

STATE OF TENNESSEE

The Budget

FISCAL YEAR 2025-2026



Bill Lee, Governor



Bill Lee,
Governor



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Introduction



Introduction



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BILL LEE
GOVERNOR
STATE OF TENNESSEE

February 10, 2025

To the members of the 114th General Assembly:

It is an honor to present the fiscal year 2026 budget for the State of Tennessee.

Tennessee is leading the nation because of our longstanding, bipartisan commitment to responsible fiscal management.

While the past few years have tested our fiscal and economic preparedness, the executive and legislative branches have prepared our state for the future by investing in economic opportunity, reducing debt, increasing our reserves, and directing billions of dollars in recurring funds to non-recurring projects. I am grateful to partner with you in continuing this thoughtful approach to managing state assets.

Since 2019, we've made significant investments across rural and urban Tennessee to skill our workforce, strengthen public schools, equip families, keep communities safe, and ensure a brighter future for all Tennesseans.

Now, we're innovating for the future with robust funding to lead in nuclear energy advancement, solve childcare challenges for working families, and make the American Dream a reality with a plan for more accessible and affordable housing. We'll also build on previous investments to develop our workforce, deliver historic funding for public schools, and conserve our state's natural beauty and rich resources.

I am grateful for our continued work together, which ensures conservative budgeting and responsible spending to serve the Volunteer State well. Thank you for your partnership to guarantee opportunity, security, and freedom for every Tennessean.

Sincerely,

A handwritten signature in black ink that reads 'Bill Lee'.

Bill Lee



**STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
STATE CAPITOL
NASHVILLE, TENNESSEE 37243-0285
JIM BRYSON
COMMISSIONER**

February 10, 2025

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

Dear Governor Lee,

It is my honor and privilege to present you with the fiscal year 2026 budget. This balanced budget assumes conservative yet practical growth rates, addresses key priorities, and reserves funding for future contingencies

In the past few years, Tennessee has experienced a few years of strong tax revenue progress and a year of tax revenue decline. Each year, we have collaborated with the General Assembly to limit recurring budget growth, solve problems, build reserves, and preserve cash. Those actions put us in a strong financial position to weather the current economic uncertainty and other challenges we may face in the year ahead. We expect growth to rebound somewhat but have taken a careful approach. Tennessee is in a good financial position because of our fiscal stewardship and Tennessee's extraordinary growth over the past several years.

The proposed fiscal year 2026 budget is \$59.5 billion, down slightly from about \$60.5 billion in fiscal year 2025. This lower total budget is primarily a result of a significant decline in federal funds from the previous year. This \$59.5 billion budget includes \$29.5 billion from state appropriations, \$20.8 billion from federal funding, and \$9.2 billion from other sources.

This budget makes major investments in Tennessee's future while preparing for uncertain economic days ahead. We consulted economic experts across our state who unanimously counseled for moderate growth for Tennessee's FY26 economy. We have followed those recommendations by applying conservative projections and building our reserves. Thus, we are well-prepared to continue moving the state forward in key areas, even in a slowing economy.

The collaboration between your administration and the General Assembly has resulted in Tennessee's solid financial position during an extraordinarily uncertain and challenging period. I am grateful for the opportunity to work with you and the General Assembly on this budget and other critical matters in the months ahead.

Respectfully,

A handwritten signature in black ink, appearing to read "Jim Bryson".

Jim Bryson, Commissioner
Department of Finance & Administration

Budget Highlights

Recommended Budget, Fiscal Year 2025-2026

The total recommended state budget for fiscal year 2025-2026 is \$59.5 billion, with \$29.5 billion from state appropriations; \$20.8 billion from federal funds; \$5.9 billion from other departmental revenues; \$2.3 billion from higher education student tuition and fees; and \$1.0 billion in bonds. This is a decrease of \$1.1 billion in total funding and an increase of \$2.4 billion in state funding from the revised current fiscal year 2024-2025 spending estimates. Federal revenue is decreasing by \$4.7 billion; departmental revenue is increasing by \$252.5 million; capital and highway construction bonds are increasing by \$921.8 million; and higher education student tuition and fees are remaining the same.

Midyear 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 will be below actual fiscal year 2023-2024 collections and show slow growth in the next fiscal year. The revised recurring current-year growth rate in the general fund is negative 1.91 percent compared with the actual 2023-2024 Department of Revenue collections. For fiscal year 2025-2026, before inter-fund reallocations, recurring general fund taxes are expected to grow by \$376.7 million above the revised current-year estimate. This is a 2.0 percent recurring general fund growth rate above the revised current-year estimate.

The revised revenue estimates for the current year and estimates for next year are based on tempered economic growth in fiscal year 2024-2025 and slow growth through fiscal year 2025-2026 and beyond.

Investments in Education

The administration proposes legislation to establish a statewide school choice program available to Tennessee families while prioritizing low-income students and students with disabilities. Called the “Education Freedom Scholarship Act,” the legislation will fund 20,000 scholarships. To fund the scholarships and a teacher bonus, a recurring \$148,600,000 and non-recurring \$198,400,000 is recommended. The legislation further recommends transferring a portion of the privilege tax collected in the Sports Wagering Fund to the State Treasurer to provide capital facilities grants to charter schools.

Fiscal Year 2025-2026 is the third year under the new public education funding formula – the Tennessee Investment in Student Achievement (TISA). The recommended cost increase for TISA is \$164,000,000 recurring state funding. The \$164,000,000 total accounts for salary increases, group health insurance premiums, and retirement contributions for local education employees; the base, weights, direct funding, and outcomes.

Other recommendations in the Department of Education include: recurring funding for the summer learning camps and summer transportation program (\$27,302,500), recurring funding for local education agency reimbursement of paid parental leave claims (\$10,000,000), and

Budget Highlights

recurring and non-recurring funding for the fast growth fund within TISA (\$5,000,000 recurring and \$20,000,000 non-recurring).

The administration further recommends increasing the number of school-based behavioral health liaisons. To fund this recommendation, a recurring \$1,000,000 from the K-12 education mental health trust fund is recommended in the Department of Mental Health and Substance Abuse Services budget.

For higher education, the administration recommends legislation to provide free attendance to Tennessee Colleges of Applied Technology with a recurring appropriation from the Lottery for Education Account of \$12,100,000.

Further, a recurring state appropriation of \$52,842,900 fully funds the outcome funding formula for the University of Tennessee system (\$15,998,600), Locally Governed Institutions (\$20,766,300), and the Board of Regents (\$16,078,000). The outcome funding formula appropriations may be used for 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.

Taxes, Infrastructure, and Business Development

The administration proposes a joint resolution to fully enact the Tennessee Rural and Workforce Housing tax credit. The tax credit legislation was enacted in 2024 Public Chapter 971 but requires a joint resolution to be fully enacted. The estimated fiscal impact of the tax credit is \$30,000,000.

The administration also proposes legislation to reduce the administrative fee collected by the Department of Revenue on all taxes the department administers. The estimated fiscal impact of the legislation reduces collections in the department by \$17,500,000.

Another piece of legislation the administration supports reapportions the sales tax on tires from the general fund to the highway fund. The estimated fiscal impact of that legislation is \$80,000,000 recurring revenue redirected from the general fund to the highway fund.

To address the state's infrastructure needs, the administration recommends a \$1,000,000,000 non-recurring general fund subsidy to the Department of Transportation for existing pavements and bridges, expediting existing projects, and adding projects. For aviation infrastructure needs, the administration proposes a non-recurring \$35,300,000 general fund subsidy for commercial and general aviation authorities for capital improvements in the Department of Transportation budget.

In the Tennessee Housing Development Agency, a non-recurring general fund subsidy of \$60,000,000 is recommended to establish a starter home revolving fund. The fund's aim will be to increase availability of starter homes across the state with a focus on rural areas.

In the Department of Economic and Community Development (ECD), the administration recommends using \$151,100,000 non-recurring FastTrack reserves to fund a number of programs, including FastTrack grants, rural development funds, research and development and innovation grants, workforce development grants, nuclear industry initiative grants, direct international flight grants, hosting a conference, and continuing to plan for the impact of Blue Oval City on rural West Tennessee.

To create a regulatory framework around the nascent nuclear fusion industry, a recurring \$628,000 and a non-recurring \$2,000,000 appropriations and five positions are recommended in the Department of Environment and Conservation.

Investments in Preserving Tennessee's Outdoor Heritage

The administration continues its multi-year effort to grow state parks and natural areas, and to support the state's great outdoors industry. For state parks, this budget recommends \$58,447,600 (\$49,604,100 non-recurring) and 32 positions. The recommendation includes the creation of new state parks (Clinch River, Dry Branch, and Cherokee Memorial), further development of Cardwell Mountain and Devil's Backbone, and recurring funding for state parks maintenance (\$6,200,000).

For environmental cleanup, this budget recommends a non-recurring \$40,044,300. Funds are allocated for a comprehensive water resource management plan in the Duck River region (\$24,500,000), and to match federal funds from the federal Infrastructure Investment and Jobs Act (IIJA) for state water revolving funds (\$14,475,800) and electric grid enhancement (\$1,068,500).

In the Tennessee Wildlife Resources Agency, the administration recommends a non-recurring general fund subsidy of \$30,000,000 to aid the agency's capital outlay and capital maintenance needs. This subsidy is contingent on the agency bringing legislation to ease use restrictions on the Wetlands Acquisition Fund.

In the Department of Agriculture, the administration recommends a recurring \$20,000,000 for the agricultural enterprise fund and agricultural enhancement fund to start or expand agricultural, food, and forestry businesses, and make long-term, strategic investments in rural communities. Also, the administration recommends legislation to create a farmland conservation fund with a non-recurring appropriation of \$25,000,000.

Investments in Health and Social Services

In the Health and Social Services functional group, the administration recommends new services to individuals, initiatives to strengthen rural and behavioral health care, and increased reimbursement for those providing services to citizens.

Budget Highlights

Under the current TennCare Medicaid demonstration waiver, the state and federal government share in the savings generated by TennCare's performance on a set of specified quality performance measures. This budget represents the third fiscal year in which those shared savings are redeployed to better the lives of Tennesseans. Shared savings cost increases are recommended to continue initiatives begun in fiscal years 2023-2024 and 2024-2025, and new initiatives in fiscal year 2025-2026. New initiatives funded by shared savings include opening additional slots in the Employment and Community First CHOICES program (\$66,682,200), workforce development program in the long-term services and supports program (\$13,000,000), and nursing facility resiliency grants in the Department of Health (\$50,000,000).

All shared savings cost increases are displayed in a chart found elsewhere in this budget document.

Elsewhere in the TennCare program, multiple appropriations are proposed: keeping pace with medical inflation, increased utilization, increased prescription drug prices, and increased Medicare payments; providing services to more enrollees in the Employment and Communities First (ECF) CHOICES population; funding the fourth year of the Health Starts initiative; and providing support funding to the Department of Children's Services. Altogether, \$283,361,600 (\$278,770,800 recurring and \$4,590,800 non-recurring) in state appropriations is recommended in the TennCare program.

In other health and social services departments, the following cost increases are recommended. In the Department of Mental Health and Substance Abuse Services, funding of \$5,161,100 is recommended to increase bed capacity at the Middle Tennessee Regional Mental Health Institute. In the Department of Health, a non-recurring \$24,222,100 is recommended to continue a pilot program to address unmet dental services needs and increase the number of dentists practicing in the state. In the Department of Disability and Aging (DDA) and the Department of Children's Services (DCS), a combined funding amount of \$3,414,600 (state appropriation and other revenues) is recommended for the departments to partner in providing support services for children with intellectual and developmental disabilities. Further, in DDA, a recurring \$11,808,300 is recommended to reduce waitlists in the OPTIONS and Senior Nutrition programs. Also, in DCS, a recurring appropriation of \$46,753,500 (\$41,476,500 in DCS and \$5,277,000 in TennCare) is recommended to support the placement of children in the provider network.

Investments in Public Safety

The administration recommends a non-recurring supplemental appropriation of \$470,000,000 in fiscal year 2024-2025 to continue the state's response to Hurricane Helene that started with the Governor's \$100,000,000 Helene Emergency Assistance Loan Fund in fall 2024. Administration legislation is recommended to create the Hurricane Helene Interest Payment Fund (\$110,000,000) and the Governor's Response and Recovery Fund (\$100,000,000). \$240,000,000 is recommended for the Tennessee Emergency Management Agency disaster relief grants fund, and \$20,000,000 is recommended to rebuild a high school in Carter County.

Budget Highlights

An increase in the number of law enforcement positions statewide is proposed with this budget. In the Tennessee Highway Patrol, 117 new trooper, supervisor, and support staff positions and \$37,909,800 (\$23,577,600 recurring and \$14,332,200 non-recurring) are recommended. In the Tennessee Bureau of Investigation, 22 positions and \$3,467,400 (\$2,676,200 recurring and \$791,200 non-recurring) are recommended for victim services, intelligence analysis, aviation, security, Medicaid fraud enforcement, and administration.

Also in the Tennessee Bureau of Investigation, a non-recurring appropriation from the Tennessee General Fund Opioid Abatement Fund is recommended to support a wastewater testing pilot project.

To increase the number of schools included in the statewide school resource officer grant program administered by the Department of Safety, the administration proposes \$5,000,000 recurring to include alternative schools in the grant program. Additionally, \$1,250,000 non-recurring is recommended for security grants to houses of worship across the state.

In the Military Department, funding is recommended to implement and maintain an automated weather monitoring network (\$1,300,000 recurring and \$3,000,000 non-recurring). Further, \$2,729,500 (\$129,500 recurring and \$2,600,000 non-recurring) is recommended to upgrade regional response vehicles in the Tennessee Emergency Management Agency.

Investments in Employees

To continue implementing Pay for Performance in executive branch agencies, an appropriation of \$56,381,000 is recommended. This amount funds a pool of funds for salary increases effective July 1, 2025.

Salary increases for state employees not covered by the Tennessee Excellence, Accountability, and Management (TEAM) Act will be funded with an appropriation of \$13,737,000. The amount of increase each employee receives will be decided by the appointing authorities of those agencies.

Changes to state employee benefits are funded with a recommendation of \$16,238,900 recurring for group health insurance.

A total of \$16,791,200 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, the Attorney General, assistant district attorneys and criminal investigators, assistant public defenders and criminal investigators, public defender offices in Shelby and Davidson counties, assistant post-conviction defenders, the Governor, trooper step increases, and border-state survey for Commerce and Insurance officers, and wildlife officer step increases and border-state survey.

Budget Highlights

State statutes mandate that teachers at state-run schools must be compensated based on training and experience. To fund this requirement, \$950,800 is provided in the Department of Education for state special schools.

Investments in Capital

Capital outlay in fiscal year 2025-2026 totals \$1,369,463,800, including \$114,273,000 in non-recurring current funds, new bonds of \$929,547,000, and \$325,643,800 from federal and other sources. Of the total capital outlay, statewide capital maintenance totals \$196,950,000, all from federal and other sources. Statewide capital maintenance is distributed as follows: \$110,310,000 for general government, \$18,350,000 for the University of Tennessee, \$19,720,000 for Locally Governed Institutions, and \$11,770,000 for the Tennessee Board of Regents.

Contained in the totals above, the facilities revolving fund capital budget provides an additional \$175,810,000 for projects and maintenance of state office buildings and similar facilities maintained through non-recurring current funds (\$3,500,000), new bonds (\$134,000,000) and agency rent payments and reserves (\$38,310,000). Capital projects funded from dedicated sources of revenue in the amount of \$2,990,000 are also recommended for the Tennessee Wildlife Resources Agency and \$5,478,800 for the Department of Transportation.

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 \$2,050,000,000 on June 30, 2024, and is estimated to be \$2,150,000,000 on June 30, 2025. A recommended deposit of \$35,600,000 to the fund in fiscal year 2025-2026 will have the total revenue fluctuation reserve at \$2,185,600,000 on June 30, 2026.

The TennCare reserve consists of prior-year unspent funds appropriated to the TennCare program. The reserve, as of June 30, 2024, is almost \$1,400,000,000 and is expected to be the same on June 30, 2025, and June 30, 2026.

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.

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, that are itemized by program.

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 (or 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, policymakers, and citizens to have a better concept of the magnitude and costs of services provided through the various functional areas of state government.

At the beginning of each functional area presentation is an introduction to the associated agencies; 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 budget.

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



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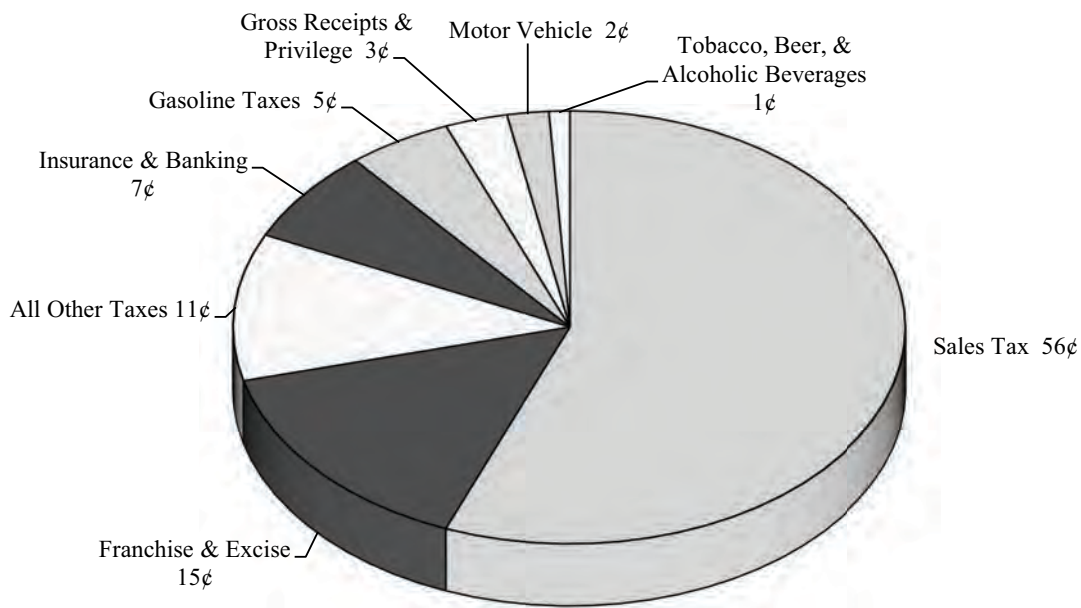
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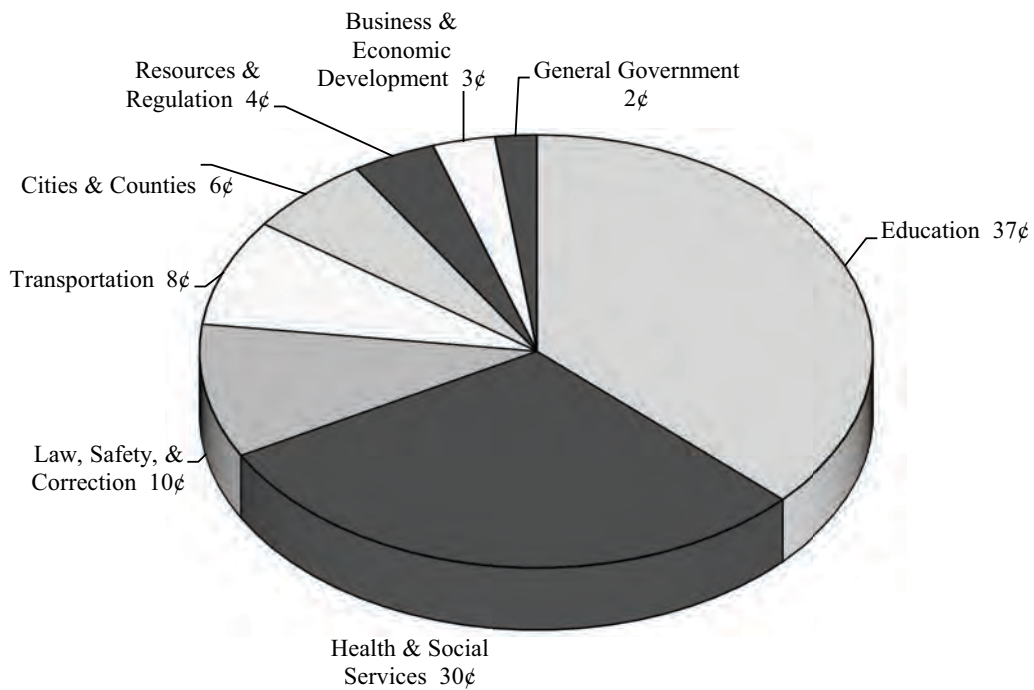
Total State Budget

Fiscal Year 2025-2026

Where Your State Tax Dollar Comes From



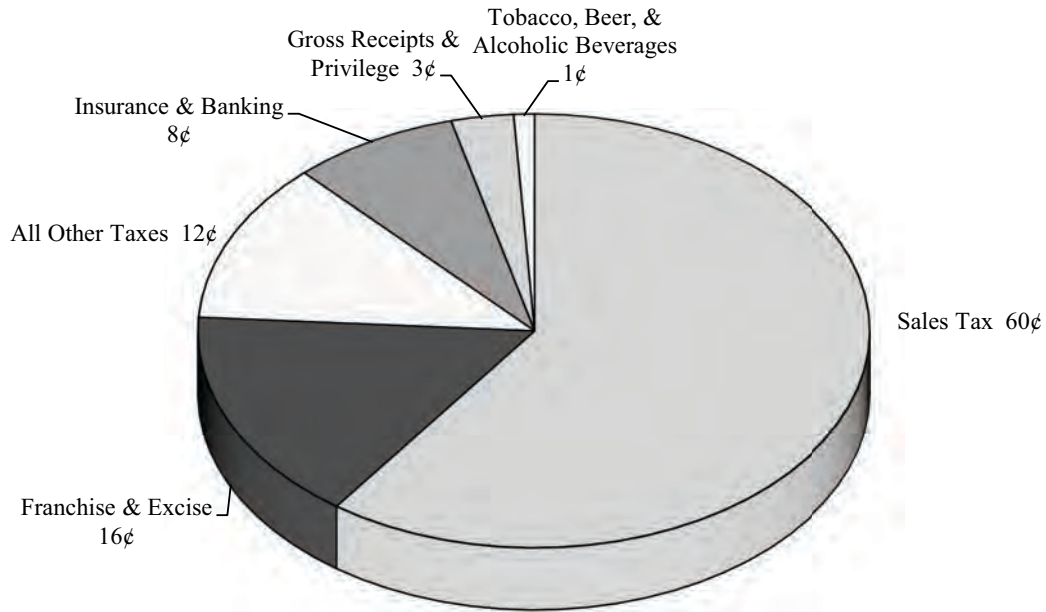
Where Your State Tax Dollar Goes



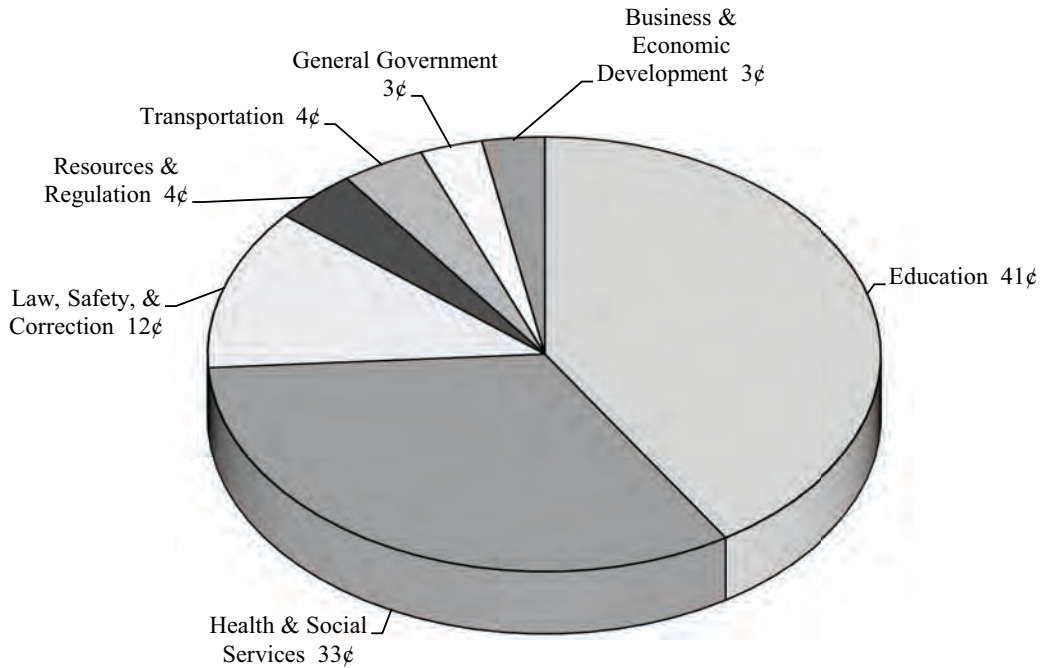
General Fund Budget

Fiscal Year 2025-2026

Where Your State Tax Dollar Comes From



Where Your State Tax Dollar Goes



Total State Budget
Comparison of Programs and Revenue Sources
Fiscal Years 2023-2024, 2024-2025, and 2025-2026

	<u>Actual 2023-2024</u>	<u>Estimated 2024-2025</u>	<u>Recommended 2025-2026</u>	<u>Act. vs. Est. Difference</u>	<u>Est. vs. Rec. Difference</u>
I. PROGRAMS					
ALL PROGRAMS	\$ 53,751,285,000	\$ 60,549,735,750	\$ 59,452,335,200	\$ 6,798,450,750	\$ (1,097,400,550)
General Fund ¹	48,143,531,800	54,966,500,750	52,995,291,000	6,822,968,950	(1,971,209,750)
Department of Transportation	2,614,562,900	2,746,534,200	2,842,141,800	131,971,300	95,607,600
Debt Service Requirements	402,276,000	359,408,000	390,629,000	(42,868,000)	31,221,000
Capital Outlay Program	795,864,000	705,540,000	1,369,463,800	(90,324,000)	663,923,800
Facilities Revolving Fund	188,694,200	162,152,800	171,109,600	(26,541,400)	8,956,800
Cities & Counties - State-Shared Taxes	1,606,356,100	1,609,600,000	1,683,700,000	3,243,900	74,100,000
II. REVENUE SOURCES					
APPROPRIATION	\$ 25,359,619,700	\$ 27,068,601,450	\$ 29,472,115,700	\$ 1,708,981,750	\$ 2,403,514,250
General Fund ¹	21,396,204,200	23,469,304,150	26,067,231,900	2,073,099,950	2,597,927,750
Department of Transportation	1,325,029,400 ²	1,130,672,500	1,203,979,800	(194,356,900)	73,307,300
Debt Service Requirements	402,276,000	359,408,000	390,629,000	(42,868,000)	31,221,000
Capital Outlay Program	622,236,000 ²	487,314,800	114,273,000	(134,921,200)	(373,041,800)
Facilities Revolving Fund	7,518,000	12,302,000	12,302,000	4,784,000	0
Cities & Counties - State-Shared Taxes	1,606,356,100	1,609,600,000	1,683,700,000	3,243,900	74,100,000
BONDS	\$ 0	\$ 87,700,000	\$ 1,009,547,000	\$ 87,700,000	\$ 921,847,000
Department of Transportation	0	87,700,000	80,000,000	87,700,000	(7,700,000)
Capital Outlay Program	0	0	929,547,000	0	929,547,000
FEDERAL	\$ 20,061,357,500	\$ 25,467,156,500	\$ 20,791,906,500	\$ 5,405,799,000	\$ (4,675,250,000)
General Fund	18,824,550,300	23,971,121,800	19,283,328,000	5,146,571,500	(4,687,793,800)
Department of Transportation	1,215,089,200	1,473,811,200	1,497,599,500	258,722,000	23,788,300
Capital Outlay Program	21,718,000	22,223,500	10,979,000	505,500	(11,244,500)
CURRENT SERVICES & OTHER	\$ 8,330,307,800	\$ 7,926,277,800	\$ 8,178,766,000	\$ (404,030,000)	\$ 252,488,200
General Fund ³	7,922,777,300	7,526,074,800	7,644,731,100	(396,702,500)	118,656,300
Department of Transportation	74,444,300	54,350,500	60,562,500	(20,093,800)	6,212,000
Capital Outlay Program	151,910,000	196,001,700	314,664,800	44,091,700	118,663,100
Facilities Revolving Fund	181,176,200 ⁴	149,850,800	158,807,600	(31,325,400)	8,956,800
TOTAL STATE BUDGET	\$ 53,751,285,000	\$ 60,549,735,750	\$ 59,452,335,200	\$ 6,798,450,750	\$ (1,097,400,550)

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 2023-2024, 2024-2025, and 2025-2026**

	Actual 2023-2024	Estimated 2024-2025	Recommended 2025-2026	Act. vs. Est. Difference	Est. vs. Rec. Difference
I. GENERAL FUND ¹	\$ 48,143,531,800	\$ 54,966,500,750	\$ 52,995,291,000	\$ 6,822,968,950	\$ (1,971,209,750)
Appropriation	21,396,204,200	23,469,304,150	26,067,231,900	2,073,099,950	2,597,927,750
Federal	18,824,550,300	23,971,121,800	19,283,328,000	5,146,571,500	(4,687,793,800)
Current Services & Other Revenue ²	7,922,777,300	7,526,074,800	7,644,731,100	(396,702,500)	118,656,300
II. DEPARTMENT OF TRANSPORTATION	\$ 2,614,562,900	\$ 2,746,534,200	\$ 2,842,141,800	\$ 131,971,300	\$ 95,607,600
Appropriation	1,325,029,400 ³	1,130,672,500	1,203,979,800	(194,356,900)	73,307,300
Federal	1,215,089,200	1,473,811,200	1,497,599,500	258,722,000	23,788,300
Current Services & Other Revenue	74,444,300	54,350,500	60,562,500	(20,093,800)	6,212,000
Bonds	0	87,700,000	80,000,000	87,700,000	(7,700,000)
III. DEBT SERVICE REQUIREMENTS	\$ 402,276,000	\$ 359,408,000	\$ 390,629,000	\$ (42,868,000)	\$ 31,221,000
Appropriation	402,276,000	359,408,000	390,629,000	(42,868,000)	31,221,000
IV. CAPITAL OUTLAY PROGRAM	\$ 795,864,000	\$ 705,540,000	\$ 1,369,463,800	\$ (90,324,000)	\$ 663,923,800
Appropriation	622,236,000 ³	487,314,800	114,273,000	(134,921,200)	(373,041,800)
Federal	21,718,000	22,223,500	10,979,000	505,500	(11,244,500)
Current Services & Other Revenue	151,910,000	196,001,700	314,664,800	44,091,700	118,663,100
Bonds	0	0	929,547,000	0	929,547,000
V. FACILITIES REVOLVING FUND	\$ 188,694,200	\$ 162,152,800	\$ 171,109,600	\$ (26,541,400)	\$ 8,956,800
Appropriation	7,518,000	12,302,000	12,302,000	4,784,000	0
Current Services & Other Revenue	181,176,200 ⁴	149,850,800	158,807,600	(31,325,400)	8,956,800
VI. CITIES & COUNTIES - STATE-SHARED TAXES	\$ 1,606,356,100	\$ 1,609,600,000	\$ 1,683,700,000	\$ 3,243,900	\$ 74,100,000
Appropriation	1,606,356,100	1,609,600,000	1,683,700,000	3,243,900	74,100,000
VII. TOTAL STATE BUDGET	\$ 53,751,285,000	\$ 60,549,735,750	\$ 59,452,335,200	\$ 6,798,450,750	\$ (1,097,400,550)
Appropriation	25,359,619,700	27,068,601,450	29,472,115,700	1,708,981,750	2,403,514,250
Federal	20,061,357,500	25,467,156,500	20,791,906,500	5,405,799,000	(4,675,250,000)
Current Services & Other Revenue ²	8,330,307,800	7,926,277,800	8,178,766,000	(404,030,000)	252,488,200
Bonds	0	87,700,000	1,009,547,000	87,700,000	921,847,000

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 2024-2025**

	<u>TOTAL</u>	<u>RECURRING</u>	<u>NON-RECURRING</u>
I. APPROPRIATION REQUIREMENTS			
General Fund Programs:			
2024 Appropriation Act - Work Program	\$ 22,791,913,650	\$ 20,525,769,400	\$ 2,266,144,250
2024 Appropriation Act - Dedicated Funds	32,016,200	32,016,200	0
2025 Supplemental Appropriations - General Fund	555,183,200	0	555,183,200
Total General Fund Requirements	\$ 23,379,113,050	\$ 20,557,785,600	\$ 2,821,327,450
Less: Overappropriation	(76,808,500)	(76,808,500)	0
Less: Overappropriation - F&E Refund Fund Balance	(113,000,000)	0	(113,000,000)
Net General Fund Requirements	\$ 23,189,304,550	\$ 20,480,977,100	\$ 2,708,327,450
Other Programs:			
Capital Outlay Program	\$ 577,505,900	\$ 90,191,100	\$ 487,314,800
Designated to Other Funds:			
Metro Sports Authority Debt Service	\$ 3,309,400	\$ 3,309,400	\$ 0
Dedicated Funds - Reserves	1,000,000	1,000,000	0
Sub-Total Designated to Other Funds	\$ 4,309,400	\$ 4,309,400	\$ 0
Facilities Revolving Fund:			
Facilities Revolving Fund - Operations	\$ 12,302,000	\$ 12,302,000	\$ 0
Sub-Total Facilities Revolving Fund	\$ 12,302,000	\$ 12,302,000	\$ 0
Total Other Programs	\$ 594,117,300	\$ 106,802,500	\$ 487,314,800
Total Appropriation Requirements	\$ 23,783,421,850	\$ 20,587,779,600	\$ 3,195,642,250
II. GENERAL FUND REVENUES AND RESERVES			
State Tax Revenue - Department of Revenue	\$ 18,608,400,000	\$ 18,834,500,000	\$ (226,100,000)
State Tax Revenue - Other State Revenue	4,506,600,000	2,009,300,000	2,497,300,000
Miscellaneous Revenue	58,300,000	58,300,000	0
Tobacco MSA Revenue	132,000,000	150,000,000	(18,000,000)
Lottery for Education Account	507,232,500	507,232,600	(100)
Transfers, Reserves, and Other Available Funds:			
Highway Fund Transfer - Gas Inspection Act	\$ 2,700,000	\$ 2,700,000	\$ 0
Reserve for 2024-2025 Appropriations	456,890,400	0	456,890,400
Transfer to Rainy Day Fund	(100,000,000)	0	(100,000,000)
Transfer from Debt Service Fund at June 30, 2025	39,399,000	0	39,399,000
Unappropriated Budget Surplus (UBS) at June 30, 2024	1,563,687,400	0	1,563,687,400
UBS at June 30, 2024 - Revenue Undercollection Reserve	150,000,000	0	150,000,000
Rounding	200,300	(722,500)	922,800
Sub-Total Transfers, Reserves, and Other Available Funds	\$ 2,112,877,100	\$ 1,977,500	\$ 2,110,899,600
Total General Fund Revenues and Reserves	\$ 25,925,409,600	\$ 21,561,310,100	\$ 4,364,099,500
III. AVAILABLE FUNDS AT JUNE 30, 2025			
Available Funds	\$ 2,141,987,750	\$ 973,530,500	\$ 1,168,457,250
Total Available Funds	\$ 2,141,987,750	\$ 973,530,500	\$ 1,168,457,250
Revenue Fluctuation Reserve at June 30, 2024	\$ 2,050,000,000		
Revenue Fluctuation Reserve at June 30, 2025	\$ 2,150,000,000		

**General Fund and Education Fund
Comparison of Appropriation Requirements and State Revenues
Fiscal Year 2025-2026**

	<u>TOTAL</u>	<u>RECURRING</u>	<u>NON-RECURRING</u>
I. APPROPRIATION REQUIREMENTS			
General Fund Programs:			
Base Budget Requirements	\$ 20,525,769,400	\$ 20,525,769,400	\$ 0
Base Budget Reduction Plans - General Fund	(142,185,400)	(111,124,600)	(31,060,800)
Sum Sufficient Appropriations - Dedicated Funds	37,844,200	37,832,200	12,000
Preliminary Base Budget Adjustments - Dedicated Funds	1,808,520,400	0	1,808,520,400
Base Budget Reduction Plans - Dedicated Funds	476,900	476,900	0
Base Budget Recommended	\$ 22,230,425,500	\$ 20,452,953,900	\$ 1,777,471,600
Cost Increases - Budget Recommendations			
All Programs - General Fund	\$ 3,646,110,100	\$ 1,213,175,700	\$ 2,432,934,400
All Programs - Dedicated Funds	100,505,200	99,400,900	1,104,300
Total Cost Increases Recommended	\$ 3,746,615,300	\$ 1,312,576,600	\$ 2,434,038,700
Total General Fund Requirements	\$ 25,977,040,800	\$ 21,765,530,500	\$ 4,211,510,300
Less: Overappropriation	(76,808,500)	(76,808,500)	0
Net General Fund Requirements	\$ 25,900,232,300	\$ 21,688,722,000	\$ 4,211,510,300
Other Programs:			
Capital Outlay Program	\$ 204,464,100	\$ 90,191,100	\$ 114,273,000
Designated to Other Funds:			
Metro Sports Authority Debt Service	\$ 3,285,100	\$ 3,285,100	\$ 0
Dedicated Funds - Reserves	1,000,000	1,000,000	0
Sub-Total Designated to Other Funds	\$ 4,285,100	\$ 4,285,100	\$ 0
Facilities Revolving Fund:			
Facilities Revolving Fund - Operations	\$ 12,302,000	\$ 12,302,000	\$ 0
Sub-Total Facilities Revolving Fund	\$ 12,302,000	\$ 12,302,000	\$ 0
Total Other Programs	\$ 221,051,200	\$ 106,778,200	\$ 114,273,000
Total Appropriation Requirements	\$ 26,121,283,500	\$ 21,795,500,200	\$ 4,325,783,300
II. GENERAL FUND REVENUES AND RESERVES			
State Tax Revenue - Department of Revenue	\$ 19,161,700,000	\$ 19,161,700,000	\$ 0
State Tax Revenue - Department of Revenue - Legislation	(90,000,000)	(90,000,000)	0
State Tax Revenue - Other State Revenue	4,161,700,000	2,352,100,000	1,809,600,000
State Tax Revenue - Other State Revenue - Legislation	77,200,000	77,200,000	0
Miscellaneous Revenue	58,300,000	58,300,000	0
Tobacco MSA Revenue	121,000,000	121,000,000	0
Lottery for Education Account	512,032,600	512,032,600	0
Lottery for Education Account - Legislation	12,100,000	12,100,000	0
Highway Fund Transfer - Gas Inspection Act	3,020,200	3,020,200	0
Available Funds at June 30, 2025	2,141,987,700	0	2,141,987,700
Transfer to Rainy Day Fund	(35,600,000)	0	(35,600,000)
Rounding Adjustment	(712,200)	(748,900)	36,700
Total General Fund Revenues and Reserves	\$ 26,122,728,300	\$ 22,206,703,900	\$ 3,916,024,400
III. AVAILABLE FUNDS AT JUNE 30, 2026			
Undesignated Fund Balance	\$ 1,444,800	\$ 411,203,700	\$ (409,758,900)
Total Available Funds	\$ 1,444,800	\$ 411,203,700	\$ (409,758,900)
Revenue Fluctuation Reserve at June 30, 2025	\$ 2,150,000,000		
Revenue Fluctuation Reserve at June 30, 2026	\$ 2,185,600,000		

Department of Transportation
Comparison of Appropriations and Funding Requirements
Fiscal Years 2024-2025 and 2025-2026

	2024-2025	2025-2026	Difference
I. APPROPRIATION REQUIREMENTS			
ADMINISTRATION	\$ 130,451,500	\$ 128,386,700	\$ (2,064,800)
HEADQUARTERS OPERATIONS	60,298,200	61,285,600	987,400
FIELD OPERATIONS	115,848,600	117,118,000	1,269,400
GARAGE AND FLEET OPERATIONS	26,339,300	16,802,300	(9,537,000)
CAPITAL IMPROVEMENTS	17,995,000	5,478,800	(12,516,200)
HIGHWAY SYSTEM MAINTENANCE	475,077,000	704,755,900	229,678,900
STATE-FUNDED PROGRAMS			
Betterments	\$ 800,000	\$ 800,000	\$ 0
State Aid	30,622,000	30,622,000	0
State Aid-Transportation Modernization Fund	0	0	0
State High Priority Bridges	18,645,800	18,645,800	0
State Industrial Access	25,000,000	25,000,000	0
Local Interstate Connectors	2,000,000	2,000,000	0
Sub-Total State-Funded Programs	\$ 77,067,800	\$ 77,067,800	\$ 0
FEDERALLY FUNDED PROGRAMS			
Planning and Research	\$ 6,437,000	\$ 5,817,000	\$ (620,000)
Interstate System	0	0	0
Highway Infrastructure	231,531,300	1,074,949,800	843,418,500
Transportation Modernization Fund	0	0	0
Transit	54,526,800	77,217,900	22,691,100
Air, Water, and Rail	136,100,000	136,800,000	700,000
Aeronautics Economic Development Fund	0	0	0
Sub-Total Federally Funded Programs	\$ 428,595,100	\$ 1,294,784,700	\$ 866,189,600
TOTAL APPROPRIATION REQUIREMENTS	\$ 1,331,672,500	\$ 2,405,679,800	\$ 1,074,007,300
II. STATE FUNDING SOURCES:			
Highway User Taxes	\$ 1,043,200,000	\$ 1,059,300,000	\$ 16,100,000
Sales Tax - Transportation Equity Fund	28,900,000	18,300,000	(10,600,000)
Miscellaneous Revenue	58,572,500	46,379,800	(12,192,700)
Bond Authorization	87,700,000	80,000,000	(7,700,000)
General Fund Transfers	113,300,000	1,121,700,000	1,008,400,000
Legislation - Sales Tax on Tires	0	80,000,000	80,000,000
TOTAL STATE FUNDING SOURCES	\$ 1,331,672,500	\$ 2,405,679,800	\$ 1,074,007,300

Department of Transportation
Comparison of Appropriations by Funding Sources
Fiscal Years 2024-2025 and 2025-2026

	<u>2024-2025</u>	<u>2025-2026</u>	<u>Difference</u>
I. STATE FUNDS			
Administration	\$ 130,451,500	\$ 128,386,700	\$ (2,064,800)
Headquarters Operations	60,298,200	61,285,600	987,400
Field Operations	115,848,600	117,118,000	1,269,400
Garage and Fleet Operations	26,339,300	16,802,300	(9,537,000)
Capital Improvements	17,995,000	5,478,800	(12,516,200)
Highway System Maintenance	475,077,000	704,755,900	229,678,900
State-Funded Programs	77,067,800	77,067,800	0
Federally Funded Programs	340,895,100	1,214,784,700	873,889,600
Total State Funds	\$ 1,243,972,500	\$ 2,325,679,800	\$ 1,081,707,300
II. BOND AUTHORIZATIONS			
Federally Funded Programs	\$ 87,700,000	\$ 80,000,000	\$ (7,700,000)
Total Bond Authorizations	\$ 87,700,000	\$ 80,000,000	\$ (7,700,000)
III. FEDERAL AID			
Federally Funded Programs	\$ 1,473,811,200	\$ 1,497,599,500	\$ 23,788,300
Total Federal Aid	\$ 1,473,811,200	\$ 1,497,599,500	\$ 23,788,300
IV. LOCAL GOVERNMENTS			
State-Funded Programs	\$ 2,925,000	\$ 2,925,000	\$ 0
Federally Funded Programs	47,125,500	52,737,500	5,612,000
Total Local Governments	\$ 50,050,500	\$ 55,662,500	\$ 5,612,000
V. OTHER STATE AGENCIES			
Garage and Fleet Services	\$ 4,300,000	\$ 4,900,000	\$ 600,000
Total Other State Agencies	\$ 4,300,000	\$ 4,900,000	\$ 600,000
VI. GRAND TOTAL			
Administration	\$ 130,451,500	\$ 128,386,700	\$ (2,064,800)
Headquarters Operations	60,298,200	61,285,600	987,400
Field Operations	115,848,600	117,118,000	1,269,400
Garage and Fleet Operations	30,639,300	21,702,300	(8,937,000)
Capital Improvements	17,995,000	5,478,800	(12,516,200)
Highway System Maintenance	475,077,000	704,755,900	229,678,900
State-Funded Programs	79,992,800	79,992,800	0
Federally Funded Programs	1,949,531,800	2,845,121,700	895,589,900
Grand Total	\$ 2,859,834,200	\$ 3,963,841,800	\$ 1,104,007,600

Department of Transportation
Actual Expenditures by Program and Funding Source
Fiscal Year 2023-2024

	State	Federal	Other	Total
Administration	\$ 118,664,200	\$ 0	\$ 0	\$ 118,664,200
Headquarters Operations	44,717,100	0	0	44,717,100
Field Operations	78,831,100	0	0	78,831,100
Flight Services	2,677,600	0	0	2,677,600
Garage and Fleet Operations	7,398,400	30,300	4,239,500	11,668,200
Capital Improvements	10,997,000	0	0	10,997,000
Highway System Maintenance	501,251,300	(1,200)	5,484,300	506,734,400
STATE-FUNDED PROGRAMS				
Betterments	\$ 484,200	\$ 0	\$ 475,400	\$ 959,600
State Aid	50,301,400	0	31,000	50,332,400
TMF-State Aid	190,055,000	0	0	190,055,000
State Industrial Access	40,287,200	(100)	1,991,200	42,278,300
Local Interstate Connectors	975,800	0	7,408,100	8,383,900
Sub-Total State-Funded Programs	\$ 282,103,600	\$ (100)	\$ 9,905,700	\$ 292,009,200
FEDERALLY FUNDED PROGRAMS				
Planning and Research	\$ 8,173,700	\$ 18,263,800	\$ 668,700	\$ 27,106,200
Highway Infrastructure	413,047,700	1,117,709,000	52,129,200	1,582,885,900
Transit	63,423,900	52,822,600	0	116,246,500
Air, Water, and Rail	66,586,400	26,264,800	2,016,900	94,868,100
Sub-Total Federally Funded Programs	\$ 551,231,700	\$ 1,215,060,200	\$ 54,814,800	\$ 1,821,106,700
TOTAL APPROPRIATIONS	\$ 1,597,872,000	\$ 1,215,089,200	\$ 74,444,300	\$ 2,887,405,500
STATE FUNDING SOURCES:				
Highway User Taxes	\$ 1,046,301,200			
Sales Tax - Transportation Equity Fund	30,812,300			
Miscellaneous Revenue	43,638,400			
Fund Balance	477,120,100			
TOTAL STATE FUNDING SOURCES	\$ 1,597,872,000			

Department of Transportation
Revised Budget by Program and Funding Source
Fiscal Year 2024-2025

	State	Federal	Other	Total
Administration	\$ 130,451,500	\$ 0	\$ 0	\$ 130,451,500
Headquarters Operations	60,298,200	0	0	60,298,200
Field Operations	115,848,600	0	0	115,848,600
Garage and Fleet Operations	26,339,300	0	4,300,000	30,639,300
Capital Improvements	17,995,000	0	0	17,995,000
Highway System Maintenance	475,077,000	0	0	475,077,000
STATE-FUNDED PROGRAMS				
Betterments	\$ 800,000	\$ 0	\$ 100,000	\$ 900,000
State Aid	30,622,000	0	625,000	31,247,000
State Aid-Transportation Modernization Fund	0	0	0	0
State High Priority Bridges	18,645,800	0	0	18,645,800
State Industrial Access	25,000,000	0	200,000	25,200,000
Local Interstate Connectors	2,000,000	0	2,000,000	4,000,000
Sub-Total State-Funded Programs	\$ 77,067,800	\$ 0	\$ 2,925,000	\$ 79,992,800
FEDERALLY FUNDED PROGRAMS				
Planning and Research	\$ 6,437,000	\$ 29,029,000	\$ 820,000	\$ 36,286,000
Highway Infrastructure	231,531,300	1,284,745,000	39,359,000	1,555,635,300
Transportation Modernization Fund	0	0	0	0
Transit	54,526,800	133,991,200	646,500	189,164,500
Air, Water, and Rail	136,100,000	26,046,000	6,300,000	168,446,000
Aeronautics Economic Development	0	0	0	0
Sub-Total Federally Funded Programs	\$ 428,595,100	\$ 1,473,811,200	\$ 47,125,500	\$ 1,949,531,800
TOTAL APPROPRIATIONS	\$ 1,331,672,500	\$ 1,473,811,200	\$ 54,350,500	\$ 2,859,834,200
STATE FUNDING SOURCES:				
Highway User Taxes	\$ 1,043,200,000			
Sales Tax - Transportation Equity Fund	28,900,000			
Miscellaneous Revenue	58,572,500			
General Fund Transfers	113,300,000			
Transportation Modernization Fund	0			
Bond Authorization	87,700,000			
TOTAL STATE FUNDING SOURCES	\$ 1,331,672,500			

**Department of Transportation
Recommended Budget by Program and Funding Source
Fiscal Year 2025-2026**

	State	Federal	Other	Total
Administration	\$ 128,386,700	\$ 0	\$ 0	\$ 128,386,700
Headquarters Operations	61,285,600	0	0	61,285,600
Field Operations	117,118,000	0	0	117,118,000
Garage and Fleet Operations	16,802,300	0	4,900,000	21,702,300
Capital Improvements	5,478,800	0	0	5,478,800
Highway System Maintenance	704,755,900	0	0	704,755,900
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	25,000,000	0	200,000	25,200,000
Local Interstate Connectors	2,000,000	0	2,000,000	4,000,000
Sub-Total State-Funded Programs	\$ 77,067,800	\$ 0	\$ 2,925,000	\$ 79,992,800
FEDERALLY FUNDED PROGRAMS				
Planning and Research	\$ 5,817,000	\$ 23,610,000	\$ 87,000	\$ 29,514,000
Interstate System	0	0	0	0
Highway Infrastructure	1,074,949,800	1,300,879,000	43,805,000	2,419,633,800
Transit	77,217,900	147,385,500	645,500	225,248,900
Air, Water, and Rail	136,800,000	25,725,000	8,200,000	170,725,000
Aeronautics Economic Development Fund	0	0	0	0
Sub-Total Federally Funded Programs	\$ 1,294,784,700	\$ 1,497,599,500	\$ 52,737,500	\$ 2,845,121,700
TOTAL APPROPRIATIONS	\$ 2,405,679,800	\$ 1,497,599,500	\$ 60,562,500	\$ 3,963,841,800
STATE FUNDING SOURCES:				
Highway User Taxes	\$ 1,059,300,000			
Sales Tax - Transportation Equity Fund	18,300,000			
Legislation - Sales Tax on Tires	80,000,000			
Miscellaneous Revenue	46,379,800			
General Fund Transfers	1,121,700,000			
Bond Authorization	80,000,000			
TOTAL STATE FUNDING SOURCES	\$ 2,405,679,800			

Comparison of Programs

Fiscal Years 2023-2024, 2024-2025, and 2025-2026

Allot. Code	Department	Actual 2023-2024	Estimated 2024-2025	Recommended 2025-2026	Act. vs. Est. Difference	Est. vs. Rec. Difference
301	Legislature	\$ 64,184,700	\$ 77,059,400	\$ 77,052,000	\$ 12,874,700	\$ (7,400)
	Appropriation	63,180,500	76,921,900	76,914,500	13,741,400	(7,400)
	Current Services and Other Revenue	1,004,200	137,500	137,500	(866,700)	0
301.50	Fiscal Review Committee	\$ 2,531,700	\$ 2,933,200	\$ 2,933,400	\$ 401,500	\$ 200
	Appropriation	2,158,600	2,933,200	2,933,400	774,600	200
	Current Services and Other Revenue	373,100	0	0	(373,100)	0
302	Court System	\$ 185,374,100	\$ 206,522,900	\$ 208,232,000	\$ 21,148,800	\$ 1,709,100
	Appropriation	171,801,400	198,877,700	200,586,600	27,076,300	1,708,900
	Federal	614,300	980,000	980,000	365,700	0
	Current Services and Other Revenue	12,958,400	6,665,200	6,665,400	(6,293,200)	200
303	Attorney General and Reporter	\$ 60,055,400	\$ 73,600,800	\$ 73,605,800	\$ 13,545,400	\$ 5,000
	Appropriation	48,313,300	57,415,600	57,419,600	9,102,300	4,000
	Current Services and Other Revenue	11,742,100	16,185,200	16,186,200	4,443,100	1,000
304	District Attorneys General	\$ 191,075,300	\$ 208,786,000	\$ 212,070,800	\$ 17,710,700	\$ 3,284,800
	Appropriation	145,111,400	156,142,200	160,287,000	11,030,800	4,144,800
	Federal	9,600	47,300	47,300	37,700	0
	Current Services and Other Revenue	45,954,300	52,596,500	51,736,500	6,642,200	(860,000)
305	Secretary of State	\$ 75,846,600	\$ 93,606,800	\$ 93,761,500	\$ 17,760,200	\$ 154,700
	Appropriation	39,672,600	50,882,900	50,887,300	11,210,300	4,400
	Federal	18,604,000	30,216,800	30,216,800	11,612,800	0
	Current Services and Other Revenue	17,570,000	12,507,100	12,657,400	(5,062,900)	150,300
306	District Public Defenders	\$ 88,856,900	\$ 95,852,000	\$ 98,606,600	\$ 6,995,100	\$ 2,754,600
	Appropriation	88,262,100	95,230,000	97,984,600	6,967,900	2,754,600
	Current Services and Other Revenue	594,800	622,000	622,000	27,200	0
307	Comptroller of the Treasury	\$ 138,050,900	\$ 137,147,200	\$ 137,203,600	\$ (903,700)	\$ 56,400
	Appropriation	119,094,100	126,386,600	126,443,000	7,292,500	56,400
	Current Services and Other Revenue	18,956,800	10,760,600	10,760,600	(8,196,200)	0
308	Post-Conviction Defender	\$ 3,233,300	\$ 3,972,300	\$ 4,219,200	\$ 739,000	\$ 246,900
	Appropriation	3,233,300	3,972,300	4,219,200	739,000	246,900
309	Treasury Department	\$ 73,495,200	\$ 135,167,300	\$ 161,156,000	\$ 61,672,100	\$ 25,988,700
	Appropriation	2,850,200	6,199,000	81,399,300	3,348,800	75,200,300
	Federal	2,117,000	55,612,800	0	53,495,800	(55,612,800)
	Current Services and Other Revenue	68,528,000	73,355,500	79,756,700	4,827,500	6,401,200
313	Claims and Compensation	\$ 112,590,400	\$ 113,490,700	\$ 123,438,700	\$ 900,300	\$ 9,948,000
	Appropriation	14,529,400	19,510,000	20,360,000	4,980,600	850,000
	Federal	3,378,000	4,850,600	4,850,600	1,472,600	0
	Current Services and Other Revenue	94,683,000	89,130,100	98,228,100	(5,552,900)	9,098,000

Comparison of Programs

Fiscal Years 2023-2024, 2024-2025, and 2025-2026

Allot. Code	Department	Actual 2023-2024	Estimated 2024-2025	Recommended 2025-2026	Act. vs. Est. Difference	Est. vs. Rec. Difference
315	Executive Department	\$ 6,914,900	\$ 7,182,500	\$ 7,192,600	\$ 267,600	\$ 10,100
	Appropriation	6,913,900	7,182,500	7,192,600	268,600	10,100
	Current Services and Other Revenue	1,000	0	0	(1,000)	0
316	Commissions	\$ 723,686,200	\$ 1,084,917,400	\$ 742,661,600	\$ 361,231,200	\$ (342,255,800)
	Appropriation	75,122,400	95,298,600	157,714,300	20,176,200	62,415,700
	Federal	569,707,400	878,474,300	476,969,600	308,766,900	(401,504,700)
	Current Services and Other Revenue	78,856,400	111,144,500	107,977,700	32,288,100	(3,166,800)
317	Finance and Administration (F&A)	\$ 687,668,900	\$ 859,359,800	\$ 750,573,700	\$ 171,690,900	\$ (108,786,100)
	Appropriation	88,300,300	40,953,700	63,374,700	(47,346,600)	22,421,000
	Federal	110,481,700	245,776,900	82,325,900	135,295,200	(163,451,000)
	Current Services and Other Revenue	488,886,900	572,629,200	604,873,100	83,742,300	32,243,900
318	F&A, TennCare	\$ 15,783,559,200	\$ 18,669,347,600	\$ 18,697,995,300	\$ 2,885,788,400	\$ 28,647,700
	Appropriation	4,019,469,300	6,127,880,200	6,354,705,600	2,108,410,900	226,825,400
	Federal	10,414,670,000	11,476,254,900	11,366,393,100	1,061,584,900	(109,861,800)
	Current Services and Other Revenue	1,349,419,900	1,065,212,500	976,896,600	(284,207,400)	(88,315,900)
319	Human Resources	\$ 23,277,200	\$ 26,717,400	\$ 26,725,600	\$ 3,440,200	\$ 8,200
	Appropriation	0	0	0	0	0
	Current Services and Other Revenue	23,277,200	26,717,400	26,725,600	3,440,200	8,200
321	General Services	\$ 171,501,500	\$ 222,295,500	\$ 242,502,100	\$ 50,794,000	\$ 20,206,600
	Appropriation	23,694,800	70,508,000	73,916,700	46,813,200	3,408,700
	Federal	2,101,300	0	0	(2,101,300)	0
	Current Services and Other Revenue	145,705,400	151,787,500	168,585,400	6,082,100	16,797,900
323	Veterans Services	\$ 18,985,600	\$ 16,472,500	\$ 15,051,900	\$ (2,513,100)	\$ (1,420,600)
	Appropriation	12,141,800	14,954,600	13,529,800	2,812,800	(1,424,800)
	Federal	6,840,600	1,517,900	1,522,100	(5,322,700)	4,200
	Current Services and Other Revenue	3,200	0	0	(3,200)	0
324	Board of Parole	\$ 11,491,200	\$ 12,627,700	\$ 12,576,100	\$ 1,136,500	\$ (51,600)
	Appropriation	11,489,200	12,626,700	12,575,100	1,137,500	(51,600)
	Current Services and Other Revenue	2,000	1,000	1,000	(1,000)	0
325	Agriculture	\$ 258,816,100	\$ 265,287,000	\$ 302,840,000	\$ 6,470,900	\$ 37,553,000
	Appropriation	109,138,100	152,035,200	255,241,400	42,897,100	103,206,200
	Federal	120,738,300	88,535,900	22,882,700	(32,202,400)	(65,653,200)
	Current Services and Other Revenue	28,939,700	24,715,900	24,715,900	(4,223,800)	0
326	Tourist Development	\$ 72,029,700	\$ 75,611,700	\$ 63,489,300	\$ 3,582,000	\$ (12,122,400)
	Appropriation	29,830,100	35,355,400	48,229,900	5,525,300	12,874,500
	Federal	27,042,600	27,712,200	2,712,200	669,600	(25,000,000)
	Current Services and Other Revenue	15,157,000	12,544,100	12,547,200	(2,612,900)	3,100

Comparison of Programs

Fiscal Years 2023-2024, 2024-2025, and 2025-2026

Allot. Code	Department	Actual 2023-2024	Estimated 2024-2025	Recommended 2025-2026	Act. vs. Est. Difference	Est. vs. Rec. Difference
327	Environment and Conservation	\$ 684,760,100	\$ 2,108,879,700	\$ 721,848,300	\$ 1,424,119,600	\$ (1,387,031,400)
	Appropriation	270,166,000	389,692,800	345,920,300	119,526,800	(43,772,500)
	Federal	225,160,300	1,566,484,700	218,976,400	1,341,324,400	(1,347,508,300)
	Current Services and Other Revenue	189,433,800	152,702,200	156,951,600	(36,731,600)	4,249,400
328	Wildlife Resources Agency	\$ 144,918,600	\$ 185,655,600	\$ 184,759,200	\$ 40,737,000	\$ (896,400)
	Appropriation	70,377,600	89,005,000	112,010,300	18,627,400	23,005,300
	Federal	46,297,900	50,889,900	38,399,900	4,592,000	(12,490,000)
	Current Services and Other Revenue	28,243,100	45,760,700	34,349,000	17,517,600	(11,411,700)
329	Correction	\$ 1,291,846,400	\$ 1,415,089,600	\$ 1,487,120,200	\$ 123,243,200	\$ 72,030,600
	Appropriation	1,262,824,900	1,391,142,300	1,476,104,100	128,317,400	84,961,800
	Federal	1,589,300	12,816,900	353,300	11,227,600	(12,463,600)
	Current Services and Other Revenue	27,432,200	11,130,400	10,662,800	(16,301,800)	(467,600)
330	Economic and Community Development	\$ 353,325,900	\$ 1,540,975,800	\$ 700,251,800	\$ 1,187,649,900	\$ (840,724,000)
	Appropriation	86,129,200	133,804,100	129,425,200	47,674,900	(4,378,900)
	Federal	211,583,700	1,402,327,600	414,882,500	1,190,743,900	(987,445,100)
	Current Services and Other Revenue	55,613,000	4,844,100	155,944,100	(50,768,900)	151,100,000
331	Education (K-12)	\$ 9,657,536,900	\$ 9,053,785,200	\$ 9,092,726,900	\$ (603,751,700)	\$ 38,941,700
	Appropriation	6,837,539,700	7,242,619,700	7,811,832,600	405,080,000	569,212,900
	Federal	2,468,908,800	1,665,309,100	1,135,551,300	(803,599,700)	(529,757,800)
	Current Services and Other Revenue	351,088,400	145,856,400	145,343,000	(205,232,000)	(513,400)
	Lottery-Funded Programs ¹	\$ 13,763,700	\$ 19,332,500	\$ 19,332,600	\$ 5,568,800	\$ 100
	Appropriation	13,763,700	19,332,500	19,332,600	5,568,800	100
	Other Education (K-12) Programs ¹	\$ 9,643,773,200	\$ 9,034,452,700	\$ 9,073,394,300	\$ (609,320,500)	\$ 38,941,600
	Appropriation	6,823,776,000	7,223,287,200	7,792,500,000	399,511,200	569,212,800
	Federal	2,468,908,800	1,665,309,100	1,135,551,300	(803,599,700)	(529,757,800)
	Current Services and Other Revenue	351,088,400	145,856,400	145,343,000	(205,232,000)	(513,400)
332	Higher Education	\$ 6,242,206,400	\$ 6,402,996,050	\$ 6,491,972,700	\$ 160,789,650	\$ 88,976,650
	Appropriation	2,788,408,500	2,866,844,850	2,992,043,100	78,436,350	125,198,250
	Federal	92,041,300	93,214,300	93,214,300	1,173,000	0
	Current Services and Other Revenue	1,138,936,600	1,126,817,600	1,090,596,000	(12,119,000)	(36,221,600)
	Tuition and Student Fees	2,222,820,000	2,316,119,300	2,316,119,300	93,299,300	0
	Lottery for Education Account ¹	\$ 456,558,600	\$ 487,900,000	\$ 504,800,000	\$ 31,341,400	\$ 16,900,000
	Appropriation	456,558,600	487,900,000	504,800,000	31,341,400	16,900,000
	Other Higher Education Programs ¹	\$ 5,785,647,800	\$ 5,915,096,050	\$ 5,987,172,700	\$ 129,448,250	\$ 72,076,650
	Appropriation	2,331,849,900	2,378,944,850	2,487,243,100	47,094,950	108,298,250
	Federal	92,041,300	93,214,300	93,214,300	1,173,000	0
	Current Services and Other Revenue	1,138,936,600	1,126,817,600	1,090,596,000	(12,119,000)	(36,221,600)
	Tuition and Student Fees	2,222,820,000	2,316,119,300	2,316,119,300	93,299,300	0

Comparison of Programs

Fiscal Years 2023-2024, 2024-2025, and 2025-2026

Allot. Code	Department	Actual 2023-2024	Estimated 2024-2025	Recommended 2025-2026	Act. vs. Est. Difference	Est. vs. Rec. Difference
335	Commerce and Insurance	\$ 291,634,000	\$ 324,459,500	\$ 308,292,700	\$ 32,825,500	\$ (16,166,800)
	Appropriation	212,269,500	241,861,400	228,186,600	29,591,900	(13,674,800)
	Federal	509,300	324,800	324,800	(184,500)	0
	Current Services and Other Revenue	78,855,200	82,273,300	79,781,300	3,418,100	(2,492,000)
336	Financial Institutions	\$ 24,327,100	\$ 35,540,200	\$ 35,545,300	\$ 11,213,100	\$ 5,100
	Appropriation	24,323,900	35,537,800	35,542,900	11,213,900	5,100
	Current Services and Other Revenue	3,200	2,400	2,400	(800)	0
337	Labor and Workforce Development	\$ 231,404,900	\$ 307,856,800	\$ 269,595,600	\$ 76,451,900	\$ (38,261,200)
	Appropriation	63,322,000	75,121,800	89,717,100	11,799,800	14,595,300
	Federal	154,660,700	198,136,100	140,759,200	43,475,400	(57,376,900)
	Current Services and Other Revenue	13,422,200	34,598,900	39,119,300	21,176,700	4,520,400
339	Mental Health and Substance Abuse Services	\$ 705,416,100	\$ 688,440,200	\$ 636,811,900	\$ (16,975,900)	\$ (51,628,300)
	Appropriation	417,264,000	439,063,800	436,457,200	21,799,800	(2,606,600)
	Federal	143,969,500	163,722,500	101,289,700	19,753,000	(62,432,800)
	Current Services and Other Revenue	144,182,600	85,653,900	99,065,000	(58,528,700)	13,411,100
341	Military	\$ 177,599,300	\$ 420,182,400	\$ 183,427,300	\$ 242,583,100	\$ (236,755,100)
	Appropriation	31,720,300	278,861,200	42,089,800	247,140,900	(236,771,400)
	Federal	136,237,800	140,731,000	140,747,300	4,493,200	16,300
	Current Services and Other Revenue	9,641,200	590,200	590,200	(9,051,000)	0
343	Health	\$ 1,139,434,800	\$ 1,508,053,100	\$ 885,645,500	\$ 368,618,300	\$ (622,407,600)
	Appropriation	339,409,000	365,759,800	367,994,800	26,350,800	2,235,000
	Federal	610,976,400	867,486,600	241,014,100	256,510,200	(626,472,500)
	Current Services and Other Revenue	189,049,400	274,806,700	276,636,600	85,757,300	1,829,900
344	Disability and Aging	\$ 398,777,000	\$ 476,263,800	\$ 486,492,100	\$ 77,486,800	\$ 10,228,300
	Appropriation	114,121,200	177,047,000	185,734,700	62,925,800	8,687,700
	Federal	81,753,600	44,359,600	44,340,000	(37,394,000)	(19,600)
	Current Services and Other Revenue	202,902,200	254,857,200	256,417,400	51,955,000	1,560,200
345	Human Services	\$ 3,336,652,900	\$ 4,878,120,700	\$ 4,653,489,700	\$ 1,541,467,800	\$ (224,631,000)
	Appropriation	249,838,700	278,935,000	307,375,600	29,096,300	28,440,600
	Federal	3,031,307,200	4,546,879,100	4,301,828,500	1,515,571,900	(245,050,600)
	Current Services and Other Revenue	55,507,000	52,306,600	44,285,600	(3,200,400)	(8,021,000)
	Supplemental Nutrition Assistance ¹	\$ 1,713,907,600	\$ 3,209,112,700	\$ 3,209,112,700	\$ 1,495,205,100	\$ 0
	Federal	1,713,907,600	3,209,112,700	3,209,112,700	1,495,205,100	0
	Other Human Services Programs ¹	\$ 1,622,745,300	\$ 1,669,008,000	\$ 1,444,377,000	\$ 46,262,700	\$ (224,631,000)
	Appropriation	249,838,700	278,935,000	307,375,600	29,096,300	28,440,600
	Federal	1,317,399,600	1,337,766,400	1,092,715,800	20,366,800	(245,050,600)
	Current Services and Other Revenue	55,507,000	52,306,600	44,285,600	(3,200,400)	(8,021,000)

Comparison of Programs

Fiscal Years 2023-2024, 2024-2025, and 2025-2026

Allot. Code	Department	Actual 2023-2024	Estimated 2024-2025	Recommended 2025-2026	Act. vs. Est. Difference	Est. vs. Rec. Difference
347	Revenue	\$ 1,694,840,600	\$ 150,384,500	\$ 168,819,000	\$ (1,544,456,100)	\$ 18,434,500
	Appropriation	1,634,705,000	115,468,400	130,962,200	(1,519,236,600)	15,493,800
	Federal	30,400	20,900	20,900	(9,500)	0
	Current Services and Other Revenue	60,105,200	34,895,200	37,835,900	(25,210,000)	2,940,700
348	Tennessee Bureau of Investigation	\$ 150,601,600	\$ 159,131,300	\$ 158,538,400	\$ 8,529,700	\$ (592,900)
	Appropriation	108,451,900	115,639,200	116,883,300	7,187,300	1,244,100
	Federal	14,273,400	13,724,800	13,935,800	(548,600)	211,000
	Current Services and Other Revenue	27,876,300	29,767,300	27,719,300	1,891,000	(2,048,000)
349	Safety	\$ 526,922,200	\$ 558,482,600	\$ 609,245,100	\$ 31,560,400	\$ 50,762,500
	Appropriation	435,772,300	481,315,600	527,074,300	45,543,300	45,758,700
	Federal	39,594,800	34,313,600	39,315,300	(5,281,200)	5,001,700
	Current Services and Other Revenue	51,555,100	42,853,400	42,855,500	(8,701,700)	2,100
350	F&A, Strategic Health-Care Programs	\$ 144,239,500	\$ 198,733,000	\$ 198,733,000	\$ 54,493,500	\$ 0
	Appropriation	38,311,400	54,483,400	55,278,300	16,172,000	794,900
	Federal	100,572,500	140,146,800	139,351,900	39,574,300	(794,900)
	Current Services and Other Revenue	5,355,600	4,102,800	4,102,800	(1,252,800)	0
351	Miscellaneous Appropriations	\$ 504,291,900	\$ 560,522,300	\$ 1,005,399,700	\$ 56,230,400	\$ 444,877,400
	Appropriation	442,125,900	560,522,300	1,005,399,700	118,396,400	444,877,400
	Federal	0	0	0	0	0
	Current Services and Other Revenue	62,166,000	0	0	(62,166,000)	0
352	Other Post-Employment Benefits Liability	\$ 72,177,800	\$ 52,177,800	\$ 4,460,000	\$ (20,000,000)	\$ (47,717,800)
	Appropriation	72,177,800	52,177,800	4,460,000	(20,000,000)	(47,717,800)
353	Emergency and Contingency Fund	\$ 0	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 0
	Appropriation	0	1,000,000	1,000,000	1,000,000	0
355	State Building Commission	\$ 0	\$ 150,000	\$ 150,000	\$ 150,000	\$ 0
	Appropriation	0	0	0	0	0
	Current Services and Other Revenue	0	150,000	150,000	150,000	0
359	Children's Services	\$ 1,344,550,200	\$ 1,438,362,900	\$ 1,535,378,800	\$ 93,812,700	\$ 97,015,900
	Appropriation	549,796,000	618,834,600	678,125,200	69,038,600	59,290,600
	Federal	188,778,600	220,253,900	230,122,500	31,475,300	9,868,600
	Current Services and Other Revenue	605,975,600	599,274,400	627,131,100	(6,701,200)	27,856,700
400	Transportation - General Fund Subsidy	\$ 272,842,600	\$ 113,300,000	\$ 1,121,700,000	\$ (159,542,600)	\$ 1,008,400,000
	Appropriation	272,842,600	113,300,000	1,121,700,000	(159,542,600)	1,008,400,000

Comparison of Programs

Fiscal Years 2023-2024, 2024-2025, and 2025-2026

Allot. Code	Department	Actual 2023-2024	Estimated 2024-2025	Recommended 2025-2026	Act. vs. Est. Difference	Est. vs. Rec. Difference
	Grand Total - General Fund	\$ 48,143,531,800	\$ 54,966,500,750	\$ 52,995,291,000	\$ 6,822,968,950	\$ (1,971,209,750)
	Appropriation	21,396,204,200	23,469,304,150	26,067,231,900	2,073,099,950	2,597,927,750
	Federal	18,824,550,300	23,971,121,800	19,283,328,000	5,146,571,500	(4,687,793,800)
	Current Services and Other Revenue	5,699,957,300	5,209,955,500	5,328,611,800	(490,001,800)	118,656,300
	Tuition and Student Fees	2,222,820,000	2,316,119,300	2,316,119,300	93,299,300	0
400	Transportation	\$ 2,614,562,900	\$ 2,746,534,200	\$ 2,842,141,800	\$ 131,971,300	\$ 95,607,600
	Appropriation	1,325,029,400 ²	1,130,672,500	1,203,979,800	(194,356,900)	73,307,300
	Federal	1,215,089,200	1,473,811,200	1,497,599,500	258,722,000	23,788,300
	Current Services and Other Revenue	74,444,300	54,350,500	60,562,500	(20,093,800)	6,212,000
	Bonds	0	87,700,000	80,000,000	87,700,000	(7,700,000)
	Debt Service Requirements	\$ 402,276,000	\$ 359,408,000	\$ 390,629,000	\$ (42,868,000)	\$ 31,221,000
	Appropriation	402,276,000	359,408,000	390,629,000	(42,868,000)	31,221,000
	Capital Outlay Program	\$ 795,864,000	\$ 705,540,000	\$ 1,369,463,800	\$ (90,324,000)	\$ 663,923,800
	Appropriation	622,236,000 ²	487,314,800	114,273,000	(134,921,200)	(373,041,800)
	Federal	21,718,000	22,223,500	10,979,000	505,500	(11,244,500)
	Current Services and Other Revenue	151,910,000	196,001,700	314,664,800	44,091,700	118,663,100
	Bonds	0	0	929,547,000	0	929,547,000
	Facilities Revolving Fund	\$ 188,694,200	\$ 162,152,800	\$ 171,109,600	\$ (26,541,400)	\$ 8,956,800
	Appropriation	7,518,000	12,302,000	12,302,000	4,784,000	0
	Current Services and Other Revenue	181,176,200 ³	149,850,800	158,807,600	(31,325,400)	8,956,800
	Cities & Counties - State-Shared Taxes	\$ 1,606,356,100	\$ 1,609,600,000	\$ 1,683,700,000	\$ 3,243,900	\$ 74,100,000
	Appropriation	1,606,356,100	1,609,600,000	1,683,700,000	3,243,900	74,100,000
	Total State Budget - All Programs	\$ 53,751,285,000	\$ 60,549,735,750	\$ 59,452,335,200	\$ 6,798,450,750	\$ (1,097,400,550)
	Appropriation	25,359,619,700	27,068,601,450	29,472,115,700	1,708,981,750	2,403,514,250
	Federal	20,061,357,500	25,467,156,500	20,791,906,500	5,405,799,000	(4,675,250,000)
	Current Services and Other Revenue	6,107,487,800	5,610,158,500	5,862,646,700	(497,329,300)	252,488,200
	Tuition and Student Fees	2,222,820,000	2,316,119,300	2,316,119,300	93,299,300	0
	Bonds	0	87,700,000	1,009,547,000	87,700,000	921,847,000

¹ Included in departmental total.

