\$0	\$50,699,400	0
Total Higher Education	\$130,718,800	\$0	\$0	\$130,718,800	6
Total Education	\$341,893,500	\$0	\$5,168,600	\$347,062,100	80

Department of Education (K-12)

The Department of Education is responsible for ensuring that the children of Tennessee have the opportunity for intellectual development commensurate with their abilities. The department coordinates and supervises the educational programs provided by the 141 local school districts or Local Education Agencies (LEAs). LEAs operate the state's kindergarten, elementary, secondary, and vocational schools.

<u>Actual</u> <u>2017-2018</u>	<u>Estimated</u> <u>2018-2019</u>	<u>Base</u> <u>2019-2020</u>	<u>Cost Increase</u> <u>2019-2020</u>	<u>Recommended</u> <u>2019-2020</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	49	49	49	1	50
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	49	49	49	1	50
Payroll	5,164,600	5,483,700	5,516,900	0	5,516,900
Operational	7,682,100	8,486,800	2,511,900	37,450,000	39,961,900
Total	\$12,846,700	\$13,970,500	\$8,028,800	\$37,450,000	\$45,478,800
State	10,123,400	12,127,100	6,175,500	37,450,000	43,625,500
Federal	2,150,500	1,767,000	1,776,900	0	1,776,900
Other	572,800	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	11	12	12	2	14
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	11	12	12	2	14
Payroll	1,116,100	1,247,500	1,254,700	135,600	1,390,300
Operational	1,878,700	5,706,500	5,706,500	4,000	5,710,500
Total	\$2,994,800	\$6,954,000	\$6,961,200	\$139,600	\$7,100,800
State	1,501,300	1,625,200	1,632,400	0	1,632,400
Federal	0	0	0	0	0
Other	1,493,500	5,328,800	5,328,800	139,600	5,468,400

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	4,619,439,000	4,798,378,600	4,784,378,600	117,483,000	4,901,861,600
Total	\$4,619,439,000	\$4,798,378,600	\$4,784,378,600	\$117,483,000	\$4,901,861,600
State	4,619,439,000	4,798,378,600	4,784,378,600	117,483,000	4,901,861,600
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	6,751,800	7,595,600	4,400,600	2,600,000	7,000,600
Total	\$6,751,800	\$7,595,600	\$4,400,600	\$2,600,000	\$7,000,600
State	6,751,800	7,595,600	4,400,600	2,600,000	7,000,600
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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
Full-Time	18	19	19	0	19
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	18	19	19	0	19
Payroll	1,693,300	2,301,000	2,306,300	0	2,306,300
Operational	4,246,500	5,243,000	4,443,000	0	4,443,000
Total	\$5,939,800	\$7,544,000	\$6,749,300	\$0	\$6,749,300
State	5,939,800	6,344,000	6,349,300	0	6,349,300
Federal	0	200,000	200,000	0	200,000
Other	0	1,000,000	200,000	0	200,000

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	57	58	58	3	61
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
Total	66	67	67	3	70
Payroll	5,121,600	5,477,000	5,507,200	220,000	5,727,200
Operational	8,683,500	8,240,700	7,040,700	5,507,000	12,547,700
Total	\$13,805,100	\$13,717,700	\$12,547,900	\$5,727,000	\$18,274,900
State	9,320,500	10,979,000	9,806,200	5,727,000	15,533,200
Federal	2,655,200	2,106,200	2,109,200	0	2,109,200
Other	1,829,400	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	17,069,400	18,900,000	18,900,000	0	18,900,000
Total	\$17,069,400	\$18,900,000	\$18,900,000	\$0	\$18,900,000

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
State	17,069,400	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	34	34	0	34
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	28	34	34	0	34
Payroll	2,564,600	3,654,700	3,640,500	0	3,640,500
Operational	51,392,300	45,291,800	38,940,100	0	38,940,100
Total	\$53,956,900	\$48,946,500	\$42,580,600	\$0	\$42,580,600
State	42,208,000	40,104,600	33,769,000	0	33,769,000
Federal	11,614,400	8,710,500	8,711,600	0	8,711,600
Other	134,500	131,400	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	222,100	233,900	236,500	0	236,500
Operational	13,392,900	13,266,100	13,263,500	0	13,263,500
Total	\$13,615,000	\$13,500,000	\$13,500,000	\$0	\$13,500,000
State	13,504,000	13,500,000	13,500,000	0	13,500,000
Federal	0	0	0	0	0
Other	111,000	0	0	0	0

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	33	33	31	0	31
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	33	33	31	0	31
Payroll	2,739,500	2,925,500	3,073,200	0	3,073,200
Operational	106,537,900	106,483,500	107,225,500	0	107,225,500
Total	\$109,277,400	\$109,409,000	\$110,298,700	\$0	\$110,298,700
State	91,353,600	91,424,900	91,440,700	0	91,440,700
Federal	17,297,100	17,675,400	17,679,500	0	17,679,500
Other	626,700	308,700	1,178,500	0	1,178,500

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 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	305,700	298,200	300,900	0	300,900
Operational	93,400	11,169,200	169,200	0	169,200
Total	\$399,100	\$11,467,400	\$470,100	\$0	\$470,100
State	0	11,000,000	0	0	0
Federal	0	0	0	0	0
Other	399,100	467,400	470,100	0	470,100

331.39 Centers of Regional Excellence (CORE)

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

Full-Time	74	72	54	0	54
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	74	72	54	0	54

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
Payroll	6,756,400	7,578,600	5,796,500	0	5,796,500
Operational	13,693,200	13,351,700	3,442,000	0	3,442,000
Total	\$20,449,600	\$20,930,300	\$9,238,500	\$0	\$9,238,500
State	6,471,200	9,631,100	5,226,300	0	5,226,300
Federal	3,529,600	1,296,400	1,296,400	0	1,296,400
Other	10,448,800	10,002,800	2,715,800	0	2,715,800

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	1,090,800	1,700,000	1,700,000	0	1,700,000
Total	\$1,090,800	\$1,700,000	\$1,700,000	\$0	\$1,700,000
State	1,090,800	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

ESSA and Federal Programs administers the Every Student Succeeds Act, which 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	32	36	34	0	34
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	32	36	34	0	34
Payroll	3,340,300	4,440,700	4,222,900	0	4,222,900
Operational	392,546,900	381,809,400	362,323,400	5,000,000	367,323,400
Total	\$395,887,200	\$386,250,100	\$366,546,300	\$5,000,000	\$371,546,300
State	7,009,400	11,146,900	1,149,600	5,000,000	6,149,600
Federal	388,869,800	375,103,200	365,396,700	0	365,396,700
Other	8,000	0	0	0	0

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
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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	15	18	18	0	18
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	15	18	18	0	18
Payroll	1,739,500	2,948,700	2,960,700	0	2,960,700
Operational	43,730,100	81,500,600	53,000,600	30,000,000	83,000,600
Total	\$45,469,600	\$84,449,300	\$55,961,300	\$30,000,000	\$85,961,300
State	19,760,300	54,285,400	25,790,800	30,000,000	55,790,800
Federal	25,014,100	29,884,400	29,891,000	0	29,891,000
Other	695,200	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	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	1,838,100	2,533,100	2,542,000	0	2,542,000
Operational	415,905,800	415,446,600	415,446,600	0	415,446,600
Total	\$417,743,900	\$417,979,700	\$417,988,600	\$0	\$417,988,600
State	4,727,700	4,808,700	4,809,400	0	4,809,400
Federal	412,968,700	413,166,000	413,174,200	0	413,174,200
Other	47,500	5,000	5,000	0	5,000

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.

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
Full-Time	34	35	35	0	35
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	34	35	35	0	35
Payroll	3,893,500	4,107,700	4,171,700	0	4,171,700
Operational	256,996,400	249,072,100	249,109,100	0	249,109,100
Total	\$260,889,900	\$253,179,800	\$253,280,800	\$0	\$253,280,800
State	1,321,000	1,126,200	1,130,200	0	1,130,200
Federal	259,323,400	252,053,600	252,074,600	0	252,074,600
Other	245,500	0	76,000	0	76,000

331.45 College, Career and Technical Education

The Division of College, Career and Technical Education (CCTE) is responsible for providing specialized education courses and support to the state's middle and high school students that will prepare them for 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	47	3	50
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	48	49	47	3	50
Payroll	4,369,100	4,859,600	4,744,600	1,200,000	5,944,600
Operational	44,725,700	30,414,200	29,652,000	8,629,900	38,281,900
Total	\$49,094,800	\$35,273,800	\$34,396,600	\$9,829,900	\$44,226,500
State	24,139,800	8,086,600	7,847,800	9,829,900	17,677,700
Federal	24,327,500	26,462,700	26,474,100	0	26,474,100
Other	627,500	724,500	74,700	0	74,700

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.

Full-Time	204	202	202	0	202
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	204	202	202	0	202
Payroll	11,004,200	14,865,300	14,865,300	0	14,865,300
Operational	107,188,100	104,406,400	104,406,400	0	104,406,400
Total	\$118,192,300	\$119,271,700	\$119,271,700	\$0	\$119,271,700
State	0	6,400	6,400	0	6,400
Federal	0	0	0	0	0
Other	118,192,300	119,265,300	119,265,300	0	119,265,300

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
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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	214	209	209	65	274
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	214	209	209	65	274
Payroll	13,542,900	14,190,500	14,328,200	3,751,000	18,079,200
Operational	27,527,600	21,841,500	21,841,500	4,249,000	26,090,500
Total	\$41,070,500	\$36,032,000	\$36,169,700	\$8,000,000	\$44,169,700
State	12,226,900	13,028,900	13,161,100	2,971,000	16,132,100
Federal	12,248,700	10,420,100	10,425,600	0	10,425,600
Other	16,594,900	12,583,000	12,583,000	5,029,000	17,612,000

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	185	185	185	0	185
Part-Time	10	10	10	0	10
Seasonal	0	0	0	0	0
Total	195	195	195	0	195
Payroll	11,126,000	12,303,900	12,396,900	35,400	12,432,300
Operational	2,717,000	1,898,200	2,018,200	0	2,018,200
Total	\$13,843,000	\$14,202,100	\$14,415,100	\$35,400	\$14,450,500
State	12,837,400	13,289,100	13,382,100	35,400	13,417,500
Federal	0	0	0	0	0
Other	1,005,600	913,000	1,033,000	0	1,033,000

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).

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
Full-Time	237	237	237	0	237
Part-Time	12	12	12	0	12
Seasonal	0	0	0	0	0
Total	249	249	249	0	249
Payroll	14,077,700	15,349,300	15,491,000	42,200	15,533,200
Operational	4,053,700	2,840,200	2,840,200	0	2,840,200
Total	\$18,131,400	\$18,189,500	\$18,331,200	\$42,200	\$18,373,400
State	17,456,300	17,646,500	17,788,200	42,200	17,830,400
Federal	0	0	0	0	0
Other	675,100	543,000	543,000	0	543,000

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	37	37	37	0	37
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	45	45	45	0	45
Payroll	2,485,200	2,849,300	2,877,300	12,500	2,889,800
Operational	441,700	406,400	406,400	0	406,400
Total	\$2,926,900	\$3,255,700	\$3,283,700	\$12,500	\$3,296,200
State	2,817,500	3,033,000	3,061,000	12,500	3,073,500
Federal	0	0	0	0	0
Other	109,400	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 Alvin C. 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	69	69	69	0	69
Part-Time	6	6	6	0	6
Seasonal	0	0	0	0	0
Total	75	75	75	0	75
Payroll	5,217,900	5,799,600	5,853,500	23,700	5,877,200
Operational	1,650,000	985,500	1,460,500	0	1,460,500
Total	\$6,867,900	\$6,785,100	\$7,314,000	\$23,700	\$7,337,700
State	5,652,800	5,730,200	5,784,100	23,700	5,807,800
Federal	66,800	60,000	60,000	0	60,000
Other	1,148,300	994,900	1,469,900	0	1,469,900

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
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	164,000	239,100	239,100	0	239,100
Total	\$164,000	\$239,100	\$239,100	\$0	\$239,100
State	164,000	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	1,375	1,384	1,360	74	1,434
Part-Time	45	45	45	0	45
Seasonal	0	0	0	0	0
Total	1,420	1,429	1,405	74	1,479
Payroll	98,318,300	113,447,800	112,086,800	5,420,400	117,507,200
Operational	6,149,598,500	6,334,673,700	6,234,865,600	210,922,900	6,445,788,500
Total	\$6,247,916,800	\$6,448,121,500	\$6,346,952,400	\$216,343,300	\$6,563,295,700
State	4,932,885,900	5,155,737,100	5,071,428,400	211,174,700	5,282,603,100
Federal	1,160,065,800	1,138,905,500	1,129,269,800	0	1,129,269,800
Other	154,965,100	153,478,900	146,254,200	5,168,600	151,422,800

Statistical Data State Special Schools

	York Institute <u>331.90</u>	TN School for the Blind <u>331.91</u>	TN School for the Deaf <u>331.92</u>	West TN School for the Deaf <u>331.93</u>
Annual Admissions				
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	554	14	25	11
2018-2019	611	11	26	45
2019-2020	582	9	26	10
Annual Releases				
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	148	5	24	15
2018-2019	179	5	30	5
2019-2020	163	5	30	10
Average Daily Census				
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	511	135	137	43
2018-2019	575	115	178	50
2019-2020	543	130	178	50
Cost Per Occupancy Day				
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	\$74.67	\$569.67	\$735.26	\$378.15
2018-2019	\$65.56	\$686.09	\$567.71	\$361.74
2019-2020	\$75.07	\$617.54	\$573.45	\$366.24

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</u> <u>2017-2018</u>	<u>Estimated</u> <u>2018-2019</u>	<u>Base</u> <u>2019-2020</u>	<u>Cost Increase</u> <u>2019-2020</u>	<u>Recommended</u> <u>2019-2020</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 one public higher education student. An executive director, appointed by the commission, manages the agency.

The commission's primary responsibilities include developing and maintaining a master plan for public higher education, making budgetary recommendations to the Governor, developing policies and formulas for the equitable distribution of public funds among public higher education institutions, studying the need for programs and departments at institutions, reviewing proposals for new degree programs and academic departments, making determinations concerning the establishment of new institutions of higher learning, submitting a biennial report on the status of higher education, administering the contract education program, administering tuition waiver and discount programs, authorizing the operation of post-secondary educational institutions, researching and analyzing the Education Lottery Scholarship program, and coordinating Drive to 55 initiatives.

The FOCUS Act of 2016 augmented THEC's coordinating role in Tennessee higher education by formalizing their 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 THEC.

Full-Time	72	71	71	6	77
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	72	71	71	6	77
Payroll	7,756,800	7,843,700	7,893,700	426,000	8,319,700
Operational	7,501,400	6,904,900	6,604,900	975,000	7,579,900
Total	\$15,258,200	\$14,748,600	\$14,498,600	\$1,401,000	\$15,899,600
State	5,171,100	5,156,200	5,187,100	1,401,000	6,588,100
Federal	5,972,200	4,644,300	4,647,800	0	4,647,800
Other	4,114,900	4,948,100	4,663,700	0	4,663,700

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
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332.02 Contract Education

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

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	1,543,000	1,832,500	1,832,500	417,400	2,249,900
Total	\$1,543,000	\$1,832,500	\$1,832,500	\$417,400	\$2,249,900
State	1,543,000	1,832,500	1,832,500	417,400	2,249,900
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	13,707,900	13,315,000	10,739,000	28,700,000	39,439,000
Total	\$13,707,900	\$13,315,000	\$10,739,000	\$28,700,000	\$39,439,000
State	10,939,000	12,815,000	10,739,000	28,700,000	39,439,000
Federal	594,700	500,000	0	0	0
Other	2,174,200	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.

Full-Time	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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
Payroll	0	0	0	0	0
Operational	17,685,600	18,063,100	18,063,100	285,800	18,348,900
Total	\$17,685,600	\$18,063,100	\$18,063,100	\$285,800	\$18,348,900
State	17,685,600	18,063,100	18,063,100	285,800	18,348,900
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	1,288,100	1,314,400	1,314,400	22,000	1,336,400
Total	\$1,288,100	\$1,314,400	\$1,314,400	\$22,000	\$1,336,400
State	1,288,100	1,314,400	1,314,400	22,000	1,336,400
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.

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.

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	104,798,000	100,962,500	100,962,500	12,300,000	113,262,500
Total	\$104,798,000	\$100,962,500	\$100,962,500	\$12,300,000	\$113,262,500
State	99,070,000	100,962,500	100,962,500	12,300,000	113,262,500
Federal	0	0	0	0	0
Other	5,728,000	0	0	0	0

332.05 Tennessee Student Assistance Corporation

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

Full-Time	53	47	47	0	47
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	53	47	47	0	47
Payroll	5,096,000	4,827,700	4,890,100	0	4,890,100
Operational	3,580,700	4,912,100	3,212,100	0	3,212,100
Total	\$8,676,700	\$9,739,800	\$8,102,200	\$0	\$8,102,200
State	1,795,300	1,900,800	1,963,200	0	1,963,200
Federal	0	0	0	0	0
Other	6,881,400	7,839,000	6,139,000	0	6,139,000

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	1,043,100	1,590,500	1,590,500	0	1,590,500
Total	\$1,043,100	\$1,590,500	\$1,590,500	\$0	\$1,590,500
State	1,028,200	1,211,800	1,211,800	0	1,211,800
Federal	0	0	0	0	0
Other	14,900	378,700	378,700	0	378,700

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
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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	1,183,200	1,069,200	1,069,200	0	1,069,200
Total	\$1,183,200	\$1,069,200	\$1,069,200	\$0	\$1,069,200
State	739,700	778,200	778,200	0	778,200
Federal	0	0	0	0	0
Other	443,500	291,000	291,000	0	291,000

332.19 Lottery for Education Account

The Lottery for Education Account represents lottery proceeds generated from the Tennessee Lottery Corporation. 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 Dual Enrollment Grant, and the Tennessee Reconnect Grant. 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	338,961,400	376,200,000	370,800,000	4,000,000	374,800,000
Total	\$338,961,400	\$376,200,000	\$370,800,000	\$4,000,000	\$374,800,000
State	329,861,400	376,200,000	370,800,000	4,000,000	374,800,000
Federal	0	0	0	0	0
Other	9,100,000	0	0	0	0

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.

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	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	125	118	118	6	124
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	125	118	118	6	124
Payroll	12,852,800	12,671,400	12,783,800	426,000	13,209,800
Operational	491,292,400	566,164,200	556,188,200	46,700,200	602,888,400
Total	\$504,145,200	\$578,835,600	\$568,972,000	\$47,126,200	\$616,098,200
State	469,121,400	560,234,500	552,851,800	47,126,200	599,978,000
Federal	6,566,900	5,144,300	4,647,800	0	4,647,800
Other	28,456,900	13,456,800	11,472,400	0	11,472,400

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 2017 and Fall 2018. Federal revenues, tuition and fees, and other revenues are unrestricted current funds derived from education and general sources, and auxiliary enterprise sources.

<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	67	71	71	0	71
Professional	147	162	162	0	162
Faculty	0	0	0	0	0
Clerical/Support	70	71	71	0	71
Total	284	304	304	0	304
Headcount	0	0	0	0	0
State	5,537,800	5,576,200	5,939,000	10,067,000	16,006,000
Federal	0	0	0	0	0
Other	24,236,500	24,200,000	24,200,000	0	24,200,000
Tuition/Fees	0	0	0	0	0
Total	\$29,774,300	\$29,776,200	\$30,139,000	\$10,067,000	\$40,206,000

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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	6	6	6	0	6
Professional	20	22	22	0	22
Faculty	0	0	0	0	0
Clerical/Support	12	12	12	0	12
Total	38	40	40	0	40
Headcount	0	0	0	0	0
State	5,827,300	5,915,200	6,012,800	92,600	6,105,400
Federal	232,000	225,800	225,800	0	225,800
Other	1,555,100	1,953,600	1,953,600	0	1,953,600
Tuition/Fees	103,700	0	0	0	0
Total	\$7,718,100	\$8,094,600	\$8,192,200	\$92,600	\$8,284,800

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	35	36	36	0	36
Faculty	0	0	0	0	0
Clerical/Support	8	8	8	0	8
Total	45	46	46	0	46
Headcount	0	0	0	0	0

	Actual 2017-2018	Estimated 2018-2019	Base 2019-2020	Cost Increase 2019-2020	Recommended 2019-2020
State	3,408,700	3,533,900	3,603,800	98,000	3,701,800
Federal	0	0	0	0	0
Other	3,870,500	3,813,300	3,813,300	0	3,813,300
Tuition/Fees	0	0	0	0	0
Total	\$7,279,200	\$7,347,200	\$7,417,100	\$98,000	\$7,515,100

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	2	2	2	0	2
Professional	27	29	29	0	29
Faculty	0	0	0	0	0
Clerical/Support	4	4	4	0	4
Total	33	35	35	0	35
Headcount	0	0	0	0	0
State	2,962,700	3,054,600	3,103,800	83,400	3,187,200
Federal	0	0	0	0	0
Other	3,272,400	3,253,100	3,253,100	0	3,253,100
Tuition/Fees	0	0	0	0	0
Total	\$6,235,100	\$6,307,700	\$6,356,900	\$83,400	\$6,440,300

332.14 Tennessee Foreign Language Center

The Tennessee Foreign Language Center'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 Administrative	1	1	1	0	1
Professional	13	13	13	0	13
Faculty	0	0	0	0	0
Clerical/Support	6	6	6	0	6
Total	20	20	20	0	20
Headcount	0	0	0	0	0
State	637,800	657,800	672,000	33,600	705,600
Federal	0	0	0	0	0
Other	2,829,500	2,889,800	2,889,800	0	2,889,800
Tuition/Fees	0	0	0	0	0
Total	\$3,467,300	\$3,547,600	\$3,561,800	\$33,600	\$3,595,400

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.

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
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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	78	78	0	78
Faculty	94	95	95	0	95
Clerical/Support	116	110	110	0	110
Total	309	302	302	0	302
Headcount	0	0	0	0	0
State	29,048,400	29,895,200	30,435,300	541,600	30,976,900
Federal	7,175,200	8,115,100	8,115,100	0	8,115,100
Other	5,927,000	3,631,300	3,631,300	0	3,631,300
Tuition/Fees	0	0	0	0	0
Total	\$42,150,600	\$41,641,600	\$42,181,700	\$541,600	\$42,723,300

332.26 UT Agricultural Extension Service

The UT Agricultural Extension Service is an off-campus unit of the UT Institute of Agriculture. The unit offers educational programs and research-based information about agriculture, community resource development, nutrition, health, lawn and garden, and youth development to local governments and the general public. The extension service operates an office in every county.

Full-Time Administrative	15	16	16	0	16
Professional	254	244	244	0	244
Faculty	48	50	50	0	50
Clerical/Support	139	133	133	0	133
Total	456	443	443	0	443
Headcount	0	0	0	0	0
State	35,590,500	36,540,900	37,509,700	709,000	38,218,700
Federal	9,288,900	9,249,200	9,249,200	0	9,249,200
Other	6,736,500	7,140,200	7,140,200	0	7,140,200
Tuition/Fees	0	0	0	0	0
Total	\$51,615,900	\$52,930,300	\$53,899,100	\$709,000	\$54,608,100

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.

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
Full-Time Administrative	9	10	10	0	10
Professional	42	43	43	0	43
Faculty	101	107	107	0	107
Clerical/Support	193	199	199	0	199
Total	345	359	359	0	359
Headcount	373	369	369	0	369
State	19,710,800	20,910,700	21,398,400	717,400	22,115,800
Federal	706,100	723,600	723,600	0	723,600
Other	17,377,500	17,515,900	17,515,900	0	17,515,900
Tuition/Fees	13,037,100	13,023,800	13,023,800	0	13,023,800
Total	\$50,831,500	\$52,174,000	\$52,661,700	\$717,400	\$53,379,100

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.

Full-Time Administrative	117	125	125	0	125
Professional	253	266	266	0	266
Faculty	642	644	644	0	644
Clerical/Support	937	940	940	0	940
Total	1,949	1,975	1,975	0	1,975
Headcount	3,199	3,280	3,280	0	3,280
State	152,498,300	156,126,300	157,683,100	3,938,800	161,621,900
Federal	10,731,200	10,205,000	10,205,000	0	10,205,000
Other	34,014,300	31,985,900	31,985,900	0	31,985,900
Tuition/Fees	89,199,900	89,605,000	89,605,000	0	89,605,000
Total	\$286,443,700	\$287,922,200	\$289,479,000	\$3,938,800	\$293,417,800

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.

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	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	10	10	10	0	10
Professional	14	13	13	0	13
Faculty	21	16	16	0	16
Clerical/Support	35	32	32	0	32
Total	80	71	71	0	71
Headcount	108	104	104	0	104
State	8,900,500	9,043,400	9,129,100	148,400	9,277,500
Federal	404,600	270,000	270,000	0	270,000
Other	382,600	361,500	361,500	0	361,500
Tuition/Fees	1,434,500	1,335,100	1,335,100	0	1,335,100
Total	\$11,122,200	\$11,010,000	\$11,095,700	\$148,400	\$11,244,100

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	140	150	150	0	150
Professional	227	238	238	0	238
Faculty	482	493	493	0	493
Clerical/Support	343	345	345	0	345
Total	1,192	1,226	1,226	0	1,226
Headcount	11,587	11,588	11,588	0	11,588
State	51,005,300	54,616,100	55,783,000	2,867,000	58,650,000
Federal	523,900	215,000	215,000	0	215,000
Other	22,061,400	24,199,600	24,199,600	0	24,199,600
Tuition/Fees	110,755,000	112,698,400	112,698,400	0	112,698,400
Total	\$184,345,600	\$191,729,100	\$192,896,000	\$2,867,000	\$195,763,000

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
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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	310	310	0	310
Professional	848	877	877	0	877
Faculty	1,453	1,493	1,493	0	1,493
Clerical/Support	1,553	1,511	1,511	0	1,511
Total	4,162	4,191	4,191	0	4,191
Headcount	27,840	28,421	28,421	0	28,421
State	223,270,000	229,425,000	234,282,600	11,886,900	246,169,500
Federal	20,348,800	17,430,000	17,430,000	0	17,430,000
Other	266,834,900	249,790,200	249,790,200	0	249,790,200
Tuition/Fees	437,673,500	443,096,100	443,096,100	0	443,096,100
Total	\$948,127,200	\$939,741,300	\$944,598,900	\$11,886,900	\$956,485,800

332.44 UT Martin

The University of Tennessee at Martin is an undergraduate-focused institution offering degrees at the bachelor's and master's levels. Graduate programs include agricultural operations, family and consumer sciences, accountancy, and education. The university's center of excellence is in science and math teaching.

Full-Time Administrative	59	56	56	0	56
Professional	104	88	88	0	88
Faculty	301	297	297	0	297
Clerical/Support	258	229	229	0	229
Total	722	670	670	0	670
Headcount	6,772	7,048	7,048	0	7,048
State	32,495,400	33,705,900	33,706,500	1,709,500	35,416,000
Federal	117,800	149,400	149,400	0	149,400
Other	14,516,300	15,292,200	15,292,200	0	15,292,200
Tuition/Fees	57,986,800	59,740,100	59,740,100	0	59,740,100
Total	\$105,116,300	\$108,887,600	\$108,888,200	\$1,709,500	\$110,597,700

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
332.10 Total University of Tennessee System					
Full-Time Administrative	755	778	778	0	778
Professional	2,064	2,109	2,109	0	2,109
Faculty	3,142	3,195	3,195	0	3,195
Clerical/Support	3,674	3,600	3,600	0	3,600
Total	9,635	9,682	9,682	0	9,682
Headcount	49,879	50,810	50,810	0	50,810
State	582,553,100	600,660,800	610,918,700	32,893,200	643,811,900
Federal	49,528,500	46,583,100	46,583,100	0	46,583,100
Other	403,614,500	386,026,600	386,026,600	0	386,026,600
Tuition/Fees	710,190,500	719,498,500	719,498,500	0	719,498,500
Total	\$1,745,886,600	\$1,752,769,000	\$1,763,026,900	\$32,893,200	\$1,795,920,100

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 2017 and Fall 2018. 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>2017-2018</u>	<u>Estimated</u> <u>2018-2019</u>	<u>Base</u> <u>2019-2020</u>	<u>Cost Increase</u> <u>2019-2020</u>	<u>Recommended</u> <u>2019-2020</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	32	31	31	0	31
Professional	79	79	79	0	79
Faculty	0	0	0	0	0
Clerical/Support	34	45	45	0	45
Total	145	155	155	0	155
Headcount	0	0	0	0	0
State	7,983,500	10,691,000	8,196,600	2,343,200	10,539,800
Federal	0	0	0	0	0
Other	17,486,200	17,935,500	17,935,500	0	17,935,500
Tuition/Fees	0	0	0	0	0
Total	\$25,469,700	\$28,626,500	\$26,132,100	\$2,343,200	\$28,475,300

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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 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.