² Transportation and Capital Outlay Program - Actual 2023-2024 includes tax revenue and bonds.

³ Facilities Revolving Fund - Actual 2023-2024 includes departmental revenue and bonds.

Funding Summary All Programs

	Actual 2023-2024	Estimated 2024-2025	Recommended 2025-2026
General Fund and Education Fund			
Expenditures			
Payroll	\$ 4,036,620,500	\$ 4,643,427,600	\$ 4,677,711,600
Operational	44,106,911,300	50,323,073,150	48,317,579,400
Total General Fund and Education Fund	\$ 48,143,531,800	\$ 54,966,500,750	\$ 52,995,291,000
Funding			
State Appropriation ¹	\$ 21,396,204,200	\$ 23,469,304,150	\$ 26,067,231,900
Federal Revenue	18,824,550,300	23,971,121,800	19,283,328,000
Other Departmental Revenue	5,699,957,300	5,209,955,500	5,328,611,800
Tuition and Fees	2,222,820,000	2,316,119,300	2,316,119,300
Transportation Fund			
Expenditures			
Payroll	\$ 352,438,100	\$ 425,522,300	\$ 430,314,700
Operational	2,262,124,800	2,321,011,900	2,411,827,100
Total Transportation Fund	\$ 2,614,562,900	\$ 2,746,534,200	\$ 2,842,141,800
Funding			
State Appropriation	\$ 1,325,029,400	\$ 1,218,372,500	\$ 1,283,979,800
Federal Revenue	1,215,089,200	1,473,811,200	1,497,599,500
Other Departmental Revenue	74,444,300	54,350,500	60,562,500
All Programs			
Expenditures			
Payroll	\$ 4,389,058,600	\$ 5,068,949,900	\$ 5,108,026,300
Operational	46,369,036,100	52,644,085,050	50,729,406,500
Total All Programs	\$ 50,758,094,700	\$ 57,713,034,950	\$ 55,837,432,800
Funding			
State Appropriation ¹	\$ 22,721,233,600	\$ 24,687,676,650	\$ 27,351,211,700
Federal Revenue	20,039,639,500	25,444,933,000	20,780,927,500
Other Departmental Revenue	5,774,401,600	5,264,306,000	5,389,174,300
Tuition and Fees	2,222,820,000	2,316,119,300	2,316,119,300

¹ General Fund and Education Fund State Appropriation includes the following:

Lottery for Education	\$ 470,322,300	\$ 507,232,500	\$ 524,132,600
Transportation - General Fund Subsidy	\$ 272,842,600	\$ 113,300,000	\$ 1,121,700,000

**Departmental Comparison of Appropriations from State Revenues,
Recurring and Non-Recurring, for Fiscal Years 2024-2025 and 2025-2026**

Program	2024-2025 Appropriation		2025-2026 Base Recommended			2025-2026 Cost Increases		2025-2026 Total Recommended				
	Recurring	Non-Recurring	Recurring	Pct. Chg.	Non-Recurring	Recurring	Non-Recurring	Recurring	Pct. Chg.	Non-Recurring	Total	Pct. Chg.
Legislature	\$ 76,914,500	\$ 7,400	\$ 76,914,500	0.0%	\$ 0	\$ 0	\$ 0	\$ 76,914,500	0.0%	\$ 0	\$ 76,914,500	0.0%
Fiscal Review Committee	2,933,400	(200)	2,933,400	0.0%	0	0	0	2,933,400	0.0%	0	2,933,400	0.0%
Court System	198,963,200	(85,500)	198,963,200	0.0%	0	1,623,400	0	200,586,600	0.8%	0	200,586,600	0.9%
Attorney General and Reporter	57,419,600	(4,000)	57,419,600	0.0%	0	0	0	57,419,600	0.0%	0	57,419,600	0.0%
District Attorneys General	155,837,600	304,600	155,837,600	0.0%	0	4,449,400	0	160,287,000	2.9%	0	160,287,000	2.7%
Secretary of State	50,887,300	(4,400)	50,887,300	0.0%	0	0	0	50,887,300	0.0%	0	50,887,300	0.0%
District Public Defenders	95,236,800	(6,800)	95,236,800	0.0%	0	2,710,300	37,500	97,947,100	2.8%	37,500	97,984,600	2.9%
Comptroller of the Treasury	126,393,000	(6,400)	126,393,000	0.0%	0	0	50,000	126,393,000	0.0%	50,000	126,443,000	0.0%
Post-Conviction Defender	3,972,800	(500)	3,972,800	0.0%	0	246,400	0	4,219,200	6.2%	0	4,219,200	6.2%
Treasury Department	4,199,300	1,999,700	4,199,300	0.0%	0	77,200,000	0	81,399,300	1,838.4%	0	81,399,300	1,213.1%
Claims and Compensation	19,510,000	0	19,510,000	0.0%	0	850,000	0	20,360,000	4.4%	0	20,360,000	4.4%
Executive Department	7,183,100	(600)	7,183,100	0.0%	0	9,500	0	7,192,600	0.1%	0	7,192,600	0.1%
Commissions	87,129,900	8,168,700	86,734,900	(0.5%)	0	3,724,400	67,255,000	90,459,300	3.8%	67,255,000	157,714,300	65.5%
Finance and Administration (F&A)	32,057,400	8,896,300	31,813,700	(0.8%)	0	1,561,000	30,000,000	33,374,700	4.1%	30,000,000	63,374,700	54.7%
F&A - TennCare	4,326,124,400	1,801,755,800	4,293,884,400	(0.7%)	1,777,459,600	278,770,800	4,590,800	4,572,655,200	5.7%	1,782,050,400	6,354,705,600	3.7%
Human Resources	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0.0%
General Services	70,511,500	(3,500)	70,304,400	(0.3%)	0	2,569,600	1,042,700	72,874,000	3.4%	1,042,700	73,916,700	4.8%
Veterans Services	12,926,900	2,027,700	12,801,900	(1.0%)	0	414,500	313,400	13,216,400	2.2%	313,400	13,529,800	(9.5%)
Board of Parole	12,627,300	(600)	12,575,100	(0.4%)	0	0	0	12,575,100	(0.4%)	0	12,575,100	(0.4%)
Agriculture	117,734,900	34,300,300	117,406,100	(0.3%)	0	20,500,000	117,335,300	137,906,100	17.1%	117,335,300	255,241,400	67.9%
Tourist Development	22,856,400	12,499,000	22,629,900	(1.0%)	0	10,100,000	15,500,000	32,729,900	43.2%	15,500,000	48,229,900	36.4%
Environment and Conservation	286,070,600	103,622,200	284,660,000	(0.5%)	12,000	14,193,500	47,054,800	298,853,500	4.5%	47,066,800	345,920,300	(11.2%)
Wildlife Resources Agency	78,002,200	11,002,800	77,998,400	0.0%	0	4,011,900	30,000,000	82,010,300	5.1%	30,000,000	112,010,300	25.8%
Correction	1,389,429,700	1,712,600	1,384,548,900	(0.4%)	0	64,832,300	26,722,900	1,449,381,200	4.3%	26,722,900	1,476,104,100	6.1%
Economic and Community Development	67,606,000	66,198,100	67,205,100	(0.6%)	0	10,220,100	52,000,000	77,425,200	14.5%	52,000,000	129,425,200	(3.3%)

**Departmental Comparison of Appropriations from State Revenues,
Recurring and Non-Recurring, for Fiscal Years 2024-2025 and 2025-2026**

Program	2024-2025 Appropriation		2025-2026 Base Recommended			2025-2026 Cost Increases		2025-2026 Total Recommended				
	Recurring	Non-Recurring	Recurring	Pct. Chg.	Non-Recurring	Recurring	Non-Recurring	Recurring	Pct. Chg.	Non-Recurring	Total	Pct. Chg.
Education (K-12)	\$ 7,207,230,900	\$ 35,388,800	\$ 7,203,395,200	(0.1%)	\$ 0	\$ 379,837,400	\$ 228,600,000	\$ 7,583,232,600	5.2%	\$ 228,600,000	\$ 7,811,832,600	7.9%
Lottery-Funded Programs	19,332,600	(100)	19,332,600	0.0%	0	0	0	19,332,600	0.0%	0	19,332,600	0.0%
Other K-12 Education Programs	7,187,898,300	35,388,900	7,184,062,600	(0.1%)	0	379,837,400	228,600,000	7,563,900,000	5.2%	228,600,000	7,792,500,000	7.9%
Higher Education	\$ 2,856,560,900	\$ 10,283,950	\$ 2,860,917,200	0.2%	\$ 0	\$ 119,025,900	\$ 12,100,000	\$ 2,979,943,100	4.3%	\$ 12,100,000	\$ 2,992,043,100	4.4%
Lottery-Funded Programs	487,900,000	0	492,700,000	1.0%	0	12,100,000	0	504,800,000	3.5%	0	504,800,000	3.5%
Other Higher Education Programs	2,368,660,900	10,283,950	2,368,217,200	0.0%	0	106,925,900	12,100,000	2,475,143,100	4.5%	12,100,000	2,487,243,100	4.6%
Commerce and Insurance	227,859,100	14,002,300	227,720,600	(0.1%)	0	291,300	174,700	228,011,900	0.1%	174,700	228,186,600	(5.7%)
Financial Institutions	35,542,900	(5,100)	35,542,900	0.0%	0	0	0	35,542,900	0.0%	0	35,542,900	0.0%
Labor and Workforce Development	72,139,600	2,982,200	71,717,100	(0.6%)	0	9,000,000	9,000,000	80,717,100	11.9%	9,000,000	89,717,100	19.4%
Mental Health and Substance Abuse Services	432,581,100	6,482,700	429,096,700	(0.8%)	0	5,924,500	1,436,000	435,021,200	0.6%	1,436,000	436,457,200	(0.6%)
Military	33,411,300	245,449,900	33,123,900	(0.9%)	0	2,147,900	6,818,000	35,271,800	5.6%	6,818,000	42,089,800	(84.9%)
Health	340,301,700	25,458,100	337,609,400	(0.8%)	0	2,784,000	27,601,400	340,393,400	0.0%	27,601,400	367,994,800	0.6%
Disability and Aging	172,322,500	4,724,500	172,322,500	0.0%	0	13,412,200	0	185,734,700	7.8%	0	185,734,700	4.9%
Human Services	246,070,500	32,864,500	245,355,100	(0.3%)	0	36,120,500	25,900,000	281,475,600	14.4%	25,900,000	307,375,600	10.2%
Revenue	114,992,300	476,100	114,195,000	(0.7%)	0	16,647,200	120,000	130,842,200	13.8%	120,000	130,962,200	13.4%
Tennessee Bureau of Investigation	114,526,100	1,113,100	113,415,900	(1.0%)	0	2,676,200	791,200	116,092,100	1.4%	791,200	116,883,300	1.1%
Safety	475,609,700	5,705,900	470,887,100	(1.0%)	0	39,432,800	16,754,400	510,319,900	7.3%	16,754,400	527,074,300	9.5%
F&A - Strategic Health-Care Programs	54,483,400	0	54,483,400	0.0%	0	794,900	0	55,278,300	1.5%	0	55,278,300	1.5%
Miscellaneous Appropriations	252,237,200	308,285,100	252,237,200	0.0%	0	98,720,900	654,441,600	350,958,100	39.1%	654,441,600	1,005,399,700	79.4%
Other Post-Employment Benefits Liability	52,177,800	0	4,460,000	(91.5%)	0	0	0	4,460,000	(91.5%)	0	4,460,000	(91.5%)
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	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0.0%
Children's Services	573,201,900	45,632,700	570,452,400	(0.5%)	0	87,773,800	19,899,000	658,226,200	14.8%	19,899,000	678,125,200	9.6%
Transportation	83,200,000	30,100,000	83,200,000	0.0%	0	0	1,038,500,000	83,200,000	0.0%	1,038,500,000	1,121,700,000	890.0%
Facilities Revolving Fund	12,302,000	0	12,302,000	0.0%	0	0	0	12,302,000	0.0%	0	12,302,000	0.0%
Total	\$ 20,660,278,700	\$ 2,821,327,450	\$ 20,555,447,000	(0.5%)	\$ 1,777,471,600	\$ 1,312,576,600	\$ 2,434,038,700	\$ 21,868,023,600	5.8%	\$ 4,211,510,300	\$ 26,079,533,900	11.1%

**Available Funds
Fiscal Year 2024-2025**

I. Unappropriated Budget Surplus at June 30, 2024	\$ 1,563,687,400
II. Revenue Adjustments and Other Available Funds	
Fiscal Year 2024-2025 Enacted Budget Available Funds	\$ 174,684,550
Other State Revenue	
a. Commerce and Insurance - Insurance Premiums	178,500,000
b. Treasurer's Earnings	495,900,000
Debt Service Transfer at June 30, 2025	39,399,000
Tobacco Master Settlement Agreement	(18,000,000)
Previous Appropriation for Fiscal Year 2023-2024 Revenue Undercollection - Not Needed	150,000,000
Franchise Tax Refund - Additional Reversion	113,000,000
Subtotal Revenue Adjustments and Other Available Funds	\$ 1,133,483,550
III. Subtotal Budget Surplus and Revenue Adjustments (I + II)	\$ 2,697,170,950
IV. Appropriation and Transfer Requirements	
Fiscal Year 2024-2025 Supplemental Appropriations	\$ (555,183,200)
V. Total Available Funds at June 30, 2025 (III + IV)	\$ 2,141,987,750

Supplemental Expenditures
All Funding Sources
Fiscal Year 2024-2025

	General Fund					
	Recurring	Non-Recurring	Dedicated	Federal	Other	Total
2025 Special Session Items						
1. <u>Education (K-12)</u>	0	23,200,000	0	0	0	23,200,000
1. Grade A Schools	0	17,000,000	0	0	0	17,000,000
2. Tourism Zone Local Education Agency (LEA) Grants	0	6,200,000	0	0	0	6,200,000
2. <u>Military</u>	0	240,000,000	0	0	0	240,000,000
1. TN Emergency Management Agency (TEMA) Disaster Relief Grants	0	240,000,000	0	0	0	240,000,000
3. <u>Miscellaneous Appropriations</u>	0	230,000,000	0	0	0	230,000,000
1. Carter County - High School Rebuild Grant	0	20,000,000	0	0	0	20,000,000
2. Administration Legislation - Local Interest Funding	0	110,000,000	0	0	0	110,000,000
3. Administration Legislation - Governor's Response and Recovery Fund	0	100,000,000	0	0	0	100,000,000
Subtotal 2025 Special Session Items	\$ 0	\$ 493,200,000	\$ 0	\$ 0	\$ 0	\$ 493,200,000
Other Items						
4. <u>Children's Services (see also: TennCare for DCS)</u>	0	41,476,500	0	358,300	14,791,100	56,625,900
1. Recalculate Residential Custodial Cost Budget	0	41,476,500	0	358,300	14,791,100	56,625,900
5. <u>Commerce and Insurance</u>	0	1,000,000	0	0	0	1,000,000
1. Law Enforcement Death Benefits	0	1,000,000	0	0	0	1,000,000
6. <u>Education (K-12)</u>	0	10,341,800	0	0	0	10,341,800
1. Paid Parental Leave	0	10,000,000	0	0	0	10,000,000
2. Textbook Commission	0	341,800	0	0	0	341,800
7. <u>Finance and Administration</u>	0	1,350,000	0	1,350,000	0	2,700,000
1. Grants Management System for OCJP	0	1,350,000	0	1,350,000	0	2,700,000
8. <u>Inmate Disciplinary Oversight Board</u>	0	208,300	0	0	0	208,300
1. Onboarding Expenses	0	208,300	0	0	0	208,300
9. <u>TennCare for DCS</u>	0	5,277,000	0	9,514,100	0	14,791,100
1. Recalculate Residential Custodial Cost Budget	0	5,277,000	0	9,514,100	0	14,791,100
10. <u>Tennessee Bureau of Investigation</u>	0	1,133,600	0	0	0	1,133,600
1. Crime Scene Vehicles - Restore Funding	0	1,133,600	0	0	0	1,133,600
11. <u>Veterans Services</u>	0	1,196,000	0	0	0	1,196,000
1. Restore Carryforward	0	1,196,000	0	0	0	1,196,000
Subtotal Other Items	\$ 0	\$ 61,983,200	\$ 0	\$ 11,222,400	\$ 14,791,100	\$ 87,996,700
Total Supplemental Expenditures	\$ 0	\$ 555,183,200	\$ 0	\$ 11,222,400	\$ 14,791,100	\$ 581,196,700

**Preliminary Base Budget Adjustments
Fiscal Year 2025-2026**

	General Fund		Dedicated
	Recurring	Non-Recurring	
<u>TennCare</u>	\$ 0	\$ 0	\$ 1,808,520,400
1. Hospital Coverage Assessment	0	0	1,628,078,900
2. Nursing Home Bed Assessment	0	0	168,641,500
3. Ambulance Service Assessment	0	0	11,800,000
Total Preliminary Base Budget Adjustments	\$ 0	\$ 0	\$ 1,808,520,400

**Agency Base Reductions
All Funding Sources
Fiscal Year 2025-2026**

	General Fund		Dedicated	Federal	Other	Total
	Recurring	Non-Recurring				
1. <u>Advisory Commission on Intergovernmental Relations (TACIR)</u>	(1,600)	0	0	0	0	(1,600)
1. Payroll Reduction	(1,600)	0	0	0	0	(1,600)
2. <u>Agriculture</u>	(649,000)	0	320,200	250,000	0	(78,800)
1. Forestry Deployment - Funding Swap	(250,000)	0	0	250,000	0	0
2. Motor Fuel Revenue - Funding Swap	(320,200)	0	320,200	0	0	0
3. Forestry Vehicle Savings	(78,800)	0	0	0	0	(78,800)
3. <u>Arts Commission</u>	(25,500)	0	0	0	0	(25,500)
1. Grants and Travel Reduction	(25,500)	0	0	0	0	(25,500)
4. <u>Board of Parole</u>	(52,200)	0	0	0	0	(52,200)
1. Rentals and Insurance Reduction	(5,800)	0	0	0	0	(5,800)
2. Third-Party Professional Services Reduction	(2,500)	0	0	0	0	(2,500)
3. Staff Training Reduction	(28,500)	0	0	0	0	(28,500)
4. Out-of-State Board Travel and Training Reduction	(15,400)	0	0	0	0	(15,400)
5. <u>Children's Services</u>	(2,749,500)	0	0	0	0	(2,749,500)
1. Operational Efficiencies	(1,687,400)	0	0	0	0	(1,687,400)
2. Reduction of Under-Utilized Contract Funding	(52,000)	0	0	0	0	(52,000)
3. Wilder Youth Development Center Reorganization	(1,010,100)	0	0	0	0	(1,010,100)
6. <u>Commerce and Insurance</u>	(138,500)	0	0	0	0	(138,500)
1. Reduction of Insurance Program Funding	(138,500)	0	0	0	0	(138,500)
7. <u>Commission on Children and Youth</u>	(57,500)	0	0	0	0	(57,500)
1. Operational Reduction	(57,500)	0	0	0	0	(57,500)
8. <u>Correction</u>	(4,880,800)	0	0	0	0	(4,880,800)
1. Operating Funds for Imprisonment Changes	(4,579,800)	0	0	0	0	(4,579,800)
2. Reconcile Budget to Actuals	(301,000)	0	0	0	0	(301,000)
9. <u>Corrections Institute</u>	(17,900)	0	0	0	0	(17,900)
1. Reduction of Training Supplies	(17,900)	0	0	0	0	(17,900)
10. <u>Council on Developmental Disabilities</u>	(5,300)	0	0	(15,900)	0	(21,200)
1. Communications Postage Efficiency	(5,300)	0	0	(15,900)	0	(21,200)
11. <u>Economic and Community Development</u>	(400,900)	0	0	0	0	(400,900)
1. Headquarters Relocation Funding Reduction	(400,900)	0	0	0	0	(400,900)
12. <u>Education (K-12)</u>	(3,992,400)	0	156,700	(139,400)	(1,159,000)	(5,134,100)
1. Achievement School District Reduction (-5 FT)	0	0	0	0	(1,142,000)	(1,142,000)
2. Charter Commission Funding Swap	(156,700)	0	156,700	0	0	0
3. ACT Retake Reduction	(1,829,900)	0	0	0	0	(1,829,900)
4. FRF Rent Reduction	(505,800)	0	0	(139,400)	0	(645,200)
5. Career Ladder Attrition	(1,500,000)	0	0	0	0	(1,500,000)
6. Energy Efficient Schools Initiative (-1 FT)	0	0	0	0	(17,000)	(17,000)
13. <u>Environment and Conservation</u>	(2,283,200)	0	0	(65,700)	975,400	(1,373,500)
1. Historical Commission Maintenance Reduction	(44,700)	0	0	0	0	(44,700)
2. State Parks Revenue Generating Operations - Funding Swap	(1,200,000)	0	0	0	1,200,000	0
3. Water Resources - Funding Swap	(380,700)	0	0	0	380,700	0
4. FRF Rent Reduction	(657,800)	0	0	(65,700)	(605,300)	(1,328,800)
14. <u>Facilities Revolving Fund (FRF)</u>	0	0	0	0	(3,007,100)	(3,007,100)
1. Rent Reduction	0	0	0	0	(3,007,100)	(3,007,100)
15. <u>Finance and Administration</u>	(243,700)	0	0	(17,600)	(4,553,100)	(4,814,400)
1. Office of Evidence and Impact Operational Reduction	(78,900)	0	0	0	0	(78,900)
2. Strategic Technology Solutions (STS) Reduce Hardware Refresh Costs	0	0	0	0	(1,500,000)	(1,500,000)
3. Office of Criminal Justice Programs (OCJP) Grant Reduction	(71,300)	0	0	0	0	(71,300)
4. STS Replacement of Data Analysis Tool	0	0	0	0	(125,000)	(125,000)
5. Volunteer TN Operational Reduction	(9,400)	0	0	0	0	(9,400)
6. STS Eliminate Encapture Licensing	0	0	0	0	(70,000)	(70,000)
7. Administration Operational Reduction	(42,500)	0	0	0	0	(42,500)
8. STS Reduce GIS Contractor Expense	0	0	0	0	(35,400)	(35,400)
9. Business Solutions Delivery (BSD) Reduce Business Domain Team (-3 FT)	0	0	0	0	(283,200)	(283,200)
10. Eliminate STS Contractor Funding	0	0	0	0	(166,000)	(166,000)
11. Eliminate STS Funding to Migrate Entrust	0	0	0	0	(200,000)	(200,000)
12. STS Reduction of On-Premise Expenses	0	0	0	0	(1,860,400)	(1,860,400)
13. STS Eliminate Funding for Research and Consulting Licenses	0	0	0	0	(165,000)	(165,000)
14. FRF Rent Reduction	(41,600)	0	0	(17,600)	(148,100)	(207,300)

**Agency Base Reductions
All Funding Sources
Fiscal Year 2025-2026**

	General Fund		Dedicated	Federal	Other	Total
	Recurring	Non-Recurring				
16. <u>General Services</u>	(207,100)	0	0	0	(1,177,700)	(1,384,800)
1. Gov. Early Literacy Foundation Travel and Training Reduction	(146,000)	0	0	0	0	(146,000)
2. Operational Reductions	0	0	0	0	(1,043,200)	(1,043,200)
3. FRF Rent Reduction	(61,100)	0	0	0	(134,500)	(195,600)
17. <u>Health</u>	(2,692,300)	0	0	(30,800)	200,000	(2,523,100)
1. Revenue Swap with Newborn Screening Current Services	(200,000)	0	0	0	200,000	0
2. Environmental Health Operational Efficiencies	(285,000)	0	0	0	0	(285,000)
3. Health Licensure Operational Efficiencies	(55,000)	0	0	0	0	(55,000)
4. Emergency Medical Services Training Efficiencies	(21,100)	0	0	0	0	(21,100)
5. Reduction of Travel and Supply Budgets, Labs	(130,000)	0	0	0	0	(130,000)
6. Vital Records Operational Efficiencies	(50,000)	0	0	0	0	(50,000)
7. Communicable and Environmental Disease and Emergency Preparedness (CEDEP) Operational Reduction	(140,000)	0	0	0	0	(140,000)
8. Payroll Efficiencies - CEDEP Benefits	(250,000)	0	0	0	0	(250,000)
9. Office of Informatics and Analytics Efficiencies	(196,300)	0	0	0	0	(196,300)
10. Population Health Assessment Efficiencies	(50,000)	0	0	0	0	(50,000)
11. Contract Reduction E-Consult - Community Health Services	(600,000)	0	0	0	0	(600,000)
12. Reduction of Vacant Positions (-7 FT)	(438,600)	0	0	0	0	(438,600)
13. FRF Rent Reduction	(276,300)	0	0	(30,800)	0	(307,100)
18. <u>Health Facilities Commission</u>	(153,000)	0	0	0	0	(153,000)
1. Reduction of Contracts and Supplies Funding	(153,000)	0	0	0	0	(153,000)
19. <u>Higher Education - State Administered Programs</u>	(443,700)	0	0	0	0	(443,700)
1. Operational Reduction	(443,700)	0	0	0	0	(443,700)
20. <u>Human Resources</u>	0	0	0	0	(259,900)	(259,900)
1. Operational Reduction	0	0	0	0	(259,900)	(259,900)
21. <u>Human Rights Commission</u>	(27,100)	0	0	0	0	(27,100)
1. Reduction in Education and Outreach Funding	(27,100)	0	0	0	0	(27,100)
22. <u>Human Services</u>	(715,400)	0	0	(2,643,300)	(3,000,000)	(6,358,700)
1. TennCare Contract Reduction	0	0	0	0	(3,000,000)	(3,000,000)
2. Vocational Rehabilitation Reduction	(715,400)	0	0	(2,643,300)	0	(3,358,700)
23. <u>Labor and Workforce Development</u>	(422,500)	0	0	0	0	(422,500)
1. Purchasing Efficiency	(422,500)	0	0	0	0	(422,500)
2. Reduction of Vacant Positions (-5 FT)	0	0	0	0	0	0
24. <u>Mental Health and Substance Abuse Services</u>	(3,484,400)	0	0	(3,300)	3,164,600	(323,100)
1. Certified Public Expenditures Funding Offset	(3,166,300)	0	0	0	3,166,300	0
2. FRF Rent Reduction	(318,100)	0	0	(3,300)	(1,700)	(323,100)
25. <u>Military Department</u>	(287,400)	0	0	0	0	(287,400)
1. Department Efficiencies	(287,400)	0	0	0	0	(287,400)
26. <u>Public Utility Commission</u>	0	0	0	0	0	0
1. Reduction of Vacant Positions (-3 FT)	0	0	0	0	0	0
27. <u>Revenue</u>	(940,700)	0	0	0	940,700	0
1. Recognize Current Services Collections - Funding Swap	(940,700)	0	0	0	940,700	0
28. <u>Safety</u>	(4,722,600)	0	0	0	0	(4,722,600)
1. Operational Reductions	(3,484,800)	0	0	0	0	(3,484,800)
2. Reduction of Equity	(1,237,800)	0	0	0	0	(1,237,800)
29. <u>State Museum</u>	(107,100)	0	0	0	0	(107,100)
1. Reduction of Acquisition of Artifacts	(107,100)	0	0	0	0	(107,100)
30. <u>TennCare</u>	(22,619,200)	(31,060,800)	0	(40,780,800)	31,060,800	(63,400,000)
1. TN Strong Families - Buyback with Shared Savings	0	(31,060,800)	0	0	31,060,800	0
2. CHOICES 3 Savings	(20,978,100)	0	0	(37,821,900)	0	(58,800,000)
3. Fraud, Waste, and Abuse Efficiencies	(1,641,100)	0	0	(2,958,900)	0	(4,600,000)
31. <u>TennCare for Department of Disability and Aging</u>	(8,120,800)	0	0	(14,641,000)	0	(22,761,800)
1. Waiver Attrition	(1,189,300)	0	0	(2,144,100)	0	(3,333,400)
2. Waiver Utilization	(6,931,500)	0	0	(12,496,900)	0	(19,428,400)
32. <u>TennCare for Department of Human Services</u>	(1,500,000)	0	0	(1,500,000)	0	(3,000,000)
1. DHS Contract Reduction	(1,500,000)	0	0	(1,500,000)	0	(3,000,000)

**Agency Base Reductions
All Funding Sources
Fiscal Year 2025-2026**

	General Fund		Dedicated	Federal	Other	Total
	Recurring	Non-Recurring				
33. <u>Tennessee Bureau of Investigation</u>	(1,110,200)	0	0	0	0	(1,110,200)
1. Operational Efficiencies	(110,200)	0	0	0	0	(110,200)
2. Reduce Salary Equity	(1,000,000)	0	0	0	0	(1,000,000)
34. <u>Tourist Development</u>	(226,500)	0	0	0	0	(226,500)
1. Advertising Reduction	(226,500)	0	0	0	0	(226,500)
35. <u>Transportation</u>	0	0	0	0	0	0
1. Reduction of Vacant Positions (~300 FT)	0	0	0	0	0	0
36. <u>Veterans Services</u>	(125,000)	0	0	0	0	(125,000)
1. Operational Reduction	(125,000)	0	0	0	0	(125,000)
37. <u>Wildlife Resources Agency</u>	(3,800)	0	0	(11,400)	0	(15,200)
1. Reduction of Buffalo Ridge Hunter Safety Program	(3,800)	0	0	(11,400)	0	(15,200)
38. <u>Other Post-Employment Benefits (OPEB)</u>	(47,717,800)	0	0	0	0	(47,717,800)
1. OPEB Savings	(47,717,800)	0	0	0	0	(47,717,800)
Total Agency Base Reductions	\$ (111,124,600)	\$ (31,060,800)	\$ 476,900	\$ (59,599,200)	\$ 23,184,700	\$ (178,123,000)

**Summary of Cost Increases
Fiscal Year 2025-2026**

Code	Department	Total	Funding		
			Appropriation	Federal	Other
301	Legislature	\$ 0	\$ 0	\$ 0	\$ 0
301.50	Fiscal Review Committee	0	0	0	0
302	Court System	1,623,400	1,623,400	0	0
303	Attorney General and Reporter	0	0	0	0
304	District Attorneys General Conference	5,276,600	4,449,400	0	827,200
305	Secretary of State	0	0	0	0
306	District Public Defenders Conference	2,747,800	2,747,800	0	0
307	Comptroller of the Treasury	50,000	50,000	0	0
308	Office of the Post-Conviction Defender	246,400	246,400	0	0
309	Treasury Department	84,025,000	77,200,000	0	6,825,000
313	Claims and Compensation	9,948,000	850,000	0	9,098,000
315	Executive Department	9,500	9,500	0	0
316	Commissions	73,779,400	70,979,400	0	2,800,000
317	Finance and Administration (F&A)	80,815,500	31,561,000	750,000	48,504,500
318	F&A, TennCare	1,068,999,500	283,361,600	588,479,900	197,158,000
319	Human Resources	264,900	0	0	264,900
321	General Services	18,632,600	3,612,300	0	15,020,300
323	Veterans Services	727,900	727,900	0	0
324	Board of Parole	0	0	0	0
325	Agriculture	137,835,300	137,835,300	0	0
326	Tourist Development	25,600,000	25,600,000	0	0
327	Environment and Conservation	144,948,100	61,248,300	80,693,400	3,006,400
328	Wildlife Resources Agency	34,986,000	34,011,900	974,100	0
329	Correction	91,555,200	91,555,200	0	0
330	Economic and Community Development	213,320,100	62,220,100	0	151,100,000
331	Education (K-12)	608,437,400	608,437,400	0	0
331.19	Lottery-Funded Programs *	0	0	0	0
	Other K-12 Education Programs *	608,437,400	608,437,400	0	0
332	Higher Education	143,816,800	131,125,900	0	12,690,900
332.19	Lottery for Education Account *	12,100,000	12,100,000	0	0
	Other Higher Education Programs *	131,716,800	119,025,900	0	12,690,900
335	Commerce and Insurance	466,000	466,000	0	0
336	Financial Institutions	0	0	0	0
337	Labor and Workforce Development	26,259,700	18,000,000	0	8,259,700
339	Mental Health and Substance Abuse Services	62,113,800	7,360,500	30,668,400	24,084,900
341	Military	8,965,900	8,965,900	0	0
343	Health	90,334,200	30,385,400	0	59,948,800
344	Disability and Aging	15,038,200	13,412,200	0	1,626,000
345	Human Services	86,761,900	62,020,500	28,591,400	(3,850,000)
347	Revenue	18,767,200	16,767,200	0	2,000,000
348	Tennessee Bureau of Investigation	6,677,000	3,467,400	209,600	3,000,000
349	Safety	56,187,200	56,187,200	0	0
350	F&A, Strategic Health-Care Programs	0	794,900	(794,900)	0
351	Miscellaneous Appropriations	753,162,500	753,162,500	0	0
352	Other Post-Employment Benefits Liability	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	171,329,500	107,672,800	13,400,300	50,256,400
400	Transportation - General Fund Subsidy	1,038,500,000	1,038,500,000	0	0
	Sub-total General Fund	\$ 5,082,208,500	\$ 3,746,615,300	\$ 742,972,200	\$ 592,621,000
501	Facilities Revolving Fund	11,963,900	0	0	11,963,900
	Total All Funds	\$ 5,094,172,400	\$ 3,746,615,300	\$ 742,972,200	\$ 604,584,900

* These items are included in the departmental totals.

Rainy Day Fund and TennCare Reserve
Fiscal Year 2021-2022 through Fiscal Year 2025-2026

	<u>Rainy Day Fund</u>	<u>TennCare Reserve</u>	<u>Total</u>
I. Fiscal Year 2021-2022			
Beginning Balance	\$ 1,450,000,000	\$ 1,005,779,077	\$ 2,455,779,077
Deposit at June 30, 2022	100,000,000	107,773,097	207,773,097
Total Reserves at June 30, 2022	\$ 1,550,000,000	\$ 1,113,552,174	\$ 2,663,552,174
II. Fiscal Year 2022-2023			
Beginning Balance	\$ 1,550,000,000	\$ 1,113,552,174	\$ 2,663,552,174
Deposit at June 30, 2023	250,000,000	394,504,287	644,504,287
Total Reserves at June 30, 2023	\$ 1,800,000,000	\$ 1,508,056,461	\$ 3,308,056,461
III. Fiscal Year 2023-2024			
Beginning Balance	\$ 1,800,000,000	\$ 1,508,056,461	\$ 3,308,056,461
Deposit / (Reduction) at June 30, 2024	250,000,000	(109,265,540)	140,734,460
Total Reserves at June 30, 2024	\$ 2,050,000,000	\$ 1,398,790,921	\$ 3,448,790,921
IV. Fiscal Year 2024-2025			
Beginning Balance	\$ 2,050,000,000	\$ 1,398,790,921	\$ 3,448,790,921
Deposit at June 30, 2025	100,000,000	0	100,000,000
Total Reserves at June 30, 2025	\$ 2,150,000,000	\$ 1,398,790,921	\$ 3,548,790,921
V. Fiscal Year 2025-2026			
Beginning Balance	\$ 2,150,000,000	\$ 1,398,790,921	\$ 3,548,790,921
Deposit at June 30, 2026	35,600,000	0	35,600,000
Total Reserves at June 30, 2026	\$ 2,185,600,000	\$ 1,398,790,921	\$ 3,584,390,921

**Fiscal Year 2023-2024 Closing
TennCare Reserve Obligations**

Bureau of TennCare Reserve Obligations:

Home and Community-Based Services Enhanced 10% Match	\$ 11,591,581
Information Technology Non-Recurring Costs	101,203,875
Health Starts Initiative Non-Recurring Costs	26,750,000
2023 Shared Savings	310,751,590
2024 Shared Savings	302,749,500
2025 Shared Savings	345,744,375
General Carryforward	300,000,000
Total Reserve Balance at June 30, 2024	<u>\$ 1,398,790,921</u>

Fiscal Year 2022-2023 Through 2030-2031

TennCare Shared Savings

Award and Obligations Projection (millions)

Funded Item	Beg. Balance	Act. FY23	Act. FY24	Rev. Est. FY25	Est. FY26	Est. FY27	Est. FY28	Est. FY29	Est. FY30	Est. FY31	Total
Fiscal Year 2023 Shared Savings Received	\$ 0.0	\$ 330.9									\$ 330.9
Strong Tennessee Families Coverage			20.1	30.6	31.1	32.0	33.0	33.9	35.0	18.0	233.7
Diapers for Kids Program				11.1	11.2	11.5	11.9	12.2	12.6	11.8	82.3
Unobligated Balance											14.9
<i>June 30, 2024 Reserve Balance</i>			\$ 310.8								
Fiscal Year 2024 Shared Savings Received	\$ 14.9		\$ 302.7								\$ 317.6
Rural Health - Apprenticeship Programs				6.4	8.3	8.3	8.2	8.2			39.4
Rural Health - Training Programs				5.4	3.9	4.4	4.4	4.4			22.5
Rural Health - Specialty Care				1.1	1.1	1.0	1.0	1.0			5.2
Rural Health - Telemedicine Program				0.1							0.1
Rural Health - Pathways Program				15.8	12.7	12.7	13.3	13.3			67.8
Rural Health - Center of Excellence				1.0	1.0	1.0	1.0	1.0			5.0
Rural Health - Center of Excellence Grants				1.4	1.4	1.4	1.4	1.4			7.0
Rural Health - Health Care Resiliency Program				50.0							50.0
Behavioral Health - Community MH Center Quality Payments				7.0	7.0	7.0	7.0	7.0			35.0
Behavioral Health - Community MH Center Workforce Development				1.0	1.0	1.0	1.0	1.0			5.0
Behavioral Health - Hospitals				15.0	15.0						30.0
Behavioral Health - Care for Individuals with IDD				1.5	1.5						3.0
Behavioral Health - Substance Use Disorder Treatment				2.0	2.0	2.0	2.0	2.0			10.0
Behavioral Health - In-Home Child and Adolescent Supports				1.0	1.0	1.0	1.0	1.0			5.0
Behavioral Health - Primary Care Training				0.4	0.4	0.4	0.4	0.4			2.0
Behavioral Health - Infant and Early Childhood Training				0.2	0.2	0.1					0.5
Behavioral Health - Children's Hospitals Infrastructure Grant				10.0							10.0
Value-Based Payment Initiative - TennCare				2.0	2.0	2.0	2.0	2.0			10.0
Unobligated Balance											10.1
Fiscal Year 2025 Shared Savings Received	\$ 10.1			\$ 345.8							\$ 355.9
Helene Emergency Assistance Loan Program				100.0							100.0
ECF CHOICES Wait List - Non-recurring Enrollment					12.7	20.1	24.5	18.3	11.4	3.9	90.9
Medicaid Alternative Pathways - CHOICES 3 Enrollment					11.1	11.4					22.5
Workforce Development for Long-Term Services and Supports					10.0	10.0	10.0	10.0	10.0		50.0
Workforce Development - E-Badge Program					3.0	3.0	3.0	3.0	3.0		15.0
Nursing Facility Resiliency Grants					50.0						50.0
Inpatient Psychiatric Care for Children						3.7	4.5	4.5			12.7
Unobligated Balance											14.8

**Base Appropriations Preserved
by Proposed Assessment Legislation
Fiscal Year 2025-2026**

Legislation is proposed to continue the hospital, nursing home, and ambulance service assessments for one year. The following base appropriations are preserved by this revenue proposal. Failure to enact this legislation will result in the following base budget reductions:

Description	State	Federal	Total
I. Hospital Assessment			
Virtual Disproportionate Share Hospital Payments	\$ 75,461,200	\$ 136,051,000	\$ 211,512,200
Graduate Medical Education	16,834,600	30,351,500	47,186,100
Charity Care Fund	165,836,500	298,991,000	464,827,500
Provider Reimbursement and Co-Pay	74,626,000	134,545,200	209,171,200
Hospital Reimbursement Ceiling	20,305,200	36,608,800	56,914,000
Inpatient Services	69,083,900	124,553,200	193,637,100
Lab and X-Ray Procedures	18,781,000	33,860,800	52,641,800
Therapies	7,040,500	12,693,500	19,734,000
Outpatient Services	36,961,500	66,638,900	103,600,400
Office Visits	18,608,400	33,549,600	52,158,000
Match for Admissions Data Contract Payments	175,000	175,000	350,000
Directed Hospital Payments	258,428,000	465,926,600	724,354,600
New Directed Payments	861,434,900	1,553,103,600	2,414,538,500
Non-Emergent Care at Hospitals	588,800	1,061,600	1,650,400
Administrative Staff Costs	382,400	382,400	764,800
340B Pricing Provision of MCO Contractor Agreement	2,104,300	3,793,900	5,898,200
Match for TN Center for Health Workforce Development	1,426,700	1,426,700	2,853,400
Total Hospital Assessment	\$ 1,628,078,900	\$ 2,933,713,300	\$ 4,561,792,200
II. Nursing Home Assessment	\$ 168,641,500	\$ 304,048,200	\$ 472,689,700
III. Ambulance Service Assessment	\$ 11,800,000	\$ 21,150,100	\$ 32,950,100
IV. Total Proposed Assessments	\$ 1,808,520,400	\$ 3,258,911,600	\$ 5,067,432,000

National Opioid Settlement Agreement
Fiscal Years 2023-2024 Through 2025-2026 Abatement Initiatives

The settlement agreement provides default allocations among the subfunds:

70% to the Opioid Abatement Fund (distributed by the Opioid Abatement Council)

15% to the General Fund for opioid remediation

15% to local entities.

Settlement Reserve Balance as of June 30, 2024

\$ 55,149,000

	<u>Initial Obligation</u>	<u>Spend to Date</u>	<u>Remaining Obligation</u>
Obligated Uses of Reserve			
Fiscal Year 2023-2024 Cost Increases:			
1. Health - Naloxone Purchase - Three-Year Pilot Project	\$ 750,000	\$ 219,600	\$ 530,400
2. Mental Health and Substance Abuse Services - Substance Use Residential Treatment Bed Infrastructure	12,000,000	0	12,000,000
Fiscal Year 2024-2025 Cost Increase:			
1. Mental Health and Substance Abuse Services - Addiction Recovery Program Enhancement	8,430,400	0	8,430,400
Fiscal Year 2025-2026 Cost Increases:			
1. Children's Services - Safe Baby Court Support Services - Three-Year Funding	6,000,000	0	6,000,000
2. Mental Health and Substance Abuse Services - Pathways Behavioral Health Scholarships	4,437,800	0	4,437,800
3. Tennessee Bureau of Investigation - Wastewater Testing Pilot Project	3,000,000	0	3,000,000
Sub-Total Obligated Uses of Reserve	\$ 34,618,200	\$ 219,600	\$ 34,398,600
Unobligated Settlement Reserve Balance			<u>\$ 20,750,400</u>

Recommended Legislation with Fiscal Impact
General Fund, Education Fund, Dedicated, Federal, and Other Funding
Fiscal Year 2025-2026

	<u>General and Education Funds</u>		<u>Dedicated / Federal / Other Funding</u>	
	<u>Recurring</u>	<u>Non-Recurring</u>	<u>Recurring</u>	<u>Non-Recurring</u>
I. Revenue Impact - (Decrease) / Increase				
1. Taxes - TN Rural and Workforce Housing Tax Credit	\$ (30,000,000)	\$ 0	\$ 0	\$ 0
2. Taxes - Reduce the Administrative Fee	(17,500,000)	0	0	0
3. Taxes - Reapportion Sales Tax on Tires	(80,000,000)	0	0	0
Total Departmental Revenue Impact	\$ (127,500,000)	\$ 0	\$ 0	\$ 0
II. Expenditure Adjustments - (Cost) / Savings				
1. Agriculture - Meat Inspection	\$ (1,531,000)	\$ (335,300)	\$ 1,531,000	\$ 0
2. Agriculture - Farmland Conservation Fund	0	(25,000,000)	0	0
3. Children's Services - Extension of Foster Care Modernization (4 FT)	(3,990,600)	0	0	0
4. Correction - Incarceration - Terroristic Threats	(1,285,000)	0	0	0
5. Education - Education Freedom Act of 2025	(148,600,000)	(198,400,000)	0	0
6. Environment and Conservation - Outdoor Recreation	(1,500,000)	0	0	0
7. Finance and Administration - VINE Courts	(811,000)	0	0	0
8. Higher Education - TNWorks Scholarship	0	0	(12,100,000)	0
9. Military - STRONG Act Updates	(84,000)	0	0	0
10. Safety - Executive Protection Unit	(113,800)	0	0	0
11. Treasury - Education Freedom Act of 2025	0	0	(77,200,000)	0
Total Expenditure Adjustments	\$ (157,915,400)	\$ (223,735,300)	\$ (87,769,000)	\$ 0

**2024 Public Chapter 950
Franchise Tax Refunds**

	<u>Appropriation</u>
Total Budgeted Estimate	\$ 1,551,717,100
 <u>Expenditures and Commitments</u>	
Amount Refunded as of December 20, 2024	(1,276,338,244)
Amount Estimated for Hurricane Helene Relief Extension	<u>(11,000,000)</u>
	(1,287,338,244)
Subtotal Remaining Balance	\$ 264,378,856
 Recognized as Revenue in Fiscal Year 2025-2026 Recommended Budget	 (113,000,000)
Balance for Claims Submitted but Not Yet Processed	\$ 151,378,856

Lottery-Funded Education Programs
Comparison of Appropriation Requirements, Revenues, Reserves, and Scholarship Award Levels
Fiscal Years 2023-2024 Through 2028-2029

	<u>Actual</u> <u>2023-2024</u>	<u>Estimated</u> <u>2024-2025</u>	<u>Base</u> <u>2025-2026</u>	<u>Projected</u> <u>2026-2027</u>	<u>Projected</u> <u>2027-2028</u>	<u>Projected</u> <u>2028-2029</u>
I. Appropriation Requirements						
Higher Education Scholarships	\$ 446,415,700	\$ 480,400,000	\$ 485,200,000	\$ 490,000,000	\$ 494,900,000	\$ 499,900,000
Legislation - TCAT Scholarships			12,100,000	12,100,000	12,100,000	12,100,000
Tennessee Higher Education Commission	3,683,700	1,900,000	1,900,000	1,900,000	1,900,000	1,900,000
Tennessee Student Assistance Corporation	6,459,200	5,600,000	5,600,000	5,600,000	5,600,000	5,600,000
Education - Lottery Scholarship Day	23,000	23,000	23,000	23,000	23,000	23,000
Rounding / Reconciling	(23,000)	(23,000)	(23,000)	(23,000)	(23,000)	(23,000)
Sub-Total Lottery for Education Account	\$ 456,558,600	\$ 487,900,000	\$ 504,800,000	\$ 509,600,000	\$ 514,500,000	\$ 519,500,000
After-School Programs	\$ 13,763,700	\$ 19,332,500	\$ 19,332,600	\$ 19,332,600	\$ 19,332,600	\$ 19,332,600
Total Appropriation Requirements	\$ 470,322,300	\$ 507,232,500	\$ 524,132,600	\$ 528,932,600	\$ 533,832,600	\$ 538,832,600
II. Available Revenues and Reserves						
Net Education Lottery Proceeds	\$ 501,402,000	\$ 471,200,000	\$ 479,200,000	\$ 488,800,000	\$ 498,600,000	\$ 508,600,000
Lottery for Education Account - Interest	8,939,200	75,000	75,000	75,000	75,000	75,000
2019 Public Chapter 507 - Sports Wagering	70,055,000	73,557,800	0	0	0	0
General Shortfall Reserve at Prior June 30	100,000,000	100,000,000	100,000,000	84,475,000	63,750,000	47,925,000
Lottery for Education Account at Prior June 30	10,000,000	10,000,000	10,000,000	0	0	0
Sub-Total Lottery for Education Account	\$ 690,396,200	\$ 654,832,800	\$ 589,275,000	\$ 573,350,000	\$ 562,425,000	\$ 556,600,000
Unclaimed Prizes	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000
After-School Programs - Interest	2,861,700	100,000	100,000	100,000	100,000	100,000
Unclaimed Prizes at Prior June 30	57,823,600	52,303,500	51,071,000	49,838,400	48,605,800	47,373,200
Transfer to Summer Camp Program	(12,618,100)	0	0	0	0	0
Sub-Total After-School Programs	\$ 66,067,200	\$ 70,403,500	\$ 69,171,000	\$ 67,938,400	\$ 66,705,800	\$ 65,473,200
Total Available Revenues and Reserves	\$ 756,463,400	\$ 725,236,300	\$ 658,446,000	\$ 641,288,400	\$ 629,130,800	\$ 622,073,200
III. Available Funds at June 30						
Required - General Shortfall Reserve of \$100M	\$ 100,000,000 *	\$ 100,000,000 *	\$ 84,475,000 *	\$ 63,750,000 *	\$ 47,925,000 *	\$ 37,100,000 *
Lottery for Education Account Reserve	10,000,000	10,000,000	0	0	0	0
Available to Transfer to Tennessee Promise Scholarships	123,837,600	56,932,800	0	0	0	0
Sub-Total Lottery for Education Account	\$ 233,837,600	\$ 166,932,800	\$ 84,475,000	\$ 63,750,000	\$ 47,925,000	\$ 37,100,000
After-School Programs Reserve	52,303,500	51,071,000	49,838,400	48,605,800	47,373,200	46,140,600
Total Available Funds at June 30	\$ 286,141,100	\$ 218,003,800	\$ 134,313,400	\$ 112,355,800	\$ 95,298,200	\$ 83,240,600
IV. Scholarship Award Levels:						
HOPE 4-Year Colleges: Freshmen/Sophomores	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500
HOPE 4-Year Colleges: Juniors/Seniors	5,700	5,700	5,700	5,700	5,700	5,700
HOPE 2-Year Colleges	3,200	3,200	3,200	3,200	3,200	3,200

Number of Scholarship Award Recipients: 2023-2024 Actual - 144,200; 2024-2025 Estimated - 150,600; and 2025-2026 Recommended - 152,100.

* General Shortfall Reserve Required by TCA 4-51-111(b)(3)

**Tennessee Promise Last Dollar Scholarship
Multi-Year Projection
Fiscal Years 2023-2024 Through 2025-2026**

The Tennessee Promise Scholarship program was created by Public Chapter 900 of the Public Acts of 2014. Tennessee 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 Tennessee Student Assistance Award funds. Students may use the scholarship at any of the 13 community colleges, 23 colleges of applied technology, 2 four-year public institutions, or private institutions offering an associates degree program. Tennessee 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, Tennessee Promise participants must complete eight hours of community service, per term enrolled, as well as maintain satisfactory academic progress. Estimated Tennessee Promise enrollment as of fall 2024 was 25,862.

	Actual 2023-2024	Estimated 2024-2025	Estimated 2025-2026
I. Endowments			
Original Endowment	\$ 48,839,300	\$ 48,839,300	\$ 48,839,300
Current Endowment	312,542,000	312,542,000	312,542,000
Total Endowments	<u>\$ 361,381,300</u>	<u>\$ 361,381,300</u>	<u>\$ 361,381,300</u>
II. Revenues			
Public Chapter 507 - Net Revenues of Sports Wagering			
Council	\$ 3,637,400	\$ 3,637,400	\$ 3,637,400
Net Lottery Proceeds Transfer	133,136,100	123,837,600	56,932,800
Endowment/Reserve Earnings	88,352,200	51,569,200	58,554,900
Total Available Revenue	<u>\$ 225,125,700</u>	<u>\$ 179,044,200</u>	<u>\$ 119,125,100</u>
III. Expenditures			
Tennessee Promise Cost	\$ 23,964,600	\$ 23,000,000	\$ 24,000,000
Treasury Administrative Fees	808,100	808,100	808,100
Total Expenditures	<u>\$ 24,772,700</u>	<u>\$ 23,808,100</u>	<u>\$ 24,808,100</u>
IV. Surplus/Deficit	<u>\$ 200,353,000</u>	<u>\$ 155,236,100</u>	<u>\$ 94,317,000</u>
V. Special Reserve Balance at Previous June 30th	<u>\$ 584,248,500</u>	<u>\$ 784,601,500</u>	<u>\$ 939,837,600</u>
VI. Balance Forward/Special Reserve	<u>\$ 784,601,500</u>	<u>\$ 939,837,600</u>	<u>\$ 1,034,154,600</u>
VII. Total Reserve and Endowment Balance	<u><u>\$ 1,145,982,800</u></u>	<u><u>\$ 1,301,218,900</u></u>	<u><u>\$ 1,395,535,900</u></u>

Comparison of Authorized Positions State Agencies and Higher Education

	<u>Actual 2023-2024</u>	<u>Estimated 2024-2025</u>	<u>Recommended 2025-2026</u>	<u>Change From Current Year</u>
I. STATE AGENCIES				
General Fund ¹	43,472	43,611	43,802	191
Full-time	42,210	42,524	42,720	196
Part-time	929	834	829	(5)
Seasonal	333	253	253	0
Department of Transportation	4,024	4,022	3,720	(302)
Full-time	4,019	4,017	3,715	(302)
Part-time	5	5	5	0
Seasonal	0	0	0	0
Total State Agencies ¹	47,496	47,633	47,522	(111)
Full-time	46,229	46,541	46,435	(106)
Part-time	934	839	834	(5)
Seasonal	333	253	253	0
II. HIGHER EDUCATION				
Total Positions	28,170	28,746	28,746	0
Full-time Equivalent (UT and TBR)				
Administrative	1,351	1,404	1,404	0
Professional	8,176	8,413	8,413	0
Faculty	10,504	10,720	10,720	0
Clerical and Support	8,139	8,209	8,209	0
III. TOTAL STATE AGENCIES AND HIGHER EDUCATION				
Total Positions	75,666	76,379	76,268	(111)
Full-time ²	74,399	75,287	75,181	(106)
Part-time	934	839	834	(5)
Seasonal	333	253	253	0

¹ Includes Tennessee Higher Education Commission (THEC) and Tennessee Student Assistance Corporation (TSAC).

² Full-time includes Higher Education's full-time personnel.

Fiscal Year 2025-2026
Authorized Positions Change
Recommended 2025-2026 Change from Estimated 2024-2025

	<u>Full-Time</u>	<u>Part-Time</u>	<u>Seasonal</u>	<u>Total</u>
I. 2025-2026 Total Recommended Change	<u>(106)</u>	<u>(5)</u>	<u>0</u>	<u>(111)</u>
II. 2025-2026 Base Budget Changes	<u>(375)</u>	<u>(6)</u>	<u>0</u>	<u>(381)</u>
a. Base Budget Reductions	<u>(324)</u>	<u>0</u>	<u>0</u>	<u>(324)</u>
Public Utility Commission - Vacant Positions	(3)	0	0	(3)
Finance and Administration - Reduce Business Domain Team	(3)	0	0	(3)
Education (K-12) - Achievement School District Reduction	(5)	0	0	(5)
Education (K-12) - Energy Efficient Schools Initiative	(1)	0	0	(1)
Labor and Workforce Development - Vacant Positions	(5)	0	0	(5)
Health - Vacant Positions	(7)	0	0	(7)
Transportation - Vacant Positions	(300)	0	0	(300)
b. 2024-2025 Non-recurring Positions Not Continued in Base	<u>(36)</u>	<u>0</u>	<u>0</u>	<u>(36)</u>
Finance and Administration - Business Solutions Delivery	(4)	0	0	(4)
Finance and Administration, Division of TennCare - Hospital Assessment	(6)	0	0	(6)
Environment and Conservation - Federal Energy Program	(4)	0	0	(4)
Tennessee Wildlife Resources Agency - Asian Carp Federal Grant	(4)	0	0	(4)
Tennessee Wildlife Resources Agency - Chronic Wasting Disease Grant	(10)	0	0	(10)
Mental Health and Substance Abuse Services - TN Lives Count	(1)	0	0	(1)
Mental Health and Substance Abuse Services - State Opioid Response	(7)	0	0	(7)
c. Other Base Budget Adjustments	<u>(15)</u>	<u>(6)</u>	<u>0</u>	<u>(21)</u>
Finance and Administration, Division of TennCare - Hospital Assessment	6	0	0	6
District Attorneys General Conference - Criminal Justice Positions	(25)	(6)	0	(31)
Human Services - Criminal Justice Positions	(1)	0	0	(1)
Labor - Non-recurring Position Reduction in Current Year	5	0	0	5
General Services - Reorganization from Transportation	2	0	0	2
Transportation - Reorganization to General Services	(2)	0	0	(2)
III. 2025-2026 Recommended Agency Cost Increases	<u>269</u>	<u>1</u>	<u>0</u>	<u>270</u>
District Attorneys General Conference	10	0	0	10
District Public Defenders Conference	5	0	0	5
Office of the Post-Conviction Defender	0	0	0	0
Treasury Department	10	0	0	10
Health Facilities Commission	7	0	0	7
Inmate Disciplinary Oversight Board	1	1	0	2
Human Resources	1	0	0	1
General Services	10	0	0	10
Veterans Services	2	0	0	2
Environment and Conservation	43	0	0	43
Tennessee Wildlife Resources Agency	14	0	0	14
Education (K-12)	2	0	0	2
Higher Education - State Administered Programs	1	0	0	1
Labor and Workforce Development	3	0	0	3
Mental Health and Substance Abuse Services	8	0	0	8
Health	1	0	0	1
Tennessee Bureau of Investigation	22	0	0	22
Safety	123	0	0	123
Children's Services	6	0	0	6

Full-Time Employees Overlapped Over 90 Days

Agency		Count
301.00	Legislature	35
302.00	Court System	29
303.00	Attorney General and Reporter	1
304.00	District Attorneys General Conference	9
306.00	District Public Defenders Conference	4
309.00	Treasury Department	3
316.04	Human Rights Commission	1
316.08	TRICOR	2
316.12	Advisory Commission on Intergovernmental Relations	2
317.00	Finance and Administration	3
318.00	Finance and Administration, Bureau of TennCare	17
323.00	Veterans Services	1
325.00	Agriculture	5
326.00	Tourist Development	1
327.00	Environment and Conservation	14
328.00	Tennessee Wildlife Resources Agency	12
329.00	Correction	10
330.00	Economic and Community Development	5
331.00	Education (K-12)	12
332.00	Higher Education - State Administered Programs	1
337.00	Labor and Workforce Development	8
339.00	Mental Health and Substance Abuse Services	37
341.00	Military	5
343.00	Health	17
344.00	Disability and Aging	1
345.00	Human Services	2
348.00	Tennessee Bureau of Investigation	14
349.00	Safety	22
359.00	Children's Services	13
400.00	Transportation	11
Total		297

Based on Edison extract of full-time employees overlapped more than 90 days as of January 22, 2025.

State of Tennessee Lending Programs

As of June 30, 2023

	Number of Loans / Projects ¹	Loans Outstanding ¹	Estimated Default ¹
State Revolving Fund Loan Program			
Clean Water (Sewage)	222	\$ 876,942,803	\$ 0
Drinking Water	148	121,780,138	0
State Infrastructure Fund	1	1,241,098	0
Energy Efficient Schools Initiative	61	67,519,382	0
Small and Minority-Owned Business Assistance Program	2	116,003	116,003
Utility Relocation Loan Program	1	233,821	0
Community Development Block Grant Loan Program	4	1,077,023	1,077,023
Business Enterprise Resource Office Loan Program	3	19,516	19,516
Tennessee Local Development Authority ²	3	800,000	0
Tennessee State School Bond Authority ²			
Higher Education Facilities			
Loans	171	1,797,735,000	0
Revolving Credit Facility Loans	14	28,874,107	0
Qualified School Construction Bonds			
Local Education Agencies Loans	28	89,285,932	0
Tennessee Housing Development Agency (THDA)			
Single Family Mortgage Loans ³	24,756	2,794,260,489	5,024,968
Second Mortgages - Forgivable	8,504	59,204,425	41,752,487 ⁴
Second Mortgages - Repayments	4,298	39,225,985	1,470,974
Investor Warehouse	0	0 ⁵	0 ⁵
Total Loans Outstanding and Estimated Default		\$ 5,878,315,722	\$ 49,460,971

Source: TN Comptroller of the Treasury, State of Tennessee, State Lending Transparency Act Report for Fiscal Year Ending June 30, 2023. Note: All state lending programs reported have the expectation of repayment. This report is included in the Budget to fulfil TCA-9-5-104.

¹ Amounts reported were provided by the state governmental agency that administers the loan.

² The state shall not be liable on these notes or bonds and they shall not be a debt of the state.

³ The source of funds from this program do not carry the "moral obligation" of the State of Tennessee regarding default and therefore has no fiscal impact to the state.

⁴ These loans include a 15-year or 30-year forgiveable period. The estimated amount of default as noted above includes amounts that may be forgiven under the terms of the mortgage.

⁵ The Investor Warehouse is an active revolving credit program that allows THDA to draw and repay funds as needed; therefore, the outstanding balance changes frequently due to needs of the program. There were no loans outstanding at the time of this report.

**Summary Comparison of Tennessee Personal Income
and Appropriations from State Tax Revenues
Fiscal Years 1977-1978, 2023-2024, 2024-2025, and 2025-2026**

TABLE 1

**Tennessee Personal Income
Calendar Years 1977, 2023, 2024, and 2025
(Dollars in Millions)**

Year	Personal Income ¹	Percent Growth
1977	\$ 27,175.8	-
2023	443,472.0	-
2024	470,571.9	6.11
2025	492,170.3	4.59

TABLE 2

**Appropriations from State Tax Revenues
Fiscal Years 1977-1978, 2023-2024, 2024-2025, and 2025-2026
(Dollars in Millions)**

Year	Appropriations	Percent Growth
1977-1978	\$ 1,747.3	-
2023-2024	24,884.7	-
2024-2025	25,538.9	2.63
2025-2026	26,367.2	3.24

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 2025-2026**

	<u>Estimated 2024-2025</u>	<u>Estimated 2025-2026</u>
I. Appropriated State Revenues	\$ 26,138,700,000	\$ 26,471,500,000
Less: Non-Tax Revenue	(599,800,000)	(94,300,000)
Sub-Total Appropriated from State Tax Revenues	\$ 25,538,900,000	\$ 26,377,200,000
Less: Housing Tax Credit Proposal	0	(10,000,000)
Total State Tax Revenue	\$ 25,538,900,000	\$ 26,367,200,000
Percent Increase Over the Prior Year		3.24%
 II. Fiscal Year 2024-2025 Established Limit	 \$ 25,704,600,000	 \$ 25,704,600,000
Adjustment to Established Base		(165,700,000) *
Fiscal Year 2025-2026 Base Appropriations Limit		\$ 25,538,900,000
State Economic Growth Measure		
2025 Forecasted Personal Income Growth 4.59%		1,172,200,000
Fiscal Year 2024-2025 Revised Appropriations Limit	\$ 25,704,600,000	
Fiscal Year 2025-2026 Appropriations Limit		\$ 26,711,100,000
 III. Availability Under the Established Limit	 \$ 165,700,000	 \$ 343,900,000

* Cap reset to the appropriated state tax revenue in fiscal year 2024-2025.