332.89 Tennessee Community Colleges

Tennessee 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.

Full-Time Administrative	186	194	194	0	194
Professional	1,168	1,214	1,214	0	1,214
Faculty	1,961	1,975	1,975	0	1,975
Clerical/Support	1,663	1,655	1,655	0	1,655
Total	4,978	5,038	5,038	0	5,038
Headcount	86,621	88,352	88,352	0	88,352
State	254,764,100	266,492,100	274,545,300	16,170,500	290,715,800
Federal	1,184,500	1,030,400	1,030,400	0	1,030,400
Other	18,300,600	15,201,500	15,201,500	0	15,201,500
Tuition/Fees	297,048,700	304,964,900	304,964,900	0	304,964,900
Total	\$571,297,900	\$587,688,900	\$595,742,100	\$16,170,500	\$611,912,600

332.95 Equipment for Community Colleges and Colleges of Applied Technology

Community Colleges and Colleges of Applied Technology must train students on the use of equipment and technologies used in industry. This allotment provides funds to upgrade or replace equipment used in programs such as service delivery, allied health, health informatics, and advanced manufacturing.

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	0	9,000,000	0	0	0
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$0	\$9,000,000	\$0	\$0	\$0

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	55	61	61	0	61
Professional	107	113	113	0	113
Faculty	564	564	564	0	564
Clerical/Support	211	228	228	0	228
Total	937	966	966	0	966
Headcount	15,700	15,945	15,945	0	15,945
State	66,857,600	70,571,000	71,024,400	4,460,900	75,485,300
Federal	74,600	73,500	73,500	0	73,500
Other	11,434,900	9,833,700	9,833,700	0	9,833,700
Tuition/Fees	36,255,100	37,385,000	37,385,000	0	37,385,000
Total	\$114,622,200	\$117,863,200	\$118,316,600	\$4,460,900	\$122,777,500

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	35	36	36	0	36
Professional	238	255	255	0	255
Faculty	389	394	394	0	394
Clerical/Support	265	260	260	0	260
Total	927	945	945	0	945
Headcount	10,195	10,522	10,522	0	10,522
State	44,621,700	46,905,900	47,845,200	2,459,000	50,304,200
Federal	178,400	150,000	150,000	0	150,000
Other	22,551,900	21,830,400	21,830,400	0	21,830,400
Tuition/Fees	83,350,700	85,429,900	85,429,900	0	85,429,900
Total	\$150,702,700	\$154,316,200	\$155,255,500	\$2,459,000	\$157,714,500

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	49	48	48	0	48
Professional	479	496	496	0	496
Faculty	673	697	697	0	697
Clerical/Support	495	497	497	0	497
Total	1,696	1,738	1,738	0	1,738
Headcount	13,764	13,725	13,725	0	13,725
State	61,099,800	64,455,200	66,188,600	3,383,800	69,572,400
Federal	1,567,800	1,500,000	1,500,000	0	1,500,000
Other	43,622,200	43,616,200	43,616,200	0	43,616,200
Tuition/Fees	148,441,700	154,458,100	154,458,100	0	154,458,100
Total	\$254,731,500	\$264,029,500	\$265,762,900	\$3,383,800	\$269,146,700

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	88	88	88	0	88
Faculty	148	148	148	0	148
Clerical/Support	113	113	113	0	113
Total	354	354	354	0	354
Headcount	277	280	280	0	280
State	33,094,900	34,106,700	34,470,700	1,024,800	35,495,500
Federal	1,297,400	1,300,000	1,300,000	0	1,300,000
Other	13,027,900	16,065,000	16,065,000	0	16,065,000
Tuition/Fees	9,899,100	10,371,800	10,371,800	0	10,371,800
Total	\$57,319,300	\$61,843,500	\$62,207,500	\$1,024,800	\$63,232,300

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	1	1	0	1
Professional	14	15	15	0	15
Faculty	35	34	34	0	34
Clerical/Support	13	13	13	0	13
Total	64	63	63	0	63
Headcount	311	312	312	0	312
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	14,600	15,000	15,000	0	15,000
Tuition/Fees	11,087,700	11,649,500	11,649,500	0	11,649,500
Total	\$11,102,300	\$11,664,500	\$11,664,500	\$0	\$11,664,500

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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
Full-Time Administrative	0	0	0	0	0
Professional	24	25	25	0	25
Faculty	32	29	29	0	29
Clerical/Support	54	56	56	0	56
Total	110	110	110	0	110
Headcount	0	0	0	0	0
State	7,160,800	7,464,200	7,526,300	281,200	7,807,500
Federal	0	0	0	0	0
Other	9,611,600	9,632,400	9,632,400	0	9,632,400
Tuition/Fees	0	0	0	0	0
Total	\$16,772,400	\$17,096,600	\$17,158,700	\$281,200	\$17,439,900

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	63	63	0	63
Professional	698	740	740	0	740
Faculty	1,008	1,048	1,048	0	1,048
Clerical/Support	793	780	780	0	780
Total	2,560	2,631	2,631	0	2,631
Headcount	21,535	21,458	21,458	0	21,458
State	110,827,200	115,469,400	117,071,100	6,016,900	123,088,000
Federal	4,652,200	3,555,200	3,555,200	0	3,555,200
Other	83,208,600	86,155,200	86,155,200	0	86,155,200
Tuition/Fees	201,886,800	202,061,300	202,061,300	0	202,061,300
Total	\$400,574,800	\$407,241,100	\$408,842,800	\$6,016,900	\$414,859,700

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	61	61	61	0	61
Professional	640	655	655	0	655
Faculty	1,022	1,024	1,024	0	1,024
Clerical/Support	492	485	485	0	485
Total	2,215	2,225	2,225	0	2,225
Headcount	21,912	21,630	21,630	0	21,630

	Actual 2017-2018	Estimated 2018-2019	Base 2019-2020	Cost Increase 2019-2020	Recommended 2019-2020
State	97,003,700	101,659,200	101,764,800	5,230,300	106,995,100
Federal	675,000	750,000	750,000	0	750,000
Other	56,700,300	54,834,000	54,834,000	0	54,834,000
Tuition/Fees	194,585,300	195,869,500	195,869,500	0	195,869,500
Total	\$348,964,300	\$353,112,700	\$353,218,300	\$5,230,300	\$358,448,600

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	65	66	66	0	66
Professional	318	342	342	0	342
Faculty	432	431	431	0	431
Clerical/Support	333	330	330	0	330
Total	1,148	1,169	1,169	0	1,169
Headcount	8,461	7,780	7,780	0	7,780
State	36,757,500	38,433,100	39,540,500	5,132,200	44,672,700
Federal	2,627,600	2,500,000	2,500,000	0	2,500,000
Other	32,814,800	31,865,300	31,865,300	0	31,865,300
Tuition/Fees	79,274,300	71,574,500	71,574,500	0	71,574,500
Total	\$151,474,200	\$144,372,900	\$145,480,300	\$5,132,200	\$150,612,500

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	3,541,700	3,613,700	3,613,700	48,400	3,662,100
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$3,541,700	\$3,613,700	\$3,613,700	\$48,400	\$3,662,100

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	608,200	619,400	619,400	9,400	628,800
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$608,200	\$619,400	\$619,400	\$9,400	\$628,800

332.64 TSU Cooperative Education

The TSU Cooperative Education program, through 14 county offices, offers educational programs and research-based information to local governments and the general public in the areas of agriculture and natural resources, community and rural development, 4-H and youth development, and family and consumer sciences.

Full-Time Administrative	0	0	0	0	0
Professional	15	10	10	0	10
Faculty	1	1	1	0	1
Clerical/Support	3	3	3	0	3
Total	19	14	14	0	14
Headcount	0	0	0	0	0
State	3,510,100	3,610,200	3,610,200	82,400	3,692,600
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$3,510,100	\$3,610,200	\$3,610,200	\$82,400	\$3,692,600

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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	193,300	196,200	196,200	2,600	198,800
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$193,300	\$196,200	\$196,200	\$2,600	\$198,800

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	35	35	0	35
Professional	328	343	343	0	343
Faculty	453	473	473	0	473
Clerical/Support	307	298	298	0	298
Total	1,125	1,149	1,149	0	1,149
Headcount	10,526	10,186	10,186	0	10,186
State	47,731,100	54,229,000	55,834,900	4,053,800	59,888,700
Federal	1,122,000	869,700	869,700	0	869,700
Other	30,640,400	29,155,500	29,155,500	0	29,155,500
Tuition/Fees	97,159,400	94,772,200	94,772,200	0	94,772,200
Total	\$176,652,900	\$179,026,400	\$180,632,300	\$4,053,800	\$184,686,100

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
332.60 Total State University and Community College System					
Full-Time Administrative	590	603	603	0	603
Professional	4,199	4,378	4,378	0	4,378
Faculty	6,720	6,820	6,820	0	6,820
Clerical/Support	4,779	4,766	4,766	0	4,766
Total	16,288	16,567	16,567	0	16,567
Headcount	189,302	190,190	190,190	0	190,190
State	786,012,100	837,773,200	842,304,800	50,699,400	893,004,200
Federal	13,379,500	11,728,800	11,728,800	0	11,728,800
Other	339,414,000	336,139,700	336,139,700	0	336,139,700
Tuition/Fees	1,158,988,800	1,168,536,700	1,168,536,700	0	1,168,536,700
Total	\$2,297,794,400	\$2,354,178,400	\$2,358,710,000	\$50,699,400	\$2,409,409,400

Grand Total Higher Education

Full-Time Positions	125	118	118	6	124
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
Full-Time Administrative	1,345	1,381	1,381	0	1,381
Professional	6,263	6,487	6,487	0	6,487
Faculty	9,862	10,015	10,015	0	10,015
Clerical/Support	8,453	8,366	8,366	0	8,366
Total	26,048	26,367	26,367	6	26,373
Headcount	239,181	241,000	241,000	0	241,000
State	1,837,686,600	1,998,668,500	2,006,075,300	130,718,800	2,136,794,100
Federal	69,474,900	63,456,200	62,959,700	0	62,959,700
Other	771,485,400	735,623,100	733,638,700	0	733,638,700
Tuition/Fees	1,869,179,300	1,888,035,200	1,888,035,200	0	1,888,035,200
Total	\$4,547,826,200	\$4,685,783,000	\$4,690,708,900	\$130,718,800	\$4,821,427,700

Health and Social Services



Health and Social Services

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Health and Social Services

Recommended Budget, Fiscal Year 2019 – 2020

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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Recommended 2019-2020</u>
Personnel			
Full-Time	15,975	15,656	15,654
Part-Time	222	221	221
Seasonal	0	0	0
TOTAL	16,197	15,877	15,875
Expenditures			
Payroll	\$ 1,012,039,000	\$ 1,076,944,000	\$ 1,086,031,100
Operational	14,722,141,700	16,348,917,400	16,309,523,100
TOTAL	\$ 15,734,180,700	\$ 17,425,861,400	\$ 17,395,554,200
Funding			
State	\$ 4,519,514,900	\$ 4,887,456,800	\$ 5,032,446,200
Federal	9,718,921,500	10,980,916,100	10,813,428,900
Other	1,495,744,300	1,557,488,500	1,549,679,100
Tuition/Fees	0	0	0

Health and Social Services
Recommended Budget for Fiscal Year 2019-2020
By Funding Source

Department	State	Federal	Other	Total
316.01 Commission on Children and Youth	3,322,600	1,161,600	1,402,300	5,886,500
316.02 Commission on Aging and Disability	14,835,400	27,883,400	639,500	43,358,300
316.07 Health Services and Development Agency	1,236,900	0	0	1,236,900
316.14 Council on Developmental Disabilities	214,100	1,719,500	40,000	1,973,600
318.00 Finance and Administration, Division of TennCare	3,910,904,300	7,609,897,800	748,677,800	12,269,479,900
339.00 Mental Health and Substance Abuse Services	281,492,500	93,072,400	42,627,100	417,192,000
343.00 Health	207,417,700	247,714,900	186,746,500	641,879,100
344.00 Intellectual and Developmental Disabilities	25,409,900	0	122,541,100	147,951,000
345.00 Human Services	195,517,800	2,477,345,100	54,509,600	2,727,372,500
350.00 Finance and Administration, Strategic Health-Care Programs	40,747,700	189,887,600	2,709,100	233,344,400
359.00 Children's Services	351,347,300	164,746,600	389,786,100	905,880,000
Total	\$5,032,446,200	\$10,813,428,900	\$1,549,679,100	\$17,395,554,200

Health and Social Services
Cost Increases for Fiscal Year 2019-2020

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Commission on Children and Youth					
• Court Appointed Special Advocate (CASA) Expansion					
To provide recurring funding in order to establish CASA programs in three counties not previously served.					
316.01 Commission on Children and Youth	\$60,000	\$0	\$0	\$60,000	0
Sub-total	\$60,000	\$0	\$0	\$60,000	0
Total Commission on Children and Youth	\$60,000	\$0	\$0	\$60,000	0

Council on Developmental Disabilities

• Public Information Specialist					
To provide recurring federal funding for one new public information specialist position.					
316.14 Council on Developmental Disabilities	\$0	\$58,000	\$0	\$58,000	1
Sub-total	\$0	\$58,000	\$0	\$58,000	1
Total Council on Developmental Disabilities	\$0	\$58,000	\$0	\$58,000	1

Finance and Administration, Division of TennCare

• Medical Inflation and Utilization					
To provide recurring funding for a 2.1 percent medical inflation and utilization increase in managed care organization (MCO) expenditures.					
318.66 TennCare Medical Services	\$59,937,300	\$83,590,800	\$0	\$143,528,100	0
Sub-total	\$59,937,300	\$83,590,800	\$0	\$143,528,100	0
• Academic Physician Group Performance-Based Payments					
To provide recurring funding and a position to implement performance-based payments to academic physician groups in Memphis and Johnson City. The other revenue is provided by inter-governmental transfer.					
318.65 TennCare Administration	\$0	\$40,000	\$40,000	\$80,000	1
318.66 TennCare Medical Services	\$0	\$10,560,900	\$5,593,500	\$16,154,400	0
Sub-total	\$0	\$10,600,900	\$5,633,500	\$16,234,400	1
• Employment and Community First (ECF) CHOICES Program					
To provide recurring funding for the ECF CHOICES program to add 300 additional enrollees.					
318.66 TennCare Medical Services	\$9,294,900	\$17,549,600	\$0	\$26,844,500	0
Sub-total	\$9,294,900	\$17,549,600	\$0	\$26,844,500	0

Health and Social Services

Cost Increases for Fiscal Year 2019-2020

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<ul style="list-style-type: none"> Eligibility Systems Development To provide funding for the continued development and operation of a new eligibility system. Of these funds, \$3,000,000 in state appropriation and \$24,000,000 in federal revenue is non-recurring. 					
318.65 TennCare Administration	\$7,219,500	\$53,478,200	\$0	\$60,697,700	0
Sub-total	\$7,219,500	\$53,478,200	\$0	\$60,697,700	0
<ul style="list-style-type: none"> Medicaid Management Information System (MMIS) To provide funding for modernization of the MMIS system, which analyzes claims and payment data, due to federal modernization requirements. Of these funds, \$1,830,000 in state appropriation and \$13,470,000 in federal revenue is non-recurring. 					
318.65 TennCare Administration	\$7,630,000	\$56,670,000	\$0	\$64,300,000	0
Sub-total	\$7,630,000	\$56,670,000	\$0	\$64,300,000	0
<ul style="list-style-type: none"> Graduate Medical Education (GME) To provide recurring funding for the GME program in order to increase the number of primary care providers in underserved areas of Tennessee. 					
318.70 Supplemental Payments	\$3,000,000	\$5,664,300	\$0	\$8,664,300	0
Sub-total	\$3,000,000	\$5,664,300	\$0	\$8,664,300	0
<ul style="list-style-type: none"> Medication Therapy Management To provide non-recurring funding and a position for year three of the Medication Therapy Management pilot program. 					
318.65 TennCare Administration	\$40,300	\$120,800	\$0	\$161,100	1
318.66 TennCare Medical Services	\$1,708,000	\$3,224,900	\$0	\$4,932,900	0
Sub-total	\$1,748,300	\$3,345,700	\$0	\$5,094,000	1
<ul style="list-style-type: none"> Federal Medical Assistance Percentage (FMAP) To provide recurring state funding to reflect a decrease in the FMAP rate from 65.858 percent to 65.375 percent. 					
318.66 TennCare Medical Services	\$34,008,400	(\$34,008,400)	\$0	\$0	0
318.70 Supplemental Payments	\$342,900	(\$342,900)	\$0	\$0	0
318.71 Intellectual Disabilities Services	\$4,283,200	(\$4,283,200)	\$0	\$0	0
318.72 Medicare Services	\$2,750,600	(\$2,750,600)	\$0	\$0	0
Sub-total	\$41,385,100	(\$41,385,100)	\$0	\$0	0

Health and Social Services

Cost Increases for Fiscal Year 2019-2020

	State	Federal	Other	Total	Positions
<ul style="list-style-type: none"> 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 \$22,856,500 in state appropriation, \$22,160,000 is for custody program growth and \$696,500 is for growth in the Tennessee Early Intervention Services (TEIS) program. 					
318.66 TennCare Medical Services	\$22,856,500	\$43,155,100	\$0	\$66,011,600	0
Sub-total	\$22,856,500	\$43,155,100	\$0	\$66,011,600	0
<ul style="list-style-type: none"> Intellectual and Developmental Disabilities - Direct Care Providers To provide funding for a direct care provider rate increase of 6.3 percent. Non-recurring funding appropriated in fiscal year 2018-2019 increased the rate to \$10.00. This funding will maintain the hourly rate of \$10.00. Of these funds, \$5,950,000 in state appropriation and \$11,234,100 in federal revenue is non-recurring. 					
318.71 Intellectual Disabilities Services	\$11,900,000	\$22,468,200	\$0	\$34,368,200	0
Sub-total	\$11,900,000	\$22,468,200	\$0	\$34,368,200	0
Total Finance and Administration, Division of TennCare	\$164,971,600	\$255,137,700	\$5,633,500	\$425,742,800	2

Mental Health and Substance Abuse Services

<ul style="list-style-type: none"> Behavioral Health Safety Net To provide recurring funding to expand the Behavioral Health Safety Net by increasing the qualifying criteria to serve approximately 7,000 uninsured adults with a serious mental illness. 					
339.08 Community Mental Health Services	\$5,000,000	\$0	\$0	\$5,000,000	0
Sub-total	\$5,000,000	\$0	\$0	\$5,000,000	0
<ul style="list-style-type: none"> Creating Homes Initiative (CHI) To provide recurring funding to expand housing solutions for Tennesseans diagnosed with mental illness and/or substance use disorders through the CHI. 					
339.08 Community Mental Health Services	\$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"> Women's Statewide Residential Recovery Court To provide funding for the establishment of a women's statewide residential recovery court. Funding for a judge to preside over the court is included in the Administrative Office of the Courts' budget. From this appropriation, \$500,000 is non-recurring. 					
339.03 Community Substance Abuse Services	\$2,000,000	\$0	\$0	\$2,000,000	0
Sub-total	\$2,000,000	\$0	\$0	\$2,000,000	0

Health and Social Services

Cost Increases for Fiscal Year 2019-2020

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<ul style="list-style-type: none"> Recovery Courts Program Expansion To provide recurring funding for grants to expand recovery courts across the state. The grantees will submit data to the department for the purpose of tracking the success of the program. 					
339.03 Community Substance Abuse Services	\$1,700,000	\$0	\$0	\$1,700,000	0
Sub-total	\$1,700,000	\$0	\$0	\$1,700,000	0
<ul style="list-style-type: none"> Criminal Justice Liaisons (CJL) To provide recurring funding for one program director position and increase contracts for CJLs to serve additional counties across the state. The CJLs coordinate with local jails to provide services to incarcerated individuals that present with mental illness or substance use disorder. 					
339.01 Administrative Services Division	\$125,300	\$0	\$0	\$125,300	1
339.03 Community Substance Abuse Services	\$874,700	\$0	\$0	\$874,700	0
Sub-total	\$1,000,000	\$0	\$0	\$1,000,000	1
<ul style="list-style-type: none"> Pre-Arrest Diversion Program To provide non-recurring funding for the expansion of Pre-Arrest Diversion programs to redirect non-violent individuals from the criminal justice system to community-based treatments and supports in underserved counties. 					
339.08 Community Mental Health Services	\$1,500,000	\$0	\$0	\$1,500,000	0
Sub-total	\$1,500,000	\$0	\$0	\$1,500,000	0
<ul style="list-style-type: none"> Tennessee Recovery Oriented Compliance Strategy (TN-ROCS) Expansion To provide recurring funding to add six additional TN-ROCS court-initiated diversion programs across the state. 					
339.03 Community Substance Abuse Services	\$600,000	\$0	\$0	\$600,000	0
Sub-total	\$600,000	\$0	\$0	\$600,000	0
<ul style="list-style-type: none"> Naltrexone in Recovery Courts To provide recurring funding for a program that supplies recovery courts with long-acting, injectable naltrexone to effectively treat opioid dependence. 					
339.03 Community Substance Abuse Services	\$1,000,000	\$0	\$0	\$1,000,000	0
Sub-total	\$1,000,000	\$0	\$0	\$1,000,000	0

Health and Social Services

Cost Increases for Fiscal Year 2019-2020

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Community Behavioral Health Medical Director					
To provide recurring funding for one community behavioral health medical director to work with the Tennessee Hospital Association to expand on-site treatment services for individuals in emergency departments and hospitals across the state that present with severe and persistent mental illness.					
339.01 Administrative Services Division	\$350,000	\$0	\$0	\$350,000	1
Sub-total	\$350,000	\$0	\$0	\$350,000	1
• Tennessee Suicide Prevention Network					
To provide recurring funding to expand the Tennessee Suicide Prevention Network (TSPN). TSPN develops and oversees the implementation of suicide prevention strategies across the state.					
339.08 Community Mental Health Services	\$625,000	\$0	\$0	\$625,000	0
Sub-total	\$625,000	\$0	\$0	\$625,000	0
• Youth and Adult Mental Health Awareness and Promotion					
To provide recurring funding to expand and enhance suicide prevention and mental health awareness and promotion activities across the state.					
339.08 Community Mental Health Services	\$500,000	\$0	\$0	\$500,000	0
Sub-total	\$500,000	\$0	\$0	\$500,000	0
• Regional Mental Health Institutes					
To provide recurring funding for the increased cost of operation at the state Regional Mental Health Institutes.					
339.11 Middle Tennessee Mental Health Institute	\$3,785,200	\$0	\$0	\$3,785,200	0
339.12 Western Mental Health Institute	(\$64,300)	\$0	\$0	(\$64,300)	0
339.16 Moccasin Bend Mental Health Institute	\$1,670,100	\$0	\$0	\$1,670,100	0
339.17 Memphis Mental Health Institute	\$803,900	\$0	\$0	\$803,900	0
Sub-total	\$6,194,900	\$0	\$0	\$6,194,900	0
Total Mental Health and Substance Abuse Services	\$23,469,900	\$0	\$0	\$23,469,900	2

Health and Social Services

Cost Increases for Fiscal Year 2019-2020

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Health					
• Safety Net Expansion					
To provide recurring funding for grants to faith-based organizations and federally qualified health centers for safety net services.					
343.52 Community and Medical Services	\$2,000,000	\$0	\$0	\$2,000,000	0
Sub-total	\$2,000,000	\$0	\$0	\$2,000,000	0
• Healthier Tennessee Grants					
To provide non-recurring funding for Healthier Tennessee local grants. Healthier Tennessee provides grants for local health initiatives aimed at reducing smoking and increasing physical activity.					
343.60 Health Services	\$500,000	\$0	\$0	\$500,000	0
Sub-total	\$500,000	\$0	\$0	\$500,000	0
• Labs Newborn Screening					
To provide recurring funding for the Newborn Screening program to add spinal muscular atrophy testing and to add staff to decrease turnaround time for all newborn screening. The other revenue is current services revenue.					
343.08 Laboratory Services	\$0	\$0	\$820,000	\$820,000	6
Sub-total	\$0	\$0	\$820,000	\$820,000	6
• Medical Licensure Compact Position					
To add one position in Health Related Boards to administer the Medical Licensure Compact. The position is supported with existing funding.					
343.10 Health Related Boards	\$0	\$0	\$0	\$0	1
Sub-total	\$0	\$0	\$0	\$0	1
Total Health	\$2,500,000	\$0	\$820,000	\$3,320,000	7
Intellectual and Developmental Disabilities					
• Regional Monitor Position for Licensing					
To provide recurring dedicated state appropriation from licensing fees to fund a developmental services regional monitor position.					
344.01 Intellectual Disabilities Services Administration	\$66,800	\$0	\$0	\$66,800	1
Sub-total	\$66,800	\$0	\$0	\$66,800	1
Total Intellectual and Developmental Disabilities	\$66,800	\$0	\$0	\$66,800	1

Health and Social Services

Cost Increases for Fiscal Year 2019-2020

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Human Services					
• Enterprise Systems Modernization (ESM)					
To recognize additional federal revenue for the ESM project to replace the department's legacy systems.					
345.01 Administration	\$0	\$42,500,000	\$0	\$42,500,000	0
Sub-total	\$0	\$42,500,000	\$0	\$42,500,000	0
• Child Support Assistant District Attorneys Service Credit Reinstatement					
To provide recurring funding for the reinstatement of a service credit that was suspended in fiscal year 2009-2010 for eligible assistant district attorneys in the IV-D Child Support Enforcement program.					
345.13 Child Support	\$22,700	\$44,200	\$0	\$66,900	0
Sub-total	\$22,700	\$44,200	\$0	\$66,900	0
• Child Support Assistant District Attorneys Step Raises					
To provide recurring funding for the mandated salary increase required by TCA 8-7-201 for the assistant district attorneys in the IV-D Child Support Enforcement program.					
345.13 Child Support	\$43,900	\$85,100	\$0	\$129,000	0
Sub-total	\$43,900	\$85,100	\$0	\$129,000	0
Total Human Services	\$66,600	\$42,629,300	\$0	\$42,695,900	0
Finance and Administration, Strategic Health-Care Programs					
• Enhanced FMAP					
To provide recurring state funding to reflect a decrease in the enhanced FMAP rate from 76.100 percent to 75.765 percent.					
350.50 CoverKids	\$713,400	(\$713,400)	\$0	\$0	0
Sub-total	\$713,400	(\$713,400)	\$0	\$0	0
Total Finance and Administration, Strategic Health-Care Programs	\$713,400	(\$713,400)	\$0	\$0	0

Health and Social Services

Cost Increases for Fiscal Year 2019-2020

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Children's Services					
• TennCare Revenue Recognition					
To provide recurring funding to recognize increased case management and treatment expenditures on children in state custody. The other revenue is from TennCare and is comprised of \$22,160,000 in state appropriations and \$41,840,000 in federal funding.					
359.30 Custody Services	\$0	\$16,000,000	\$48,000,000	\$64,000,000	0
359.50 Child and Family Management	\$0	(\$16,000,000)	\$16,000,000	\$0	0
Sub-total	\$0	\$0	\$64,000,000	\$64,000,000	0
• Loss of Federal Title IV-E Revenue					
To provide recurring funding to continue the same level of services to an increased number of children in custody. The federal waiver program for Title IV-E requirements is ending, which will require the state to replace federal funds.					
359.30 Custody Services	\$15,000,000	(\$15,000,000)	\$0	\$0	0
Sub-total	\$15,000,000	(\$15,000,000)	\$0	\$0	0
• Custody Services Growth					
To provide recurring funding for an increase in the number of children in custody receiving treatment.					
359.30 Custody Services	\$5,000,000	\$0	\$0	\$5,000,000	0
Sub-total	\$5,000,000	\$0	\$0	\$5,000,000	0
• Adoption Assistance Growth					
To provide recurring funding for an increase in the number of children adopted in Tennessee.					
359.40 Adoption Services	\$1,590,400	\$2,385,700	\$0	\$3,976,100	0
Sub-total	\$1,590,400	\$2,385,700	\$0	\$3,976,100	0
• Subsidized Permanent Guardianship Caseload Growth					
To provide recurring funding for an increase in the number of children in the Subsidized Permanent Guardianship (SPG) program. SPG functions like Adoption Assistance except that a close relative (such as grandparent) or authority figure (such as a coach) assumes legal guardianship of the child.					
359.30 Custody Services	\$121,300	\$181,900	\$0	\$303,200	0
Sub-total	\$121,300	\$181,900	\$0	\$303,200	0
• Safe Baby Courts					
To provide recurring funding for up to five additional Safe Baby Courts that provide services to drug-exposed children and their families.					
359.20 Family Support Services	\$500,000	\$0	\$0	\$500,000	0
Sub-total	\$500,000	\$0	\$0	\$500,000	0

Health and Social Services

Cost Increases for Fiscal Year 2019-2020

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<ul style="list-style-type: none"> DCS for Education - Tennessee Early Intervention Services Program Growth To provide recurring funding to account for growth in the Tennessee Early Intervention Services program. The other revenue is from TennCare and is comprised of \$696,500 in state appropriation and \$1,315,100 in federal funding. 					
359.20 Family Support Services	\$3,017,400	\$0	\$2,011,600	\$5,029,000	0
Sub-total	\$3,017,400	\$0	\$2,011,600	\$5,029,000	0
<ul style="list-style-type: none"> FMAP To provide recurring state funding to reflect a decrease in the FMAP rate from 65.858 percent to 65.375 percent. 					
359.30 Custody Services	\$356,500	(\$356,500)	\$0	\$0	0
359.40 Adoption Services	\$378,000	(\$378,000)	\$0	\$0	0
Sub-total	\$734,500	(\$734,500)	\$0	\$0	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	\$11,800	\$0	\$0	\$11,800	0
Sub-total	\$11,800	\$0	\$0	\$11,800	0
Total Children's Services	\$25,975,400	(\$13,166,900)	\$66,011,600	\$78,820,100	0
Total Health and Social Services	\$217,823,700	\$283,944,700	\$72,465,100	\$574,233,500	13

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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
316.01 Commission on Children and Youth					
Full-Time	32	34	34	0	34
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	32	34	34	0	34
Payroll	2,709,000	3,099,600	3,118,100	0	3,118,100
Operational	2,484,000	2,896,400	2,708,400	60,000	2,768,400
Total	\$5,193,000	\$5,996,000	\$5,826,500	\$60,000	\$5,886,500
State	3,289,800	3,412,100	3,262,600	60,000	3,322,600
Federal	476,200	1,228,100	1,161,600	0	1,161,600
Other	1,427,000	1,355,800	1,402,300	0	1,402,300

Commission on Aging and Disability

The Commission on Aging and Disability is responsible for networking aging or disabled adults needing in-home services with state, federal, and local programs.

The commission is comprised of 22 members. The Governor appoints 19 members, including a member of his staff. The commissioners of Health, Mental Health and Substance Abuse Services, Intellectual and Developmental Disabilities, Human Services, and Veterans Services; the director of TennCare, and the executive director of the Council on Developmental Disabilities are ex-officio, voting members. The speakers of the Senate and House of Representatives appoint one non-voting member each. The Governor appoints an executive director to administer the agency.

The commission performs the following activities: administers the Older Americans Act; administers a home and community-based program for the elderly and disabled who are not eligible for Medicaid; collects statistics on the elderly, family caregivers, and adults with disabilities needing in-home services; publishes information on aging and adults with disabilities; makes recommendations on program improvements; and assists in developing needed services.

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
316.02 Commission on Aging and Disability					
Full-Time	32	32	31	0	31
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	32	32	31	0	31
Payroll	2,297,600	2,598,500	2,622,500	0	2,622,500
Operational	38,267,200	42,921,200	40,735,800	0	40,735,800
Total	\$40,564,800	\$45,519,700	\$43,358,300	\$0	\$43,358,300
State	15,061,200	15,219,700	14,835,400	0	14,835,400
Federal	25,121,800	27,882,900	27,883,400	0	27,883,400
Other	381,800	2,417,100	639,500	0	639,500

Health Services and Development Agency

The Health Services and Development Agency is responsible for regulating the health-care industry through the certificate-of-need program. The agency requires certification of need for the establishing or modifying of health-care facilities and the reporting of financial and statistical data from these facilities. The certificate-of-need program assures that health-care projects are accomplished in an orderly, economical manner, consistent with the development of an adequate and effective health-care system.

The agency is governed by a board comprised of 11 members. The Governor appoints six members. The Comptroller of the Treasury, the Commissioner of Commerce and Insurance, and the Director of TennCare are ex-officio members; the speakers of the Senate and House of Representatives appoint one member each. The board acts as a regulatory body in the certificate-of-need process and appoints an executive director to administer the agency.

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
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	751,200	838,700	899,200	0	899,200
Operational	174,300	587,700	337,700	0	337,700
Total	\$925,500	\$1,426,400	\$1,236,900	\$0	\$1,236,900
State	912,000	1,426,400	1,236,900	0	1,236,900
Federal	0	0	0	0	0
Other	13,500	0	0	0	0

Council on Developmental Disabilities

The Council on Developmental Disabilities is authorized by the federal Developmental Disabilities Act (Public Law 106-402). The council is established by Executive Order 50 as an independent office to carry out responsibilities defined in the Developmental Disabilities Act. The Council on Developmental Disabilities is responsible for improving state policies, practices, and public and private partnerships that affect Tennesseans with developmental disabilities and their families. The council works with all state agencies, local government, and private organizations to link programs and services in more efficient and effective ways to benefit individuals with developmental disabilities.

The council consists of 21 members appointed by the Governor and represents a broad range of disabilities, as well as the cultural and geographic diversity of the state. The council operates as an independent office in the executive branch, guided by citizen members appointed by the Governor. The council's executive director is hired and supervised by the council chairperson. The council programs are carried out according to an approved state plan, which meets all federal and state administrative regulations.

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
316.14 Council on Developmental Disabilities					
Full-Time	9	9	9	1	10
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	9	9	9	1	10
Payroll	863,900	998,100	1,004,500	58,000	1,062,500
Operational	663,600	969,100	911,100	0	911,100
Total	\$1,527,500	\$1,967,200	\$1,915,600	\$58,000	\$1,973,600
State	210,300	213,100	214,100	0	214,100
Federal	1,317,200	1,714,100	1,661,500	58,000	1,719,500
Other	0	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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	1,282	1,274	1,274	2	1,276
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,282	1,274	1,274	2	1,276
Payroll	82,444,300	98,406,700	98,732,100	232,700	98,964,800
Operational	336,798,200	410,340,600	288,117,400	125,006,100	413,123,500
Total	\$419,242,500	\$508,747,300	\$386,849,500	\$125,238,800	\$512,088,300
State	117,184,200	150,591,400	128,748,800	14,889,800	143,638,600
Federal	300,255,200	356,104,000	256,048,800	110,309,000	366,357,800
Other	1,803,100	2,051,900	2,051,900	40,000	2,091,900

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	8,741,424,900	9,327,776,000	9,210,726,800	257,471,500	9,468,198,300
Total	\$8,741,424,900	\$9,327,776,000	\$9,210,726,800	\$257,471,500	\$9,468,198,300
State	2,592,949,300	2,761,846,800	2,728,493,000	127,805,100	2,856,298,100
Federal	5,485,956,600	5,859,626,800	5,775,931,400	124,072,900	5,900,004,300
Other	662,519,000	706,302,400	706,302,400	5,593,500	711,895,900

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	423,372,500	489,278,000	485,572,500	8,664,300	494,236,800
Total	\$423,372,500	\$489,278,000	\$485,572,500	\$8,664,300	\$494,236,800
State	146,070,700	117,582,000	117,582,000	3,342,900	120,924,900
Federal	243,306,100	337,484,100	333,365,500	5,321,400	338,686,900
Other	33,995,700	34,211,900	34,625,000	0	34,625,000

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	920,958,000	972,321,000	905,917,900	34,368,200	940,286,100
Total	\$920,958,000	\$972,321,000	\$905,917,900	\$34,368,200	\$940,286,100
State	325,066,600	338,981,900	316,139,600	16,183,200	332,322,800
Federal	595,823,700	633,274,100	589,713,300	18,185,000	607,898,300
Other	67,700	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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
Payroll	0	0	0	0	0
Operational	748,257,700	857,166,400	854,670,400	0	854,670,400
Total	\$748,257,700	\$857,166,400	\$854,670,400	\$0	\$854,670,400
State	394,764,600	456,969,300	454,969,300	2,750,600	457,719,900
Federal	353,493,100	400,197,100	399,701,100	(2,750,600)	396,950,500
Other	0	0	0	0	0
318.00 Total Finance and Administration, Division of TennCare					
Full-Time	1,282	1,274	1,274	2	1,276
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,282	1,274	1,274	2	1,276
Payroll	82,444,300	98,406,700	98,732,100	232,700	98,964,800
Operational	11,170,811,300	12,056,882,000	11,745,005,000	425,510,100	12,170,515,100
Total	\$11,253,255,600	\$12,155,288,700	\$11,843,737,100	\$425,742,800	\$12,269,479,900
State	3,576,035,400	3,825,971,400	3,745,932,700	164,971,600	3,910,904,300
Federal	6,978,834,700	7,586,686,100	7,354,760,100	255,137,700	7,609,897,800
Other	698,385,500	742,631,200	743,044,300	5,633,500	748,677,800

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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
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Administrative Services

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	173	184	184	2	186
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	173	184	184	2	186
Payroll	14,500,900	16,837,400	16,778,900	465,900	17,244,800
Operational	6,289,800	7,248,700	7,133,000	9,400	7,142,400
Total	\$20,790,700	\$24,086,100	\$23,911,900	\$475,300	\$24,387,200
State	14,147,400	16,263,300	16,265,100	475,300	16,740,400
Federal	3,627,700	4,705,200	4,500,500	0	4,500,500
Other	3,015,600	3,117,600	3,146,300	0	3,146,300

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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, recovery courts, 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	80,686,900	119,872,500	110,362,100	6,174,700	116,536,800
Total	\$80,686,900	\$119,872,500	\$110,362,100	\$6,174,700	\$116,536,800
State	29,376,600	45,400,800	44,102,300	6,174,700	50,277,000
Federal	46,225,700	69,634,200	61,422,300	0	61,422,300
Other	5,084,600	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	105,027,900	119,230,700	113,862,300	10,625,000	124,487,300
Total	\$105,027,900	\$119,230,700	\$113,862,300	\$10,625,000	\$124,487,300

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
State	87,261,600	92,847,200	91,422,200	10,625,000	102,047,200
Federal	17,118,100	21,640,500	21,697,100	0	21,697,100
Other	648,200	4,743,000	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 207 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	39,646,100	38,747,800	39,060,200	1,676,200	40,736,400
Operational	13,560,300	11,141,700	10,681,000	2,109,000	12,790,000
Total	\$53,206,400	\$49,889,500	\$49,741,200	\$3,785,200	\$53,526,400
State	40,429,500	36,448,500	36,790,900	3,785,200	40,576,100
Federal	925,200	1,519,600	1,519,600	0	1,519,600
Other	11,851,700	11,921,400	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	444	444	444	0	444
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	444	444	444	0	444
Payroll	29,099,600	31,022,000	31,287,700	(1,463,500)	29,824,200
Operational	8,363,400	7,420,000	6,976,100	1,399,200	8,375,300
Total	\$37,463,000	\$38,442,000	\$38,263,800	(\$64,300)	\$38,199,500
State	26,389,000	27,406,200	27,701,900	(64,300)	27,637,600
Federal	235,300	650,000	500,000	0	500,000
Other	10,838,700	10,385,800	10,061,900	0	10,061,900

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 165 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	28,852,900	28,443,200	28,680,600	258,200	28,938,800
Operational	10,825,600	9,432,000	9,007,500	1,411,900	10,419,400
Total	\$39,678,500	\$37,875,200	\$37,688,100	\$1,670,100	\$39,358,200

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
State	28,330,300	25,167,900	25,435,300	1,670,100	27,105,400
Federal	1,796,700	2,932,900	2,932,900	0	2,932,900
Other	9,551,500	9,774,400	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	13,273,700	13,836,900	13,918,700	83,400	14,002,100
Operational	6,214,600	5,985,400	5,524,000	720,500	6,244,500
Total	\$19,488,300	\$19,822,300	\$19,442,700	\$803,900	\$20,246,600
State	16,172,700	15,743,100	15,854,900	803,900	16,658,800
Federal	288,300	700,000	500,000	0	500,000
Other	3,027,300	3,379,200	3,087,800	0	3,087,800

339.40 Major Maintenance

Major Maintenance provides maintenance funds for the state's RMHIs 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	493,100	450,000	450,000	0	450,000
Total	\$493,100	\$450,000	\$450,000	\$0	\$450,000
State	450,100	450,000	450,000	0	450,000
Federal	0	0	0	0	0
Other	43,000	0	0	0	0

339.00 Total Mental Health and Substance Abuse Services

Full-Time	1,844	1,855	1,855	2	1,857
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,844	1,855	1,855	2	1,857
Payroll	125,373,200	128,887,300	129,726,100	1,020,200	130,746,300
Operational	231,461,600	280,781,000	263,996,000	22,449,700	286,445,700
Total	\$356,834,800	\$409,668,300	\$393,722,100	\$23,469,900	\$417,192,000
State	242,557,200	259,727,000	258,022,600	23,469,900	281,492,500
Federal	70,217,000	101,782,400	93,072,400	0	93,072,400
Other	44,060,600	48,158,900	42,627,100	0	42,627,100

Statistical Data Mental Health Institutes

	Middle Tennessee 339.11	Western 339.12	Moccasin Bend 339.16	Memphis 339.17	Total
Annual Admissions					
2012-2013	3,157	975	2,763	1,184	8,079
2013-2014	3,150	1,000	3,150	1,200	8,500
2014-2015	3,702	1,046	3,442	1,547	9,737
2015-2016	3,816	1,020	2,917	1,520	9,273
2016-2017	3,785	959	2,862	1,526	9,132
2017-2018	3,054	762	3,043	1,436	8,295
2018-2019	3,060	770	3,040	1,440	8,310
2019-2020	3,060	770	3,040	1,440	8,310
Annual Releases					
2012-2013	3,139	971	2,752	1,186	8,048
2013-2014	3,150	1,000	3,200	1,200	8,550
2014-2015	3,739	1,038	3,429	1,546	9,752
2015-2016	3,802	1,002	2,925	1,527	9,256
2016-2017	3,807	953	2,853	1,528	9,141
2017-2018	3,037	768	3,038	1,434	8,277
2018-2019	3,060	770	3,040	1,440	8,310
2109-2020	3,060	770	3,040	1,440	8,310
Average Daily Census					
2012-2013	167	132	131	49	479
2013-2014	177	119	137	47	480
2014-2015	181	128	136	47	492
2015-2016	174	137	130	48	489
2016-2017	175	141	139	50	505
2017-2018	157	142	145	48	492
2018-2019	160	150	150	50	510
2019-2020	160	150	150	50	510
Cost Per Occupancy Day*					
2012-2013	\$697.85	\$658.96	\$592.12	\$1,063.61	\$719.71
2013-2014	\$701.55	\$742.18	\$651.05	\$1,048.09	\$731.14
2014-2015	\$691.60	\$699.73	\$707.35	\$1,027.29	\$730.14
2015-2016	\$752.58	\$659.01	\$751.58	\$976.79	\$748.11
2016-2017	\$786.07	\$684.80	\$728.05	\$1,014.75	\$764.47
2017-2018	\$928.48	\$722.81	\$749.71	\$1,112.35	\$834.37
2018-2019	\$854.27	\$702.14	\$691.78	\$1,086.15	\$784.47
2019-2020	\$914.04	\$695.80	\$716.91	\$1,106.37	\$810.73

* 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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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, 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, and budgeting.

Full-Time	231	101	103	0	103
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	231	101	103	0	103
Payroll	22,182,700	10,788,100	11,007,000	0	11,007,000
Operational	10,541,000	18,605,100	16,686,200	0	16,686,200
Total	\$32,723,700	\$29,393,200	\$27,693,200	\$0	\$27,693,200
State	21,767,400	23,129,100	21,429,100	0	21,429,100
Federal	9,905,700	5,628,700	5,628,700	0	5,628,700
Other	1,050,600	635,400	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 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	187	187	187	0	187
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	187	187	187	0	187
Payroll	13,884,500	15,372,700	15,491,200	0	15,491,200
Operational	6,317,700	10,170,600	10,170,600	0	10,170,600
Total	\$20,202,200	\$25,543,300	\$25,661,800	\$0	\$25,661,800

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
State	7,767,400	10,941,100	10,940,700	0	10,940,700
Federal	10,791,500	8,393,700	8,393,700	0	8,393,700
Other	1,643,300	6,208,500	6,327,400	0	6,327,400

343.06 Trauma System Fund

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	100,000	104,900	104,900	0	104,900
Operational	9,127,500	8,395,100	8,395,100	0	8,395,100
Total	\$9,227,500	\$8,500,000	\$8,500,000	\$0	\$8,500,000
State	8,500,000	8,500,000	8,500,000	0	8,500,000
Federal	0	0	0	0	0
Other	727,500	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	18	18	18	0	18
Part-Time	13	13	13	0	13
Seasonal	0	0	0	0	0
Total	31	31	31	0	31
Payroll	1,226,900	1,425,700	1,442,200	0	1,442,200
Operational	678,400	840,900	836,300	0	836,300
Total	\$1,905,300	\$2,266,600	\$2,278,500	\$0	\$2,278,500
State	149,700	116,800	133,300	0	133,300
Federal	0	53,200	53,200	0	53,200
Other	1,755,600	2,096,600	2,092,000	0	2,092,000

343.10 Health Related Boards

Health Related Boards is comprised of several health boards that certify and license health-care professionals within their respective medical field; enforce statutes and rules setting standards of practice and professional conduct; and assist in administration, investigation, enforcement, and peer assistance.

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
Full-Time	182	192	191	1	192
Part-Time	197	197	197	0	197
Seasonal	0	0	0	0	0
Total	379	389	388	1	389
Payroll	13,303,800	14,747,200	14,892,000	0	14,892,000
Operational	7,896,700	10,064,300	10,254,100	0	10,254,100
Total	\$21,200,500	\$24,811,500	\$25,146,100	\$0	\$25,146,100
State	20,389,000	21,921,100	22,034,000	0	22,034,000
Federal	2,300	0	0	0	0
Other	809,200	2,890,400	3,112,100	0	3,112,100

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; Public Health Policy, Planning, and Informatics; 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	153	139	138	6	144
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	153	139	138	6	144
Payroll	10,060,400	10,208,400	10,194,900	480,700	10,675,600
Operational	14,891,300	13,564,200	13,564,200	339,300	13,903,500
Total	\$24,951,700	\$23,772,600	\$23,759,100	\$820,000	\$24,579,100
State	9,502,400	8,849,200	8,835,700	0	8,835,700
Federal	1,393,700	0	0	0	0
Other	14,055,600	14,923,400	14,923,400	820,000	15,743,400

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
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343.20 Public Health Policy, Planning, and Informatics

Public Health Policy, Planning and Informatics (PPI) 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, PPI administers the cancer registry and the comprehensive cancer control plan. The Office of Informatics is responsible for coordinating the collection and analysis of program data across the department.

Full-Time	125	149	151	0	151
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	125	149	151	0	151
Payroll	7,705,800	11,663,200	11,958,700	0	11,958,700
Operational	4,012,300	6,564,700	6,476,800	0	6,476,800
Total	\$11,718,100	\$18,227,900	\$18,435,500	\$0	\$18,435,500
State	2,161,400	5,137,800	5,300,500	0	5,300,500
Federal	2,604,600	5,852,700	5,844,200	0	5,844,200
Other	6,952,100	7,237,400	7,290,800	0	7,290,800

343.39 Environmental Health

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	107	107	107	0	107
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	107	107	107	0	107
Payroll	7,935,000	8,503,100	8,584,200	0	8,584,200
Operational	1,205,900	3,990,600	3,395,700	0	3,395,700
Total	\$9,140,900	\$12,493,700	\$11,979,900	\$0	\$11,979,900
State	9,066,900	12,405,100	11,891,300	0	11,891,300
Federal	0	0	0	0	0
Other	74,000	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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
Full-Time	104	106	129	0	129
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	104	106	129	0	129
Payroll	7,553,800	9,019,700	10,389,600	0	10,389,600
Operational	34,292,700	37,332,300	37,738,300	0	37,738,300
Total	\$41,846,500	\$46,352,000	\$48,127,900	\$0	\$48,127,900
State	11,931,100	12,262,500	12,276,900	0	12,276,900
Federal	23,608,500	26,733,400	26,733,400	0	26,733,400
Other	6,306,900	7,356,100	9,117,600	0	9,117,600

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	236	247	249	0	249
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	236	247	249	0	249
Payroll	17,660,100	22,623,500	22,917,200	0	22,917,200
Operational	83,659,600	54,134,700	54,134,700	0	54,134,700
Total	\$101,319,700	\$76,758,200	\$77,051,900	\$0	\$77,051,900
State	2,713,500	11,865,400	12,159,100	0	12,159,100
Federal	67,592,200	37,060,100	37,060,100	0	37,060,100
Other	31,014,000	27,832,700	27,832,700	0	27,832,700

343.52 Community and Medical Services

Community and Medical Services supports 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 underserved areas 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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
Full-Time	20	20	19	0	19
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	20	20	19	0	19
Payroll	940,300	1,464,400	1,390,800	0	1,390,800
Operational	17,598,600	8,812,300	6,635,000	2,000,000	8,635,000
Total	\$18,538,900	\$10,276,700	\$8,025,800	\$2,000,000	\$10,025,800
State	9,223,700	8,662,400	6,411,500	2,000,000	8,411,500
Federal	2,244,800	1,564,300	1,564,300	0	1,564,300
Other	7,070,400	50,000	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	1,453,000	1,729,700	1,737,400	0	1,737,400
Operational	110,914,300	134,207,300	134,207,300	0	134,207,300
Total	\$112,367,300	\$135,937,000	\$135,944,700	\$0	\$135,944,700
State	0	0	0	0	0
Federal	71,172,000	90,804,000	90,811,700	0	90,811,700
Other	41,195,300	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 ensure 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	1,637	1,634	1,608	0	1,608
Part-Time	3	2	2	0	2
Seasonal	0	0	0	0	0
Total	1,640	1,636	1,610	0	1,610
Payroll	109,382,000	118,889,300	118,312,000	0	118,312,000
Operational	122,284,300	115,144,300	107,642,700	500,000	108,142,700
Total	\$231,666,300	\$234,033,600	\$225,954,700	\$500,000	\$226,454,700

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
State	76,357,100	84,277,700	85,005,600	500,000	85,505,600
Federal	84,610,500	71,625,600	71,625,600	0	71,625,600
Other	70,698,700	78,130,300	69,323,500	0	69,323,500
343.00 Total Health					
Full-Time	3,023	2,923	2,923	7	2,930
Part-Time	213	212	212	0	212
Seasonal	0	0	0	0	0
Total	3,236	3,135	3,135	7	3,142
Payroll	213,388,300	226,539,900	228,422,100	480,700	228,902,800
Operational	423,420,300	421,826,400	410,137,000	2,839,300	412,976,300
Total	\$636,808,600	\$648,366,300	\$638,559,100	\$3,320,000	\$641,879,100
State	179,529,600	208,068,200	204,917,700	2,500,000	207,417,700
Federal	273,925,800	247,715,700	247,714,900	0	247,714,900
Other	183,353,200	192,582,400	185,926,500	820,000	186,746,500

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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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 and 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	233	235	235	1	236
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	233	235	235	1	236
Payroll	18,699,300	19,185,200	19,342,200	66,800	19,409,000
Operational	8,502,500	13,083,300	9,428,900	0	9,428,900
Total	\$27,201,800	\$32,268,500	\$28,771,100	\$66,800	\$28,837,900
State	1,603,500	1,937,100	1,856,200	66,800	1,923,000
Federal	0	0	0	0	0
Other	25,598,300	30,331,400	26,914,900	0	26,914,900

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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
Payroll	0	0	0	0	0
Operational	14,146,000	14,850,300	14,818,900	0	14,818,900
Total	\$14,146,000	\$14,850,300	\$14,818,900	\$0	\$14,818,900
State	10,544,700	12,757,500	12,726,100	0	12,726,100
Federal	0	0	0	0	0
Other	3,601,300	2,092,800	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	65	66	66	0	66
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	65	66	66	0	66
Payroll	4,866,300	5,118,300	5,133,700	0	5,133,700
Operational	625,000	656,900	620,500	0	620,500
Total	\$5,491,300	\$5,775,200	\$5,754,200	\$0	\$5,754,200
State	74,900	302,500	336,000	0	336,000
Federal	0	0	0	0	0
Other	5,416,400	5,472,700	5,418,200	0	5,418,200

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	125	121	119	0	119
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	125	121	119	0	119
Payroll	8,906,000	9,450,400	9,407,800	0	9,407,800
Operational	1,972,900	1,823,900	1,743,100	0	1,743,100
Total	\$10,878,900	\$11,274,300	\$11,150,900	\$0	\$11,150,900
State	409,400	1,317,200	1,321,400	0	1,321,400
Federal	0	0	0	0	0
Other	10,469,500	9,957,100	9,829,500	0	9,829,500

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	117	112	114	0	114
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	117	112	114	0	114

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
Payroll	8,028,500	8,224,400	8,347,000	0	8,347,000
Operational	3,049,700	2,597,200	2,556,200	0	2,556,200
Total	\$11,078,200	\$10,821,600	\$10,903,200	\$0	\$10,903,200
State	576,800	547,200	550,600	0	550,600
Federal	0	0	0	0	0
Other	10,501,400	10,274,400	10,352,600	0	10,352,600

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	125	119	116	0	116
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	125	119	116	0	116
Payroll	9,391,600	8,568,100	8,490,800	0	8,490,800
Operational	3,489,900	1,413,700	1,461,900	0	1,461,900
Total	\$12,881,500	\$9,981,800	\$9,952,700	\$0	\$9,952,700
State	1,691,600	536,100	540,600	0	540,600
Federal	0	0	0	0	0
Other	11,189,900	9,445,700	9,412,100	0	9,412,100

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	29	28	28	0	28
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	29	28	28	0	28
Payroll	1,958,400	2,125,400	2,144,200	0	2,144,200
Operational	1,518,600	1,378,900	1,354,600	0	1,354,600
Total	\$3,477,000	\$3,504,300	\$3,498,800	\$0	\$3,498,800
State	2,558,400	2,811,200	2,726,200	0	2,726,200
Federal	0	25,000	0	0	0
Other	918,600	668,100	772,600	0	772,600

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	225	223	223	0	223
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	225	223	223	0	223

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
Payroll	12,834,700	13,756,700	13,891,100	0	13,891,100
Operational	5,516,600	5,484,800	5,488,500	0	5,488,500
Total	\$18,351,300	\$19,241,500	\$19,379,600	\$0	\$19,379,600
State	0	35,300	35,300	0	35,300
Federal	0	0	0	0	0
Other	18,351,300	19,206,200	19,344,300	0	19,344,300

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	174	165	164	0	164
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	174	165	164	0	164
Payroll	8,623,300	9,446,100	9,490,800	0	9,490,800
Operational	5,484,200	5,094,000	5,078,000	0	5,078,000
Total	\$14,107,500	\$14,540,100	\$14,568,800	\$0	\$14,568,800
State	0	95,900	95,900	0	95,900
Federal	0	0	0	0	0
Other	14,107,500	14,444,200	14,472,900	0	14,472,900

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	254	255	257	0	257
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	254	255	257	0	257
Payroll	14,564,100	14,381,800	14,676,100	0	14,676,100
Operational	5,755,600	6,068,300	6,072,900	0	6,072,900
Total	\$20,319,700	\$20,450,100	\$20,749,000	\$0	\$20,749,000
State	0	248,400	248,400	0	248,400
Federal	0	0	0	0	0
Other	20,319,700	20,201,700	20,500,600	0	20,500,600

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.

344.15 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.