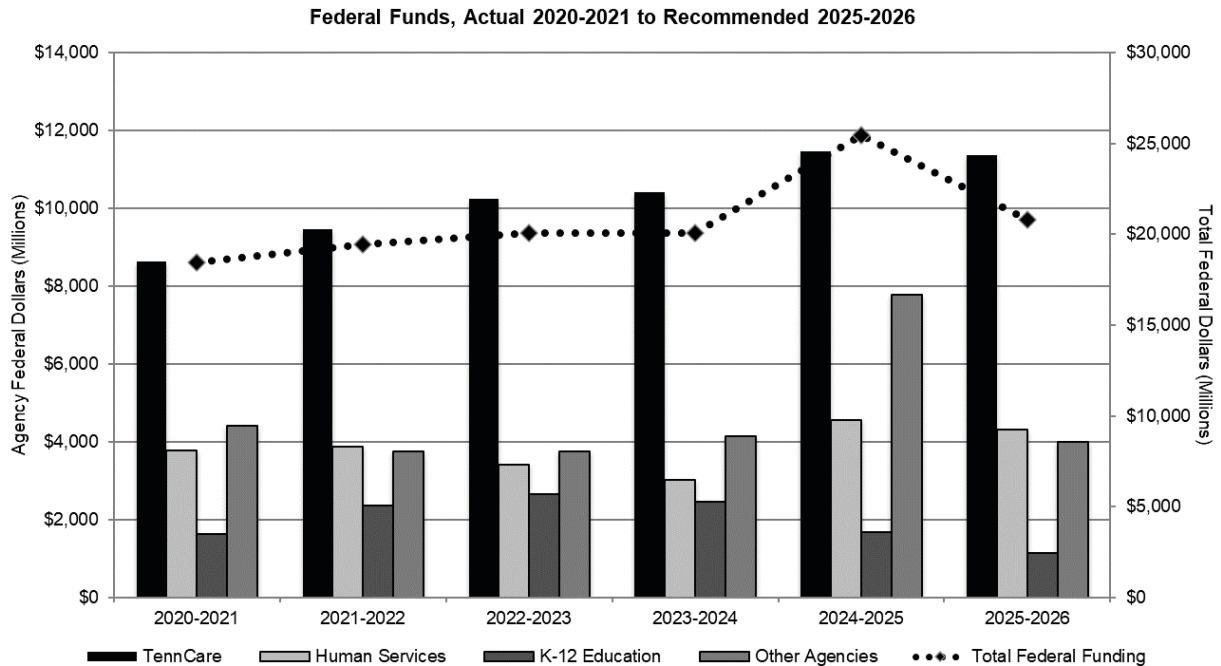
Federal Aid Trends Fiscal Year 2025-2026

The total recommended budget for the fiscal year is \$59,452,335,200 with 35.0 percent from federal sources. The \$20,791,906,500 of federal funding is a decrease of 18.4 percent from the 2024-2025 estimate. Of the total federal funding, \$11,366,393,100 (54.7 percent) is recommended for TennCare expenditures, \$4,301,828,500 (20.7 percent) for the Department of Human Services, \$1,135,551,300 (5.5 percent) for the Department of Education, and \$3,988,133,600 (19.2 percent) for all other state programs.

The TennCare program 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, which receive funds from the federal Department of Education, for such programs as grants to Local Education Agencies, Special Education, and School Nutrition programs.

	Actual 2020-2021	Actual 2021-2022	Actual 2022-2023	Actual 2023-2024	Estimated 2024-2025	Recommended 2025-2026
Total Federal Funding	\$18,426,512,400	\$19,433,972,300	\$20,053,431,800	\$20,061,357,500	\$25,467,156,500	\$20,791,906,500
TennCare	8,628,094,000	9,472,648,100	10,233,997,600	10,414,670,000	11,476,254,900	11,366,393,100
Human Services	3,774,433,800	3,861,758,900	3,404,588,800	3,031,307,200	4,546,879,100	4,301,828,500
K-12 Education	1,618,491,800	2,355,756,600	2,653,536,700	2,468,908,800	1,665,309,100	1,135,551,300
Other Agencies	4,405,492,800	3,743,808,700	3,761,308,700	4,146,471,500	7,778,713,400	3,988,133,600

	Percent Change FY 2025 to 2026	Average Annual Percent Change FY 2021 to 2026
Total Federal Funding	-18.36%	2.44%
TennCare	-0.96%	5.67%
Human Services	-5.39%	2.65%
K-12 Education	-31.81%	-6.84%
Other Agencies	-48.73%	-1.97%



From fiscal years 2020-2021 to 2023-2024, non-TennCare federal fund collections were between \$8.6 and \$10.4 billion, with estimated funding in fiscal years 2024-2025 and 2025-2026 greater than fiscal year 2023-2024 actual levels. In the TennCare program, an upward trend in federal funding from fiscal years 2020-2021 to 2023-2024 continues in fiscal year 2024-2025 and flattens in fiscal year 2025-2026. The trends in fiscal years 2023-2024 and 2024-2025 are largely due to medical inflation and utilization in the program, continued implementation of information systems, and increased costs in the waiver for intellectually and developmentally disabled enrollees and children in state custody being tempered by expiring pandemic-related federal assistance. The impacts to the TennCare budget are displayed elsewhere in this budget.

Pandemic- and Infrastructure-related Federal Spending Bills

In March 2020, Congress began passing a series of acts in response to the unfolding public health and economic crisis. The six acts passed were the following: H.R. 6074 Coronavirus Preparedness and Response Supplemental Appropriations Act (CPRSA Act); H.R. 6201 Families First and Coronavirus Response Act (FFCR Act); H.R. 748 Coronavirus Aid, Relief, and Economic Security Act (CARES Act); H.R. 266 Paycheck Protection Program and Health Care Enhancement Act (PPHCE Act); H.R. 133 Consolidated Appropriations Act; and H.R. 1319 American Rescue Plan (ARP). Key provisions of the laws included direct, one-time payments to individuals and families, increased unemployment benefits, loans to businesses, and direct aid to state and local governments.

Within the ARP Act, funding was also provided to establish the Fiscal Recovery Fund. This fund provides a block grant to states to continue COVID-19 response, invests in initiatives that support economic recovery, and strengthens fiscal stability. To allocate this fund, the executive and legislative branches formed a Financial Stimulus Accountability Group (FSAG) to review and recommend proposals for funding. A chart of allocations from this fund is found elsewhere in this budget. Per the act, all funds are to be obligated by December 2024 and expended by December 2026. This budget reflects the continued obligation and expenditure of these funds by the deadlines imposed by the ARP Act.

In November 2021, Congress passed the Infrastructure Investment and Jobs Act (IIJA) to address nationwide energy, power, transportation, broadband, and water infrastructure. Instead of the broad discretion accorded to states in the CARES Act Coronavirus Relief Fund and ARP Act Fiscal Recovery Fund, the vast majority of IIJA funds are directed to specific programs in the states and localities. Allocations from the IIJA are contained in the various departmental budgets presented in this document.

Fiscal Year 2026 Outlook

For fiscal year 2025-2026, total federal aid decreases from the fiscal year 2024-2025 estimate. This is largely due to the time-limited nature of the funds from the six above-referenced acts. Additionally, funds budgeted in one fiscal year but not expended are carried over into the subsequent fiscal year until expended. Because of this, the continuation of the programs in the six above-referenced acts will span multiple future fiscal years.

American Rescue Plan

State Fiscal Recovery Fund

Agency	Description	Obligation
Addressing Impacts of Lost Instructional Time		
Education	Teach for America	\$ 5,830,000
Education	Summer Literacy / Learning Loss Bridge Camps	102,000,000
Administrative Expenses		
Finance and Administration	Administrative Costs	17,068,000
Assistance to Nonprofits		
Arts Commission	Support for TN Arts Organizations	80,000,000
Economic Impact Assistance		
Agriculture	Agriculture and Forestry Supply Chain Enhancements	50,000,000
Agriculture	Food Banks	7,200,000
Agriculture	UT - Meat Industry Workforce Training Facility	12,500,000
Finance and Administration	Goodwill Excel Center	12,000,000
Tourist Development	Tourism and Hospitality Recovery Fund	55,000,000
Tourist Development	Tourism Marketing Fund	45,000,000
Healthy Childhood Environments		
Human Services	Childcare Capacity	19,371,000
Infrastructure		
Economic and Community Development	Broadband Infrastructure	500,000,000
Environment and Conservation	Water and Wastewater Infrastructure	1,351,922,000
Long-term Housing Security		
Finance and Administration	Habitat for Humanity	15,000,000
Tennessee Housing Development Agency	TAHRA/FAHE Housing Request	12,500,000
Mental Health Services		
Mental Health and Substance Abuse Services	Mental Health Scholarships	910,000
Mental Health and Substance Abuse Services	Crisis Continuum Enhancement	34,940,000
Other Public Health Services		
Agriculture	Agriculture Veterinary Lab	5,123,000
Agriculture	UT - Agriculture Research and Education	50,000,000
Finance and Administration	Cloud Migration	50,665,000
Finance and Administration	Cybersecurity	46,180,000
Finance and Administration	Enterprise Data Analytics	8,193,000
Finance and Administration	Business Process Automation	20,450,000
Finance and Administration	IT Infrastructure and Modernization	70,584,000
Finance and Administration	Local Government Plan COVID Claim Offset	14,401,000
Health	State Public Health Laboratory	200,000,000
Health	Local Health Department Capital Investments	128,526,000
Health	Healthcare Facility Staffing Assistance Grants	98,598,000
Health	Healthcare Resiliency: Capital Investments	133,562,000
Health	Healthcare Resiliency: Workforce Transformations	119,211,000
Health	Knox County Forensic Center	20,000,000
Health	Hamilton County Forensic Center	12,000,000
Disability and Aging	Seating and Positioning Clinics	180,600,000
Mental Health and Substance Abuse Services	Project Rural Recovery - Integrated Mobile Health	6,300,000
Public Sector Capacity		
Children's Services	TFACTS Replacement	62,000,000
Correction	Electronic Health Records	13,050,000
Finance and Administration	Accelerating Program Inventory	1,814,000
Finance and Administration	Electronic Work Papers for Remote Workforce	1,334,000
Labor and Workforce Development	Unemployment Tax and Benefits System	61,000,000
Treasury	IT - Infrastructure	4,150,000
Treasury	IT - Operational Technologies	3,300,000
Treasury	IT - Project Advanced Retirement Information System (ARIS)	51,300,000
Provision of Government Services		
Finance and Administration	TSU Revenue Replacement	32,250,000
Department of Transportation	West TN Megasite Roadway Improvement	10,000,000
Total Allocated		\$ 3,725,832,000

Tennessee Economic Overview

Recommended Budget, Fiscal Year 2025-2026

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."

Economic growth in both Tennessee and the U.S. are starting to normalize as effects from the pandemic and ensuing recovery dissipate.

Tennessee saw extremely strong growth as it recovered from the pandemic, with inflation-adjusted gross domestic product (real GDP) rising by a robust 9 percent in 2021 and another strong rate of 4 percent in 2022. The state economy then started to stabilize, registering below trend growth of 1.9 percent in 2023. Importantly, economic growth in Tennessee was slower than the nation in 2023, which was the first time that this occurred since 2019. Expectations are that economic growth in Tennessee will continue to moderate over the near term as the recovery winds down, with a slightly slower rate of GDP growth relative to the nation in 2024 but then stronger growth in 2025. Specifically, Tennessee real GDP will expand by 2.4 percent in 2024 and 2.5 percent in 2025, while the U.S. economy is projected to grow by 2.7 percent and 2 percent in 2024 and 2025, respectively. Slower state growth in 2023 and 2024 is largely driven by timing, as the Tennessee economy recovered more quickly from the pandemic and is therefore stabilizing sooner as well.

The discussion that follows provides additional background on current economic conditions and the economic outlook for the state and nation to help frame the state's fiscal outlook for the upcoming fiscal year.

For more information on the economic outlook for the U.S. and Tennessee, see "An Annual Report to the Governor of the State of Tennessee."

Recent Economic Conditions

The U.S. economy continues to show resilience in 2024. Despite only modest gains in the first quarter of 2024, with real GDP growing by an annualized rate of 1.6 percent, economic momentum picked up in the next two quarters, as real GDP advanced by 3 percent and 3.1 percent in the second and third quarters, respectively. Expectations are that U.S. real GDP will increase by 2.7 percent for the 2024 year as a whole. This strong performance stands in contrast to the sluggish growth observed in peer economies like the European Union, where quarterly GDP growth was between 1.0 and 1.3 percent.

Consumption spending remained the primary driver of U.S. real GDP growth, accounting for approximately three-quarters of the overall increase. Services dominated this growth, driven by the expanding healthcare sector, which has grown at an annualized rate of 5.6 percent since 2021. Additionally, rising goods consumption boosted third-quarter economic performance, with purchases of recreational and medical goods leading the way.

Inflation remains a key concern, albeit moderated compared to previous years. The Consumer Price Index (CPI) increased by 2.7 percent over the past 12 months (as of November 2024), near the Federal Reserve's 2 percent target. However, housing costs, which rose by 4.7 percent year-over-year, contributed disproportionately to inflation, accounting for over 70 percent of the overall rate. High mortgage rates and home prices, along with supply shortages have

exacerbated affordability issues, with half of U.S. homeowners and renters reporting struggles with housing payments.

The U.S. labor market continues to show decent gains. The economy added nearly 2.2 million jobs over the past 12 months (as of October 2024). The largest gains were in the education and health services sector, where payrolls rose by nearly one million since last October. In contrast, manufacturing employment fell by 58,000, and employment in the information sector remained relatively flat since last October. The national unemployment rate stands at 4.1 percent overall and 3.5 percent for workers aged 25 to 54 (prime-age workers). By comparison, Tennessee's unemployment rate is even lower, at 3.3 percent.

Short-Term Economic Outlook

The short-term economic outlook calls for a moderation of growth in the near term as the economy continues to normalize and the recovery winds down. Expectations are that Tennessee real GDP will advance by 2.4 percent in 2024 and 2.5 percent in 2025, while U.S. GDP will increase by 2.7 percent and 2.0 percent in 2024 and 2025, respectively.

Nonfarm employment growth is also projected to slow but remain positive in the near term. After adding roughly 58,000 jobs to payrolls in 2023 (up 1.8 percent), Tennessee employment growth is projected to slow to 0.7 percent in 2024 and 1.1 percent in 2025, representing more moderate gains of 22,500 and 36,400 in 2024 and 2025 respectively. By comparison, the U.S. labor market is projected to expand by 1.6 percent in 2024 and 0.9 percent in 2025.

Tennessee's unemployment rate, which remains at a historically low level, has drifted upward in recent months. The state rate reached an all-time low of 3.0 percent in the summer of 2024 but increased to 3.3 percent as of October. Expectations are that the unemployment rate will continue to slowly rise, averaging 3.2 percent for the 2024 year as a whole, 3.3 percent in 2025, and 3.4 percent in 2026. The rising unemployment rate will be driven by both a slowdown in job growth as well as an increase in the number of unemployed people as the economy cools and it takes longer for some job seekers to find work. However, the state rate is projected to remain below the national unemployment rate, which is expected to increase to 4.5 percent by 2026.

Finally, Tennessee nominal personal income will advance at a strong rate of 6.1 percent in 2024 and slightly outpace the national growth rate of 5.8 percent. Personal income growth in 2024 will be driven by sustained growth in wages and salaries, the largest component of personal income, which is projected to increase by 6.1 percent. This is largely due to strong wage and salary growth in the first half of the year. Expectations are that wage and salary growth will moderate back towards historic trends, and as a result, personal income is projected to grow by 4.6 percent in 2025, which is more in line with pre-pandemic income growth. On a fiscal year basis, nominal personal income is projected to grow by 5.3 percent in fiscal year 2024-2025 and 4.7 percent in fiscal year 2025-2026.

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

Tennessee Characteristics

	Population			
	2010	2015	2020	2023
Total Population ¹	6,346,105	6,600,299	6,910,840	7,126,489

Population by Grand Division ¹

East Tennessee	2,327,544	2,388,671	2,470,105	2,564,368
Middle Tennessee	2,455,911	2,645,026	2,883,086	3,019,583
West Tennessee	1,562,650	1,566,602	1,557,649	1,542,538

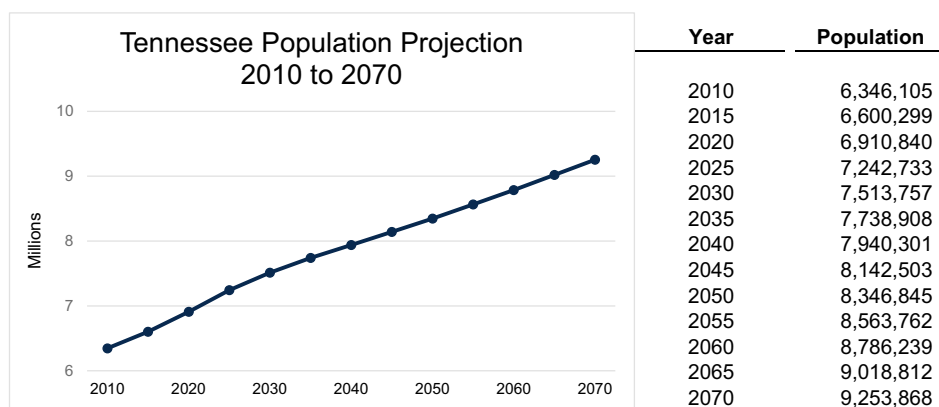
Metropolitan Statistical Area Population ^{1, 2}

Chattanooga, TN-GA	528,143	547,232	562,647	580,971
Tennessee Portion	378,812	396,755	410,870	426,407
Georgia Portion	149,331	150,477	151,777	154,564
Clarksville, TN-KY	273,949	293,062	320,535	340,495
Tennessee Portion	185,655	205,739	233,726	254,094
Kentucky Portion	88,294	87,323	86,809	86,401
Cleveland, TN	115,788	120,565	126,164	129,612
Jackson, TN	179,694	178,399	180,504	181,826
Johnson City, TN	198,716	200,217	207,465	213,198
Kingsport-Bristol, TN - Bristol, VA	309,544	306,182	307,614	313,025
Tennessee Portion	213,656	212,560	214,884	220,735
Virginia Portion	95,888	93,622	92,730	92,290
Knoxville, TN	814,914	837,547	879,773	946,264
Memphis, TN-AR-MS	1,316,100	1,335,278	1,337,779	1,335,674
Tennessee Portion	1,027,138	1,038,628	1,032,704	1,016,232
Arkansas Portion	50,902	49,040	48,163	47,139
Mississippi Portion	238,060	247,610	256,912	272,303
Morristown, TN	136,608	139,222	142,709	124,054
Nashville-Davidson - Murfreesboro - Franklin, TN	1,646,200	1,805,147	1,989,519	2,102,573
Total Tennessee Metropolitan Statistical Area Population	4,897,181	5,134,779	5,418,318	5,614,995
Total Tennessee Non-Metropolitan Population	1,448,924	1,465,520	1,492,522	1,511,494

Demographic Characteristics ^{1, 3, 4}

Percent of Population by Age Group:				
Under Age 5	6.4%	6.0%	7.1%	5.8%
Age 5 to 17	17.1%	16.6%	14.8%	16.2%
Age 18 to 24	9.6%	9.6%	8.7%	8.9%
Age 25 to 64	53.4%	52.4%	52.2%	51.7%
Age 65 and Older	13.5%	15.5%	17.1%	17.5%
Percent of Population by Race:				
White	77.5%	77.6%	73.5%	72.3%
Black or African American	16.7%	16.8%	15.3%	15.3%
American Indian and Alaska Native	0.3%	0.3%	0.3%	0.3%
Asian	1.5%	1.7%	1.9%	1.8%
Other	4.0%	3.5%	9.0%	10.3%
Hispanic Population (Percent of Total Population):	4.6%	5.1%	5.7%	7.5%
Place of Birth of Tennessee Residents:				
Born in Tennessee	61.0%	60.1%	58.8%	56.8%
Born in Another State	33.7%	34.1%	35.5%	36.0%
Born Outside the United States	0.8%	0.9%	1.0%	1.1%
Born in a Foreign Country	4.5%	5.0%	4.8%	6.1%

Tennessee Population 2010 to 2070 ^{1, 5}



Education Characteristics

Public School Enrollment and Expenditures ⁶

	2009-2010	2014-2015	2019-2020	2022-2023
Total Number of Public Schools	1,746	1,811	1,837	1,838
Total K-12 Public School Average Daily Attendance (ADA)	894,764	913,227	947,308	930,882
Total Operating Expenditures (in thousands)	\$ 7,849,989	\$ 8,561,440	\$ 9,803,589	\$ 11,929,410
Public School Per Pupil Expenditures (based on ADA)	\$ 8,773	\$ 9,375	\$ 9,998	\$ 12,293

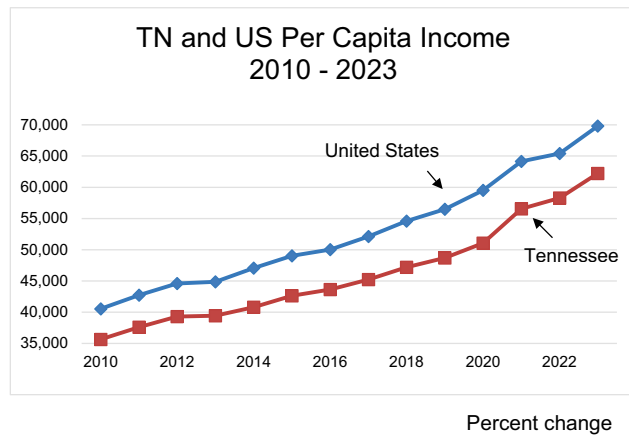
Educational Attainment ^{4, 7}

	2010	2015	2020	2023
Population 25 Years and Over:				
Less Than 9th Grade	6.2%	5.3%	3.5%	3.9%
9th to 12th Grade, No Diploma	10.1%	8.6%	6.8%	6.0%
High School Graduate (includes equivalency)	33.5%	33.1%	31.3%	31.0%
Some College, No Degree	20.8%	20.5%	20.1%	19.4%
Associate Degree	6.2%	6.7%	7.6%	8.0%
Bachelor's Degree	14.6%	16.1%	19.3%	19.3%
Graduate or Professional Degree	8.5%	9.6%	11.4%	12.4%
Percent High School Graduate or Higher:				
United States	85.6%	87.1%	89.4%	89.8%
Tennessee	83.6%	86.1%	89.7%	90.1%
Percent Bachelor's Degree or Higher:				
United States	28.2%	30.6%	35.1%	36.2%
Tennessee	23.1%	25.7%	30.7%	31.7%

Income and Poverty ⁸

	2010	2015	2020	2023
Tennessee's Per Capita Income as a Percent of the U.S.	87.9%	87.0%	85.8%	89.1%
Tennessee's Rank in U.S. by Per Capita Income	35	35	38	35

Tennessee and United States Per Capita Income ⁸



Year	United States	Tennessee
2010	\$ 40,547	\$ 35,653
2011	42,739	37,616
2012	44,605	39,296
2013	44,860	39,421
2014	47,071	40,799
2015	49,019	42,626
2016	50,015	43,626
2017	52,118	45,233
2018	54,606	47,210
2019	56,490	48,684
2020	59,510	51,046
2021	64,143	56,560
2022	65,423	58,279
2023	69,810	62,229
Percent change 2010-2023	72.2%	74.5%

Percent of Population Below Poverty ⁹

	2010	2015	2020	2023
United States	15.3%	14.7%	11.9%	12.5%
Tennessee	17.7%	16.7%	13.7%	14.0%

Tennessee Gross Domestic Product ¹⁰

	2010	2015	2020	2023
Gross Domestic Product - Percent by Industry				
2 Private industries	87.4%	88.3%	89.1%	90.5%
3 Agriculture, Forestry, Fishing, and Hunting	0.6%	0.5%	0.4%	0.4%
6 Mining	0.4%	0.2%	0.3%	0.3%
10 Utilities	0.8%	0.6%	0.6%	0.9%
11 Construction	3.4%	3.8%	3.7%	4.2%
12 Manufacturing	15.6%	16.5%	15.0%	13.4%
13 Durable Goods	8.1%	9.3%	8.4%	7.3%
25 Nondurable Goods	7.5%	7.2%	6.6%	6.0%
34 Wholesale Trade	7.0%	7.0%	6.8%	6.7%
35 Retail Trade	7.4%	7.2%	7.0%	7.9%
36 Transportation and Warehousing	4.6%	4.6%	4.6%	4.7%
45 Information	3.3%	2.8%	2.9%	3.2%
51 Finance and Insurance	5.1%	5.4%	6.7%	5.7%
56 Real Estate and Rental and Leasing	11.1%	10.8%	12.2%	12.0%
60 Professional, Scientific, and Technical Services	5.2%	5.3%	6.0%	6.3%
64 Management of Companies and Enterprises	1.3%	1.9%	1.9%	1.7%
65 Administrative and Waste Services	4.0%	4.0%	4.0%	4.0%
69 Educational Services	1.0%	1.0%	1.1%	1.0%
70 Health Care and Social Assistance	9.8%	9.4%	9.1%	9.1%
76 Arts, Entertainment, and Recreation	1.4%	1.5%	1.2%	2.2%
79 Accommodation and Food Services	3.0%	3.3%	3.2%	4.3%
82 Other Services, Except Government	2.6%	2.5%	2.4%	2.6%
83 Government	12.6%	11.7%	10.9%	9.5%
Gross Domestic Product (millions of current dollars) ^{8, 11}				
United States	\$ 14,992,052	\$ 17,830,307	\$ 20,893,746	\$ 27,720,709
Tennessee	\$ 255,936	\$ 314,191	\$ 369,574	\$ 523,032
Tennessee as a Percent of U.S.	1.71%	1.76%	1.77%	1.89%
Tennessee's Rank in U.S.	20	19	20	16

Civilian Labor Force ¹²

	2010	2015	2020	2023
Civilian Labor Force	3,084,100	3,057,301	3,289,426	3,379,605
Employment	2,783,000	2,885,145	3,043,894	3,267,935
Unemployment	301,100	172,156	245,532	111,670
Unemployment Rate	9.8%	5.6%	7.5%	3.3%

Employment by Industry ¹²

	2010	2015	2020	2023
Non-Farm Employment - Percent by Industry				
3 Goods Producing	15.4%	15.6%	15.6%	15.8%
6 Mining, Logging, and Construction	4.0%	4.1%	4.4%	4.8%
9 Manufacturing	11.4%	11.5%	11.2%	11.0%
10 Durable Goods	6.7%	7.3%	7.0%	7.0%
11 Nondurable Goods	4.7%	4.2%	4.1%	4.0%
12 Service Providing	84.6%	84.5%	84.4%	84.2%
14 Trade, Transportation, and Utilities	21.2%	20.8%	20.9%	20.6%
15 Wholesale Trade	4.5%	4.1%	3.9%	4.1%
16 Retail Trade	11.7%	11.3%	10.8%	10.4%
17 Transportation, Warehousing, and Utilities	5.0%	5.4%	6.2%	6.2%
18 Information	1.7%	1.5%	1.4%	1.7%
19 Financial Activities	5.2%	5.1%	5.7%	5.6%
20 Professional and Business Services	11.6%	13.6%	13.8%	13.8%
21 Education and Health Services	14.3%	14.4%	14.4%	14.3%
22 Leisure and Hospitality	10.0%	10.7%	9.8%	10.9%
23 Other Services	4.0%	3.7%	3.9%	3.9%
24 Government	16.6%	14.7%	14.4%	13.4%
25 Federal	2.0%	1.7%	1.7%	1.7%
26 State and Local	14.6%	13.0%	12.7%	11.7%

Physical Characteristics ^{13, 14}

Total Area	42,130	Square Miles
Land Area	41,233	Square Miles
Water Area	897	Square Miles
Highest Elevation (Kuwohi, formerly known as Clingman's Dome)	6,643	Feet
Lowest Point (Mississippi Bottoms)	178	Feet

¹ Source: U.S. Census Bureau, April 1, 2010, Census data.

U.S. Census Bureau, American Community Survey, July 1, 2015, data.

U.S. Census Bureau, July 1, 2020, Census data.

U.S. Census Bureau, 2023 American Community Survey 1-Year Estimates.

² Source: Metropolitan Statistical Area (MSA) population is based on the 2023 MSA definitions published by the U.S. Office of Management and Budget (OMB) in OMB Bulletin 23-01, July 21, 2023.

³ Source: 2020 American Community Survey (ACS) 1-year Experimental Tables use an experimental estimation methodology and should not be compared with other ACS data. The Census Bureau urges data users to exercise caution when using the 2020 experimental data.

⁴ Source: U.S. Census Bureau, American Community Survey, 1-Year Estimates, April 2010 to July 2023.

⁵ Source: U.S. Census Bureau, for 2010 and 2020;

UT Boyd Center for Business and Economic Research, Boyd Center Population Projections 2022 - 2070, Pub. August 2024.

⁶ Source: Tennessee Department of Education, *Annual Statistical Report*.

⁷ Source: U.S. Census Bureau, American Community Survey 1-Year Estimates, Educational Attainment.

⁸ Source: U.S. Bureau of Economic Analysis, Economic Profile for Tennessee.

⁹ Source: U.S. Census Bureau, American Community Survey, 1-Year Estimates, Poverty Status in the Past 12 Months.

¹⁰ Source: U.S. Bureau of Economic Analysis, Gross Domestic Product (GDP) by State.

¹¹ Source: U.S. Bureau of Economic Analysis, State Annual Summary Statistics.

¹² Source: TN Department of Labor and Workforce Development, Labor Force & Nonfarm Employment Estimates 2019-2023.

¹³ Source: U.S. Census Bureau, *Annual Geographic Information Table*.

¹⁴ Source: U.S. Census Bureau, Statistical Abstract of the United States, 2012.

State Revenues



State Revenues



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State Tax Revenues

Introduction

Recommended Budget, Fiscal Year 2025-2026

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's 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, Tennessee's largest tax source, are based on broad estimated retail sales activity trends, which are monitored by the Boyd Center for Business and Economic Research and the Department of Revenue. Tax estimates for corporate excise taxes, Tennessee's second largest tax source, include the latest national corporate profit forecasts and are analyzed against the state's October corporate tax returns, which help provide useful information in projecting quarterly estimated tax payments throughout the next year.

Estimates for other excise taxes are commonly based on long-run consumption trends for the selectively-taxed items: cigarettes, gasoline, beer, and alcoholic beverages. Tennessee Valley Authority (TVA) gross receipts tax estimates from in lieu of tax payments are also based on long-run trend analysis.

Motor vehicle fuel (primarily diesel fuel) taxes and motor vehicle registration fees are

estimated conservatively, given their sensitivity to business cycles.

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 reporting on monthly 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, internal 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 charged with the responsibility to prepare a range of revenue growth estimates for the state to begin developing a budget. In preparing its range of revenue growth estimates the State Funding Board listens to forecasts from state university economists, the executive director of the Fiscal Review Committee, and the Department of Revenue.

The State Funding Board's review and recommendations concern only the taxes collected by the Department of Revenue. The board's growth estimates provide a basis for the tax revenue estimates that are used in preparing the budget. However, the 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 the subsection entitled “State Funding Board, Range of Tax Revenue Estimates.” This letter states the economic assumptions that affect 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 the agencies’ 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 individual charts that show collections by fund. The distribution of taxes among the funds on these charts is as provided by law as it existed for actual revenues in 2023-2024, and as passed by the 2024 General Assembly for the 2024-2025 estimates and 2025-2026 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, which contain 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

**Actual and Estimated
July 1, 2023 – June 30, 2026**

Comparison Statement of State Revenues
Actual and Estimated July 1, 2023 - June 30, 2026

SOURCE OF REVENUE

Department of Revenue	Actual 2023-2024	Estimated 2024-2025	Estimated 2025-2026	Growth Required
Sales and Use Tax	\$ 13,802,143,900	\$ 14,388,300,000	\$ 14,890,000,000	3.49%
Gasoline Tax	880,807,600	901,900,000	887,800,000	-1.56%
Motor Fuel Tax	320,183,500	318,500,000	324,400,000	1.85%
Gasoline Inspection Tax	72,032,400	72,400,000	72,800,000	0.55%
Motor Vehicle Registration Tax	383,475,300	378,500,000	392,300,000	3.65%
Income Tax	1,980,300	0	0	NA
Privilege Tax	440,104,300	399,900,000	476,000,000	19.03%
Gross Receipts Tax - TVA	392,057,200	395,900,000	399,000,000	0.78%
Gross Receipts Tax - Other	64,286,100	28,200,000	42,100,000	49.29%
Beer Tax	17,029,100	17,900,000	17,800,000	-0.56%
Alcoholic Beverage Tax	86,379,900	89,900,000	89,800,000	-0.11%
Franchise Tax	1,564,055,000	1,327,000,000	1,216,300,000	-8.34%
Excise Tax	3,036,409,900	2,560,200,000	2,707,100,000	5.74%
Inheritance and Estate Tax	30,100	0	0	NA
Tobacco Tax	195,893,900	195,000,000	179,000,000	-8.21%
Motor Vehicle Title Fees	21,655,000	23,500,000	22,300,000	-5.11%
Mixed Drink Tax	223,915,000	224,300,000	229,300,000	2.23%
Business Tax	345,496,100	309,500,000	362,800,000	17.22%
Severance Tax	516,900	800,000	500,000	-37.50%
Coin-operated Amusement Tax	509,700	400,000	500,000	25.00%
Unauthorized Substance Tax	11,600	0	0	NA
Sub-Total Department of Revenue	\$ 21,848,972,800	\$ 21,632,100,000	\$ 22,309,800,000	3.13%
Other State Revenue				
Dept. of Commerce and Insurance	\$ 1,490,204,000	\$ 1,490,200,000	\$ 1,646,200,000	10.47%
E-911 Emergency Communications	153,548,100	159,200,000	159,200,000	0.00%
Dept. of Financial Institutions	25,540,800	35,500,000	35,500,000	0.00%
Wildlife Resources Agency	71,948,600	75,400,000	78,600,000	4.24%
Dept. of Agriculture	29,977,800	21,600,000	20,100,000	-6.94%
Regulatory Board Fees	51,410,400	62,900,000	63,100,000	0.32%
Tennessee Public Utilities Commission	6,453,000	8,600,000	8,600,000	0.00%
Secretary of State	93,905,300	80,800,000	80,800,000	0.00%
Dept. of Safety	38,810,800	34,800,000	34,800,000	0.00%
Dept. of Revenue	11,812,400	9,600,000	10,800,000	12.50%
State Treasurer	1,080,529,200	514,000,000	3,700,000	-99.28%
Dept. of Education	4,740,800	4,600,000	5,000,000	8.70%
Dept. of Health	7,457,300	9,000,000	9,000,000	0.00%
Dept. of Environment and Conservation	85,475,200	92,400,000	93,300,000	0.97%
Miscellaneous Revenue	334,523,100	88,000,000	93,000,000	5.68%
Nursing Home Tax	175,187,700	180,100,000	180,100,000	0.00%
Hospital Coverage Assessment	747,779,300	1,628,100,000	1,628,100,000	0.00%
Ambulance Service Assessment	11,664,100	11,800,000	11,800,000	0.00%
Sub-Total Other State Revenue	\$ 4,420,967,900	\$ 4,506,600,000	\$ 4,161,700,000	-7.65%
Total State Revenue	\$ 26,269,940,700	\$ 26,138,700,000	\$ 26,471,500,000	1.27%

**Distribution of Actual Revenue by Fund
Fiscal Year 2023-2024**

SOURCE OF REVENUE

Department of Revenue	Total Revenue	General Fund	Education Fund	Highway Fund	Debt Service Fund	Cities & Counties *
Sales and Use Tax *	\$ 13,802,143,900	\$ 4,981,109,700	\$ 7,925,841,100	\$ 30,812,300	\$ 97,559,500	\$ 766,821,300
Gasoline Tax	880,807,600	14,102,900	0	447,976,200	83,800,000	334,928,500
Motor Fuel Tax	320,183,500	2,304,600	0	234,141,400	0	83,737,500
Gasoline Inspection Tax	72,032,400	20,891,800	0	39,123,600	0	12,017,000
Motor Vehicle Registration Tax	383,475,300	70,383,900	164,600	312,926,800	0	0
Income Tax	1,980,300	1,850,900	0	0	0	129,400
Privilege Tax	440,104,300	433,383,500	169,700	0	0	6,551,100
Gross Receipts Tax - TVA	392,057,200	197,546,800	0	0	0	194,510,400
Gross Receipts Tax - Other	64,286,100	54,298,800	0	9,987,300	0	0
Beer Tax	17,029,100	11,450,100	0	2,145,900	0	3,433,100
Alcoholic Beverage Tax	86,379,900	71,232,000	0	0	0	15,147,900
Franchise Tax	1,564,055,000	1,546,055,000	0	0	18,000,000	0
Excise Tax	3,036,409,900	2,779,217,600	0	0	180,240,500	76,951,800
Inheritance and Estate Tax	30,100	30,100	0	0	0	0
Tobacco Tax	195,893,900	27,717,500	168,176,400	0	0	0
Motor Vehicle Title Fees	21,655,000	18,955,000	0	0	2,700,000	0
Mixed Drink Tax	223,915,000	0	111,959,900	0	0	111,955,100
Business Tax	345,496,100	345,496,100	0	0	0	0
Severance Tax	516,900	343,900	0	0	0	173,000
Coin-operated Amusement Tax	509,700	509,700	0	0	0	0
Unauthorized Substance Tax	11,600	11,600	0	0	0	0
Sub-Total Department of Revenue	\$ 21,848,972,800	\$ 10,576,891,500	\$ 8,206,311,700	\$ 1,077,113,500	\$ 382,300,000	\$ 1,606,356,100
Other State Revenue						
Dept. of Commerce and Insurance	\$ 1,490,204,000	\$ 1,490,204,000	\$ 0	\$ 0	\$ 0	\$ 0
E-911 Emergency Communications	153,548,100	153,548,100	0	0	0	0
Dept. of Financial Institutions	25,540,800	25,540,800	0	0	0	0
Wildlife Resources Agency	71,948,600	71,948,600	0	0	0	0
Dept. of Agriculture	29,977,800	29,977,800	0	0	0	0
Regulatory Board Fees	51,410,400	51,410,400	0	0	0	0
Tennessee Public Utilities Commission	6,453,000	6,453,000	0	0	0	0
Secretary of State	93,905,300	93,905,300	0	0	0	0
Dept. of Safety	38,810,800	38,810,800	0	0	0	0
Dept. of Revenue	11,812,400	11,812,400	0	0	0	0
State Treasurer	1,080,529,200	1,080,529,200	0	0	0	0
Dept. of Education	4,740,800	0	4,740,800	0	0	0
Dept. of Health	7,457,300	7,457,300	0	0	0	0
Dept. of Environment and Conservation	85,475,200	85,475,200	0	0	0	0
Miscellaneous Revenue	334,523,100	334,523,100	0	0	0	0
Nursing Home Tax	175,187,700	175,187,700	0	0	0	0
Hospital Coverage Assessment	747,779,300	747,779,300	0	0	0	0
Ambulance Service Assessment	11,664,100	11,664,100	0	0	0	0
Sub-Total Other State Revenue	\$ 4,420,967,900	\$ 4,416,227,100	\$ 4,740,800	\$ 0	\$ 0	\$ 0
Total State Revenue	\$ 26,269,940,700	\$ 14,993,118,600	\$ 8,211,052,500	\$ 1,077,113,500	\$ 382,300,000	\$ 1,606,356,100

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

County Revenue Partnership Fund	\$	0	\$	(1,900,000)	\$	1,900,000

**Distribution of Revised Estimated Revenue by Fund
Fiscal Year 2024-2025**

SOURCE OF REVENUE

Department of Revenue	Total Revenue	General Fund	Education Fund	Highway Fund	Debt Service Fund	Cities & Counties *
Sales and Use Tax *	\$ 14,388,300,000	\$ 5,303,500,000	\$8,181,200,000	\$ 28,900,000	\$ 100,700,000	\$ 774,000,000
Gasoline Tax	901,900,000	14,500,000	0	456,900,000	87,700,000	342,800,000
Motor Fuel Tax	318,500,000	2,300,000	0	232,900,000	0	83,300,000
Gasoline Inspection Tax	72,400,000	21,200,000	0	39,100,000	0	12,100,000
Motor Vehicle Registration Tax	378,500,000	70,900,000	100,000	307,500,000	0	0
Income Tax	0	0	0	0	0	0
Privilege Tax	399,900,000	394,000,000	200,000	0	0	5,700,000
Gross Receipts Tax - TVA	395,900,000	216,700,000	0	0	0	179,200,000
Gross Receipts Tax - Other	28,200,000	23,600,000	0	4,600,000	0	0
Beer Tax	17,900,000	12,100,000	0	2,200,000	0	3,600,000
Alcoholic Beverage Tax	89,900,000	74,300,000	0	0	0	15,600,000
Franchise Tax	1,327,000,000	1,309,000,000	0	0	18,000,000	0
Excise Tax	2,560,200,000	2,346,800,000	0	0	132,900,000	80,500,000
Inheritance and Estate Tax	0	0	0	0	0	0
Tobacco Tax	195,000,000	27,600,000	167,400,000	0	0	0
Motor Vehicle Title Fees	23,500,000	20,800,000	0	0	2,700,000	0
Mixed Drink Tax	224,300,000	0	112,100,000	0	0	112,200,000
Business Tax	309,500,000	309,500,000	0	0	0	0
Severance Tax	800,000	200,000	0	0	0	600,000
Coin-operated Amusement Tax	400,000	400,000	0	0	0	0
Unauthorized Substance Tax	0	0	0	0	0	0
Sub-Total Department of Revenue	\$ 21,632,100,000	\$ 10,147,400,000	\$8,461,000,000	\$1,072,100,000	\$ 342,000,000	\$1,609,600,000
Other State Revenue						
Dept. of Commerce and Insurance	\$ 1,490,200,000	\$ 1,490,200,000	\$ 0	\$ 0	\$ 0	\$ 0
E-911 Emergency Communications	159,200,000	159,200,000	0	0	0	0
Dept. of Financial Institutions	35,500,000	35,500,000	0	0	0	0
Wildlife Resources Agency	75,400,000	75,400,000	0	0	0	0
Dept. of Agriculture	21,600,000	21,600,000	0	0	0	0
Regulatory Board Fees	62,900,000	62,900,000	0	0	0	0
Tennessee Public Utilities Commission	8,600,000	8,600,000	0	0	0	0
Secretary of State	80,800,000	80,800,000	0	0	0	0
Dept. of Safety	34,800,000	34,800,000	0	0	0	0
Dept. of Revenue	9,600,000	9,600,000	0	0	0	0
State Treasurer	514,000,000	514,000,000	0	0	0	0
Dept. of Education	4,600,000	0	4,600,000	0	0	0
Dept. of Health	9,000,000	9,000,000	0	0	0	0
Dept. of Environment and Conservation	92,400,000	92,400,000	0	0	0	0
Miscellaneous Revenue	88,000,000	88,000,000	0	0	0	0
Nursing Home Tax	180,100,000	180,100,000	0	0	0	0
Hospital Coverage Assessment	1,628,100,000	1,628,100,000	0	0	0	0
Ambulance Service Assessment	11,800,000	11,800,000	0	0	0	0
Sub-Total Other State Revenue	\$ 4,506,600,000	\$ 4,502,000,000	\$ 4,600,000	\$ 0	\$ 0	\$ 0
Total State Revenue	\$ 26,138,700,000	\$ 14,649,400,000	\$8,465,600,000	\$1,072,100,000	\$ 342,000,000	\$1,609,600,000

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

County Revenue Partnership Fund	\$	0	\$	(1,900,000)	\$	1,900,000

**Distribution of Estimated Revenue by Fund
Fiscal Year 2025-2026**

SOURCE OF REVENUE

Department of Revenue	Total Revenue	General Fund	Education Fund	Highway Fund	Debt Service Fund	Cities & Counties *
Sales and Use Tax *	\$ 14,890,000,000	\$ 5,386,500,000	\$8,550,400,000	\$ 18,300,000	\$ 105,300,000	\$ 829,500,000
Gasoline Tax	887,800,000	14,200,000	0	456,100,000	80,000,000	337,500,000
Motor Fuel Tax	324,400,000	2,300,000	0	237,200,000	0	84,900,000
Gasoline Inspection Tax	72,800,000	21,100,000	0	39,600,000	0	12,100,000
Motor Vehicle Registration Tax	392,300,000	74,800,000	200,000	317,300,000	0	0
Income Tax	0	0	0	0	0	0
Privilege Tax	476,000,000	468,900,000	300,000	0	0	6,800,000
Gross Receipts Tax - TVA	399,000,000	200,700,000	0	0	0	198,300,000
Gross Receipts Tax - Other	42,100,000	35,200,000	0	6,900,000	0	0
Beer Tax	17,800,000	12,000,000	0	2,200,000	0	3,600,000
Alcoholic Beverage Tax	89,800,000	74,300,000	0	0	0	15,500,000
Franchise Tax	1,216,300,000	1,198,300,000	0	0	18,000,000	0
Excise Tax	2,707,100,000	2,445,800,000	0	0	180,800,000	80,500,000
Inheritance and Estate Tax	0	0	0	0	0	0
Tobacco Tax	179,000,000	27,000,000	152,000,000	0	0	0
Motor Vehicle Title Fees	22,300,000	19,600,000	0	0	2,700,000	0
Mixed Drink Tax	229,300,000	0	114,600,000	0	0	114,700,000
Business Tax	362,800,000	362,800,000	0	0	0	0
Severance Tax	500,000	200,000	0	0	0	300,000
Coin-operated Amusement Tax	500,000	500,000	0	0	0	0
Unauthorized Substance Tax	0	0	0	0	0	0
Sub-Total Department of Revenue	\$ 22,309,800,000	\$ 10,344,200,000	\$8,817,500,000	\$1,077,600,000	\$ 386,800,000	\$1,683,700,000
Other State Revenue						
Dept. of Commerce and Insurance	\$ 1,646,200,000	\$ 1,646,200,000	\$ 0	\$ 0	\$ 0	\$ 0
E-911 Emergency Communications	159,200,000	159,200,000	0	0	0	0
Dept. of Financial Institutions	35,500,000	35,500,000	0	0	0	0
Wildlife Resources Agency	78,600,000	78,600,000	0	0	0	0
Dept. of Agriculture	20,100,000	20,100,000	0	0	0	0
Regulatory Board Fees	63,100,000	63,100,000	0	0	0	0
Tennessee Public Utilities Commission	8,600,000	8,600,000	0	0	0	0
Secretary of State	80,800,000	80,800,000	0	0	0	0
Dept. of Safety	34,800,000	34,800,000	0	0	0	0
Dept. of Revenue	10,800,000	10,800,000	0	0	0	0
State Treasurer	3,700,000	3,700,000	0	0	0	0
Dept. of Education	5,000,000	0	5,000,000	0	0	0
Dept. of Health	9,000,000	9,000,000	0	0	0	0
Dept. of Environment and Conservation	93,300,000	93,300,000	0	0	0	0
Miscellaneous Revenue	93,000,000	93,000,000	0	0	0	0
Nursing Home Tax	180,100,000	180,100,000	0	0	0	0
Hospital Coverage Assessment	1,628,100,000	1,628,100,000	0	0	0	0
Ambulance Service Assessment	11,800,000	11,800,000	0	0	0	0
Sub-Total Other State Revenue	\$ 4,161,700,000	\$ 4,156,700,000	\$ 5,000,000	\$ 0	\$ 0	\$ 0
Total State Revenue	\$ 26,471,500,000	\$ 14,500,900,000	\$8,822,500,000	\$1,077,600,000	\$ 386,800,000	\$1,683,700,000

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

County Revenue Partnership Fund	\$	0	\$	(1,900,000)	\$	1,900,000

Comparative Statement of Revenues of Regulatory Boards
Actual and Estimated July 1, 2023 - June 30, 2026
To Support Statement of State Revenues

	Actual 2023-2024	Estimated 2024-2025	Estimated 2025-2026
<u>Commerce and Insurance Regulatory Boards</u>			
State Board of Accountancy	\$ 944,700	\$ 1,350,600	\$ 1,397,700
State Board of Examiners for Architects and Engineers	1,715,700	2,327,000	2,538,300
Tennessee Auctioneer Commission	130,500	199,100	193,100
Tennessee Collection Service Board	127,200	248,500	188,200
Board for Licensing Contractors	2,692,200	4,084,800	3,982,900
State Board of Cosmetology and Barbers	2,867,700	4,175,400	4,242,600
Board of Funeral Directors, Embalmers and Burial Services	718,500	2,150,500	1,063,000
Board of Examiners for Land Surveyors	309,200	40,700	457,400
Detection Services Licensing	2,408,000	3,062,500	3,562,500
Real Estate Appraiser Commission	853,600	1,288,500	1,262,800
Registration of Geologists and Soil Scientists	75,900	125,500	112,200
Tennessee Real Estate Commission	2,759,500	4,040,600	4,082,500
Tennessee Motor Vehicle Commission	1,577,200	2,783,000	2,333,400
Private Probation Services Council	50,900	89,400	75,300
Home Inspectors Licensing	113,900	214,100	168,500
Scrap Metal Dealers Registration	58,900	125,300	87,100
Tennessee Athletic Commission	303,800	123,800	449,500
Board of Court Reporting	83,300	27,000	123,200
Debt Management and Credit Services	120,000	38,300	177,500
Sub-Total: Commerce and Insurance	\$ 17,910,700	\$ 26,494,600	\$ 26,497,700
<u>Health Regulatory Boards</u>			
Board of Chiropractic Examiners	\$ 266,800	\$ 340,300	\$ 312,400
Board of Dentistry	1,034,100	1,760,700	1,211,200
Board of Dietitian / Nutritionist Examiners	133,700	137,500	156,600
Board of Dispensing Opticians	48,300	213,000	56,600
State Board of Electrolysis Examiners	10,500	15,800	12,300
Council for Licensing Hearing Instrument Specialists	72,900	114,200	85,400
Board of Social Worker Certification and Licensure	570,500	596,100	668,200
Board of Medical Examiners	5,682,200	5,004,400	6,655,400
Tennessee Medical Laboratory Board	679,100	949,400	795,500
Board of Nursing and Certified Medication Aide Licensure	7,869,400	10,577,700	9,217,300
Board of Examiners for Nursing Home Administrators	83,400	154,600	97,700
Board of Occupational and Physical Therapy Examiners	662,400	930,900	775,900
Massage Licensure Board	656,400	1,024,600	768,800
State Board of Athletic Trainers	113,300	145,100	132,700
Board of Respiratory Care	240,800	447,300	282,000
State Board of Optometry	198,200	289,300	232,100
Board of Osteopathic Examination	459,700	404,800	538,400
Board of Pharmacy	4,251,400	4,562,700	5,062,900
Board of Registration for Podiatry	85,000	145,900	99,600
Board of Cert. for Prof. Counselors, and Marital and Family Therapists	524,100	380,600	613,900
Board of Examiners in Psychology	252,700	415,100	296,000
Board for Communication Disorders and Sciences	217,500	245,300	254,800
Committee on Physician Assistants	462,300	382,300	541,500
Board of Veterinary Medical Examiners	911,000	941,500	1,067,000
Alcohol and Drug Abuse Counselors	99,100	105,900	116,100
Board of Midwifery	39,300	30,900	46,000
Board of Acupuncture	48,900	52,900	57,300
Board of Clinical Perfusionists	25,400	36,400	29,800
Reflexologist License	26,400	32,800	30,900
Polysomnographic Professional Standards Board	35,500	60,500	41,600
Pain Management Clinic Certificate	197,000	224,100	230,700
Applied Behavioral Analyst Board	224,400	40,900	262,800
Medical Spas Licensure	108,800	18,300	127,400
X-Ray Technicians Licensure Board	0	6,400	6,400
Sub-Total: Health	\$ 26,290,500	\$ 30,788,200	\$ 30,883,200
<u>Other Regulatory Boards</u>			
State Regulatory Fee	\$ 3,213,800	\$ 2,500,000	\$ 2,500,000
State Board of Law Examiners	1,184,400	1,170,100	1,170,200
Health Facilities Commission	2,811,000	1,909,400	2,071,500
Sub-Total: Other	\$ 7,209,200	\$ 5,579,500	\$ 5,741,700
Rounding Adjustment	\$ 0	\$ 37,700	\$ (22,600)
Total Regulatory Boards	\$ 51,410,400	\$ 62,900,000	\$ 63,100,000

Tax Expenditures

Recommended Budget, Fiscal Year 2025-2026

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 nonprofit 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 2025-2026. 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

	FY 2025-2026 Estimated Loss	
Service/Product Area Exempted	State	Local *
Administrative and Support Services	\$ 776,400,000	\$ 277,400,000
Collection Agencies and Credit Bureaus	60,900,000	21,800,000
Employment Services	394,300,000	140,800,000
Investigation and Security Services	92,900,000	33,200,000
Mail, Document Reproduction, and Call Centers	69,400,000	24,800,000
Services to Buildings and Dwellings	158,900,000	56,800,000
Construction Services	\$ 835,700,000	\$ 298,500,000
Construction of Buildings	282,700,000	101,000,000
Heavy and Civil Engineering Construction	91,400,000	32,600,000
Specialty Trade Contractors	461,600,000	164,900,000
Educational Services	\$ 78,900,000	\$ 28,200,000
Educational Services (for-profit)	69,300,000	24,800,000
Educational Services (nonprofit)	9,600,000	3,400,000
Finance, Insurance, and Real Estate	\$ 386,500,000	\$ 138,000,000
Investment Banking, Securities Brokerage, and Related	189,900,000	67,800,000
Insurance Agents and Related	16,500,000	5,900,000
Real Estate Agents and Brokers	180,100,000	64,300,000
Health Care and Social Services (For-profit)	\$ 2,034,900,000	\$ 726,900,000
Physicians and Dentists	970,900,000	346,800,000
Other Health Practitioners	122,700,000	43,800,000
Hospitals	430,900,000	153,900,000
Nursing and Residential Care Facilities	97,300,000	34,800,000
Outpatient Care Centers	133,700,000	47,800,000
Medical and Diagnostic Laboratories	72,100,000	25,800,000
Other Selected Health Services	51,800,000	18,500,000
Social and Community Services	155,500,000	55,500,000
Health Care and Social Services (Nonprofit)	\$ 1,612,600,000	\$ 576,000,000
Hospitals	1,125,000,000	401,800,000
Nursing and Residential Care Facilities	234,200,000	83,600,000
Outpatient Care Centers	132,300,000	47,300,000
Other Selected Health Services	48,300,000	17,300,000
Social and Community Services	72,800,000	26,000,000
Information Services	\$ 190,100,000	\$ 70,400,000
Data Processing Services	77,000,000	27,500,000
Movie Production and Sound Recording Studios	104,700,000	37,400,000
Cable TV Subscriptions (exempt amount)	8,400,000	5,500,000
Media Advertising Sales	\$ 149,100,000	\$ 53,200,000
Newspaper Advertising	11,000,000	3,900,000
Radio Advertising	20,400,000	7,300,000
Television Advertising (Broadcast and Cable)	117,700,000	42,000,000
Personal Services	\$ 210,700,000	\$ 75,200,000
Coin-operated Laundry	2,600,000	900,000
Death Care Services	25,500,000	9,100,000
Diet and Weight Loss	1,200,000	400,000
Hair, Nail, and Skin Care Services	77,900,000	27,800,000
Nonprofit Amusement and Membership Organizations	103,500,000	37,000,000
Professional and Technical Services	\$ 1,475,000,000	\$ 526,800,000
Accounting, Tax Return Preparation, and Payroll	243,500,000	87,000,000
Advertising and Public Relations	100,000,000	35,700,000
Architectural Services	39,800,000	14,200,000
Engineering Services	158,400,000	56,600,000
All Other Architectural, Engineering, and Related	28,400,000	10,100,000
Specialized Design Services	32,300,000	11,500,000
Computer Systems Design and Related Services	254,800,000	91,000,000
Legal Services (for-profit and nonprofit)	296,500,000	105,900,000
Management, Scientific, and Technical Consulting	279,400,000	99,800,000
Scientific Research and Development (for-profit and nonprofit)	41,900,000	15,000,000
Transportation Services (Local Trucking only)	\$ 97,400,000	\$ 34,800,000
Truck Transportation (Local)	97,400,000	34,800,000
Total Revenue Loss	\$ 7,847,300,000	\$ 2,805,400,000

* 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 2025-2026 Estimated Loss	
		State	Local
	Sales and Use Tax	\$ 5,065,800,000	\$ 1,590,500,000
67-6-329(a)(1)	Gasoline	745,500,000	266,200,000
67-6-329(a)(2)	Motor vehicle fuel (diesel fuel)	332,500,000	118,800,000
67-6-217	Aviation fuel (reduced rate)	65,800,000	65,800,000
67-6-207(a)(9)	Gasoline/diesel fuel for agriculture	21,300,000	7,600,000
67-6-314, 320	Prescription drugs, insulin, and related	1,375,000,000	491,100,000
67-6-319	Prescription drug samples	56,500,000	20,200,000
67-6-334	Energy fuels sold for residential use	365,900,000	166,300,000
67-6-206(b)(1-2), 702(b)	Energy and water sales to manufacturers (reduced rate)	182,700,000	83,000,000
67-6-206(b)(2-8)	Energy and water sales to manufacturers for direct processing (exempt)	41,600,000	18,900,000
67-6-102(44), 206(a), 207, 702(b)	Industrial and farm machinery and equipment	400,500,000	85,800,000
67-6-228(a)	Food sales (reduced rate)	667,200,000	14,900,000
67-6-329(a)(13)	Packaging sold for resale or use	222,300,000	76,200,000
67-6-329(a)(3), (18)	School books and lunches	43,000,000	15,400,000
67-6-330(a)(4-5)	Membership dues of civic organizations and business associations	20,900,000	7,400,000
67-6-316	Prescription eyewear and optical goods	35,900,000	12,800,000
67-6-103(f), 226, 714	Cable television (exempt portion)	5,500,000	5,500,000
67-6-329(a)(10)	Newspaper periodical sales	3,000,000	1,100,000
67-6-303	Motor vehicles sold to active-duty or non-resident military personnel	7,700,000	300,000
67-6-216	Non-material cost of manufactured homes (reduced rate)	18,000,000	0
67-6-301	Agricultural products	249,100,000	66,600,000
67-6-219, 702(e)	Sales to common carriers (reduced rate)	16,200,000	6,900,000
67-6-330(a)(16)	Physical fitness facility fees	12,300,000	4,400,000
67-6-313(g), 321	Railroad rolling stock, materials, and repairs	6,200,000	1,400,000
67-6-102(44)(H)(i)	Certain warehouse equipment	20,300,000	3,800,000
67-6-207(a)(10-17)	Fertilizers, pesticides, seeds, and related items to nurseries	70,900,000	22,500,000
67-6-335	Dentists	43,900,000	15,700,000
	All other remaining exemptions	33,200,000	11,900,000
	Corporate Franchise and Excise Tax	\$ 272,100,000	\$ 0
67-4-2109	Jobs credit (Franchise and Excise)	104,100,000	Not Applicable
67-4-2108	Cap on value of inventories (Franchise)	30,600,000	Not Applicable
67-4-2009	Industrial machinery credit (Franchise and Excise)	137,400,000	Not Applicable
	Motor Vehicle Registration Fees	\$ 6,300,000	\$ 0
55-4-223	Government vehicles	2,900,000	Not Applicable
55-4-228(d)(1)(a)	Enlisted members of the Tennessee National Guard	100,000	Not Applicable
55-4-235,236,237	Former POWs, Medal of Honor recipients, and disabled Veterans	1,200,000	Not Applicable
55-4-113(6)	Special zone tags - Class 1	300,000	Not Applicable
55-4-113(6), 124	Special zone tags - Class 2	1,600,000	Not Applicable
55-21-103(a)(1)	Disabled driver plate fee	100,000	Not Applicable
55-21-103(b)(2)	Disabled driver placard fees	100,000	Not Applicable
	Gross Receipts Taxes	\$ 379,000,000	\$ 0
67-4-405(b)	Gas, Water, and Electric Companies - Govt. operations exempt	368,700,000	Not Applicable
67-4-405(d)	Gas, Water, and Electric Companies - Franchise and Excise tax credit	6,500,000	Not Applicable
67-4-405(e)	Gas, Water, and Electric Companies - \$5,000 exemption	200,000	Not Applicable
67-4-402	Bottlers - Franchise and Excise tax credit	3,600,000	Not Applicable
	Miscellaneous Taxes	\$ 800,000	\$ 0
67-4-409(b)(4)	Mortgage Tax - \$2,000 exemption	800,000	Not Applicable
	Total Revenue Loss	\$ 5,724,000,000	\$ 1,590,500,000

Source: Tennessee Department of Revenue

Revenue Sources and Basis of Apportionment

Department of Revenue Taxes**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); 4.25% 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); 6% for products containing a hemp-derived cannabinoid (TCA 67-6-232). 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(j)). 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)). Also, all hemp-derived cannabinoid

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		sales with 50% allocated to the Agriculture Regulatory Fund (TCA 67-6-232(c)).
Administration.....	0.3674%	of the remaining 5.5% after the allocation to the Transportation Equity Trust Fund (TCA 67-6-103).
Education Fund	65.0970%	of the remaining 5.5% after the allocation to the Transportation Equity Trust Fund, and 100% of one-half of one percent of the gross tax (TCA 67-6-103 and 49-3-357).
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)).

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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(j)).

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

General Fund.....Approximately 1.5% (TCA 67-3-901).

Highway Fund.....Approximately 60.4%, less an amount to the Debt Service Fund (TCA 67-3-901).

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

Cities Approximately 12.7% based on population (TCA 54-4-203 and 67-3-901).

Counties.....Approximately 25.4% based $\frac{1}{4}$ on population, $\frac{1}{4}$ on area, and $\frac{1}{2}$ divided equally (TCA 54-4-103 and 67-3-901).

MOTOR FUEL

TAX\$0.27 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); \$0.21 on each gallon of compressed natural gas used for motor vehicles on public highways (TCA 67-3-1113); \$0.22 on each gallon of liquefied gas used for motor vehicles on public highways (TCA 67-3-1102).

General Fund.....Approximately 0.8% (TCA 67-3-905, 67-3-908, and 67-3-901(k)).

Highway Fund.....Approximately 73.1%, 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).

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Cities	Approximately 8.7% based on population (TCA 54-4-203, 67-3-905, and 67-3-908).
Counties.....	Approximately 17.4% based $\frac{1}{4}$ on population, $\frac{1}{4}$ on area, and $\frac{1}{2}$ divided equally (TCA 54-4-103, 67-3-905, and 67-3-908).
GASOLINE INSPECTION TAX (SPECIAL PETROLEUM PRODUCTS AND EXPORT TAX)	
	\$0.01 for each gallon of gasoline and most other volatile fuels sold, used, or stored (TCA 67-3-203); an additional \$0.004 per gallon for the environmental assurance fee (TCA 67-3-204 and 68-215-110); and an export fee of 1/20 of one cent on fuels subject to the special petroleum products tax (TCA 67-3-205).
General Fund.....	2% of the balance remaining after the local government apportionment of the \$0.01 per gallon tax and the export fee (TCA 67-3-906). The environmental assurance fee is earmarked for the Petroleum Underground Storage Tank Fund (TCA 68-215-110).
Highway Fund.....	98% of the balance remaining after the local government apportionment of the \$0.01 per gallon tax and the export fee (TCA 67-3-906).
Debt Service Fund.....	Amount required from General Fund and Highway Fund apportionments (TCA 9-9-103).
Cities and Counties.....	\$12,017,000 allocated to the 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, 55-4-116, 55-4-132, and Title 55, Chapter 4, Part 2).

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General Fund.....	100% of the revenues from the 2002 increase in commercial vehicle registration fees. 2% of the balance of registration fee revenue (TCA 55-6-107) after the allocation of \$2.75 per vehicle plate to the General Fund (TCA 55-4-103), of which \$1 from non-freight registration is earmarked for police pay supplement (TCA 55-4-111); and after an additional \$2 per motorcycle plate to the General Fund, earmarked for the Motorcycle Rider Safety Fund (TCA 55-51-104); except for special license plates, for which all revenue above the expense incurred in designing, manufacturing and marketing such plates is allocated in the following manner: personalized plates – 100% to the Arts Commission (TCA 55-4-215); personalized trailer plates – 100% to the Trailer License Plate Fund (TCA 55-4-215); specialty earmarked plates – 50% to the nonprofit organization, state agency or fund earmarked and 40% to the Arts Commission (TCA 55-4-215 and 55-4-301); 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). An allocation of 2.8% from electric vehicle registration (TCA 55-4-116). 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 55-4-332).
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

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		vehicle plate, an additional \$2 per motorcycle plate, and an amount sufficient to fund the cost of issuing motor vehicle registration plates to the General Fund; 10% of the revenue from specialty earmarked plates (TCA 55-4-301) 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)). An allocation of 63.4% from electric vehicle registration (TCA 55-4-116).
Debt Service Fund	Amount required from General Fund and Highway Fund apportionment (TCA 55-6-107 and 9-9-103).	
Cities	11.8% for electric vehicle registration (TCA 55-4-116, and 54-4-203).	
Counties.....	22% for electric vehicle registration (TCA 55-4-116, and 54-4-203).	
PRIVILEGE TAX.....	Various taxes on litigation in the courts, domestic protection civil penalties (\$50), sex offender tax (maximum \$3,000), drug treatment offenders (\$75), realty transfer tax (37 cents per \$100 of consideration or property value), mortgage recordation tax (11.5 cents per \$100 of principal indebtedness), tire tax (\$1.35 per tire sold), occupational tax (\$400 on certain occupations), \$15 marriage license fee (plus a \$62.50 marriage license fee for couples not completing a premarital preparation course), a packaged automotive oil fee (\$0.02 per quart), a 3% surcharge tax on certain rental motor vehicles, a \$250 per conviction blood alcohol testing fee, a \$250 fee per conviction, or granting of pretrial diversion, for violation of any drug law, a \$40 ignition interlock fee upon conviction of driving under the influence of alcohol or drugs, a \$13.75 fee upon forfeiture of a cash bond or other surety entered as a result of a municipal traffic citation, a \$12 fee per bail bond, a maximum fine of \$225 for persons convicted of either assault, aggravated assault, or domestic assault, a maximum fine of \$15,000 for assault, \$15,000 for aggravated assault on a law enforcement officer or	

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other first responder, 6% tax on all adjusted revenues of an online fantasy sports contest. The tire tax, automotive oil fee, and a portion of the litigation taxes are reported under the "Other State Revenue" section of the revenue statement (TCA 16-15-5007, 16-22-109, 36-3-610, 36-6-413, 38-6-103, 39-13-101, 39-13-102, 39-13-111, 39-13-708, 39-17-420, 16-22-109, 55-10-403, 55-10-419, 67-4-409, 67-4-411, 67-4-602, 40-24-107, 67-4-1603, 67-4-1701 through 67-4-1703, 67-4-1901, 68-211-1006, 67-4-803, and 67-4-804, 67-4-903).