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
Full-Time	107	107	107	0	107
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	107	107	107	0	107
Payroll	3,819,800	5,088,600	5,107,000	0	5,107,000
Operational	3,435,300	2,983,900	2,980,000	0	2,980,000
Total	\$7,255,100	\$8,072,500	\$8,087,000	\$0	\$8,087,000
State	4,207,900	4,644,800	4,656,400	0	4,656,400
Federal	0	0	0	0	0
Other	3,047,200	3,427,700	3,430,600	0	3,430,600

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	232,300	250,000	250,000	0	250,000
Total	\$232,300	\$250,000	\$250,000	\$0	\$250,000
State	99,900	250,000	250,000	0	250,000
Federal	0	0	0	0	0
Other	132,400	0	0	0	0

344.00 Total Intellectual and Developmental Disabilities

Full-Time	1,454	1,431	1,429	1	1,430
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,454	1,431	1,429	1	1,430
Payroll	91,692,000	95,345,000	96,030,700	66,800	96,097,500
Operational	53,728,600	55,685,200	51,853,500	0	51,853,500
Total	\$145,420,600	\$151,030,200	\$147,884,200	\$66,800	\$147,951,000
State	21,767,100	25,483,200	25,343,100	66,800	25,409,900
Federal	0	25,000	0	0	0
Other	123,653,500	125,522,000	122,541,100	0	122,541,100

Statistical Data Intellectual and Developmental Disabilities

	Developmental Centers			Community Homes			
	CBDC 344.11*	GVDC 344.12	Total**	WTCH 344.40	MTCH 344.41	ETCH 344.42	Total**
Annual Admissions							
2012-2013	0	0	0	4	0	4	8
2013-2014	0	0	0	8	11	0	19
2014-2015	18	0	18	2	6	13	21
2015-2016	9	0	9	4	21	3	28
2016-2017	12	0	12	1	2	4	7
2017-2018	10	0	10	1	2	3	6
2018-2019	0	0	0	1	2	1	4
2019-2020	0	0	0	0	0	0	0
Annual Releases							
2012-2013	0	0	0	5	0	4	9
2013-2014	14	0	14	4	0	0	4
2014-2015	12	27	39	3	1	2	6
2015-2016	26	21	47	3	1	3	7
2016-2017	13	60	73	1	3	3	7
2017-2018	0	0	0	2	2	5	9
2018-2019	0	0	0	0	1	0	1
2019-2020	0	0	0	0	0	0	0
Average Daily Census							
2012-2013	47	135	182	46	0	50	96
2013-2014	43	120	163	46	2	52	100
2014-2015	36	106	142	47	15	58	120
2015-2016	25	72	97	48	31	63	142
2016-2017	14	46	60	48	36	64	148
2017-2018	24	0	24	47	35	63	145
2018-2019	24	0	24	48	36	64	148
2019-2020	24	0	24	48	36	64	148
Cost Per Occupancy Day							
2012-2013	\$1,525.36	\$1,019.12	\$1,149.85	\$1,115.18	\$0.00	\$812.71	\$957.64
2013-2014	\$1,677.22	\$1,151.38	\$1,290.10	\$1,112.27	\$1,105.21	\$793.75	\$946.50
2014-2015	\$1,520.56	\$1,206.14	\$1,285.85	\$1,067.53	\$1,035.67	\$744.86	\$907.59
2015-2016	\$1,028.90	\$1,432.90	\$1,328.78	\$965.81	\$1,044.79	\$723.93	\$875.74
2016-2017	\$1,285.93	\$1,767.29	\$1,654.97	\$960.04	\$1,033.04	\$765.60	\$893.72
2017-2018	\$828.21	\$0.00	\$828.21	\$1,069.73	\$1,104.31	\$883.66	\$997.23
2018-2019	\$921.52	\$0.00	\$921.52	\$1,098.26	\$1,106.55	\$875.43	\$1,003.92
2019-2020	\$920.65	\$0.00	\$920.65	\$1,103.12	\$1,105.71	\$885.80	\$1,009.77

CBDC: Clover Bottom Developmental Center
 GVDC: Greene Valley Developmental Center
 WTCH: West Tennessee Community Homes

MTCH: Middle Tennessee Community Homes
 ETCH: East Tennessee Community Homes

*Clover Bottom data includes the Harold Jordan Center.

**Total columns indicate average cost per day for all institutions and 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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	422	404	405	0	405
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	422	404	405	0	405
Payroll	27,900,100	32,264,800	32,566,100	0	32,566,100
Operational	53,926,100	54,467,400	54,624,000	42,500,000	97,124,000
Total	\$81,826,200	\$86,732,200	\$87,190,100	\$42,500,000	\$129,690,100
State	32,396,400	36,845,700	37,080,600	0	37,080,600
Federal	44,721,800	45,002,300	45,210,500	42,500,000	87,710,500
Other	4,708,000	4,884,200	4,899,000	0	4,899,000

345.17 County Rentals

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

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	16,605,000	16,599,000	16,599,000	0	16,599,000
Total	\$16,605,000	\$16,599,000	\$16,599,000	\$0	\$16,599,000
State	7,808,800	8,010,000	8,010,000	0	8,010,000
Federal	8,059,600	7,842,300	7,842,300	0	7,842,300
Other	736,600	746,700	746,700	0	746,700

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
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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	121	112	112	0	112
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	121	112	112	0	112
Payroll	8,639,300	9,623,900	9,684,500	0	9,684,500
Operational	641,300	1,402,100	1,402,100	0	1,402,100
Total	\$9,280,600	\$11,026,000	\$11,086,600	\$0	\$11,086,600
State	4,254,800	5,381,500	5,424,500	0	5,424,500
Federal	5,025,800	5,623,800	5,662,100	0	5,662,100
Other	0	20,700	0	0	0

Adult and Family Services

Adult and Family Services includes Child Care Benefits, Temporary Cash Assistance, SNAP, Family Assistance Services, and Community Services.

345.20 Child Care Benefits

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

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	94,499,300	178,795,600	178,795,600	0	178,795,600
Total	\$94,499,300	\$178,795,600	\$178,795,600	\$0	\$178,795,600
State	4,709,400	19,307,200	17,307,200	0	17,307,200
Federal	83,632,500	153,088,400	155,088,400	0	155,088,400
Other	6,157,400	6,400,000	6,400,000	0	6,400,000

345.23 Temporary Cash Assistance

The Temporary Cash Assistance program provides cash payments to low-income families to enable them to become self-sufficient through Families First, the state's Temporary Assistance to Needy Families (TANF) program. 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

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
Payroll	0	0	0	0	0
Operational	48,778,200	112,965,500	112,965,500	0	112,965,500
Total	\$48,778,200	\$112,965,500	\$112,965,500	\$0	\$112,965,500
State	12,261,600	13,968,900	13,968,900	0	13,968,900
Federal	36,516,600	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. The goal of the program is to eliminate hunger and reduce the incidence of food insecurity. 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	1,475,866,900	1,909,112,700	1,709,112,700	0	1,709,112,700
Total	\$1,475,866,900	\$1,909,112,700	\$1,709,112,700	\$0	\$1,709,112,700
State	0	0	0	0	0
Federal	1,475,866,900	1,909,112,700	1,709,112,700	0	1,709,112,700
Other	0	0	0	0	0

345.30 Family Assistance Services

The Family Assistance Services program provides eligibility determination for 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	2,085	2,084	2,083	0	2,083
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2,085	2,084	2,083	0	2,083
Payroll	104,390,900	114,730,300	115,970,100	0	115,970,100
Operational	43,399,600	70,375,400	65,880,000	0	65,880,000
Total	\$147,790,500	\$185,105,700	\$181,850,100	\$0	\$181,850,100
State	61,697,600	78,435,900	72,773,300	0	72,773,300
Federal	83,303,200	102,866,800	105,247,300	0	105,247,300
Other	2,789,700	3,803,000	3,829,500	0	3,829,500

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
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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	433	440	440	0	440
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	433	440	440	0	440
Payroll	23,437,800	26,792,100	27,552,200	0	27,552,200
Operational	123,392,800	117,756,200	124,756,200	0	124,756,200
Total	\$146,830,600	\$144,548,300	\$152,308,400	\$0	\$152,308,400
State	7,905,100	8,195,200	10,447,500	0	10,447,500
Federal	135,835,200	131,399,700	136,899,700	0	136,899,700
Other	3,090,300	4,953,400	4,961,200	0	4,961,200

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 Conference budget with funding from this program.

Full-Time	101	98	98	0	98
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	101	98	98	0	98
Payroll	6,581,600	7,164,100	7,235,400	0	7,235,400
Operational	77,292,900	83,026,800	83,300,500	195,900	83,496,400
Total	\$83,874,500	\$90,190,900	\$90,535,900	\$195,900	\$90,731,800
State	14,937,400	14,806,200	16,923,700	66,600	16,990,300
Federal	42,842,100	49,174,900	47,402,400	129,300	47,531,700
Other	26,095,000	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.

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
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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	606	552	552	0	552
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	606	552	552	0	552
Payroll	26,074,400	33,475,800	33,155,800	0	33,155,800
Operational	35,983,200	43,562,400	45,562,400	0	45,562,400
Total	\$62,057,600	\$77,038,200	\$78,718,200	\$0	\$78,718,200
State	9,201,600	11,460,400	13,515,500	0	13,515,500
Federal	46,068,300	58,214,400	57,839,300	0	57,839,300
Other	6,787,700	7,363,400	7,363,400	0	7,363,400

345.71 Disability Determination

The Disability Determination program, in partnership with the U.S. Social Security Administration, ascertains whether an individual is qualified for disability insurance benefits or Supplemental Security Income benefits from the U.S. Social Security Administration.

Full-Time	483	481	481	0	481
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	483	481	481	0	481
Payroll	23,941,400	30,679,200	30,881,100	0	30,881,100
Operational	23,453,500	34,633,400	34,633,400	0	34,633,400
Total	\$47,394,900	\$65,312,600	\$65,514,500	\$0	\$65,514,500
State	3,200	0	0	0	0
Federal	47,391,700	65,312,600	65,514,500	0	65,514,500
Other	0	0	0	0	0

345.00 Total Human Services

Full-Time	4,251	4,171	4,171	0	4,171
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	4,251	4,171	4,171	0	4,171
Payroll	220,965,500	254,730,200	257,045,200	0	257,045,200
Operational	1,993,838,800	2,622,696,500	2,427,631,400	42,695,900	2,470,327,300
Total	\$2,214,804,300	\$2,877,426,700	\$2,684,676,600	\$42,695,900	\$2,727,372,500
State	155,175,900	196,411,000	195,451,200	66,600	195,517,800
Federal	2,009,263,700	2,626,534,500	2,434,715,800	42,629,300	2,477,345,100
Other	50,364,700	54,481,200	54,509,600	0	54,509,600

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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	5	4	4	0	4
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	5	4	4	0	4
Payroll	772,900	650,300	652,600	0	652,600
Operational	6,464,900	7,722,500	7,722,500	0	7,722,500
Total	\$7,237,800	\$8,372,800	\$8,375,100	\$0	\$8,375,100
State	545,700	499,400	499,600	0	499,600
Federal	6,462,700	7,626,200	7,628,300	0	7,628,300
Other	229,400	247,200	247,200	0	247,200

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	188,481,000	213,814,700	213,814,700	0	213,814,700
Total	\$188,481,000	\$213,814,700	\$213,814,700	\$0	\$213,814,700
State	1,102,200	10,791,300	29,980,100	713,400	30,693,500
Federal	181,573,700	202,161,500	182,972,700	(713,400)	182,259,300
Other	5,805,100	861,900	861,900	0	861,900

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	8,678,700	11,154,600	11,154,600	0	11,154,600
Total	\$8,678,700	\$11,154,600	\$11,154,600	\$0	\$11,154,600
State	7,168,300	9,554,600	9,554,600	0	9,554,600
Federal	0	0	0	0	0
Other	1,510,400	1,600,000	1,600,000	0	1,600,000
350.00 Total Finance and Administration, Strategic Health-Care Programs					
Full-Time	5	4	4	0	4
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	5	4	4	0	4
Payroll	772,900	650,300	652,600	0	652,600
Operational	203,624,600	232,691,800	232,691,800	0	232,691,800
Total	\$204,397,500	\$233,342,100	\$233,344,400	\$0	\$233,344,400
State	8,816,200	20,845,300	40,034,300	713,400	40,747,700
Federal	188,036,400	209,787,700	190,601,000	(713,400)	189,887,600
Other	7,544,900	2,709,100	2,709,100	0	2,709,100

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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
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Administration

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	354	309	304	0	304
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	354	309	304	0	304
Payroll	31,926,700	27,576,100	27,495,100	0	27,495,100
Operational	23,065,700	40,044,600	39,101,200	0	39,101,200
Total	\$54,992,400	\$67,620,700	\$66,596,300	\$0	\$66,596,300
State	33,246,700	40,401,200	39,499,300	0	39,499,300
Federal	5,069,100	7,042,500	7,021,100	0	7,021,100
Other	16,676,600	20,177,000	20,075,900	0	20,075,900

Child Welfare

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

359.20 Family Support Services

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

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

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
Payroll	0	0	0	0	0
Operational	40,240,300	41,817,200	41,642,200	5,529,000	47,171,200
Total	\$40,240,300	\$41,817,200	\$41,642,200	\$5,529,000	\$47,171,200
State	27,331,200	27,085,000	26,910,000	3,517,400	30,427,400
Federal	6,345,800	12,232,200	12,232,200	0	12,232,200
Other	6,563,300	2,500,000	2,500,000	2,011,600	4,511,600

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 in 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	372,299,600	384,236,000	316,418,500	69,303,200	385,721,700
Total	\$372,299,600	\$384,251,000	\$316,433,500	\$69,303,200	\$385,736,700
State	81,543,900	90,154,200	85,751,400	20,477,800	106,229,200
Federal	80,247,300	73,113,600	57,314,600	825,400	58,140,000
Other	210,508,400	220,983,200	173,367,500	48,000,000	221,367,500

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	5,129,200	4,119,700	4,119,700	0	4,119,700
Total	\$5,129,200	\$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	1,009,500	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.

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	15,000	15,000	0	15,000
Operational	105,265,800	105,813,700	105,813,700	3,976,100	109,789,800
Total	\$105,265,800	\$105,828,700	\$105,828,700	\$3,976,100	\$109,804,800
State	49,013,100	51,789,100	51,789,100	1,968,400	53,757,500
Federal	56,252,700	53,963,100	53,963,100	2,007,700	55,970,800
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	3,389	3,367	3,360	0	3,360
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	3,389	3,367	3,360	0	3,360
Payroll	221,648,500	222,744,000	224,625,700	0	224,625,700
Operational	51,976,400	50,384,300	49,410,800	0	49,410,800
Total	\$273,624,900	\$273,128,300	\$274,036,500	\$0	\$274,036,500
State	98,575,600	98,509,500	99,315,200	0	99,315,200
Federal	23,813,800	31,208,200	47,382,500	(16,000,000)	31,382,500
Other	151,235,500	143,410,600	127,338,800	16,000,000	143,338,800

Juvenile Justice

The department operates two 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.

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
Full-Time	199	239	239	0	239
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	200	240	240	0	240
Payroll	11,539,500	13,075,000	13,757,000	11,800	13,768,800
Operational	3,279,800	3,809,100	4,260,900	0	4,260,900
Total	\$14,819,300	\$16,884,100	\$18,017,900	\$11,800	\$18,029,700
State	14,429,000	16,483,300	17,617,100	11,800	17,628,900
Federal	0	0	0	0	0
Other	390,300	400,800	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	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	93	0	0	0	0
Payroll	5,347,300	1,424,600	0	0	0
Operational	1,684,100	370,400	0	0	0
Total	\$7,031,400	\$1,795,000	\$0	\$0	\$0
State	6,863,900	1,767,300	0	0	0
Federal	0	0	0	0	0
Other	167,500	27,700	0	0	0

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	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	319,100	0	0	0	0
Operational	348,300	0	0	0	0
Total	\$667,400	\$0	\$0	\$0	\$0
State	667,000	0	0	0	0
Federal	0	0	0	0	0
Other	400	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.

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	378,200	385,100	385,100	0	385,100
Total	\$378,200	\$385,100	\$385,100	\$0	\$385,100
State	370,100	370,100	370,100	0	370,100
Federal	0	0	0	0	0
Other	8,100	15,000	15,000	0	15,000
359.00 Total Children's Services					
Full-Time	4,035	3,915	3,903	0	3,903
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	4,036	3,916	3,904	0	3,904
Payroll	270,781,100	264,849,700	265,907,800	11,800	265,919,600
Operational	603,667,400	630,980,100	561,152,100	78,808,300	639,960,400
Total	\$874,448,500	\$895,829,800	\$827,059,900	\$78,820,100	\$905,880,000
State	316,160,200	330,679,400	325,371,900	25,975,400	351,347,300
Federal	171,728,700	177,559,600	177,913,500	(13,166,900)	164,746,600
Other	386,559,600	387,590,800	323,774,500	66,011,600	389,786,100

Statistical Data Youth Development Centers

	Wilder 359.60	Woodland Hills 359.62	Mountain View 359.63	Total
Annual Admissions				
2012-2013	185	147	182	514
2013-2014	160	147	182	489
2014-2015	148	57	105	310
2015-2016	160	38	135	333
2016-2017	156	32	112	300
2017-2018	156	32	0	188
2018-2019	156	0	0	156
2019-2020	156	0	0	156
Annual Releases				
2012-2013	151	167	173	491
2013-2014	151	167	173	491
2014-2015	144	101	143	388
2015-2016	150	57	155	362
2016-2017	152	36	102	290
2017-2018	152	36	0	188
2018-2019	152	0	0	152
2019-2020	152	0	0	152
Average Daily Census				
2012-2013	133	118	112	363
2013-2014	135	118	112	365
2014-2015	132	58	88	278
2015-2016	133	38	76	247
2016-2017	116	30	40	186
2017-2018	116	40	0	156
2018-2019	116	0	0	116
2019-2020	120	0	0	120
Cost Per Occupancy Day *				
2012-2013	\$263.55	\$266.89	\$294.65	\$294.72
2013-2014	\$264.71	\$323.86	\$298.34	\$294.15
2014-2015	\$290.76	\$592.91	\$386.79	\$384.19
2015-2016	\$266.10	\$551.33	\$396.58	\$350.13
2016-2017	\$322.53	\$670.45	\$602.63	\$438.88
2017-2018	\$350.01	\$481.60	\$0.00	\$383.75
2018-2019	\$398.77	\$0.00	\$0.00	\$398.77
2019-2020	\$410.51	\$0.00	\$0.00	\$410.51

* 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 2019 – 2020

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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Recommended 2019-2020</u>
Personnel			
Full-Time	12,020	12,127	12,179
Part-Time	98	96	101
Seasonal	0	0	0
TOTAL	12,118	12,223	12,280
Expenditures			
Payroll	\$ 851,161,200	\$ 928,745,300	\$ 960,411,500
Operational	955,579,300	995,431,700	1,003,250,400
TOTAL	\$ 1,806,740,500	\$ 1,924,177,000	\$ 1,963,661,900
Funding			
State	\$ 1,500,031,100	\$ 1,598,766,400	\$ 1,642,918,000
Federal	109,835,900	130,725,000	131,644,400
Other	196,873,500	194,685,600	189,099,500
Tuition/Fees	0	0	0

Law, Safety, and Correction
Recommended Budget for Fiscal Year 2019-2020
By Funding Source

Department	State	Federal	Other	Total
302.00 Court System	149,228,500	980,000	6,146,000	156,354,500
303.00 Attorney General and Reporter	31,826,300	0	13,569,500	45,395,800
304.00 District Attorneys General Conference	100,638,900	0	40,485,800	141,124,700
306.00 District Public Defenders Conference	61,888,400	0	576,000	62,464,400
308.00 Office of the Post-Conviction Defender	2,711,000	0	0	2,711,000
316.03 Alcoholic Beverage Commission	0	27,000	9,176,300	9,203,300
316.08 TRICOR	0	0	29,550,000	29,550,000
324.00 Board of Parole	8,462,900	0	1,000	8,463,900
329.00 Correction	1,049,982,200	801,900	16,362,900	1,067,147,000
341.00 Military Department	18,053,000	87,180,200	4,059,700	109,292,900
348.00 Tennessee Bureau of Investigation	53,654,800	11,909,700	20,362,600	85,927,100
349.00 Safety	166,472,000	30,745,600	48,809,700	246,027,300
Total	\$1,642,918,000	\$131,644,400	\$189,099,500	\$1,963,661,900

Law, Safety, and Correction
Cost Increases for Fiscal Year 2019-2020

	<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, 2019.					
302.01 Appellate and Trial Courts	\$1,004,500	\$0	\$0	\$1,004,500	0
Sub-total	\$1,004,500	\$0	\$0	\$1,004,500	0
• Women's Statewide Residential Recovery Court					
To provide recurring funding for a judge and legal secretary to preside over a women's statewide residential recovery court. Funding for the operational expenses of the court are included in the Department of Mental Health and Substance Abuse Services's budget.					
302.01 Appellate and Trial Courts	\$285,000	\$0	\$0	\$285,000	2
Sub-total	\$285,000	\$0	\$0	\$285,000	2
Total Court System	\$1,289,500	\$0	\$0	\$1,289,500	2

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	\$5,900	\$0	\$0	\$5,900	0
Sub-total	\$5,900	\$0	\$0	\$5,900	0
• Operational Support					
To provide recurring funding to the Attorney General and Reporter to offset decrease in agency billings.					
303.01 Attorney General and Reporter	\$300,000	\$0	\$0	\$300,000	0
Sub-total	\$300,000	\$0	\$0	\$300,000	0
Total Attorney General and Reporter	\$305,900	\$0	\$0	\$305,900	0

Law, Safety, and Correction
Cost Increases for Fiscal Year 2019-2020

	<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	\$1,393,600	\$0	\$177,000	\$1,570,600	0
304.10 Executive Director	\$0	\$0	\$4,300	\$4,300	0
304.15 IV-D Child Support Enforcement	\$0	\$0	\$129,000	\$129,000	0
Sub-total	<u>\$1,393,600</u>	<u>\$0</u>	<u>\$310,300</u>	<u>\$1,703,900</u>	<u>0</u>
• Service Credit Reinstatement					
To provide recurring funding for the reinstatement of a service credit that was suspended in fiscal year 2009-2010 for eligible assistant district attorneys and criminal investigators.					
304.01 District Attorneys General	\$466,400	\$0	\$0	\$466,400	0
304.15 IV-D Child Support Enforcement	\$0	\$0	\$66,900	\$66,900	0
Sub-total	<u>\$466,400</u>	<u>\$0</u>	<u>\$66,900</u>	<u>\$533,300</u>	<u>0</u>
Total District Attorneys General Conference	<u>\$1,860,000</u>	<u>\$0</u>	<u>\$377,200</u>	<u>\$2,237,200</u>	<u>0</u>

District Public Defenders Conference

• Statutory Salary Step Raises					
To provide recurring funding for the assistant district public defenders' and criminal investigators' salary increases required by TCA 8-14-107. These step raises are based on employees' service anniversary dates.					
306.01 District Public Defenders	\$744,700	\$0	\$0	\$744,700	0
Sub-total	<u>\$744,700</u>	<u>\$0</u>	<u>\$0</u>	<u>\$744,700</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	\$130,700	\$0	\$0	\$130,700	0
306.12 Davidson County Public Defender	\$57,100	\$0	\$0	\$57,100	0
Sub-total	<u>\$187,800</u>	<u>\$0</u>	<u>\$0</u>	<u>\$187,800</u>	<u>0</u>

Law, Safety, and Correction

Cost Increases for Fiscal Year 2019-2020

	State	Federal	Other	Total	Positions
• Service Credit Reinstatement					
To provide recurring funding for the reinstatement of a service credit that was suspended in fiscal year 2009-2010 for eligible assistant public defenders and criminal investigators.					
306.01 District Public Defenders	\$236,100	\$0	\$0	\$236,100	0
Sub-total	\$236,100	\$0	\$0	\$236,100	0
• Appellate Division					
To provide funding and position authorization to establish an appellate division within the District Public Defenders Conference. Of the total cost, the amount of \$55,800 is non-recurring and \$674,300 is recurring.					
306.01 District Public Defenders	\$730,100	\$0	\$0	\$730,100	8
Sub-total	\$730,100	\$0	\$0	\$730,100	8
Total District Public Defenders Conference	\$1,898,700	\$0	\$0	\$1,898,700	8

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	\$33,000	\$0	\$0	\$33,000	0
Sub-total	\$33,000	\$0	\$0	\$33,000	0
Total Office of the Post-Conviction Defender	\$33,000	\$0	\$0	\$33,000	0

Correction

• Salary Increases for the Correctional Officer Series					
To provide recurring funding for starting salary increases for the correctional officer series.					
329.01 Administration	\$15,600,000	\$0	\$0	\$15,600,000	0
Sub-total	\$15,600,000	\$0	\$0	\$15,600,000	0
• Correctional Education Investment					
To provide funding for personnel and equipment that will be utilized in the implementation of the Correctional Education Investment initiative. Recurring funding in the amount of \$150,000 will be used for personnel. Non-recurring funding in the amount of \$1,350,00 will be used for equipment.					
329.01 Administration	\$1,500,000	\$0	\$0	\$1,500,000	2
Sub-total	\$1,500,000	\$0	\$0	\$1,500,000	2

Law, Safety, and Correction

Cost Increases for Fiscal Year 2019-2020

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<ul style="list-style-type: none"> Tennessee Higher Education Initiative To provide non-recurring funding to the Tennessee Higher Education Initiative, to be used for programs and services that provide access to on-site, degree-bearing higher education for individuals in Tennessee prisons, as part of the Correctional Education Investment initiative. This appropriation is in addition to \$250,000 recurring that is already in the department's base. 					
329.01 Administration	\$250,000	\$0	\$0	\$250,000	0
Sub-total	\$250,000	\$0	\$0	\$250,000	0
<ul style="list-style-type: none"> Fentanyl Classification To provide recurring funding to adjust the penalty schedule for fentanyl and its derivatives, increasing the penalties to align with those for heroin. 					
329.99 Sentencing Act of 1985	\$1,000,000	\$0	\$0	\$1,000,000	0
Sub-total	\$1,000,000	\$0	\$0	\$1,000,000	0
<ul style="list-style-type: none"> Sentencing and Reform Commission To provide non-recurring funding for the creation of a commission to develop recommendations and a comprehensive strategy to reform the state's sentencing laws. 					
329.01 Administration	\$300,000	\$0	\$0	\$300,000	0
Sub-total	\$300,000	\$0	\$0	\$300,000	0
<ul style="list-style-type: none"> Caseload Management Personnel To provide funding for 40 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 \$250,000 is non-recurring and \$2,170,500 is recurring. 					
329.51 Probation and Parole Field Supervision	\$2,420,500	\$0	\$0	\$2,420,500	40
Sub-total	\$2,420,500	\$0	\$0	\$2,420,500	40

Law, Safety, and Correction

Cost Increases for Fiscal Year 2019-2020

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>	
• Medical Contract Inflator						
To provide recurring funding for the medical contract annual inflator.						
329.13	Tennessee Prison for Women	\$971,500	\$0	\$0	\$971,500	0
329.14	Turney Center Industrial Complex	\$87,000	\$0	\$0	\$87,000	0
329.16	Mark Luttrell Transition Center	\$1,474,200	\$0	\$0	\$1,474,200	0
329.21	Hardeman County Incarceration Agreement	\$68,400	\$0	\$0	\$68,400	0
329.22	Hardeman County Agreement - Whiteville	\$33,800	\$0	\$0	\$33,800	0
329.23	Trousdale County Incarceration Agreement	\$173,200	\$0	\$0	\$173,200	0
329.41	West Tennessee State Penitentiary	\$2,666,900	\$0	\$0	\$2,666,900	0
329.44	South Central Correctional Facility	\$95,500	\$0	\$0	\$95,500	0
Sub-total		\$5,570,500	\$0	\$0	\$5,570,500	0
• Pharmaceuticals						
To provide recurring funding for increased pharmaceutical costs.						
329.06	Correction Academy	\$900	\$0	\$0	\$900	0
329.14	Turney Center Industrial Complex	\$539,900	\$0	\$0	\$539,900	0
329.18	Bledsoe County Correctional Complex	\$833,400	\$0	\$0	\$833,400	0
329.28	Correction Release Centers	\$3,600	\$0	\$0	\$3,600	0
329.41	West Tennessee State Penitentiary	\$310,000	\$0	\$0	\$310,000	0
329.42	Riverbend Maximum Security Institution	\$218,900	\$0	\$0	\$218,900	0
329.43	Northeast Correctional Complex	\$570,800	\$0	\$0	\$570,800	0
329.45	Northwest Correctional Complex	\$1,543,300	\$0	\$0	\$1,543,300	0
329.46	Lois M. DeBerry Special Needs Facility	\$370,000	\$0	\$0	\$370,000	0
329.47	Morgan County Correctional Complex	\$959,200	\$0	\$0	\$959,200	0
Sub-total		\$5,350,000	\$0	\$0	\$5,350,000	0

Law, Safety, and Correction
Cost Increases for Fiscal Year 2019-2020

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>	
• Contract Inflatos						
To provide recurring funding for the Hardeman County Incarceration Agreement contract inflator (\$492,400), Hardeman County Agreement – Whiteville contract inflator (\$875,800), Trousdale County Incarceration Agreement contract inflator (\$1,436,600), and the South Central Correctional Facility contract inflator (\$691,100).						
329.21	Hardeman County Incarceration Agreement	\$492,400	\$0	\$0	\$492,400	0
329.22	Hardeman County Agreement - Whiteville	\$875,800	\$0	\$0	\$875,800	0
329.23	Trousdale County Incarceration Agreement	\$1,436,600	\$0	\$0	\$1,436,600	0
329.44	South Central Correctional Facility	\$691,100	\$0	\$0	\$691,100	0
Sub-total		\$3,495,900	\$0	\$0	\$3,495,900	0
• Hepatitis C Treatment Standards						
To provide recurring funding for updated Hepatitis C treatment standards.						
329.46	Lois M. DeBerry Special Needs Facility	\$2,000,000	\$0	\$0	\$2,000,000	0
Sub-total		\$2,000,000	\$0	\$0	\$2,000,000	0
• Water and Waste Water Treatment Contract						
To provide recurring funding to contract out water and waste water treatment operations at Turney Center Industrial Complex and West Tennessee State Penitentiary.						
329.14	Turney Center Industrial Complex	\$506,700	\$0	\$0	\$506,700	0
329.41	West Tennessee State Penitentiary	\$379,700	\$0	\$0	\$379,700	0
Sub-total		\$886,400	\$0	\$0	\$886,400	0

Law, Safety, and Correction

Cost Increases for Fiscal Year 2019-2020

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Commissary Items for Resale					
To provide recurring funding and a position authorization for a storekeeper to keep up with increased sales at the commissaries at Turney Center Industrial Complex, West Tennessee State Penitentiary, Riverbend Maximum Security Institution, Northeast Correctional Complex, and Northwest Correctional Complex.					
329.14 Turney Center Industrial Complex	\$0	\$0	\$450,000	\$450,000	1
329.41 West Tennessee State Penitentiary	\$0	\$0	\$375,000	\$375,000	0
329.42 Riverbend Maximum Security Institution	\$0	\$0	\$200,000	\$200,000	0
329.43 Northeast Correctional Complex	\$0	\$0	\$170,000	\$170,000	0
329.45 Northwest Correctional Complex	\$0	\$0	\$100,000	\$100,000	0
Sub-total	\$0	\$0	\$1,295,000	\$1,295,000	1
Total Correction	\$38,373,300	\$0	\$1,295,000	\$39,668,300	43

Tennessee Bureau of Investigation

• Expungement Fees

To provide recurring funding for the elimination of the state portion of expungement fees. This is a change in funding source from dedicated state to general fund state dollars in the amount of \$2,763,000.