General Fund.....	100% less certain litigation taxes earmarked for various retirement funds. Portions of litigation taxes are earmarked for the Corrections Institute, driver education and highway safety, criminal injuries compensation, victims of crime assistance, State Court Clerks Conference, General Sessions Judges Conference, staffing expenses of the state administrative director of the courts, indigent defense attorneys' compensation, civil legal representation of indigents, drug court treatment programs, electronic fingerprint imaging systems for local law enforcement agencies, and the Statewide Automated Victim Information and Notification System Fund. The state's 95% share of the sex offender tax is earmarked for treatment programs. Civil penalties from violation of domestic protection orders are earmarked for domestic violence community education. A portion of the realty transfer tax is designated for the 1986 Wetland Acquisition Fund, Local Parks Acquisition Fund, State Lands Acquisition Fund, and Agricultural Resources Conservation Fund (TCA 16-15-5007, 36-3-610(b) and (c), 36-3-616, 39-13-709, 40-24-107, 67-4-409, 67-4-602, 67-4-606, 67-4-1701, and 67-4-1905). In addition, portions of the proceeds of the sale of various contraband items seized under alcoholic beverage laws are reported 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 (TCA 55-10-413(f)(2)) and all of the \$250 fee per conviction for violating drug laws goes to the General Fund to be used only as appropriated by the general assembly (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 and Substance Abuse Services, Alcohol and Drug Addiction Treatment Fund; \$1.25 to the Department of Finance and Administration, Office of Criminal Justice Programs for funding grant awards to local law enforcement agencies; \$1.25 to the Department of Safety; and \$1.25 to the Department of Finance and Administration, Office of Criminal Justice Programs for funding grant awards to qualifying halfway houses who assist drug and alcohol offenders. Any surplus in the Interlock 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 and Substance Abuse Services, Alcohol

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and Drug Addiction Treatment Fund; and 20% to the Department of Finance and Administration, Office of Criminal Justice Programs (TCA 55-10-419). 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).

Education Fund Proceeds from the marriage license fee to the Tennessee Alliance of 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 from the Highway Fund, 100% of various other gross receipts taxes, and TVA in lieu of tax payments equal to fiscal year 1977-1978 payments and 48.5% of any TVA payments received by the state that exceed the amount paid in fiscal year 1977-1978, 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).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Highway Fund.....	Approximately 21% of the bottlers' gross receipts tax is earmarked for litter control, less 2% to the General Fund (TCA 67-4-402).
Cities and Counties.....	51.5% of the TVA in lieu of tax payments that exceed state receipts in fiscal year 1977-1978, of which approximately 65.9% is designated for counties based $\frac{1}{2}$ on population and $\frac{1}{2}$ 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 Tennessee Advisory Commission on Intergovernmental Relations (TACIR) and under some circumstances, for the County Technical Assistance Service (CTAS) and additional funds for TACIR. With no local areas impacted by TVA construction, the 5.8% impact fund is allocated as follows: 30% to CTAS, 40% to TACIR, and 30% is returned to be included in the amount distributed to cities and counties. Any funds remaining after other allocations provided for in TCA 67-9-102 are allocated to any regional development authorities created by TCA 64-5-201 that have acquired a former nuclear site from TVA (TCA 67-9-101 through 67-9-103). Non-TVA entity tax proceeds are to be distributed in a like manner as TVA proceeds (TCA 67-4-3101).
BEER EXCISE	
TAX	Registration fees imposed on beer wholesalers (\$20) and manufacturers (\$40); a privilege tax of \$4.29 per 31-gallon barrel of beer manufactured or sold in the state (TCA 57-5-102 and 57-5-201).
General Fund.....	67.2% of privilege tax revenue (4% of total tax earmarked for administration and 0.41% for alcohol and drug treatment programs); 100% of registration fees (earmarked 50% for the Department of Revenue and 50% for Highway Patrol) (TCA 57-5-102, 57-5-202, and 57-5-205).
Highway Fund.....	12.7% of privilege tax revenue for litter control (TCA 57-5-201).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Counties.....	10.05% of privilege tax revenue distributed to counties equally (TCA 57-5-205).
Municipalities.....	10.05% of privilege tax revenue distributed to cities based on population (TCA 57-5-205).
ALCOHOLIC BEVERAGE	
TAX	\$1.21 per gallon on wine and \$4.40 per gallon on spirits (TCA 57-3-302).
General Fund.....	82.5% of distilled spirit and wine gallonage taxes, calculated on the total collections, less \$0.04 per liter of spirit tax (TCA 57-3-306); and the following shares of proceeds from sales of seized items, all earmarked for criminal injuries compensation and reported under privilege tax revenue (TCA 40-24-107): 100% from liquor seized by state agents (TCA 57-9-115); 50% from vehicles, aircraft, and boats seized by local law enforcement officers (TCA 57-9-201); and 50% from other contraband goods seized, less 15% retained for administration as departmental current services revenue by the Department of General Services (TCA 57-9-205, 12-2-207, and 12-2-209). In addition, 10% of proceeds of sale of liquor seized by local officers are retained for administration as departmental revenue by the Department of General Services (TCA 57-9-115, 12-2-207, and 12-2-209).
Counties.....	\$0.04 per liter of spirit tax, earmarked for any county in which a distillery is located, plus 17.5% of the balance of spirit and wine gallonage taxes, less \$192,000 earmarked for CTAS. In counties of 250,000 or more population, 30% of their allocation is paid by the county to cities of 150,000 or more population (TCA 57-3-306). Also, 50% of the proceeds of sale of contraband goods, less 15% retained as departmental revenue by the Department of General Services (TCA 57-9-205, 12-2-207, and 12-2-209).
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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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 net worth 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, 67-4-2119).

General Fund.....100% less an amount to the Debt Service Fund (TCA 67-4-2120).

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

EXCISE TAX.....6.5% of net earnings of all business conducted for a profit in this state. The tax applies to business entities that enjoy some form of limited liability protection. Current year losses may be carried forward as many as 15 years in computing net earnings subject to tax (TCA 67-4-2006, 67-4-2007, 67-4-2020, 67-4-2021, and 67-4-2022).

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

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

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

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,

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

67-4-1020, 47-25-308, and 47-25-309).

General Fund.....	Approximately 15.1%. 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 Fund	Approximately 84.9%. 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 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 87.9% (including \$0.50 of the \$5.50 fee, earmarked for enforcement action against odometer fraud; and a portion of \$1.50 of the \$5.00 fee in excess of debt service requirements, earmarked for State Parks capital projects) (TCA 55-6-101 and 55-6-103).
Debt Service Fund.....	Approximately 12.1% (including \$1.50 of the \$5.50 fee, earmarked for debt service on a State Parks bond issue) (TCA 55-6-101).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

MIXED DRINK

TAX An annual 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) 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).

**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).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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 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).

Other State Revenue Taxes

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 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 insurance

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

company certificates of authority, 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'

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

General Fund..... 100% (TCA 8-22-118).

**911 EMERGENCY
COMMUNICATIONS**

FUND A monthly surcharge of \$1.50 is charged to all users and subscribers for service capable of contacting a public safety answering point by dialing 911. 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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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).

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

NON-DEPOSITORY

LICENSING Fees 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

RESOURCES Fees received from the sale of hunting
and fishing licenses, permits, fines,
private lake operations, and minnow
dealers (TCA 70-2-201 through 70-2-
222 and 70-3-101).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

General Fund..... 100% (earmarked exclusively for Wildlife Resources Agency) (TCA 70-1-401).

BOATING SAFETY.....Fees received for the registration of propelled vessels for a one-, two-, or three-year period; and a portion of the tax on marine fuel (TCA 69-9-207 and 67-3-901(g)).

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

Department of Agriculture

**AGRICULTURAL
REGULATORY**

FUND All 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 43-27-104) relative to hemp, Commercial Feed Law of 1972 (TCA 44-6), (TCA 44-7) relative to marks, brands, registration, and certification, Livestock Dealer Act (TCA 44-10-part 2), (TCA 44-11) relative to livestock sales, (TCA 47-26) relative to weights and measures, Food and Drug Cosmetic Act (TCA 53-1), 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 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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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).

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 (TRS/TDAP). Funding for TRS/TDAP 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 TRS/TDAP program in the Tennessee Public Utility Commission) (TCA 65-21-115).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

GAS SAFETY

INSPECTION Annual fee for the inspection and supervision of safety standards to all gas distribution systems (not applicable to gas companies subject to TCA 65-4-301). Fees based on number of meters on a declining scale (\$0.65 down to \$0.35 per meter). Minimum fee, \$100 (TCA 65-28-110(c)). Also, any person who violates state laws or regulations issued by the Tennessee Public Utility Commission concerning gas safety inspections is subject to a civil penalty not to exceed \$10,000 for each violation for each day that such violation persists, up to a maximum civil penalty of \$500,000 (TCA 65-28-108).

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

COMPETITIVE

CABLE AND

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

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

MISCELLANEOUS.....A \$25.00 fee per party for filing a petition with the Tennessee Public Utility Commission and fees for copies of records (TCA 65-2-103 and 65-1-212). Penalties of \$50.00 for each day of any violation or failure by public utilities to comply with Tennessee Public Utility Commission orders,

**Collecting Agency
and Classification****Rate and Source****Basis of Apportionment**

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). Also, any
penalties assessed by the ethics
commission (TCA 3-6-306).

General Fund.....100% (TCA 8-22-118 and 4-55-104).
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**

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

General Fund.....100%.

FINES AND

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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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%.

Department of Education

LITIGATION

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

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

CHARTER SCHOOL

AUTHORIZATION

FEE Annual authorizer fee received from authorized charter schools that is a percentage of the charter school's per student state and local funding as allocated under TCA 49-13-112. The annual authorizer fee shall be the lesser of 3% of the annual per student

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

state and local allocation or \$35,000
per school (TCA 49-13-128).

Education Fund 100% (TCA 49-13-128).

Department of Health

**HOTEL, B & B,
RESTAURANT,
SWIMMING
POOL, AND CAMP**

INSPECTION Fees from annual permits. Rates for hotels and restaurants, based on maximum occupancy, are a maximum fee of \$650 for hotels and \$360 for food service establishments. Other fees include: \$100 for auxiliary food service operations; \$30 for temporary food service establishments; \$300 for farmer's market food units; a maximum fee of \$80 for child care center food service establishments based on the number of seats; a flat fee of \$140 is assessed for each bed and breakfast establishment; \$340 for each public swimming pool; a flat fee of \$80 for day and primitive camps, a maximum fee of \$150 for resident camps based on the number of sleepers; a maximum fee of \$310 for travel camps based on the number of sites; and \$80 for school service establishments (TCA 68-14-312 through 68-14-315, 68-14-713, 68-14-714, and 68-110-103).

General Fund 100%.

**TATTOO
PARLORS AND**

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

General Fund 100%.

CHILD SAFETY Fines up to \$50 imposed for violations of the Child Passenger Restraint Law for children under 4 years of age, or between 4 and 8 years of age, and measuring less than 4 feet 9 inches in height; fines up to \$50 imposed for violation of mandatory use of a passenger restraint system for children

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

between 9 and 12 years of age, or any child through 12 years of age measuring 4 feet 9 inches 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 4 feet 9 inches 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).

**TRAUMATIC
BRAIN INJURY**

FUND Fines 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).

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).

**Collecting Agency
and Classification****Rate and Source****Basis of Apportionment**

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).
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).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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, 2025 (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)).

Hospital Coverage Assessment

**ANNUAL
HOSPITAL
COVERAGE**

ASSESSMENT.....Annual assessment, payable in
quarterly installments, equal to 6% of
a covered hospital's net patient
revenue as shown in its 2021 Medicare
Cost Report. Also, a \$500 per day
penalty for failure to pay a quarterly
installment. Authorization for the
Annual Hospital Coverage Assessment
expires on July 1, 2025 (TCA 71-5-
2003 and 71-5-2004).

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

Ambulance Service Assessment

**ANNUAL
AMBULANCE
SERVICE**

ASSESSMENT.....Annual assessment, payable in quarterly installments, equal to \$20 per ground transport as defined by TCA 71-5-1504(e). Also, \$50 per day penalty for failure to pay a quarterly installment. Authorization for the Annual Ambulance Assessment expires on June 30, 2025 (TCA 71-5-1504 and 71-5-1506).

General Fund.....100% (earmarked for the Ambulance Service Assessment Revenue Fund TCA 71-5-1508).

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



JASON E. MUMPOWER
Comptroller

Memorandum

To: Honorable Bill Lee, Governor
Honorable Bo Watson, Chairman
Senate Finance, Ways, & Means Committee
Charlie Baum, Vice-Chair
House Finance, Ways, & Means Committee

From: Jason Mumpower, Comptroller of the Treasury
Tre Hargett, Secretary of State
David H. Lillard Jr., State Treasurer
Jim Bryson, Commissioner, Finance and Administration

Date: December 16, 2024

Subject: State Funding Board Growth Projections for FY 2024-2025 and FY 2025-2026

The State Funding Board met on November 4, 2024, to hear presentations on the State's economic outlook for the remainder of fiscal year 2024-2025 and for fiscal year 2025-2026. The Board reconvened on November 25, 2024, 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 non-recurring reductions to franchise and excise tax revenue growth in fiscal years 2024-2025 and 2025-2026 from certain provisions of 2023 Public Chapter 377 relative to bonus depreciation coupling and a paid family leave tax credit. Further, the department identified the repeal of the franchise tax property measure from certain provisions of 2024 Public Chapter 950 to reduce franchise and excise tax collections on a recurring basis. 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 testimony from Dr. Don Bruce of the University of Tennessee; Dr. Joseph Newhard of East Tennessee State University; Commissioner David Gerregano of the Tennessee Department of Revenue; and Executive Director 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 tax revenue growth that reflect negative growth in the current fiscal year and slow growth the next fiscal year. Factors cited to support negative growth in the current and slow growth in next year included Tennessee's relative economic strength compared to the nation, slow Tennessee GDP growth, and price inflation being controlled – all set against multiple state tax policy changes that complicated revenue forecasts. Those factors all combine to urge caution when estimating both economic and state tax revenue growth.

Taking into account the factors cited above, the Board recommends state tax growth rates for fiscal year 2024-2025 within the range of state tax growth estimates provided by the presenters and state tax growth rates for fiscal year 2025-2026 from below to within the range provided by the presenters.

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

	FY 2024-2025		FY 2025-2026	
	Low	High	Low	High
Total State Taxes	-1.68%	-1.34%	1.25%	2.15%
General Fund	-2.50%	-1.91%	1.00%	2.00%

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 2024 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 Executive Director 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, Senior Director for Grants and Scholarship Programs of Tennessee Student Assistance Corporation. The lottery-funded scholarship programs as authorized through the 2024 session of the General Assembly include the HOPE Scholarship, General Assembly Merit Scholarship, ASPIRE Award, Wilder-Naifeh Technical Skills Grant, HOPE Scholarship for Non-traditional Students, Foster Child Tuition Grant, Dual Enrollment Grant, Helping Heroes Grant, the STEP UP Scholarship, TCAT Reconnect Grant, the Tennessee Reconnect Grant, and the Tennessee Middle College Scholarship. The projections provided by Mr. Phelps are summarized in an attachment to this memorandum.

The Net Lottery Proceeds Revenue Growth 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	FY2024-2025	FY2025-2026	FY2026-2027	FY2027-2028	FY2028-2029
Low	\$456,200,000	\$460,300,000	\$464,900,000	\$469,500,000	\$474,200,000
High	\$471,200,000	\$479,200,000	\$488,800,000	\$498,600,000	\$508,600,000

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

Attached to this memorandum 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 Cameron Sexton

COMPARISON OF ESTIMATED STATE TAX REVENUE FOR
FISCAL YEAR 2024 - 2025
(Accrual - Basis Estimates)

2024-2025											
DEPARTMENT OF REVENUE TAXES											
SOURCE OF REVENUE	2023-2024 Actual Year	July 1, 2024 Budget Estimate	% Change Over Actual	UT - BCBER Estimate	% Change Over Actual	Fiscal Review Estimate	% Change Over Actual	Dept. of Revenue Estimate	% Change Over Actual	ETSU Estimate	% Change Over Actual
Sales and Use Tax ¹	\$ 13,802,143,900	\$ 14,388,300,000	4.25%	\$ 14,299,000,000	3.60%	\$ 14,466,000,000	4.81%	\$ 14,217,600,000	3.01%	\$ 14,441,000,000	4.63%
Gasoline Tax	880,807,600	901,900,000	2.39%	884,300,000	0.40%	887,000,000	0.70%	881,700,000	0.10%	901,788,000	2.38%
Motor Fuel Tax	320,183,500	318,500,000	-0.53%	321,500,000	0.41%	326,000,000	1.82%	320,500,000	0.10%	327,898,000	2.41%
Gasoline Inspection Tax	72,032,400	72,400,000	0.51%	72,400,000	0.51%	72,900,000	1.20%	73,400,000	1.90%	72,932,000	1.25%
Motor Vehicle Registration Tax	383,475,300	378,500,000	-1.30%	395,000,000	3.01%	405,000,000	5.61%	393,100,000	2.51%	398,959,000	4.04%
Income Tax	1,980,300	-	N/A	-	N/A	-	N/A	1,000,000	-49.50%	-	N/A
Privilege Tax - Less Earmarked Portion ¹	440,104,300	399,900,000	-9.14%	458,100,000	4.09%	457,000,000	3.84%	455,100,000	3.41%	371,953,000	-15.49%
Gross Receipts Tax - TVA	392,057,200	395,900,000	0.98%	396,000,000	1.01%	395,900,000	0.98%	394,300,000	0.57%	383,000,000	-2.31%
Gross Receipts Tax - Other	64,286,100	28,200,000	-56.13%	35,400,000	-44.93%	43,000,000	-33.11%	39,900,000	-37.93%	34,000,000	-47.11%
Beer Tax	17,029,100	17,900,000	5.11%	16,900,000	-0.76%	17,900,000	5.11%	17,600,000	3.35%	17,562,000	3.13%
Alcoholic Beverage Tax	86,379,900	89,900,000	4.08%	87,200,000	0.95%	88,000,000	1.88%	88,500,000	2.45%	87,971,000	1.84%
Franchise & Excise Tax	4,600,464,900	3,887,200,000	-15.50%	3,818,400,000	-17.00%	4,068,000,000	-11.57%	3,818,400,000	-17.00%	4,167,946,000	-9.40%
Inheritance and Estate Tax	30,100	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A
Tobacco Tax	195,893,900	195,000,000	-0.46%	190,000,000	-3.01%	187,000,000	-4.54%	192,700,000	-1.63%	188,554,000	-3.75%
Motor Vehicle Title Fees	21,655,000	23,500,000	8.52%	21,900,000	1.13%	23,200,000	7.13%	21,700,000	0.21%	23,298,000	7.59%
Mixed Drink Tax	223,915,000	224,300,000	0.17%	231,800,000	3.52%	233,000,000	4.06%	235,500,000	5.17%	227,064,000	1.41%
Business Tax	345,496,100	309,500,000	-10.42%	345,500,000	0.00%	350,000,000	1.30%	348,400,000	0.84%	338,320,000	-2.08%
Severance Tax	516,900	800,000	54.77%	500,000	-3.27%	500,000	-3.27%	500,000	-3.27%	395,000	-23.58%
Coin-operated Amusement Tax	509,700	400,000	-21.52%	500,000	-1.90%	475,000	-6.81%	500,000	-1.90%	282,500	-44.58%
Unauthorized Substance Tax	11,600	-	N/A	-	N/A	-	N/A	-	N/A	43,000	N/A
TOTAL DEPARTMENT OF REVENUE	\$ 21,848,972,800	\$ 21,632,100,000	-0.99%	\$ 21,574,400,000	-1.26%	\$ 22,020,875,000	0.79%	\$ 21,500,400,000	-1.60%	21,982,965,500	0.61%
TOTAL - RECURRING	\$ 22,136,772,800	\$ 21,840,200,000	-1.34%	\$ 21,782,500,000	-1.60%	\$ 22,228,975,000	0.42%	\$ 21,707,500,000	-1.94%	22,191,065,500	0.25%
GENERAL FUND ONLY ²	\$ 18,783,203,200	\$ 18,608,400,000	-0.93%	\$ 18,508,300,000	-1.46%	\$ 18,929,575,000	0.78%	\$ 18,439,700,000	-1.83%	18,894,165,500	0.59%
GENERAL FUND - RECURRING	\$ 19,200,703,200	\$ 18,834,500,000	-1.91%	\$ 18,734,400,000	-2.43%	\$ 19,155,675,000	-0.23%	\$ 18,665,300,000	-2.79%	19,120,265,500	-0.42%

SELECTED TAXES	Actual Year	July 1 Estimate	%	UT - BCBER	%	Fiscal Review	%	Revenue Dept.	%	ETSU	%
SALES AND USE TAX	\$ 13,802,143,900	\$ 14,388,300,000	4.25%	\$ 14,299,000,000	3.60%	\$ 14,466,000,000	4.81%	\$ 14,217,600,000	3.01%	\$ 14,441,000,000	4.63%
FRANCHISE AND EXCISE TAXES	4,600,464,900	3,887,200,000	-15.50%	3,818,400,000	-17.00%	4,068,000,000	-11.57%	3,818,400,000	-17.00%	4,167,946,000	-9.40%
INCOME TAX	1,980,300	-	N/A	-	N/A	-	N/A	1,000,000	-49.50%	-	N/A
ROAD USER TAXES	1,678,153,800	1,694,800,000	0.99%	1,695,100,000	1.01%	1,714,100,000	2.14%	1,690,400,000	0.73%	1,724,875,000	2.78%
ALL OTHER TAXES	1,766,229,900	1,661,800,000	-5.91%	1,761,900,000	-0.25%	1,772,775,000	0.37%	1,773,000,000	0.38%	1,649,144,500	-6.63%

¹ For FY 2023-2024, Sales and Use Tax estimates exclude \$153.5 million and Privilege Tax estimates exclude \$76.2 million for designated earmarked funds.
For FY 2024-2025, Sales and Use Tax estimates exclude \$159 million and Privilege Tax estimates exclude \$78 million for designated earmarked funds.

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

**COMPARISON OF ESTIMATED STATE TAX REVENUE FOR
FISCAL YEAR 2025 - 2026**
(Accrual - Basis Estimates)

2025-2026								
DEPARTMENT OF REVENUE TAXES	UT - BCBER	% Change Over	Fiscal Review	% Change Over	Dept. of Revenue	% Change Over	ETSU	% Change Over
SOURCE OF REVENUE	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Sales and Use Tax ¹	\$ 14,756,600,000	3.20%	\$ 14,936,000,000	3.25%	\$ 14,715,200,000	3.50%	\$ 15,280,229,539	5.81%
Gasoline Tax	889,600,000	0.60%	897,000,000	1.13%	883,500,000	0.20%	911,678,515	1.10%
Motor Fuel Tax	324,400,000	0.90%	330,700,000	1.44%	326,700,000	1.93%	332,006,013	1.25%
Gasoline Inspection Tax	72,800,000	0.55%	74,000,000	1.51%	74,600,000	1.63%	73,532,990	0.82%
Motor Vehicle Registration Tax	400,900,000	1.49%	418,500,000	3.33%	399,900,000	1.73%	392,293,383	-1.67%
Income Tax	-	N/A	-	N/A	500,000	-50.00%	-	N/A
Privilege Tax - Less Earmarked Portion ¹	481,100,000	5.02%	482,000,000	5.47%	476,000,000	4.59%	367,119,580	-1.30%
Gross Receipts Tax - TVA	399,900,000	0.98%	399,000,000	0.78%	397,100,000	0.71%	391,545,353	2.23%
Gross Receipts Tax - Other	35,400,000	0.00%	45,000,000	4.65%	42,100,000	5.51%	36,531,580	7.45%
Beer Tax	16,800,000	-0.59%	18,500,000	3.35%	17,800,000	1.14%	17,210,776	-2.00%
Alcoholic Beverage Tax	89,000,000	2.06%	89,800,000	2.05%	90,400,000	2.15%	87,641,459	-0.37%
Franchise & Excise Tax	3,841,300,000	0.60%	4,215,000,000	3.61%	3,923,400,000	2.75%	4,306,867,492	3.33%
Inheritance and Estate Tax	-	N/A	-	N/A	-	N/A	-	N/A
Tobacco Tax	184,300,000	-3.00%	179,000,000	-4.28%	191,700,000	-0.52%	178,428,914	-5.37%
Motor Vehicle Title Fees	22,300,000	1.83%	23,900,000	3.02%	21,800,000	0.46%	22,525,573	-3.32%
Mixed Drink Tax	239,900,000	3.49%	245,000,000	5.15%	247,300,000	5.01%	229,285,187	0.98%
Business Tax	362,800,000	5.01%	365,000,000	4.29%	364,700,000	4.68%	351,715,748	3.96%
Severance Tax	500,000	0.00%	550,000	10.00%	500,000	0.00%	650,000	64.56%
Coin-operated Amusement Tax	500,000	N/A	550,000	15.79%	500,000	0.00%	279,512	-1.06%
Unauthorized Substance Tax	-	N/A	-	N/A	-	N/A	61,705	N/A
TOTAL DEPARTMENT OF REVENUE	\$ 22,118,100,000	2.52%	\$ 22,719,500,000	3.17%	\$ 22,173,700,000	3.13%	22,979,603,319	4.53%
TOTAL - RECURRING	22,118,100,000	1.54%	22,719,500,000	2.21%	22,173,200,000	2.15%	22,979,603,319	3.55%
GENERAL FUND ONLY²	\$ 19,011,900,000	2.72%	\$ 19,572,200,000	3.39%	\$ 19,068,900,000	3.41%	19,839,703,319	5.00%
GENERAL FUND - RECURRING	19,011,900,000	1.48%	19,572,200,000	2.17%	19,068,600,000	2.16%	19,839,703,319	3.76%

SELECTED TAXES	UT - BCBER	%	Fiscal Review	%	Revenue Dept.	%	ETSU	%
SALES AND USE TAX	\$ 14,756,600,000	3.20%	\$ 14,936,000,000	3.25%	\$ 14,715,200,000	3.50%	\$ 15,280,229,539	5.81%
FRANCHISE AND EXCISE TAXES	3,841,300,000	0.60%	4,215,000,000	3.61%	3,923,400,000	2.75%	4,306,867,492	3.33%
INCOME TAX	-	N/A	-	N/A	500,000	-50.00%	-	N/A
ROAD USER TAXES	1,710,000,000	0.88%	1,744,100,000	1.75%	1,706,500,000	0.95%	1,732,036,474	0.42%
ALL OTHER TAXES	1,810,200,000	2.74%	1,824,400,000	2.91%	1,828,100,000	3.11%	1,660,469,814	0.69%

¹ For FY 2025-2026, Sales and Use Tax estimates and Privilege Tax estimates exclude designated earmarked funds.

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

Estimated Revenues Based on Recurring Growth Rates

Funding Board Meeting - November 25, 2024

	<u>Recurring Actual FY 2023-2024</u>	<u>FY 2024-2025</u>	<u>Growth Rate</u>	<u>FY 2025-2026</u>	<u>Growth Rate</u>
Total Taxes	\$ 22,136,772,800			\$ 22,037,000,000	1.25%
		\$ 21,764,900,000	-1.68%		
				\$ 22,232,800,000	2.15%
				\$ 22,113,200,000	1.25%
		\$ 21,840,200,000	-1.34%		
				\$ 22,309,800,000	2.15%
		<i>Spread</i>	<i>0.34%</i>		<i>0.90%</i>
General Fund	\$ 19,200,703,200			\$ 18,907,900,000	1.00%
		\$ 18,720,700,000	-2.50%		
				\$ 19,095,100,000	2.00%
				\$ 19,022,800,000	1.00%
		\$ 18,834,500,000	-1.91%		
				\$ 19,211,200,000	2.00%
		<i>Spread</i>	<i>0.59%</i>		<i>1.00%</i>

Net Lottery Proceeds Estimates
Actual 2023-2024 and Estimated 2024-2025 Through 2028-2029
November 25, 2024

	2023-2024 Actual	2024-2025 Revised	%	2025-2026 Estimated	%	2026-2027 Estimated	%	2027-2028 Estimated	%	2028-2029 Estimated	%
Lottery Corporation											
Low	501,321,800	455,324,000	-9.18%	463,000,000	1.69%	471,000,000	1.73%	480,000,000	1.91%	488,000,000	1.67%
High	501,321,800	475,166,000	-5.22%	486,000,000	2.28%	497,000,000	2.26%	508,000,000	2.21%	519,000,000	2.17%
Fiscal Review Staff											
Low	501,321,800	463,575,400	-7.53%	464,541,600	0.21%						
Median	501,321,800	470,204,400	-6.21%	474,654,000	0.95%	479,400,540	1.00%	484,194,545	1.00%	489,036,490	1.00%
High	501,321,800	476,833,400	-4.88%	484,766,400	1.66%						
Recommended Range											
Low	501,321,800	456,200,000	-9.00%	460,300,000	0.90%	464,900,000	1.00%	469,500,000	1.00%	474,200,000	1.00%
High	501,321,800	471,200,000	-6.00%	479,200,000	1.69%	488,800,000	2.00%	498,600,000	2.00%	508,600,000	2.00%
Spread		15,000,000	3.00%	18,900,000	0.79%	23,900,000	1.00%	29,100,000	1.00%	34,400,000	1.00%



DR. STEVEN GENTILE
Interim Executive Director

BILL LEE
Governor

STATE OF TENNESSEE
HIGHER EDUCATION COMMISSION
STUDENT ASSISTANCE CORPORATION
312 ROSA L. PARKS AVENUE, 9TH FLOOR
NASHVILLE, TENNESSEE 37243
(615) 741-3605

November 4, 2024

MEMORANDUM

TO: State Funding Board

FROM: Tim Phelps, Senior 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 2028-29 academic year.

The expenditures below incorporate data for all lottery-funded programs, including the HOPE Scholarship, General Assembly Merit Scholarship, ASPIRE award, Wilder-Naifeh Technical Skills Grant, Nontraditional Student Grant, Dual Enrollment Grant, Helping Heroes Grant, Foster Child Tuition Grant, STEP UP Scholarship, TCAT Reconnect, the Tennessee Middle College Scholarship, and Tennessee Reconnect.

<u>Fiscal Year</u>	<u>TELS Low</u>	<u>TELS Baseline</u>	<u>TELS High</u>	<u>Recipients</u>
2023-24 actual*	N/A	\$446.6M	N/A	144,200
2024-25 estimated*	\$457.1M	\$466.4M	\$480.4M	150,600
2025-26 estimated*	\$461.6M	\$471.1M	\$485.2M	152,100
2026-27 estimated*	\$466.3M	\$475.8M	\$490.0M	153,600
2027-28 estimated*	\$470.9M	\$480.5M	\$494.9M	155,200
2028-29 estimated*	\$475.6M	\$485.3M	\$499.9M	156,700

**Does not include estimated administrative costs and Tennessee Promise Scholarship estimated expenditures.*

These projections are based on the latest student enrollment data, 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.



BILL LEE
GOVERNOR

STATE OF TENNESSEE
DEPARTMENT OF EDUCATION
NINTH FLOOR, ANDREW JOHNSON TOWER
710 JAMES ROBERTSON PARKWAY
NASHVILLE, TN 37243-0375

LIZZETTE REYNOLDS
COMMISSIONER

TO: Members of the Tennessee State Funding Board

FROM: Lizzette Reynolds, Commissioner

DATE: October 31, 2024

SUBJECT: Request for \$23,000 from Net Lottery Proceeds for Lottery Scholarship Day for FY2025-2026

Pursuant to Tenn. Code Ann. 4-51-111(c)(2)(B) which states prior to December 15, "appropriate state agencies shall submit to the funding board and to the governor their recommendations for other education programs and purposes consistent with article XI, § 5 of the Tennessee Constitution", the Department of Education requests the allotment of \$23,000 from net lottery proceeds in FY 2025-2026 for Lottery Scholarship Day.

These funds will support improvements and enhancements for educational programs and purposes and such net proceeds shall be used to supplement, not supplant, non-lottery educational resources for educational programs and purposes.

Your consideration and approval of this request is appreciated.

cc: David Thurman

Financial Statements



Financial Statements



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General Fund
Comparative Balance Sheet
June 30, 2023, and June 30, 2024

	<u>June 30, 2023</u>	<u>June 30, 2024</u>
Assets:		
Cash and Cash Equivalents	\$ 16,967,166,000	\$ 13,179,507,000
Receivables, net	2,788,354,000	3,803,054,000
Due from Other Funds	1,913,000	2,717,000
Due from Component Units	163,000	281,000
Inventories, at Cost	60,816,000	54,225,000
Loans Receivable	1,213,000	1,209,000
Prepayments and Others	8,931,000	10,486,000
Restricted Assets - Investments	98,150,000	129,003,000
Total Assets	<u>\$ 19,926,706,000</u>	<u>\$ 17,180,482,000</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance		
Liabilities:		
Accounts Payable and Accruals	\$ 5,505,337,000	\$ 6,458,004,000
Due to Other Funds	78,773,000	47,373,000
Due to Component Units	24,055,000	29,563,000
Unearned Revenue	601,983,000	641,588,000
Total Liabilities	<u>\$ 6,210,148,000</u>	<u>\$ 7,176,528,000</u>
Deferred Inflows of Resources	<u>\$ 151,591,000</u>	<u>\$ 196,458,000</u>
Fund Balance:		
Nonspendable - Inventories	\$ 58,435,000	\$ 54,225,000
Nonspendable - Accounts Receivable	5,440,000	6,429,000
Nonspendable - Prepayments	1,037,000	10,395,000
Restricted	206,561,000	256,187,000
Committed	691,702,000	745,242,000
Assigned - Appropriations for 2023-2024	5,322,000,000	0
Assigned - Appropriations for 2024-2025	0	456,900,000
Assigned - Other Reserves	3,953,561,000	4,513,928,000
Unassigned - Revenue Fluctuation Reserve	1,800,000,000	2,050,000,000
Unassigned - Reserve for Future Requirements	1,526,231,000	1,713,687,000
Unassigned - Fund Balance	0	503,000
Total Fund Balance	<u>\$ 13,564,967,000</u>	<u>\$ 9,807,496,000</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 19,926,706,000</u>	<u>\$ 17,180,482,000</u>

Education Fund
Comparative Balance Sheet
June 30, 2023, and June 30, 2024

	<u>June 30, 2023</u>	<u>June 30, 2024</u>
Assets:		
Cash and Cash Equivalents	\$ 612,934,000	\$ 307,233,000
Investments	568,423,000	763,636,000
Receivables, net	1,296,747,000	1,303,746,000
Due from Other Funds	76,743,000	28,162,000
Due from Component Units	131,845,000	152,111,000
Inventories, at Cost	118,000	106,000
Restricted Assets - Investments	<u>361,381,000</u>	<u>361,381,000</u>
Total Assets	<u>\$ 3,048,191,000</u>	<u>\$ 2,916,375,000</u>
 Liabilities, Deferred Inflows of Resources, and Fund Balance		
Liabilities:		
Accounts Payable and Accruals	\$ 813,438,000	\$ 739,544,000
Due to Other Funds	19,000	32,000
Due to Component Units	14,007,000	31,135,000
Unearned Revenue	<u>100,000</u>	<u>101,000</u>
Total Liabilities	<u>\$ 827,564,000</u>	<u>\$ 770,812,000</u>
Deferred Inflows of Resources	<u>\$ 51,793,000</u>	<u>\$ 63,567,000</u>
Fund Balance:		
Nonspendable - Inventories	\$ 118,000	\$ 106,000
Nonspendable - Permanent Fund and Endowment Corpus	361,381,000	361,381,000
Restricted - Lottery Scholarships	243,136,000	233,838,000
Restricted - Energy Efficient Schools	989,000	1,695,000
Restricted - After-School Program	57,824,000	52,302,000
Restricted - State Endowment	584,248,000	784,602,000
Restricted - Other	1,152,000	1,112,000
Committed	597,046,000	168,387,000
Assigned	<u>322,940,000</u>	<u>478,573,000</u>
Total Fund Balance	<u>\$ 2,168,834,000</u>	<u>\$ 2,081,996,000</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 3,048,191,000</u>	<u>\$ 2,916,375,000</u>

**Highway Fund
Comparative Balance Sheet
June 30, 2023, and June 30, 2024**

	<u>June 30, 2023</u>	<u>June 30, 2024</u>
Assets:		
Cash and Cash Equivalents	\$ 2,336,950,000	\$ 5,587,358,000
Receivables, net	282,291,000	295,992,000
Due from Other Funds	1,000	2,871,000
Inventories, at Cost	42,374,000	47,489,000
Loans Receivable	234,000	79,000
Prepayments and Others	<u>0</u>	<u>1,612,000</u>
Total Assets	<u>\$ 2,661,850,000</u>	<u>\$ 5,935,401,000</u>
 Liabilities, Deferred Inflows of Resources, and Fund Balance		
Liabilities:		
Accounts Payable and Accruals	\$ 339,654,000	\$ 447,140,000
Due to Other Funds	1,533,000	874,000
Due to Component Units	2,426,000	2,388,000
Unearned Revenue	<u>5,278,000</u>	<u>5,553,000</u>
Total Liabilities	<u>\$ 348,891,000</u>	<u>\$ 455,955,000</u>
Deferred Inflows of Resources	<u>\$ 59,940,000</u>	<u>\$ 58,420,000</u>
Fund Balance:		
Nonspendable - Inventories	\$ 42,374,000	\$ 47,489,000
Restricted	807,965,000	875,998,000
Committed	379,107,000	3,706,599,000
Assigned	<u>1,023,573,000</u>	<u>790,940,000</u>
Total Fund Balance	<u>\$ 2,253,019,000</u>	<u>\$ 5,421,026,000</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 2,661,850,000</u>	<u>\$ 5,935,401,000</u>

Debt Management

Recommended Budget, Fiscal Year 2025-2026

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 is pledged on all general obligations, and all state revenue collected and allocated to the general fund, the debt service fund, and the highway fund is also charged for payment of principal and interest on such debt obligations issued after July 1, 2013. In addition, the state covenants with the holders of general obligation bonds issued after July 1, 2013, that no additional bonds will be issued unless the amount necessary to pay the maximum annual debt service obligation is 10 percent or less of all state revenue allocated to the general fund, the debt service fund, and the highway fund for the immediately preceding fiscal year.

For the fiscal year ending June 30, 2024, the debt limit calculation produced a maximum annual debt service debt limit of \$1,203,630,500. The annual debt service requirement on the state's outstanding debt, authorized but unissued debt, and proposed bond authorizations in the fiscal year 2025-2026 budget total \$310,629,000, 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, cancelling bond authorizations in lieu of issuing debt, creating, and maintaining a Rainy Day Fund to offset unanticipated revenue shortfalls, and adopting 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 the highest available: 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 2024-2025. As of June 30, 2024, Tennessee's total general obligation bonded indebtedness was \$1,564,290,000, excluding the Facilities Revolving Fund (FRF). This debt was issued entirely for institutional and building construction.

There were no new general obligation bond authorizations for institutional and building bonds and economic and community development in fiscal year 2024-2025. Highway bond authorizations totaled \$87,700,000.

The state's practice of using surplus cash to finance road projects in lieu of issuing debt has been one of the key factors in Tennessee's ability to secure and retain very high bond ratings. Consistent with this long-standing policy, the State Funding Board cancelled \$83,800,000 in highway construction bonds and \$154,564 in regular general obligation bond authorizations in fiscal year 2023-2024.

The reduction in bond authorization coupled with the Funding Board's action on bond cancellations reduced the category of authorized but unissued bonds to \$909,726,900, which includes \$45.9 million in capital construction bonds, \$836.0 million in highway fund authorizations, and \$27.8 million in FRF bonds.

The recommended 2025-2026 capital budget excluding FRF is funded entirely from proposed bond authorizations in the amount of \$795,547,000, surplus cash in the amount of \$110,773,000 and \$287,333,800 from federal funds and other sources.

Debt Service Fund
Statement of Revenues, Expenditures, and Requirements
July 1, 2023 - June 30, 2026

	Actual 2023-2024	Estimated 2024-2025	Estimated 2025-2026
Fund Balance, July 1	\$ 33,340,000	\$ 42,921,000	\$ 29,200,000
Tax Revenues:			
Sales Tax	\$ 97,560,000	\$ 100,700,000	\$ 105,300,000
Gasoline Tax	83,800,000	87,700,000	80,000,000
Franchise Tax	18,000,000	18,000,000	18,000,000
Excise Tax	180,240,000	132,900,000	180,800,000
Motor Vehicle Title Fees	2,700,000	2,700,000	2,700,000
Total Tax Revenues	\$ 382,300,000	\$ 342,000,000	\$ 386,800,000
Other Revenues:			
Sports Authority	\$ 3,330,000	\$ 3,309,000	\$ 3,285,000
University of Memphis - Land Bank	183,000	0	183,000
State Veterans' Homes - Refinancing	340,000	378,000	361,000
Other Revenue	1,871,000	0	0
Premium on Bond Sales	2,583,000	0	0
Interest Earnings	21,250,000	0	0
Total Other Revenues	\$ 29,557,000	\$ 3,687,000	\$ 3,829,000
Total Available Funds	\$ 445,197,000	\$ 388,608,000	\$ 419,829,000
Appropriations, Transfers, and Fund Balance			
Debt Service Appropriations for:			
Outstanding Bonds at July 1	\$ 224,498,000	\$ 219,057,000	\$ 210,585,000
Capital Outlay - Unissued Bonds (\$45,881,300)	0	0	5,044,000
Proposed Capital Outlay Bonds (\$795,547,000)	0	0	87,500,000
Short-Term Interest	2,475,000	4,000,000	4,000,000
Debt Issuance Expense	4,162,000	3,500,000	3,500,000
Total Debt Service Appropriations	\$ 231,135,000	\$ 226,557,000	\$ 310,629,000
Transfers to Other Funds:			
Highway Fund - Bonds Cancelled	\$ 83,800,000	\$ 87,700,000	\$ 80,000,000
General Fund	87,186,000	39,399,000	0
Capital Projects Fund - University of Memphis	155,000	0	0
Capital Projects Fund - Bonds Cancelled	0	5,752,000	0
Total Transfers to Other Funds	\$ 171,141,000	\$ 132,851,000	\$ 80,000,000
Total Appropriations and Transfers	\$ 402,276,000	\$ 359,408,000	\$ 390,629,000
Fund Balance, June 30			
Net Receivables	\$ 11,044,000	\$ 8,500,000	\$ 8,500,000
Cash and Cash Equivalents	23,908,000	10,700,000	10,700,000
Construction Funds Trust Agreement Reserve	7,969,000	0	0
Unobligated Balance	0	10,000,000	10,000,000
Total Fund Balance, June 30	\$ 42,921,000	\$ 29,200,000	\$ 29,200,000

Debt Service Fund
Comparative Balance Sheet
June 30, 2023, and June 30, 2024

	<u>June 30, 2023</u>	<u>June 30, 2024</u>
Assets:		
Cash and Cash Equivalents	\$ 24,656,000	\$ 31,877,000
Receivables, net	9,487,000	11,782,000
Loans Receivable	<u>2,333,000</u>	<u>1,896,000</u>
Total Assets	<u>\$ 36,476,000</u>	<u>\$ 45,555,000</u>
 Liabilities, Deferred Inflows of Resources, and Fund Balance		
Liabilities:		
Accounts Payable and Accruals	<u>\$ 204,000</u>	<u>\$ 10,000</u>
Total Liabilities	<u>\$ 204,000</u>	<u>\$ 10,000</u>
Deferred Inflows of Resources	<u>\$ 2,932,000</u>	<u>\$ 2,624,000</u>
Fund Balance:		
Restricted	\$ 0	\$ 7,969,000
Assigned	<u>33,340,000</u>	<u>34,952,000</u>
Total Fund Balance	<u>\$ 33,340,000</u>	<u>\$ 42,921,000</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 36,476,000</u>	<u>\$ 45,555,000</u>

Bond Fund
Statement of Bonds Authorized and Unissued
June 30, 2023 - June 30, 2025

Year	Authority	Description	June 30, 2023	June 30, 2024	June 30, 2025 *
2007	Chapter 591	Higher Education - Board of Regents	\$ 1,381,061.97	\$ 1,226,497.97	\$ 1,226,497.97
2010	Chapter 1109	Capital Outlay	1,124,023.43	1,124,023.43	174,023.43
2010	Chapter 1109	Facilities Revolving Fund	1,465,579.16	1,465,579.16	1,245,618.16
2011	Chapter 470	Capital Outlay	2,753,814.58	2,753,814.58	2,753,814.58
2011	Chapter 470	Capital Outlay - Board of Regents	34,000,000.00	12,000,000.00	12,000,000.00
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	26,600,000.00	26,600,000.00
2012	Chapter 1024	Capital Outlay	21,337,345.38	7,338,061.88	7,252,656.50
2013	Chapter 452	Capital Outlay	3,583,313.10	3,583,313.10	3,583,313.10
2014	Chapter 813	Capital Outlay	2,663,386.89	2,663,386.89	2,663,386.89
2015	Chapter 424	Capital Outlay	10,525,589.15	10,525,589.15	8,227,583.75
2015	Chapter 424	Highway Construction	83,800,000.00	0.00	0.00
2016	Chapter 1060	Highway Construction	87,700,000.00	87,700,000.00	0.00
2017	Chapter 462	Highway Construction	80,000,000.00	80,000,000.00	80,000,000.00
2018	Chapter 1062	Capital Outlay	30,708,000.00	7,283.50	0.00
2018	Chapter 1062	Facilities Revolving Fund	2,191,504.01	2,191,504.01	0.00
2018	Chapter 1062	Highway Construction	127,000,000.00	127,000,000.00	127,000,000.00
2019	Chapter 403	Highway Construction	124,000,000.00	124,000,000.00	124,000,000.00
2020	Chapter 649	Highway Construction	124,000,000.00	124,000,000.00	124,000,000.00
2021	Chapter 455	Highway Construction	126,000,000.00	126,000,000.00	126,000,000.00
2022	Chapter 1133	Capital Outlay	500,000,000.00	0.00	0.00
2022	Chapter 1133	Highway Construction	83,500,000.00	83,500,000.00	83,500,000.00
2023	Chapter 421	Highway Construction	83,800,000.00	83,800,000.00	83,800,000.00
2024	Chapter 965	Highway Construction	0.00	87,700,000.00	87,700,000.00
Total Bonds Authorized and Unissued			\$ 1,544,133,617.67	\$ 1,003,179,053.67	\$ 909,726,894.38
Summary by Purpose:					
		Capital Outlay	\$ 616,076,534.50	\$ 49,221,970.50	\$ 45,881,276.22
		Facilities Revolving Fund	8,257,083.17	30,257,083.17	27,845,618.16
		Highway Construction	919,800,000.00	923,700,000.00	836,000,000.00
Total Bonds Authorized and Unissued			\$ 1,544,133,617.67	\$ 1,003,179,053.67	\$ 909,726,894.38

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

Bond Fund
Statement of Bonds Sold
July 1, 2022 - June 30, 2025

<u>Year</u>	<u>Authority</u>	<u>Description</u>	<u>July 1, 2022 - June 30, 2023</u>	<u>July 1, 2023 - June 30, 2024</u>	<u>July 1, 2024 - June 30, 2025</u>
2012	Chapter 1024	Capital Outlay	\$ 0.00	\$ 13,999,283.50	\$ 0.00
2018	Chapter 1062	Capital Outlay	0.00	30,700,716.50	0.00
2022	Chapter 1133	Capital Outlay	0.00	500,000,000.00	0.00
Total Bonds Sold			<u>\$ 0.00</u>	<u>\$ 544,700,000.00</u>	<u>\$ 0.00</u>
Summary by Purpose:					
		Capital Outlay	\$ 0.00	\$ 544,700,000.00	\$ 0.00
		Facilities Revolving Fund	0.00	0.00	0.00
		Total Bonds Sold	<u>\$ 0.00</u>	<u>\$ 544,700,000.00</u>	<u>\$ 0.00</u>

Bond Fund
Statement of Appropriations in Lieu of Issuing Bonds
Statement of Bonds Cancelled
July 1, 2022 - June 30, 2025

Year	Authority	Description	July 1, 2022 - June 30, 2023	July 1, 2023 - June 30, 2024	July 1, 2024 - June 30, 2025 *
2007	Chapter 591	Capital Outlay	\$ 266,242.41	\$ 154,564.00	\$ 0.00
2010	Chapter 1109	Capital Outlay	0.00	0.00	950,000.00
2010	Chapter 1109	Facilities Revolving Fund	0.00	0.00	219,961.00
2012	Chapter 1024	Capital Outlay	2,445.07	0.00	85,405.38
2014	Chapter 813	Highway Construction	83,500,000.00	0.00	0.00
2015	Chapter 424	Highway Construction	0.00	83,800,000.00	0.00
2015	Chapter 424	Capital Outlay	0.00	0.00	2,298,005.40
2016	Chapter 1060	Highway Construction	0.00	0.00	87,700,000.00
2018	Chapter 1062	Capital Outlay	0.00	0.00	7,283.50
2018	Chapter 1062	Facilities Revolving Fund	0.00	0.00	2,191,504.01
Total Appropriations in Lieu of Issuing Bonds			\$ 83,768,687.48	\$ 83,954,564.00	\$ 93,452,159.29
Summary by Purpose:					
		Capital Outlay	\$ 268,687.48	\$ 154,564.00	\$ 3,340,694.28
		Facilities Revolving Fund	0.00	0.00	2,411,465.01
		Highway Construction	83,500,000.00	83,800,000.00	87,700,000.00
Total Appropriations in Lieu of Issuing Bonds			\$ 83,768,687.48	\$ 83,954,564.00	\$ 93,452,159.29

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

Bond Fund
Statement of Bonded Indebtedness
Principal and Interest on Bonded Debt
June 30, 2024

Fiscal Year	Outstanding Bonds		
	Principal	Interest	Total
2024 - 2025	158,887,000	60,171,000	219,058,000
2025 - 2026	155,638,000	54,947,000	210,585,000
2026 - 2027	149,081,000	49,710,000	198,791,000
2027 - 2028	144,074,000	44,355,000	188,429,000
2028 - 2029	136,692,000	39,094,000	175,786,000
2029 - 2030	112,828,000	34,331,000	147,159,000
2030 - 2031	102,791,000	29,966,000	132,757,000
2031 - 2032	95,677,000	25,821,000	121,498,000
2032 - 2033	73,250,000	22,306,000	95,556,000
2033 - 2034	66,963,000	19,398,000	86,361,000
2034 - 2035	66,427,000	16,624,000	83,051,000
2035 - 2036	63,221,000	13,872,000	77,093,000
2036 - 2037	49,987,000	11,274,000	61,261,000
2037 - 2038	41,234,000	9,038,000	50,272,000
2038 - 2039	33,763,000	7,033,000	40,796,000
2039 - 2040	33,763,000	5,400,000	39,163,000
2040 - 2041	27,570,000	3,906,000	31,476,000
2041 - 2042	27,569,000	2,550,000	30,119,000
2042 - 2043	24,875,000	1,248,000	26,123,000
Total	\$ 1,564,290,000	\$ 451,044,000	\$ 2,015,334,000

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, 2024, the outstanding principal was \$124,815,000 and interest was \$25,696,000.

Capital Outlay and Facilities Program



Capital Outlay and Facilities Program



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Capital Budget

Recommended Budget, Fiscal Year 2025-2026

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 campuses 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 campuses 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, 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. 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 \$250,000 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.

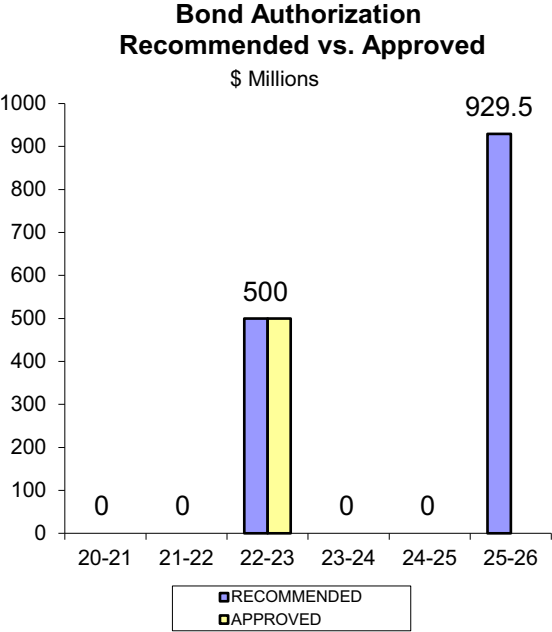
Capital improvement projects are defined as those providing new facilities or materially extending the useful life and improving or changing the function of an existing facility. These projects include facility renovation, new construction, new utility or service systems, land with or without buildings, 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 2025-2026 capital appropriations budget recommends \$1,369,463,800 divided between capital improvement projects and capital maintenance requests. The recommendation includes \$1.18 billion for capital outlay, \$175.8 million for the Facilities Revolving Fund, and \$8.5 million for projects funded from dedicated sources of revenue.

Capital Outlay Improvement Projects — Capital outlay improvement projects recommended for fiscal year 2025-2026 total \$1,025,035,000 including \$110,773,000 from state appropriations. Bonds, federal, and other funding sources account for the remainder of the total amount. The recommendation includes \$599.8 million for Higher Education projects, \$48.5 million for state parks, and various upgrades to state facilities.

Capital Outlay Maintenance Projects — Capital outlay maintenance projects are recommended at a level of \$160,150,000. Federal and other funding sources account for 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 environmental standards and individuals with disabilities.

New Bond Authorizations — Total capital maintenance, capital improvements, and Facilities Revolving Fund requests will require \$929,547,000 in new bond authorization. The following chart compares the bond authorizations recommended with those approved by the General Assembly during the past five years.



Facilities Revolving Fund — Capital funding in the amount of \$175,810,000 is recommended for capital maintenance, utilizing \$3.5 million in general fund appropriations. These projects are listed in the “Facilities Revolving Fund” section, which follows the “Capital Budget” section of this document.

Dedicated Sources of Revenue — Projects from dedicated sources of revenue in the amount of \$8,468,800 are also recommended for the Tennessee Wildlife Resources Agency and the Tennessee Department of Transportation. These projects are included in the “Capital Budget” section of this document under the heading “Projects Funded from Dedicated Revenues.”

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.

**Summary of Proposed Capital Appropriations
from Bonds, Current Funds, and Other Revenues
Fiscal Year 2025-2026**

	<u>TOTAL</u>	<u>STATE</u>	<u>BONDS</u>	<u>FEDERAL</u>	<u>OTHER</u>
Capital Outlay Program	\$ 1,369,463,800	\$ 114,273,000	\$ 929,547,000	\$ 10,979,000	\$ 314,664,800
Capital Maintenance	196,950,000	0	0	8,930,000	188,020,000
Capital Improvements	1,172,513,800	114,273,000	929,547,000	2,049,000	126,644,800
Capital Outlay ¹	\$ 1,185,185,000	\$ 110,773,000	\$ 795,547,000	\$ 10,979,000	\$ 267,886,000
Capital Maintenance	160,150,000	0	0	8,930,000	151,220,000
Capital Improvements	1,025,035,000	110,773,000	795,547,000	2,049,000	116,666,000
Facilities Revolving Fund (FRF) ¹	\$ 175,810,000	\$ 3,500,000	\$ 134,000,000	\$ 0	\$ 38,310,000
Capital Maintenance	32,800,000	0	0	0	32,800,000
Capital Improvements	143,010,000	3,500,000	134,000,000	0	5,510,000
Dedicated Funds ¹	\$ 8,468,800	\$ 0	\$ 0	\$ 0	\$ 8,468,800
Capital Maintenance	4,000,000	0	0	0	4,000,000
Capital Improvements	4,468,800	0	0	0	4,468,800

¹ Included in Capital Outlay Program total.

**Proposed Capital Appropriations
from Bonds, Current Funds, and Other Revenues
Fiscal Year 2025-2026**

PROJECT	COUNTY	TOTAL	STATE	BONDS	FEDERAL	OTHER
Children's Services						
New Woodland Hills and Wilder Secure Facilities	Statewide	\$ 81,100,000	\$ 0	\$ 81,100,000	\$ 0	\$ 0
Correction						
Maintenance	Statewide	\$ 28,230,000	\$ 0	\$ 0	\$ 0	\$ 28,230,000
DJRC Health Services Renovations and Addition	Davidson	4,372,000	0	0	0	4,372,000
Sub-Total Correction		\$ 32,602,000	\$ 0	\$ 0	\$ 0	\$ 32,602,000
Education						
Maintenance	Statewide	\$ 15,360,000	\$ 0	\$ 0	\$ 0	\$ 15,360,000
Environment and Conservation						
Maintenance	Statewide	\$ 40,460,000	\$ 0	\$ 0	\$ 0	\$ 40,460,000
Clinch River Blueway State Park VC and Maintenance Facility	Anderson	6,550,000	6,550,000	0	0	0
Devil's Backbone SP VC, Maint Facility, & Campground	Lewis	21,350,000	21,350,000	0	0	0
Dry Branch State Park Contact Station and Maintenance Facility	Lewis	16,500,000	16,500,000	0	0	0
Hiwassee Confluence/Cherokee Memorial State Park Amenities	Meigs	4,100,000	4,100,000	0	0	0
Sub-Total Environment and Conservation		\$ 88,960,000	\$ 48,500,000	\$ 0	\$ 0	\$ 40,460,000
General Services						
Maintenance	Statewide	\$ 1,000,000	\$ 0	\$ 0	\$ 0	\$ 1,000,000
Mental Health and Substance Abuse Services						
Maintenance	Statewide	\$ 3,360,000	\$ 0	\$ 0	\$ 0	\$ 3,360,000
Military						
Maintenance	Statewide	\$ 15,980,000	\$ 0	\$ 0	\$ 8,930,000	\$ 7,050,000
Dickson RC Parking and Vault Improvements	Dickson	1,192,000	298,000	0	894,000	0
Lexington RC Parking and Vault Improvements	Henderson	1,540,000	385,000	0	1,155,000	0
Smyrna Airport Land Purchase and Demolition	Rutherford	7,630,000	7,630,000	0	0	0
Statewide Force Protection Improvements	Statewide	5,500,000	5,500,000	0	0	0
TEMA New EOC and Admin Building	Davidson	275,360,000	3,460,000	271,900,000	0	0
Sub-Total Military		\$ 307,202,000	\$ 17,273,000	\$ 271,900,000	\$ 10,979,000	\$ 7,050,000
Safety						
Maintenance	Statewide	\$ 5,920,000	\$ 0	\$ 0	\$ 0	\$ 5,920,000
Locally Governed Higher Education Institutions						
Austin Peay State University						
Maintenance	Statewide	\$ 2,000,000	\$ 0	\$ 0	\$ 0	\$ 2,000,000
East Tennessee State University						
Maintenance	Statewide	\$ 3,500,000	\$ 0	\$ 0	\$ 0	\$ 3,500,000
Brown Hall Renovation Phase 2	Washington	53,441,000	0	51,325,000	0	2,116,000
Sub-Total East Tennessee State University		\$ 56,941,000	\$ 0	\$ 51,325,000	\$ 0	\$ 5,616,000
Middle Tennessee State University						
Maintenance	Statewide	\$ 3,500,000	\$ 0	\$ 0	\$ 0	\$ 3,500,000
Addition and Renovation to the Murphy Center *	Rutherford	119,000,000	0	53,000,000	0	66,000,000
Sub-Total Tennessee Technological University		\$ 122,500,000	\$ 0	\$ 53,000,000	\$ 0	\$ 69,500,000
Tennessee State University						
Maintenance	Statewide	\$ 2,320,000	\$ 0	\$ 0	\$ 0	\$ 2,320,000
Tennessee Technological University						
Maintenance	Statewide	\$ 2,520,000	\$ 0	\$ 0	\$ 0	\$ 2,520,000
Advanced Construction & Manufacturing Engineering	Putnam	27,200,000	0	25,024,000	0	2,176,000
Sub-Total Tennessee Technological University		\$ 29,720,000	\$ 0	\$ 25,024,000	\$ 0	\$ 4,696,000
University of Memphis						
Maintenance	Statewide	\$ 5,880,000	\$ 0	\$ 0	\$ 0	\$ 5,880,000
Research Modernization	Shelby	75,000,000	0	70,500,000	0	4,500,000
Sub-Total University of Memphis		\$ 80,880,000	\$ 0	\$ 70,500,000	\$ 0	\$ 10,380,000
Sub-Total Locally Governed Higher Education Institutions		\$ 294,361,000	\$ 0	\$ 199,849,000	\$ 0	\$ 94,512,000
Tennessee Board of Regents						
Maintenance	Statewide	\$ 11,770,000	\$ 0	\$ 0	\$ 0	\$ 11,770,000
TCAT Nashville Sumner County Campus Replacement	Sumner	45,000,000	45,000,000	0	0	0
TCAT Memphis Aviation Campus Replacement	Shelby	20,000,000	0	20,000,000	0	0
Sub-Total Tennessee Board of Regents		\$ 76,770,000	\$ 45,000,000	\$ 20,000,000	\$ 0	\$ 11,770,000

**Proposed Capital Appropriations
from Bonds, Current Funds, and Other Revenues
Fiscal Year 2025-2026**

PROJECT	COUNTY	TOTAL	STATE	BONDS	FEDERAL	OTHER
University of Tennessee						
Maintenance	Statewide	\$ 18,350,000	\$ 0	\$ 0	\$ 0	\$ 18,350,000
UTK Chemistry Building	Knox	199,000,000	0	165,170,000	0	33,830,000
UTM College of Business and Global Affairs	Weakley	61,200,000	0	57,528,000	0	3,672,000
Sub-Total University of Tennessee		\$ 278,550,000	\$ 0	\$ 222,698,000	\$ 0	\$ 55,852,000
Grand Total						
Sub-Total Capital Maintenance		<u>160,150,000</u>	<u>0</u>	<u>0</u>	<u>8,930,000</u>	<u>151,220,000</u>
Sub-Total Capital Improvements		<u>1,025,035,000</u>	<u>110,773,000</u>	<u>795,547,000</u>	<u>2,049,000</u>	<u>116,666,000</u>
Sub-Total Higher Education		\$ 649,681,000	\$ 45,000,000	\$ 442,547,000	\$ 0	\$ 162,134,000
Capital Maintenance		<u>49,840,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>49,840,000</u>
Capital Improvements		<u>599,841,000</u>	<u>45,000,000</u>	<u>442,547,000</u>	<u>0</u>	<u>112,294,000</u>
Sub-Total Other Agencies		\$ 535,504,000	\$ 65,773,000	\$ 353,000,000	\$ 10,979,000	\$ 105,752,000
Capital Maintenance		<u>110,310,000</u>	<u>0</u>	<u>0</u>	<u>8,930,000</u>	<u>101,380,000</u>
Capital Improvements		<u>425,194,000</u>	<u>65,773,000</u>	<u>353,000,000</u>	<u>2,049,000</u>	<u>4,372,000</u>

Other funding is from TN State School Bonds (see Capital Projects from School Bonds and Other Sources Fiscal Year 2025-2026).

**Proposed Capital Maintenance Appropriations
from Bonds, Current Funds, and Other Revenues
Fiscal Year 2025-2026**

PROJECT	COUNTY	TOTAL	STATE	BONDS	FEDERAL	OTHER
Correction						
MLTC Primary Generator Replacement	Shelby	\$ 8,790,000	\$ 0	\$ 0	\$ 0	\$ 8,790,000
WTSP New Controls and Generators	Lauderdale	19,440,000	0	0	0	19,440,000
Sub-Total Correction		\$ 28,230,000	\$ 0	\$ 0	\$ 0	\$ 28,230,000
Education						
Alvin C. York Campus Roof Replacements	Fentress	\$ 13,400,000	\$ 0	\$ 0	\$ 0	\$ 13,400,000
TSB Lobby Security Upgrades	Davidson	1,060,000	0	0	0	1,060,000
WTSD Sprinkler System Upgrades	Madison	900,000	0	0	0	900,000
Sub-Total Education		\$ 15,360,000	\$ 0	\$ 0	\$ 0	\$ 15,360,000
Environment and Conservation						
Booker T Washington SP Shoreline Stabilization	Hamilton	\$ 10,760,000	\$ 0	\$ 0	\$ 0	\$ 10,760,000
Harrison Bay SP Shoreline Stabilization	Hamilton	16,340,000	0	0	0	16,340,000
Paris Landing SP Shoreline Stabilization	Henry	9,760,000	0	0	0	9,760,000
SCSP Denny Cove Roadway Repairs	Grundy	3,600,000	0	0	0	3,600,000
Sub-Total Environment and Conservation		\$ 40,460,000	\$ 0	\$ 0	\$ 0	\$ 40,460,000
General Services						
Environmental Consultant	Statewide	\$ 1,000,000	\$ 0	\$ 0	\$ 0	\$ 1,000,000
Mental Health and Substance Abuse Services						
Moccasin Bend Roofing Repairs	Hamilton	\$ 1,240,000	\$ 0	\$ 0	\$ 0	\$ 1,240,000
MTMHI Canopy Replacement	Davidson	2,120,000	0	0	0	2,120,000
Sub-Total Mental Health and Substance Abuse Services		\$ 3,360,000	\$ 0	\$ 0	\$ 0	\$ 3,360,000
Military						
Chattanooga Bldg. 5 Re-Roof, HVAC, & Facility Update	Hamilton	\$ 2,600,000	\$ 0	\$ 0	\$ 1,300,000	\$ 1,300,000
Columbia RC Re-Roof and Facility Update	Maury	1,980,000	0	0	990,000	990,000
Crossville RC Re-Roof and Facility Update	Cumberland	1,480,000	0	0	740,000	740,000
Greeneville RC HVAC and Energy Update	Greene	2,050,000	0	0	1,025,000	1,025,000
Jackson AASF RC Re-Roof, HVAC, & Facility Update	Madison	1,340,000	0	0	670,000	670,000
Louisville RC Re-Roof and Facility Update	Blount	1,980,000	0	0	1,485,000	495,000
Millington RC Re-Roof and Facility Update	Shelby	1,780,000	0	0	1,335,000	445,000
Sparta RC Re-Roof and Facility Update	White	1,670,000	0	0	835,000	835,000
Statewide Paving	Statewide	1,100,000	0	0	550,000	550,000
Sub-Total Military		\$ 15,980,000	\$ 0	\$ 0	\$ 8,930,000	\$ 7,050,000
Safety						
THP Harrison Hall Renovations	Davidson	\$ 5,920,000	\$ 0	\$ 0	\$ 0	\$ 5,920,000
Locally Governed Higher Education Institutions						
Austin Peay State University						
Dunn Center HVAC and Electrical Modernization Phase 5	Montgomery	\$ 1,710,000	\$ 0	\$ 0	\$ 0	\$ 1,710,000
Dunn Center HVAC and Electrical Modernization Phase 6	Montgomery	290,000	0	0	0	290,000
Sub-Total Austin Peay State University		\$ 2,000,000	\$ 0	\$ 0	\$ 0	\$ 2,000,000
East Tennessee State University						
Safety Steam Line Repairs and Replacements	Washington	\$ 3,500,000	\$ 0	\$ 0	\$ 0	\$ 3,500,000
Middle Tennessee State University						
Multiple Buildings Envelope & Structural Repairs Phase 1	Rutherford	\$ 3,500,000	\$ 0	\$ 0	\$ 0	\$ 3,500,000
Tennessee State University						
Chiller Replacement-Avon Williams	Davidson	\$ 2,320,000	\$ 0	\$ 0	\$ 0	\$ 2,320,000
Tennessee Technological University						
Multiple Buildings Air Handler Replacement	Putnam	\$ 1,080,000	\$ 0	\$ 0	\$ 0	\$ 1,080,000
Multiple Buildings Roof Replacements	Putnam	1,440,000	0	0	0	1,440,000
Sub-Total Tennessee Technological University		\$ 2,520,000	\$ 0	\$ 0	\$ 0	\$ 2,520,000
University of Memphis						
Boilers and Coil Replacement Phase 3	Shelby	\$ 5,880,000	\$ 0	\$ 0	\$ 0	\$ 5,880,000
Sub-Total Locally Governed Higher Education Institutions		\$ 19,720,000	\$ 0	\$ 0	\$ 0	\$ 19,720,000

**Proposed Capital Maintenance Appropriations
from Bonds, Current Funds, and Other Revenues
Fiscal Year 2025-2026**

PROJECT	COUNTY	TOTAL	STATE	BONDS	FEDERAL	OTHER
Tennessee Board of Regents						
JSCC Multiple Building Roofing Phase 2	Madison	\$ 2,130,000	\$ 0	\$ 0	\$ 0	\$ 2,130,000
MSCC Backup Power and Utilities Upgrades Phase 2	Moore	1,650,000	0	0	0	1,650,000
NaSCC HVAC and Cooling Tower Repairs Phase 4	Davidson	3,000,000	0	0	0	3,000,000
NeSCC Hamilton Hall HVAC Replacement	Sullivan	1,800,000	0	0	0	1,800,000
PSCC HVAC Equipment Replacement	Knox	850,000	0	0	0	850,000
PSCC Magnolia Campus ADA Corrections	Knox	640,000	0	0	0	640,000
VSCC Domestic Water Improvements Phase 2	Sumner	900,000	0	0	0	900,000
VSCC Roof Replacements	Sumner	800,000	0	0	0	800,000
Sub-Total Tennessee Board of Regents		\$ 11,770,000	\$ 0	\$ 0	\$ 0	\$ 11,770,000
University of Tennessee						
UTC Fine Arts Center Envelope Repairs Phase 2	Hamilton	\$ 8,750,000	\$ 0	\$ 0	\$ 0	\$ 8,750,000
UTHSC Johnson Mechanical & Electrical Upgrades	Shelby	2,600,000	0	0	0	2,600,000
UTM HVAC Systems Upgrades	Weakley	3,100,000	0	0	0	3,100,000
UTS Johnston Center Upgrades Phase 2	Giles	3,900,000	0	0	0	3,900,000
Sub-Total University of Tennessee		\$ 18,350,000	\$ 0	\$ 0	\$ 0	\$ 18,350,000
Grand Total		\$ 160,150,000	\$ 0	\$ 0	\$ 8,930,000	\$ 151,220,000
Sub-Total Higher Education		49,840,000	0	0	0	49,840,000
Sub-Total Other Agencies		110,310,000	0	0	8,930,000	101,380,000

**Projects Funded from Dedicated Revenues
Fiscal Year 2025-2026**

	<u>COUNTY</u>	<u>TOTAL</u>	<u>STATE</u>	<u>BONDS</u>	<u>FEDERAL</u>	<u>OTHER</u>
Capital Improvements:						
Tennessee Wildlife Resources Agency						
Region 3 New Catoosa Operations Building	Cumberland	\$ 2,990,000	\$ 0	\$ 0	\$ 0	\$ 2,990,000
Transportation						
Region 1 New Anderson County Support Buildings	Anderson	\$ 873,800	\$ 0	\$ 0	\$ 0	\$ 873,800
Region 3 New Rutherford County Support Buildings	Rutherford	605,000	0	0	0	605,000
Sub-Total Transportation		\$ 1,478,800	\$ 0	\$ 0	\$ 0	\$ 1,478,800
Total Improvements		\$ 4,468,800	\$ 0	\$ 0	\$ 0	\$ 4,468,800
Capital Maintenance:						
Transportation						
Region 4 Madison County Admin. Building Re-roof	Madison	\$ 4,000,000	\$ 0	\$ 0	\$ 0	\$ 4,000,000
Total Maintenance		\$ 4,000,000	\$ 0	\$ 0	\$ 0	\$ 4,000,000
Total Dedicated Funds		\$ 8,468,800	\$ 0	\$ 0	\$ 0	\$ 8,468,800

**Capital Projects from School Bonds and Other Sources
Fiscal Year 2025-2026**

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 the funding source. All projects have previously been endorsed by the 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				
Middle Tennessee State University				
Addition and Renovation to the Murphy Center	\$ 119,000,000	\$ 66,000,000	\$ 0	\$ 53,000,000
Multi-Sport Indoor Practice Facility	28,400,000	28,400,000	0	0
Reese Smith Jr. Field Turf Installation	1,500,000	1,500,000	0	0
Sub-Total Middle Tennessee State University	\$ 148,900,000	\$ 95,900,000	\$ 0	\$ 53,000,000
University of Memphis				
Business and Economics Addition	\$ 47,000,000	\$ 0	\$ 0	\$ 47,000,000
Graduate Housing Deloach	13,000,000	0	0	13,000,000
Performance Contracting	20,000,000	0	0	20,000,000
Soccer Complex	15,000,000	0	0	15,000,000
Student Athlete Support Center	40,000,000	0	0	40,000,000
Wilson Hospitality Improvements	13,000,000	0	0	13,000,000
Sub-Total University of Memphis	\$ 148,000,000	\$ 0	\$ 0	\$ 148,000,000
Total Locally Governed Institutions	\$ 296,900,000	\$ 95,900,000	\$ 0	\$ 201,000,000
Grand Total	\$ 296,900,000	\$ 95,900,000	\$ 0	\$ 201,000,000

Capital Outlay Project Descriptions

Fiscal Year 2025-2026

	Total Project Cost
Children's Services	
Objective: Provide safe and secure surroundings for youth development residents.	
New Woodland Hills and John Wilder Secure Facilities	\$ 81,100,000
Funds are provided to construct a new staff secure facility at Woodland Hills YDC and a new staff and hardware secure facility at John S. Wilder YDC.	
Correction	
Objective: Provide safe and secure facilities to house inmates.	
Maintenance	\$ 28,230,000
Funds are provided to repair, maintain, and update facilities. See Capital Maintenance Project Descriptions for additional details.	
DJRC Health Services Renovations and Addition	4,372,000
Funds are provided to renovate health service areas in buildings four and six and to construct an addition for building four.	
Sub-Total Correction	\$ 32,602,000
Education	
Objective: Provide a safe and secure environment for learning.	
Maintenance	\$ 15,360,000
Funds are provided to repair, maintain, and update facilities. See Capital Maintenance Project Descriptions for additional details.	
Environment and Conservation	
Objective: Increase visitation to the state's parks and historic areas.	
Maintenance	\$ 40,460,000
Funds are provided to repair, maintain, and update facilities. See Capital Maintenance Project Descriptions for additional details.	
Clinch River Blueway State Park VC and Maintenance Facility	6,550,000
Funds are provided to construct a new visitor center, maintenance facility, two kayak and canoe launches, utilities, roadways, and park amenities.	
Devils Backbone State Park VC, Maintenance Facility, and Campground	21,350,000
Funds are provided to construct a new visitor center, maintenance facility, campground, park amenities, and related infrastructure.	
Dry Branch State Park Contact Station and Maintenance Facility	16,500,000
Funds are provided to construct a new ranger contact station, maintenance facility, parking lot(s), utilities, roadways, and park amenities.	
Hiwassee Confluence and Cherokee Memorial State Park Amenities	4,100,000
Funds are provided to construct a new boat launch ramp, a new kayak and canoe launch with all necessary parking, and park amenities.	
Sub-Total Environment and Conservation	\$ 88,960,000
General Services	
Objective: Maintain, repair, and update general government facilities.	
Maintenance	\$ 1,000,000
Funds are provided to repair, maintain, and update facilities. See Capital Maintenance Project Descriptions for additional details.	
Mental Health and Substance Abuse Services	
Objective: Provide facilities to support comprehensive rehabilitation services in a positive and productive learning environment to people with disabilities.	
Maintenance	\$ 3,360,000
Funds are provided to repair, maintain, and update facilities. See Capital Maintenance Project Descriptions for additional details.	

Capital Outlay Project Descriptions

Fiscal Year 2025-2026

	Total Project Cost
Military	
Objective: Expand and renovate military facilities.	
Maintenance	\$ 15,980,000
Funds are provided to repair, maintain, and update facilities. See Capital Maintenance Project Descriptions for additional details.	
Dickson RC Parking and Vault Improvements	1,192,000
Funds are provided to expand the personnel and military parking areas, access road, sidewalks, fencing, lighting, site grading and drainage, and antiterrorism force protection improvements.	
Lexington RC Parking and Vault Improvements	1,540,000
Funds are provided to expand the personnel and military parking areas, access road, sidewalks, fencing, lighting, site grading and drainage, and antiterrorism force protection improvements.	
Smyrna Airport Land Purchase and Demolition	7,630,000
Funds are provided to purchase land from Smyrna Airport Authority and to demolish existing building within the land footprint.	
Statewide Force Protection Improvements	5,500,000
Funds are provided to install security measures, including high security fencing, and gates at Tennessee National Guard facilities.	
TEMA New EOC and Administrative Building	275,360,000
Funds are provided to construct a new TEMA Emergency Operations Center and administrative building.	
Sub-Total Military	\$ 307,202,000
Safety	
Objective: Protect, serve, and secure the people of Tennessee.	
Maintenance	\$ 5,920,000
Funds are provided to repair, maintain, and update facilities. See Capital Maintenance Project Descriptions for additional details.	
Locally Governed Higher Education Institutions	
Objective: Expand and enhance facilities for student and faculty needs.	
Austin Peay State University	
Maintenance	\$ 2,000,000
Funds are provided to repair, maintain, and update campus facilities. See Capital Maintenance Project Descriptions for additional details.	
East Tennessee State University	
Maintenance	\$ 3,500,000
Funds are provided to repair, maintain, and update campus facilities. See Capital Maintenance Project Descriptions for additional details.	
Brown Hall Renovation Phase Two	53,441,000
Funds are provided to provided for renovation and modernization of instructional labs and classrooms with technology, code, and accessibility upgrades.	
Sub-Total East Tennessee State University	\$ 56,941,000
Middle Tennessee State University	
Maintenance	\$ 3,500,000
Funds are provided to repair, maintain, and update campus facilities. See Capital Maintenance Project Descriptions for additional details.	
Additions and Renovations to the Murphy Center	119,000,000
Funds are provided to provided for additions and renovations to the Murphy Center and all related work.	
Sub-Total Middle Tennessee State University	\$ 122,500,000

Capital Outlay Project Descriptions

Fiscal Year 2025-2026

	Total Project Cost
Tennessee State University	
Maintenance	\$ 2,320,000
Funds are provided to repair, maintain, and update campus facilities. See Capital Maintenance Project Descriptions for additional details.	
Tennessee Technological University	
Maintenance	\$ 2,520,000
Funds are provided to repair, maintain, and update campus facilities. See Capital Maintenance Project Descriptions for additional details.	
Advanced Construction and Manufacturing Engineering	27,200,000
Funds are provided to construct an advanced construction and manufacturing engineering facility, demolish Lewis Hall and the Foundry, reroute existing utilities, and return the site to green space.	
Sub-Total Tennessee Technological University	\$ 29,720,000
University of Memphis	
Maintenance	\$ 5,880,000
Funds are provided to repair, maintain, and update campus facilities. See Capital Maintenance Project Descriptions for additional details.	
Research Modernization	75,000,000
Funds are provided to modernize space in 15 buildings to support research, including lab renovations and infrastructure improvements.	
Sub-Total University of Memphis	\$ 80,880,000
Sub-Total Locally Governed Higher Education Institutions	\$ 294,361,000
Tennessee Board of Regents	
Objective: Expand and enhance facilities for student and faculty needs.	
Maintenance	\$ 11,770,000
Funds are provided to repair, maintain, and update higher education institution facilities statewide. See Capital Maintenance Project Descriptions for additional details.	
TCAT Nashville Sumner County Campus Replacement	45,000,000
Funds are provided to provided to construct a new TCAT Nashville facility located in Sumner County.	
TCAT Memphis Aviation Campus Replacement	20,000,000
Funds are provided to construct new facilities to replace the existing Aviation Maintenance Technology and Avionics Maintenance Technician programs at TCAT Memphis.	
Sub-Total Tennessee Board of Regents	\$ 76,770,000
University of Tennessee	
Objective: Expand and enhance facilities for students and faculty needs.	
Maintenance	\$ 18,350,000
Funds are provided to repair, maintain, and update higher education institution facilities statewide. See Capital Maintenance Project Descriptions for additional details.	
UTK Chemistry Building	199,000,000
Funds are provided to construct a new Chemistry Building.	
UTM College of Business and Global Affairs	61,200,000
Funds are provided to construct the College of Business and Global Affairs building, including demolition of the existing Business Administration Building.	
Sub-Total University of Tennessee	\$ 278,550,000
Grand Total	\$ 1,185,185,000

Capital Maintenance Project Descriptions

Fiscal Year 2025-2026

	Total Project Cost
Correction	
MLTC Primary Generator Replacement	\$ 8,790,000
Funds are provided for replacement of the main institution emergency generator and all related work.	
WTSP New Controls and Generators	19,440,000
Funds are provided for replacement of the motor control center for WTSP and provide site generator power for both WTSP and WTRC, and all related work.	
Sub-Total Correction:	\$ 28,230,000
Education	
Alvin C. York Campus Roof Replacements	\$ 13,400,000
Funds are provided for replacement of the roofs of several buildings on campus and all related work.	
TSB Lobby Security Upgrades	1,060,000
Funds are provided for renovation of the lobby and administrative office area in Building One with access security upgrades, new finishes, and all related work.	
WTSD Sprinkler System Upgrades	900,000
Funds are provided for updates to sprinkler systems in several buildings on campus and all related work.	
Sub-Total Education	\$ 15,360,000
Environment and Conservation	
Booker T Washington State Park Shoreline Stabilization	\$ 10,760,000
Funds are provided for rehabilitation of shoreline erosion at Booker T Washington State Park and all related work.	
Harrison Bay State Park Shoreline Stabilization	16,340,000
Funds are provided for rehabilitation of shoreline erosion at Harrison Bay State Park and all related work.	
Paris Landing State Park Shoreline Stabilization	9,760,000
Funds are provided for rehabilitation of shoreline erosion at Paris Landing State Park and all related work.	
South Cumberland State Park Denny Cove Roadway Repairs	3,600,000
Funds are provided for drainage repairs to the entrance drive and trailhead parking at Denny Cove and all related work.	
Sub-Total Environment and Conservation	\$ 40,460,000
General Services	
Environmental Consultant	\$ 1,000,000
Funds are provided for environmental services for state properties, interest, initiatives, and all related work.	
Mental Health and Substance Abuse Services	
Moccasin Bend Roofing Repairs	\$ 1,240,000
Funds are provided for roof replacement and repairs at the gym and warehouse with all related work.	
MTMHI Canopy Replacement	2,120,000
Funds are provided for replacement of exterior canopy and all related work.	
Sub-Total Mental Health and Substance Abuse Services	\$ 3,360,000

Capital Maintenance Project Descriptions

Fiscal Year 2025-2026

	Total Project Cost
Military	
Chattanooga Building Five Re-Roof, HVAC, and Facility Update	\$ 2,600,000
Funds are provided for replacement of roof system, doors and door hardware, masonry repair, exterior and interior facility updates, site grading and drainage improvements, and all related work.	
Columbia RC Re-Roof and Facility Update	1,980,000
Funds are provided for replacement of roof system, doors and door hardware, masonry repair, exterior and interior facility updates, site grading and drainage improvements, and all related work.	
Crossville RC Re-Roof and Facility Update	1,480,000
Funds are provided for replacement of roof system, doors and door hardware, masonry repair, exterior and interior facility updates, site grading and drainage improvements, and all related work.	
Greeneville RC HVAC and Energy Update	2,050,000
Funds are provided for replacement of mechanical, electrical, and plumbing systems, doors and door hardware, windows, and all related work.	
Jackson AASF RC Re-Roof, HVAC, and Facility Update	1,340,000
Funds are provided for replacement of the roof system, doors and door hardware, masonry repair, exterior and interior facility updates, site grading and drainage improvements, replace mechanical, electrical, and plumbing system, and all related work.	
Louisville RC Re-Roof and Facility Update	1,980,000
Funds are provided for replacement of roof system, doors and door hardware, masonry repair, exterior and interior facility updates, site grading and drainage improvements, and all related work.	
Millington RC Re-Roof and Facility Update	1,780,000
Funds are provided for replacement of the roof system, doors and door hardware, masonry and repairs, exterior and interior facility updates, site grading and drainage improvements, and all related work.	
Sparta RC Re-Roof and Facility Update	1,670,000
Funds are provided for replacement of roof system, doors and door hardware, masonry repair, exterior and interior facility updates, site grading and drainage improvements, and all related work.	
Statewide Paving	1,100,000
Funds are provided to repair parking areas at readiness centers statewide including restriping, site drainage, and all related work.	
Sub-Total Military	\$ 15,980,000
Safety	
THP Harrison Hall Renovations	\$ 5,920,000
Funds are provided for restoration of all exterior building cladding, upgrade and remodel interior building systems and finishes, and all related work.	
Locally Governed Higher Education Institutions	
Austin Peay State University	
Dunn Center HVAC and Electrical Modernization Phase Five	\$ 1,710,000
Funds are provided for the replacement of the HVAC system and to modernize controls, electrical distribution, and all related work.	
Dunn Center HVAC and Electrical Modernization Phase Six	290,000
Funds are provided for the replacement of the HVAC system and to modernize controls, electrical distribution, and all related work.	
Sub-Total Austin Peay State University	\$ 2,000,000

Capital Maintenance Project Descriptions

Fiscal Year 2025-2026

	Total Project Cost
East Tennessee State University	
Safety Steam Line Repairs and Replacement	\$ 3,500,000
Funds are provided for replacement of steam piping, condensate lines, steam traps, associated systems in the campus steam distribution system to include direct bury and steam tunnel piping, and all related work.	
Middle Tennessee State University	
Multiple Buildings Envelope and Structural Repairs 1	\$ 3,500,000
Funds are provided for replacement of building envelope components, structural repairs on multiple buildings, and all related work.	
Tennessee State University	
Chiller Replacement at Avon Williams	\$ 2,320,000
Funds are provided for updating building system equipment at Avon Williams including chiller, cooling tower, pumps, and all related work.	
Tennessee Technological University	
Multiple Buildings Air Handler Replacement	\$ 1,080,000
Funds are provided for replacement of the air handlers at Henderson Hall, T.J. Farr Building, and all related work.	
Multiple Buildings Roof Replacements	1,440,000
Funds are provided for replacement of the roofs on the Maintenance Office Building, Bell Hall, Ray Morris Hall, and all related work.	
Sub-Total Tennessee Technological University	\$ 2,520,000
University of Memphis	
Boilers and Coil Replacement Phase Three	\$ 5,880,000
Funds are provided for installation of hot water heating boilers for seven building on campus, to replace steam coils where necessary, and all related work.	
Sub-Total Locally Governed Higher Education Institutions	\$ 19,720,000
Tennessee Board of Regents	
JSCC Multiple Building Roofing Phase Two	\$ 2,130,000
Funds are provided for replacement of the roofing systems including the roof membrane, insulation, flashings, drainage and all related work.	
MSCC Backup Power and Utilities Upgrades Phase Two	1,650,000
Funds are provided for installation of backup power and utilities in Marcum IT department, Ingram Administration Building, power plant operations building, and all related work.	
NaSCC HVAC and Cooling Tower Repairs Phase Four	3,000,000
Funds are provided for updates to HVAC systems at the Southeast campus and all related work.	
NeSCC Hamilton Hall HVAC Replacement	1,800,000
Funds are provided for replacement of the HVAC equipment, piping, ductwork, controls, and all related work.	
PSCC HVAC Equipment Replacement	850,000
Funds are provided for replacement of the chiller and cooling tower at the Strawberry Plains Campus, for replacement of cooling towers at the Hardin Valley Campus, and all related work.	
PSCC Magnolia Campus ADA Corrections	640,000
Funds are provided for updates to accessible parking, sidewalks, interior circulation spaces, interior courtyard, and all related work.	
VSCC Domestic Water Improvements Phase Two	900,000
Funds are provided for replacement of all domestic underground water lines entering structures, some degraded lines within buildings, and all related work.	

Capital Maintenance Project Descriptions **Fiscal Year 2025-2026**

	Total Project Cost
VSCC Roof Replacements	800,000
Funds are provided for replacement of roof systems on multiple buildings and all related work.	
Sub-Total Tennessee Board of Regents	\$ 11,770,000
University of Tennessee	
UTC Fine Arts Center Envelope Repairs Phase Two	\$ 8,750,000
Funds are provided for upgrades of exterior building components and roofing system and all related work.	
UTHSC Johnson Mechanical and Electrical Upgrades	2,600,000
Funds are provided for upgrades to the mechanical and electrical systems and components throughout the building and all related work.	
UTM HVAC Systems Upgrades	3,100,000
Funds are provided for replacement of HVAC systems and components in various campus buildings and all related work.	
UTS Johnston Center Upgrades Phase Two	3,900,000
Funds are provided for updates to exterior windows, interior finishes, and remedy code related accessibility issues, and all related work.	
Sub-Total University of Tennessee	\$ 18,350,000
Grand Total Capital Maintenance	\$ 160,150,000

**Projected First-Year Operating Costs for New Facilities
Recommended as Projects for Fiscal Year 2025-2026**

	<u>COUNTY</u>	<u>TOTAL</u>	<u>UTILITIES</u>	<u>MAINTENANCE</u>	<u>PROGRAM *</u>	<u>ADDITIONAL PERSONNEL</u>
Environment and Conservation						
Devil's Backbone SP VC, Maint Facility, & Campground	Lewis	\$ 255,000	\$ 15,000	\$ 7,000	\$ 233,000	4
Military						
TEMA New EOC and Admin Building	Davidson	\$ 95,000	\$ 35,000	\$ 50,000	\$ 10,000	0
Middle Tennessee State University						
Addition and Renovation to the Murphy Center	Rutherford	\$ 57,600	\$ 48,000	\$ 9,600	\$ 0	0
Tennessee Technological University						
Advanced Construction & Manufacturing Engineering	Putnam	\$ 479,400	\$ 418,100	\$ 61,300	\$ 0	0
Tennessee Board of Regents						
TCAT Nashville Sumner County Campus Replacement	Sumner	\$ 1,223,400	\$ 210,200	\$ 155,300	\$ 857,900	4
TCAT Memphis Aviation Campus Replacement	Shelby	988,700	99,200	189,300	700,200	1
Sub-Total Tennessee Board of Regents		\$ 2,212,100	\$ 309,400	\$ 344,600	\$ 1,558,100	5
University of Tennessee						
UTK Chemistry Building	Knox	\$ 3,060,700	\$ 795,300	\$ 1,152,900	\$ 1,112,500	4
UTM College of Business and Global Affairs	Weakley	479,800	157,800	134,500	187,500	2
Sub-Total University of Tennessee		\$ 3,540,500	\$ 953,100	\$ 1,287,400	\$ 1,300,000	6
Grand Total		\$ 6,639,600	\$ 1,778,600	\$ 1,759,900	\$ 3,101,100	15

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

Capital Budget

Commonly Used Abbreviations

4-H	Head, Heart, Hands, and Health	NWCX	Northwest Correctional Complex
A&A	Arts and Architecture	P3	Public Private Partnership
A/C	Air Conditioning	PSCC	Pellissippi State Community College
AASF	Army Aviation Support Facility	RC	Readiness Center
ADA	Americans with Disabilities Act	Reno	Renovation
Admin	Administration	Re-Roof	Replace Roof
Ag.	Agriculture	RMSI	Riverbend Maximum Security Institution
AHU	Air Handling Unit	SCCF	South Central Correctional Facility
APSU	Austin Peay State University	SCSP	South Cumberland State Park
BAS	Building Automation Systems	Sgt.	Sergeant
Bldg(s).	Building(s)	SP	State Park
ChSCC	Chattanooga State Community College	STREAM	State of Tennessee Real Estate Asset Management
CVM	College of Veterinary Medicine	TBI	Tennessee Bureau of Investigation
DJRC	Debra K. Johnson Rehabilitation Center	TBR	Tennessee Board of Regents
Ed	Education	TCAT	Tennessee College of Applied Technology
EMS	Emergency Medical Services	TDOT	Tennessee Department of Transportation
EOC	Emergency Operations Center	TEMA	Tennessee Emergency Management Agency
EPDM	Ethylene Propylene Diene Monomer	THEC	Tennessee Higher Education Commission
ETSU	East Tennessee State University	THP	Tennessee Highway Patrol
ETSVC	East Tennessee State Veterans Cemetery	TN	Tennessee
EV	Electric Vehicle	TPAC	Tennessee Performing Arts Center
Ext	External	TRC	Tennessee Rehabilitation Center
FRF	Facilities Revolving Fund	TSB	Tennessee School for the Blind
FY	Fiscal Year	TSD	Tennessee School for the Deaf
HVAC	Heating, Ventilation, and Air Conditioning	TSSBA	Tennessee State School Bond Authority
Impvts.	Improvements	TSU	Tennessee State University
Int	Internal	TTU	Tennessee Technological University
IT	Information Technology	TWRA	Tennessee Wildlife Resources Agency
Jr.	Junior	UoM	University of Memphis
JSCC	Jackson State Community College	UT	University of Tennessee
LDSNF	Lois M. DeBerry Special Needs Facility	UTC	University of Tennessee Chattanooga
LGI	Locally Governed Institution(s)	UTHSC	University of Tennessee Health Science Center
Maint	Maintenance	UTIA	University of Tennessee Institute of Agriculture
MEP	Mechanical, Electrical, and Plumbing	UTK	University of Tennessee Knoxville
MHI	Mental Health Institute	UTM	University of Tennessee Martin
Misc.	Miscellaneous	UTS	University of Tennessee Southern
MLTC	Mark Luttrell Correctional Center	VAV	Variable Air Volume
MSCC	Motlow State Community College	VC	Visitor Center
MTMHI	Middle Tenn Mental Health Institute	VSCC	Volunteer State Community College
MTSU	Middle Tennessee State University	WTRC	Women's Therapeutic Residential Center
NaSCC	Nashville State Community College	WTSD	West Tennessee School for the Deaf
NERHO	Northeast Regional Health Office	WTSP	West Tennessee State Penitentiary
NeSCC	Northeast State Community College	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 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	76,873,700	66,370,600	66,370,600	2,432,300	68,802,900
TOTAL	\$76,873,700	\$66,370,600	\$66,370,600	\$2,432,300	\$68,802,900
State Appropriations	\$7,518,000	\$7,518,000	\$7,518,000	\$0	\$7,518,000
Federal	0	0	0	0	0
Other	69,355,700	58,852,600	58,852,600	2,432,300	61,284,900

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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	5,104,600	4,611,800	4,611,800	331,600	4,943,400
TOTAL	\$5,104,600	\$4,611,800	\$4,611,800	\$331,600	\$4,943,400
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	5,104,600	4,611,800	4,611,800	331,600	4,943,400

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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	69,523,300	67,270,400	64,263,300	0	64,263,300
TOTAL	\$69,523,300	\$67,270,400	\$64,263,300	\$0	\$64,263,300
State Appropriations	\$0	\$4,784,000	\$4,784,000	\$0	\$4,784,000
Federal	0	0	0	0	0
Other	69,523,300	62,486,400	59,479,300	0	59,479,300

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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	18,600,700	0	0	0	0
TOTAL	\$18,600,700	\$0	\$0	\$0	\$0
State Appropriations	\$0	\$0	\$0	\$0	\$0

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Federal	0	0	0	0	0
Other	18,600,700	0	0	0	0

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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	18,591,900	23,900,000	23,900,000	9,200,000	33,100,000
TOTAL	\$18,591,900	\$23,900,000	\$23,900,000	\$9,200,000	\$33,100,000
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	18,591,900	23,900,000	23,900,000	9,200,000	33,100,000

501.00 Total Facilities Revolving Fund

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	188,694,200	162,152,800	159,145,700	11,963,900	171,109,600
TOTAL	\$188,694,200	\$162,152,800	\$159,145,700	\$11,963,900	\$171,109,600
State Appropriations	\$7,518,000	\$12,302,000	\$12,302,000	\$0	\$12,302,000
Federal	0	0	0	0	0
Other	181,176,200	149,850,800	146,843,700	11,963,900	158,807,600

Facilities Revolving Fund (FRF)
Proposed Capital Appropriations
from Bonds, General Fund, and Other Sources
Fiscal Year 2025-2026

	COUNTY	TOTAL	GENERAL FUND CURRENT	BONDS	OTHER
Capital Improvements:					
Capitol Project Contingency	Davidson	\$ 3,500,000	\$ 3,500,000	\$ 0	\$ 0
Old Library and Archives and Supreme Court Bldg Reno	Davidson	139,510,000	0	134,000,000	5,510,000
Sub-Total Capital Improvements		\$ 143,010,000	\$ 3,500,000	\$ 134,000,000	\$ 5,510,000
Capital Maintenance:					
Clover Bottom Mansion Site, Ext and Int Upgrades	Davidson	\$ 4,720,000	\$ 0	\$ 0	\$ 4,720,000
Davy Crockett Tower Elevator Replacement	Davidson	9,650,000	0	0	9,650,000
Ed Jones Auditorium Renovations	Davidson	3,690,000	0	0	3,690,000
Ellington Ag. Bruer Building Mechanical Upgrades	Davidson	3,340,000	0	0	3,340,000
Green McAdoo Gym Floor Replacement	Anderson	1,280,000	0	0	1,280,000
Moss Building and Associated Structures Ext and Int Reno	Davidson	5,200,000	0	0	5,200,000
Rachel Jackson Building Roof Replacement	Davidson	1,780,000	0	0	1,780,000
State Steam Tunnel Waterproofing and Repairs	Davidson	3,140,000	0	0	3,140,000
Sub-Total Capital Maintenance		\$ 32,800,000	\$ 0	\$ 0	\$ 32,800,000
Grand Total		\$ 175,810,000	\$ 3,500,000	\$ 134,000,000	\$ 38,310,000

Proposed Facilities Revolving Fund (FRF) Project Descriptions
Fiscal Year 2025-2026

Objective: Provide efficient management of state facilities.

	Total Project Cost
Capital Improvements:	
Capitol Contingency Funds are provided as a contingency to support various construction projects at the Tennessee State Capitol.	\$ 3,500,000
Old Library and Archives and Supreme Court Bldg. Renovation Funds are provided for interior and exterior renovations to include replacement of the stacks with office space, added level of parking, and an addition of a connector between the buildings.	139,510,000
Total Capital Improvements	\$ 143,010,000
Capital Maintenance:	
Clover Bottom Mansion Site Exterior and Interior Upgrades Funds are provided for site and exterior repairs including the mansion and supplementary buildings, restoration of the mansion interior, renovations, cemetery repairs, and all related work.	\$ 4,720,000
Davy Crockett Tower Elevator Replacement Funds are provided for replacement of elevators and all related work.	9,650,000
Ed Jones Auditorium Renovations Funds are provided for interior renovations to include finishes, furniture, mechanical, electrical, and plumbing; exterior renovations to include envelope and site work, and all related work.	3,690,000
Ellington Ag. Bruer Building Mechanical Upgrades Funds are provided for mechanical system replacement and all related work.	3,340,000
Green McAdoo Gym Floor Replacement Funds are provided for replacement of floor in gymnasium and all related work.	1,280,000
Moss Building Exterior and Interior Renovations Funds are provided for exterior and interior renovations to include water intrusion repairs, mechanical replacement, and all related work.	5,200,000
Rachel Jackson Building Roof Replacement Funds are provided for roof replacement and all related work.	1,780,000
State Steam Tunnel Waterproofing and Repairs Funds are provided for waterproofing, concrete repairs, and all related work.	3,140,000
Total Capital Maintenance	\$ 32,800,000
Grand Total FRF Capital Outlay	\$ 175,810,000

Program Statements by Functional Area



Program Statements by Functional Area

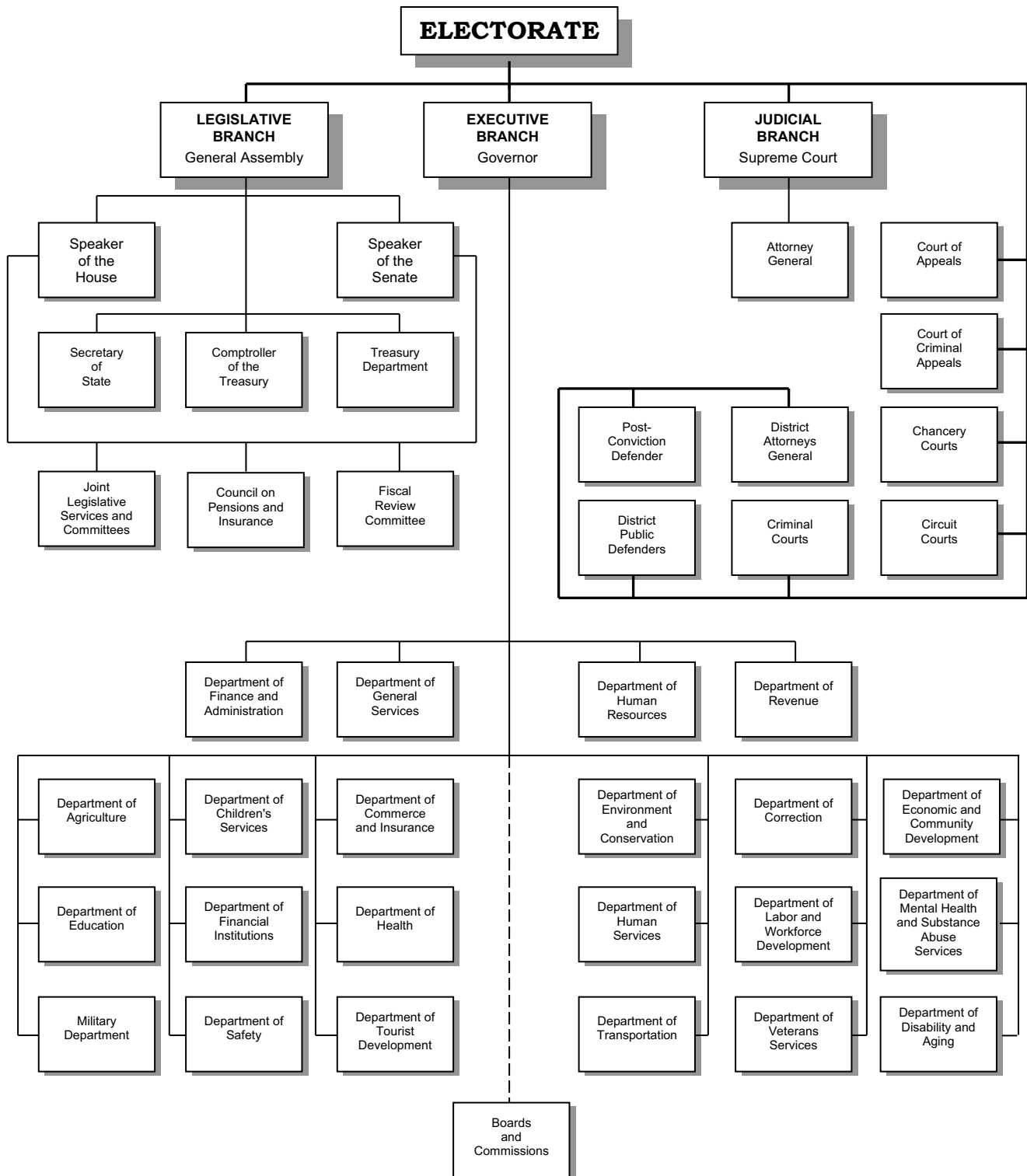


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TENNESSEE STATE GOVERNMENT ORGANIZATIONAL CHART

FISCAL YEAR 2025 – 2026



Recommended Budget for Fiscal Year 2025-2026

By Functional Area

Functional Area	State	Federal	Other	Total
General Government	\$1,670,311,600	\$121,017,100	\$1,045,022,500	\$2,836,351,200
Education	10,810,711,200	1,228,765,600	3,552,058,300*	15,591,535,100
Health and Social Services	8,427,020,700	16,436,383,500	2,291,754,000	27,155,158,200
Law, Safety, and Correction	2,705,070,800	195,406,000	224,282,400	3,124,759,200
Resources and Regulation	839,521,100	399,470,900	313,656,400	1,552,648,400
Transportation, Business, and Economic Development	2,898,576,300	2,399,884,400	278,520,000	5,576,980,700
TOTAL	\$27,351,211,700	\$20,780,927,500	\$7,705,293,600	\$55,837,432,800

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

General Government



General Government



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General Government

Budget, Fiscal Year 2025-2026

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 2023-2024</u>	<u>Estimated 2024-2025</u>	<u>Recommended 2025-2026</u>
Personnel			
Full-Time Positions	5,578	5,608	5,622
Part-Time Positions	183	187	187
Seasonal Positions	28	28	28
TOTAL	5,789	5,823	5,837
Expenditures			
Payroll	\$717,117,400	\$780,320,200	\$737,113,000
Operational	2,944,668,600	1,694,303,600	2,099,238,200
TOTAL	\$3,661,786,000	\$2,474,623,800	\$2,836,351,200
Funding			
State Appropriations	\$2,530,485,300	\$1,157,165,700	\$1,670,311,600
Federal	145,239,800	340,076,500	121,017,100
Other	986,060,900	977,381,600	1,045,022,500

General Government

Recommended Budget for Fiscal Year 2025-2026

By Funding Source

Department	State	Federal	Other	Total
301.00 Legislature	\$76,914,500	\$0	\$137,500	\$77,052,000
301.50 Fiscal Review Committee	2,933,400	0	0	2,933,400
305.00 Secretary of State	50,887,300	30,216,800	12,657,400	93,761,500
307.00 Comptroller of the Treasury	126,443,000	0	10,760,600	137,203,600
309.00 Treasury Department	81,399,300	0	79,756,700	161,156,000
313.00 Claims and Compensation	20,360,000	4,850,600	98,228,100	123,438,700
315.00 Executive Department	7,192,600	0	0	7,192,600
316.04 Tennessee Human Rights Commission	2,744,200	969,800	0	3,714,000
316.11 Tennessee Public Utility Commission	8,631,200	1,111,000	1,431,000	11,173,200
316.12 Advisory Commission on Intergovernmental Relations	163,000	0	3,881,200	4,044,200
317.00 Finance and Administration	63,374,700	82,325,900	604,873,100	750,573,700
319.00 Human Resources	0	0	26,725,600	26,725,600
321.00 General Services	73,916,700	0	168,585,400	242,502,100
323.00 Veterans Services	13,529,800	1,522,100	0	15,051,900
347.00 Revenue	130,962,200	20,900	37,835,900	168,819,000
351.00 Miscellaneous Appropriations	1,005,399,700	0	0	1,005,399,700
352.00 Other Post-Employment Benefits Liability	4,460,000	0	0	4,460,000
353.00 Emergency and Contingency Fund	1,000,000	0	0	1,000,000
355.00 State Building Commission	0	0	150,000	150,000
TOTAL	\$1,670,311,600	\$121,017,100	\$1,045,022,500	\$2,836,351,200

General Government

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
Comptroller of the Treasury					
● National State Auditors Association (NSAA) Conference					
To provide non-recurring funding to host the NSAA Conference.					
307.01 Administration Support Services	\$50,000	\$0	\$0	\$50,000	0
Sub-total	\$50,000	\$0	\$0	\$50,000	0
Total Comptroller of the Treasury	\$50,000	\$0	\$0	\$50,000	0
Treasury Department					
● Administration Legislation - Education Freedom Act Funding from Sports Wagering Fund					
To provide recurring funding for administration legislation to support the Education Freedom Act. Dedicated funding is from the privilege tax from the Sports Wagering Fund.					
309.01 Treasury Department	\$77,200,000	\$0	\$0	\$77,200,000	0
Sub-total	\$77,200,000	\$0	\$0	\$77,200,000	0
● Office of the State Architect - Vendor Management System					
To provide recurring funding for the creation and ongoing operation of a State Building Commission vendor management system. Other funding is from State Building Commission carryforward.					
309.01 Treasury Department	\$0	\$0	\$200,000	\$200,000	0
Sub-total	\$0	\$0	\$200,000	\$200,000	0
● State Cash Management Program					
To provide recurring funding for bank fees incurred through the management of the state's cash pool utilized by the department. The banking fees are incurred for the transaction costs of processing the state's deposits of taxes, fines, and fees and making payments by direct deposit, check and wire transfer. Other funding is from interest accrued on the state's cash pool.					
309.01 Treasury Department	\$0	\$0	\$2,500,000	\$2,500,000	0
Sub-total	\$0	\$0	\$2,500,000	\$2,500,000	0
● Technology Increases					
To provide recurring funding for increased costs of software and licensing subscriptions. Other funding is from interdepartmental revenue.					
309.01 Treasury Department	\$0	\$0	\$1,315,000	\$1,315,000	0
Sub-total	\$0	\$0	\$1,315,000	\$1,315,000	0

General Government

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
● Risk Management "TDOT Pothole Project" Driver Services					
To provide recurring funding and to establish one position for a pothole detection software system. This position will allow for coverage in all three grand divisions of the state. Other funding is from interdepartmental revenue.					
309.01 Treasury Department	\$0	\$0	\$100,000	\$100,000	1
Sub-total	\$0	\$0	\$100,000	\$100,000	1
● Enterprise Solutions Resources					
To provide recurring funding and to establish nine positions to support the enterprise solutions area of the Treasury's information system staff to meet increased workload. Other funding is from interdepartmental revenue.					
309.01 Treasury Department	\$0	\$0	\$2,710,000	\$2,710,000	9
Sub-total	\$0	\$0	\$2,710,000	\$2,710,000	9
Total Treasury Department	\$77,200,000	\$0	\$6,825,000	\$84,025,000	10

Claims and Compensation

● Unclaimed Property					
To provide recurring funding for increased payroll costs in the Treasury Department.					
313.20 Unclaimed Property	\$850,000	\$0	\$0	\$850,000	0
Sub-total	\$850,000	\$0	\$0	\$850,000	0
● Risk Management Fund					
To provide recurring funding for Risk Management programs and allow the department to continue to provide insurance coverage to offset the risk of loss for the state's casualty and property risks. Other funding is from interdepartmental revenue.					
313.10 Risk Management Fund	\$0	\$0	\$9,098,000	\$9,098,000	0
Sub-total	\$0	\$0	\$9,098,000	\$9,098,000	0
Total Claims and Compensation	\$850,000	\$0	\$9,098,000	\$9,948,000	0

Executive Department

● Mandated 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. This represents a 3 percent increase in the Consumer Price Index.					
315.01 Governor's Office	\$9,500	\$0	\$0	\$9,500	0
Sub-total	\$9,500	\$0	\$0	\$9,500	0
Total Executive Department	\$9,500	\$0	\$0	\$9,500	0

General Government

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
Finance and Administration					
● Administration Legislation - Victim Information Notification System (VINE) Courts					
To provide recurring funding for administration legislation relative to VINE Courts that allow victims a secure and confidential access point to court case information. VINE Courts were previously funded in a non-recurring pilot.					
317.06 Criminal Justice Programs	\$811,000	\$0	\$0	\$811,000	0
Sub-total	\$811,000	\$0	\$0	\$811,000	0
● Violent Crime Intervention Fund					
To provide additional non-recurring funding to local law enforcement through grants centered around evidence-based strategies to improve public safety.					
317.06 Criminal Justice Programs	\$30,000,000	\$0	\$0	\$30,000,000	0
Sub-total	\$30,000,000	\$0	\$0	\$30,000,000	0
● Office of Criminal Justice Programs - New Grant Management System					
To provide recurring funding for the creation of a new system that will allow the division to receive, review, and track grant contracts in one central location.					
317.06 Criminal Justice Programs	\$750,000	\$750,000	\$0	\$1,500,000	0
Sub-total	\$750,000	\$750,000	\$0	\$1,500,000	0
● Enterprise Resource Planning (ERP) Modernization					
To provide non-recurring funding for planning the future replacement of the current ERP system. Other funding is from interdepartmental revenue.					
317.17 Enterprise Resource Planning	\$0	\$0	\$5,000,000	\$5,000,000	0
Sub-total	\$0	\$0	\$5,000,000	\$5,000,000	0
● Strategic Technology Solutions (STS) - Microsoft Office 365 License Agreement					
To provide recurring funding for increased Microsoft Office 365 license and subscription costs. Other funding is from interdepartmental revenue.					
317.03 Strategic Technology Solutions (STS) Operations	\$0	\$0	\$6,191,500	\$6,191,500	0
Sub-total	\$0	\$0	\$6,191,500	\$6,191,500	0

General Government

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
● STS - Agency Purchasing Spend Authority Increase					
To provide recurring funding for hardware and software purchases that STS makes on behalf of state agencies. Other funding is from interdepartmental revenue.					
317.25 STS Agency Purchasing	\$0	\$0	\$10,500,000	\$10,500,000	0
Sub-total	\$0	\$0	\$10,500,000	\$10,500,000	0
● STS - Unified Communications Audio/Visual (A/V) Contract Replacement					
To provide recurring funding for the replacement of the division's A/V contract, which includes equipment and maintenance. Other funding is from interdepartmental revenue.					
317.03 Strategic Technology Solutions (STS) Operations	\$0	\$0	\$300,000	\$300,000	0
Sub-total	\$0	\$0	\$300,000	\$300,000	0
● STS - Artificial Intelligence (AI) Enablement Program					
To provide non-recurring funding for a new foundational proof of concept to develop an enterprise AI solution. Other funding is from interdepartmental revenue.					
317.03 Strategic Technology Solutions (STS) Operations	\$0	\$0	\$1,150,000	\$1,150,000	0
Sub-total	\$0	\$0	\$1,150,000	\$1,150,000	0
● STS - Americans with Disabilities Act (ADA) Compliance					
To provide non-recurring funding for the improvement of web accessibility in State of Tennessee domains under federal mandates by the ADA. Other funding is from interdepartmental revenue.					
317.03 Strategic Technology Solutions (STS) Operations	\$0	\$0	\$5,000,000	\$5,000,000	0
Sub-total	\$0	\$0	\$5,000,000	\$5,000,000	0
● STS - Business Gateway					
To provide non-recurring funding for the purchase of technology that will create a unified business gateway, allowing the state to simplify the process for locating and expanding businesses in Tennessee. Other funding is from interdepartmental revenue.					
317.03 Strategic Technology Solutions (STS) Operations	\$0	\$0	\$3,000,000	\$3,000,000	0
Sub-total	\$0	\$0	\$3,000,000	\$3,000,000	0

General Government

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
• STS - Contractors for TNTrack					
To provide non-recurring funding for two contractors to support enhancements to TNTrack, which is the State of Tennessee's enterprise legislative tracking system. Other funding is from interdepartmental revenue.					
317.03 Strategic Technology Solutions (STS) Operations	\$0	\$0	\$750,000	\$750,000	0
Sub-total	\$0	\$0	\$750,000	\$750,000	0
• STS - Data Center Operations					
To provide recurring funding for the enhancement of information storage at the data center. This will support the replacement of new network devices and federal tax information storage arrays. Other funding is from interdepartmental revenue.					
317.03 Strategic Technology Solutions (STS) Operations	\$0	\$0	\$3,500,000	\$3,500,000	0
Sub-total	\$0	\$0	\$3,500,000	\$3,500,000	0
• STS - Security Enhancements					
To provide recurring funding to support ongoing licenses for cybersecurity features. Other funding is from interdepartmental revenue.					
317.03 Strategic Technology Solutions (STS) Operations	\$0	\$0	\$4,865,000	\$4,865,000	0
Sub-total	\$0	\$0	\$4,865,000	\$4,865,000	0
• STS - Mobility Increased Usage					
To provide recurring funding to support the increased mobile device usage. Other funding is from interdepartmental revenue.					
317.03 Strategic Technology Solutions (STS) Operations	\$0	\$0	\$3,975,000	\$3,975,000	0
Sub-total	\$0	\$0	\$3,975,000	\$3,975,000	0
• STS - Cloud Spend Authority Increase					
To provide recurring funding for the expansion of CloudTN, which is the state's cloud platform. Other funding is from interdepartmental revenue.					
317.03 Strategic Technology Solutions (STS) Operations	\$0	\$0	\$2,000,000	\$2,000,000	0
Sub-total	\$0	\$0	\$2,000,000	\$2,000,000	0

General Government

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
• STS - Long Distance 800 Service Increased Usage					
To provide recurring funding to support the increased number of long distance 800 lines for customer support. Other funding is from interdepartmental revenue.					
317.03 Strategic Technology Solutions (STS) Operations	\$0	\$0	\$2,000,000	\$2,000,000	0
Sub-total	\$0	\$0	\$2,000,000	\$2,000,000	0
• STS - Communications and Analytics Tool Licensing					
To provide recurring funding for continued licensing of the enterprise communication and analytics tool implemented under American Rescue Plan Act (ARPA) funding. Other funding is from interdepartmental revenue.					
317.03 Strategic Technology Solutions (STS) Operations	\$0	\$0	\$273,000	\$273,000	0
Sub-total	\$0	\$0	\$273,000	\$273,000	0
Total Finance and Administration	\$31,561,000	\$750,000	\$48,504,500	\$80,815,500	0

Human Resources

• Instructional Design Staff					
To provide recurring funding and to establish one position to ensure all Department of Human Resources (DOHR) learning content is Americans with Disabilities Act compliant. Other funding is from interdepartmental revenue.					
319.08 Office of People, Performance and Culture	\$0	\$0	\$138,800	\$138,800	1
Sub-total	\$0	\$0	\$138,800	\$138,800	1
• Consulting Services Subscription - Continuation					
To provide recurring funding for the continued use of a consulting services subscription, which offers tools for talent and performance management, development, recruitment, data and analytics, and compensation. Other funding is from interdepartmental revenue.					
319.01 Executive Administration	\$0	\$0	\$112,100	\$112,100	0
Sub-total	\$0	\$0	\$112,100	\$112,100	0
• Market Survey Data Source					
To provide recurring funding for market salary survey data completed by DOHR in order to ensure state job salaries remain competitive. Other funding is from interdepartmental revenue.					
319.03 HR Management Services	\$0	\$0	\$14,000	\$14,000	0
Sub-total	\$0	\$0	\$14,000	\$14,000	0

General Government

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
Total Human Resources	<u>\$0</u>	<u>\$0</u>	<u>\$264,900</u>	<u>\$264,900</u>	<u>1</u>

General Services

- Fleet Maintenance and Equipment**

To provide recurring funding for additions and replacements to the fleet; the growth of fleet maintenance, repair, and fuel costs; to establish three positions and reclassify two positions to help maintain the growing fleet; and sustain a rent adjustment. Other funding is from interdepartmental revenue.

321.06 Motor Vehicle Management	\$0	\$0	\$5,566,600	\$5,566,600	3
Sub-total	<u>\$0</u>	<u>\$0</u>	<u>\$5,566,600</u>	<u>\$5,566,600</u>	<u>3</u>

- Vehicle Asset Management Technology Upgrades**

To provide funding for costs related to technology modernization in the program. Of this total cost, \$621,900 is recurring and \$500,000 is non-recurring.

321.06 Motor Vehicle Management	\$1,121,900	\$0	\$0	\$1,121,900	0
Sub-total	<u>\$1,121,900</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,121,900</u>	<u>0</u>

- Strategic Real Estate Asset Management (STREAM) Increased Volume**

To provide recurring funding and to establish one position in STREAM to address administrative services increased workload. Other funding is from interdepartmental revenue.

321.07 Real Estate Asset Management	\$0	\$0	\$110,600	\$110,600	1
Sub-total	<u>\$0</u>	<u>\$0</u>	<u>\$110,600</u>	<u>\$110,600</u>	<u>1</u>

- Central Procurement Office Increased Volume**

To provide recurring funding to reclassify two positions in the Central Procurement Office to address the increased volume and complexity of procurements. Other funding is from interdepartmental revenue.

321.10 Procurement Office	\$0	\$0	\$154,800	\$154,800	0
Sub-total	<u>\$0</u>	<u>\$0</u>	<u>\$154,800</u>	<u>\$154,800</u>	<u>0</u>

- Increased Employee Retention**

To provide recurring funding to establish career development paths for those classifications that are difficult to maintain staffing and to further create a high-retention workplace. Other funding is from interdepartmental revenue.

321.02 Postal Services	\$0	\$0	\$164,900	\$164,900	0
321.06 Motor Vehicle Management	0	0	53,200	53,200	0
321.07 Real Estate Asset Management	27,600	0	214,600	242,200	0
321.09 Printing and Media Services	14,900	0	248,400	263,300	0

General Government

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
321.10 Procurement Office	0	0	633,000	633,000	0
321.18 Distribution Center	0	0	67,400	67,400	0
Sub-total	<u>\$42,500</u>	<u>\$0</u>	<u>\$1,381,500</u>	<u>\$1,424,000</u>	<u>0</u>
• Megasite Authority Water and Wastewater Treatment Plant Operations					
To provide recurring funding to align the budget with actual expenses, including depreciation, related to the Megasite Authority Water and Wastewater Treatment Plant Operations. Other funding is from current services.					
321.24 Megasite Water and Wastewater Authority	\$0	\$0	\$7,806,800	\$7,806,800	0
Sub-total	<u>\$0</u>	<u>\$0</u>	<u>\$7,806,800</u>	<u>\$7,806,800</u>	<u>0</u>
• Multi-Agency Law Enforcement Training Academy (MALETA) Staffing and Operations Increase					
To provide funding and to establish six positions to support and manage the operations of MALETA. Of this cost, \$1,905,200 is recurring and \$542,700 is non-recurring.					
321.23 Multi-Agency Law Enforcement Training Academy	\$2,447,900	\$0	\$0	\$2,447,900	6
Sub-total	<u>\$2,447,900</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,447,900</u>	<u>6</u>
Total General Services	<u>\$3,612,300</u>	<u>\$0</u>	<u>\$15,020,300</u>	<u>\$18,632,600</u>	<u>10</u>

Veterans Services

• Veteran Assistance Support Team Positions

To provide recurring funding and to establish two positions for the Veterans Assistance Support Team to manage the growing volume of claims and improve benefits awarded in underserved areas.

323.01 Administration	\$174,100	\$0	\$0	\$174,100	2
Sub-total	<u>\$174,100</u>	<u>\$0</u>	<u>\$0</u>	<u>\$174,100</u>	<u>2</u>

• Veterans Services Enhancement and Operational Efficiency Initiative

To provide funding for the department's initiative to maintain and enhance the quality and efficiency of services provided to veterans and their families, while expanding outreach to underserved regions. Of this total cost, \$240,400 is recurring and \$313,400 is non-recurring.

323.01 Administration	\$296,400	\$0	\$0	\$296,400	0
323.02 Tennessee State Veterans Cemeteries	257,400	0	0	257,400	0
Sub-total	<u>\$553,800</u>	<u>\$0</u>	<u>\$0</u>	<u>\$553,800</u>	<u>0</u>
Total Veterans Services	<u>\$727,900</u>	<u>\$0</u>	<u>\$0</u>	<u>\$727,900</u>	<u>2</u>

General Government

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
Revenue					
● License Plate Production					
To provide increased recurring dedicated funding to produce license plates. Dedicated funding is from a portion of motor vehicle registration taxes.					
347.17 Vehicle Services Division	\$3,000,000	\$0	\$0	\$3,000,000	0
Sub-total	\$3,000,000	\$0	\$0	\$3,000,000	0
● Tennessee Revenue Registration and Reporting (TR3) Maintenance Contract					
To provide recurring funding for the TR3 system maintenance contract inflator.					
347.23 Tennessee Revenue Registration and Reporting System	\$4,400,000	\$0	\$0	\$4,400,000	0
Sub-total	\$4,400,000	\$0	\$0	\$4,400,000	0
● Motor Vehicle Collections					
To provide recurring funding to recognize revenues from motor vehicle registrations and portal transactions to pay existing contract expenses. Dedicated funding is from the collection of motor vehicle registration fees. Other funding is from current services revenue.					
347.17 Vehicle Services Division	\$0	\$0	\$2,000,000	\$2,000,000	0
347.22 Computerized Title and Registration System	2,300,000	0	0	2,300,000	0
Sub-total	\$2,300,000	\$0	\$2,000,000	\$4,300,000	0
● Correspondence - Increased Volume					
To provide recurring funding to support the cost of mailing correspondences, increased postage rates, and increased printing costs due to the growing number of businesses and registered taxpayers in Tennessee. Of this total cost, \$965,500 is from dedicated sources.					
347.13 Taxpayer Services Division	\$1,933,800	\$0	\$0	\$1,933,800	0
347.17 Vehicle Services Division	1,346,500	0	0	1,346,500	0
347.22 Computerized Title and Registration System	7,500	0	0	7,500	0
347.24 Insurance Verification	958,000	0	0	958,000	0
Sub-total	\$4,245,800	\$0	\$0	\$4,245,800	0

General Government

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
• Hemp Regulation					
To provide funding for the regulation of the production and sale of hemp-derived cannabinoids. Of this total cost, \$78,000 is recurring and \$120,000 is non-recurring.					
347.01 Administration Division	\$192,000	\$0	\$0	\$192,000	0
347.14 Audit Division	6,000	0	0	6,000	0
Sub-total	<u>\$198,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$198,000</u>	<u>0</u>
• Internal Service Billings					
To provide recurring funding for increased costs for services rendered by other state agencies. Of this total cost, \$154,700 is from dedicated sources.					
347.01 Administration Division	\$190,000	\$0	\$0	\$190,000	0
347.02 Collection Services	293,000	0	0	293,000	0
347.13 Taxpayer Services Division	357,500	0	0	357,500	0
347.14 Audit Division	577,500	0	0	577,500	0
347.16 Processing Division	232,200	0	0	232,200	0
347.17 Vehicle Services Division	36,300	0	0	36,300	0
347.18 Anti-Theft Unit	15,600	0	0	15,600	0
347.22 Computerized Title and Registration System	64,000	0	0	64,000	0
347.23 Tennessee Revenue Registration and Reporting System	782,200	0	0	782,200	0
347.24 Insurance Verification	75,100	0	0	75,100	0
Sub-total	<u>\$2,623,400</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,623,400</u>	<u>0</u>
Total Revenue	<u>\$16,767,200</u>	<u>\$0</u>	<u>\$2,000,000</u>	<u>\$18,767,200</u>	<u>0</u>

Miscellaneous Appropriations

• Pay for Performance Salary Pool					
To provide a pool of recurring funding for employee compensation adjustments based on performance evaluation. These increases will be effective July 1, 2025.					
351.00 Miscellaneous Appropriations	\$56,381,000	\$0	\$0	\$56,381,000	0
Sub-total	<u>\$56,381,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$56,381,000</u>	<u>0</u>

General Government

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
• Salary Pool for Non-TEAM Act Agencies					
To provide a pool of recurring funding for employee compensation adjustments 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, 2025.					
351.00 Miscellaneous Appropriations	\$13,737,000	\$0	\$0	\$13,737,000	0
Sub-total	\$13,737,000	\$0	\$0	\$13,737,000	0
• Group Health Insurance - January 1, 2026 Rate Increase					
To provide recurring funding for the state share of a 6.0 percent group health insurance premium increase. Additional funding for eligible higher education employees (\$9,936,400) is included in the departmental budget for Higher Education. The total cost to the general fund is \$17,161,400.					
351.00 Miscellaneous Appropriations	\$7,225,000	\$0	\$0	\$7,225,000	0
Sub-total	\$7,225,000	\$0	\$0	\$7,225,000	0
• Group Health Insurance - Annualize January 1, 2025 Rate Increase					
To provide recurring funding for the state share of a 5.5 percent group health insurance premium increase. Additional funding for eligible higher education employees (\$8,468,500) is included in the departmental budget for Higher Education. The total cost to the general fund is \$17,482,400.					
351.00 Miscellaneous Appropriations	\$9,013,900	\$0	\$0	\$9,013,900	0
Sub-total	\$9,013,900	\$0	\$0	\$9,013,900	0
• Duck River Regionalization					
To provide non-recurring funding for water infrastructure in the Duck River region of Tennessee.					
351.00 Miscellaneous Appropriations	\$100,000,000	\$0	\$0	\$100,000,000	0
Sub-total	\$100,000,000	\$0	\$0	\$100,000,000	0
• Public Safety Crime Prevention Grant Funds					
To provide non-recurring funding to continue the Violent Crime Intervention Grant fund (\$100,000,000), which distributes grants to local governments to promote public safety and reduce crime, and for a Downtown Public Safety grant program, which distributes grants to local governments to increase public safety and reduce crime in downtown business and commercial areas.					
351.00 Miscellaneous Appropriations	\$175,000,000	\$0	\$0	\$175,000,000	0
Sub-total	\$175,000,000	\$0	\$0	\$175,000,000	0

General Government

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
● Memphis Zoo Grant					
To provide non-recurring funding for a grant to the Memphis Zoo.					
351.00 Miscellaneous Appropriations	\$20,000,000	\$0	\$0	\$20,000,000	0
Sub-total	\$20,000,000	\$0	\$0	\$20,000,000	0
● Nashville Zoo Grant					
To provide non-recurring funding for a grant to the Nashville Zoo at Grassmere.					
351.00 Miscellaneous Appropriations	\$20,000,000	\$0	\$0	\$20,000,000	0
Sub-total	\$20,000,000	\$0	\$0	\$20,000,000	0
● Tennessee Performing Arts Center Grant					
To provide non-recurring funding for a grant to the Tennessee Performing Arts Center.					
351.00 Miscellaneous Appropriations	\$250,000,000	\$0	\$0	\$250,000,000	0
Sub-total	\$250,000,000	\$0	\$0	\$250,000,000	0
● East Tennessee iLab Innovation Center Grant					
To provide non-recurring funding for a grant to the East Tennessee iLab Innovation Center.					
351.00 Miscellaneous Appropriations	\$5,000,000	\$0	\$0	\$5,000,000	0
Sub-total	\$5,000,000	\$0	\$0	\$5,000,000	0
● Maryville College - Alexander Science Institute					
To provide non-recurring funding for a grant to the Alexander Science Institute at Maryville College.					
351.00 Miscellaneous Appropriations	\$12,000,000	\$0	\$0	\$12,000,000	0
Sub-total	\$12,000,000	\$0	\$0	\$12,000,000	0
● Governor's Rural Education Foundation Trust					
To provide non-recurring funding for a grant to the Governor's Rural Education Foundation Trust.					
351.00 Miscellaneous Appropriations	\$5,591,600	\$0	\$0	\$5,591,600	0
Sub-total	\$5,591,600	\$0	\$0	\$5,591,600	0
● Enterprise Resource Planning (ERP) Modernization					
To provide non-recurring funding for planning the future replacement of the current ERP system.					
351.00 Miscellaneous Appropriations	\$5,000,000	\$0	\$0	\$5,000,000	0
Sub-total	\$5,000,000	\$0	\$0	\$5,000,000	0

General Government

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
● Microsoft Office 365 License Agreement					
To provide recurring funding for increased Microsoft Office 365 license and subscription costs.					
351.00 Miscellaneous Appropriations	\$3,838,700	\$0	\$0	\$3,838,700	0
Sub-total	\$3,838,700	\$0	\$0	\$3,838,700	0
● Unified Communications Audio/Visual (A/V) Contract Replacement					
To provide recurring funding for the replacement of the division's A/V contract.					
351.00 Miscellaneous Appropriations	\$186,000	\$0	\$0	\$186,000	0
Sub-total	\$186,000	\$0	\$0	\$186,000	0
● Artificial Intelligence (AI) Enablement Program					
To provide non-recurring funding for a foundational proof of concept to develop an enterprise AI solution.					
351.00 Miscellaneous Appropriations	\$1,150,000	\$0	\$0	\$1,150,000	0
Sub-total	\$1,150,000	\$0	\$0	\$1,150,000	0
● Americans with Disabilities Act (ADA) Compliance					
To provide non-recurring funding for the improvement of web accessibility in State of Tennessee domains under federal mandates by the ADA.					
351.00 Miscellaneous Appropriations	\$5,000,000	\$0	\$0	\$5,000,000	0
Sub-total	\$5,000,000	\$0	\$0	\$5,000,000	0
● Business Gateway					
To provide non-recurring funding for the purchase of technology that will create a unified business gateway, allowing the state to simplify the process for locating and expanding businesses in Tennessee.					
351.00 Miscellaneous Appropriations	\$3,000,000	\$0	\$0	\$3,000,000	0
Sub-total	\$3,000,000	\$0	\$0	\$3,000,000	0
● Contractors for TNTrack					
To provide non-recurring funding for two contractors to support enhancements to TNTrack, which is the State of Tennessee's enterprise legislative tracking system.					
351.00 Miscellaneous Appropriations	\$750,000	\$0	\$0	\$750,000	0
Sub-total	\$750,000	\$0	\$0	\$750,000	0

General Government

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
• Data Center Operations					
To provide funding for the enhancement of information storage at the data center. This will support the replacement of new network devices and federal tax information storage arrays. Of this total cost, \$2,170,000 is recurring and \$1,950,000 is non-recurring.					
351.00 Miscellaneous Appropriations	\$4,120,000	\$0	\$0	\$4,120,000	0
Sub-total	\$4,120,000	\$0	\$0	\$4,120,000	0
• Enterprise Communications and Analytics Tool Licensing					
To provide recurring funding for continued licensing of the enterprise communication and analytics tool.					
351.00 Miscellaneous Appropriations	\$169,300	\$0	\$0	\$169,300	0
Sub-total	\$169,300	\$0	\$0	\$169,300	0
• North Data Center Relocation					
To provide non-recurring funding to relocate personnel and technology out of the North Data Center.					
351.00 Miscellaneous Appropriations	\$40,000,000	\$0	\$0	\$40,000,000	0
Sub-total	\$40,000,000	\$0	\$0	\$40,000,000	0
• Administration Amendment					
To provide funding for administration initiatives. Of this total cost, \$3,000,000 is recurring and \$5,000,000 is non-recurring.					
351.00 Miscellaneous Appropriations	\$8,000,000	\$0	\$0	\$8,000,000	0
Sub-total	\$8,000,000	\$0	\$0	\$8,000,000	0
• Legislative Amendment					
To provide funding for legislative initiatives. Of this total cost, \$3,000,000 is recurring and \$5,000,000 is non-recurring.					
351.00 Miscellaneous Appropriations	\$8,000,000	\$0	\$0	\$8,000,000	0
Sub-total	\$8,000,000	\$0	\$0	\$8,000,000	0
Total Miscellaneous Appropriations	\$753,162,500	\$0	\$0	\$753,162,500	0
Total General Government	\$883,940,400	\$750,000	\$81,712,700	\$966,403,100	23

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.

Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 Positions	22	22	22	0	22
Part-Time Positions	3	3	3	0	3
Seasonal Positions	28	28	28	0	28
TOTAL	53	53	53	0	53
Payroll	\$2,843,500	\$3,581,200	\$3,581,200	\$0	\$3,581,200
Operational	6,403,900	6,659,500	6,660,000	0	6,660,000
TOTAL	\$9,247,400	\$10,240,700	\$10,241,200	\$0	\$10,241,200
State Appropriations	\$8,244,600	\$10,223,700	\$10,224,200	\$0	\$10,224,200
Federal	0	0	0	0	0
Other	1,002,800	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 Positions	64	64	64	0	64
Part-Time Positions	29	29	29	0	29

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Seasonal Positions	0	0	0	0	0
TOTAL	93	93	93	0	93
Payroll	\$9,789,100	\$12,226,300	\$12,226,300	\$0	\$12,226,300
Operational	2,345,200	1,630,100	1,630,800	0	1,630,800
TOTAL	\$12,134,300	\$13,856,400	\$13,857,100	\$0	\$13,857,100
State Appropriations	\$12,134,300	\$13,786,400	\$13,787,100	\$0	\$13,787,100
Federal	0	0	0	0	0
Other	0	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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	1,800	68,900	68,900	0	68,900
TOTAL	\$1,800	\$68,900	\$68,900	\$0	\$68,900
State Appropriations	\$1,800	\$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 Positions	207	207	207	0	207
Part-Time Positions	40	40	40	0	40
Seasonal Positions	0	0	0	0	0

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
TOTAL	247	247	247	0	247
Payroll	\$22,775,800	\$29,334,000	\$29,334,000	\$0	\$29,334,000
Operational	5,377,100	4,285,400	4,281,500	0	4,281,500
TOTAL	\$28,152,900	\$33,619,400	\$33,615,500	\$0	\$33,615,500
State Appropriations	\$28,152,400	\$33,590,900	\$33,587,000	\$0	\$33,587,000
Federal	0	0	0	0	0
Other	500	28,500	28,500	0	28,500

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 Positions	101	101	101	0	101
Part-Time Positions	54	54	54	0	54
Seasonal Positions	0	0	0	0	0
TOTAL	155	155	155	0	155
Payroll	\$12,274,400	\$16,894,800	\$16,894,800	\$0	\$16,894,800
Operational	2,373,900	2,379,200	2,374,500	0	2,374,500
TOTAL	\$14,648,300	\$19,274,000	\$19,269,300	\$0	\$19,269,300
State Appropriations	\$14,647,400	\$19,252,000	\$19,247,300	\$0	\$19,247,300
Federal	0	0	0	0	0
Other	900	22,000	22,000	0	22,000

301.00 Total Legislature

Full-Time Positions	394	394	394	0	394
Part-Time Positions	126	126	126	0	126
Seasonal Positions	28	28	28	0	28
TOTAL	548	548	548	0	548
Payroll	\$47,682,800	\$62,036,300	\$62,036,300	\$0	\$62,036,300
Operational	16,501,900	15,023,100	15,015,700	0	15,015,700
TOTAL	\$64,184,700	\$77,059,400	\$77,052,000	\$0	\$77,052,000
State Appropriations	\$63,180,500	\$76,921,900	\$76,914,500	\$0	\$76,914,500
Federal	0	0	0	0	0
Other	1,004,200	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.

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
301.50 Fiscal Review Committee					
Full-Time Positions	16	16	16	0	16
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	16	16	16	0	16
Payroll	\$2,438,800	\$2,858,600	\$2,858,600	\$0	\$2,858,600
Operational	92,900	74,600	74,800	0	74,800
TOTAL	\$2,531,700	\$2,933,200	\$2,933,400	\$0	\$2,933,400
State Appropriations	\$2,158,600	\$2,933,200	\$2,933,400	\$0	\$2,933,400
Federal	0	0	0	0	0
Other	373,100	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.

Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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, the Help America Vote Act, and Records Management.

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 houses the Division of Elections, which is responsible for working with all 95 counties to administer elections across the state. The Administrative Procedures division also hears contested cases and reviews administrative records for numerous state agencies and regulatory boards. The Fiscal division of the Secretary of State also provides fiscal support to the entire department. Effective July 1, 2021, responsibilities of Charitable Solicitations and Charitable Gaming are also housed within this division.

Full-Time Positions	186	186	186	0	186
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	186	186	186	0	186
Payroll	\$18,118,500	\$24,649,400	\$24,649,400	\$0	\$24,649,400
Operational	6,473,300	4,723,700	4,601,200	0	4,601,200
TOTAL	\$24,591,800	\$29,373,100	\$29,250,600	\$0	\$29,250,600
State Appropriations	\$12,893,300	\$20,537,900	\$20,415,400	\$0	\$20,415,400
Federal	0	300,000	300,000	0	300,000
Other	11,698,500	8,535,200	8,535,200	0	8,535,200

Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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, which is administratively attached to the Secretary of State 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.

Full-Time Positions	0	0	0	0	0
Part-Time Positions	7	7	7	0	7
Seasonal Positions	0	0	0	0	0
TOTAL	7	7	7	0	7
Payroll	\$105,700	\$161,500	\$161,500	\$0	\$161,500
Operational	1,511,500	1,474,600	1,474,600	0	1,474,600
TOTAL	\$1,617,200	\$1,636,100	\$1,636,100	\$0	\$1,636,100
State Appropriations	\$1,617,200	\$1,636,100	\$1,636,100	\$0	\$1,636,100
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 biennial Blue Book, and manuals regarding public elections and corporate filings.

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	589,300	391,700	516,700	0	516,700
TOTAL	\$589,300	\$391,700	\$516,700	\$0	\$516,700
State Appropriations	\$389,300	\$391,700	\$516,700	\$0	\$516,700
Federal	0	0	0	0	0
Other	200,000	0	0	0	0

Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

305.07 Bureau of Ethics and Campaign Finance

The Bureau of Ethics and Campaign Finance, which is administratively attached to the Secretary of State, is comprised of two entities. 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 Positions	10	10	10	0	10
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	10	10	10	0	10
Payroll	\$1,363,700	\$1,477,300	\$1,602,300	\$0	\$1,602,300
Operational	260,100	435,200	460,400	0	460,400
TOTAL	\$1,623,800	\$1,912,500	\$2,062,700	\$0	\$2,062,700
State Appropriations	\$707,900	\$1,397,400	\$1,397,600	\$0	\$1,397,600
Federal	0	0	0	0	0
Other	915,900	515,100	665,100	0	665,100

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, which 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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	16,604,800	27,500,000	27,500,000	0	27,500,000
TOTAL	\$16,604,800	\$27,500,000	\$27,500,000	\$0	\$27,500,000
State Appropriations	\$199,900	\$0	\$0	\$0	\$0
Federal	15,038,900	26,500,000	26,500,000	0	26,500,000
Other	1,366,000	1,000,000	1,000,000	0	1,000,000

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 Positions	8	8	8	0	8
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	8	8	8	0	8
Payroll	\$799,100	\$955,200	\$955,200	\$0	\$955,200
Operational	687,900	641,500	641,800	0	641,800
TOTAL	\$1,487,000	\$1,596,700	\$1,597,000	\$0	\$1,597,000
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	1,487,000	1,596,700	1,597,000	0	1,597,000

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 accessible books and media; providing access to collections for both government and public use; assisting local public libraries through the state regional library system; and administering state and 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, state law regarding the State Library and Archives, and the regional library system.

Full-Time Positions	95	95	95	0	95
Part-Time Positions	3	3	3	0	3
Seasonal Positions	0	0	0	0	0
TOTAL	98	98	98	0	98
Payroll	\$7,725,200	\$10,379,100	\$10,379,100	\$0	\$10,379,100
Operational	10,994,400	9,405,500	9,406,600	0	9,406,600
TOTAL	\$18,719,600	\$19,784,600	\$19,785,700	\$0	\$19,785,700
State Appropriations	\$14,242,100	\$16,298,800	\$16,299,900	\$0	\$16,299,900
Federal	2,584,800	2,820,700	2,820,700	0	2,820,700
Other	1,892,700	665,100	665,100	0	665,100

Secretary of State

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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, technology, programming for special audiences, and library development.

Full-Time Positions	54	54	54	0	54
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	54	54	54	0	54
Payroll	\$4,746,800	\$6,043,200	\$6,043,200	\$0	\$6,043,200
Operational	5,866,300	5,368,900	5,369,500	0	5,369,500
TOTAL	\$10,613,100	\$11,412,100	\$11,412,700	\$0	\$11,412,700
State Appropriations	\$9,622,900	\$10,621,000	\$10,621,600	\$0	\$10,621,600
Federal	980,300	596,100	596,100	0	596,100
Other	9,900	195,000	195,000	0	195,000

305.00 Total Secretary of State

Full-Time Positions	353	353	353	0	353
Part-Time Positions	10	10	10	0	10
Seasonal Positions	0	0	0	0	0
TOTAL	363	363	363	0	363
Payroll	\$32,859,000	\$43,665,700	\$43,790,700	\$0	\$43,790,700
Operational	42,987,600	49,941,100	49,970,800	0	49,970,800
TOTAL	\$75,846,600	\$93,606,800	\$93,761,500	\$0	\$93,761,500
State Appropriations	\$39,672,600	\$50,882,900	\$50,887,300	\$0	\$50,887,300
Federal	18,604,000	30,216,800	30,216,800	0	30,216,800
Other	17,570,000	12,507,100	12,657,400	0	12,657,400

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</u> <u>2023-2024</u>	<u>Estimated</u> <u>2024-2025</u>	<u>Base</u> <u>2025-2026</u>	<u>Cost Increase</u> <u>2025-2026</u>	<u>Recommended</u> <u>2025-2026</u>

Administrative and Support Services

Administrative and Support Services provide assistance to the operations of the Comptroller of the Treasury. This work is accomplished through Administration Support Services, Office of Management Services, Communications and Public Affairs Office, Division of Technology Solutions, and the Office of General Counsel.

307.01 Administration Support Services

Administration Support Services directs and coordinates administrative activities within the Comptroller's Office and legislative support.

Full-Time Positions	10	8	8	0	8
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	10	8	8	0	8
Payroll	\$1,215,400	\$1,638,100	\$1,638,100	\$0	\$1,638,100
Operational	642,300	355,700	355,400	50,000	405,400
TOTAL	\$1,857,700	\$1,993,800	\$1,993,500	\$50,000	\$2,043,500
State Appropriations	\$1,622,100	\$1,993,800	\$1,993,500	\$50,000	\$2,043,500
Federal	0	0	0	0	0
Other	235,600	0	0	0	0

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 Positions	26	26	26	0	26
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	26	26	26	0	26
Payroll	\$3,214,200	\$3,471,400	\$3,471,400	\$0	\$3,471,400

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Operational	1,083,700	804,300	820,300	0	820,300
TOTAL	\$4,297,900	\$4,275,700	\$4,291,700	\$0	\$4,291,700
State Appropriations	\$3,710,500	\$4,275,700	\$4,291,700	\$0	\$4,291,700
Federal	0	0	0	0	0
Other	587,400	0	0	0	0

307.06 Communications and Public Affairs Office

The Division of Communications and Public Affairs provides communication support to all divisions of the Comptroller's Office. The division also provides the office's utilities oversight.

Full-Time Positions	6	6	6	0	6
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	6	6	6	0	6
Payroll	\$808,700	\$864,400	\$864,400	\$0	\$864,400
Operational	117,600	149,900	149,900	0	149,900
TOTAL	\$926,300	\$1,014,300	\$1,014,300	\$0	\$1,014,300
State Appropriations	\$697,800	\$1,014,300	\$1,014,300	\$0	\$1,014,300
Federal	0	0	0	0	0
Other	228,500	0	0	0	0

307.16 Division of Technology Solutions

The Division of Technology Solutions provides administrative and support services for information technology to the various divisions and boards in the Comptroller's Office. 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 Positions	38	39	39	0	39
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	38	39	39	0	39
Payroll	\$5,368,800	\$5,729,800	\$5,729,800	\$0	\$5,729,800
Operational	10,034,200	5,979,300	5,952,000	0	5,952,000
TOTAL	\$15,403,000	\$11,709,100	\$11,681,800	\$0	\$11,681,800
State Appropriations	\$15,182,600	\$11,486,600	\$11,459,300	\$0	\$11,459,300
Federal	0	0	0	0	0
Other	220,400	222,500	222,500	0	222,500

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

307.17 Office of General Counsel

The Office of General Counsel provides legal support for all divisions of the Comptroller's Office.

Full-Time Positions	8	8	8	0	8
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	8	8	8	0	8
Payroll	\$1,447,800	\$1,545,500	\$1,545,500	\$0	\$1,545,500
Operational	85,300	123,500	123,300	0	123,300
TOTAL	\$1,533,100	\$1,669,000	\$1,668,800	\$0	\$1,668,800
State Appropriations	\$1,181,600	\$1,669,000	\$1,668,800	\$0	\$1,668,800
Federal	0	0	0	0	0
Other	351,500	0	0	0	0

Office of Research and Education Accountability

The Office of Research and Education Accountability is 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 with 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.

Full-Time Positions	13	13	13	0	13
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	13	13	13	0	13
Payroll	\$1,475,600	\$1,749,200	\$1,749,200	\$0	\$1,749,200
Operational	81,300	97,100	96,700	0	96,700
TOTAL	\$1,556,900	\$1,846,300	\$1,845,900	\$0	\$1,845,900
State Appropriations	\$1,323,400	\$1,846,300	\$1,845,900	\$0	\$1,845,900
Federal	0	0	0	0	0
Other	233,500	0	0	0	0

<u>Actual 2023-2024</u>	<u>Estimated 2024-2025</u>	<u>Base 2025-2026</u>	<u>Cost Increase 2025-2026</u>	<u>Recommended 2025-2026</u>

Audit Services

The Audit Services program is responsible for conducting post-audits of the state's Annual Comprehensive Financial Report (ACFR) 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 (CPA). 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 program 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 ACFR and the Single Audit. Performance audits support the General Assembly's government entity review process.

Full-Time Positions	199	201	201	0	201
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	199	201	201	0	201
Payroll	\$25,306,600	\$26,932,700	\$26,932,700	\$0	\$26,932,700
Operational	2,853,900	1,306,100	1,299,900	0	1,299,900
TOTAL	\$28,160,500	\$28,238,800	\$28,232,600	\$0	\$28,232,600
State Appropriations	\$18,377,500	\$21,977,200	\$21,971,000	\$0	\$21,971,000
Federal	0	0	0	0	0
Other	9,783,000	6,261,600	6,261,600	0	6,261,600

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 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 Positions	113	113	113	0	113
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	113	113	113	0	113
Payroll	\$14,597,200	\$15,523,900	\$15,523,900	\$0	\$15,523,900

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Operational	1,798,600	1,042,700	1,039,200	0	1,039,200
TOTAL	\$16,395,800	\$16,566,600	\$16,563,100	\$0	\$16,563,100
State Appropriations	\$13,489,100	\$15,107,500	\$15,104,000	\$0	\$15,104,000
Federal	0	0	0	0	0
Other	2,906,700	1,459,100	1,459,100	0	1,459,100

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; referring evidence of wrongdoing to the appropriate authority for possible criminal or civil action; publishing reports of investigations that highlight deficiencies with respect to internal controls, compliance and management; and at the request of the respective district attorney general, assisting the Tennessee Bureau of Investigations with investigations of alleged crimes involving private funds that are of public interest.

Full-Time Positions	41	41	41	0	41
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	41	41	41	0	41
Payroll	\$5,320,900	\$5,718,700	\$5,718,700	\$0	\$5,718,700
Operational	408,300	493,200	491,900	0	491,900
TOTAL	\$5,729,200	\$6,211,900	\$6,210,600	\$0	\$6,210,600
State Appropriations	\$5,457,500	\$6,211,900	\$6,210,600	\$0	\$6,210,600
Federal	0	0	0	0	0
Other	271,700	0	0	0	0

Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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.

307.12 Division of Local Government Finance

The Division of Local Government Finance implements laws relating to the financial operation of local government units and other governmental entities. Division responsibilities include approving the budgets and debt obligations of local governments that have short-term debt outstanding at the end of the fiscal year; approving investment programs submitted by cities, counties, and utility districts; reporting on plans by municipal electric systems to provide video cable and Internet services; assisting local governments in areas of municipal finance; and providing research and support to the Tennessee General Assembly.

Full-Time Positions	13	13	13	0	13
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	13	13	13	0	13
Payroll	\$1,595,400	\$1,872,800	\$1,872,800	\$0	\$1,872,800
Operational	415,600	97,500	97,100	0	97,100
TOTAL	\$2,011,000	\$1,970,300	\$1,969,900	\$0	\$1,969,900
State Appropriations	\$1,671,000	\$1,970,300	\$1,969,900	\$0	\$1,969,900
Federal	0	0	0	0	0
Other	340,000	0	0	0	0

307.07 Office of State Government Finance

The Office of State Government Finance provides services related to the issuance, management, compliance, arbitrage administration and maintenance of the state's general obligation debt, the debt of the Tennessee State School Bond Authority, the debt of the Tennessee Local Development Authority, and certain loan program debt. 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.

Full-Time Positions	11	10	10	0	10
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	11	10	10	0	10
Payroll	\$1,471,700	\$1,575,000	\$1,575,000	\$0	\$1,575,000

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Operational	59,300	113,900	113,600	0	113,600
TOTAL	\$1,531,000	\$1,688,900	\$1,688,600	\$0	\$1,688,600
State Appropriations	\$369,600	\$878,400	\$878,100	\$0	\$878,100
Federal	0	0	0	0	0
Other	1,161,400	810,500	810,500	0	810,500

Property Assessment and Appraisal

The Comptroller of the Treasury is responsible for the administration and coordination of property tax assessments. Work is accomplished through the combined efforts of the Division of Property Assessments, Tax Relief, the State Board of Equalization, and the Office of State Assessed Properties.

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 statewide biennial appraisal ratio studies, supporting the state computer-assisted appraisal system, drafting property ownership maps, and other miscellaneous tasks.

Full-Time Positions	116	116	116	0	116
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	116	116	116	0	116
Payroll	\$12,569,800	\$13,229,500	\$13,229,500	\$0	\$13,229,500
Operational	1,933,700	1,733,400	1,764,600	0	1,764,600
TOTAL	\$14,503,500	\$14,962,900	\$14,994,100	\$0	\$14,994,100
State Appropriations	\$11,961,500	\$13,063,400	\$13,094,600	\$0	\$13,094,600
Federal	0	0	0	0	0
Other	2,542,000	1,899,500	1,899,500	0	1,899,500

307.10 Tax Relief

The Tax Relief program provides for property tax relief for qualifying low-income elderly and disabled homeowners, as well as disabled veteran homeowners and surviving spouses. This is a state program funded by appropriations authorized by the General Assembly. The program will reimburse homeowners who meet statutory requirements a portion or, in some cases, all of their local property taxes paid. The Division of Property Assessments provides administration of the program.

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Operational	40,963,400	41,265,100	41,265,100	0	41,265,100
TOTAL	\$40,963,400	\$41,265,100	\$41,265,100	\$0	\$41,265,100
State Appropriations	\$40,963,400	\$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 Positions	11	11	11	0	11
Part-Time Positions	8	8	8	0	8
Seasonal Positions	0	0	0	0	0
TOTAL	19	19	19	0	19
Payroll	\$1,336,100	\$1,541,200	\$1,541,200	\$0	\$1,541,200
Operational	184,400	282,300	281,800	0	281,800
TOTAL	\$1,520,500	\$1,823,500	\$1,823,000	\$0	\$1,823,000
State Appropriations	\$1,425,400	\$1,716,100	\$1,715,600	\$0	\$1,715,600
Federal	0	0	0	0	0
Other	95,100	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.

Full-Time Positions	12	12	12	0	12
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	12	12	12	0	12
Payroll	\$1,573,600	\$1,785,600	\$1,785,600	\$0	\$1,785,600

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Operational	87,500	125,400	125,000	0	125,000
TOTAL	\$1,661,100	\$1,911,000	\$1,910,600	\$0	\$1,910,600
State Appropriations	\$1,661,100	\$1,911,000	\$1,910,600	\$0	\$1,910,600
Federal	0	0	0	0	0
Other	0	0	0	0	0

307.00 Total Comptroller of the Treasury

Full-Time Positions	617	617	617	0	617
Part-Time Positions	8	8	8	0	8
Seasonal Positions	0	0	0	0	0
TOTAL	625	625	625	0	625
Payroll	\$77,301,800	\$83,177,800	\$83,177,800	\$0	\$83,177,800
Operational	60,749,100	53,969,400	53,975,800	50,000	54,025,800
TOTAL	\$138,050,900	\$137,147,200	\$137,153,600	\$50,000	\$137,203,600
State Appropriations	\$119,094,100	\$126,386,600	\$126,393,000	\$50,000	\$126,443,000
Federal	0	0	0	0	0
Other	18,956,800	10,760,600	10,760,600	0	10,760,600

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, the TN STARS College Savings 529 Program, the Small and Minority-Owned Business Assistance Program, the Electronic Monitoring Indigency Fund, and the Tuition Guaranty Fund Program.

Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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, and the TN STARS College Savings 529 Program. 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 Positions	340	371	371	10	381
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	340	371	371	10	381
Payroll	\$49,761,600	\$61,672,900	\$61,422,900	\$1,529,500	\$62,952,400
Operational	19,273,500	69,205,800	13,219,500	82,495,500	95,715,000
TOTAL	\$69,035,100	\$130,878,700	\$74,642,400	\$84,025,000	\$158,667,400
State Appropriations	\$0	\$2,660,400	\$2,660,700	\$77,200,000	\$79,860,700
Federal	2,117,000	55,612,800	0	0	0
Other	66,918,100	72,605,500	71,981,700	6,825,000	78,806,700

309.02 Certified Public Administrators

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

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
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 Appropriations	\$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 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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	2,085,200	1,370,800	1,570,800	0	1,570,800
TOTAL	\$2,085,200	\$1,370,800	\$1,570,800	\$0	\$1,570,800
State Appropriations	\$920,800	\$920,800	\$920,800	\$0	\$920,800
Federal	0	0	0	0	0
Other	1,164,400	450,000	650,000	0	650,000

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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	379,000	250,000	250,000	0	250,000
TOTAL	\$379,000	\$250,000	\$250,000	\$0	\$250,000
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	379,000	250,000	250,000	0	250,000

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

309.10 Electronic Monitoring Indigency Fund

The Electronic Monitoring Indigency Fund pays for costs associated with the lease, purchase, installation, removal, maintenance, and other fees of an ignition interlock device for persons deemed by the court to be indigent. The fund also shares the costs associated with other electronic monitoring type devices with local governments.

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	1,588,600	2,210,500	210,500	0	210,500
TOTAL	\$1,588,600	\$2,210,500	\$210,500	\$0	\$210,500
State Appropriations	\$1,522,100	\$2,210,500	\$210,500	\$0	\$210,500
Federal	0	0	0	0	0
Other	66,500	0	0	0	0

309.12 Tuition Guaranty

The Tuition Guaranty Fund Program provides a financial guarantee to any individual attending, or entities making loans to students attending private post-secondary vocational education institutions that cease to operate without earning the tuition collected from the students.

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	0	50,000	50,000	0	50,000
TOTAL	\$0	\$50,000	\$50,000	\$0	\$50,000
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	0	50,000	50,000	0	50,000

309.00 Total Treasury Department

Full-Time Positions	340	371	371	10	381
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	340	371	371	10	381
Payroll	\$49,761,600	\$61,672,900	\$61,422,900	\$1,529,500	\$62,952,400

Treasury Department

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Operational	23,733,600	73,494,400	15,708,100	82,495,500	98,203,600
TOTAL	\$73,495,200	\$135,167,300	\$77,131,000	\$84,025,000	\$161,156,000
State Appropriations	\$2,850,200	\$6,199,000	\$4,199,300	\$77,200,000	\$81,399,300
Federal	2,117,000	55,612,800	0	0	0
Other	68,528,000	73,355,500	72,931,700	6,825,000	79,756,700

Claims and Compensation

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

Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	11,454,500	16,923,100	16,923,100	0	16,923,100
TOTAL	\$11,454,500	\$16,923,100	\$16,923,100	\$0	\$16,923,100
State Appropriations	\$7,733,000	\$12,072,500	\$12,072,500	\$0	\$12,072,500
Federal	3,378,000	4,850,600	4,850,600	0	4,850,600
Other	343,500	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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Operational	94,339,500	89,130,100	89,130,100	9,098,000	98,228,100
TOTAL	\$94,339,500	\$89,130,100	\$89,130,100	\$9,098,000	\$98,228,100
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	94,339,500	89,130,100	89,130,100	9,098,000	98,228,100

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 owners or 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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	6,796,400	7,437,500	7,437,500	850,000	8,287,500
TOTAL	\$6,796,400	\$7,437,500	\$7,437,500	\$850,000	\$8,287,500
State Appropriations	\$6,796,400	\$7,437,500	\$7,437,500	\$850,000	\$8,287,500
Federal	0	0	0	0	0
Other	0	0	0	0	0

313.00 Total Claims and Compensation

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	112,590,400	113,490,700	113,490,700	9,948,000	123,438,700
TOTAL	\$112,590,400	\$113,490,700	\$113,490,700	\$9,948,000	\$123,438,700
State Appropriations	\$14,529,400	\$19,510,000	\$19,510,000	\$850,000	\$20,360,000
Federal	3,378,000	4,850,600	4,850,600	0	4,850,600
Other	94,683,000	89,130,100	89,130,100	9,098,000	98,228,100

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 2023-2024</u>	<u>Estimated 2024-2025</u>	<u>Base 2025-2026</u>	<u>Cost Increase 2025-2026</u>	<u>Recommended 2025-2026</u>
315.01 Governor's Office					
Full-Time Positions	40	40	40	0	40
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	40	40	40	0	40
Payroll	\$5,364,300	\$5,858,100	\$5,858,100	\$9,500	\$5,867,600
Operational	1,550,600	1,324,400	1,325,000	0	1,325,000
TOTAL	\$6,914,900	\$7,182,500	\$7,183,100	\$9,500	\$7,192,600
State Appropriations	\$6,913,900	\$7,182,500	\$7,183,100	\$9,500	\$7,192,600
Federal	0	0	0	0	0
Other	1,000	0	0	0	0

Tennessee Human Rights Commission

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

The THRC cooperates with local government and civic and religious groups in disseminating information, promoting activities, and providing leadership to increase public awareness of civil rights and equal opportunity.

	<u>Actual 2023-2024</u>	<u>Estimated 2024-2025</u>	<u>Base 2025-2026</u>	<u>Cost Increase 2025-2026</u>	<u>Recommended 2025-2026</u>
316.04 Human Rights Commission					
Full-Time Positions	33	33	33	0	33
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	33	33	33	0	33
Payroll	\$2,621,200	\$3,105,300	\$3,105,300	\$0	\$3,105,300
Operational	771,100	635,300	608,700	0	608,700
TOTAL	\$3,392,300	\$3,740,600	\$3,714,000	\$0	\$3,714,000
State Appropriations	\$2,684,500	\$2,770,800	\$2,744,200	\$0	\$2,744,200
Federal	529,300	969,800	969,800	0	969,800
Other	178,500	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.

Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

316.11 Tennessee Public Utility Commission

Full-Time Positions	55	55	52	0	52
Part-Time Positions	7	7	7	0	7
Seasonal Positions	0	0	0	0	0
TOTAL	62	62	59	0	59
Payroll	\$6,535,300	\$8,244,300	\$8,244,300	\$0	\$8,244,300
Operational	1,953,200	2,926,900	2,928,900	0	2,928,900
TOTAL	\$8,488,500	\$11,171,200	\$11,173,200	\$0	\$11,173,200
State Appropriations	\$6,255,900	\$8,629,400	\$8,631,200	\$0	\$8,631,200
Federal	1,157,500	1,110,800	1,111,000	0	1,111,000
Other	1,075,100	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.

Recent studies and activities directed by the General Assembly for TACIR include housing affordability, liquor-by-the-drink taxes, Enhanced 911 on college campuses, passenger rail and mobility, and utility-scale solar energy development.

Major ongoing areas of TACIR studies and activities include fiscal capacity measures for the Tennessee Investment in Student Achievement Act (TISA), growth policy, issues related to the Tennessee tax structure, education finance, government modernization, an ongoing inventory of public infrastructure needs, and intergovernmental issues.

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

316.12 Advisory Commission on Intergovernmental Relations

Full-Time Positions	19	19	19	0	19
Part-Time Positions	2	2	2	0	2
Seasonal Positions	0	0	0	0	0
TOTAL	21	21	21	0	21
Payroll	\$2,545,900	\$2,990,600	\$2,989,000	\$0	\$2,989,000
Operational	1,001,400	1,054,500	1,055,200	0	1,055,200
TOTAL	\$3,547,300	\$4,045,100	\$4,044,200	\$0	\$4,044,200
State Appropriations	\$0	\$164,600	\$163,000	\$0	\$163,000
Federal	0	0	0	0	0
Other	3,547,300	3,880,500	3,881,200	0	3,881,200

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, Strategic Technology Solutions, TennCare Fraud and Abuse Prevention, and Vehicle Tag and Analogous Fees.

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.

Actual	Estimated	Base	Cost Increase	Recommended
2023-2024	2024-2025	2025-2026	2025-2026	2025-2026

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 Positions	54	54	54	0	54
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	54	54	54	0	54
Payroll	\$8,733,700	\$8,331,800	\$8,331,800	\$0	\$8,331,800
Operational	57,290,400	171,156,700	2,071,000	0	2,071,000
TOTAL	\$66,024,100	\$179,488,500	\$10,402,800	\$0	\$10,402,800
State Appropriations	\$3,781,900	\$4,649,400	\$4,588,500	\$0	\$4,588,500
Federal	54,780,100	161,841,700	0	0	0
Other	7,462,100	12,997,400	5,814,300	0	5,814,300

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, and 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.

Full-Time Positions	100	104	104	0	104
Part-Time Positions	0	0	0	0	0

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Seasonal Positions	0	0	0	0	0
TOTAL	100	104	104	0	104
Payroll	\$11,740,400	\$14,317,600	\$14,317,600	\$0	\$14,317,600
Operational	2,585,100	3,587,900	3,604,800	0	3,604,800
TOTAL	\$14,325,500	\$17,905,500	\$17,922,400	\$0	\$17,922,400
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	14,325,500	17,905,500	17,922,400	0	17,922,400

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 Positions	52	50	50	0	50
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	52	50	50	0	50
Payroll	\$4,070,600	\$5,790,700	\$5,740,700	\$0	\$5,740,700
Operational	126,501,500	84,152,800	73,880,100	32,311,000	106,191,100
TOTAL	\$130,572,100	\$89,943,500	\$79,620,800	\$32,311,000	\$111,931,800
State Appropriations	\$64,828,800	\$15,176,800	\$6,205,200	\$31,561,000	\$37,766,200
Federal	49,357,500	74,660,900	73,309,800	750,000	74,059,800
Other	16,385,800	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 Positions	7	7	7	0	7
Part-Time Positions	0	0	0	0	0

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Seasonal Positions	0	0	0	0	0
TOTAL	7	7	7	0	7
Payroll	\$658,700	\$822,600	\$822,600	\$0	\$822,600
Operational	6,013,500	9,107,800	7,932,100	0	7,932,100
TOTAL	\$6,672,200	\$9,930,400	\$8,754,700	\$0	\$8,754,700
State Appropriations	\$395,200	\$481,100	\$463,600	\$0	\$463,600
Federal	6,258,800	9,274,300	8,266,100	0	8,266,100
Other	18,200	175,000	25,000	0	25,000

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 by adjusting the proposed Budget 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 and state revenue collections of all state agencies.

Full-Time Positions	29	29	29	0	29
Part-Time Positions	1	1	1	0	1
Seasonal Positions	0	0	0	0	0
TOTAL	30	30	30	0	30
Payroll	\$3,666,000	\$4,581,700	\$4,581,700	\$0	\$4,581,700
Operational	1,604,600	1,495,200	1,495,500	0	1,495,500
TOTAL	\$5,270,600	\$6,076,900	\$6,077,200	\$0	\$6,077,200
State Appropriations	\$4,873,900	\$6,076,900	\$6,077,200	\$0	\$6,077,200
Federal	0	0	0	0	0
Other	396,700	0	0	0	0

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 Annual Comprehensive Financial Report (ACFR).

Full-Time Positions	595	597	597	0	597
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	595	597	597	0	597
Payroll	\$56,502,200	\$64,981,100	\$64,981,100	\$0	\$64,981,100
Operational	12,200,700	5,372,100	5,207,000	0	5,207,000
TOTAL	\$68,702,900	\$70,353,200	\$70,188,100	\$0	\$70,188,100
State Appropriations	\$4,547,900	\$4,758,200	\$4,746,700	\$0	\$4,746,700
Federal	0	0	0	0	0
Other	64,155,000	65,595,000	65,441,400	0	65,441,400

317.24 Office of Evidence and Impact (OEI)

In partnership with the Governor's Office and state executive branch agencies, Office of Evidence and Impact (OEI) seeks to use data and evidence to inform decision makers to ensure the state invests in programs that work for Tennesseans.

Full-Time Positions	10	10	10	0	10
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	10	10	10	0	10
Payroll	\$1,336,800	\$1,822,500	\$1,822,500	\$0	\$1,822,500
Operational	943,500	2,192,000	2,113,200	0	2,113,200
TOTAL	\$2,280,300	\$4,014,500	\$3,935,700	\$0	\$3,935,700
State Appropriations	\$2,280,300	\$4,014,500	\$3,935,700	\$0	\$3,935,700
Federal	0	0	0	0	0
Other	0	0	0	0	0

<u>Actual 2023-2024</u>	<u>Estimated 2024-2025</u>	<u>Base 2025-2026</u>	<u>Cost Increase 2025-2026</u>	<u>Recommended 2025-2026</u>

Strategic Technology Solutions (STS)

Strategic Technology Solutions (STS) is the centralized Information Technology (IT) division within the Department of Finance and Administration. STS is led by the state's Chief Information Officer and provides direction, planning, resources, execution, and coordination in managing the information systems needs of Tennessee's state government. STS customers consist of state departments, boards, and commissions. STS serves as staff to the Information Systems Council (ISC) and under the ISC's guidance, provides technical direction, services, and infrastructure to the state. The following areas are managed within STS: Strategic Technology Solutions Operations, Enterprise Resource Planning, and Business Solutions Delivery.

317.03 Strategic Technology Solutions (STS) Operations

Strategic Technology Solutions (STS) Operations facilitates the use of information systems and provides technical direction and assistance to state departments, as charged by the Commissioner of Finance and Administration and the ISC. STS Operations provides statewide services in the following areas: cybersecurity and risk management, enterprise systems architecture and research, enterprise data governance and operations, shared services, unified communications, network and infrastructure, business application support and development, portfolio management and information systems planning, and information technology training. STS also provides enterprise solutions development and support, manages the state's websites, and operates two 24/7 data centers.

Full-Time Positions	485	487	488	0	488
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	485	487	488	0	488
Payroll	\$61,021,400	\$68,326,700	\$68,326,700	\$0	\$68,326,700
Operational	150,246,600	187,056,500	181,069,900	33,004,500	214,074,400
TOTAL	\$211,268,000	\$255,383,200	\$249,396,600	\$33,004,500	\$282,401,100
State Appropriations	\$0	\$1,796,800	\$1,796,800	\$0	\$1,796,800
Federal	85,300	0	0	0	0
Other	211,182,700	253,586,400	247,599,800	33,004,500	280,604,300

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.

Full-Time Positions	140	140	142	0	142
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	140	140	142	0	142
Payroll	\$17,611,600	\$19,785,600	\$19,984,800	\$0	\$19,984,800
Operational	11,219,700	16,785,300	14,833,400	5,000,000	19,833,400
TOTAL	\$28,831,300	\$36,570,900	\$34,818,200	\$5,000,000	\$39,818,200
State Appropriations	\$0	\$0	\$0	\$0	\$0

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Federal	0	0	0	0	0
Other	28,831,300	36,570,900	34,818,200	5,000,000	39,818,200

317.20 Business Solutions Delivery

Business Solutions Delivery (BSD) provides enterprise IT support for state departments. This support includes business application support and development, a 24/7 customer care center, workstation support, and enterprise project management. BSD's project management resources help successfully implement large and complex IT projects. BSD develops standard methodologies, tools, and measurements to help departmental customers achieve desired project outcomes.

Full-Time Positions	644	640	629	0	629
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	644	640	629	0	629
Payroll	\$83,510,600	\$91,054,800	\$90,151,300	\$0	\$90,151,300
Operational	7,185,100	13,301,200	13,151,100	0	13,151,100
TOTAL	\$90,695,700	\$104,356,000	\$103,302,400	\$0	\$103,302,400
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	90,695,700	104,356,000	103,302,400	0	103,302,400

317.25 STS Agency Purchasing

STS Agency Purchasing makes purchases related to information technology on behalf of agency customers. This allows STS to leverage buying power while ensuring that information technology purchases meet state technology standards.

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	49,252,100	75,000,000	75,000,000	10,500,000	85,500,000
TOTAL	\$49,252,100	\$75,000,000	\$75,000,000	\$10,500,000	\$85,500,000
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	49,252,100	75,000,000	75,000,000	10,500,000	85,500,000

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 Positions	50	45	45	0	45
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	50	45	45	0	45
Payroll	\$4,914,000	\$5,381,600	\$5,381,600	\$0	\$5,381,600
Operational	1,234,200	955,600	957,700	0	957,700
TOTAL	\$6,148,200	\$6,337,200	\$6,339,300	\$0	\$6,339,300
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	6,148,200	6,337,200	6,339,300	0	6,339,300

Vehicle Tag and Analogous Fees

317.40 Vehicle Tag and Analogous Fees

The Vehicle Tag and Analogous Fund is a special fund for the collection and disbursement of revenues produced from the sale or renewal of special purpose motor vehicle registration plates and other state fees that are allocated to nonprofit and other external organizations.

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	7,625,900	4,000,000	4,000,000	0	4,000,000
TOTAL	\$7,625,900	\$4,000,000	\$4,000,000	\$0	\$4,000,000
State Appropriations	\$7,592,300	\$4,000,000	\$4,000,000	\$0	\$4,000,000
Federal	0	0	0	0	0
Other	33,600	0	0	0	0

317.00 Total Department of Finance and Administration

Full-Time Positions	2,166	2,163	2,155	0	2,155
Part-Time Positions	1	1	1	0	1
Seasonal Positions	0	0	0	0	0

Department of Finance and Administration

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
TOTAL	2,167	2,164	2,156	0	2,156
Payroll	\$253,766,000	\$285,196,700	\$284,442,400	\$0	\$284,442,400
Operational	433,902,900	574,163,100	385,315,800	80,815,500	466,131,300
TOTAL	\$687,668,900	\$859,359,800	\$669,758,200	\$80,815,500	\$750,573,700
State Appropriations	\$88,300,300	\$40,953,700	\$31,813,700	\$31,561,000	\$63,374,700
Federal	110,481,700	245,776,900	81,575,900	750,000	82,325,900
Other	488,886,900	572,629,200	556,368,600	48,504,500	604,873,100

Department of Human Resources

The Department of Human Resources (DOHR) designs and implements policies and practices to effectively manage the human resource needs of state government. The department advises the Governor on human resource issues and administers the provisions of the Tennessee Excellence, Accountability, and Management (TEAM) Act of 2012. DOHR maintains all state employee records, as well as all records pertaining to applicants for state employment. It also approves, coordinates, and conducts learning and development courses for all state departments and agencies. The five major program areas of DOHR are Executive Administration; HR Management Services; Office of the General Counsel; Human Resources Business Solutions; and Office of People, Performance and Culture.

Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 Positions	2	3	3	0	3
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	2	3	3	0	3
Payroll	\$401,700	\$731,800	\$731,800	\$0	\$731,800
Operational	1,194,600	1,124,100	1,106,000	112,100	1,218,100
TOTAL	\$1,596,300	\$1,855,900	\$1,837,800	\$112,100	\$1,949,900
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	1,596,300	1,855,900	1,837,800	112,100	1,949,900

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. In addition, the employee sick leave bank is administered by HR Management Services.

Full-Time Positions	48	48	48	0	48
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	48	48	48	0	48
Payroll	\$5,221,600	\$5,696,700	\$5,696,700	\$0	\$5,696,700
Operational	157,200	323,500	266,300	14,000	280,300
TOTAL	\$5,378,800	\$6,020,200	\$5,963,000	\$14,000	\$5,977,000
State Appropriations	\$0	\$0	\$0	\$0	\$0

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Federal	0	0	0	0	0
Other	5,378,800	6,020,200	5,963,000	14,000	5,977,000

319.05 Office of the General Counsel

The Office of the General Counsel oversees all legal issues within DOHR, offering counsel and advice to state agencies and individuals on employment law matters. This office oversees all departmental legislative affairs, administers oversight over all media and public records requests, and houses the Ethics Compliance Officer for DOHR. In addition, the Office of General Counsel manages many services provided to state employees. The program areas include the Board of Appeals, Legal Services, and Equal Employment Opportunity.

Full-Time Positions	41	40	40	0	40
Part-Time Positions	18	18	18	0	18
Seasonal Positions	0	0	0	0	0
TOTAL	59	58	58	0	58
Payroll	\$5,079,100	\$5,850,600	\$5,850,600	\$0	\$5,850,600
Operational	448,800	637,700	575,800	0	575,800
TOTAL	\$5,527,900	\$6,488,300	\$6,426,400	\$0	\$6,426,400
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	5,527,900	6,488,300	6,426,400	0	6,426,400

319.07 Human Resources Business Solutions

Human Resources Business Solutions is responsible for administering human resources internally for the department, several boards and commissions, the Department of General Services and the Department of Financial Institutions. The division also partners with agencies to recruit qualified talent to fill preferred and executive service positions. The Recruiting Division offers consultative recruiting services such as developing strategic recruiting plans, coordinating recruiting events, and building diverse talent pipelines.

Full-Time Positions	38	38	38	0	38
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	38	38	38	0	38
Payroll	\$4,173,000	\$4,693,300	\$4,693,300	\$0	\$4,693,300
Operational	668,900	936,200	882,000	0	882,000
TOTAL	\$4,841,900	\$5,629,500	\$5,575,300	\$0	\$5,575,300
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	4,841,900	5,629,500	5,575,300	0	5,575,300

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

319.08 Office of People, Performance and Culture

The Office of People, Performance and Culture is responsible for strategic oversight and direction of the enterprise's diversity and equity strategy to attract, hire, and maintain a diverse workplace that reflects the State of Tennessee at all levels. In addition, the division provides support for employee engagement and employee relations policies, processes, and services as well as administers the performance management system that facilitates dialogue between employees and supervisors for job feedback, coaching, and individual training and development. Other programs of oversight include the Tennessee Employee Mediation program, exit surveys, service awards, suggestion awards, the annual charitable campaign, and employee discounts. The division also partners with agencies to consult with executive leaders to create a customized learning strategy that develops and sustains a high-performing workforce for the agency. Learning and leadership development is charged with assisting agencies with 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 Positions	25	25	25	1	26
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	25	25	25	1	26
Payroll	\$3,437,300	\$3,914,400	\$3,914,400	\$117,500	\$4,031,900
Operational	2,495,000	2,809,100	2,743,800	21,300	2,765,100
TOTAL	\$5,932,300	\$6,723,500	\$6,658,200	\$138,800	\$6,797,000
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	5,932,300	6,723,500	6,658,200	138,800	6,797,000

319.00 Total Department of Human Resources

Full-Time Positions	154	154	154	1	155
Part-Time Positions	18	18	18	0	18
Seasonal Positions	0	0	0	0	0
TOTAL	172	172	172	1	173
Payroll	\$18,312,700	\$20,886,800	\$20,886,800	\$117,500	\$21,004,300
Operational	4,964,500	5,830,600	5,573,900	147,400	5,721,300
TOTAL	\$23,277,200	\$26,717,400	\$26,460,700	\$264,900	\$26,725,600
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	23,277,200	26,717,400	26,460,700	264,900	26,725,600

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, the Governor's Early Literacy Foundation, the Megasite Authority of West Tennessee, and the Multi-Agency Law Enforcement Training Academy.

Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 Positions	40	40	40	0	40
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	40	40	40	0	40
Payroll	\$5,115,200	\$5,851,700	\$5,851,700	\$0	\$5,851,700
Operational	3,885,300	4,096,500	3,956,500	0	3,956,500
TOTAL	\$9,000,500	\$9,948,200	\$9,808,200	\$0	\$9,808,200
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	9,000,500	9,948,200	9,808,200	0	9,808,200

Property Management Services

Property Management Services manages and maintains the state's motor vehicles, facilities, and grounds and supervises all capital outlay projects.

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 Positions	20	21	21	3	24
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	20	21	21	3	24
Payroll	\$1,787,600	\$2,076,400	\$2,076,400	\$395,500	\$2,471,900

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Operational	71,266,800	80,921,700	80,883,900	6,346,200	87,230,100
TOTAL	\$73,054,400	\$82,998,100	\$82,960,300	\$6,741,700	\$89,702,000
State Appropriations	\$0	\$1,066,600	\$1,066,600	\$1,121,900	\$2,188,500
Federal	0	0	0	0	0
Other	73,054,400	81,931,500	81,893,700	5,619,800	87,513,500

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 Positions	115	118	118	1	119
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	115	118	118	1	119
Payroll	\$14,050,200	\$15,634,100	\$15,634,100	\$349,200	\$15,983,300
Operational	9,043,800	9,160,400	8,937,600	3,600	8,941,200
TOTAL	\$23,094,000	\$24,794,500	\$24,571,700	\$352,800	\$24,924,500
State Appropriations	\$6,778,100	\$8,441,700	\$8,383,400	\$27,600	\$8,411,000
Federal	0	0	0	0	0
Other	16,315,900	16,352,800	16,188,300	325,200	16,513,500

321.20 State Facilities Pre-Planning

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

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	3,603,600	1,086,200	1,086,200	0	1,086,200
TOTAL	\$3,603,600	\$1,086,200	\$1,086,200	\$0	\$1,086,200
State Appropriations	\$1,086,200	\$1,086,200	\$1,086,200	\$0	\$1,086,200

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Federal	0	0	0	0	0
Other	2,517,400	0	0	0	0

321.99 Statewide Capital Maintenance

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

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	0	40,191,100	40,191,100	0	40,191,100
TOTAL	\$0	\$40,191,100	\$40,191,100	\$0	\$40,191,100
State Appropriations	\$0	\$40,191,100	\$40,191,100	\$0	\$40,191,100
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.

Full-Time Positions	35	34	34	0	34
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	35	34	34	0	34
Payroll	\$2,133,600	\$2,401,700	\$2,401,700	\$164,900	\$2,566,600
Operational	18,241,100	16,560,100	16,151,500	0	16,151,500
TOTAL	\$20,374,700	\$18,961,800	\$18,553,200	\$164,900	\$18,718,100
State Appropriations	\$0	\$81,500	\$81,500	\$0	\$81,500
Federal	0	0	0	0	0
Other	20,374,700	18,880,300	18,471,700	164,900	18,636,600

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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.

Full-Time Positions	55	53	55	0	55
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	55	53	55	0	55
Payroll	\$2,788,300	\$4,445,300	\$4,631,300	\$263,300	\$4,894,600
Operational	5,047,900	3,492,800	4,144,800	0	4,144,800
TOTAL	\$7,836,200	\$7,938,100	\$8,776,100	\$263,300	\$9,039,400
State Appropriations	\$0	\$964,900	\$965,200	\$14,900	\$980,100
Federal	0	0	0	0	0
Other	7,836,200	6,973,200	7,810,900	248,400	8,059,300

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 Positions	85	86	86	0	86
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	85	86	86	0	86
Payroll	\$8,869,600	\$10,018,100	\$10,018,100	\$787,800	\$10,805,900
Operational	3,706,400	2,150,100	3,916,500	0	3,916,500
TOTAL	\$12,576,000	\$12,168,200	\$13,934,600	\$787,800	\$14,722,400
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	12,576,000	12,168,200	13,934,600	787,800	14,722,400

321.18 Distribution Center

The Distribution Center is responsible for central warehousing of state supplies. The division manages a centralized supply distribution operation.

Full-Time Positions	28	27	27	0	27
Part-Time Positions	0	0	0	0	0

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Seasonal Positions	0	0	0	0	0
TOTAL	28	27	27	0	27
Payroll	\$1,487,100	\$2,259,000	\$2,259,000	\$67,400	\$2,326,400
Operational	4,068,300	3,070,300	2,994,700	0	2,994,700
TOTAL	\$5,555,400	\$5,329,300	\$5,253,700	\$67,400	\$5,321,100
State Appropriations	\$10,000	\$10,000	\$10,000	\$0	\$10,000
Federal	2,101,300	0	0	0	0
Other	3,444,100	5,319,300	5,243,700	67,400	5,311,100

Governor's Early Literacy Foundation

321.21 Governor's Early Literacy Foundation

The Governor's Early Literacy Foundation is a nonprofit 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 Early Literacy Foundation is to ensure that Tennessee children are reading at grade-level by the end of the third grade.

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	15,100,000	14,600,000	14,454,000	0	14,454,000
TOTAL	\$15,100,000	\$14,600,000	\$14,454,000	\$0	\$14,454,000
State Appropriations	\$15,100,000	\$14,600,000	\$14,454,000	\$0	\$14,454,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Megasite Authority of West Tennessee

321.22 Megasite Authority of West Tennessee

The Megasite Authority of West Tennessee is a regional development authority that is administratively attached to the Department of General Services. The authority serves the megasite and was established for the purposes of developing, incentivizing, managing, and promoting the property. The authority is governed by a board of directors, and day-to-day management is overseen by the authority's chief executive officer.

Full-Time Positions	3	3	3	0	3
Part-Time Positions	7	7	7	0	7
Seasonal Positions	0	0	0	0	0
TOTAL	10	10	10	0	10

	<u>Actual 2023-2024</u>	<u>Estimated 2024-2025</u>	<u>Base 2025-2026</u>	<u>Cost Increase 2025-2026</u>	<u>Recommended 2025-2026</u>
Payroll	\$440,100	\$752,600	\$752,600	\$0	\$752,600
Operational	336,700	400,600	401,000	0	401,000
TOTAL	\$776,800	\$1,153,200	\$1,153,600	\$0	\$1,153,600
State Appropriations	\$720,500	\$1,046,200	\$1,046,600	\$0	\$1,046,600
Federal	0	0	0	0	0
Other	56,300	107,000	107,000	0	107,000

321.24 Megasite Water and Wastewater Authority

The Megasite Water and Wastewater Authority owns and operates a water and wastewater system to provide water services to the tenants of the megasite property. The authority shall prescribe and collect reasonable rates for the water services provided in order to cover the operating costs of the system.

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	529,900	2,607,000	2,607,000	7,806,800	10,413,800
TOTAL	\$529,900	\$2,607,000	\$2,607,000	\$7,806,800	\$10,413,800
State Appropriations	\$0	\$2,500,000	\$2,500,000	\$0	\$2,500,000
Federal	0	0	0	0	0
Other	529,900	107,000	107,000	7,806,800	7,913,800

Multi-Agency Law Enforcement Training Academy

321.23 Multi-Agency Law Enforcement Training Academy

The Multi-Agency Law Enforcement Training Academy is a training campus for state and local law enforcement that is administratively attached to the Department of General Services. The campus includes state-of-the-art training facilities, housing and dining for cadets and in-service staff, and a new administrative headquarters building for the Tennessee Department of Correction and the Tennessee Department of Safety.

Full-Time Positions	2	2	2	6	8
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	2	2	2	6	8
Payroll	\$0	\$478,400	\$478,400	\$1,215,700	\$1,694,100
Operational	0	41,400	41,400	1,232,200	1,273,600
TOTAL	\$0	\$519,800	\$519,800	\$2,447,900	\$2,967,700
State Appropriations	\$0	\$519,800	\$519,800	\$2,447,900	\$2,967,700

	<u>Actual 2023-2024</u>	<u>Estimated 2024-2025</u>	<u>Base 2025-2026</u>	<u>Cost Increase 2025-2026</u>	<u>Recommended 2025-2026</u>
Federal	0	0	0	0	0
Other	0	0	0	0	0

321.00 Total Department of General Services

Full-Time Positions	383	384	386	10	396
Part-Time Positions	7	7	7	0	7
Seasonal Positions	0	0	0	0	0
TOTAL	<u>390</u>	<u>391</u>	<u>393</u>	<u>10</u>	<u>403</u>
Payroll	\$36,671,700	\$43,917,300	\$44,103,300	\$3,243,800	\$47,347,100
Operational	134,829,800	178,378,200	179,766,200	15,388,800	195,155,000
TOTAL	\$171,501,500	\$222,295,500	\$223,869,500	\$18,632,600	\$242,502,100
State Appropriations	\$23,694,800	\$70,508,000	\$70,304,400	\$3,612,300	\$73,916,700
Federal	2,101,300	0	0	0	0
Other	145,705,400	151,787,500	153,565,100	15,020,300	168,585,400

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.

Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

Department of Veterans Services

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 Positions	71	71	71	2	73
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	71	71	71	2	73
Payroll	\$6,333,100	\$7,242,000	\$7,242,000	\$161,800	\$7,403,800
Operational	2,010,800	2,103,600	1,488,200	308,700	1,796,900
TOTAL	\$8,343,900	\$9,345,600	\$8,730,200	\$470,500	\$9,200,700
State Appropriations	\$8,341,700	\$9,345,600	\$8,730,200	\$470,500	\$9,200,700
Federal	0	0	0	0	0
Other	2,200	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 Positions	56	57	57	0	57
Part-Time Positions	0	4	4	0	4
Seasonal Positions	0	0	0	0	0
TOTAL	56	61	61	0	61
Payroll	\$3,498,600	\$4,029,700	\$4,029,700	\$0	\$4,029,700
Operational	7,143,100	3,097,200	1,564,100	257,400	1,821,500
TOTAL	\$10,641,700	\$7,126,900	\$5,593,800	\$257,400	\$5,851,200
State Appropriations	\$3,800,100	\$5,609,000	\$4,071,700	\$257,400	\$4,329,100

	<u>Actual 2023-2024</u>	<u>Estimated 2024-2025</u>	<u>Base 2025-2026</u>	<u>Cost Increase 2025-2026</u>	<u>Recommended 2025-2026</u>
Federal	6,840,600	1,517,900	1,522,100	0	1,522,100
Other	1,000	0	0	0	0

323.00 Total Department of Veterans Services

Full-Time Positions	127	128	128	2	130
Part-Time Positions	0	4	4	0	4
Seasonal Positions	0	0	0	0	0
TOTAL	127	132	132	2	134
Payroll	\$9,831,700	\$11,271,700	\$11,271,700	\$161,800	\$11,433,500
Operational	9,153,900	5,200,800	3,052,300	566,100	3,618,400
TOTAL	\$18,985,600	\$16,472,500	\$14,324,000	\$727,900	\$15,051,900
State Appropriations	\$12,141,800	\$14,954,600	\$12,801,900	\$727,900	\$13,529,800
Federal	6,840,600	1,517,900	1,522,100	0	1,522,100
Other	3,200	0	0	0	0

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, Anti-Theft Unit, and Disaster Relief functions.

Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 Positions	94	92	90	0	90
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	94	92	90	0	90
Payroll	\$11,732,800	\$13,993,000	\$13,993,000	\$0	\$13,993,000
Operational	7,221,800	9,684,400	9,659,500	382,000	10,041,500
TOTAL	\$18,954,600	\$23,677,400	\$23,652,500	\$382,000	\$24,034,500
State Appropriations	\$913,300	\$9,728,500	\$9,703,600	\$382,000	\$10,085,600
Federal	24,700	0	0	0	0
Other	18,016,600	13,948,900	13,948,900	0	13,948,900

347.23 Tennessee Revenue Registration and Reporting System

The Tennessee Revenue Registration and Reporting (TR3) System division develops and operates the next generation of the state's tax administration system. All tax functions for the Department of Revenue are handled within the system including the filing of returns and payments, apportionment, audit services, and collection of delinquent taxes. This centralized system has state-of-the-art reporting features as well as secure e-services for taxpayers and local jurisdictions.

Full-Time Positions	11	13	13	0	13
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	11	13	13	0	13
Payroll	\$786,100	\$1,339,800	\$1,339,800	\$0	\$1,339,800

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Operational	10,441,900	9,702,900	9,703,000	5,182,200	14,885,200
TOTAL	\$11,228,000	\$11,042,700	\$11,042,800	\$5,182,200	\$16,225,000
State Appropriations	\$11,228,000	\$11,042,700	\$11,042,800	\$5,182,200	\$16,225,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

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 Positions	143	147	147	0	147
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	143	147	147	0	147
Payroll	\$10,038,500	\$11,679,600	\$11,679,600	\$0	\$11,679,600
Operational	3,604,600	2,985,600	3,014,900	2,291,300	5,306,200
TOTAL	\$13,643,100	\$14,665,200	\$14,694,500	\$2,291,300	\$16,985,800
State Appropriations	\$10,843,000	\$12,994,000	\$13,023,300	\$2,291,300	\$15,314,600
Federal	0	0	0	0	0
Other	2,800,100	1,671,200	1,671,200	0	1,671,200

347.16 Processing Division

The Processing Division ensures that funds due to the State of Tennessee are timely and accurately deposited, and that taxpayer records are accurately updated. This program provides a means of collecting and processing more than 92 percent of state collections and accounting for those funds used to finance and operate most state programs.

In addition, the program provides lockbox services to a variety of other state agencies, and collects and deposits funds on their behalf.

Full-Time Positions	64	60	60	0	60
Part-Time Positions	4	4	4	0	4
Seasonal Positions	0	0	0	0	0
TOTAL	68	64	64	0	64
Payroll	\$4,613,800	\$5,599,100	\$5,599,100	\$0	\$5,599,100
Operational	1,966,300	2,040,500	2,041,100	232,200	2,273,300
TOTAL	\$6,580,100	\$7,639,600	\$7,640,200	\$232,200	\$7,872,400
State Appropriations	\$1,087,600	\$4,344,900	\$4,345,500	\$232,200	\$4,577,700

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Federal	0	0	0	0	0
Other	5,492,500	3,294,700	3,294,700	0	3,294,700

347.17 Vehicle Services Division

The Vehicle Services Division is responsible for issuing, recording, and enforcing ownership titles; regulating the sale and distribution of vehicle license plates; and regulating these activities through 95 county clerks. The program is centrally located in the Nashville area.

Full-Time Positions	79	79	79	0	79
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	79	79	79	0	79
Payroll	\$5,900,200	\$7,031,100	\$7,031,100	\$0	\$7,031,100
Operational	18,376,400	16,963,500	16,632,700	6,382,800	23,015,500
TOTAL	\$24,276,600	\$23,994,600	\$23,663,800	\$6,382,800	\$30,046,600
State Appropriations	\$17,331,900	\$22,449,200	\$22,118,400	\$4,382,800	\$26,501,200
Federal	0	0	0	0	0
Other	6,944,700	1,545,400	1,545,400	2,000,000	3,545,400

347.21 Tax Refund Interest Expense

The Tax Refund Interest Expense accounts for interest due to taxpayers on tax refunds.

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	9,192,700	2,500,000	2,500,000	0	2,500,000
TOTAL	\$9,192,700	\$2,500,000	\$2,500,000	\$0	\$2,500,000
State Appropriations	\$9,192,700	\$2,500,000	\$2,500,000	\$0	\$2,500,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 Positions	1	1	1	0	1
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	1	1	1	0	1
Payroll	\$78,100	\$108,300	\$108,300	\$0	\$108,300
Operational	5,741,300	4,692,500	4,692,500	2,371,500	7,064,000
TOTAL	\$5,819,400	\$4,800,800	\$4,800,800	\$2,371,500	\$7,172,300
State Appropriations	\$4,786,200	\$4,800,800	\$4,800,800	\$2,371,500	\$7,172,300
Federal	0	0	0	0	0
Other	1,033,200	0	0	0	0

347.24 Insurance Verification

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

Full-Time Positions	18	18	18	0	18
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	18	18	18	0	18
Payroll	\$992,800	\$1,149,300	\$1,149,300	\$0	\$1,149,300
Operational	1,847,800	1,210,000	1,210,100	1,033,100	2,243,200
TOTAL	\$2,840,600	\$2,359,300	\$2,359,400	\$1,033,100	\$3,392,500
State Appropriations	\$1,948,100	\$2,359,300	\$2,359,400	\$1,033,100	\$3,392,500
Federal	0	0	0	0	0
Other	892,500	0	0	0	0

347.25 Franchise Tax Refund Payments

The Franchise Tax Refund Payments fund was established by 2024 Public Chapter 950, which amends the Franchise Tax Law of 1999 to issue refunds under certain conditions to taxpayers.

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	1,551,717,100	0	0	0	0
TOTAL	\$1,551,717,100	\$0	\$0	\$0	\$0
State Appropriations	\$1,551,717,100	\$0	\$0	\$0	\$0
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 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 TR3 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 Positions	121	121	121	0	121
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	121	121	121	0	121
Payroll	\$9,968,100	\$11,095,500	\$11,095,500	\$0	\$11,095,500
Operational	1,302,200	1,753,600	1,605,200	293,000	1,898,200
TOTAL	\$11,270,300	\$12,849,100	\$12,700,700	\$293,000	\$12,993,700
State Appropriations	\$5,502,900	\$9,479,200	\$9,330,800	\$293,000	\$9,623,800
Federal	0	0	0	0	0
Other	5,767,400	3,369,900	3,369,900	0	3,369,900

Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 Positions	329	329	329	0	329
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	329	329	329	0	329
Payroll	\$33,268,500	\$39,085,400	\$39,085,400	\$0	\$39,085,400
Operational	3,703,600	4,844,000	4,848,300	583,500	5,431,800
TOTAL	\$36,972,100	\$43,929,400	\$43,933,700	\$583,500	\$44,517,200
State Appropriations	\$17,808,200	\$32,843,400	\$31,907,000	\$583,500	\$32,490,500
Federal	5,700	20,900	20,900	0	20,900
Other	19,158,200	11,065,100	12,005,800	0	12,005,800

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 Positions	21	21	23	0	23
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	21	21	23	0	23
Payroll	\$1,827,900	\$2,179,200	\$2,322,600	\$0	\$2,322,600
Operational	518,100	489,700	490,800	15,600	506,400
TOTAL	\$2,346,000	\$2,668,900	\$2,813,400	\$15,600	\$2,829,000
State Appropriations	\$2,346,000	\$2,668,900	\$2,813,400	\$15,600	\$2,829,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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.

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	0	257,500	250,000	0	250,000
TOTAL	\$0	\$257,500	\$250,000	\$0	\$250,000
State Appropriations	\$0	\$257,500	\$250,000	\$0	\$250,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

347.00 Total Department of Revenue

Full-Time Positions	881	881	881	0	881
Part-Time Positions	4	4	4	0	4
Seasonal Positions	0	0	0	0	0
TOTAL	885	885	885	0	885
Payroll	\$79,206,800	\$93,260,300	\$93,403,700	\$0	\$93,403,700
Operational	1,615,633,800	57,124,200	56,648,100	18,767,200	75,415,300
TOTAL	\$1,694,840,600	\$150,384,500	\$150,051,800	\$18,767,200	\$168,819,000
State Appropriations	\$1,634,705,000	\$115,468,400	\$114,195,000	\$16,767,200	\$130,962,200
Federal	30,400	20,900	20,900	0	20,900
Other	60,105,200	34,895,200	35,835,900	2,000,000	37,835,900

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.

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
351.00 Miscellaneous Appropriations					
Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$20,040,000	\$0	\$0	\$0	\$0
Operational	484,251,900	560,522,300	252,237,200	753,162,500	1,005,399,700
TOTAL	\$504,291,900	\$560,522,300	\$252,237,200	\$753,162,500	\$1,005,399,700
State Appropriations	\$442,125,900	\$560,522,300	\$252,237,200	\$753,162,500	\$1,005,399,700
Federal	0	0	0	0	0
Other	62,166,000	0	0	0	0

Other Post-Employment Benefits Liability

The Other Post-Employment Benefits (OPEB) Liability 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.

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
352.00 Other Post-Employment Benefits Liability					
Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$72,177,800	\$52,177,800	\$4,460,000	\$0	\$4,460,000
Operational	0	0	0	0	0
TOTAL	\$72,177,800	\$52,177,800	\$4,460,000	\$0	\$4,460,000
State Appropriations	\$72,177,800	\$52,177,800	\$4,460,000	\$0	\$4,460,000
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.

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	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 Appropriations	\$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.

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
355.02 Major Maintenance and Equipment					
Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	0	150,000	150,000	0	150,000
TOTAL	\$0	\$150,000	\$150,000	\$0	\$150,000
State Appropriations	\$0	\$0	\$0	\$0	\$0
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 2025-2026

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.

The Sports Wagering Council is responsible for licensing and regulating online sports wagering in Tennessee. Certain taxes and fees collected by the council are distributed to the Lottery for Education Account and the Tennessee Promise Endowment Scholarship program.

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 postsecondary 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 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 postsecondary 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 2023-2024</u>	<u>Estimated 2024-2025</u>	<u>Recommended 2025-2026</u>
Personnel			
Full-Time Positions	1,204	1,166	1,163
Part-Time Positions	42	36	36
Full-Time Administrative	1,351	1,404	1,404
Professional	8,176	8,413	8,413
Faculty	10,504	10,720	10,720
Clerical Support	8,139	8,209	8,209
TOTAL	29,416	29,948	29,945
Expenditures			
Payroll	\$119,953,400	\$144,426,100	\$143,935,600
Operational	15,783,750,400	15,319,190,050	15,447,599,500
TOTAL	\$15,903,703,800	\$15,463,616,150	\$15,591,535,100
Funding			
State Appropriations	\$9,629,902,800	\$10,116,299,450	\$10,810,711,200
Federal	2,560,950,100	1,758,523,400	1,228,765,600
Other	1,490,030,900	1,272,674,000	1,235,939,000
Tuition and Fees	2,222,820,000	2,316,119,300	2,316,119,300

Education

Recommended Budget for Fiscal Year 2025-2026

By Funding Source

Department	State	Federal	Other	Total
316.15 Sports Wagering Council	\$6,835,500	\$0	\$0	\$6,835,500
331.00 Education (K-12)	7,811,832,600	1,135,551,300	145,343,000	9,092,726,900
332.00 Higher Education - State Administered Programs	737,923,400	5,925,800	24,499,100	768,348,300
332.10 University of Tennessee System	929,968,500	69,333,400	1,712,657,400*	2,711,959,300
332.60 State University and Community College System	576,220,000	1,041,700	428,426,800*	1,005,688,500
332.70 Austin Peay State University	78,939,800	1,001,200	113,306,800*	193,247,800
332.72 East Tennessee State University	173,677,200	3,300,000	269,662,700*	446,639,900
332.74 University of Memphis	185,902,600	5,892,500	317,652,000*	509,447,100
332.75 Middle Tennessee State University	150,168,600	1,150,000	264,419,100*	415,737,700
332.77 Tennessee State University	69,246,800	3,500,000	130,410,700*	203,157,500
332.78 Tennessee Technological University	89,996,200	2,069,700	145,680,700*	237,746,600
TOTAL	\$10,810,711,200	\$1,228,765,600	\$3,552,058,300	\$15,591,535,100

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

Education

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
Education (K-12)					
● Administration Legislation - Education Freedom Scholarship Act					
To provide funding for administration legislation relative to the creation of the Education Freedom Scholarship program. Of this total cost, \$148,600,000 is recurring and \$198,400,000 is non-recurring.					
331.10 Career Ladder	\$198,400,000	\$0	\$0	\$198,400,000	0
331.59 Education Freedom Scholarship Program	148,600,000	0	0	148,600,000	0
Sub-total	\$347,000,000	\$0	\$0	\$347,000,000	0
● Tennessee Investment in Student Achievement (TISA)					
To provide recurring funding for TISA formula growth and inflationary costs.					
331.25 Tennessee Investment in Student Achievement	\$164,000,000	\$0	\$0	\$164,000,000	0
Sub-total	\$164,000,000	\$0	\$0	\$164,000,000	0
● Grade A Schools					
To provide recurring funding to create financial incentives for high-performing Local Education Agencies (LEAs), where more than fifty percent (50%) of schools in the LEA received an "A" letter grade, pursuant to Tennessee Code Annotated, Section 49-1-228, for the 2023-2024 school year or future school years.					
331.05 Academic Offices	\$17,000,000	\$0	\$0	\$17,000,000	0
Sub-total	\$17,000,000	\$0	\$0	\$17,000,000	0
● Tourism Zone LEA Grants					
To provide recurring funding for the purpose of making distributions to LEAs as identified pursuant to Tennessee Code Annotated, Section 49-3-108(d)(1)(A)(ii) related to active tourism development zones.					
331.25 Tennessee Investment in Student Achievement	\$6,200,000	\$0	\$0	\$6,200,000	0
Sub-total	\$6,200,000	\$0	\$0	\$6,200,000	0
● Summer Learning Camps and Transportation					
To provide recurring funding for the summer learning camp and summer learning transportation program.					
331.39 Centers of Regional Excellence (CORE)	\$27,302,500	\$0	\$0	\$27,302,500	0
Sub-total	\$27,302,500	\$0	\$0	\$27,302,500	0

Education

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
• Paid Parental Leave					
To provide recurring funding to reimburse LEAs for paid parental leave for eligible licensed employees due to growth in the program.					
331.02 Grants-In-Aid	\$10,000,000	\$0	\$0	\$10,000,000	0
Sub-total	\$10,000,000	\$0	\$0	\$10,000,000	0
• Fast Growth Fund					
To provide funding for the Fast Growth fund, which provides support to LEAs experiencing high student enrollment growth. Of this total cost, \$5,000,000 is recurring and \$20,000,000 is non-recurring.					
331.25 Tennessee Investment in Student Achievement	\$25,000,000	\$0	\$0	\$25,000,000	0
Sub-total	\$25,000,000	\$0	\$0	\$25,000,000	0
• Equitable Facilities Fund					
To provide non-recurring funding for an equitable facilities fund.					
331.01 Administration	\$5,000,000	\$0	\$0	\$5,000,000	0
Sub-total	\$5,000,000	\$0	\$0	\$5,000,000	0
• Advanced Placement (AP) Examinations for Low-Income Students					
To provide recurring funding for increased AP examinations for low-income students.					
331.05 Academic Offices	\$221,500	\$0	\$0	\$221,500	0
Sub-total	\$221,500	\$0	\$0	\$221,500	0
• Charter School Commission Positions					
To provide recurring dedicated state funding and to establish two positions to support additional schools being authorized by the Charter School Commission. The source of the dedicated funding is the charter authorizer fee.					
331.56 Charter School Commission	\$220,800	\$0	\$0	\$220,800	2
Sub-total	\$220,800	\$0	\$0	\$220,800	2
• Jobs for TN Graduates					
To provide non-recurring funding for a grant to Jobs for TN Graduates.					
331.01 Administration	\$4,000,000	\$0	\$0	\$4,000,000	0
Sub-total	\$4,000,000	\$0	\$0	\$4,000,000	0
• Junior Achievement - Year Three of Three					
To provide non-recurring funding for Junior Achievement grants to expand programs and services for youth in Tennessee.					
331.05 Academic Offices	\$1,200,000	\$0	\$0	\$1,200,000	0
Sub-total	\$1,200,000	\$0	\$0	\$1,200,000	0

Education

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
• Textbook Commission - Operations					
To provide recurring funding for the commission's operations.					
331.58 Textbook Commission	\$341,800	\$0	\$0	\$341,800	0
Sub-total	\$341,800	\$0	\$0	\$341,800	0
• State Special Schools Teacher Raises					
To provide recurring funding for growth in teacher training and experience in state special schools.					
331.90 Alvin C. York Institute	\$257,900	\$0	\$0	\$257,900	0
331.91 Tennessee School for the Blind	291,400	0	0	291,400	0
331.92 Tennessee School for the Deaf	323,300	0	0	323,300	0
331.93 West Tennessee School for the Deaf	78,200	0	0	78,200	0
Sub-total	\$950,800	\$0	\$0	\$950,800	0
Total Education (K-12)	\$608,437,400	\$0	\$0	\$608,437,400	2

Higher Education - State Administered Programs

• Administration Legislation - Tennessee Colleges of Applied Technology Lottery Grants					
To provide recurring funding for administration legislation relative to providing free attendance to Tennessee Colleges of Applied Technology. The source of the dedicated appropriation is the Lottery for Education Account.					
332.19 Lottery for Education Account	\$12,100,000	\$0	\$0	\$12,100,000	0
Sub-total	\$12,100,000	\$0	\$0	\$12,100,000	0
• Tennessee Higher Education Commission (THEC) - Non-formula Unit - Salary Pool					
To provide recurring funding for a salary pool for higher education employees, effective July 1, 2025.					
332.08 Centers of Excellence	\$475,700	\$0	\$0	\$475,700	0
332.11 Campus Centers of Emphasis	32,100	0	0	32,100	0
Sub-total	\$507,800	\$0	\$0	\$507,800	0

Education

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
● Shared Savings - Rural Health Care Pathways Program					
To provide non-recurring funding for the Rural Health Care Pathways Program. The program will enhance opportunities for individuals to enter and transition into health care careers in rural communities. Other funding is from the TennCare Shared Savings.					
332.01 Tennessee Higher Education Commission	\$0	\$0	\$12,690,900	\$12,690,900	0
Sub-total	\$0	\$0	\$12,690,900	\$12,690,900	0
● Tennessee Student Assistance Awards (TSAA) Increase to Pell Eligibility					
To provide recurring funding to increase the number of students receiving TSSA. TSAA is the need-based grant that assists financially needy students in obtaining a postsecondary education. These funds would cover approximately 6,300 additional students.					
332.03 Tennessee Student Assistance Awards	\$12,000,000	\$0	\$0	\$12,000,000	0
Sub-total	\$12,000,000	\$0	\$0	\$12,000,000	0
● Governor's Investment in Vocational Education Grants (GIVE) 4.0					
To provide non-recurring funding for GIVE grants, with a focus on nuclear energy sector development.					
332.09 THEC Grants	\$10,000,000	\$0	\$0	\$10,000,000	0
Sub-total	\$10,000,000	\$0	\$0	\$10,000,000	0
● Veterans Reconnect Grant					
To provide non-recurring funding to support efforts to improve the educational outcomes for veterans and military-connected students at Tennessee post-secondary institutions.					
332.09 THEC Grants	\$1,000,000	\$0	\$0	\$1,000,000	0
Sub-total	\$1,000,000	\$0	\$0	\$1,000,000	0
● Tennessee Higher Education Commission - Data Management and Reporting					
To provide recurring funding and to establish one position to support data management and reporting for the Tennessee Higher Education Commission.					
332.01 Tennessee Higher Education Commission	\$162,500	\$0	\$0	\$162,500	1
Sub-total	\$162,500	\$0	\$0	\$162,500	1
Total Higher Education - State Administered Programs	\$35,770,300	\$0	\$12,690,900	\$48,461,200	1

Education

Cost Increases for Fiscal Year 2025-2026

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
University of Tennessee System					
● UT System Outcome Growth					
To provide recurring funding associated with greater institutional outcomes, such as increases in student progression, degree production, and other outcome measures related to the institutional mission for formula units. This appropriation also includes funds for each institution to provide salary increases.					
332.40 UT Chattanooga	\$2,684,100	\$0	\$0	\$2,684,100	0
332.42 UT Knoxville	11,767,400	0	0	11,767,400	0
332.44 UT Martin	1,547,100	0	0	1,547,100	0
Sub-total	<u>\$15,998,600</u>	<u>\$0</u>	<u>\$0</u>	<u>\$15,998,600</u>	<u>0</u>
● UT Non-Formula Medical Education Units					
To provide recurring funding to medical education units to offset inflationary cost increases.					
332.28 UT Veterinary Medicine	\$164,000	\$0	\$0	\$164,000	0
332.30 UT Health Science Center	950,000	0	0	950,000	0
Sub-total	<u>\$1,114,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,114,000</u>	<u>0</u>
● University of Tennessee - Local Planning Assistance					
To provide recurring funding to support planning, technical assistance, training, and coordination for local governments in partnership with Tennessee's Development Districts.					
332.26 UT Agricultural Extension Service	\$2,000,000	\$0	\$0	\$2,000,000	0
Sub-total	<u>\$2,000,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,000,000</u>	<u>0</u>
● Institute of American Civics					
To provide recurring funding to the Institute of American Civics.					
332.10 UT University-Wide Administration	\$1,400,000	\$0	\$0	\$1,400,000	0
Sub-total	<u>\$1,400,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,400,000</u>	<u>0</u>
● UT System Non-Formula Unit - Salary Pool					
To provide recurring funding for a salary pool for higher education employees, effective July 1, 2025.					
332.10 UT University-Wide Administration	\$96,600	\$0	\$0	\$96,600	0
332.14 Tennessee Foreign Language Center	54,200	0	0	54,200	0
332.15 UT Institute for Public Service	149,200	0	0	149,200	0
332.16 UT Municipal Technical Advisory Service	175,200	0	0	175,200	0

Education

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
332.17 UT County Technical Assistance Service	138,900	0	0	138,900	0
332.23 UT Space Institute	274,500	0	0	274,500	0
332.25 UT Agricultural Experiment Station	908,800	0	0	908,800	0
332.26 UT Agricultural Extension Service	1,370,200	0	0	1,370,200	0
332.28 UT Veterinary Medicine	1,275,000	0	0	1,275,000	0
332.30 UT Health Science Center	6,195,500	0	0	6,195,500	0
332.46 UT Southern	141,600	0	0	141,600	0
Sub-total	<u>\$10,779,700</u>	<u>\$0</u>	<u>\$0</u>	<u>\$10,779,700</u>	<u>0</u>

- **UT System Group Health Insurance - January 1, 2026 Rate Increase**

To provide recurring funding for the state share of a 6.0 percent group health insurance premium increase on January 1, 2026. This is funded for six months in the Recommended Budget.