348.00 Tennessee Bureau of Investigation	\$0	\$0	\$0	\$0	0
Sub-total	\$0	\$0	\$0	\$0	0

• Medicaid Fraud Control Unit

To provide funding for 24 additional special agent positions in the Medicaid Fraud Control Unit. Of the total cost, the amount of \$2,052,100 is non-recurring and \$2,997,300 is recurring.

348.00 Tennessee Bureau of Investigation	\$1,260,000	\$3,789,400	\$0	\$5,049,400	24
Sub-total	\$1,260,000	\$3,789,400	\$0	\$5,049,400	24

• Nurse Consultant Positions

To provide recurring funding and position authorizations for two nurse consultant positions to assist in the prosecution of medicaid fraud cases. Matching state funding will be provided by the Attorney General's Office.

348.00 Tennessee Bureau of Investigation	\$0	\$172,300	\$57,500	\$229,800	2
Sub-total	\$0	\$172,300	\$57,500	\$229,800	2

Law, Safety, and Correction
Cost Increases for Fiscal Year 2019-2020

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Overdose Death and Violent Crime Task Forces					
To provide additional recurring funding for the Overdose Death and Violent Crime Task Forces.					
348.00 Tennessee Bureau of Investigation	\$500,000	\$0	\$0	\$500,000	0
Sub-total	\$500,000	\$0	\$0	\$500,000	0
• Operational Increase					
To provide recurring state dollars to keep total funding at the existing level after revenue estimates were decreased to better represent actual collections. A related supplemental for fiscal year 2018-2019 has been recommended.					
348.00 Tennessee Bureau of Investigation	\$2,433,400	\$0	\$0	\$2,433,400	0
Sub-total	\$2,433,400	\$0	\$0	\$2,433,400	0
• Tennessee Dangerous Drugs Task Force Positions					
To provide position authorizations for five part-time drivers in the Tennessee Dangerous Drugs Task Force for which funding already exists.					
348.00 Tennessee Bureau of Investigation	\$0	\$0	\$0	\$0	5
Sub-total	\$0	\$0	\$0	\$0	5
Total Tennessee Bureau of Investigation	\$4,193,400	\$3,961,700	\$57,500	\$8,212,600	31

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, 2019.					
349.03 Highway Patrol	\$1,160,600	\$0	\$0	\$1,160,600	0
Sub-total	\$1,160,600	\$0	\$0	\$1,160,600	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, 2019. The survey averages the current compensation levels of commissioned officers in the eight adjacent states.					
349.03 Highway Patrol	\$1,426,800	\$0	\$0	\$1,426,800	0
Sub-total	\$1,426,800	\$0	\$0	\$1,426,800	0

Law, Safety, and Correction
Cost Increases for Fiscal Year 2019-2020

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Statewide Communications System Maintenance					
To provide recurring funding for maintenance and security upgrades for the statewide radio network as required by the Federal Communications Commission regulations.					
349.16 Communications	\$1,551,800	\$0	\$0	\$1,551,800	0
Sub-total	\$1,551,800	\$0	\$0	\$1,551,800	0
• TITAN Position					
To provide recurring funding for one additional position in the Tennessee Integrated Traffic Analysis Network (TITAN) unit of the Tennessee Highway Patrol.					
349.03 Highway Patrol	\$0	\$0	\$59,800	\$59,800	1
Sub-total	\$0	\$0	\$59,800	\$59,800	1
Total Safety	\$4,139,200	\$0	\$59,800	\$4,199,000	1
Total Law, Safety, and Correction	\$52,093,000	\$3,961,700	\$1,789,500	\$57,844,200	85

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>2017-2018</u>	<u>Estimated</u> <u>2018-2019</u>	<u>Base</u> <u>2019-2020</u>	<u>Cost Increase</u> <u>2019-2020</u>	<u>Recommended</u> <u>2019-2020</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, their law clerks and other staff. This division also includes funds for judges' travel expenses, law books, and other operational expenses.

Full-Time	433	439	439	2	441
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	433	439	439	2	441

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
Payroll	62,065,100	65,277,100	65,379,000	1,289,500	66,668,500
Operational	3,671,000	4,509,900	2,392,500	0	2,392,500
Total	\$65,736,100	\$69,787,000	\$67,771,500	\$1,289,500	\$69,061,000
State	65,654,100	69,759,700	67,744,200	1,289,500	69,033,700
Federal	0	0	0	0	0
Other	82,000	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	2,432,100	2,627,600	2,648,100	0	2,648,100
Operational	171,300	278,900	278,900	0	278,900
Total	\$2,603,400	\$2,906,500	\$2,927,000	\$0	\$2,927,000
State	888,900	935,300	942,300	0	942,300
Federal	0	0	0	0	0
Other	1,714,500	1,971,200	1,984,700	0	1,984,700

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	6,291,300	6,047,500	6,047,500	0	6,047,500
Total	\$6,291,300	\$6,047,500	\$6,047,500	\$0	\$6,047,500
State	6,291,300	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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
Payroll	0	0	0	0	0
Operational	30,364,900	40,212,000	40,212,000	0	40,212,000
Total	\$30,364,900	\$40,212,000	\$40,212,000	\$0	\$40,212,000
State	30,143,300	40,207,000	40,207,000	0	40,207,000
Federal	0	0	0	0	0
Other	221,600	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	3,853,600	3,327,900	3,327,900	0	3,327,900
Total	\$3,853,600	\$3,327,900	\$3,327,900	\$0	\$3,327,900
State	3,853,600	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	1,680,700	3,102,100	3,111,500	0	3,111,500
Operational	1,759,200	1,048,200	1,048,200	0	1,048,200
Total	\$3,439,900	\$4,150,300	\$4,159,700	\$0	\$4,159,700
State	3,439,900	4,150,300	4,159,700	0	4,159,700
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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
Payroll	74,600	79,100	79,800	0	79,800
Operational	2,147,800	2,370,900	2,370,900	0	2,370,900
Total	\$2,222,400	\$2,450,000	\$2,450,700	\$0	\$2,450,700
State	2,222,400	2,450,000	2,450,700	0	2,450,700
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	117,400	127,300	127,300	0	127,300
Total	\$117,400	\$127,300	\$127,300	\$0	\$127,300
State	60,200	60,300	60,300	0	60,300
Federal	0	0	0	0	0
Other	57,200	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	7,114,500	7,793,000	7,847,900	0	7,847,900
Operational	8,564,600	6,207,200	5,954,800	0	5,954,800
Total	\$15,679,100	\$14,000,200	\$13,802,700	\$0	\$13,802,700
State	13,856,200	11,484,100	11,539,000	0	11,539,000
Federal	900,000	980,000	980,000	0	980,000
Other	922,900	1,536,100	1,283,700	0	1,283,700

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	523,400	775,300	780,800	0	780,800
Operational	2,578,300	2,553,400	2,553,400	0	2,553,400
Total	\$3,101,700	\$3,328,700	\$3,334,200	\$0	\$3,334,200
State	2,408,400	2,715,700	2,721,200	0	2,721,200
Federal	0	0	0	0	0
Other	693,300	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	5,300	74,500	74,500	0	74,500
Total	\$5,300	\$74,500	\$74,500	\$0	\$74,500
State	5,300	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	343,500	413,700	413,700	0	413,700
Total	\$343,500	\$413,700	\$413,700	\$0	\$413,700
State	334,900	373,700	373,700	0	373,700
Federal	0	0	0	0	0
Other	8,600	40,000	40,000	0	40,000

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	506,000	911,700	911,700	0	911,700
Total	\$506,000	\$911,700	\$911,700	\$0	\$911,700
State	262,500	413,500	413,500	0	413,500
Federal	0	0	0	0	0
Other	243,500	498,200	498,200	0	498,200

302.22 State Court Clerks' Conference

The State Court Clerks' Conference provides education and legal updates to the clerks, as required by law.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	128,300	260,100	260,100	0	260,100
Total	\$128,300	\$260,100	\$260,100	\$0	\$260,100
State	128,300	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	2,064,200	2,290,400	2,313,000	0	2,313,000
Operational	249,800	297,000	297,000	0	297,000
Total	\$2,314,000	\$2,587,400	\$2,610,000	\$0	\$2,610,000

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
State	846,000	960,300	982,900	0	982,900
Federal	0	0	0	0	0
Other	1,468,000	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	659,600	627,300	635,800	0	635,800
Operational	353,700	370,200	370,200	0	370,200
Total	\$1,013,300	\$997,500	\$1,006,000	\$0	\$1,006,000
State	898,600	997,500	1,006,000	0	1,006,000
Federal	0	0	0	0	0
Other	114,700	0	0	0	0

302.40 Board of Professional Responsibility

The Board of Professional Responsibility reviews and investigates allegations of attorney misconduct and imposes disciplinary action on those who violate professional standards. Also, the board publishes ethics opinions, conducts seminars, and operates an ethics hotline for attorneys. The board is funded from a dedicated annual registration fee set by Supreme Court Rule and paid by each attorney.

Full-Time	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	2,892,600	2,836,600	2,859,000	0	2,859,000
Operational	1,078,500	1,071,100	1,071,100	0	1,071,100
Total	\$3,971,100	\$3,907,700	\$3,930,100	\$0	\$3,930,100
State	3,689,700	3,907,700	3,930,100	0	3,930,100
Federal	0	0	0	0	0
Other	281,400	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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	475,700	400,100	403,700	0	403,700
Operational	137,700	118,600	118,600	0	118,600
Total	\$613,400	\$518,700	\$522,300	\$0	\$522,300
State	488,700	518,700	522,300	0	522,300
Federal	0	0	0	0	0
Other	124,700	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	537,000	560,100	565,400	0	565,400
Operational	433,700	402,200	402,200	0	402,200
Total	\$970,700	\$962,300	\$967,600	\$0	\$967,600
State	932,400	962,300	967,600	0	967,600
Federal	0	0	0	0	0
Other	38,300	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	1,014,200	208,500	208,500	0	208,500
Total	\$1,014,200	\$208,500	\$208,500	\$0	\$208,500
State	173,100	208,500	208,500	0	208,500
Federal	0	0	0	0	0
Other	841,100	0	0	0	0

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
302.00 Total Court System					
Full-Time	674	680	680	2	682
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	682	688	688	2	690
Payroll	80,519,500	86,368,700	86,624,000	1,289,500	87,913,500
Operational	63,770,100	70,810,800	68,441,000	0	68,441,000
Total	\$144,289,600	\$157,179,500	\$155,065,000	\$1,289,500	\$156,354,500
State	136,577,800	149,814,600	147,939,000	1,289,500	149,228,500
Federal	900,000	980,000	980,000	0	980,000
Other	6,811,800	6,384,900	6,146,000	0	6,146,000

Attorney General and Reporter

The Attorney General and Reporter is the state's chief legal officer and is appointed by the Tennessee Supreme Court for a term of eight years. The Attorney General has the following responsibilities: represent state officers and agencies in all litigation in state and federal courts; prosecute criminal cases in the appellate courts; prosecute securities and state contract fraud cases; represent the interests of Tennessee consumers; institute proceedings relating to antitrust violations, consumer fraud, and environmental enforcement; provide departments, agencies, and the General Assembly with legal advice; approve all administrative regulations and leases as to form and legality; issue legal opinions to state officials; and report opinions of the Tennessee Supreme Court, Court of Appeals, and Court of Criminal Appeals.

<u>Actual</u> <u>2017-2018</u>	<u>Estimated</u> <u>2018-2019</u>	<u>Base</u> <u>2019-2020</u>	<u>Cost Increase</u> <u>2019-2020</u>	<u>Recommended</u> <u>2019-2020</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	339	339	0	339
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	321	339	339	0	339
Payroll	30,183,100	36,031,800	36,186,500	305,900	36,492,400
Operational	7,736,100	7,533,400	7,533,400	0	7,533,400
Total	\$37,919,200	\$43,565,200	\$43,719,900	\$305,900	\$44,025,800
State	28,035,800	30,821,800	30,939,200	305,900	31,245,100
Federal	0	0	0	0	0
Other	9,883,400	12,743,400	12,780,700	0	12,780,700

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	160,700	205,600	229,300	0	229,300
Operational	49,400	62,200	62,200	0	62,200
Total	\$210,100	\$267,800	\$291,500	\$0	\$291,500
State	210,100	267,800	291,500	0	291,500
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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	1,560,500	2,099,900	1,078,500	0	1,078,500
Total	\$1,560,500	\$2,099,900	\$1,078,500	\$0	\$1,078,500
State	40,300	539,700	289,700	0	289,700
Federal	0	0	0	0	0
Other	1,520,200	1,560,200	788,800	0	788,800
303.00 Total Attorney General and Reporter					
Full-Time	323	341	341	0	341
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	323	341	341	0	341
Payroll	30,343,800	36,237,400	36,415,800	305,900	36,721,700
Operational	9,346,000	9,695,500	8,674,100	0	8,674,100
Total	\$39,689,800	\$45,932,900	\$45,089,900	\$305,900	\$45,395,800
State	28,286,200	31,629,300	31,520,400	305,900	31,826,300
Federal	0	0	0	0	0
Other	11,403,600	14,303,600	13,569,500	0	13,569,500

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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	829	835	815	0	815
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
Total	838	844	824	0	824
Payroll	87,472,900	96,234,600	95,404,100	2,037,000	97,441,100
Operational	7,890,500	8,711,500	8,486,800	0	8,486,800
Total	\$95,363,400	\$104,946,100	\$103,890,900	\$2,037,000	\$105,927,900
State	88,227,700	95,267,400	95,654,800	1,860,000	97,514,800
Federal	0	0	0	0	0
Other	7,135,700	9,678,700	8,236,100	177,000	8,413,100

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	660,700	607,300	607,300	0	607,300
Total	\$660,700	\$607,300	\$607,300	\$0	\$607,300
State	368,700	446,300	446,300	0	446,300
Federal	0	0	0	0	0
Other	292,000	161,000	161,000	0	161,000

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	31	31	31	0	31
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	31	31	31	0	31
Payroll	3,004,800	3,378,900	3,401,700	4,300	3,406,000
Operational	541,500	1,227,000	1,227,000	0	1,227,000
Total	\$3,546,300	\$4,605,900	\$4,628,700	\$4,300	\$4,633,000
State	1,956,700	2,657,200	2,677,800	0	2,677,800
Federal	0	0	0	0	0
Other	1,589,600	1,948,700	1,950,900	4,300	1,955,200
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	24,152,900	25,781,000	26,052,500	195,900	26,248,400
Operational	3,105,000	3,708,100	3,708,100	0	3,708,100
Total	\$27,257,900	\$29,489,100	\$29,760,600	\$195,900	\$29,956,500
State	13,700	0	0	0	0
Federal	0	0	0	0	0
Other	27,244,200	29,489,100	29,760,600	195,900	29,956,500
304.00 Total District Attorneys General Conference					
Full-Time	1,244	1,250	1,230	0	1,230
Part-Time	10	10	10	0	10
Seasonal	0	0	0	0	0
Total	1,254	1,260	1,240	0	1,240
Payroll	114,630,600	125,394,500	124,858,300	2,237,200	127,095,500
Operational	12,197,700	14,253,900	14,029,200	0	14,029,200
Total	\$126,828,300	\$139,648,400	\$138,887,500	\$2,237,200	\$141,124,700
State	90,566,800	98,370,900	98,778,900	1,860,000	100,638,900
Federal	0	0	0	0	0
Other	36,261,500	41,277,500	40,108,600	377,200	40,485,800

District Public Defenders Conference

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

	Actual 2017-2018	Estimated 2018-2019	Base 2019-2020	Cost Increase 2019-2020	Recommended 2019-2020
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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	377	382	382	8	390
Part-Time	24	22	22	0	22
Seasonal	0	0	0	0	0
Total	401	404	404	8	412
Payroll	42,667,300	45,912,900	46,214,100	1,533,700	47,747,800
Operational	4,419,500	4,331,600	4,331,600	177,200	4,508,800
Total	\$47,086,800	\$50,244,500	\$50,545,700	\$1,710,900	\$52,256,600
State	46,461,100	49,668,500	49,969,700	1,710,900	51,680,600
Federal	0	0	0	0	0
Other	625,700	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	1,812,200	1,915,600	1,927,400	0	1,927,400
Operational	251,500	268,000	268,000	0	268,000
Total	\$2,063,700	\$2,183,600	\$2,195,400	\$0	\$2,195,400
State	2,063,700	2,183,600	2,195,400	0	2,195,400
Federal	0	0	0	0	0
Other	0	0	0	0	0

306.10 Shelby County Public Defender

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

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	5,332,900	5,444,900	5,444,900	130,700	5,575,600
Total	\$5,332,900	\$5,444,900	\$5,444,900	\$130,700	\$5,575,600
State	5,332,900	5,444,900	5,444,900	130,700	5,575,600
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	2,330,800	2,379,700	2,379,700	57,100	2,436,800
Total	\$2,330,800	\$2,379,700	\$2,379,700	\$57,100	\$2,436,800
State	2,330,800	2,379,700	2,379,700	57,100	2,436,800
Federal	0	0	0	0	0
Other	0	0	0	0	0

306.00 Total District Public Defenders Conference

Full-Time	393	398	398	8	406
Part-Time	24	22	22	0	22
Seasonal	0	0	0	0	0
Total	417	420	420	8	428
Payroll	44,479,500	47,828,500	48,141,500	1,533,700	49,675,200
Operational	12,334,700	12,424,200	12,424,200	365,000	12,789,200
Total	\$56,814,200	\$60,252,700	\$60,565,700	\$1,898,700	\$62,464,400
State	56,188,500	59,676,700	59,989,700	1,898,700	61,888,400
Federal	0	0	0	0	0
Other	625,700	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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	1,767,300	2,256,500	2,264,500	33,000	2,297,500
Operational	453,200	413,500	413,500	0	413,500
Total	\$2,220,500	\$2,670,000	\$2,678,000	\$33,000	\$2,711,000
State	2,219,800	2,670,000	2,678,000	33,000	2,711,000
Federal	0	0	0	0	0
Other	700	0	0	0	0

Alcoholic Beverage Commission

The Alcoholic Beverage Commission (ABC) regulates the liquor industry and enforces liquor 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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
316.03 Alcoholic Beverage Commission					
Full-Time	89	87	87	0	87
Part-Time	3	3	3	0	3
Seasonal	0	0	0	0	0
Total	92	90	90	0	90
Payroll	5,727,600	6,800,600	6,847,900	0	6,847,900
Operational	3,448,600	2,611,000	2,355,400	0	2,355,400
Total	\$9,176,200	\$9,411,600	\$9,203,300	\$0	\$9,203,300
State	0	0	0	0	0
Federal	213,100	27,000	27,000	0	27,000
Other	8,963,100	9,384,600	9,176,300	0	9,176,300

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 and braille transcription, call center services, warehousing and fulfillment services, license plate manufacturing, apparel and textile manufacturing for uniforms and institutional clothing, recycling, 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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
316.08 TRICOR					
Full-Time	161	154	150	0	150
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	161	154	150	0	150
Payroll	6,895,700	9,438,400	8,445,000	0	8,445,000
Operational	17,791,000	20,426,400	21,105,000	0	21,105,000
Total	\$24,686,700	\$29,864,800	\$29,550,000	\$0	\$29,550,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	24,686,700	29,864,800	29,550,000	0	29,550,000

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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
324.02 Board of Parole					
Full-Time	83	83	83	0	83
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	83	83	83	0	83
Payroll	5,956,100	6,426,400	6,484,200	0	6,484,200
Operational	1,763,200	1,976,900	1,979,700	0	1,979,700
Total	\$7,719,300	\$8,403,300	\$8,463,900	\$0	\$8,463,900
State	7,716,600	8,402,300	8,462,900	0	8,462,900
Federal	0	0	0	0	0
Other	2,700	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 reentrance 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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
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Administrative and Other Services

The Administrative and Other Services functional area includes Administration, State Prosecutions, the 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, including 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	226	217	217	2	219
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	226	217	217	2	219
Payroll	21,899,500	19,654,000	19,336,700	15,750,000	35,086,700
Operational	14,102,600	15,986,800	10,278,000	1,900,000	12,178,000
Total	\$36,002,100	\$35,640,800	\$29,614,700	\$17,650,000	\$47,264,700
State	31,212,600	30,002,300	28,758,400	17,650,000	46,408,400
Federal	141,800	715,600	801,900	0	801,900
Other	4,647,700	4,922,900	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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	158,261,300	167,504,900	167,504,900	0	167,504,900
Total	\$158,261,300	\$167,504,900	\$167,504,900	\$0	\$167,504,900
State	157,727,000	166,704,900	166,704,900	0	166,704,900
Federal	0	0	0	0	0
Other	534,300	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 as 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	76	75	75	0	75
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	76	75	75	0	75
Payroll	4,252,600	4,493,900	4,544,200	0	4,544,200
Operational	2,368,600	1,974,200	1,974,200	900	1,975,100
Total	\$6,621,200	\$6,468,100	\$6,518,400	\$900	\$6,519,300
State	6,595,800	6,403,200	6,453,500	900	6,454,400
Federal	0	0	0	0	0
Other	25,400	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	1,919,000	1,918,800	1,918,800	3,600	1,922,400
Total	\$1,919,000	\$1,918,800	\$1,918,800	\$3,600	\$1,922,400
State	1,919,000	1,918,800	1,918,800	3,600	1,922,400
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	56	57	57	0	57
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	56	57	57	0	57
Payroll	4,182,900	4,380,900	4,426,500	0	4,426,500
Operational	7,115,100	6,566,600	6,460,400	0	6,460,400
Total	\$11,298,000	\$10,947,500	\$10,886,900	\$0	\$10,886,900
State	10,915,300	10,947,500	10,886,900	0	10,886,900
Federal	0	0	0	0	0
Other	382,700	0	0	0	0

329.48 Office of Investigations and Compliance

The Office of Investigations and Compliance provides internal affairs, accreditation, internal audit, canine, apprehension, and enforcement units to support the central office, institutions, the Tennessee Correction Academy, and Probation and Parole Field Supervision.

Full-Time	73	74	74	0	74
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	73	74	74	0	74
Payroll	6,513,500	5,806,100	5,857,000	0	5,857,000
Operational	1,616,700	838,000	838,000	0	838,000
Total	\$8,130,200	\$6,644,100	\$6,695,000	\$0	\$6,695,000
State	7,946,000	6,644,100	6,695,000	0	6,695,000
Federal	183,000	0	0	0	0
Other	1,200	0	0	0	0

329.50 Sex Offender Treatment Program

The Sex Offender Treatment Program conducts pre-trial evaluations as ordered by the courts for indigent defendants accused of a sexual offense. The program also provides funding for therapy required by conditions of probation or parole for indigent offenders. The 13-member Sex Offender Treatment Board, comprised of representatives of the law enforcement, legal, and medical professions, oversees the program and develops standardized procedures for evaluation and treatment of sex offenders.

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

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
Payroll	0	0	0	0	0
Operational	1,204,400	1,753,600	1,753,600	0	1,753,600
Total	\$1,204,400	\$1,753,600	\$1,753,600	\$0	\$1,753,600
State	1,181,800	1,693,600	1,693,600	0	1,693,600
Federal	0	0	0	0	0
Other	22,600	60,000	60,000	0	60,000

329.51 Probation and Parole Field Supervision

Probation and Parole Field Supervision officers supervise parolees and offenders placed on probation by the state criminal and circuit courts. 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	1,123	1,243	1,243	40	1,283
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,123	1,243	1,243	40	1,283
Payroll	64,384,900	70,136,200	70,734,100	1,901,700	72,635,800
Operational	23,334,200	21,324,800	19,746,100	518,800	20,264,900
Total	\$87,719,100	\$91,461,000	\$90,480,200	\$2,420,500	\$92,900,700
State	87,241,900	90,241,500	89,410,700	2,420,500	91,831,200
Federal	0	0	0	0	0
Other	477,200	1,219,500	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	14,405,900	14,795,500	14,795,500	0	14,795,500
Total	\$14,405,900	\$14,795,500	\$14,795,500	\$0	\$14,795,500
State	14,403,700	14,795,500	14,795,500	0	14,795,500
Federal	0	0	0	0	0
Other	2,200	0	0	0	0

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	25,509,600	25,509,600	1,000,000	26,509,600
Total	\$0	\$25,509,600	\$25,509,600	\$1,000,000	\$26,509,600
State	0	25,502,100	25,502,100	1,000,000	26,502,100
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 and Bledsoe 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 education, 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, as well as transitional services.

Full-Time	240	231	231	0	231
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	240	231	231	0	231
Payroll	12,062,800	13,297,700	13,380,500	0	13,380,500
Operational	12,652,600	17,370,900	17,319,600	971,500	18,291,100
Total	\$24,715,400	\$30,668,600	\$30,700,100	\$971,500	\$31,671,600
State	23,699,800	29,783,900	29,815,400	971,500	30,786,900
Federal	0	0	0	0	0
Other	1,015,600	884,700	884,700	0	884,700

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	421	413	413	1	414
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	421	413	413	1	414
Payroll	21,304,200	24,647,000	24,859,000	32,300	24,891,300
Operational	21,854,800	18,776,700	18,738,900	1,551,300	20,290,200
Total	\$43,159,000	\$43,423,700	\$43,597,900	\$1,583,600	\$45,181,500
State	41,019,600	41,961,100	42,135,300	1,133,600	43,268,900
Federal	0	0	0	0	0
Other	2,139,400	1,462,600	1,462,600	450,000	1,912,600

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	157	157	157	0	157
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	157	157	157	0	157
Payroll	8,603,700	9,077,900	9,169,700	0	9,169,700
Operational	5,431,900	5,897,600	5,897,600	1,474,200	7,371,800
Total	\$14,035,600	\$14,975,500	\$15,067,300	\$1,474,200	\$16,541,500
State	13,499,500	14,407,200	14,499,000	1,474,200	15,973,200
Federal	0	0	0	0	0
Other	536,100	568,300	568,300	0	568,300

329.17 Charles B. Bass Correctional Complex

Charles B. Bass Correctional Complex (CBCX) and its annex 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 the main facility in fiscal year 2014-2015, which was sold in fiscal year 2016-2017. TDOC retained ownership of the annex and continued paying utilities through fiscal year 2017-2018.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	175,100	0	0	0	0
Total	\$175,100	\$0	\$0	\$0	\$0

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
State	175,100	0	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	693	691	691	0	691
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	693	691	691	0	691
Payroll	37,060,700	39,254,700	39,655,700	0	39,655,700
Operational	46,256,700	35,744,400	35,707,500	833,400	36,540,900
Total	\$83,317,400	\$74,999,100	\$75,363,200	\$833,400	\$76,196,600
State	81,074,700	72,566,300	72,930,400	833,400	73,763,800
Federal	0	0	0	0	0
Other	2,242,700	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 a dedicated Opioid therapeutic community, as well as educational and vocational programming.