332.10 UT University-Wide Administration	\$123,700	\$0	\$0	\$123,700	0
332.14 Tennessee Foreign Language Center	7,400	0	0	7,400	0
332.15 UT Institute for Public Service	34,300	0	0	34,300	0
332.16 UT Municipal Technical Advisory Service	20,200	0	0	20,200	0
332.17 UT County Technical Assistance Service	15,600	0	0	15,600	0
332.23 UT Space Institute	22,300	0	0	22,300	0
332.25 UT Agricultural Experiment Station	159,300	0	0	159,300	0
332.26 UT Agricultural Extension Service	305,400	0	0	305,400	0
332.28 UT Veterinary Medicine	159,000	0	0	159,000	0
332.30 UT Health Science Center	1,012,300	0	0	1,012,300	0
332.40 UT Chattanooga	478,300	0	0	478,300	0
332.42 UT Knoxville	1,724,600	0	0	1,724,600	0
332.44 UT Martin	276,700	0	0	276,700	0
332.46 UT Southern	36,500	0	0	36,500	0
Sub-total	<u>\$4,375,600</u>	<u>\$0</u>	<u>\$0</u>	<u>\$4,375,600</u>	<u>0</u>

Education

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
• UT System Group Health Insurance - Annualize January 1, 2025 Rate Increase					
To provide recurring funding to annualize the state share of a 5.5 percent group health insurance premium increase on January 1, 2025.					
332.10 UT University-Wide Administration	\$97,800	\$0	\$0	\$97,800	0
332.14 Tennessee Foreign Language Center	6,900	0	0	6,900	0
332.15 UT Institute for Public Service	26,200	0	0	26,200	0
332.16 UT Municipal Technical Advisory Service	16,900	0	0	16,900	0
332.17 UT County Technical Assistance Service	13,300	0	0	13,300	0
332.23 UT Space Institute	22,100	0	0	22,100	0
332.25 UT Agricultural Experiment Station	138,500	0	0	138,500	0
332.26 UT Agricultural Extension Service	257,200	0	0	257,200	0
332.28 UT Veterinary Medicine	136,700	0	0	136,700	0
332.30 UT Health Science Center	885,300	0	0	885,300	0
332.40 UT Chattanooga	406,200	0	0	406,200	0
332.42 UT Knoxville	1,407,100	0	0	1,407,100	0
332.44 UT Martin	237,300	0	0	237,300	0
332.46 UT Southern	31,500	0	0	31,500	0
Sub-total	<u>\$3,683,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,683,000</u>	<u>0</u>
• Operational Funding - UT Southern					
To provide recurring funding for operational expenditures at UT Southern.					
332.46 UT Southern	\$50,000	\$0	\$0	\$50,000	0
Sub-total	<u>\$50,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$50,000</u>	<u>0</u>
Total University of Tennessee System	<u>\$39,400,900</u>	<u>\$0</u>	<u>\$0</u>	<u>\$39,400,900</u>	<u>0</u>

State University and Community College System

• Tennessee Board of Regents System Outcome Growth

To provide recurring funding associated with greater institutional outcomes, such as increases in student progression, degree production, and other outcome measures related to the institutional mission for formula units. This appropriation also includes funds for each institution to provide salary increases.

332.89 Tennessee Community Colleges	\$12,784,200	\$0	\$0	\$12,784,200	0

Education

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
332.98 Tennessee Colleges of Applied Technology	3,293,800	0	0	3,293,800	0
Sub-total	<u>\$16,078,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$16,078,000</u>	<u>0</u>
• Common Application for Community Colleges					
To provide funding for the creation of a common application for community colleges. Of this total cost, \$1,800,000 is recurring and \$200,000 is non-recurring.					
332.89 Tennessee Community Colleges	\$2,000,000	\$0	\$0	\$2,000,000	0
Sub-total	<u>\$2,000,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,000,000</u>	<u>0</u>
• Tennessee Board of Regents - Center for Workforce Development					
To provide recurring funding to develop a Center for Workforce Development.					
332.60 Tennessee Board of Regents	\$2,273,000	\$0	\$0	\$2,273,000	0
Sub-total	<u>\$2,273,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,273,000</u>	<u>0</u>
• Tennessee Board of Regents Non-Formula Unit Salary Pool					
To provide recurring funding for a salary pool for higher education employees, effective July 1, 2025.					
332.60 Tennessee Board of Regents	\$688,800	\$0	\$0	\$688,800	0
Sub-total	<u>\$688,800</u>	<u>\$0</u>	<u>\$0</u>	<u>\$688,800</u>	<u>0</u>
• Tennessee Board of Regents Health Insurance - January 1, 2026 Rate Increase					
To provide recurring funding for the state share of a 6.0 percent group health insurance premium increase on January 1, 2026. This is funded for six months in the Recommended Budget.					
332.60 Tennessee Board of Regents	\$90,200	\$0	\$0	\$90,200	0
332.89 Tennessee Community Colleges	1,562,100	0	0	1,562,100	0
332.98 Tennessee Colleges of Applied Technology	426,200	0	0	426,200	0
Sub-total	<u>\$2,078,500</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,078,500</u>	<u>0</u>
• Tennessee Board of Regents Group Health Insurance - Annualize January 1, 2025 Rate Increase					
To provide recurring funding to annualize the state share of a 5.5 percent group health insurance premium increase on January 1, 2025.					
332.60 Tennessee Board of Regents	\$74,200	\$0	\$0	\$74,200	0
332.89 Tennessee Community Colleges	1,341,800	0	0	1,341,800	0
332.98 Tennessee Colleges of Applied Technology	389,600	0	0	389,600	0
Sub-total	<u>\$1,805,600</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,805,600</u>	<u>0</u>

Education

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
● Roane State Health Center Grant					
To provide non-recurring funding for a health center grant to Roane State Community College.					
332.89 Tennessee Community Colleges	\$900,000	\$0	\$0	\$900,000	0
Sub-total	\$900,000	\$0	\$0	\$900,000	0
Total State University and Community College System	\$25,823,900	\$0	\$0	\$25,823,900	0

Austin Peay State University

● Austin Peay State University Outcome Growth					
To provide recurring funding associated with greater institutional outcomes, such as increases in student progression, degree production, and other outcome measures related to the institutional mission for formula units. This appropriation also includes funds for each institution to provide salary increases.					
332.70 Austin Peay State University	\$2,495,700	\$0	\$0	\$2,495,700	0
Sub-total	\$2,495,700	\$0	\$0	\$2,495,700	0
● Austin Peay State University Health Insurance - January 1, 2026 Rate Increase					
To provide recurring funding for the state share of a 6.0 percent group health insurance premium increase on January 1, 2026. This is funded for six months in the Recommended Budget.					
332.70 Austin Peay State University	\$356,700	\$0	\$0	\$356,700	0
Sub-total	\$356,700	\$0	\$0	\$356,700	0
● Austin Peay State University (APSU) - Annualize January 1, 2025 Rate Increase					
To provide recurring funding to annualize the state share of a 5.5 percent group health insurance premium increase on January 1, 2025.					
332.70 Austin Peay State University	\$300,000	\$0	\$0	\$300,000	0
Sub-total	\$300,000	\$0	\$0	\$300,000	0
Total Austin Peay State University	\$3,152,400	\$0	\$0	\$3,152,400	0

East Tennessee State University

● East Tennessee State University Outcome Growth					
To provide recurring funding associated with greater institutional outcomes, such as increases in student progression, degree production, and other outcome measures related to the institutional mission for formula units. This appropriation also includes funds for each institution to provide salary increases.					
332.72 East Tennessee State University	\$3,305,200	\$0	\$0	\$3,305,200	0
Sub-total	\$3,305,200	\$0	\$0	\$3,305,200	0

Education

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
● East Tennessee State University (ETSU) Non-Formula Medical Education Unit					
To provide recurring funding to medical education units to offset inflationary increases.					
332.65 ETSU College of Medicine	\$245,000	\$0	\$0	\$245,000	0
332.66 ETSU College of Pharmacy	216,600	0	0	216,600	0
332.67 ETSU Family Practice	27,000	0	0	27,000	0
Sub-total	<u>\$488,600</u>	<u>\$0</u>	<u>\$0</u>	<u>\$488,600</u>	<u>0</u>
● East Tennessee State University Non-Formula Unit Salary Pool					
To provide recurring funding for a salary pool for higher education employees, effective July 1, 2025.					
332.65 ETSU College of Medicine	\$1,711,000	\$0	\$0	\$1,711,000	0
332.66 ETSU College of Pharmacy	163,400	0	0	163,400	0
332.67 ETSU Family Practice	454,900	0	0	454,900	0
Sub-total	<u>\$2,329,300</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,329,300</u>	<u>0</u>
● East Tennessee State University Health Insurance - January 1, 2026 Rate Increase					
To provide recurring funding for the state share of a 6.0 percent group health insurance premium increase on January 1, 2026. This is funded for six months in the Recommended Budget.					
332.65 ETSU College of Medicine	\$119,900	\$0	\$0	\$119,900	0
332.67 ETSU Family Practice	44,400	0	0	44,400	0
332.72 East Tennessee State University	648,500	0	0	648,500	0
Sub-total	<u>\$812,800</u>	<u>\$0</u>	<u>\$0</u>	<u>\$812,800</u>	<u>0</u>
● East Tennessee State University (ETSU) - Annualize January 1, 2025 Rate Increase					
To provide recurring funding to annualize the state share of a 5.5 percent group health insurance premium increase on January 1, 2025.					
332.65 ETSU College of Medicine	\$107,400	\$0	\$0	\$107,400	0
332.67 ETSU Family Practice	36,400	0	0	36,400	0
332.72 East Tennessee State University	542,300	0	0	542,300	0
Sub-total	<u>\$686,100</u>	<u>\$0</u>	<u>\$0</u>	<u>\$686,100</u>	<u>0</u>
Total East Tennessee State University	<u>\$7,622,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$7,622,000</u>	<u>0</u>

Education

Cost Increases for Fiscal Year 2025-2026

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
University of Memphis					
● University of Memphis Outcome Growth					
To provide recurring funding associated with greater institutional outcomes, such as increases in student progression, degree production, and other outcome measures related to the institutional mission for formula units. This appropriation also includes funds for each institution to provide salary increases.					
332.74 University of Memphis	\$5,878,800	\$0	\$0	\$5,878,800	0
Sub-total	<u>\$5,878,800</u>	<u>\$0</u>	<u>\$0</u>	<u>\$5,878,800</u>	<u>0</u>
● University of Memphis Health Insurance - January 1, 2026 Rate Increase					
To provide recurring funding for the state share of a 6.0 percent group health insurance premium increase on January 1, 2026. This is funded for six months in the Recommended Budget.					
332.74 University of Memphis	\$803,600	\$0	\$0	\$803,600	0
Sub-total	<u>\$803,600</u>	<u>\$0</u>	<u>\$0</u>	<u>\$803,600</u>	<u>0</u>
● University of Memphis - Annualize January 1, 2025 Rate Increase					
To provide recurring funding to annualize the state share of a 5.5 percent group health insurance premium increase on January 1, 2025.					
332.74 University of Memphis	\$699,600	\$0	\$0	\$699,600	0
Sub-total	<u>\$699,600</u>	<u>\$0</u>	<u>\$0</u>	<u>\$699,600</u>	<u>0</u>
Total University of Memphis	<u>\$7,382,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$7,382,000</u>	<u>0</u>

Middle Tennessee State University

● Middle Tennessee State University Outcome Growth					
To provide recurring funding associated with greater institutional outcomes, such as increases in student progression, degree production, and other outcome measures related to the institutional mission for formula units. This appropriation also includes funds for each institution to provide salary increases.					
332.75 Middle Tennessee State University	\$4,742,500	\$0	\$0	\$4,742,500	0
Sub-total	<u>\$4,742,500</u>	<u>\$0</u>	<u>\$0</u>	<u>\$4,742,500</u>	<u>0</u>
● Middle Tennessee State University - January 1, 2026 Rate Increase					
To provide recurring funding for the state share of a 6.0 percent group health insurance premium increase on January 1, 2026. This is funded for six months in the Recommended Budget.					
332.75 Middle Tennessee State University	\$761,100	\$0	\$0	\$761,100	0
Sub-total	<u>\$761,100</u>	<u>\$0</u>	<u>\$0</u>	<u>\$761,100</u>	<u>0</u>

Education

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
● Middle Tennessee State University - Annualize January 1, 2025 Rate Increase					
To provide recurring funding to annualize the state share of a 5.5 percent group health insurance premium increase on January 1, 2025.					
332.75 Middle Tennessee State University	\$651,200	\$0	\$0	\$651,200	0
Sub-total	\$651,200	\$0	\$0	\$651,200	0
Total Middle Tennessee State University	\$6,154,800	\$0	\$0	\$6,154,800	0

Tennessee State University

● Tennessee State University - Outcome Growth					
To provide recurring funding associated with greater institutional outcomes, such as increases in student progression, degree production, and other outcome measures related to the institutional mission for formula units. This appropriation also includes funds for each institution to provide salary increases.					
332.77 Tennessee State University	\$1,738,400	\$0	\$0	\$1,738,400	0
Sub-total	\$1,738,400	\$0	\$0	\$1,738,400	0
● Tennessee State University - Non-Formula Unit Salary Pool					
To provide recurring funding for a salary pool for higher education employees, effective July 1, 2025.					
332.62 TSU McMinnville Center	\$23,200	\$0	\$0	\$23,200	0
332.63 TSU Institute of Agricultural and Environmental Research	10,500	0	0	10,500	0
332.64 TSU Cooperative Education	46,000	0	0	46,000	0
332.68 TSU McIntire-Stennis Forestry Research	4,700	0	0	4,700	0
Sub-total	\$84,400	\$0	\$0	\$84,400	0
● Tennessee State University Health Insurance - January 1, 2026 Rate Increase					
To provide recurring funding for the state share of a 6.0 percent group health insurance premium increase on January 1, 2026. This is funded for six months in the Recommended Budget.					
332.77 Tennessee State University	\$334,700	\$0	\$0	\$334,700	0
Sub-total	\$334,700	\$0	\$0	\$334,700	0

Education

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
• Tennessee State University - Annualize January 1, 2025 Rate Increase					
To provide recurring funding to annualize the state share of a 5.5 percent group health insurance premium increase on January 1, 2025.					
332.77 Tennessee State University	\$293,800	\$0	\$0	\$293,800	0
Sub-total	\$293,800	\$0	\$0	\$293,800	0
Total Tennessee State University	\$2,451,300	\$0	\$0	\$2,451,300	0
Tennessee Technological University					
• Tennessee Technological University Outcome Growth					
To provide recurring funding associated with greater institutional outcomes, such as increases in student progression, degree production, and other outcome measures related to the institutional mission for formula units. This appropriation also includes funds for each institution to provide salary increases.					
332.78 Tennessee Technological University	\$2,605,700	\$0	\$0	\$2,605,700	0
Sub-total	\$2,605,700	\$0	\$0	\$2,605,700	0
• Tennessee Technological University Health Insurance - January 1, 2026 Rate Increase					
To provide recurring funding for the state share of a 6.0 percent group health insurance premium increase on January 1, 2026. This is funded for six months in the Recommended Budget.					
332.78 Tennessee Technological University	\$413,400	\$0	\$0	\$413,400	0
Sub-total	\$413,400	\$0	\$0	\$413,400	0
• Tennessee Technological University - Annualize January 1, 2025 Rate Increase					
To provide recurring funding to annualize the state share of a 5.5 percent group health insurance premium increase on January 1, 2025.					
332.78 Tennessee Technological University	\$349,200	\$0	\$0	\$349,200	0
Sub-total	\$349,200	\$0	\$0	\$349,200	0
Total Tennessee Technological University	\$3,368,300	\$0	\$0	\$3,368,300	0
Total Education	\$739,563,300	\$0	\$12,690,900	\$752,254,200	3

Sports Wagering Council

The Sports Wagering Council began regulatory oversight of the sports wagering industry on January 1, 2022, and is responsible for licensing and regulating online sports wagering in Tennessee. The council is composed of nine members appointed by the Governor, Lieutenant Governor, and Speaker of the House. The council ensures that online sports wagering operators offer online sports wagering in accordance with the 2019 Tennessee Sports Gaming Act. This includes ensuring that online sports wagering is offered in a responsible manner, and that the appropriate privilege tax and licensure fees are paid based on the wagering activity reported by operators. Additionally, the Sports Wagering Council implements the requirements of the 2016 Fantasy Sports Act, which established regulations and licensing requirements for fantasy sports operators.

	<u>Actual 2023-2024</u>	<u>Estimated 2024-2025</u>	<u>Base 2025-2026</u>	<u>Cost Increase 2025-2026</u>	<u>Recommended 2025-2026</u>
316.15 Sports Wagering Council					
Full-Time Positions	20	20	20	0	20
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	20	20	20	0	20
Payroll	\$3,339,100	\$4,651,900	\$4,651,900	\$0	\$4,651,900
Operational	621,400	2,183,000	2,183,600	0	2,183,600
TOTAL	\$3,960,500	\$6,834,900	\$6,835,500	\$0	\$6,835,500
State Appropriations	\$3,954,600	\$6,834,900	\$6,835,500	\$0	\$6,835,500
Federal	0	0	0	0	0
Other	5,900	0	0	0	0

Education (K-12)

The Department of Education is responsible for ensuring that the children of Tennessee have the opportunity for intellectual development commensurate the children's 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.

Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

Administration

Administration is organized into five program areas: Administration, State Board of Education, Charter School Commission, Textbook Commission, and the Education Freedom Program.

331.01 Administration

Administration functions include developing policy, planning, maintaining the Tennessee Investment in Student Achievement (TISA) funding formula model, providing financial management advisory services to LEAs, and collecting student membership data. Sections in Administration include commissioner's office, internal audit, human resources, central accounts, budget, local finance, and public information.

Full-Time Positions	82	83	83	0	83
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	82	83	83	0	83
Payroll	\$10,446,400	\$11,800,700	\$11,800,700	\$0	\$11,800,700
Operational	17,763,800	18,441,300	3,299,000	9,000,000	12,299,000
TOTAL	\$28,210,200	\$30,242,000	\$15,099,700	\$9,000,000	\$24,099,700
State Appropriations	\$12,760,900	\$28,000,000	\$12,864,900	\$9,000,000	\$21,864,900
Federal	4,571,800	2,165,600	2,158,400	0	2,158,400
Other	10,877,500	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 and the state's special schools for the state of Tennessee. 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 administratively attached to the Department of Education.

Full-Time Positions	17	17	17	0	17
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	17	17	17	0	17
Payroll	\$2,578,600	\$2,819,800	\$2,819,800	\$0	\$2,819,800
Operational	458,700	470,000	470,600	0	470,600
TOTAL	\$3,037,300	\$3,289,800	\$3,290,400	\$0	\$3,290,400

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
State Appropriations	\$2,613,700	\$3,289,800	\$3,290,400	\$0	\$3,290,400
Federal	0	0	0	0	0
Other	423,600	0	0	0	0

331.56 Charter School Commission

The Charter School Commission is the appellate public charter school authorizer and the designated LEA for the schools it has authorized. The commission consists of nine members and includes staff to support the appellate process and LEA oversight responsibilities for the included charter schools.

Full-Time Positions	18	19	19	2	21
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	18	19	19	2	21
Payroll	\$2,251,800	\$2,504,400	\$2,504,400	\$212,800	\$2,717,200
Operational	76,909,500	110,732,500	110,733,000	8,000	110,741,000
TOTAL	\$79,161,300	\$113,236,900	\$113,237,400	\$220,800	\$113,458,200
State Appropriations	\$3,132,200	\$4,481,200	\$4,481,200	\$220,800	\$4,702,000
Federal	0	0	0	0	0
Other	76,029,100	108,755,700	108,756,200	0	108,756,200

331.58 Textbook Commission

The State Textbook and Instructional Materials Quality Commission is composed of 11 members whose responsibility is to recommend an official list of textbooks and instructional materials for approval of the State Board of Education.

Full-Time Positions	3	3	3	0	3
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	3	3	3	0	3
Payroll	\$60,300	\$400,600	\$58,800	\$341,800	\$400,600
Operational	2,300	500,000	500,000	0	500,000
TOTAL	\$62,600	\$900,600	\$558,800	\$341,800	\$900,600
State Appropriations	\$62,600	\$900,600	\$558,800	\$341,800	\$900,600
Federal	0	0	0	0	0
Other	0	0	0	0	0

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

331.59 Education Freedom Scholarship Program

The Education Freedom Scholarship Program establishes a statewide school choice program available to all Tennessee families while prioritizing low-income students and students with disabilities.

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	0	0	0	148,600,000	148,600,000
TOTAL	\$0	\$0	\$0	\$148,600,000	\$148,600,000
State Appropriations	\$0	\$0	\$0	\$148,600,000	\$148,600,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

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; Charter School Commission; Non-Public Education Choice Programs; 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 Tennessee Investment in Student Achievement

The Tennessee Investment in Student Achievement (TISA) is a student-based funding model generated by the individual needs of each student. The TISA is a four-tiered funding formula that includes base funding, weights, direct funding, and outcomes funding.

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	6,409,839,600	6,781,128,000	6,774,928,000	195,200,000	6,970,128,000
TOTAL	\$6,409,839,600	\$6,781,128,000	\$6,774,928,000	\$195,200,000	\$6,970,128,000
State Appropriations	\$6,409,839,600	\$6,781,128,000	\$6,774,928,000	\$195,200,000	\$6,970,128,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

331.57 Non-Public Education Choice Programs

Non-Public Education Choice Programs includes the state's Education Savings Account (ESA) program. With the ESA program, eligible students assigned a qualifying LEA can use state and local TISA funds toward expenses, such as tuition or fees, at participating private schools.

Full-Time Positions	22	22	22	0	22
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	22	22	22	0	22
Payroll	\$1,800,700	\$2,684,800	\$2,684,800	\$0	\$2,684,800
Operational	5,449,400	26,569,500	26,544,500	0	26,544,500
TOTAL	\$7,250,100	\$29,254,300	\$29,229,300	\$0	\$29,229,300
State Appropriations	\$7,250,100	\$29,254,300	\$29,229,300	\$0	\$29,229,300
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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	41,963,300	41,512,500	21,192,500	10,000,000	31,192,500
TOTAL	\$41,963,300	\$41,512,500	\$21,192,500	\$10,000,000	\$31,192,500
State Appropriations	\$41,963,300	\$41,512,500	\$21,192,500	\$10,000,000	\$31,192,500
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.

Full-Time Positions	20	20	20	0	20
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	20	20	20	0	20

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Payroll	\$2,474,200	\$2,856,200	\$2,856,200	\$0	\$2,856,200
Operational	3,399,100	4,395,400	4,356,500	0	4,356,500
TOTAL	\$5,873,300	\$7,251,600	\$7,212,700	\$0	\$7,212,700
State Appropriations	\$5,833,300	\$6,726,500	\$6,694,800	\$0	\$6,694,800
Federal	0	325,100	317,900	0	317,900
Other	40,000	200,000	200,000	0	200,000

331.05 Academic Offices

Academic Offices provides services in areas of standards development and review, content development and support, materials support, and assessment design. The office supports all academic divisions in the areas of training, design, logistics and delivery, policy, communications, and research. Through the Teachers and Leaders division, the office ensures that there are effective teachers and leaders in classrooms and schools across the state via professional learning. The Teachers and Leaders division manages policy implementation and issuance of teacher and leader licensure, approval of educator preparation programs, salary and differentiated pay plans, educator recognition, educator evaluation, and support for recruitment. The division also selects, trains, and supports the Governor's Academy for School Leadership and Teach Tennessee Fellows in the transition to teaching and leading.

Full-Time Positions	61	60	60	0	60
Part-Time Positions	6	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	67	60	60	0	60
Payroll	\$6,223,800	\$7,892,400	\$7,788,500	\$0	\$7,788,500
Operational	13,658,200	59,911,000	37,703,600	18,421,500	56,125,100
TOTAL	\$19,882,000	\$67,803,400	\$45,492,100	\$18,421,500	\$63,913,600
State Appropriations	\$11,258,000	\$52,682,900	\$36,903,800	\$18,421,500	\$55,325,300
Federal	7,801,800	14,505,500	7,973,300	0	7,973,300
Other	822,200	615,000	615,000	0	615,000

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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Operational	7,723,000	9,158,900	7,658,900	198,400,000	206,058,900
TOTAL	\$7,723,000	\$9,158,900	\$7,658,900	\$198,400,000	\$206,058,900
State Appropriations	\$7,723,000	\$9,158,900	\$7,658,900	\$198,400,000	\$206,058,900
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, 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 Positions	37	35	35	0	35
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	37	35	35	0	35
Payroll	\$3,981,800	\$5,235,000	\$5,235,000	\$0	\$5,235,000
Operational	47,018,600	38,086,700	36,198,300	0	36,198,300
TOTAL	\$51,000,400	\$43,321,700	\$41,433,300	\$0	\$41,433,300
State Appropriations	\$46,231,900	\$34,300,000	\$32,415,600	\$0	\$32,415,600
Federal	4,745,100	8,921,700	8,917,700	0	8,917,700
Other	23,400	100,000	100,000	0	100,000

331.19 After-School Programs Special Account

After-School Programs Special Account 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 Positions	3	3	3	0	3
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	3	3	3	0	3
Payroll	\$186,500	\$303,400	\$303,400	\$0	\$303,400

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Operational	13,577,200	19,029,100	19,029,200	0	19,029,200
TOTAL	\$13,763,700	\$19,332,500	\$19,332,600	\$0	\$19,332,600
State Appropriations	\$13,763,700	\$19,332,500	\$19,332,600	\$0	\$19,332,600
Federal	0	0	0	0	0
Other	0	0	0	0	0

331.32 Early Childhood Education

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

Full-Time Positions	28	29	29	0	29
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	28	29	29	0	29
Payroll	\$2,353,400	\$2,884,400	\$2,884,400	\$0	\$2,884,400
Operational	92,613,400	111,005,700	113,226,500	0	113,226,500
TOTAL	\$94,966,800	\$113,890,100	\$116,110,900	\$0	\$116,110,900
State Appropriations	\$92,432,600	\$106,779,800	\$106,751,700	\$0	\$106,751,700
Federal	2,534,200	7,092,800	9,341,700	0	9,341,700
Other	0	17,500	17,500	0	17,500

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 Positions	3	3	2	0	2
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	3	3	2	0	2
Payroll	\$407,800	\$407,600	\$336,900	\$0	\$336,900
Operational	720,800	175,800	874,600	0	874,600
TOTAL	\$1,128,600	\$583,400	\$1,211,500	\$0	\$1,211,500
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	1,128,600	583,400	1,211,500	0	1,211,500

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

331.39 Centers of Regional Excellence (CORE)

Centers of Regional Excellence (CORE) provides 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 Positions	50	53	53	0	53
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	50	53	53	0	53
Payroll	\$6,766,600	\$7,789,700	\$7,789,700	\$0	\$7,789,700
Operational	113,600,800	57,711,200	57,640,200	27,302,500	84,942,700
TOTAL	\$120,367,400	\$65,500,900	\$65,429,900	\$27,302,500	\$92,732,400
State Appropriations	\$70,613,500	\$44,198,700	\$63,148,300	\$27,302,500	\$90,450,800
Federal	6,378,800	21,302,200	2,281,600	0	2,281,600
Other	43,375,100	0	0	0	0

331.43 Driver Education

Driver Education utilizes earmarked funds from a portion of the privilege taxes on litigation to support a driver education program for the purpose of teaching highway safety and good driving skills to teenage drivers.

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	1,100,000	1,700,000	1,700,000	0	1,700,000
TOTAL	\$1,100,000	\$1,700,000	\$1,700,000	\$0	\$1,700,000
State Appropriations	\$1,100,000	\$1,700,000	\$1,700,000	\$0	\$1,700,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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, managing coronavirus funds distributed to the state by the federal government, 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 Positions	41	42	42	0	42
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	41	42	42	0	42
Payroll	\$4,969,200	\$6,014,200	\$6,014,200	\$0	\$6,014,200
Operational	442,973,500	403,624,400	403,568,300	0	403,568,300
TOTAL	\$447,942,700	\$409,638,600	\$409,582,500	\$0	\$409,582,500
State Appropriations	\$1,567,300	\$1,410,100	\$1,378,900	\$0	\$1,378,900
Federal	446,375,400	408,228,500	408,203,600	0	408,203,600
Other	0	0	0	0	0

331.09 Improving Schools Program

The Improving Schools Program funds a variety of initiatives designed to provide support for local efforts. The Safe and Drug-Free Schools and Communities program provides financial and technical support to schools and communities to reduce adolescent drug use and violence. The Tobacco Prevention program addresses smoking among young children. The 21st Century Learning Centers administer grants to serve students who attend high-poverty, low-achieving schools. School Health programs provide technical and financial assistance in implementing and developing comprehensive school health programs in the local schools. Financial support is provided through a variety of grant programs, including formula grants to LEAs, as well as discretionary grants to both school and community-based programs. Other federally-funded programs in the Improving Schools Program include Learn and Serve grants and AIDS education.

Full-Time Positions	26	25	25	0	25
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	26	25	25	0	25
Payroll	\$2,483,200	\$3,298,600	\$3,298,600	\$0	\$3,298,600

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Operational	91,208,200	2,924,000	2,838,700	0	2,838,700
TOTAL	\$93,691,400	\$6,222,600	\$6,137,300	\$0	\$6,137,300
State Appropriations	\$44,153,900	\$3,498,000	\$3,415,700	\$0	\$3,415,700
Federal	30,735,600	2,445,400	2,442,400	0	2,442,400
Other	18,801,900	279,200	279,200	0	279,200

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 Positions	23	23	23	0	23
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	23	23	23	0	23
Payroll	\$2,454,200	\$3,094,600	\$3,094,600	\$0	\$3,094,600
Operational	506,877,900	415,482,300	415,461,600	0	415,461,600
TOTAL	\$509,332,100	\$418,576,900	\$418,556,200	\$0	\$418,556,200
State Appropriations	\$5,101,000	\$4,836,300	\$4,836,300	\$0	\$4,836,300
Federal	504,231,100	413,735,600	413,714,900	0	413,714,900
Other	0	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 those children's parents are protected by mediating disagreements between local school systems and parents regarding a child's educational program and providing due process hearings. This division also administers the Individualized Education Act.

Full-Time Positions	33	34	34	0	34
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	33	34	34	0	34
Payroll	\$3,358,900	\$4,984,600	\$4,984,600	\$0	\$4,984,600
Operational	240,347,400	252,082,400	250,844,900	0	250,844,900
TOTAL	\$243,706,300	\$257,067,000	\$255,829,500	\$0	\$255,829,500
State Appropriations	\$1,766,000	\$1,221,600	\$1,208,300	\$0	\$1,208,300

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Federal	241,211,500	255,649,800	254,425,600	0	254,425,600
Other	728,800	195,600	195,600	0	195,600

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 students 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 American College Testing (ACT) strategies, the Governor's Schools, and student career technical organizations.

Full-Time Positions	30	30	30	0	30
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	30	30	30	0	30
Payroll	\$2,967,700	\$3,626,000	\$3,626,000	\$0	\$3,626,000
Operational	163,237,300	35,336,400	35,301,100	0	35,301,100
TOTAL	\$166,205,000	\$38,962,400	\$38,927,100	\$0	\$38,927,100
State Appropriations	\$9,073,300	\$10,338,500	\$13,523,000	\$0	\$13,523,000
Federal	56,968,300	28,548,300	25,328,500	0	25,328,500
Other	100,163,400	75,600	75,600	0	75,600

331.52 Relief and Recovery Funds

Relief and Recovery Funds houses the federal grants released to Tennessee to support initiatives in response to the coronavirus pandemic. These funds primarily include appropriations provided in the Coronavirus Aid, Relief, and Economic Security (CARES) Act; the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act; and the American Rescue Plan (ARP) Act of 2021. Funds are provided directly to LEAs and used for statewide supports to help safely open and sustain the safe operation of schools and address the impact of the coronavirus pandemic on students.

Full-Time Positions	23	1	1	0	1
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	23	1	1	0	1
Payroll	\$821,500	\$377,900	\$377,900	\$0	\$377,900
Operational	1,162,487,400	501,950,700	7,800	0	7,800
TOTAL	\$1,163,308,900	\$502,328,600	\$385,700	\$0	\$385,700
State Appropriations	\$0	\$0	\$0	\$0	\$0

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Federal	1,163,308,900	502,328,600	385,700	0	385,700
Other	0	0	0	0	0

331.55 Achievement School District

The Achievement School District (ASD) was established to turn around the bottom 5 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 Positions	26	6	1	0	1
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	26	6	1	0	1
Payroll	\$1,512,400	\$1,323,400	\$181,400	\$0	\$181,400
Operational	91,919,600	30,332,300	30,332,300	0	30,332,300
TOTAL	\$93,432,000	\$31,655,700	\$30,513,700	\$0	\$30,513,700
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	93,432,000	31,655,700	30,513,700	0	30,513,700

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 Positions	177	177	177	0	177
Part-Time Positions	10	10	10	0	10
Seasonal Positions	0	0	0	0	0
TOTAL	187	187	187	0	187
Payroll	\$14,077,200	\$17,260,000	\$17,260,000	\$291,400	\$17,551,400
Operational	3,376,300	3,425,700	3,430,700	0	3,430,700
TOTAL	\$17,453,500	\$20,685,700	\$20,690,700	\$291,400	\$20,982,100
State Appropriations	\$15,906,800	\$19,641,000	\$19,646,000	\$291,400	\$19,937,400

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Federal	0	0	0	0	0
Other	1,546,700	1,044,700	1,044,700	0	1,044,700

331.92 Tennessee School for the Deaf

The Tennessee School for the Deaf (TSD), located in Knoxville, provides residential and educational programs for students, grades pre-K through 12, with multiple disabilities (primarily hearing impaired).

Full-Time Positions	236	236	236	0	236
Part-Time Positions	12	12	12	0	12
Seasonal Positions	0	0	0	0	0
TOTAL	248	248	248	0	248
Payroll	\$17,409,000	\$22,550,000	\$22,550,000	\$323,300	\$22,873,300
Operational	7,270,000	3,798,200	3,802,900	0	3,802,900
TOTAL	\$24,679,000	\$26,348,200	\$26,352,900	\$323,300	\$26,676,200
State Appropriations	\$23,219,800	\$25,789,600	\$25,794,300	\$323,300	\$26,117,600
Federal	0	0	0	0	0
Other	1,459,200	558,600	558,600	0	558,600

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 Positions	33	33	33	0	33
Part-Time Positions	8	8	8	0	8
Seasonal Positions	0	0	0	0	0
TOTAL	41	41	41	0	41
Payroll	\$2,538,200	\$3,838,900	\$3,838,900	\$78,200	\$3,917,100
Operational	800,400	454,800	455,700	0	455,700
TOTAL	\$3,338,600	\$4,293,700	\$4,294,600	\$78,200	\$4,372,800
State Appropriations	\$2,920,800	\$4,069,600	\$4,070,500	\$78,200	\$4,148,700
Federal	0	0	0	0	0
Other	417,800	224,100	224,100	0	224,100

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 Positions	66	66	66	0	66
Part-Time Positions	6	6	6	0	6
Seasonal Positions	0	0	0	0	0
TOTAL	72	72	72	0	72
Payroll	\$6,855,600	\$7,492,900	\$7,492,900	\$257,900	\$7,750,800
Operational	2,261,900	2,167,200	2,169,300	0	2,169,300
TOTAL	\$9,117,500	\$9,660,100	\$9,662,200	\$257,900	\$9,920,100
State Appropriations	\$7,252,100	\$8,130,200	\$8,132,300	\$257,900	\$8,390,200
Federal	46,300	60,000	60,000	0	60,000
Other	1,819,100	1,469,900	1,469,900	0	1,469,900

331.97 Major Maintenance

The Major Maintenance program provides funding for major repairs that do not meet the criteria for capital maintenance at the department's special schools.

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	300	239,100	239,100	0	239,100
TOTAL	\$300	\$239,100	\$239,100	\$0	\$239,100
State Appropriations	\$300	\$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 Positions	1,058	1,020	1,014	2	1,016
Part-Time Positions	42	36	36	0	36
Seasonal Positions	0	0	0	0	0
TOTAL	1,100	1,056	1,050	2	1,052

Education (K-12)

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Payroll	\$98,979,000	\$121,440,100	\$119,781,700	\$1,505,400	\$121,287,100
Operational	9,558,557,900	8,932,345,100	8,364,507,800	606,932,000	8,971,439,800
TOTAL	\$9,657,536,900	\$9,053,785,200	\$8,484,289,500	\$608,437,400	\$9,092,726,900
State Appropriations	\$6,837,539,700	\$7,242,619,700	\$7,203,395,200	\$608,437,400	\$7,811,832,600
Federal	2,468,908,800	1,665,309,100	1,135,551,300	0	1,135,551,300
Other	351,088,400	145,856,400	145,343,000	0	145,343,000

Statistical Data

State Special Schools

	York Institute 331.90	TN School for the Blind 331.91	TN School for the Deaf 331.92	West TN School for the Deaf 331.93
Annual Admissions				
2018-2019	538	19	30	11
2019-2020	560	18	30	45
2020-2021	560	18	30	37
2021-2022	560	118	31	2
2022-2023	527	132	26	45
2023-2024	522	116	174	37
2024-2025	540	95	185	39
2025-2026	535	105	195	42
Annual Releases				
2018-2019	159	14	13	15
2019-2020	185	10	12	6
2020-2021	161	11	19	3
2021-2022	161	11	35	11
2022-2023	131	5	30	5
2023-2024	155	23	15	1
2024-2025	162	8	15	1
2025-2026	123	10	15	1
Average Daily Census				
2018-2019	491	98	145	43
2019-2020	490	107	148	42
2020-2021	517	100	151	33
2021-2022	517	104	141	31
2022-2023	479	110	130	25
2023-2024	472	105	148	33
2024-2025	491	90	150	35
2025-2026	504	100	155	35
Cost Per Occupancy Day				
2018-2019	\$77.01	\$816.24	\$710.20	\$363.45
2019-2020	\$75.89	\$739.21	\$702.47	\$409.33
2020-2021	\$79.06	\$838.02	\$648.76	\$481.16
2021-2022	\$77.75	\$860.35	\$784.42	\$594.43
2022-2023	\$96.89	\$871.73	\$941.98	\$823.78
2023-2024	\$107.32	\$923.47	\$926.39	\$562.05
2024-2025	\$109.30	\$1276.90	\$975.86	\$681.54
2025-2026	\$109.35	\$1165.67	\$956.14	\$694.10

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.

Actual	Estimated	Base	Cost Increase	Recommended
2023-2024	2024-2025	2025-2026	2025-2026	2025-2026

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 on College and University Success (FOCUS) Act of 2016 augmented THEC's coordinating role in Tennessee higher education by formalizing 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 Positions	73	74	74	1	75
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	73	74	74	1	75
Payroll	\$10,733,700	\$10,687,400	\$10,687,400	\$162,500	\$10,849,900
Operational	6,936,600	8,062,500	8,055,400	12,690,900	20,746,300
TOTAL	\$17,670,300	\$18,749,900	\$18,742,800	\$12,853,400	\$31,596,200
State Appropriations	\$7,595,600	\$7,447,800	\$7,440,300	\$162,500	\$7,602,800
Federal	4,506,900	5,925,800	5,925,800	0	5,925,800
Other	5,567,800	5,376,300	5,376,700	12,690,900	18,067,600

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	2,271,800	2,577,000	2,369,200	0	2,369,200
TOTAL	\$2,271,800	\$2,577,000	\$2,369,200	\$0	\$2,369,200
State Appropriations	\$2,271,800	\$2,577,000	\$2,369,200	\$0	\$2,369,200
Federal	0	0	0	0	0
Other	0	0	0	0	0

332.09 THEC Grants

The THEC Grants program provides funding 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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	22,997,100	24,424,300	8,661,200	11,000,000	19,661,200
TOTAL	\$22,997,100	\$24,424,300	\$8,661,200	\$11,000,000	\$19,661,200
State Appropriations	\$13,679,700	\$8,661,200	\$8,661,200	\$11,000,000	\$19,661,200
Federal	0	0	0	0	0
Other	9,317,400	15,763,100	0	0	0

<u>Actual 2023-2024</u>	<u>Estimated 2024-2025</u>	<u>Base 2025-2026</u>	<u>Cost Increase 2025-2026</u>	<u>Recommended 2025-2026</u>

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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	20,518,500	21,052,200	20,847,000	475,700	21,322,700
TOTAL	\$20,518,500	\$21,052,200	\$20,847,000	\$475,700	\$21,322,700
State Appropriations	\$20,518,500	\$21,052,200	\$20,847,000	\$475,700	\$21,322,700
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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	1,490,100	1,527,700	1,512,800	32,100	1,544,900
TOTAL	\$1,490,100	\$1,527,700	\$1,512,800	\$32,100	\$1,544,900
State Appropriations	\$1,490,100	\$1,527,700	\$1,512,800	\$32,100	\$1,544,900
Federal	0	0	0	0	0
Other	0	0	0	0	0

Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

Tennessee Student Assistance Corporation

The Tennessee Student Assistance Corporation (TSAC) is a non-profit agency that administers financial assistance programs for students enrolled in post-secondary institutions in Tennessee. The agency is governed by a 15-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 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 21 lottery and state-funded scholarships including HOPE, Wilder-Naifeh Technical Skills Grant, Dual Enrollment, Tennessee Promise, Tennessee Reconnect, Tennessee Student Assistance Award, and Academic Scholars; conducting financial aid reviews at postsecondary institutions to ensure compliance with the statutory and regulatory requirements; and providing financial aid awareness programs to high school students throughout Tennessee.

332.03 Tennessee Student Assistance Awards

The Tennessee Student Assistance Awards program provides non-repayable education grants to financially-needy undergraduate students who are residents of Tennessee and enrolled at a public or eligible private post-secondary educational institution in Tennessee.

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	122,364,600	113,262,500	113,262,500	12,000,000	125,262,500
TOTAL	\$122,364,600	\$113,262,500	\$113,262,500	\$12,000,000	\$125,262,500
State Appropriations	\$114,323,000	\$113,262,500	\$113,262,500	\$12,000,000	\$125,262,500
Federal	0	0	0	0	0
Other	8,041,600	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's programs. This program provides funding for the staffing and other operating costs of administering the financial assistance programs.

Full-Time Positions	53	52	52	0	52
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	53	52	52	0	52
Payroll	\$6,901,600	\$7,646,700	\$7,146,700	\$0	\$7,146,700

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Operational	1,830,000	2,118,300	1,710,900	0	1,710,900
TOTAL	\$8,731,600	\$9,765,000	\$8,857,600	\$0	\$8,857,600
State Appropriations	\$2,125,700	\$3,103,400	\$3,095,800	\$0	\$3,095,800
Federal	0	0	0	0	0
Other	6,605,900	6,661,600	5,761,800	0	5,761,800

332.06 Academic Scholars Program

The Academic Scholars Program provides funding for the Ned McWherter scholars program. The Ned McWherter Scholars program is intended to encourage academically superior Tennessee high school graduates to attend college in Tennessee.

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	1,152,000	1,590,500	1,590,500	0	1,590,500
TOTAL	\$1,152,000	\$1,590,500	\$1,590,500	\$0	\$1,590,500
State Appropriations	\$1,088,300	\$1,211,800	\$1,211,800	\$0	\$1,211,800
Federal	0	0	0	0	0
Other	63,700	378,700	378,700	0	378,700

332.07 Loan/Scholarship Programs

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

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	111,000	1,343,500	1,343,500	0	1,343,500
TOTAL	\$111,000	\$1,343,500	\$1,343,500	\$0	\$1,343,500
State Appropriations	\$8,300	\$1,052,500	\$1,052,500	\$0	\$1,052,500
Federal	0	0	0	0	0
Other	102,700	291,000	291,000	0	291,000

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 Aspire 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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	456,558,600	487,900,000	492,700,000	12,100,000	504,800,000
TOTAL	\$456,558,600	\$487,900,000	\$492,700,000	\$12,100,000	\$504,800,000
State Appropriations	\$456,558,600	\$487,900,000	\$492,700,000	\$12,100,000	\$504,800,000
Federal	0	0	0	0	0
Other	0	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.

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	0	50,000,000	50,000,000	0	50,000,000
TOTAL	\$0	\$50,000,000	\$50,000,000	\$0	\$50,000,000
State Appropriations	\$0	\$50,000,000	\$50,000,000	\$0	\$50,000,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

332.00 Total Higher Education - State Administered Programs

Full-Time Positions	126	126	126	1	127
Part-Time Positions	0	0	0	0	0

Higher Education - State Administered Programs

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Seasonal Positions	0	0	0	0	0
TOTAL	126	126	126	1	127
Payroll	\$17,635,300	\$18,334,100	\$17,834,100	\$162,500	\$17,996,600
Operational	636,230,300	713,858,500	702,053,000	48,298,700	750,351,700
TOTAL	\$653,865,600	\$732,192,600	\$719,887,100	\$48,461,200	\$768,348,300
State Appropriations	\$619,659,600	\$697,796,100	\$702,153,100	\$35,770,300	\$737,923,400
Federal	4,506,900	5,925,800	5,925,800	0	5,925,800
Other	29,699,100	28,470,700	11,808,200	12,690,900	24,499,100

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, Pulaski, and Memphis, where the UT Health Science Center is located. Note: Position counts shown below are for full-time, unrestricted education and general employees only. Headcount figures are for Fall 2023 and Fall 2024. Federal revenues, tuition and fees, and other revenues are unrestricted current funds derived from education and general sources, and auxiliary enterprise sources.

<u>Actual 2023-2024</u>	<u>Estimated 2024-2025</u>	<u>Base 2025-2026</u>	<u>Cost Increase 2025-2026</u>	<u>Recommended 2025-2026</u>

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	86	91	91	0	91
Professional	170	182	182	0	182
Faculty	1	0	0	0	0
Clerical Support	68	66	66	0	66
TOTAL	325	339	339	0	339
Headcount	0	0	0	0	0
State Appropriations	\$6,355,700	\$6,484,200	\$6,486,600	\$1,718,100	\$8,204,700
Federal	0	0	0	0	0
Other	72,546,800	69,638,700	69,638,700	0	69,638,700
Tuition and Fees	0	0	0	0	0
TOTAL	\$78,902,500	\$76,122,900	\$76,125,300	\$1,718,100	\$77,843,400

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

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
State Appropriations	\$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 and 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 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	13	12	12	0	12
Professional	17	15	15	0	15
Faculty	0	0	0	0	0
Clerical Support	14	13	13	0	13
TOTAL	44	40	40	0	40
Headcount	0	0	0	0	0
State Appropriations	\$6,948,400	\$7,099,300	\$7,101,200	\$209,700	\$7,310,900
Federal	351,400	545,100	545,100	0	545,100
Other	2,651,200	3,217,900	3,217,900	0	3,217,900
Tuition and Fees	0	0	0	0	0
TOTAL	\$9,951,000	\$10,862,300	\$10,864,200	\$209,700	\$11,073,900

332.16 UT Municipal Technical Advisory Service

The UT Municipal Technical Advisory Service provides technical assistance to the incorporated cities of the state. Assistance is offered in the fields of finance and accounting, human resources, legal issues, and public safety.

Full-Time Administrative	4	5	5	0	5
Professional	38	40	40	0	40
Faculty	0	0	0	0	0
Clerical Support	9	9	9	0	9

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
TOTAL	51	54	54	0	54
Headcount	0	0	0	0	0
State Appropriations	\$4,637,400	\$4,805,000	\$4,805,600	\$212,300	\$5,017,900
Federal	0	0	0	0	0
Other	5,277,100	5,428,300	5,428,300	0	5,428,300
Tuition and Fees	0	0	0	0	0
TOTAL	\$9,914,500	\$10,233,300	\$10,233,900	\$212,300	\$10,446,200

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	5	5	5	0	5
Professional	28	30	30	0	30
Faculty	0	0	0	0	0
Clerical Support	2	3	3	0	3
TOTAL	35	38	38	0	38
Headcount	0	0	0	0	0
State Appropriations	\$4,138,200	\$4,275,400	\$4,275,900	\$167,800	\$4,443,700
Federal	0	0	0	0	0
Other	3,883,900	3,936,900	3,936,900	0	3,936,900
Tuition and Fees	0	0	0	0	0
TOTAL	\$8,022,100	\$8,212,300	\$8,212,800	\$167,800	\$8,380,600

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	3	5	5	0	5
Professional	5	5	5	0	5
Faculty	0	0	0	0	0
Clerical Support	9	7	7	0	7
TOTAL	17	17	17	0	17
Headcount	0	0	0	0	0
State Appropriations	\$995,900	\$1,050,000	\$1,050,500	\$68,500	\$1,119,000
Federal	0	0	0	0	0
Other	3,006,300	3,032,700	3,032,700	0	3,032,700

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Tuition and Fees	0	0	0	0	0
TOTAL	\$4,002,200	\$4,082,700	\$4,083,200	\$68,500	\$4,151,700

Agricultural Units

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

332.25 UT Agricultural Experiment Station

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

Full-Time Administrative	18	18	18	0	18
Professional	87	89	89	0	89
Faculty	98	99	99	0	99
Clerical Support	104	100	100	0	100
TOTAL	307	306	306	0	306
Headcount	0	0	0	0	0
State Appropriations	\$36,194,200	\$37,106,800	\$37,121,500	\$1,206,600	\$38,328,100
Federal	8,712,200	12,713,200	12,713,200	0	12,713,200
Other	8,707,800	3,757,000	3,757,000	0	3,757,000
Tuition and Fees	0	0	0	0	0
TOTAL	\$53,614,200	\$53,577,000	\$53,591,700	\$1,206,600	\$54,798,300

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	17	22	22	0	22
Professional	303	305	305	0	305
Faculty	48	54	54	0	54
Clerical Support	133	142	142	0	142
TOTAL	501	523	523	0	523
Headcount	0	0	0	0	0
State Appropriations	\$47,848,100	\$49,214,400	\$49,228,300	\$3,932,800	\$53,161,100
Federal	10,833,900	10,575,500	10,575,500	0	10,575,500
Other	11,387,700	14,218,100	14,218,100	0	14,218,100

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Tuition and Fees	5,200	0	0	0	0
TOTAL	\$70,074,900	\$74,008,000	\$74,021,900	\$3,932,800	\$77,954,700

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 Biomedical and Diagnostic Sciences, 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 Master in Public Health.

Full-Time Administrative	14	13	13	0	13
Professional	42	47	47	0	47
Faculty	114	112	112	0	112
Clerical Support	255	263	263	0	263
TOTAL	425	435	435	0	435
Headcount	403	408	408	0	408
State Appropriations	\$32,661,500	\$33,993,700	\$33,999,200	\$1,734,700	\$35,733,900
Federal	1,056,900	979,600	979,600	0	979,600
Other	24,253,800	26,198,600	26,198,600	0	26,198,600
Tuition and Fees	14,374,000	14,030,700	14,030,700	0	14,030,700
TOTAL	\$72,346,200	\$75,202,600	\$75,208,100	\$1,734,700	\$76,942,800

Medical Education Unit

The Medical Education Unit 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 Unit 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 six colleges including Dentistry, Graduate Health Sciences, Health Professionals, Medicine, Nursing, and Pharmacy. The program also includes the UT Family and UT College of Medicine programs.

Full-Time Administrative	140	132	132	0	132
Professional	340	350	350	0	350
Faculty	544	574	574	0	574
Clerical Support	854	839	839	0	839
TOTAL	1,878	1,895	1,895	0	1,895
Headcount	3,123	3,101	3,101	0	3,101
State Appropriations	\$217,240,600	\$223,970,800	\$224,081,800	\$9,043,100	\$233,124,900
Federal	16,505,000	16,780,000	16,780,000	0	16,780,000
Other	31,626,500	33,495,300	33,495,300	0	33,495,300

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Tuition and Fees	91,697,300	95,682,500	95,682,500	0	95,682,500
TOTAL	\$357,069,400	\$369,928,600	\$370,039,600	\$9,043,100	\$379,082,700

University and Research Campuses

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

332.12 UT Research Initiatives

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

Full-Time Administrative	0	0	0	0	0
Professional	0	0	0	0	0
Faculty	0	0	0	0	0
Clerical Support	0	0	0	0	0
TOTAL	0	0	0	0	0
Headcount	0	0	0	0	0
State Appropriations	\$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 and 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	13	12	12	0	12
Professional	12	14	14	0	14
Faculty	15	15	15	0	15
Clerical Support	44	43	43	0	43
TOTAL	84	84	84	0	84
Headcount	69	59	59	0	59
State Appropriations	\$10,753,500	\$11,014,600	\$11,016,800	\$318,900	\$11,335,700
Federal	612,300	400,000	400,000	0	400,000
Other	1,480,500	552,000	552,000	0	552,000

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Tuition and Fees	1,282,100	1,187,000	1,187,000	0	1,187,000
TOTAL	\$14,128,400	\$13,153,600	\$13,155,800	\$318,900	\$13,474,700

332.40 UT Chattanooga

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

Full-Time Administrative	117	110	110	0	110
Professional	327	343	343	0	343
Faculty	534	551	551	0	551
Clerical Support	336	339	339	0	339
TOTAL	1,314	1,343	1,343	0	1,343
Headcount	11,380	11,834	11,834	0	11,834
State Appropriations	\$79,216,200	\$82,597,200	\$81,506,200	\$3,568,600	\$85,074,800
Federal	842,700	440,400	440,400	0	440,400
Other	32,294,100	32,878,600	32,878,600	0	32,878,600
Tuition and Fees	135,835,600	136,793,200	136,793,200	0	136,793,200
TOTAL	\$248,188,600	\$252,709,400	\$251,618,400	\$3,568,600	\$255,187,000

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 secure and sustainable environment.

Full-Time Administrative	342	385	385	0	385
Professional	1,288	1,375	1,375	0	1,375
Faculty	1,819	1,922	1,922	0	1,922
Clerical Support	1,644	1,718	1,718	0	1,718
TOTAL	5,093	5,400	5,400	0	5,400
Headcount	35,832	38,261	38,261	0	38,261
State Appropriations	\$338,610,800	\$357,946,600	\$364,306,600	\$14,899,100	\$379,205,700
Federal	27,706,800	26,788,000	26,788,000	0	26,788,000
Other	382,213,000	388,688,100	388,688,100	0	388,688,100
Tuition and Fees	724,505,900	780,326,800	780,326,800	0	780,326,800
TOTAL	\$1,473,036,500	\$1,553,749,500	\$1,560,109,500	\$14,899,100	\$1,575,008,600

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

332.44 UT Martin

The University of Tennessee at Martin is an undergraduate-focused institution offering degrees at the undergraduate and graduate levels. Graduate programs include agricultural operations, family and consumer sciences, business, criminal justice, and education. The university's center of excellence is in experimental learning in agricultural science.

Full-Time Administrative	55	56	56	0	56
Professional	121	121	121	0	121
Faculty	315	312	312	0	312
Clerical Support	261	261	261	0	261
TOTAL	752	750	750	0	750
Headcount	6,941	7,499	7,499	0	7,499
State Appropriations	\$46,274,100	\$48,140,500	\$47,621,700	\$2,061,100	\$49,682,800
Federal	118,800	110,000	110,000	0	110,000
Other	22,212,300	16,580,700	16,580,700	0	16,580,700
Tuition and Fees	65,661,900	69,063,700	69,063,700	0	69,063,700
TOTAL	\$134,267,100	\$133,894,900	\$133,376,100	\$2,061,100	\$135,437,200

332.46 UT Southern

The University of Tennessee Southern, located in Pulaski, is a liberal arts, four-year college, offering undergraduate, graduate, and professional programs. Programs are organized into areas including general education, business, humanities, math and science, nursing, social science, special programs, and honors programs.

Full-Time Administrative	9	11	11	0	11
Professional	53	51	51	0	51
Faculty	51	52	52	0	52
Clerical Support	27	24	24	0	24
TOTAL	140	138	138	0	138
Headcount	978	1,046	1,046	0	1,046
State Appropriations	\$6,104,300	\$6,304,400	\$6,306,100	\$259,600	\$6,565,700
Federal	2,900	1,600	1,600	0	1,600
Other	4,022,000	3,374,200	3,374,200	0	3,374,200
Tuition and Fees	9,812,100	10,576,400	10,576,400	0	10,576,400
TOTAL	\$19,941,300	\$20,256,600	\$20,258,300	\$259,600	\$20,517,900

332.10 Total University of Tennessee System

Full-Time Administrative	836	877	877	0	877
Professional	2,831	2,967	2,967	0	2,967
Faculty	3,539	3,691	3,691	0	3,691

University of Tennessee System

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Clerical Support	3,760	3,827	3,827	0	3,827
TOTAL	10,966	11,362	11,362	0	11,362
Headcount	58,726	62,208	62,208	0	62,208
State Appropriations	\$849,638,500	\$885,662,500	\$890,567,600	\$39,400,900	\$929,968,500
Federal	66,742,900	69,333,400	69,333,400	0	69,333,400
Other	605,563,000	604,997,100	604,997,100	0	604,997,100
Tuition and Fees	1,043,174,100	1,107,660,300	1,107,660,300	0	1,107,660,300
TOTAL	\$2,565,118,500	\$2,667,653,300	\$2,672,558,400	\$39,400,900	\$2,711,959,300

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 required 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 2023 and Fall 2024. Federal revenues, tuition and fees, and other revenues are unrestricted current funds derived from education and general sources and from auxiliary enterprise sources.

Actual	Estimated	Base	Cost Increase	Recommended
2023-2024	2024-2025	2025-2026	2025-2026	2025-2026

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	7	8	8	0	8
Professional	151	160	160	0	160
Faculty	0	0	0	0	0
Clerical Support	71	76	76	0	76
TOTAL	229	244	244	0	244
Headcount	0	0	0	0	0
State Appropriations	\$36,257,500	\$32,441,900	\$32,444,100	\$3,126,200	\$35,570,300
Federal	42,800	31,300	31,300	0	31,300
Other	27,419,900	25,846,300	25,846,300	0	25,846,300
Tuition and Fees	0	0	0	0	0
TOTAL	\$63,720,200	\$58,319,500	\$58,321,700	\$3,126,200	\$61,447,900

Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 Appropriations	\$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 and 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	119	118	118	0	118
Professional	1,476	1,489	1,489	0	1,489
Faculty	1,918	1,929	1,929	0	1,929
Clerical Support	1,464	1,499	1,499	0	1,499
TOTAL	4,977	5,035	5,035	0	5,035
Headcount	72,289	75,110	75,110	0	75,110
State Appropriations	\$385,443,800	\$390,082,600	\$388,217,100	\$18,588,100	\$406,805,200
Federal	1,178,600	908,600	908,600	0	908,600
Other	47,026,300	30,891,900	30,891,900	0	30,891,900
Tuition and Fees	274,205,000	294,847,500	294,847,500	0	294,847,500
TOTAL	\$707,853,700	\$716,730,600	\$714,865,100	\$18,588,100	\$733,453,200

State University and Community College System

<u>Actual 2023-2024</u>	<u>Estimated 2024-2025</u>	<u>Base 2025-2026</u>	<u>Cost Increase 2025-2026</u>	<u>Recommended 2025-2026</u>

Tennessee Colleges of Applied Technology

The state's 23 colleges of applied technology provide occupational training tailored to the specific needs of businesses and industries in the geographic regions served. Each school is associated with a two-year institution, allowing students greater flexibility in 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	62	69	69	0	69
Professional	148	158	158	0	158
Faculty	667	707	707	0	707
Clerical Support	265	272	272	0	272
TOTAL	1,142	1,206	1,206	0	1,206
Headcount	19,634	26,943	26,943	0	26,943
State Appropriations	\$122,560,500	\$119,452,200	\$119,478,000	\$4,109,600	\$123,587,600
Federal	365,600	101,800	101,800	0	101,800
Other	20,142,100	18,658,700	18,658,700	0	18,658,700
Tuition and Fees	54,202,800	58,182,400	58,182,400	0	58,182,400
TOTAL	\$197,271,000	\$196,395,100	\$196,420,900	\$4,109,600	\$200,530,500

332.60 Total State University and Community College System

Full-Time Administrative	188	195	195	0	195
Professional	1,775	1,807	1,807	0	1,807
Faculty	2,585	2,636	2,636	0	2,636
Clerical Support	1,800	1,847	1,847	0	1,847
TOTAL	6,348	6,485	6,485	0	6,485
Headcount	91,923	102,053	102,053	0	102,053
State Appropriations	\$554,518,700	\$552,233,600	\$550,396,100	\$25,823,900	\$576,220,000
Federal	1,587,000	1,041,700	1,041,700	0	1,041,700
Other	94,588,300	75,396,900	75,396,900	0	75,396,900
Tuition and Fees	328,407,800	353,029,900	353,029,900	0	353,029,900
TOTAL	\$979,101,800	\$981,702,100	\$979,864,600	\$25,823,900	\$1,005,688,500

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.

Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

332.70 Austin Peay State University

Full-Time Administrative	32	32	32	0	32
Professional	335	351	351	0	351
Faculty	416	418	418	0	418
Clerical Support	228	227	227	0	227
TOTAL	1,011	1,028	1,028	0	1,028
Headcount	9,649	10,439	10,439	0	10,439
State Appropriations	\$95,652,600	\$76,654,500	\$75,787,400	\$3,152,400	\$78,939,800
Federal	414,900	1,001,200	1,001,200	0	1,001,200
Other	26,541,900	25,760,800	25,760,800	0	25,760,800
Tuition and Fees	86,971,200	87,546,000	87,546,000	0	87,546,000
TOTAL	\$209,580,600	\$190,962,500	\$190,095,400	\$3,152,400	\$193,247,800

East Tennessee State University

East Tennessee State University (ETSU) is located in Johnson City. In addition to offering various degree programs, it also includes the Quillen College of Medicine, the College of Pharmacy, and the Family Practice program.

<u>Actual 2023-2024</u>	<u>Estimated 2024-2025</u>	<u>Base 2025-2026</u>	<u>Cost Increase 2025-2026</u>	<u>Recommended 2025-2026</u>

332.72 East Tennessee State University

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

Full-Time Administrative	38	39	39	0	39
Professional	579	598	598	0	598
Faculty	729	731	731	0	731
Clerical Support	445	427	427	0	427
TOTAL	1,791	1,795	1,795	0	1,795
Headcount	13,108	13,230	13,230	0	13,230
State Appropriations	\$99,909,800	\$104,753,100	\$102,468,900	\$4,496,000	\$106,964,900
Federal	2,310,300	1,800,000	1,800,000	0	1,800,000
Other	67,127,400	64,906,300	64,906,300	0	64,906,300
Tuition and Fees	145,301,700	148,434,800	148,434,800	0	148,434,800
TOTAL	\$314,649,200	\$319,894,200	\$317,610,000	\$4,496,000	\$322,106,000

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	110	112	112	0	112
Faculty	165	165	165	0	165
Clerical Support	103	101	101	0	101
TOTAL	383	383	383	0	383
Headcount	300	312	312	0	312
State Appropriations	\$48,489,000	\$50,280,600	\$50,298,000	\$2,183,300	\$52,481,300
Federal	2,149,800	1,500,000	1,500,000	0	1,500,000
Other	15,138,500	26,513,400	26,513,400	0	26,513,400
Tuition and Fees	11,474,500	12,300,000	12,300,000	0	12,300,000
TOTAL	\$77,251,800	\$90,594,000	\$90,611,400	\$2,183,300	\$92,794,700

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

332.66 ETSU College of Pharmacy

The mission of the ETSU College of Pharmacy 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 mutual patients.