Full-Time	664	652	652	0	652
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	664	652	652	0	652
Payroll	32,238,800	38,524,500	38,837,200	0	38,837,200
Operational	27,730,700	30,551,500	30,423,200	3,731,600	34,154,800
Total	\$59,969,500	\$69,076,000	\$69,260,400	\$3,731,600	\$72,992,000
State	58,211,400	67,686,800	67,871,200	3,356,600	71,227,800
Federal	0	0	0	0	0
Other	1,758,100	1,389,200	1,389,200	375,000	1,764,200

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	342	335	335	0	335
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	342	335	335	0	335

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
Payroll	17,892,700	19,533,500	19,680,600	0	19,680,600
Operational	14,092,100	14,104,000	14,041,000	418,900	14,459,900
Total	\$31,984,800	\$33,637,500	\$33,721,600	\$418,900	\$34,140,500
State	31,114,100	33,185,600	33,269,700	218,900	33,488,600
Federal	0	0	0	0	0
Other	870,700	451,900	451,900	200,000	651,900

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	474	474	474	0	474
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	474	474	474	0	474
Payroll	28,613,000	28,169,300	28,517,800	0	28,517,800
Operational	22,371,800	22,700,500	22,685,200	740,800	23,426,000
Total	\$50,984,800	\$50,869,800	\$51,203,000	\$740,800	\$51,943,800
State	49,260,300	49,475,700	49,808,900	570,800	50,379,700
Federal	0	0	0	0	0
Other	1,724,500	1,394,100	1,394,100	170,000	1,564,100

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	626	615	615	0	615
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	626	615	615	0	615
Payroll	31,411,600	36,186,100	36,504,300	0	36,504,300
Operational	28,553,000	25,606,900	25,583,000	1,643,300	27,226,300
Total	\$59,964,600	\$61,793,000	\$62,087,300	\$1,643,300	\$63,730,600
State	58,025,800	59,725,500	60,019,800	1,543,300	61,563,100
Federal	0	0	0	0	0
Other	1,938,800	2,067,500	2,067,500	100,000	2,167,500

329.47 Morgan County Correctional Complex

Morgan County Correctional Complex (MCCX), located in Wartburg, houses inmates of all custody levels. The facility operates transitional services, educational, vocational, and substance abuse programs and community service crews.

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
Full-Time	661	658	658	0	658
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	661	658	658	0	658
Payroll	37,879,400	38,221,000	38,602,800	0	38,602,800
Operational	31,084,400	33,361,700	33,237,100	959,200	34,196,300
Total	\$68,963,800	\$71,582,700	\$71,839,900	\$959,200	\$72,799,100
State	67,218,600	69,855,600	70,112,800	959,200	71,072,000
Federal	0	0	0	0	0
Other	1,745,200	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	505	497	497	0	497
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	505	497	497	0	497
Payroll	26,079,600	30,876,600	31,015,600	0	31,015,600
Operational	24,909,900	14,845,500	14,823,000	2,370,000	17,193,000
Total	\$50,989,500	\$45,722,100	\$45,838,600	\$2,370,000	\$48,208,600
State	50,491,000	45,158,200	45,274,700	2,370,000	47,644,700
Federal	0	0	0	0	0
Other	498,500	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 that offers educational, vocational, and mental health programs. The prison is owned by Hardeman County, which contracts with a private operator.

Full-Time	1	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1	2	2	0	2
Payroll	118,800	217,200	218,300	0	218,300
Operational	36,979,100	44,397,000	40,668,600	560,800	41,229,400
Total	\$37,097,900	\$44,614,200	\$40,886,900	\$560,800	\$41,447,700

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
State	37,084,500	44,595,300	40,868,000	560,800	41,428,800
Federal	0	0	0	0	0
Other	13,400	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 that 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	1	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1	2	2	0	2
Payroll	107,700	192,700	193,400	0	193,400
Operational	34,971,600	36,177,100	36,177,100	909,600	37,086,700
Total	\$35,079,300	\$36,369,800	\$36,370,500	\$909,600	\$37,280,100
State	35,061,500	36,351,100	36,351,800	909,600	37,261,400
Federal	0	0	0	0	0
Other	17,800	18,700	18,700	0	18,700

329.23 Trousdale County Incarceration Agreement

The Trousdale Turner Correctional Center (TCCC) is a time-building medium-security prison that became operational in early 2016. The prison is owned by Trousdale County, which contracts with a private operator.

Full-Time	2	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2	2	2	0	2
Payroll	123,600	143,800	145,900	0	145,900
Operational	56,951,500	62,126,600	62,126,600	1,609,800	63,736,400
Total	\$57,075,100	\$62,270,400	\$62,272,500	\$1,609,800	\$63,882,300
State	57,066,900	62,257,200	62,259,300	1,609,800	63,869,100
Federal	0	0	0	0	0
Other	8,200	13,200	13,200	0	13,200

329.44 South Central Correctional Facility

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	1	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1	2	2	0	2

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
Payroll	113,900	176,300	177,400	0	177,400
Operational	30,861,700	33,414,500	33,414,500	786,600	34,201,100
Total	\$30,975,600	\$33,590,800	\$33,591,900	\$786,600	\$34,378,500
State	30,960,800	33,572,100	33,573,200	786,600	34,359,800
Federal	0	0	0	0	0
Other	14,800	18,700	18,700	0	18,700
329.00 Total Correction					
Full-Time	6,342	6,397	6,397	43	6,440
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	6,342	6,397	6,397	43	6,440
Payroll	354,843,900	382,989,400	385,856,700	17,684,000	403,540,700
Operational	619,204,700	653,247,700	641,622,000	21,984,300	663,606,300
Total	\$974,048,600	\$1,036,237,100	\$1,027,478,700	\$39,668,300	\$1,067,147,000
State	953,106,700	1,015,435,100	1,011,608,900	38,373,300	1,049,982,200
Federal	324,800	715,600	801,900	0	801,900
Other	20,617,100	20,086,400	15,067,900	1,295,000	16,362,900

Statistical Data Correctional Institutions

	TPW 329.13	TCIX 329.14	MLTC 329.16	CBCX 329.17	BCCX 329.18
Annual Admissions					
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	1,275	959	220	0	5,332
2018-2019	1,300	960	350	0	5,790
2019-2020	1,300	960	350	0	5,790
Annual Releases					
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	1,365	927	167	0	5,196
2018-2019	1,300	960	300	0	5,790
2019-2020	1,300	960	300	0	5,790
Average Daily Census					
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	734	1,573	244	0	2,370
2018-2019	805	1,772	440	0	2,521
2019-2020	805	1,772	440	0	2,521
Cost Per Occupancy Day (Total Expenditures)**					
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	\$92.25	\$75.17	\$157.60	N/A	\$96.32
2018-2019	\$104.38	\$67.14	\$93.25	N/A	\$81.51
2019-2020	\$107.50	\$69.67	\$102.72	N/A	\$82.58

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 2012-2013 to 2017-2018 are actual expenditures from all sources; 2018-2019 to 2019-2020 are estimates.

Statistical Data Correctional Institutions

	WTSP 329.41	RMSI 329.42	NECX 329.43	NWCX 329.45	MCCX 329.47
Annual Admissions					
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	2,044	484	1,018	1,205	1,194
2018-2019	1,850	470	940	1,200	1,390
2019-2020	1,850	470	940	1,200	1,390
Annual Releases					
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	1,851	490	861	1,129	1,592
2018-2019	1,850	470	940	1,200	1,390
2019-2020	1,850	470	940	1,200	1,390
Average Daily Census					
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	1,804	777	1,736	2,289	2,109
2018-2019	2,582	832	1,856	2,425	2,291
2019-2020	2,582	832	1,856	2,425	2,291
Cost Per Occupancy Day (Total Expenditures)**					
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	\$91.08	\$112.78	\$80.46	\$71.77	\$89.59
2018-2019	\$73.30	\$110.77	\$75.09	\$69.81	\$85.60
2019-2020	\$77.24	\$112.12	\$76.47	\$71.81	\$86.82

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 2012-2013 to 2017-2018 are actual expenditures from all sources; 2018-2019 to 2019-2020 are estimates.

Statistical Data Correctional Institutions

	LDSNF 329.46	HCCF 329.21	WCFA 329.22	TTCC 329.23	SCCF 329.44	Total**
Annual Admissions						
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	488	981	744	1,415	826	10,867
2018-2019	420	1,020	910	1,320	810	10,700
2019-2020	420	1,020	910	1,320	810	10,700
Annual Releases						
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	573	959	688	1,361	808	10,713
2018-2019	420	1,020	910	1,320	810	10,700
2019-2020	420	1,020	910	1,320	810	10,700
Average Daily Census						
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	749	1,969	1,500	2,482	1,626	21,962
2018-2019	800	2,016	1,536	2,552	1,676	24,104
2019-2020	800	2,016	1,536	2,552	1,676	24,104
Cost Per Occupancy Day (Total Expenditures)*						
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	\$186.51	\$51.62	\$64.07	\$63.00	\$52.19	\$80.90
2018-2019	\$156.58	\$60.63	\$64.87	\$66.85	\$54.91	\$76.56
2019-2020	\$164.65	\$56.17	\$66.31	\$68.39	\$56.04	\$78.26

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 2012-2013 to 2017-2018 are actual expenditures from all sources; 2018-2019 to 2019-2020 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.

	Actual 2017-2018	Estimated 2018-2019	Base 2019-2020	Cost Increase 2019-2020	Recommended 2019-2020
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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	43	35	35	0	35
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	43	35	35	0	35
Payroll	3,429,200	2,589,500	2,616,400	0	2,616,400
Operational	845,500	1,856,000	1,863,000	0	1,863,000
Total	\$4,274,700	\$4,445,500	\$4,479,400	\$0	\$4,479,400
State	3,376,100	3,557,700	3,591,600	0	3,591,600
Federal	893,500	884,800	884,800	0	884,800
Other	5,100	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	69	80	80	0	80
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	69	80	80	0	80
Payroll	4,467,400	6,487,400	6,519,200	0	6,519,200
Operational	3,837,700	1,078,700	1,018,700	0	1,018,700
Total	\$8,305,100	\$7,566,100	\$7,537,900	\$0	\$7,537,900

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
State	589,900	1,233,300	1,205,100	0	1,205,100
Federal	7,712,200	5,662,900	5,662,900	0	5,662,900
Other	3,000	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	165	161	161	0	161
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	165	161	161	0	161
Payroll	8,421,100	9,457,500	9,548,900	0	9,548,900
Operational	6,290,600	3,617,900	3,557,900	0	3,557,900
Total	\$14,711,700	\$13,075,400	\$13,106,800	\$0	\$13,106,800
State	1,855,400	2,432,500	2,463,900	0	2,463,900
Federal	12,856,300	10,642,900	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	4,036,100	8,215,500	8,215,500	0	8,215,500
Total	\$4,036,100	\$8,215,500	\$8,215,500	\$0	\$8,215,500
State	653,800	559,300	559,300	0	559,300
Federal	3,027,300	6,811,600	6,811,600	0	6,811,600
Other	355,000	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	4,615,200	5,682,300	5,682,300	0	5,682,300
Total	\$4,615,200	\$5,682,300	\$5,682,300	\$0	\$5,682,300

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
State	1,430,800	1,533,600	1,533,600	0	1,533,600
Federal	3,183,800	4,148,700	4,148,700	0	4,148,700
Other	600	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	299,400	650,000	650,000	0	650,000
Total	\$299,400	\$650,000	\$650,000	\$0	\$650,000
State	100,000	150,000	150,000	0	150,000
Federal	199,400	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	2,572,900	4,163,900	4,172,300	0	4,172,300
Operational	1,015,000	1,580,200	1,580,200	0	1,580,200
Total	\$3,587,900	\$5,744,100	\$5,752,500	\$0	\$5,752,500
State	19,900	0	0	0	0
Federal	2,673,100	4,383,200	4,389,400	0	4,389,400
Other	894,900	1,360,900	1,363,100	0	1,363,100

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 pilot program that began on July 1, 2017, funded with a one-time appropriation of \$8,950,000.

Full-Time	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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
Payroll	0	0	0	0	0
Operational	628,100	560,000	0	0	0
Total	\$628,100	\$560,000	\$0	\$0	\$0
State	628,100	0	0	0	0
Federal	0	0	0	0	0
Other	0	560,000	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	106	106	0	106
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	105	106	106	0	106
Payroll	7,149,800	8,287,500	8,380,200	0	8,380,200
Operational	8,001,200	6,398,100	6,411,100	0	6,411,100
Total	\$15,151,000	\$14,685,600	\$14,791,300	\$0	\$14,791,300
State	4,463,100	4,478,900	4,549,500	0	4,549,500
Federal	10,500,100	9,277,600	9,312,700	0	9,312,700
Other	187,800	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	2	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2	2	2	0	2
Payroll	125,000	211,600	212,800	0	212,800
Operational	3,686,300	4,864,400	4,864,400	0	4,864,400
Total	\$3,811,300	\$5,076,000	\$5,077,200	\$0	\$5,077,200
State	0	0	0	0	0
Federal	3,811,300	5,076,000	5,077,200	0	5,077,200
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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	1,417,700	0	0	0	0
Operational	30,057,900	44,000,000	44,000,000	0	44,000,000
Total	\$31,475,600	\$44,000,000	\$44,000,000	\$0	\$44,000,000
State	3,797,700	4,000,000	4,000,000	0	4,000,000
Federal	27,677,900	40,000,000	40,000,000	0	40,000,000
Other	0	0	0	0	0
341.00 Total Military Department					
Full-Time	454	454	454	0	454
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	454	454	454	0	454
Payroll	27,583,100	31,197,400	31,449,800	0	31,449,800
Operational	63,313,000	78,503,100	77,843,100	0	77,843,100
Total	\$90,896,100	\$109,700,500	\$109,292,900	\$0	\$109,292,900
State	16,914,800	17,945,300	18,053,000	0	18,053,000
Federal	72,534,900	87,137,700	87,180,200	0	87,180,200
Other	1,446,400	4,617,500	4,059,700	0	4,059,700

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 seven divisions: Administrative Services, Criminal Investigations, Drug Investigations, Forensic Services, Criminal Justice Information Services, Information Systems, and Training.

The Administrative Services Division provides overall direction and support for the bureau, including public information, human resources, auditing, fleet procurement, fiscal services, accreditation, and professional standards. 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 Criminal Justice Information Services Division provides support to law enforcement through the state repository of criminal history records, the system for background checks including those for potential gun purchasers, and the use and dissemination of crime information. The Information Systems Division provides technical support for conducting background checks, the Tennessee Information Enforcement System (TIES) through the National Crime Information Center (NCIC), and the International Justice and Public Safety Network (Nlets), for use by the Bureau; state, local, and federal criminal justice agencies; and the public. 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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
348.00 Tennessee Bureau of Investigation					
Full-Time	540	553	553	26	579
Part-Time	0	0	0	5	5
Seasonal	0	0	0	0	0
Total	540	553	553	31	584
Payroll	49,383,700	51,427,100	51,822,100	2,327,400	54,149,500
Operational	39,465,700	32,142,500	25,892,400	5,885,200	31,777,600
Total	\$88,849,400	\$83,569,600	\$77,714,500	\$8,212,600	\$85,927,100
State	57,845,800	53,538,900	49,461,400	4,193,400	53,654,800
Federal	7,681,800	11,125,600	7,948,000	3,961,700	11,909,700
Other	23,321,800	18,905,100	20,305,100	57,500	20,362,600

Department of Safety

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

<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	81	77	78	0	78
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	81	77	78	0	78
Payroll	6,622,200	6,280,500	6,390,900	0	6,390,900
Operational	4,156,200	4,151,500	4,204,800	0	4,204,800
Total	\$10,778,400	\$10,432,000	\$10,595,700	\$0	\$10,595,700
State	10,393,400	9,806,000	10,049,700	0	10,049,700
Federal	0	0	0	0	0
Other	385,000	626,000	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	11,378,500	11,620,200	11,620,200	0	11,620,200
Total	\$11,378,500	\$11,620,200	\$11,620,200	\$0	\$11,620,200

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
State	11,378,500	11,620,200	11,620,200	0	11,620,200
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	43	43	38	0	38
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	43	43	38	0	38
Payroll	1,465,900	2,197,500	2,008,500	0	2,008,500
Operational	4,893,600	6,592,300	6,592,300	0	6,592,300
Total	\$6,359,500	\$8,789,800	\$8,600,800	\$0	\$8,600,800
State	523,100	2,782,400	2,593,400	0	2,593,400
Federal	500	165,000	165,000	0	165,000
Other	5,835,900	5,842,400	5,842,400	0	5,842,400

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	109	110	0	110
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	102	109	110	0	110
Payroll	4,854,100	6,508,000	6,599,900	0	6,599,900
Operational	12,073,200	11,458,200	11,458,200	1,551,800	13,010,000
Total	\$16,927,300	\$17,966,200	\$18,058,100	\$1,551,800	\$19,609,900

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
State	15,568,000	16,549,000	16,800,700	1,551,800	18,352,500
Federal	282,200	337,200	337,200	0	337,200
Other	1,077,100	1,080,000	920,200	0	920,200

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	441	447	451	0	451
Part-Time	53	53	53	0	53
Seasonal	0	0	0	0	0
Total	494	500	504	0	504
Payroll	22,050,000	24,077,500	24,506,700	0	24,506,700
Operational	29,985,500	25,759,000	25,754,900	0	25,754,900
Total	\$52,035,500	\$49,836,500	\$50,261,600	\$0	\$50,261,600
State	4,552,100	15,415,900	15,836,800	0	15,836,800
Federal	308,800	761,600	760,300	0	760,300
Other	47,174,600	33,659,000	33,664,500	0	33,664,500

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	12	11	0	11
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	11	12	11	0	11
Payroll	1,496,600	2,786,300	2,739,400	0	2,739,400
Operational	20,572,800	20,762,000	20,762,000	0	20,762,000
Total	\$22,069,400	\$23,548,300	\$23,501,400	\$0	\$23,501,400
State	322,000	469,200	414,500	0	414,500
Federal	21,607,400	22,899,100	22,906,900	0	22,906,900
Other	140,000	180,000	180,000	0	180,000

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	990	993	989	1	990
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	990	993	989	1	990
Payroll	90,198,600	98,194,300	98,554,700	2,638,100	101,192,800
Operational	28,254,600	16,202,900	15,902,900	9,100	15,912,000
Total	\$118,453,200	\$114,397,200	\$114,457,600	\$2,647,200	\$117,104,800
State	105,333,700	100,839,600	101,200,000	2,587,400	103,787,400
Federal	5,982,400	6,576,200	6,576,200	0	6,576,200
Other	7,137,100	6,981,400	6,681,400	59,800	6,741,200

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	47,400	349,800	349,800	0	349,800
Total	\$47,400	\$349,800	\$349,800	\$0	\$349,800
State	29,400	0	0	0	0
Federal	0	0	0	0	0
Other	18,000	349,800	349,800	0	349,800

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
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349.15 Office of Homeland Security

The Office of Homeland Security develops, coordinates, and implements a comprehensive strategy to secure the State of Tennessee from terrorist threats and attacks and coordinate the response to these events, if required. The office has three regional offices located in East, Middle, and West Tennessee to assist local officials with planning, training, and conducting exercises; effectively using federal grants; and improving communications. The state also has 11 homeland security districts that provide coordinated multi-county responses to chemical, biological, radiological, and nuclear threats. The office, in partnership with Tennessee Bureau of Investigation, operates the Tennessee Fusion Center, which enhances the state's ability to analyze terrorism information and improves information sharing among state, local, and federal agencies.

Full-Time	25	25	25	0	25
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	25	25	25	0	25
Payroll	2,010,600	1,996,400	2,009,200	0	2,009,200
Operational	720,600	1,549,100	1,549,100	0	1,549,100
Total	\$2,731,200	\$3,545,500	\$3,558,300	\$0	\$3,558,300
State	1,766,500	2,979,900	2,992,700	0	2,992,700
Federal	0	0	0	0	0
Other	964,700	565,600	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	134,600	145,200	146,800	0	146,800
Operational	334,500	374,500	374,500	0	374,500
Total	\$469,100	\$519,700	\$521,300	\$0	\$521,300
State	469,100	519,700	521,300	0	521,300
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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	197,800	194,700	196,800	0	196,800
Operational	74,500	97,100	97,100	0	97,100
Total	\$272,300	\$291,800	\$293,900	\$0	\$293,900
State	272,300	291,800	293,900	0	293,900
Federal	0	0	0	0	0
Other	0	0	0	0	0
349.00 Total Safety					
Full-Time	1,697	1,710	1,706	1	1,707
Part-Time	53	53	53	0	53
Seasonal	0	0	0	0	0
Total	1,750	1,763	1,759	1	1,760
Payroll	129,030,400	142,380,400	143,152,900	2,638,100	145,791,000
Operational	112,491,400	98,926,200	98,675,400	1,560,900	100,236,300
Total	\$241,521,800	\$241,306,600	\$241,828,300	\$4,199,000	\$246,027,300
State	150,608,100	161,283,300	162,332,800	4,139,200	166,472,000
Federal	28,181,300	30,739,100	30,745,600	0	30,745,600
Other	62,732,400	49,284,200	48,749,900	59,800	48,809,700

Resources and Regulation



Resources and Regulation

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Resources and Regulation

Recommended Budget, Fiscal Year 2019 – 2020

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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Recommended 2019-2020</u>
Personnel			
Full-Time	5,118	5,017	5,017
Part-Time	734	569	564
Seasonal	264	246	228
TOTAL	6,116	5,832	5,809
Expenditures			
Payroll	\$ 330,667,100	\$ 378,363,500	\$ 380,883,300
Operational	558,464,000	644,996,000	623,395,800
TOTAL	\$ 889,131,100	\$ 1,023,359,500	\$ 1,004,279,100
Funding			
State	\$ 457,181,000	\$ 521,760,300	\$ 517,411,200
Federal	239,001,300	271,774,500	251,464,200
Other	192,948,800	229,824,700	235,403,700
Tuition/Fees	0	0	0

Resources and Regulation
Recommended Budget for Fiscal Year 2019-2020
By Funding Source

Department	State	Federal	Other	Total
316.25 Arts Commission	6,667,100	880,600	2,237,800	9,785,500
316.27 State Museum	7,997,400	0	5,000	8,002,400
327.00 Environment and Conservation	200,042,400	86,343,200	126,317,700	412,703,300
328.00 Tennessee Wildlife Resources Agency	64,905,000	28,987,900	24,382,000	118,274,900
335.00 Commerce and Insurance	165,177,300	324,800	63,766,100	229,268,200
336.00 Financial Institutions	25,573,200	0	2,400	25,575,600
337.00 Labor and Workforce Development	47,048,800	134,927,700	18,692,700	200,669,200
Total	\$517,411,200	\$251,464,200	\$235,403,700	\$1,004,279,100

Resources and Regulation
Cost Increases for Fiscal Year 2019-2020

	<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	\$1,000,000	\$1,000,000	0
Sub-total	\$0	\$0	\$1,000,000	\$1,000,000	0
Total Arts Commission	\$0	\$0	\$1,000,000	\$1,000,000	0
Environment and Conservation					
• Hazardous Waste Remediation Action Fund					
To provide non-recurring funding for the Hazardous Waste Remedial Action Fund for remediation of the National Priority List and superfund sites.					
327.38 Hazardous Waste Remedial Action Fund	\$2,000,000	\$0	\$0	\$2,000,000	0
Sub-total	\$2,000,000	\$0	\$0	\$2,000,000	0
• Realty Tax Growth for Civil War Fund					
To recognize non-recurring growth in the Realty Tax to be credited to the Tennessee Civil War site preservation fund, per TCA 67-4-409(m). The fund provides grants to acquire, protect, and preserve Civil War and Underground Railroad sites.					
327.04 Historical Commission	\$0	\$0	\$1,007,900	\$1,007,900	0
Sub-total	\$0	\$0	\$1,007,900	\$1,007,900	0
• 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	\$567,000	\$567,000	0
Sub-total	\$0	\$0	\$567,000	\$567,000	0
Total Environment and Conservation	\$2,000,000	\$0	\$1,574,900	\$3,574,900	0

Resources and Regulation
Cost Increases for Fiscal Year 2019-2020

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Tennessee Wildlife Resources Agency					
• 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, 2019, and affects the agency's officers, biologists, and other unique positions.					
328.01 Wildlife Resources Agency	\$510,400	\$0	\$0	\$510,400	0
328.02 Boating Safety	\$69,600	\$0	\$0	\$69,600	0
Sub-total	\$580,000	\$0	\$0	\$580,000	0
• 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, 2019.					
328.01 Wildlife Resources Agency	\$707,900	\$0	\$0	\$707,900	0
328.02 Boating Safety	\$96,500	\$0	\$0	\$96,500	0
Sub-total	\$804,400	\$0	\$0	\$804,400	0
Total Tennessee Wildlife Resources Agency	\$1,384,400	\$0	\$0	\$1,384,400	0

Commerce and Insurance

• **Local Law Enforcement Pay Supplement**

To provide recurring funding to recognize an increase in the local law enforcement pay supplement from \$600 to \$800.

335.12 POST Commission	\$2,936,000	\$0	\$0	\$2,936,000	0
Sub-total	\$2,936,000	\$0	\$0	\$2,936,000	0

• **Local Firefighter Pay Supplement**

To provide recurring funding to recognize an increase in the local firefighter pay supplement from \$600 to \$800.

335.28 Fire Fighting Personnel Standards and Education	\$1,369,600	\$0	\$0	\$1,369,600	0
Sub-total	\$1,369,600	\$0	\$0	\$1,369,600	0

• **Statutory Salary Step Increase**

To provide recurring funding for the mandated annual trooper salary step increase, pursuant to TCA 4-7-206. The salary step increase is effective July 1, 2019.

335.11 Tennessee Law Enforcement Training Academy	\$38,200	\$0	\$0	\$38,200	0
Sub-total	\$38,200	\$0	\$0	\$38,200	0

Resources and Regulation

Cost Increases for Fiscal Year 2019-2020

	<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, 2019.					
335.11 Tennessee Law Enforcement Training Academy	\$22,200	\$0	\$0	\$22,200	0
Sub-total	\$22,200	\$0	\$0	\$22,200	0
• Tennessee Corrections Institute Positions					
To provide recurring funding for two detention facility specialist positions to assist with annual training and inspections to local correctional facilities. This appropriation is funded with dedicated state revenue from the local correctional officer training fund.					
335.22 Corrections Institute	\$147,200	\$0	\$0	\$147,200	2
Sub-total	\$147,200	\$0	\$0	\$147,200	2
Total Commerce and Insurance	\$4,513,200	\$0	\$0	\$4,513,200	2
Total Resources and Regulation	\$7,897,600	\$0	\$2,574,900	\$10,472,500	2

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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	1,615,600	1,678,800	1,693,200	0	1,693,200
Operational	6,207,000	7,392,300	7,092,300	1,000,000	8,092,300
Total	\$7,822,600	\$9,071,100	\$8,785,500	\$1,000,000	\$9,785,500
State	6,673,800	6,652,900	6,667,100	0	6,667,100
Federal	781,900	880,400	880,600	0	880,600
Other	366,900	1,537,800	1,237,800	1,000,000	2,237,800

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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
316.27 State Museum					
Full-Time	48	60	60	0	60
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	48	60	60	0	60
Payroll	2,699,900	3,792,000	3,816,900	0	3,816,900
Operational	1,605,600	3,859,900	4,185,500	0	4,185,500
Total	\$4,305,500	\$7,651,900	\$8,002,400	\$0	\$8,002,400
State	4,287,900	7,646,900	7,997,400	0	7,997,400
Federal	0	0	0	0	0
Other	17,600	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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	210	141	141	0	141
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	210	141	141	0	141
Payroll	16,704,200	13,770,100	13,273,200	0	13,273,200
Operational	5,009,900	8,582,200	9,163,500	0	9,163,500
Total	\$21,714,100	\$22,352,300	\$22,436,700	\$0	\$22,436,700
State	8,445,700	8,196,000	8,270,700	0	8,270,700
Federal	3,162,700	3,047,700	3,012,600	0	3,012,600
Other	10,105,700	11,108,600	11,153,400	0	11,153,400

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	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	771,600	1,178,900	1,182,800	0	1,182,800
Operational	1,437,400	5,842,100	5,842,100	0	5,842,100
Total	\$2,209,000	\$7,021,000	\$7,024,900	\$0	\$7,024,900
State	34,800	34,800	34,800	0	34,800
Federal	1,194,000	1,183,800	1,187,700	0	1,187,700
Other	980,200	5,802,400	5,802,400	0	5,802,400

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	287,500	313,500	315,400	0	315,400
Operational	35,800	9,000	9,000	0	9,000
Total	\$323,300	\$322,500	\$324,400	\$0	\$324,400
State	323,300	322,500	324,400	0	324,400
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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
Full-Time	11	10	10	0	10
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	11	10	10	0	10
Payroll	724,300	926,600	933,200	0	933,200
Operational	1,357,100	4,349,300	4,349,300	0	4,349,300
Total	\$2,081,400	\$5,275,900	\$5,282,500	\$0	\$5,282,500
State	533,500	675,100	681,700	0	681,700
Federal	1,282,500	2,291,300	2,291,300	0	2,291,300
Other	265,400	2,309,500	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	18	18	0	18
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	16	18	18	0	18
Payroll	1,148,700	1,332,600	1,341,300	0	1,341,300
Operational	3,230,100	3,749,300	2,479,400	1,574,900	4,054,300
Total	\$4,378,800	\$5,081,900	\$3,820,700	\$1,574,900	\$5,395,600
State	3,322,400	3,271,400	3,241,100	0	3,241,100
Federal	1,010,800	529,600	529,600	0	529,600
Other	45,600	1,280,900	50,000	1,574,900	1,624,900

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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	729,500	791,500	800,400	0	800,400
Operational	163,500	185,600	185,600	0	185,600
Total	\$893,000	\$977,100	\$986,000	\$0	\$986,000
State	828,300	916,600	925,500	0	925,500
Federal	0	0	0	0	0
Other	64,700	60,500	60,500	0	60,500

327.12 Tennessee State Parks

The Tennessee State Parks program protects, conserves, and manages natural, cultural, and historic resources in 56 state parks located throughout Tennessee. State parks provide opportunities for the public to enjoy outdoor recreation through a variety of activities in rustic, day-use, and resort parks. Rustic and day-use parks provide recreation through swimming, fishing, rafting, camping, and hiking. Resort parks provide inns, restaurants, golf courses, marinas, camping, and other recreational activities. 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	1,052	1,117	1,120	0	1,120
Part-Time	189	144	139	0	139
Seasonal	264	246	228	0	228
Total	1,505	1,507	1,487	0	1,487
Payroll	53,265,700	56,960,700	58,441,300	0	58,441,300
Operational	43,124,900	31,936,400	31,870,200	0	31,870,200
Total	\$96,390,600	\$88,897,100	\$90,311,500	\$0	\$90,311,500
State	53,468,700	51,546,500	52,141,100	0	52,141,100
Federal	392,900	125,000	125,000	0	125,000
Other	42,529,000	37,225,600	38,045,400	0	38,045,400

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	13	13	0	13
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	12	13	13	0	13
Payroll	942,400	1,111,200	1,120,200	0	1,120,200
Operational	333,500	277,600	277,600	0	277,600
Total	\$1,275,900	\$1,388,800	\$1,397,800	\$0	\$1,397,800
State	1,087,200	1,228,700	1,237,700	0	1,237,700
Federal	85,300	90,000	90,000	0	90,000
Other	103,400	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	5,392,300	5,129,100	5,129,100	0	5,129,100
Total	\$5,392,300	\$5,129,100	\$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	363,200	100,000	100,000	0	100,000

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.

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	623,300	500,000	500,000	0	500,000
Total	\$623,300	\$500,000	\$500,000	\$0	\$500,000
State	500,100	500,000	500,000	0	500,000
Federal	0	0	0	0	0
Other	123,200	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	4,820,900	3,718,700	3,718,700	0	3,718,700
Total	\$4,820,900	\$3,718,700	\$3,718,700	\$0	\$3,718,700
State	3,718,700	3,718,700	3,718,700	0	3,718,700
Federal	0	0	0	0	0
Other	1,102,200	0	0	0	0

327.20 State Lands Acquisition Fund

The State Lands Acquisition Fund, administered in conjunction with the Department of Agriculture and the Tennessee Wildlife Resources Agency, provides funds for the acquisition of land for state parks, forests, natural areas, boundary areas along scenic rivers, and easement protection for these areas. Funding also supports trail construction at these sites and historic preservation of old theatres. Funding for these grants comes from the real estate transfer tax.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	2,860,200	3,067,500	3,067,500	0	3,067,500
Total	\$2,860,200	\$3,067,500	\$3,067,500	\$0	\$3,067,500
State	2,664,000	3,067,500	3,067,500	0	3,067,500
Federal	0	0	0	0	0
Other	196,200	0	0	0	0

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
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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	168,200	145,000	145,000	0	145,000
Total	\$168,200	\$145,000	\$145,000	\$0	\$145,000
State	145,000	145,000	145,000	0	145,000
Federal	0	0	0	0	0
Other	23,200	0	0	0	0

327.50 Tennessee Heritage Conservation Trust Fund

The Tennessee Heritage Conservation Trust Fund was established in 2005 to protect and conserve significant natural areas throughout Tennessee. Through strategic partnerships with landowners, government agencies, non-profit organizations, and private companies, the program provides funds for acquisition of property and easements that preserve and protect the state's physical, cultural, archaeological, historical, and environmental resources.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	1,227,500	1,000,000	1,000,000	0	1,000,000
Total	\$1,227,500	\$1,000,000	\$1,000,000	\$0	\$1,000,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,227,500	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	14,800	12,000	12,000	0	12,000
Total	\$14,800	\$12,000	\$12,000	\$0	\$12,000

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
State	5,600	12,000	12,000	0	12,000
Federal	0	0	0	0	0
Other	9,200	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	601,100	630,100	635,600	0	635,600
Operational	173,000	131,800	131,800	0	131,800
Total	\$774,100	\$761,900	\$767,400	\$0	\$767,400
State	249,000	205,000	210,500	0	210,500
Federal	73,200	120,000	120,000	0	120,000
Other	451,900	436,900	436,900	0	436,900

327.23 Used Oil Collection Program

The Used Oil Collection Program promotes the proper disposal of used oil, and staff of the Division of Solid Waste Management inspects used oil facilities. The program provides technical and financial assistance to local governments and private agencies that provide used oil collection centers. The program also provides general information to the public on proper disposal of oil, location of oil disposal facilities, and other information pertinent to the proper handling of oil.

Full-Time	4	4	4	0	4
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	4	4	4	0	4
Payroll	269,300	316,200	319,500	0	319,500
Operational	941,300	991,700	991,700	0	991,700
Total	\$1,210,600	\$1,307,900	\$1,311,200	\$0	\$1,311,200
State	1,184,400	1,306,900	1,310,200	0	1,310,200
Federal	0	0	0	0	0
Other	26,200	1,000	1,000	0	1,000

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
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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	21	21	0	21
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	18	21	21	0	21
Payroll	1,283,200	1,522,800	1,536,600	0	1,536,600
Operational	1,253,600	4,927,900	4,797,900	0	4,797,900
Total	\$2,536,800	\$6,450,700	\$6,334,500	\$0	\$6,334,500
State	1,496,700	1,446,600	1,326,800	0	1,326,800
Federal	0	0	0	0	0
Other	1,040,100	5,004,100	5,007,700	0	5,007,700

327.24 West Tennessee River Basin Authority Maintenance

The West Tennessee River Basin Authority Maintenance program provides funds for maintenance projects for the WTRBA. These projects ensure the safe and efficient operation of flood control structures such as dams, sediment retention structures, and grade control structures.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	936,200	1,615,500	1,615,500	0	1,615,500
Total	\$936,200	\$1,615,500	\$1,615,500	\$0	\$1,615,500
State	936,200	1,615,500	1,615,500	0	1,615,500
Federal	0	0	0	0	0
Other	0	0	0	0	0

327.28 Tennessee Dry Cleaners Environmental Response Fund

The Tennessee Dry Cleaners Environmental Response Fund provides funds for the cost of oversight, investigation, and remediation of eligible properties contaminated with solvents from currently operating and former dry cleaning facilities. Dry cleaners are required to use practices that minimize the release of dry cleaning solvent.

Full-Time	3	3	3	0	3
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	3	3	3	0	3

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
Payroll	249,600	516,600	518,900	0	518,900
Operational	472,700	1,404,300	1,404,300	0	1,404,300
Total	\$722,300	\$1,920,900	\$1,923,200	\$0	\$1,923,200
State	710,000	1,920,900	1,923,200	0	1,923,200
Federal	0	0	0	0	0
Other	12,300	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	3,695,800	4,019,900	4,060,000	0	4,060,000
Operational	1,230,100	1,081,300	1,081,300	0	1,081,300
Total	\$4,925,900	\$5,101,200	\$5,141,300	\$0	\$5,141,300
State	1,023,500	684,600	702,600	0	702,600
Federal	0	86,200	86,200	0	86,200
Other	3,902,400	4,330,400	4,352,500	0	4,352,500

327.31 Air Pollution Control

The Air Pollution Control division regulates air contaminants that are emitted into the atmosphere. State, local, and federal agencies monitor air quality at several sites across the state to determine if public health and welfare are protected. Mobile sources of air pollution are subject to a vehicle emission testing program in areas of the state that need the most stringent degree of regulation to meet air quality standards. The state coordinates its air pollution control efforts with the four local government air pollution control programs in Shelby, Davidson, Hamilton, and Knox counties.

Full-Time	129	129	129	0	129
Part-Time	12	12	12	0	12
Seasonal	0	0	0	0	0
Total	141	141	141	0	141
Payroll	10,149,300	11,742,200	11,835,400	0	11,835,400
Operational	7,198,300	7,666,000	7,666,000	0	7,666,000
Total	\$17,347,600	\$19,408,200	\$19,501,400	\$0	\$19,501,400
State	1,446,500	1,316,500	1,330,500	0	1,330,500
Federal	2,058,200	1,177,500	1,177,500	0	1,177,500
Other	13,842,900	16,914,200	16,993,400	0	16,993,400

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.

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
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	4,356,600	5,017,300	5,053,700	0	5,053,700
Operational	1,068,000	1,724,100	1,724,100	0	1,724,100
Total	\$5,424,600	\$6,741,400	\$6,777,800	\$0	\$6,777,800
State	444,400	661,600	665,200	0	665,200
Federal	0	152,500	152,500	0	152,500
Other	4,980,200	5,927,300	5,960,100	0	5,960,100

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	1,382,000	1,798,200	1,811,900	0	1,811,900
Operational	55,630,900	63,389,500	60,664,700	0	60,664,700
Total	\$57,012,900	\$65,187,700	\$62,476,600	\$0	\$62,476,600
State	5,798,200	8,510,000	5,798,900	0	5,798,900
Federal	49,837,500	55,177,700	55,177,700	0	55,177,700
Other	1,377,200	1,500,000	1,500,000	0	1,500,000

327.34 Division of Water Resources

The Division of Water Resources is responsible for protecting the state's waters through a program of water quality planning, monitoring and assessment, and regulation. The division regulates stream channel modification, wetlands alteration, gravel dredging, and mine water discharge. This program develops groundwater and wellhead protection plans to ensure that Tennessee's public water supply complies with state and federal standards. The program also regulates most of the dams across the state and the drilling of public and private wells. The division regulates subsurface sewage disposal systems, grants construction permits, and inspects and approves underground septic systems for wastewater disposal areas that lack wastewater treatment plants. In addition, the division is responsible for inspecting septic tank maintenance and recommending alternative methods of wastewater disposal for areas unable to support conventional underground septic systems.

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	24,620,800	26,238,500	26,467,300	0	26,467,300
Operational	9,727,900	11,460,400	9,060,400	0	9,060,400
Total	\$34,348,700	\$37,698,900	\$35,527,700	\$0	\$35,527,700

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
State	14,760,400	17,471,100	15,219,800	0	15,219,800
Federal	6,433,400	7,883,700	7,883,700	0	7,883,700
Other	13,154,900	12,344,100	12,424,200	0	12,424,200

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	9,976,400	10,586,700	10,674,000	0	10,674,000
Operational	2,056,100	1,645,800	1,645,800	0	1,645,800
Total	\$12,032,500	\$12,232,500	\$12,319,800	\$0	\$12,319,800
State	2,086,300	2,092,400	2,118,600	0	2,118,600
Federal	2,268,600	2,165,600	2,165,600	0	2,165,600
Other	7,677,600	7,974,500	8,035,600	0	8,035,600

327.36 DOE Oversight

The DOE Oversight program, by agreement with the U.S. DOE, coordinates state government oversight of the federal government's environmental compliance, environmental restoration, waste management, health studies, and public awareness activities on the DOE's Oak Ridge reservation. The state, in cooperation with the U.S. DOE, works to achieve clean air, water, and land in Tennessee, while sustaining economic growth.

Full-Time	44	44	44	0	44
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	44	44	44	0	44
Payroll	3,134,600	4,004,200	4,023,200	0	4,023,200
Operational	1,177,700	2,666,000	2,666,000	0	2,666,000
Total	\$4,312,300	\$6,670,200	\$6,689,200	\$0	\$6,689,200
State	55,400	0	0	0	0
Federal	4,170,000	6,570,200	6,589,200	0	6,589,200
Other	86,900	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.

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	32,700	500,000	500,000	0	500,000
Total	\$32,700	\$500,000	\$500,000	\$0	\$500,000
State	0	500,000	500,000	0	500,000
Federal	0	0	0	0	0
Other	32,700	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	3,689,200	5,158,100	5,180,400	0	5,180,400
Operational	2,383,500	6,525,700	4,825,700	2,000,000	6,825,700
Total	\$6,072,700	\$11,683,800	\$10,006,100	\$2,000,000	\$12,006,100
State	754,200	2,700,000	1,000,000	2,000,000	3,000,000
Federal	1,213,500	1,890,400	1,890,400	0	1,890,400
Other	4,105,000	7,093,400	7,115,700	0	7,115,700

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	84	84	0	84
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	87	84	84	0	84
Payroll	6,286,300	6,927,300	6,988,800	0	6,988,800
Operational	17,706,500	18,129,400	18,129,400	0	18,129,400
Total	\$23,992,800	\$25,056,700	\$25,118,200	\$0	\$25,118,200
State	20,817,500	23,083,300	23,144,800	0	23,144,800
Federal	2,020,800	1,973,400	1,973,400	0	1,973,400
Other	1,154,500	0	0	0	0

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
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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	1,444,400	1,553,500	1,561,300	0	1,561,300
Operational	9,477,300	5,355,800	5,355,800	0	5,355,800
Total	\$10,921,700	\$6,909,300	\$6,917,100	\$0	\$6,917,100
State	6,916,200	6,909,300	6,917,100	0	6,917,100
Federal	0	0	0	0	0
Other	4,005,500	0	0	0	0

327.43 Environmental Protection Fund

The Environmental Protection Fund (EPF) collects fees from environmental permits, inspections, and fines. Funds are dispersed from the EPF to other divisions of the department to reimburse expenses of permitting, monitoring, compliance investigating, enforcement, and administration. The divisions of Air Pollution Control, Radiological Health, Water Pollution Control, Ground Water Protection, Solid Waste Management, Administrative Services, and Environment Administration receive funding from the EPF.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	46,705,700	52,356,000	52,683,500	0	52,683,500
Total	\$46,705,700	\$52,356,000	\$52,683,500	\$0	\$52,683,500
State	46,281,200	52,356,000	52,683,500	0	52,683,500
Federal	0	0	0	0	0
Other	424,500	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	11	11	0	11
Part-Time	4	4	4	0	4
Seasonal	0	0	0	0	0
Total	12	15	15	0	15

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
Payroll	532,300	846,600	855,100	0	855,100
Operational	365,100	624,900	623,800	0	623,800
Total	\$897,400	\$1,471,500	\$1,478,900	\$0	\$1,478,900
State	0	0	0	0	0
Federal	236,900	804,500	804,500	0	804,500
Other	660,500	667,000	674,400	0	674,400

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	864,100	1,089,300	1,095,600	0	1,095,600
Operational	251,300	2,146,800	2,036,600	0	2,036,600
Total	\$1,115,400	\$3,236,100	\$3,132,200	\$0	\$3,132,200
State	648,700	2,239,600	2,245,900	0	2,245,900
Federal	221,000	446,500	336,300	0	336,300
Other	245,700	550,000	550,000	0	550,000

327.00 Total Environment and Conservation

Full-Time	2,276	2,277	2,280	0	2,280
Part-Time	226	181	176	0	176
Seasonal	264	246	228	0	228
Total	2,766	2,704	2,684	0	2,684
Payroll	147,108,900	158,352,600	160,025,100	0	160,025,100
Operational	228,587,300	256,596,700	249,103,300	3,574,900	252,678,200
Total	\$375,696,200	\$414,949,300	\$409,128,400	\$3,574,900	\$412,703,300
State	185,715,200	203,683,200	198,042,400	2,000,000	200,042,400
Federal	75,661,300	86,465,600	86,343,200	0	86,343,200
Other	114,319,700	124,800,500	124,742,800	1,574,900	126,317,700

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>2017-2018</u>	<u>Estimated</u> <u>2018-2019</u>	<u>Base</u> <u>2019-2020</u>	<u>Cost Increase</u> <u>2019-2020</u>	<u>Recommended</u> <u>2019-2020</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	622	622	0	622
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
Total	640	631	631	0	631
Payroll	48,100,600	53,586,800	54,080,400	1,218,300	55,298,700
Operational	29,542,300	52,689,400	32,874,000	0	32,874,000
Total	\$77,642,900	\$106,276,200	\$86,954,400	\$1,218,300	\$88,172,700
State	40,469,700	44,401,500	41,737,500	1,218,300	42,955,800
Federal	24,296,300	38,197,800	25,026,900	0	25,026,900
Other	12,876,900	23,676,900	20,190,000	0	20,190,000

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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	6,105,900	7,243,400	7,304,400	166,100	7,470,500
Operational	5,844,800	8,819,300	6,135,800	0	6,135,800
Total	\$11,950,700	\$16,062,700	\$13,440,200	\$166,100	\$13,606,300
State	6,352,400	9,023,800	6,949,200	166,100	7,115,300
Federal	3,735,500	3,900,000	3,961,000	0	3,961,000
Other	1,862,800	3,138,900	2,530,000	0	2,530,000

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	12,823,600	17,761,300	15,940,000	0	15,940,000
Total	\$12,823,600	\$17,761,300	\$15,940,000	\$0	\$15,940,000
State	8,708,000	16,099,300	14,278,000	0	14,278,000
Federal	0	0	0	0	0
Other	4,115,600	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	443,200	505,900	555,900	0	555,900
Total	\$443,200	\$505,900	\$555,900	\$0	\$555,900
State	430,000	505,900	555,900	0	555,900
Federal	0	0	0	0	0
Other	13,200	0	0	0	0

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
328.00 Total Tennessee Wildlife Resources Agency					
Full-Time	670	661	661	0	661
Part-Time	53	53	53	0	53
Seasonal	0	0	0	0	0
Total	723	714	714	0	714
Payroll	54,206,500	60,830,200	61,384,800	1,384,400	62,769,200
Operational	48,653,900	79,775,900	55,505,700	0	55,505,700
Total	\$102,860,400	\$140,606,100	\$116,890,500	\$1,384,400	\$118,274,900
State	55,960,100	70,030,500	63,520,600	1,384,400	64,905,000
Federal	28,031,800	42,097,800	28,987,900	0	28,987,900
Other	18,868,500	28,477,800	24,382,000	0	24,382,000

Department of Commerce and Insurance

The Department of Commerce and Insurance regulates numerous professions and industries conducting business within the state. The department provides this service through five functional areas including: Administration, Consumer Protection, 911 Wireless Communication, Fire Prevention, and Law Enforcement Training.

<u>Actual</u> <u>2017-2018</u>	<u>Estimated</u> <u>2018-2019</u>	<u>Base</u> <u>2019-2020</u>	<u>Cost Increase</u> <u>2019-2020</u>	<u>Recommended</u> <u>2019-2020</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	104	0	104
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	67	67	104	0	104
Payroll	5,264,700	5,759,200	7,608,100	0	7,608,100
Operational	3,738,800	3,875,900	4,455,700	0	4,455,700
Total	\$9,003,500	\$9,635,100	\$12,063,800	\$0	\$12,063,800
State	1,604,400	1,651,200	1,794,500	0	1,794,500
Federal	0	0	0	0	0
Other	7,399,100	7,983,900	10,269,300	0	10,269,300

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	105	107	107	0	107
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	105	107	107	0	107
Payroll	6,351,200	8,514,800	8,566,700	0	8,566,700
Operational	6,754,500	8,089,900	7,813,500	0	7,813,500
Total	\$13,105,700	\$16,604,700	\$16,380,200	\$0	\$16,380,200

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
State	0	2,123,700	2,121,700	0	2,121,700
Federal	0	283,100	0	0	0
Other	13,105,700	14,197,900	14,258,500	0	14,258,500

335.05 Securities

The Securities division ensures investor protection by promoting and maintaining the integrity of the securities markets in Tennessee. The division promotes investor protection and market efficiency by examining broker-dealer applications, financial reports, and complaints. The division collects fees from the securities industry.

Full-Time	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	1,658,300	2,100,700	2,111,600	0	2,111,600
Operational	1,316,000	1,276,900	1,280,200	0	1,280,200
Total	\$2,974,300	\$3,377,600	\$3,391,800	\$0	\$3,391,800
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	2,974,300	3,377,600	3,391,800	0	3,391,800

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	485,000	721,400	724,400	0	724,400
Operational	170,800	146,700	146,700	0	146,700
Total	\$655,800	\$868,100	\$871,100	\$0	\$871,100
State	652,300	868,100	871,100	0	871,100
Federal	3,500	0	0	0	0
Other	0	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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
Payroll	0	0	0	0	0
Operational	1,900	297,500	297,500	0	297,500
Total	\$1,900	\$297,500	\$297,500	\$0	\$297,500
State	0	297,500	297,500	0	297,500
Federal	0	0	0	0	0
Other	1,900	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	47,200	82,800	82,800	0	82,800
Total	\$47,200	\$82,800	\$82,800	\$0	\$82,800
State	43,200	82,800	82,800	0	82,800
Federal	0	0	0	0	0
Other	4,000	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	450,600	366,200	366,200	0	366,200
Total	\$450,600	\$366,200	\$366,200	\$0	\$366,200
State	445,200	361,200	361,200	0	361,200
Federal	0	0	0	0	0
Other	5,400	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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	208,400	350,100	350,100	0	350,100
Total	\$208,400	\$350,100	\$350,100	\$0	\$350,100
State	208,400	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	1,534,000	1,893,400	1,903,800	0	1,903,800
Operational	577,100	640,900	641,800	0	641,800
Total	\$2,111,100	\$2,534,300	\$2,545,600	\$0	\$2,545,600
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	2,111,100	2,534,300	2,545,600	0	2,545,600

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	197	161	0	161
Part-Time	131	131	131	0	131
Seasonal	0	0	0	0	0
Total	325	328	292	0	292

	Actual 2017-2018	Estimated 2018-2019	Base 2019-2020	Cost Increase 2019-2020	Recommended 2019-2020
Payroll	10,443,200	13,255,500	11,603,600	0	11,603,600
Operational	4,741,800	8,660,000	10,431,300	0	10,431,300
Total	\$15,185,000	\$21,915,500	\$22,034,900	\$0	\$22,034,900
State	14,209,300	20,983,600	21,103,000	0	21,103,000
Federal	0	0	0	0	0
Other	975,700	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	17	17	2	19
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	16	17	17	2	19
Payroll	1,119,700	1,220,100	1,232,200	109,800	1,342,000
Operational	611,700	698,400	677,900	37,400	715,300
Total	\$1,731,400	\$1,918,500	\$1,910,100	\$147,200	\$2,057,300
State	1,675,800	1,823,000	1,814,600	147,200	1,961,800
Federal	0	0	0	0	0
Other	55,600	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	945,900	972,500	979,500	0	979,500
Operational	113,291,600	116,871,100	116,875,400	0	116,875,400
Total	\$114,237,500	\$117,843,600	\$117,854,900	\$0	\$117,854,900
State	112,034,200	112,021,800	112,033,100	0	112,033,100
Federal	0	0	0	0	0
Other	2,203,300	5,821,800	5,821,800	0	5,821,800

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	154	162	161	0	161
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
Total	163	171	170	0	170
Payroll	9,348,800	10,688,900	10,745,500	0	10,745,500
Operational	13,046,700	12,799,000	12,853,600	0	12,853,600
Total	\$22,395,500	\$23,487,900	\$23,599,100	\$0	\$23,599,100
State	0	0	0	0	0
Federal	554,700	271,300	271,300	0	271,300
Other	21,840,800	23,216,600	23,327,800	0	23,327,800

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	25	25	0	25
Part-Time	89	89	89	0	89
Seasonal	0	0	0	0	0
Total	115	114	114	0	114
Payroll	2,151,000	2,536,900	2,575,200	0	2,575,200
Operational	1,801,200	1,791,800	1,781,300	0	1,781,300
Total	\$3,952,200	\$4,328,700	\$4,356,500	\$0	\$4,356,500
State	2,416,500	2,946,200	2,965,600	0	2,965,600
Federal	194,300	53,500	53,500	0	53,500
Other	1,341,400	1,329,000	1,337,400	0	1,337,400

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	3,836,400	4,109,100	4,109,100	1,369,600	5,478,700
Total	\$3,836,400	\$4,109,100	\$4,109,100	\$1,369,600	\$5,478,700
State	3,836,400	4,109,100	4,109,100	1,369,600	5,478,700
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	27	33	32	0	32
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	28	34	33	0	33
Payroll	1,911,700	2,470,100	2,424,600	60,400	2,485,000
Operational	2,583,800	2,971,000	2,603,000	0	2,603,000
Total	\$4,495,500	\$5,441,100	\$5,027,600	\$60,400	\$5,088,000
State	2,915,200	3,505,200	3,289,400	60,400	3,349,800
Federal	0	0	0	0	0
Other	1,580,300	1,935,900	1,738,200	0	1,738,200

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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
Payroll	263,300	328,500	330,700	0	330,700
Operational	8,763,000	9,183,000	9,183,000	2,936,000	12,119,000
Total	\$9,026,300	\$9,511,500	\$9,513,700	\$2,936,000	\$12,449,700
State	9,021,100	9,468,200	9,470,400	2,936,000	12,406,400
Federal	0	0	0	0	0
Other	5,200	43,300	43,300	0	43,300
335.00 Total Commerce and Insurance					
Full-Time	659	680	679	2	681
Part-Time	230	230	230	0	230
Seasonal	0	0	0	0	0
Total	889	910	909	2	911
Payroll	41,476,800	50,462,000	50,805,900	170,200	50,976,100
Operational	161,941,500	172,210,300	173,949,100	4,343,000	178,292,100
Total	\$203,418,300	\$222,672,300	\$224,755,000	\$4,513,200	\$229,268,200
State	149,062,000	160,591,700	160,664,100	4,513,200	165,177,300
Federal	752,500	607,900	324,800	0	324,800
Other	53,603,800	61,472,700	63,766,100	0	63,766,100

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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
336.00 Financial Institutions					
Full-Time	158	159	159	0	159
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	158	159	159	0	159
Payroll	15,241,400	17,823,700	17,925,200	0	17,925,200
Operational	4,281,200	7,643,200	7,650,400	0	7,650,400
Total	\$19,522,600	\$25,466,900	\$25,575,600	\$0	\$25,575,600
State	19,172,600	25,464,500	25,573,200	0	25,573,200
Federal	0	0	0	0	0
Other	350,000	2,400	2,400	0	2,400

Department of Labor and Workforce Development

The Department of Labor and Workforce Development protects the rights of workers and assists employers in maintaining those rights throughout Tennessee. The department has six functional areas: Administration, Safety and Health, Workers' Compensation, Labor Standards, Employment and Workforce Development, and Employment Security.

<u>Actual</u> <u>2017-2018</u>	<u>Estimated</u> <u>2018-2019</u>	<u>Base</u> <u>2019-2020</u>	<u>Cost Increase</u> <u>2019-2020</u>	<u>Recommended</u> <u>2019-2020</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	63	50	50	0	50
Part-Time	3	0	0	0	0
Seasonal	0	0	0	0	0
Total	66	50	50	0	50
Payroll	6,388,400	5,943,500	5,721,400	0	5,721,400
Operational	9,908,700	9,163,600	6,492,800	0	6,492,800
Total	\$16,297,100	\$15,107,100	\$12,214,200	\$0	\$12,214,200
State	3,191,200	3,141,900	3,155,900	0	3,155,900
Federal	11,392,100	10,565,200	7,658,300	0	7,658,300
Other	1,713,800	1,400,000	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	93	93	0	93
Part-Time	3	3	3	0	3
Seasonal	0	0	0	0	0
Total	98	96	96	0	96
Payroll	7,263,400	8,613,300	8,511,600	0	8,511,600
Operational	1,927,600	1,719,600	1,837,900	0	1,837,900
Total	\$9,191,000	\$10,332,900	\$10,349,500	\$0	\$10,349,500
State	4,686,800	5,912,900	5,944,900	0	5,944,900
Federal	4,496,400	4,385,400	4,370,000	0	4,370,000
Other	7,800	34,600	34,600	0	34,600

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	4	4	4	0	4
Part-Time	15	15	15	0	15
Seasonal	0	0	0	0	0
Total	19	19	19	0	19
Payroll	332,200	446,300	426,400	0	426,400
Operational	158,900	115,600	145,600	0	145,600
Total	\$491,100	\$561,900	\$572,000	\$0	\$572,000
State	285,500	358,700	366,000	0	366,000
Federal	163,200	130,400	133,200	0	133,200
Other	42,400	72,800	72,800	0	72,800

337.05 Boilers, Elevators, and Amusement Devices

The Boilers, Elevators, and Amusement Devices division performs safety inspections of boilers, elevators, and amusement device operators across the state.

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	3,807,600	4,885,700	4,846,200	0	4,846,200
Operational	1,437,800	1,128,500	1,201,700	0	1,201,700
Total	\$5,245,400	\$6,014,200	\$6,047,900	\$0	\$6,047,900
State	5,175,600	5,940,300	5,975,000	0	5,975,000
Federal	0	0	0	0	0
Other	69,800	73,900	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	136	135	131	0	131
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	136	135	131	0	131

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
Payroll	10,498,000	12,073,200	11,849,500	0	11,849,500
Operational	3,403,800	3,028,300	2,500,800	0	2,500,800
Total	\$13,901,800	\$15,101,500	\$14,350,300	\$0	\$14,350,300
State	13,718,600	14,912,600	14,161,400	0	14,161,400
Federal	0	0	0	0	0
Other	183,200	188,900	188,900	0	188,900

337.08 Subsequent Injury and Vocational Recovery Fund

The Subsequent Injury and Vocational Recovery Fund appropriation provide 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	879,900	977,100	986,500	0	986,500
Operational	3,325,100	9,327,200	9,327,200	0	9,327,200
Total	\$4,205,000	\$10,304,300	\$10,313,700	\$0	\$10,313,700
State	3,944,500	10,029,300	10,038,700	0	10,038,700
Federal	0	0	0	0	0
Other	260,500	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	516,000	743,800	748,500	0	748,500
Operational	150,100	440,900	440,900	0	440,900
Total	\$666,100	\$1,184,700	\$1,189,400	\$0	\$1,189,400
State	666,100	1,184,700	1,189,400	0	1,189,400
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	16	16	0	16
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	17	16	16	0	16
Payroll	617,400	941,100	887,100	0	887,100
Operational	250,900	215,500	275,500	0	275,500
Total	\$868,300	\$1,156,600	\$1,162,600	\$0	\$1,162,600
State	834,900	1,156,600	1,162,600	0	1,162,600
Federal	0	0	0	0	0
Other	33,400	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 completing 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	1,039,300	1,326,200	1,306,600	0	1,306,600
Operational	11,881,900	14,592,600	14,745,600	0	14,745,600
Total	\$12,921,200	\$15,918,800	\$16,052,200	\$0	\$16,052,200
State	3,401,500	4,643,800	4,645,100	0	4,645,100
Federal	9,328,000	11,255,000	11,307,100	0	11,307,100
Other	191,700	20,000	100,000	0	100,000

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	369	334	334	0	334
Part-Time	62	6	6	0	6
Seasonal	0	0	0	0	0
Total	431	340	340	0	340
Payroll	14,071,500	21,103,100	20,020,500	0	20,020,500
Operational	62,407,300	65,523,300	66,725,800	0	66,725,800
Total	\$76,478,800	\$86,626,400	\$86,746,300	\$0	\$86,746,300
State	36,800	0	0	0	0
Federal	73,528,500	84,939,100	84,059,000	0	84,059,000
Other	2,913,500	1,687,300	2,687,300	0	2,687,300

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	502	427	427	0	427
Part-Time	142	81	81	0	81
Seasonal	0	0	0	0	0
Total	644	508	508	0	508
Payroll	22,904,300	28,370,900	28,373,300	0	28,373,300
Operational	12,335,400	12,262,600	13,297,800	0	13,297,800
Total	\$35,239,700	\$40,633,500	\$41,671,100	\$0	\$41,671,100
State	367,900	409,800	409,800	0	409,800
Federal	34,865,600	30,447,700	27,400,100	0	27,400,100
Other	6,200	9,776,000	13,861,200	0	13,861,200

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
337.00 Total Labor and Workforce Development					
Full-Time	1,287	1,160	1,156	0	1,156
Part-Time	225	105	105	0	105
Seasonal	0	0	0	0	0
Total	1,512	1,265	1,261	0	1,261
Payroll	68,318,000	85,424,200	83,677,600	0	83,677,600
Operational	107,187,500	117,517,700	116,991,600	0	116,991,600
Total	\$175,505,500	\$202,941,900	\$200,669,200	\$0	\$200,669,200
State	36,309,400	47,690,600	47,048,800	0	47,048,800
Federal	133,773,800	141,722,800	134,927,700	0	134,927,700
Other	5,422,300	13,528,500	18,692,700	0	18,692,700

Transportation, Business, and Economic Development



Transportation, Business, and Economic Development



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Transportation, Business, and Economic Development

Recommended Budget, Fiscal Year 2019 – 2020

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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Recommended 2019-2020</u>
Personnel			
Full-Time	5,798	5,747	5,751
Part-Time	11	11	11
Seasonal	178	178	178
TOTAL	5,987	5,936	5,940
Expenditures			
Payroll	\$ 354,772,400	\$ 428,233,800	\$ 437,081,900
Operational	2,191,076,800	2,538,631,300	2,570,822,300
TOTAL	\$ 2,545,849,200	\$ 2,966,865,100	\$ 3,007,904,200
Funding			
State	\$ 1,196,305,500	\$ 1,393,854,600	\$ 1,439,393,000
Federal	1,256,600,900	1,475,199,700	1,461,897,900
Other	92,942,800	97,810,800	106,613,300
Tuition/Fees	0	0	0

**Transportation, Business, and Economic Development
Recommended Budget for Fiscal Year 2019-2020
By Funding Source**

Department	State	Federal	Other	Total
316.20 Tennessee Housing Development Agency	0	347,737,200	29,638,200	377,375,400
325.00 Agriculture	79,983,900	13,599,000	16,993,300	110,576,200
326.00 Tourist Development	20,301,300	0	9,668,700	29,970,000
330.00 Economic and Community Development	165,298,500	26,392,100	3,139,500	194,830,100
400.00 Transportation	1,173,809,300	1,074,169,600	47,173,600	2,295,152,500
Total	\$1,439,393,000	\$1,461,897,900	\$106,613,300	\$3,007,904,200

Transportation, Business, and Economic Development Cost Increases for Fiscal Year 2019-2020

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Agriculture					
• Rural Development Grants					
To provide funding for grants and services to agribusinesses in Tennessee's rural communities and distressed counties. This appropriation includes \$500,000 recurring and \$500,000 non-recurring.					
325.01 Administration and Grants	\$1,000,000	\$0	\$0	\$1,000,000	0
Sub-total	\$1,000,000	\$0	\$0	\$1,000,000	0
• Future Farmers of America and 4-H Foundation Grants					
To provide recurring funding to the Future Farmers of America and 4-H Foundation.					
325.01 Administration and Grants	\$600,000	\$0	\$0	\$600,000	0
Sub-total	\$600,000	\$0	\$0	\$600,000	0
• Agricenter International					
To provide non-recurring funding for maintenance, HVAC, and infrastructure upgrades for the ShowPlace Arena.					
325.01 Administration and Grants	\$2,500,000	\$0	\$0	\$2,500,000	0
Sub-total	\$2,500,000	\$0	\$0	\$2,500,000	0
Total Agriculture	\$4,100,000	\$0	\$0	\$4,100,000	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
• TN Office of Rural Initiatives					
To provide recurring funding for four positions to establish the Tennessee Office of Rural Initiatives. The mission of the office would be to assist distressed and at-risk counties through marketing, grants, and educational outreach.					
326.01 Administration and Marketing	\$524,800	\$0	\$0	\$524,800	4
Sub-total	\$524,800	\$0	\$0	\$524,800	4
Total Tourist Development	\$4,524,800	\$0	\$0	\$4,524,800	4

Transportation, Business, and Economic Development Cost Increases for Fiscal Year 2019-2020

	State	Federal	Other	Total	Positions
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	\$75,000,000	\$0	\$0	\$75,000,000	0
Sub-total	\$75,000,000	\$0	\$0	\$75,000,000	0
• Broadband Initiative					
To provide non-recurring funding for year three of three to increase broadband accessibility through grants and tax credits.					
330.07 Community and Rural Development	\$20,000,000	\$0	\$0	\$20,000,000	0
Sub-total	\$20,000,000	\$0	\$0	\$20,000,000	0
• 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	\$10,500,000	\$0	\$0	\$10,500,000	0
Sub-total	\$10,500,000	\$0	\$0	\$10,500,000	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	\$3,000,000	\$0	\$0	\$3,000,000	0
Sub-total	\$3,000,000	\$0	\$0	\$3,000,000	0
• Oak Ridge Manufacturing Research Grant					
To provide non-recurring funding for year five of five for the Institute for Advanced Composite Manufacturing Innovation (IACMI) at Oak Ridge.					
330.02 Business Development	\$3,000,000	\$0	\$0	\$3,000,000	0
Sub-total	\$3,000,000	\$0	\$0	\$3,000,000	0

**Transportation, Business, and Economic Development
Cost Increases for Fiscal Year 2019-2020**

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Rural Hospital Transformation Program					
To provide non-recurring funding for year two of three to help support rural hospitals in assessing viability and identifying new delivery models, strategic partnerships, and operational changes that enable the continuation of needed healthcare services in rural communities.					
330.07 Community and Rural Development	\$1,000,000	\$0	\$0	\$1,000,000	0
Sub-total	\$1,000,000	\$0	\$0	\$1,000,000	0
• Launch Tennessee Grants					
To provide funding to promote innovation and entrepreneurship through the distribution of grants aimed at increasing new businesses from research and development activities throughout the state. This appropriation includes \$300,000 recurring and \$1,200,000 non-recurring.					
330.02 Business Development	\$1,500,000	\$0	\$0	\$1,500,000	0
Sub-total	\$1,500,000	\$0	\$0	\$1,500,000	0
• Economic Development Districts Grant					
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
Total Economic and Community Development	\$114,020,000	\$0	\$0	\$114,020,000	0
Total Transportation, Business, and Economic Development	\$122,644,800	\$0	\$0	\$122,644,800	4

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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
316.20 Tennessee Housing Development Agency					
Full-Time	276	290	290	0	290
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	276	290	290	0	290
Payroll	20,427,900	25,597,300	25,869,600	0	25,869,600
Operational	290,241,500	355,405,800	351,505,800	0	351,505,800
Total	\$310,669,400	\$381,003,100	\$377,375,400	\$0	\$377,375,400
State	0	0	0	0	0
Federal	293,126,300	350,691,800	347,737,200	0	347,737,200
Other	17,543,100	30,311,300	29,638,200	0	29,638,200

Department of Agriculture

The Department of Agriculture was established in 1854 with the original purpose of promoting agriculture through fairs and livestock expositions. This tradition continues today as the department helps expand markets for farm and forest products through promotions and industry development activities. The department provides an array of consumer services from food safety and product quality assurance to pesticide regulation and environmental monitoring. Forestry services include landowner assistance, wildfire suppression, and state forest management. Water quality programs encourage and promote wise stewardship of natural resources. The department's mission is performed within the following four major areas: Administration and Grants, Agricultural Advancement, Consumer and Industry Services, and Forestry.

<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	54	60	60	0	60
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	54	60	60	0	60
Payroll	4,631,200	5,272,500	5,314,800	0	5,314,800
Operational	9,820,900	29,065,900	28,678,000	4,100,000	32,778,000
Total	\$14,452,100	\$34,338,400	\$33,992,800	\$4,100,000	\$38,092,800
State	8,801,300	27,849,200	27,703,600	4,100,000	31,803,600
Federal	5,025,900	5,875,000	5,875,000	0	5,875,000
Other	624,900	614,200	414,200	0	414,200

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
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325.08 Agricultural Resources Conservation Fund

The Agricultural Resources Conservation Fund (ARCF) lessens erosion and other agricultural-related impacts by providing cost-share reimbursements to landowners, producers, and managers who install a variety of conservation practices. The Department of Agriculture enters grant agreements with eligible entities, including Soil Conservation Districts (SCDs) who are a major partner in the facilitation of the ARCF program in all 95 counties. Grants to the SCDs comprise a majority of the annual ARCF program expenditures and includes funds for landowner reimbursements, administrative and per diem expenses, and training.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	5,451,000	3,187,500	3,187,500	0	3,187,500
Total	\$5,451,000	\$3,187,500	\$3,187,500	\$0	\$3,187,500
State	3,187,500	3,187,500	3,187,500	0	3,187,500
Federal	0	0	0	0	0
Other	2,263,500	0	0	0	0

325.12 Grain Indemnity Fund

Monies from the Grain Indemnity Fund are used to protect commodity producers in the event of the financial failure of a commodity dealer or warehouseman and to compensate producers for losses occasioned by the failure of a commodity dealer or warehouseman. Per-bushel assessment fees on grain producers cover the cost of the program. When the fund balance exceeds \$3 million, producer assessments are suspended, as provided by law. Revenues in the program are interest earnings on the fund balance.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	151,500	126,700	126,700	0	126,700
Total	\$151,500	\$126,700	\$126,700	\$0	\$126,700
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	151,500	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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
Payroll	0	0	0	0	0
Operational	465,000	250,000	250,000	0	250,000
Total	\$465,000	\$250,000	\$250,000	\$0	\$250,000
State	250,000	250,000	250,000	0	250,000
Federal	0	0	0	0	0
Other	215,000	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	21	16	16	0	16
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	22	17	17	0	17
Payroll	1,586,200	1,293,600	1,307,000	0	1,307,000
Operational	17,806,300	1,333,900	1,333,900	0	1,333,900
Total	\$19,392,500	\$2,627,500	\$2,640,900	\$0	\$2,640,900
State	18,827,300	1,768,800	1,767,600	0	1,767,600
Federal	463,900	781,200	795,800	0	795,800
Other	101,300	77,500	77,500	0	77,500

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 safe and wholesome food supply. Statutes direct responsibility for registering, licensing, sampling, and inspection of items pertaining to human and animal health safety, consumer protection, truth in labeling, and free movement of plants and animals.

Full-Time	228	229	229	0	229
Part-Time	5	5	5	0	5
Seasonal	3	3	3	0	3
Total	236	237	237	0	237

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
Payroll	14,727,200	16,250,600	16,408,800	0	16,408,800
Operational	8,129,000	8,623,600	8,631,800	0	8,631,800
Total	\$22,856,200	\$24,874,200	\$25,040,600	\$0	\$25,040,600
State	9,433,400	10,435,700	10,314,800	0	10,314,800
Federal	2,686,500	3,294,100	3,331,400	0	3,331,400
Other	10,736,300	11,144,400	11,394,400	0	11,394,400

325.16 Agricultural Regulatory Fund

The Agricultural Regulatory Fund provides funding to the divisions of Administration and Grants and Consumer and Industry Services to help defray the costs of administering regulatory programs. The funds are used for permitting, monitoring, investigating, enforcing, and administering such areas as pesticide product registration, pesticide dealer licenses and fees, plant certification fees, plant and soil testing fees, and pathology. Licensing and product registrations and civil penalties are deposited into the fund.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	10,472,400	10,576,600	10,547,500	0	10,547,500
Total	\$10,472,400	\$10,576,600	\$10,547,500	\$0	\$10,547,500
State	10,353,200	10,456,600	10,427,500	0	10,427,500
Federal	0	0	0	0	0
Other	119,200	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	307	307	307	0	307
Part-Time	0	0	0	0	0
Seasonal	175	175	175	0	175
Total	482	482	482	0	482
Payroll	17,852,300	19,466,000	19,689,000	0	19,689,000
Operational	10,827,200	10,844,000	10,844,000	0	10,844,000
Total	\$28,679,500	\$30,310,000	\$30,533,000	\$0	\$30,533,000
State	19,574,100	22,302,700	22,075,700	0	22,075,700
Federal	4,497,800	3,596,800	3,596,800	0	3,596,800
Other	4,607,600	4,410,500	4,860,500	0	4,860,500

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	254,800	157,200	157,200	0	157,200
Total	\$254,800	\$157,200	\$157,200	\$0	\$157,200
State	157,200	157,200	157,200	0	157,200
Federal	0	0	0	0	0
Other	97,600	0	0	0	0
325.00 Total Agriculture					
Full-Time	610	612	612	0	612
Part-Time	6	6	6	0	6
Seasonal	178	178	178	0	178
Total	794	796	796	0	796
Payroll	38,796,900	42,282,700	42,719,600	0	42,719,600
Operational	63,378,100	64,165,400	63,756,600	4,100,000	67,856,600
Total	\$102,175,000	\$106,448,100	\$106,476,200	\$4,100,000	\$110,576,200
State	70,584,000	76,407,700	75,883,900	4,100,000	79,983,900
Federal	12,674,100	13,547,100	13,599,000	0	13,599,000
Other	18,916,900	16,493,300	16,993,300	0	16,993,300

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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	27	28	28	4	32
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	27	28	28	4	32
Payroll	2,342,500	2,568,600	2,585,400	438,900	3,024,300
Operational	18,358,300	16,775,500	12,076,300	4,085,900	16,162,200
Total	\$20,700,800	\$19,344,100	\$14,661,700	\$4,524,800	\$19,186,500
State	19,652,000	18,554,900	13,872,500	4,524,800	18,397,300
Federal	0	0	0	0	0
Other	1,048,800	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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
Payroll	6,403,300	7,199,500	7,285,500	0	7,285,500
Operational	3,402,900	3,698,000	3,498,000	0	3,498,000
Total	\$9,806,200	\$10,897,500	\$10,783,500	\$0	\$10,783,500
State	1,644,000	1,904,000	1,904,000	0	1,904,000
Federal	0	0	0	0	0
Other	8,162,200	8,993,500	8,879,500	0	8,879,500
326.00 Total Tourist Development					
Full-Time	179	180	180	4	184
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	179	180	180	4	184
Payroll	8,745,800	9,768,100	9,870,900	438,900	10,309,800
Operational	21,761,200	20,473,500	15,574,300	4,085,900	19,660,200
Total	\$30,507,000	\$30,241,600	\$25,445,200	\$4,524,800	\$29,970,000
State	21,296,000	20,458,900	15,776,500	4,524,800	20,301,300
Federal	0	0	0	0	0
Other	9,211,000	9,782,700	9,668,700	0	9,668,700

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, South Korea, Germany, Italy, China, France, Spain, and Benelux maintaining and providing ECD's presence, assistance, and programs in Tennessee and internationally.

<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
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Administrative Services

330.01 Administrative Services

Administrative Services provides administrative and support services to the department and is responsible for the daily operations and procedures of the department. Activities include internal policy, legal, communications (including public information), graphic and media services, research, human resources, internal audit and consulting, fiscal services, and budgeting. Administrative Services is subdivided into ten sections: commissioner's office, budget and fiscal, human resources, legal, internal audit and consulting, contracting, contract monitoring, research and special projects, communications and marketing, and strategy, which includes functions of the Business Enterprise Resource Office (BERO).

Full-Time	39	39	38	0	38
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	39	39	38	0	38
Payroll	4,286,200	4,367,700	4,277,100	0	4,277,100
Operational	2,957,400	3,387,300	2,591,300	0	2,591,300
Total	\$7,243,600	\$7,755,000	\$6,868,400	\$0	\$6,868,400
State	739,300	6,990,600	6,104,000	0	6,104,000
Federal	106,700	165,200	165,200	0	165,200
Other	6,397,600	599,200	599,200	0	599,200

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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 four 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, and international trade.

Full-Time	46	47	45	0	45
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	46	47	45	0	45
Payroll	4,463,800	4,780,400	4,928,400	0	4,928,400
Operational	14,799,100	13,981,400	6,188,200	4,500,000	10,688,200
Total	\$19,262,900	\$18,761,800	\$11,116,600	\$4,500,000	\$15,616,600
State	18,966,900	18,015,200	10,370,000	4,500,000	14,870,000
Federal	127,300	128,200	128,200	0	128,200
Other	168,700	618,400	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	83,569,800	107,340,500	25,340,500	75,000,000	100,340,500
Total	\$83,569,800	\$107,340,500	\$25,340,500	\$75,000,000	\$100,340,500
State	82,565,600	107,000,000	25,000,000	75,000,000	100,000,000
Federal	0	0	0	0	0
Other	1,004,200	340,500	340,500	0	340,500

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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, television shows, computer-generated imagery, interactive digital media, streaming platforms, and stand-alone post-production scoring and editing in Tennessee. To be eligible, such productions must meet criteria established by the Tennessee Film, Entertainment and Music Commission.

Full-Time	0	0	3	0	3
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	3	0	3
Payroll	340,200	340,200	340,200	0	340,200
Operational	6,731,500	5,233,500	2,281,800	0	2,281,800
Total	\$7,071,700	\$5,573,700	\$2,622,000	\$0	\$2,622,000
State	6,757,900	5,525,100	2,573,400	0	2,573,400
Federal	0	0	0	0	0
Other	313,800	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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
Payroll	0	0	0	0	0
Operational	1,059,900	400,900	400,900	0	400,900
Total	\$1,059,900	\$400,900	\$400,900	\$0	\$400,900
State	400,900	400,900	400,900	0	400,900
Federal	0	0	0	0	0
Other	659,000	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	120,100	200,000	200,000	0	200,000
Total	\$120,100	\$200,000	\$200,000	\$0	\$200,000
State	81,800	200,000	200,000	0	200,000
Federal	38,300	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	20,796,500	0	0	0	0
Total	\$20,796,500	\$0	\$0	\$0	\$0
State	20,796,500	0	0	0	0
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	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	756,000	817,800	824,800	0	824,800
Operational	38,154,000	28,174,900	26,174,900	0	26,174,900
Total	\$38,910,000	\$28,992,700	\$26,999,700	\$0	\$26,999,700
State	1,012,500	2,826,100	833,100	0	833,100
Federal	37,896,300	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	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	978,800	1,040,100	1,045,100	0	1,045,100
Operational	10,653,700	33,221,900	2,721,900	34,500,000	37,221,900
Total	\$11,632,500	\$34,262,000	\$3,767,000	\$34,500,000	\$38,267,000
State	9,602,500	34,262,000	3,767,000	34,500,000	38,267,000
Federal	0	0	0	0	0
Other	2,030,000	0	0	0	0

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	2,000,000	2,030,100	2,030,100	20,000	2,050,100
Total	\$2,000,000	\$2,030,100	\$2,030,100	\$20,000	\$2,050,100
State	2,000,000	2,030,100	2,030,100	20,000	2,050,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

330.00 Total Economic and Community Development

Full-Time	103	104	104	0	104
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	103	104	104	0	104
Payroll	10,825,000	11,346,200	11,415,600	0	11,415,600
Operational	180,842,000	195,435,400	69,394,500	114,020,000	183,414,500
Total	\$191,667,000	\$206,781,600	\$80,810,100	\$114,020,000	\$194,830,100
State	142,923,900	177,250,000	51,278,500	114,020,000	165,298,500
Federal	38,168,600	26,392,100	26,392,100	0	26,392,100
Other	10,574,500	3,139,500	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 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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 services, 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	86	86	0	86
Part-Time	5	5	5	0	5
Seasonal	0	0	0	0	0
Total	95	91	91	0	91
Payroll	6,698,800	9,939,200	10,034,600	0	10,034,600
Operational	64,906,500	71,385,900	56,185,200	0	56,185,200
Total	\$71,605,300	\$81,325,100	\$66,219,800	\$0	\$66,219,800
State	55,326,900	65,825,100	50,719,800	0	50,719,800
Federal	14,488,500	13,500,000	13,500,000	0	13,500,000
Other	1,789,900	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	247	238	238	0	238
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	247	238	238	0	238
Payroll	18,440,300	22,814,500	26,563,700	0	26,563,700
Operational	37,667,200	42,311,500	47,986,600	0	47,986,600
Total	\$56,107,500	\$65,126,000	\$74,550,300	\$0	\$74,550,300
State	56,107,500	65,089,200	74,180,100	0	74,180,100
Federal	0	36,800	370,200	0	370,200
Other	0	0	0	0	0

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</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	521	507	507	0	507
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	521	507	507	0	507
Payroll	41,994,900	47,464,900	47,469,900	0	47,469,900
Operational	210,807,700	208,014,400	309,025,800	0	309,025,800
Total	\$252,802,600	\$255,479,300	\$356,495,700	\$0	\$356,495,700
State	106,874,100	120,042,500	146,724,800	0	146,724,800
Federal	123,186,900	129,476,500	201,889,800	0	201,889,800
Other	22,741,600	5,960,300	7,881,100	0	7,881,100

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	3,544	3,503	3,503	0	3,503
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	3,544	3,503	3,503	0	3,503
Payroll	193,476,600	240,150,600	243,421,300	0	243,421,300
Operational	1,172,753,900	1,358,570,000	1,312,267,400	0	1,312,267,400
Total	\$1,366,230,500	\$1,598,720,600	\$1,555,688,700	\$0	\$1,555,688,700
State	661,899,700	763,809,500	791,372,000	0	791,372,000
Federal	693,716,300	805,705,700	728,047,600	0	728,047,600
Other	10,614,500	29,205,400	36,269,100	0	36,269,100

	<u>Actual 2017-2018</u>	<u>Estimated 2018-2019</u>	<u>Base 2019-2020</u>	<u>Cost Increase 2019-2020</u>	<u>Recommended 2019-2020</u>
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405.00 Bureau of Environment and Planning

The Bureau of Environment and Planning provides transportation and traffic planning, monitors environmental impacts of transportation projects, and distributes mass transit grants. Sales tax collected on commercial water vessels and rail fuel, as part of the transportation equity fund, is used for construction and capital improvements of water port facilities and shortline rail systems. In addition, this division ensures the safety of the state's waterways and railways through routine inspections. The bureau also controls outdoor advertising and easements.

Full-Time	228	227	227	0	227
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	228	227	227	0	227
Payroll	15,366,200	18,870,300	19,277,800	0	19,277,800
Operational	148,718,700	222,869,400	222,920,200	0	222,920,200
Total	\$164,084,900	\$241,739,700	\$242,198,000	\$0	\$242,198,000
State	81,293,400	104,971,700	110,812,600	0	110,812,600
Federal	81,240,200	135,849,700	130,362,000	0	130,362,000
Other	1,551,300	918,300	1,023,400	0	1,023,400

400.00 Total Transportation

Full-Time	4,630	4,561	4,561	0	4,561
Part-Time	5	5	5	0	5
Seasonal	0	0	0	0	0
Total	4,635	4,566	4,566	0	4,566
Payroll	275,976,800	339,239,500	346,767,300	0	346,767,300
Operational	1,634,854,000	1,903,151,200	1,948,385,200	0	1,948,385,200
Total	\$1,910,830,800	\$2,242,390,700	\$2,295,152,500	\$0	\$2,295,152,500
State	961,501,600	1,119,738,000	1,173,809,300	0	1,173,809,300
Federal	912,631,900	1,084,568,700	1,074,169,600	0	1,074,169,600
Other	36,697,300	38,084,000	47,173,600	0	47,173,600

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 may submit an expansion report to the chairmen of the finance committees for acknowledgement, if he wants to approve the program expansion. 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 Public Utility Commission
- 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.

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:

Tennessee Student Assistance Corporation (TSAC)
Community Services Agency
Tennessee Certified Cotton Growers' Organization
Tennessee Housing Development Agency
Tennessee Local Development Authority
Tennessee State Veterans' Homes Board
Tennessee State School Bond Authority
Tennessee Board of Regents
University of Tennessee Board of Trustees
Tennessee Education Lottery Corporation
Access Tennessee.

Glossary and Index



Glossary and Index

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Glossary of Budget Terms

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.

Glossary of Budget Terms

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 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.

Glossary of Budget Terms

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.

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.

G

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.

Glossary of Budget Terms

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.

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.

LGI - Locally Governed Institutions

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.

Glossary of Budget Terms

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.

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.

P

Performance Measure - A quantitative or qualitative indicator that is used to assess performance.

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.

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.

STEM - Term used to group together the academic disciplines of Science, Technology, Engineering and Mathematics.

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.

Glossary of Budget Terms

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.

TBR - Tennessee Board of Regents

THEC - Tennessee Higher Education Commission

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.

U

UT - University of Tennessee System

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 2019-2020

Bill Lee, Governor

Department of Finance and Administration

Stuart McWhorter, Commissioner
Eugene Neubert, Deputy Commissioner

Division of Budget

David Thurman, Director
Mike Dedmon, Assistant Director

Gerald Adams	Nicole Lareau
Charles Brown	Jerry Lee
Susan Burdette	Matthew McElroy
Samantha Chandler	Derek Mitchell
Colleen Daniels	Rick Newton
Cameron Dodd	Alex Schuhmann
Alexandra Gaughan	Angela Scott
Yonathan Ghebreselasie	Candice Stacy
Amie Guthormsen	Dean Tays
Doree Hicks	Greg Turner
Susan Irby	Troy Williamson
Brian Jefferies	Samantha Wilson
Samantha Lamon	

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