Full-Time Administrative	1	1	1	0	1
Professional	11	11	11	0	11
Faculty	30	30	30	0	30
Clerical Support	12	12	12	0	12
TOTAL	54	54	54	0	54
Headcount	170	185	185	0	185
State Appropriations	\$2,500,000	\$2,707,650	\$2,500,000	\$380,000	\$2,880,000
Federal	45,200	0	0	0	0
Other	601,600	606,800	606,800	0	606,800
Tuition and Fees	5,282,900	5,464,100	5,464,100	0	5,464,100
TOTAL	\$8,429,700	\$8,778,550	\$8,570,900	\$380,000	\$8,950,900

332.67 ETSU Family Practice

The ETSU Family Practice program was established to train physicians who will practice comprehensive primary health care to families and communities primarily in the rural communities of East Tennessee and Southern Appalachia.

Full-Time Administrative	0	0	0	0	0
Professional	31	30	30	0	30
Faculty	33	33	33	0	33
Clerical Support	51	52	52	0	52
TOTAL	115	115	115	0	115
Headcount	0	0	0	0	0
State Appropriations	\$10,320,300	\$10,786,900	\$10,788,300	\$562,700	\$11,351,000
Federal	0	0	0	0	0
Other	11,244,300	11,437,300	11,437,300	0	11,437,300
Tuition and Fees	0	0	0	0	0
TOTAL	\$21,564,600	\$22,224,200	\$22,225,600	\$562,700	\$22,788,300

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
332.72 Total East Tennessee State University					
Full-Time Administrative	44	45	45	0	45
Professional	731	751	751	0	751
Faculty	957	959	959	0	959
Clerical Support	611	592	592	0	592
TOTAL	2,343	2,347	2,347	0	2,347
Headcount	13,578	13,727	13,727	0	13,727
State Appropriations	\$161,219,100	\$168,528,250	\$166,055,200	\$7,622,000	\$173,677,200
Federal	4,505,300	3,300,000	3,300,000	0	3,300,000
Other	94,111,800	103,463,800	103,463,800	0	103,463,800
Tuition and Fees	162,059,100	166,198,900	166,198,900	0	166,198,900
TOTAL	\$421,895,300	\$441,490,950	\$439,017,900	\$7,622,000	\$446,639,900

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.

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
332.74 University of Memphis					
Full-Time Administrative	69	76	76	0	76
Professional	876	912	912	0	912
Faculty	1,105	1,086	1,086	0	1,086
Clerical Support	636	625	625	0	625
TOTAL	2,686	2,699	2,699	0	2,699
Headcount	21,736	20,276	20,276	0	20,276
State Appropriations	\$194,024,500	\$182,026,300	\$178,520,600	\$7,382,000	\$185,902,600
Federal	5,535,300	5,892,500	5,892,500	0	5,892,500
Other	130,454,100	116,948,700	116,948,700	0	116,948,700
Tuition and Fees	212,031,100	200,703,300	200,703,300	0	200,703,300
TOTAL	\$542,045,000	\$505,570,800	\$502,065,100	\$7,382,000	\$509,447,100

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 into university colleges including basic and applied sciences, graduate studies, business, education and behavioral science, university honors, liberal arts, mass communication, and education. MTSU's two centers of excellence are popular music and historic preservation.

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
332.75 Middle Tennessee State University					
Full-Time Administrative	68	69	69	0	69
Professional	740	760	760	0	760
Faculty	1,012	1,012	1,012	0	1,012
Clerical Support	559	549	549	0	549
TOTAL	2,379	2,390	2,390	0	2,390
Headcount	20,183	20,523	20,523	0	20,523
State Appropriations	\$141,000,900	\$147,343,100	\$144,013,800	\$6,154,800	\$150,168,600
Federal	1,504,500	1,150,000	1,150,000	0	1,150,000
Other	58,360,900	56,795,200	56,795,200	0	56,795,200
Tuition and Fees	198,312,800	207,623,900	207,623,900	0	207,623,900
TOTAL	\$399,179,100	\$412,912,200	\$409,582,900	\$6,154,800	\$415,737,700

Tennessee State University

Tennessee State University (TSU) is a comprehensive, land-grant university located in Nashville. In addition to various degree programs, it also includes the Institute of Agriculture and Environmental Research, the McMinnville Center, Cooperative Education, and McIntire-Stennis Forestry Research.

<u>Actual</u> <u>2023-2024</u>	<u>Estimated</u> <u>2024-2025</u>	<u>Base</u> <u>2025-2026</u>	<u>Cost Increase</u> <u>2025-2026</u>	<u>Recommended</u> <u>2025-2026</u>

332.77 Tennessee State University

Tennessee State University (TSU) is a comprehensive, land-grant university. TSU offers numerous bachelor and master degrees and doctoral programs including biological sciences, psychology, public administration, physical therapy, computer information systems, educational administration and supervision, and curriculum and instruction. TSU's two centers of excellence are learning sciences and information systems.

Full-Time Administrative	76	68	68	0	68
Professional	432	390	390	0	390
Faculty	423	411	411	0	411
Clerical Support	265	230	230	0	230
TOTAL	<u>1,196</u>	<u>1,099</u>	<u>1,099</u>	<u>0</u>	<u>1,099</u>
Headcount	8,198	6,310	6,310	0	6,310
State Appropriations	\$53,610,900	\$53,728,000	\$52,788,300	\$2,366,900	\$55,155,200
Federal	4,326,800	3,500,000	3,500,000	0	3,500,000
Other	53,825,000	82,108,700	49,858,700	0	49,858,700
Tuition and Fees	84,010,700	80,552,000	80,552,000	0	80,552,000
TOTAL	<u>\$195,773,400</u>	<u>\$219,888,700</u>	<u>\$186,699,000</u>	<u>\$2,366,900</u>	<u>\$189,065,900</u>

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	1	1	1	0	1
Professional	1	1	1	0	1
Faculty	2	2	2	0	2
Clerical Support	0	0	0	0	0
TOTAL	<u>4</u>	<u>4</u>	<u>4</u>	<u>0</u>	<u>4</u>
Headcount	0	0	0	0	0
State Appropriations	\$5,004,000	\$6,009,200	\$6,009,400	\$10,500	\$6,019,900
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition and Fees	0	0	0	0	0
TOTAL	<u>\$5,004,000</u>	<u>\$6,009,200</u>	<u>\$6,009,400</u>	<u>\$10,500</u>	<u>\$6,019,900</u>

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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	1	1	1	0	1
Professional	5	6	6	0	6
Faculty	1	2	2	0	2
Clerical Support	2	3	3	0	3
TOTAL	9	12	12	0	12
Headcount	0	0	0	0	0
State Appropriations	\$1,551,900	\$1,572,700	\$1,572,700	\$23,200	\$1,595,900
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition and Fees	0	0	0	0	0
TOTAL	\$1,551,900	\$1,572,700	\$1,572,700	\$23,200	\$1,595,900

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	1	1	0	1
Professional	5	24	24	0	24
Faculty	1	34	34	0	34
Clerical Support	3	10	10	0	10
TOTAL	9	69	69	0	69
Headcount	0	0	0	0	0
State Appropriations	\$6,162,600	\$6,196,400	\$6,196,700	\$46,000	\$6,242,700
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition and Fees	0	0	0	0	0
TOTAL	\$6,162,600	\$6,196,400	\$6,196,700	\$46,000	\$6,242,700

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

332.68 TSU McIntire-Stennis Forestry Research

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

Full-Time Administrative	0	0	0	0	0
Professional	0	0	0	0	0
Faculty	0	1	1	0	1
Clerical Support	0	0	0	0	0
TOTAL	0	1	1	0	1
Headcount	0	0	0	0	0
State Appropriations	\$224,600	\$228,400	\$228,400	\$4,700	\$233,100
Federal	0	0	0	0	0
Other	13,500	0	0	0	0
Tuition and Fees	0	0	0	0	0
TOTAL	\$238,100	\$228,400	\$228,400	\$4,700	\$233,100

332.77 Total Tennessee State University

Full-Time Administrative	78	71	71	0	71
Professional	443	421	421	0	421
Faculty	427	450	450	0	450
Clerical Support	270	243	243	0	243
TOTAL	1,218	1,185	1,185	0	1,185
Headcount	8,198	6,310	6,310	0	6,310
State Appropriations	\$66,554,000	\$67,734,700	\$66,795,500	\$2,451,300	\$69,246,800
Federal	4,326,800	3,500,000	3,500,000	0	3,500,000
Other	53,838,500	82,108,700	49,858,700	0	49,858,700
Tuition and Fees	84,010,700	80,552,000	80,552,000	0	80,552,000
TOTAL	\$208,730,000	\$233,895,400	\$200,706,200	\$2,451,300	\$203,157,500

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.

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
332.78 Tennessee Technological University					
Full-Time Administrative	36	39	39	0	39
Professional	445	444	444	0	444
Faculty	463	468	468	0	468
Clerical Support	275	299	299	0	299
TOTAL	1,219	1,250	1,250	0	1,250
Headcount	10,117	10,511	10,511	0	10,511
State Appropriations	\$106,140,600	\$88,865,800	\$86,627,900	\$3,368,300	\$89,996,200
Federal	2,917,700	2,069,700	2,069,700	0	2,069,700
Other	45,779,000	32,875,700	32,875,700	0	32,875,700
Tuition and Fees	107,853,200	112,805,000	112,805,000	0	112,805,000
TOTAL	\$262,690,500	\$236,616,200	\$234,378,300	\$3,368,300	\$237,746,600

Grand Total Higher Education

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Full-Time Positions	126	126	126	1	127
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
Full-Time Administrative	1,351	1,404	1,404	0	1,404
Professional	8,176	8,413	8,413	0	8,413
Faculty	10,504	10,720	10,720	0	10,720
Clerical Support	8,139	8,209	8,209	0	8,209
TOTAL	28,296	28,872	28,872	1	28,873
Headcount	234,110	246,047	246,047	0	246,047
State Appropriations	\$2,788,408,500	\$2,866,844,850	\$2,860,917,200	\$131,125,900	\$2,992,043,100
Federal	92,041,300	93,214,300	93,214,300	0	93,214,300
Other	1,138,936,600	1,126,817,600	1,077,905,100	12,690,900	1,090,596,000
Tuition and Fees	2,222,820,000	2,316,119,300	2,316,119,300	0	2,316,119,300
TOTAL	\$6,242,206,400	\$6,402,996,050	\$6,348,155,900	\$143,816,800	\$6,491,972,700

Health and Social Services



Health and Social Services



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Health and Social Services

Recommended Budget, Fiscal Year 2025-2026

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
- Health Facilities Commission
- Council on Developmental Disabilities
- Department of Finance and Administration, Division of TennCare
- Department of Mental Health and Substance Abuse Services
- Department of Health
- Department of Disability and Aging
- 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 2023-2024</u>	<u>Estimated 2024-2025</u>	<u>Recommended 2025-2026</u>
Personnel			
Full-Time Positions	15,855	15,884	15,891
Part-Time Positions	221	223	223
TOTAL	16,076	16,107	16,114
Expenditures			
Payroll	\$1,355,886,200	\$1,560,879,500	\$1,558,581,300
Operational	21,546,091,800	26,354,144,300	25,596,576,900
TOTAL	\$22,901,978,000	\$27,915,023,800	\$27,155,158,200
Funding			
State Appropriations	\$5,756,959,100	\$8,099,098,200	\$8,427,020,700
Federal	14,589,496,100	17,471,163,000	16,436,383,500
Other	2,555,522,800	2,344,762,600	2,291,754,000

Health and Social Services

Recommended Budget for Fiscal Year 2025-2026

By Funding Source

Department	State	Federal	Other	Total
316.01 Commission on Children and Youth	\$5,811,900	\$1,071,600	\$746,900	\$7,630,400
316.07 Health Facilities Commission	34,960,300	9,240,400	5,847,000	50,047,700
316.14 Council on Developmental Disabilities	577,100	1,731,700	625,000	2,933,800
318.00 Finance and Administration, Division of TennCare	6,354,705,600	11,366,393,100	976,896,600	18,697,995,300
339.00 Mental Health and Substance Abuse Services	436,457,200	101,289,700	99,065,000	636,811,900
343.00 Health	367,994,800	241,014,100	276,636,600	885,645,500
344.00 Disability and Aging	185,734,700	44,340,000	256,417,400	486,492,100
345.00 Human Services	307,375,600	4,301,828,500	44,285,600	4,653,489,700
350.00 Finance and Administration, Strategic Health-Care Programs	55,278,300	139,351,900	4,102,800	198,733,000
359.00 Children's Services	678,125,200	230,122,500	627,131,100	1,535,378,800
TOTAL	\$8,427,020,700	\$16,436,383,500	\$2,291,754,000	\$27,155,158,200

Health and Social Services

Cost Increases for Fiscal Year 2025-2026

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>

Health Facilities Commission

- **Licensure System**

To provide non-recurring funding to create a health facilities licensure system, which will provide an online portal for licensure, track data, allow for easy integration with state and federal systems, and other administrative tools.

316.07 Health Facilities Commission	\$4,000,000	\$0	\$0	\$4,000,000	0

Sub-total	\$4,000,000	\$0	\$0	\$4,000,000	0

- **Accounting Positions**

To provide funding and to establish seven additional accounting staff dedicated to Health Facilities Commission to support state and federal fiscal processing, reporting, and oversight. Of this funding, \$956,100 is recurring and \$10,000 is non-recurring.

316.07 Health Facilities Commission	\$966,100	\$0	\$0	\$966,100	7

Sub-total	\$966,100	\$0	\$0	\$966,100	7

Total Health Facilities Commission	\$4,966,100	\$0	\$0	\$4,966,100	7

Finance and Administration, Division of TennCare

- **Medical Inflation**

To provide recurring funding for a 1.45 percent medical inflation increase in managed care organization expenditures.

318.66 TennCare Medical Services	\$59,904,700	\$105,324,800	\$0	\$165,229,500	0

Sub-total	\$59,904,700	\$105,324,800	\$0	\$165,229,500	0

- **Pharmacy**

To provide recurring funding for the pharmacy program due to an increase in prescription drug prices.

318.66 TennCare Medical Services	\$42,197,600	\$76,079,300	\$0	\$118,276,900	0

Sub-total	\$42,197,600	\$76,079,300	\$0	\$118,276,900	0

- **Medicare Services**

To provide recurring funding for the increase in Medicare payments of dual-eligible members' Part D pharmacy services.

318.72 Medicare Services	\$20,000,000	\$0	\$0	\$20,000,000	0

Sub-total	\$20,000,000	\$0	\$0	\$20,000,000	0

Health and Social Services

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
• Health Maintenance Organization (HMO) Premium Tax Payments					
To provide recurring funding for required HMO premium tax payments as a result of hospital assessment changes. This increase will be offset by revenue collected in the general fund.					
318.66 TennCare Medical Services	\$55,684,900	\$100,395,800	\$0	\$156,080,700	0
Sub-total	\$55,684,900	\$100,395,800	\$0	\$156,080,700	0
• Employment and Community First (ECF) CHOICES Mandatory Population					
To provide recurring funding to add 300 enrollees to the ECF CHOICES program for individuals in crisis.					
318.65 TennCare Administration	\$453,600	\$453,700	\$0	\$907,300	0
318.66 TennCare Medical Services	9,460,000	17,055,700	0	26,515,700	0
Sub-total	\$9,913,600	\$17,509,400	\$0	\$27,423,000	0
• Long-Term Services and Supports Enhancement					
To provide recurring funding for additional service enhancements in the long-term services and supports program. These enhancements would include employment services, supportive home care, and respite care.					
318.66 TennCare Medical Services	\$1,691,100	\$3,048,900	\$0	\$4,740,000	0
Sub-total	\$1,691,100	\$3,048,900	\$0	\$4,740,000	0
• Direct Support Professionals - Home and Community-Based Services					
To provide recurring funding to increase the pay of direct support professionals in certain home and community-based services.					
318.66 TennCare Medical Services	\$3,439,800	\$6,201,600	\$0	\$9,641,400	0
Sub-total	\$3,439,800	\$6,201,600	\$0	\$9,641,400	0
• Direct Support Professionals - Intellectual and Developmental Disabilities Waiver					
To provide recurring funding to increase the hourly rate from \$15.37 to \$15.68 for direct support professionals and to increase the rate for independent support coordinators for home and community-based waiver services in the Department of Disability and Aging.					
318.71 Intellectual Disabilities Services	\$6,494,600	\$11,709,100	\$0	\$18,203,700	0
Sub-total	\$6,494,600	\$11,709,100	\$0	\$18,203,700	0

Health and Social Services

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
● Health Starts Initiative					
To provide non-recurring funding for the fourth year of the Health Starts Initiative, which integrates whole-person health approaches for TennCare members. The program includes provider partnerships to screen and refer members for identified social needs, continued implementation of a closed-loop referral system, and a program to help bring targeted groups of providers under the benefit umbrella. State matching funds for this item will be allotted from the TennCare Reserve.					
318.65 TennCare Administration	\$0	\$11,400,000	\$12,300,000	\$23,700,000	0
Sub-total	\$0	\$11,400,000	\$12,300,000	\$23,700,000	0
● Provider Rate Increase					
To provide a pool of recurring funding for provider rate increases in the children's dental, home-delivered meal, and enhanced respiratory care programs. The agency will determine the specific increase based on this pool of funding.					
318.66 TennCare Medical Services	\$3,244,500	\$5,850,000	\$0	\$9,094,500	0
Sub-total	\$3,244,500	\$5,850,000	\$0	\$9,094,500	0
● Medicaid Management Information System (MMIS)					
To provide non-recurring funding for the modernization of the MMIS system, which analyzes claims and payments data, due to federal modernization requirements. State matching funds for this item will be allotted from the TennCare Reserve.					
318.65 TennCare Administration	\$0	\$148,767,300	\$14,394,700	\$163,162,000	0
Sub-total	\$0	\$148,767,300	\$14,394,700	\$163,162,000	0
● Eligibility System					
To provide non-recurring funding for the continued enhancement and operation of an eligibility system. State matching funds for this item will be allotted from the TennCare Reserve.					
318.65 TennCare Administration	\$0	\$73,640,100	\$14,099,500	\$87,739,600	0
Sub-total	\$0	\$73,640,100	\$14,099,500	\$87,739,600	0
● Shared Savings - Medicaid Alternative Pathways to Independence - CHOICES 3					
To provide non-recurring funding to open 2,000 new slots for CHOICES 3. This would provide up to \$18,000 per year to be spent on personal care, home-delivered meals, minor home modifications, and other home and community-based services to individuals at-risk of placement in a nursing facility. Other funding is from TennCare Shared Savings.					
318.66 TennCare Medical Services	\$0	\$19,941,100	\$11,060,400	\$31,001,500	0
Sub-total	\$0	\$19,941,100	\$11,060,400	\$31,001,500	0

Health and Social Services

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
● Shared Savings - Workforce Development for Long-Term Services and Supports					
To provide non-recurring funding for recruitment and retention incentives for providers supporting members in CHOICES, Employment and Community First CHOICES, and eligible providers supporting 1915(c) waiver and OPTIONS members. Other funding is from TennCare Shared Savings.					
318.66 TennCare Medical Services	\$0	\$0	\$10,000,000	\$10,000,000	0
Sub-total	\$0	\$0	\$10,000,000	\$10,000,000	0
● Shared Savings - Workforce Development - E-Badge Program					
To provide non-recurring funding for incentives that increase professional knowledge, competency, and career opportunities for direct support professionals and front-line supervisors obtaining nationally certified stackable electronic badges. Other funding is from TennCare Shared Savings.					
318.66 TennCare Medical Services	\$0	\$0	\$3,000,000	\$3,000,000	0
Sub-total	\$0	\$0	\$3,000,000	\$3,000,000	0
● Shared Savings - ECF CHOICES Waiting List					
To provide non-recurring funding to add 2,500 enrollees for the ECF CHOICES program from the waiting list. Non-recurring slots will close through attrition. Other funding is from TennCare Shared Savings.					
318.66 TennCare Medical Services	\$0	\$22,950,900	\$12,729,800	\$35,680,700	0
Sub-total	\$0	\$22,950,900	\$12,729,800	\$35,680,700	0
● Shared Savings - Diapers for Kids Program					
To provide non-recurring funding for the Diapers for Kids pilot program, which provides access to diapers for children up to age two. Other funding is from TennCare Shared Savings.					
318.66 TennCare Medical Services	\$0	\$20,196,000	\$11,201,800	\$31,397,800	0
Sub-total	\$0	\$20,196,000	\$11,201,800	\$31,397,800	0
● Shared Savings - Community Mental Health Centers Quality Payments					
To provide non-recurring funding to increase funding to community mental health centers and Tennessee Health Link providers through quality incentive payments. Other funding is from TennCare Shared Savings.					
318.66 TennCare Medical Services	\$0	\$0	\$7,000,000	\$7,000,000	0
Sub-total	\$0	\$0	\$7,000,000	\$7,000,000	0

Health and Social Services

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
● Shared Savings - Behavioral Health Hospitals					
To provide non-recurring funding to improve access for complex behavioral health inpatient care through infrastructure improvements, training, and workforce supports. Other funding is from TennCare Shared Savings.					
318.66 TennCare Medical Services	\$0	\$0	\$15,000,000	\$15,000,000	0
Sub-total	\$0	\$0	\$15,000,000	\$15,000,000	0
● Shared Savings - Care for Individuals with Intellectual and Developmental Disabilities					
To provide non-recurring funding to expand comprehensive care and supports for individuals with intellectual and developmental disabilities and co-occurring behavioral health needs. Other funding is from TennCare Shared Savings.					
318.66 TennCare Medical Services	\$0	\$0	\$1,500,000	\$1,500,000	0
Sub-total	\$0	\$0	\$1,500,000	\$1,500,000	0
● Shared Savings - Value-Based Payment Initiative					
To provide non-recurring funding to develop and implement the next phase of TennCare's value-based payment programs through evaluation and enhancement of existing efforts and development of new quality and value-based incentive opportunities for providers. Other funding is from TennCare Shared Savings.					
318.65 TennCare Administration	\$0	\$2,000,000	\$2,000,000	\$4,000,000	0
Sub-total	\$0	\$2,000,000	\$2,000,000	\$4,000,000	0
● Shared Savings - In-Home Child and Adolescent Behavioral Health Supports					
To provide non-recurring funding to increase workforce capacity and member access through payments to providers serving children and adolescents through comprehensive child and family therapy via in-home supports. Other funding is from TennCare Shared Savings.					
318.66 TennCare Medical Services	\$0	\$0	\$1,000,000	\$1,000,000	0
Sub-total	\$0	\$0	\$1,000,000	\$1,000,000	0
● Shared Savings - Primary Care Behavioral Health Training					
To provide non-recurring funding to expand training and supports for pediatric primary care providers to learn tools and strategies for screening, assessing, and managing care of patients with behavioral health needs. Other funding is from TennCare Shared Savings.					
318.66 TennCare Medical Services	\$0	\$0	\$400,000	\$400,000	0
Sub-total	\$0	\$0	\$400,000	\$400,000	0

Health and Social Services

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
● Shared Savings - Infant and Early Childhood Mental Health Training					
To provide non-recurring funding for intensive systems and workforce development training to bolster Tennessee's infant and early childhood mental health system. Other funding is from TennCare Shared Savings.					
318.66 TennCare Medical Services	\$0	\$0	\$167,000	\$167,000	0
Sub-total	\$0	\$0	\$167,000	\$167,000	0
● Shared Savings - Initiatives in Other Agencies					
To provide non-recurring funding for the TennCare share of cost increases in other agencies that are for Shared Savings initiatives. Other funding is from TennCare Shared Savings.					
318.65 TennCare Administration	\$0	\$0	\$81,304,800	\$81,304,800	0
Sub-total	\$0	\$0	\$81,304,800	\$81,304,800	0
● TennCare for the Department of Children's Services (DCS)					
To provide funding for the TennCare share of cost increases recommended for DCS. Of the \$16,608,800 in state appropriations, \$5,277,000 is for recalculating the residential custodial budget, \$2,328,700 is for specialized treatment foster homes, \$2,262,100 is for private provider case management, \$2,220,000 is for provider rate increases, \$1,612,200 is for assessment treatment homes, \$1,508,800 is for fleet vehicles, and \$1,400,000 is for information system support. Of this total appropriation, \$12,018,000 is recurring and \$4,590,800 is non-recurring.					
318.66 TennCare Medical Services	\$16,608,800	\$27,647,600	\$0	\$44,256,400	0
Sub-total	\$16,608,800	\$27,647,600	\$0	\$44,256,400	0
● Federal Medical Assistance Percentage (FMAP)					
To provide recurring state funding to reflect a decrease in the FMAP rate from 64.928 percent to 64.323 percent.					
318.66 TennCare Medical Services	\$52,728,500	(\$52,728,500)	\$0	\$0	0
318.70 Supplemental Payments	771,700	(771,700)	0	0	0
318.71 Intellectual Disabilities Services	6,743,400	(6,743,400)	0	0	0
318.72 Medicare Services	3,938,400	(3,938,400)	0	0	0
Sub-total	\$64,182,000	(\$64,182,000)	\$0	\$0	0
Total Finance and Administration, Division of TennCare	\$283,361,600	\$588,479,900	\$197,158,000	\$1,068,999,500	0

Health and Social Services

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
Mental Health and Substance Abuse Services					
● School-Based Behavioral Health Liaison Expansion					
To provide recurring funding to add contracted school-based behavioral health liaisons across the state. Other funding is from the K-12 Mental Health Trust Fund.					
339.08 Community Mental Health Services	\$0	\$0	\$1,000,000	\$1,000,000	0
Sub-total	\$0	\$0	\$1,000,000	\$1,000,000	0
● Middle Tennessee Mental Health Institute Capacity					
To provide funding and contract staffing to increase capacity at Middle Tennessee Mental Health Institute to address a waiting list. Other funding is from certified public expenditure revenues from TennCare. Of this total, \$5,012,800 is recurring and \$148,300 is non-recurring.					
339.11 Middle Tennessee Mental Health Institute	\$0	\$0	\$5,161,100	\$5,161,100	0
Sub-total	\$0	\$0	\$5,161,100	\$5,161,100	0
● Tennessee Pathways Behavioral Health Scholarship Program					
To provide non-recurring funding for the Tennessee Pathways Behavioral Health Scholarship program, which will fund Tennessee students pursuing a master's degree in a behavioral health related field. Other funding is from the Tennessee General Fund Opioid Abatement Fund.					
339.08 Community Mental Health Services	\$0	\$0	\$4,437,800	\$4,437,800	0
Sub-total	\$0	\$0	\$4,437,800	\$4,437,800	0
● Substance Use Treatment Residential Rehabilitation Rate Increase					
To provide a pool of recurring funding for provider rate increases in the substance use treatment residential rehabilitation program. The agency will determine the specific increase based on this pool of funding.					
339.03 Community Substance Abuse Services	\$1,924,500	\$0	\$0	\$1,924,500	0
Sub-total	\$1,924,500	\$0	\$0	\$1,924,500	0
● Behavioral Health Safety Net Rate Increase Sustainability					
To provide recurring funding to behavioral health safety net providers to continue rate increases put in place during the First Extraordinary Session of the 113th General Assembly on public safety with non-recurring funding.					
339.08 Community Mental Health Services	\$4,000,000	\$0	\$0	\$4,000,000	0
Sub-total	\$4,000,000	\$0	\$0	\$4,000,000	0

Health and Social Services

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
● Crisis Services Continuum Enhancement					
To provide non-recurring funding to crisis services providers in the community mental health program to serve more uninsured clients.					
339.08 Community Mental Health Services	\$1,436,000	\$0	\$0	\$1,436,000	0
Sub-total	\$1,436,000	\$0	\$0	\$1,436,000	0
● State Opioid Response IV Grant					
To provide non-recurring funding and to continue eight positions for the federal State Opioid Response IV grant, which provides treatment and prevention of opioid use disorder. Federal funding is from the Substance Abuse and Mental Health Services Administration.					
339.01 Administrative Services Division	\$0	\$849,200	\$0	\$849,200	8
339.03 Community Substance Abuse Services	0	29,819,200	0	29,819,200	0
Sub-total	\$0	\$30,668,400	\$0	\$30,668,400	8
● Addiction Recovery Program - Year Two of Four					
To provide non-recurring funding to expand the Addiction Recovery Program, which includes services such as transitional housing, childcare, relapse prevention skills, transportation, and parent education. Other funding is from the Tennessee General Fund Opioid Abatement Fund.					
339.01 Administrative Services Division	\$0	\$0	\$107,600	\$107,600	0
339.03 Community Substance Abuse Services	0	0	2,000,000	2,000,000	0
Sub-total	\$0	\$0	\$2,107,600	\$2,107,600	0
● Shared Savings - Community Mental Health Center Workforce Development					
To provide non-recurring funding for the support of licensed behavioral health professionals supervising individuals seeking clinical licensure in a behavioral health profession. Other funding is from TennCare Shared Savings.					
339.08 Community Mental Health Services	\$0	\$0	\$1,000,000	\$1,000,000	0
Sub-total	\$0	\$0	\$1,000,000	\$1,000,000	0

Health and Social Services

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
● Shared Savings - Substance Use Disorder Treatment					
To provide non-recurring funding for payments to substance use disorder providers to increase capacity and access to a continuum of treatment and recovery services. Other funding is from TennCare Shared Savings.					
339.03 Community Substance Abuse Services	\$0	\$0	\$2,000,000	\$2,000,000	0
Sub-total	\$0	\$0	\$2,000,000	\$2,000,000	0
● Tennessee Sports Gambling Fund					
To provide non-recurring funding from the fund for grants to develop and establish treatment programs and resources for gambling addiction and compulsive gambling, pursuant to TCA 4-51-319. Other funding is from the Tennessee Sports Gaming Fund.					
339.03 Community Substance Abuse Services	\$0	\$0	\$4,378,400	\$4,378,400	0
Sub-total	\$0	\$0	\$4,378,400	\$4,378,400	0
● K-12 Mental Health Trust Fund Grants					
To provide non-recurring funding for community grants to enhance behavioral treatment in schools. Other funding is from the K-12 Mental Health Trust Fund.					
339.08 Community Mental Health Services	\$0	\$0	\$4,000,000	\$4,000,000	0
Sub-total	\$0	\$0	\$4,000,000	\$4,000,000	0
Total Mental Health and Substance Abuse Services	\$7,360,500	\$30,668,400	\$24,084,900	\$62,113,800	8

Health

● Dental Pilot Program - Year Four					
To provide non-recurring funding for the fourth year of a pilot program developed to address unmet dental service needs and increase the number of dentists who practice in the state. The program will support dental schools in Tennessee by expanding class sizes, increasing services, providing prosthodontics services, and recruiting and incentivizing dentists to practice in rural Tennessee.					
343.20 Public Health Policy, Planning, and Informatics	\$1,000,000	\$0	\$0	\$1,000,000	0
343.52 Community and Medical Services	4,000,000	0	0	4,000,000	0
343.60 Health Services	19,222,100	0	0	19,222,100	0
Sub-total	\$24,222,100	\$0	\$0	\$24,222,100	0

Health and Social Services

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
• Educational Dental Safety Net – Lincoln Memorial University					
To provide non-recurring funding to continue the Educational Dental Safety Net pilot program that supports 33 counties in East Tennessee in partnership with the College of Dental Medicine at Lincoln Memorial University.					
343.52 Community and Medical Services	\$3,375,000	\$0	\$0	\$3,375,000	0
Sub-total	\$3,375,000	\$0	\$0	\$3,375,000	0
• Cancer Screening Programs					
To provide recurring funding to expand cancer screening programs to include lung and colorectal cancer screenings.					
343.47 Family Health and Wellness	\$2,205,000	\$0	\$0	\$2,205,000	0
Sub-total	\$2,205,000	\$0	\$0	\$2,205,000	0
• JUUL Settlement - Youth Tobacco and Vape Cessation Program					
To provide non-recurring funding for youth vaping prevention and awareness programs. Other funding is from a litigation settlement through the Attorney General's office.					
343.47 Family Health and Wellness	\$0	\$0	\$2,600,000	\$2,600,000	0
Sub-total	\$0	\$0	\$2,600,000	\$2,600,000	0
• Syphilis Testing					
To provide recurring funding to increase and enhance syphilis screenings.					
343.08 Laboratory Services	\$500,000	\$0	\$0	\$500,000	0
Sub-total	\$500,000	\$0	\$0	\$500,000	0
• Shared Savings - Nursing Facility Resiliency Grants					
To provide non-recurring funding to provide competitive grants to nursing facility applicants for capital investments, workforce development, or practice transformation.					
343.52 Community and Medical Services	\$0	\$0	\$50,000,000	\$50,000,000	0
Sub-total	\$0	\$0	\$50,000,000	\$50,000,000	0
• Shared Savings - Center of Excellence					
To provide non-recurring funding to continue a Center of Excellence for rural communities and providers for the purpose of providing technical assistance, research, and advocacy to expand service line delivery, evaluate alternative payment models, or transition services to better meet rural community needs. Other funding is from TennCare Shared Savings.					
343.52 Community and Medical Services	\$0	\$0	\$1,000,600	\$1,000,600	0
Sub-total	\$0	\$0	\$1,000,600	\$1,000,600	0

Health and Social Services

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
● Shared Savings - Center of Excellence Grants					
To provide non-recurring funding to continue planning and implementation grant funding for the Center of Excellence to disburse to rural communities and providers to supplement technical assistance services provided through the Center of Excellence. Other funding is from TennCare Shared Savings.					
343.52 Community and Medical Services	\$0	\$0	\$1,400,000	\$1,400,000	0
Sub-total	\$0	\$0	\$1,400,000	\$1,400,000	0
● Shared Savings - Rural Specialty Care					
To provide non-recurring funding to increase access to specialty care in rural communities. Other funding is from TennCare Shared Savings.					
343.52 Community and Medical Services	\$0	\$0	\$1,050,000	\$1,050,000	0
Sub-total	\$0	\$0	\$1,050,000	\$1,050,000	0
● Shared Savings - Rural Health Care Training Programs					
To provide non-recurring funding to address existing primary care and behavioral health workforce shortages in rural communities. Other funding is from TennCare Shared Savings.					
343.52 Community and Medical Services	\$0	\$0	\$3,898,200	\$3,898,200	0
Sub-total	\$0	\$0	\$3,898,200	\$3,898,200	0
● Pharmacy Board Staff					
To provide funding and to establish one full-time position for the State Board of Pharmacy in accordance with Public Chapter 714 of 2024. This position will be funded through the collection of licensing fees. Of this total cost, \$79,000 is recurring and \$4,300 is non-recurring.					
343.10 Health Related Boards	\$83,300	\$0	\$0	\$83,300	1
Sub-total	\$83,300	\$0	\$0	\$83,300	1
Total Health	\$30,385,400	\$0	\$59,948,800	\$90,334,200	1

Disability and Aging

● Department of Disability and Aging (DDA) and Department of Children's Services (DCS) Support Services					
To provide recurring funding and contract staff for a partnership with the Department of Children's Services (DCS) to provide support services for children with intellectual and developmental disabilities in DCS custody. Other funding is from DCS.					
344.01 Intellectual Disabilities Services Administration	\$0	\$0	\$1,626,000	\$1,626,000	0
Sub-total	\$0	\$0	\$1,626,000	\$1,626,000	0

Health and Social Services

Cost Increases for Fiscal Year 2025-2026

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
● OPTIONS Waitlist					
To provide recurring funding to reduce the waitlist for the OPTIONS program, which provides care and support services to elderly and/or disabled Tennesseans who live in their homes.					
344.62 Commission on Aging and Disability	\$8,208,300	\$0	\$0	\$8,208,300	0
Sub-total	<u>\$8,208,300</u>	<u>\$0</u>	<u>\$0</u>	<u>\$8,208,300</u>	<u>0</u>
● Senior Nutrition Waitlist					
To provide recurring funding to reduce the waitlist in the senior nutrition program, which provides meals, socialization, and nutrition education and counseling to adults ages 60 and over in congregate settings or through home-delivered meals.					
344.62 Commission on Aging and Disability	\$3,600,000	\$0	\$0	\$3,600,000	0
Sub-total	<u>\$3,600,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,600,000</u>	<u>0</u>
● Direct Support Professionals - OPTIONS for Community Living					
To provide recurring funding to increase the pay of direct support professionals in the OPTIONS for Community Living program.					
344.62 Commission on Aging and Disability	\$459,000	\$0	\$0	\$459,000	0
Sub-total	<u>\$459,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$459,000</u>	<u>0</u>
● Provider Rate Increase					
To provide a pool of recurring funding for provider rate increases in the senior nutrition program and for Tennessee Early Intervention System therapy rates. The agency will determine the specific increase based on this pool of funding.					
344.60 Tennessee Early Intervention System	\$801,500	\$0	\$0	\$801,500	0
344.62 Commission on Aging and Disability	343,400	0	0	343,400	0
Sub-total	<u>\$1,144,900</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,144,900</u>	<u>0</u>
Total Disability and Aging	<u>\$13,412,200</u>	<u>\$0</u>	<u>\$1,626,000</u>	<u>\$15,038,200</u>	<u>0</u>

Human Services

● Information Systems Operations and Maintenance

To provide recurring funding for technology modernization, system development, and ongoing operations and maintenance costs.

345.01 Administration	\$12,945,400	\$7,373,200	\$0	\$20,318,600	0
Sub-total	<u>\$12,945,400</u>	<u>\$7,373,200</u>	<u>\$0</u>	<u>\$20,318,600</u>	<u>0</u>

Health and Social Services

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
• Expand Smart Steps					
To provide recurring funding for the expansion of the Smart Steps Child Care Assistance Program to families between 85 percent and 100 percent of the state median income. This program supports working parents pursuing post-secondary education by offering financial assistance for childcare costs.					
345.30 Family Assistance Services	\$5,900,000	\$0	\$0	\$5,900,000	0
Sub-total	\$5,900,000	\$0	\$0	\$5,900,000	0
• Expand WAGES Child Care Program					
To provide recurring funding for the Child Care WAGES Program, which supplements the salaries of early childhood educators to improve retention rates at childcare facilities.					
345.30 Family Assistance Services	\$7,200,000	\$0	\$0	\$7,200,000	0
Sub-total	\$7,200,000	\$0	\$0	\$7,200,000	0
• Child Care Improvement Fund Grants - Year Three of Three					
To provide non-recurring funding to disburse grants from the Child Care Improvement Fund to nonprofit organizations to establish new or improve existing childcare agencies.					
345.49 Community Services	\$15,000,000	\$0	\$0	\$15,000,000	0
Sub-total	\$15,000,000	\$0	\$0	\$15,000,000	0
• Statutory Salary Step Raises					
To provide recurring funding for the mandated salary raise required by TCA 8-7-201 for assistant district attorneys in the IV-D Child Support Enforcement program. These step raises are effective July 1, 2025.					
345.13 Child Support	\$171,100	\$332,200	\$0	\$503,300	0
Sub-total	\$171,100	\$332,200	\$0	\$503,300	0
• Child Support Enforcement Operations					
To provide recurring funding for the continuation of the Child Support Enforcement program due to increasing contract costs and decreasing program revenues. This cost increase will also fund the Tennessee Child Support Employment and Parenting Program, which assists non-custodial parents in finding and maintaining employment.					
345.13 Child Support	\$8,304,000	\$19,496,000	(\$3,700,000)	\$24,100,000	0
Sub-total	\$8,304,000	\$19,496,000	(\$3,700,000)	\$24,100,000	0
• County Rentals					
To provide recurring funding for increased county office lease payments.					
345.17 County Rentals	\$1,450,000	\$1,390,000	\$0	\$2,840,000	0
Sub-total	\$1,450,000	\$1,390,000	\$0	\$2,840,000	0

Health and Social Services

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
● KidCentral TN Website					
To provide recurring funding for the operation of the KidCentral TN website, which will allow the program to end agency billings.					
345.49 Community Services	\$150,000	\$0	(\$150,000)	\$0	0
Sub-total	\$150,000	\$0	(\$150,000)	\$0	0
● Boys and Girls Club Grant					
To provide non-recurring funding for a grant to the Boys and Girls Club to assist in child care programming.					
345.30 Family Assistance Services	\$10,900,000	\$0	\$0	\$10,900,000	0
Sub-total	\$10,900,000	\$0	\$0	\$10,900,000	0
Total Human Services	\$62,020,500	\$28,591,400	(\$3,850,000)	\$86,761,900	0

Finance and Administration, Strategic Health-Care Programs

● Federal Medical Assistance Percentage (FMAP)					
To provide recurring state funding to reflect a decrease in the enhanced FMAP rate from 75.453 percent to 75.025 percent.					
350.50 CoverKids	\$794,900	(\$794,900)	\$0	\$0	0
Sub-total	\$794,900	(\$794,900)	\$0	\$0	0
Total Finance and Administration, Strategic Health-Care Programs	\$794,900	(\$794,900)	\$0	\$0	0

Children's Services

● Recalculate Residential Custodial Budget					
To provide recurring funding to support the placement of children in the department's private provider placement network. This request reflects the current cost for the increased number of children with higher service needs.					
359.30 Custody Services	\$41,476,500	\$358,300	\$14,791,100	\$56,625,900	0
Sub-total	\$41,476,500	\$358,300	\$14,791,100	\$56,625,900	0
● Administration Legislation - Extension of Foster Care (EFC) Modernization					
To provide recurring funding and to establish four full-time positions for administration legislation relative to the EFC program that will increase the age eligibility in the program to 23 years old, expand services to teens who are 15 years old, exempt youths from certain fees, and reinstate the Foster Care Youth Outreach Liaison Pilot Program at higher education institutions.					
359.10 Administration	\$3,990,600	\$0	\$0	\$3,990,600	4
Sub-total	\$3,990,600	\$0	\$0	\$3,990,600	4

Health and Social Services

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
● Department of Disability and Aging (DDA) and Department of Children's Services (DCS) Support Services					
To provide recurring funding and to establish two full-time positions to provide support services for children with intellectual and developmental disabilities in DCS custody through a partnership with DDA.					
359.10 Administration	\$152,300	\$0	\$0	\$152,300	2
359.30 Custody Services	1,636,300	0	0	1,636,300	0
Sub-total	<u>\$1,788,600</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,788,600</u>	<u>2</u>
● Private Provider Case Management					
To provide non-recurring funding for contracted case management positions to assist with reducing caseloads for current staff.					
359.50 Child and Family Management	\$6,064,600	\$1,378,300	\$6,340,400	\$13,783,300	0
Sub-total	<u>\$6,064,600</u>	<u>\$1,378,300</u>	<u>\$6,340,400</u>	<u>\$13,783,300</u>	<u>0</u>
● Assessment Treatment Homes					
To provide recurring funding for assessment treatment homes, which will provide safe and stable assessments for an additional 48 youth entering custody.					
359.30 Custody Services	\$5,451,400	\$1,343,100	\$4,519,000	\$11,313,500	0
Sub-total	<u>\$5,451,400</u>	<u>\$1,343,100</u>	<u>\$4,519,000</u>	<u>\$11,313,500</u>	<u>0</u>
● Specialized Treatment Foster Homes - Year Two of Three					
To provide non-recurring funding to continue providing a level of care for children with high behavioral needs through a foster parent model that encourages parental involvement in direct service provision of therapeutic and medical care.					
359.30 Custody Services	\$3,834,400	\$1,040,100	\$6,527,200	\$11,401,700	0
Sub-total	<u>\$3,834,400</u>	<u>\$1,040,100</u>	<u>\$6,527,200</u>	<u>\$11,401,700</u>	<u>0</u>
● Provider Rate Increase					
To provide a pool of recurring funding for provider rate increases in the custody services, Intercept, and Multisystemic Therapy programs. The agency will determine the specific increase based on this pool of funding.					
359.20 Family Support Services	\$251,200	\$167,400	\$0	\$418,600	0
359.30 Custody Services	2,310,600	399,700	6,261,100	8,971,400	0
Sub-total	<u>\$2,561,800</u>	<u>\$567,100</u>	<u>\$6,261,100</u>	<u>\$9,390,000</u>	<u>0</u>

Health and Social Services

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
● Cost of Living Rate Increase - Foster Care					
To provide recurring funding for a foster care increase in order to maintain the United States Department of Agriculture midpoint rates.					
359.30 Custody Services	\$680,600	\$277,100	\$0	\$957,700	0
Sub-total	\$680,600	\$277,100	\$0	\$957,700	0
● Adoption Assistance (AA) and Subsidized Permanent Guardianship Rate Increase (SPG)					
To provide recurring funding for a rate increase to AA and SPG rates to maintain parity with foster care board rates.					
359.40 Adoption Services	\$268,800	\$323,700	\$0	\$592,500	0
Sub-total	\$268,800	\$323,700	\$0	\$592,500	0
● Safe Baby Courts Support Services					
To provide non-recurring funds to continue Safe Baby Courts support services for the next three fiscal years. Other funding is from the Tennessee General Fund Opioid Abatement Fund.					
359.20 Family Support Services	\$0	\$0	\$6,000,000	\$6,000,000	0
Sub-total	\$0	\$0	\$6,000,000	\$6,000,000	0
● Intercept Program Expansion					
To provide recurring funding for the Intercept Program, which will provide evidence-based intensive in-home services to an additional 301 families daily.					
359.20 Family Support Services	\$6,262,300	\$4,174,900	\$0	\$10,437,200	0
Sub-total	\$6,262,300	\$4,174,900	\$0	\$10,437,200	0
● LifeSet Program Rate Increase					
To provide recurring funding for an increase in LifeSet program rates, which helps reduce the number of youth entering the child welfare system.					
359.30 Custody Services	\$7,192,300	\$0	\$0	\$7,192,300	0
Sub-total	\$7,192,300	\$0	\$0	\$7,192,300	0
● Independent Living Rate Increase					
To provide recurring funding for an increase in the Independent Living rate, which helps assist youth exiting custody from ages 18 to 21.					
359.30 Custody Services	\$598,800	\$780,200	\$0	\$1,379,000	0
Sub-total	\$598,800	\$780,200	\$0	\$1,379,000	0

Health and Social Services

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
● Adoption Assistance Growth					
To provide recurring funding for an increase in the number of children in the Adoption Assistance program.					
359.40 Adoption Services	\$1,497,200	\$2,019,700	\$0	\$3,516,900	0
Sub-total	\$1,497,200	\$2,019,700	\$0	\$3,516,900	0
● Extension of Foster Care Case Management					
To provide recurring funding to increase the Extension of Foster Care case management rate, which assists young adults leaving the department's custody.					
359.30 Custody Services	\$539,800	\$664,700	\$0	\$1,204,500	0
Sub-total	\$539,800	\$664,700	\$0	\$1,204,500	0
● Transitional Homes Contracted Security Services					
To provide recurring funding for security at transitional homes and offices.					
359.50 Child and Family Management	\$7,281,800	\$0	\$0	\$7,281,800	0
Sub-total	\$7,281,800	\$0	\$0	\$7,281,800	0
● Fleet Vehicles					
To provide recurring funding for 800 leased state vehicles for staff that are responsible for the safe transportation of children.					
359.10 Administration	\$2,886,400	\$656,000	\$3,017,600	\$6,560,000	0
Sub-total	\$2,886,400	\$656,000	\$3,017,600	\$6,560,000	0
● Comprehensive Child Welfare Information System (CCWIS) Compliance System Support					
To provide recurring funding for contractor resources necessary to continue the operation of the current CCWIS, the department's case management system. The funding will provide maintenance and operational costs of the new CCWIS system currently under development.					
359.10 Administration	\$3,150,000	\$1,050,000	\$2,800,000	\$7,000,000	0
Sub-total	\$3,150,000	\$1,050,000	\$2,800,000	\$7,000,000	0
● Infrastructure Project Management and People Readiness					
To provide non-recurring funding for the department to leverage expertise in business, technology, and child welfare areas to address critical needs.					
359.10 Administration	\$10,000,000	\$0	\$0	\$10,000,000	0
Sub-total	\$10,000,000	\$0	\$0	\$10,000,000	0

Health and Social Services

Cost Increases for Fiscal Year 2025-2026

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
● Child Advocacy Centers Funding					
To provide recurring funding for Child Advocacy Centers to assist in services and victim advocacy for families and children.					
359.20 Family Support Services	\$429,000	\$0	\$0	\$429,000	0
Sub-total	<u>\$429,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$429,000</u>	<u>0</u>
● Child Advocacy Center Forensic Interviewers					
To provide recurring funding to increase salaries for contracted forensic interviewer positions at Child Advocacy Centers throughout Tennessee.					
359.20 Family Support Services	\$330,000	\$0	\$0	\$330,000	0
Sub-total	<u>\$330,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$330,000</u>	<u>0</u>
● New Child Advocacy Center and Forensic Interviewers					
To provide recurring funding to create a Child Advocacy Center and forensic interviewer position at the 32nd Judicial District. A forensic interviewer position will also be funded for the 12th Judicial District.					
359.20 Family Support Services	\$155,000	\$0	\$0	\$155,000	0
Sub-total	<u>\$155,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$155,000</u>	<u>0</u>
● Federal Medical Assistance Percentage (FMAP)					
To provide recurring state funding to reflect a decrease in the FMAP rate from 64.928 to 64.323 percent.					
359.30 Custody Services	\$451,100	(\$451,100)	\$0	\$0	0
359.40 Adoption Services	781,800	(781,800)	0	0	0
Sub-total	<u>\$1,232,900</u>	<u>(\$1,232,900)</u>	<u>\$0</u>	<u>\$0</u>	<u>0</u>
Total Children's Services	<u>\$107,672,800</u>	<u>\$13,400,300</u>	<u>\$50,256,400</u>	<u>\$171,329,500</u>	<u>6</u>
Total Health and Social Services	<u>\$509,974,000</u>	<u>\$660,345,100</u>	<u>\$329,224,100</u>	<u>\$1,499,543,200</u>	<u>22</u>

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 2023-2024</u>	<u>Estimated 2024-2025</u>	<u>Base 2025-2026</u>	<u>Cost Increase 2025-2026</u>	<u>Recommended 2025-2026</u>

316.01 Commission on Children and Youth

Full-Time Positions	29	29	29	0	29
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	<u>29</u>	<u>29</u>	<u>29</u>	<u>0</u>	<u>29</u>
Payroll	\$3,402,700	\$3,661,700	\$3,661,700	\$0	\$3,661,700
Operational	4,284,600	4,025,500	3,968,700	0	3,968,700
TOTAL	\$7,687,300	\$7,687,200	\$7,630,400	\$0	\$7,630,400
State Appropriations	\$5,755,200	\$5,868,700	\$5,811,900	\$0	\$5,811,900
Federal	991,300	1,071,600	1,071,600	0	1,071,600
Other	940,800	746,900	746,900	0	746,900

Health Facilities Commission

The Health Facilities Commission (HFC) is responsible for promoting access to health care in Tennessee. The agency oversees the Certificate of Need (CON) program and conducts the surveys and investigations of health facilities to ensure compliance with state and federal regulations as the federally-designated state surveying agency. The Trauma System Fund and various health-care facility licensure functions of the Department of Health's Health Licensure and Regulation division were transferred to the Health Facilities Commission as directed in Public Chapter 1119 of 2021.

The commission 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 CON process and appoints an executive director to administer the commission.

Also administratively attached to HFC is the Board for Licensing Health Care Facilities (BLHCF). The board consists of 19 members, all appointed by the Governor. Two of the 19 members are ex officio: the Commissioner of the Department of Health or designee and the Executive Director of the Commission on Aging and Disability. The BLHCF promulgates rules to regulate the health care industry, the Trauma Care Advisory Council, the Committee on Pediatric Emergency Care (CoPEC), and the Civil Monetary Penalty Reinvestment Program. These programs are supported by HFC staff.

<u>Actual 2023-2024</u>	<u>Estimated 2024-2025</u>	<u>Base 2025-2026</u>	<u>Cost Increase 2025-2026</u>	<u>Recommended 2025-2026</u>

316.07 Health Facilities Commission

Full-Time Positions	189	190	190	7	197
Part-Time Positions	8	8	8	0	8
Seasonal Positions	0	0	0	0	0
TOTAL	<u>197</u>	<u>198</u>	<u>198</u>	<u>7</u>	<u>205</u>
Payroll	\$19,284,100	\$23,033,100	\$22,533,100	\$843,600	\$23,376,700
Operational	20,024,700	23,847,400	22,548,500	4,122,500	26,671,000
TOTAL	\$39,308,800	\$46,880,500	\$45,081,600	\$4,966,100	\$50,047,700
State Appropriations	\$22,559,200	\$30,643,500	\$29,994,200	\$4,966,100	\$34,960,300
Federal	15,135,000	9,240,400	9,240,400	0	9,240,400
Other	1,614,600	6,996,600	5,847,000	0	5,847,000

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</u> <u>2023-2024</u>	<u>Estimated</u> <u>2024-2025</u>	<u>Base</u> <u>2025-2026</u>	<u>Cost Increase</u> <u>2025-2026</u>	<u>Recommended</u> <u>2025-2026</u>

316.14 Council on Developmental Disabilities

Full-Time Positions	11	11	11	0	11
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	<u>11</u>	<u>11</u>	<u>11</u>	<u>0</u>	<u>11</u>
Payroll	\$1,302,000	\$1,513,600	\$1,513,600	\$0	\$1,513,600
Operational	1,050,200	1,621,200	1,420,200	0	1,420,200
TOTAL	<u>\$2,352,200</u>	<u>\$3,134,800</u>	<u>\$2,933,800</u>	<u>\$0</u>	<u>\$2,933,800</u>
State Appropriations	\$435,100	\$582,200	\$577,100	\$0	\$577,100
Federal	1,342,000	1,747,600	1,731,700	0	1,731,700
Other	575,100	805,000	625,000	0	625,000

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 2023-2024</u>	<u>Estimated 2024-2025</u>	<u>Base 2025-2026</u>	<u>Cost Increase 2025-2026</u>	<u>Recommended 2025-2026</u>

318.65 TennCare Administration

TennCare Administration establishes policy, provides oversight, and directs the TennCare program. This division provides funding for the staffing, contractual and other operational costs necessary for administration of the program, and for determination of client eligibility for services.

Full-Time Positions	1,277	1,307	1,307	0	1,307
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	1,277	1,307	1,307	0	1,307
Payroll	\$128,862,200	\$144,227,900	\$144,227,900	\$0	\$144,227,900
Operational	770,167,400	827,837,000	501,013,100	360,813,700	861,826,800
TOTAL	\$899,029,600	\$972,064,900	\$645,241,000	\$360,813,700	\$1,006,054,700
State Appropriations	\$224,884,300	\$208,338,900	\$206,846,700	\$453,600	\$207,300,300
Federal	670,354,100	715,929,200	436,302,400	236,261,100	672,563,500
Other	3,791,200	47,796,800	2,091,900	124,099,000	126,190,900

318.66 TennCare Medical Services

TennCare Medical Services provides funding 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, long-term services and supports, and the Katie Beckett Waiver Program. State agencies that provide medical care are funded from this division and include the Department of Children's Services, the Department of Health, and the Department of Intellectual and Developmental Disabilities. 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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	12,038,233,300	14,406,273,300	13,760,758,500	669,982,100	14,430,740,600
TOTAL	\$12,038,233,300	\$14,406,273,300	\$13,760,758,500	\$669,982,100	\$14,430,740,600
State Appropriations	\$2,666,995,400	\$4,598,632,900	\$4,551,668,100	\$244,959,900	\$4,796,628,000
Federal	8,052,695,300	8,849,914,700	8,466,133,700	351,963,200	8,818,096,900
Other	1,318,542,600	957,725,700	742,956,700	73,059,000	816,015,700

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

318.70 Supplemental Payments

Supplemental Payments includes funding for the Charity Care Fund, Federally Qualified Health Clinics, and 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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	760,293,700	1,081,634,400	1,036,287,300	0	1,036,287,300
TOTAL	\$760,293,700	\$1,081,634,400	\$1,036,287,300	\$0	\$1,036,287,300
State Appropriations	\$210,283,500	\$305,368,800	\$305,368,800	\$771,700	\$306,140,500
Federal	523,004,900	716,640,600	696,293,500	(771,700)	695,521,800
Other	27,005,300	59,625,000	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 and those enrolled in the Katie Beckett Waiver Program.

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	1,120,637,700	1,201,305,700	1,178,639,700	18,203,700	1,196,843,400
TOTAL	\$1,120,637,700	\$1,201,305,700	\$1,178,639,700	\$18,203,700	\$1,196,843,400
State Appropriations	\$388,090,800	\$431,881,400	\$423,802,200	\$13,238,000	\$437,040,200
Federal	732,466,100	769,359,300	754,772,500	4,965,700	759,738,200
Other	80,800	65,000	65,000	0	65,000

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	965,364,900	1,008,069,300	1,008,069,300	20,000,000	1,028,069,300
TOTAL	\$965,364,900	\$1,008,069,300	\$1,008,069,300	\$20,000,000	\$1,028,069,300
State Appropriations	\$529,215,300	\$583,658,200	\$583,658,200	\$23,938,400	\$607,596,600
Federal	436,149,600	424,411,100	424,411,100	(3,938,400)	420,472,700
Other	0	0	0	0	0

318.00 Total Department of Finance and Administration, Division of TennCare

Full-Time Positions	1,277	1,307	1,307	0	1,307
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	1,277	1,307	1,307	0	1,307
Payroll	\$128,862,200	\$144,227,900	\$144,227,900	\$0	\$144,227,900
Operational	15,654,697,000	18,525,119,700	17,484,767,900	1,068,999,500	18,553,767,400
TOTAL	\$15,783,559,200	\$18,669,347,600	\$17,628,995,800	\$1,068,999,500	\$18,697,995,300
State Appropriations	\$4,019,469,300	\$6,127,880,200	\$6,071,344,000	\$283,361,600	\$6,354,705,600
Federal	10,414,670,000	11,476,254,900	10,777,913,200	588,479,900	11,366,393,100
Other	1,349,419,900	1,065,212,500	779,738,600	197,158,000	976,896,600

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.

Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

Administrative Services

339.01 Administrative Services Division

Administrative Services Division directs the regulatory and administrative responsibilities of the department. Staff provides and coordinates legal, regulatory, and medical advice; public information and education; planning, research, forensics, and licensing functions; support services in the recruitment and retention of the workforce; as well as develops and implements special programs and projects. Staff also oversees 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 Positions	201	202	194	8	202
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	201	202	194	8	202
Payroll	\$24,830,900	\$28,294,600	\$26,234,700	\$887,400	\$27,122,100
Operational	8,058,700	9,713,200	9,800,500	69,400	9,869,900
TOTAL	\$32,889,600	\$38,007,800	\$36,035,200	\$956,800	\$36,992,000
State Appropriations	\$23,197,400	\$28,186,900	\$27,889,700	\$0	\$27,889,700
Federal	5,616,900	5,507,400	3,941,200	849,200	4,790,400
Other	4,075,300	4,313,500	4,204,300	107,600	4,311,900

Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	173,304,400	201,453,400	132,048,100	40,122,100	172,170,200
TOTAL	\$173,304,400	\$201,453,400	\$132,048,100	\$40,122,100	\$172,170,200
State Appropriations	\$76,176,000	\$90,131,400	\$89,281,400	\$1,924,500	\$91,205,900
Federal	89,470,500	94,951,500	34,604,200	29,819,200	64,423,400
Other	7,657,900	16,370,500	8,162,500	8,378,400	16,540,900

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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	275,983,700	249,696,100	207,084,900	15,873,800	222,958,700
TOTAL	\$275,983,700	\$249,696,100	\$207,084,900	\$15,873,800	\$222,958,700
State Appropriations	\$193,654,200	\$174,808,500	\$168,908,500	\$5,436,000	\$174,344,500
Federal	47,891,800	60,422,900	29,235,200	0	29,235,200
Other	34,437,700	14,464,700	8,941,200	10,437,800	19,379,000

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 Positions	576	574	574	0	574
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	576	574	574	0	574
Payroll	\$43,992,000	\$53,457,200	\$53,457,200	\$0	\$53,457,200
Operational	20,290,900	14,298,000	14,389,100	5,161,100	19,550,200
TOTAL	\$64,282,900	\$67,755,200	\$67,846,300	\$5,161,100	\$73,007,400
State Appropriations	\$43,805,300	\$49,253,700	\$49,344,800	\$0	\$49,344,800
Federal	502,100	1,275,400	1,275,400	0	1,275,400
Other	19,975,500	17,226,100	17,226,100	5,161,100	22,387,200

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 Positions	439	439	439	0	439
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	439	439	439	0	439
Payroll	\$35,457,800	\$38,222,400	\$38,222,400	\$0	\$38,222,400
Operational	11,015,100	9,938,600	9,994,000	0	9,994,000
TOTAL	\$46,472,900	\$48,161,000	\$48,216,400	\$0	\$48,216,400
State Appropriations	\$33,492,900	\$35,929,200	\$35,670,100	\$0	\$35,670,100
Federal	58,600	160,900	160,900	0	160,900
Other	12,921,400	12,070,900	12,385,400	0	12,385,400

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 Positions	459	459	459	0	459
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	459	459	459	0	459
Payroll	\$35,472,000	\$40,627,700	\$40,627,700	\$0	\$40,627,700
Operational	16,998,900	11,164,300	11,235,800	0	11,235,800
TOTAL	\$52,470,900	\$51,792,000	\$51,863,500	\$0	\$51,863,500
State Appropriations	\$40,168,800	\$40,861,000	\$39,280,700	\$0	\$39,280,700
Federal	350,300	1,108,200	1,108,200	0	1,108,200
Other	11,951,800	9,822,800	11,474,600	0	11,474,600

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 Positions	186	186	186	0	186
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	186	186	186	0	186
Payroll	\$16,709,100	\$17,950,200	\$17,950,200	\$0	\$17,950,200
Operational	7,863,700	6,992,900	7,021,300	0	7,021,300
TOTAL	\$24,572,800	\$24,943,100	\$24,971,500	\$0	\$24,971,500
State Appropriations	\$6,255,900	\$18,993,100	\$17,821,500	\$0	\$17,821,500
Federal	79,300	296,200	296,200	0	296,200
Other	18,237,600	5,653,800	6,853,800	0	6,853,800

339.18 Tennessee Opioid Abatement Council

The Tennessee Opioid Abatement Council oversees funds received by the state in connection with any opioid-related judgment, settlement, or bankruptcy recovery. The council ensures that funds are disbursed for statewide, regional, and local opioid-related abatement programs such as treatment, prevention, education, drug courts, and evidence-based programs. The council must approve all fund usage.

Full-Time Positions	9	10	10	0	10
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	9	10	10	0	10

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Payroll	\$785,100	\$1,453,900	\$1,453,900	\$0	\$1,453,900
Operational	1,141,000	1,411,900	1,412,200	0	1,412,200
TOTAL	\$1,926,100	\$2,865,800	\$2,866,100	\$0	\$2,866,100
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	1,926,100	2,865,800	2,866,100	0	2,866,100

339.19 Opioid Abatement Fund

The Tennessee Opioid Abatement Fund is the designated repository of funds that are dedicated to the following: opioid abatement, remediation, directed to abatement or remediation; that are received by the state pursuant to a judgment on opioid-related claims, a recovery in bankruptcy on opioid-related claims, or a settlement of opioid-related claims.

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	32,999,300	2,865,800	2,866,100	0	2,866,100
TOTAL	\$32,999,300	\$2,865,800	\$2,866,100	\$0	\$2,866,100
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	32,999,300	2,865,800	2,866,100	0	2,866,100

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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	513,500	900,000	900,000	0	900,000
TOTAL	\$513,500	\$900,000	\$900,000	\$0	\$900,000
State Appropriations	\$513,500	\$900,000	\$900,000	\$0	\$900,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
339.00 Total Department of Mental Health and Substance Abuse Services					
Full-Time Positions	1,870	1,870	1,862	8	1,870
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	1,870	1,870	1,862	8	1,870
Payroll	\$157,246,900	\$180,006,000	\$177,946,100	\$887,400	\$178,833,500
Operational	548,169,200	508,434,200	396,752,000	61,226,400	457,978,400
TOTAL	\$705,416,100	\$688,440,200	\$574,698,100	\$62,113,800	\$636,811,900
State Appropriations	\$417,264,000	\$439,063,800	\$429,096,700	\$7,360,500	\$436,457,200
Federal	143,969,500	163,722,500	70,621,300	30,668,400	101,289,700
Other	144,182,600	85,653,900	74,980,100	24,084,900	99,065,000

Statistical Data Mental Health Institutes

	Middle Tennessee 339.11	Western 339.12	Moccasin Bend 339.16	Memphis 339.17	Total
Annual Admissions					
2018-2019	3,297	663	2,606	1,388	7,954
2019-2020	3,600	574	2,849	1,255	8,278
2020-2021	3,188	614	2,417	1,123	7,342
2021-2022	2,738	591	2,372	979	6,680
2022-2023	2,145	548	2,349	885	5,927
2023-2024	2,416	536	2,578	865	6,395
2024-2025	2,800	650	2,700	1,100	7,250
2025-2026	3,200	650	2,700	1,100	7,650
Annual Releases					
2018-2019	3,282	683	2,631	1,387	7,983
2019-2020	3,623	581	2,861	1,271	8,336
2020-2021	3,188	597	2,425	1,120	7,330
2021-2022	2,737	597	2,374	979	6,687
2022-2023	2,143	545	2,364	883	5,935
2023-2024	2,385	522	2,553	865	6,325
2024-2025	2,800	650	2,500	1,100	7,050
2025-2026	3,200	650	2,500	1,100	7,450
Average Daily Census					
2018-2019	161	130	123	38	452
2019-2020	167	117	112	36	432
2020-2021	172	128	117	32	449
2021-2022	151	130	113	35	429
2022-2023	160	128	110	36	434
2023-2024	177	136	111	35	459
2024-2025	170	138	123	38	469
2025-2026	195	138	123	38	494
Cost Per Occupancy Day*					
2018-2019	\$866.26	\$786.28	\$875.91	\$1,448.93	\$894.87
2019-2020	\$896.50	\$891.44	\$996.52	\$1,553.13	\$975.78
2020-2021	\$884.24	\$800.26	\$920.23	\$1,681.88	\$926.52
2021-2022	\$990.49	\$821.42	\$990.47	\$1,616.80	\$990.35
2022-2023	\$976.80	\$887.92	\$1,120.23	\$1,686.29	\$1,045.79
2023-2024	\$992.30	\$933.64	\$1,291.56	\$1,918.25	\$1,117.89
2024-2025	\$1,091.95	\$956.14	\$1,153.63	\$1,798.35	\$1,125.40
2025-2026	\$1,025.74	\$957.24	\$1,155.22	\$1,800.40	\$1,098.43

* 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.

Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 Positions	112	113	113	0	113
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	112	113	113	0	113
Payroll	\$14,036,300	\$16,567,600	\$16,567,600	\$0	\$16,567,600
Operational	21,650,300	20,300,400	20,309,700	0	20,309,700
TOTAL	\$35,686,600	\$36,868,000	\$36,877,300	\$0	\$36,877,300
State Appropriations	\$26,233,600	\$26,861,400	\$26,869,800	\$0	\$26,869,800
Federal	8,619,200	9,371,200	9,372,100	0	9,372,100
Other	833,800	635,400	635,400	0	635,400

Health Licensure and Regulation

Health Licensure and Regulation regulates the health-care industry through emergency medical services, and the regulation of certain health-care professionals. In addition, the division licenses the commercial breeding of companion animals.

343.05 Health Licensure and Regulation

This program includes funds for staff who oversee licensing and certifying health care professionals in the State of Tennessee. In addition, this division houses the state Medical Cannabis Commission as mandated by the General Assembly in Public Chapter 577 of 2021. Various health-care facility licensure functions performed by Health Licensure and Regulation were transferred to the Health Facilities Commission as directed in Public Chapter 1119 of 2021.

Full-Time Positions	14	14	14	0	14
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	14	14	14	0	14
Payroll	\$1,393,400	\$1,504,200	\$1,504,200	\$0	\$1,504,200

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Operational	186,000	233,900	179,500	0	179,500
TOTAL	\$1,579,400	\$1,738,100	\$1,683,700	\$0	\$1,683,700
State Appropriations	\$1,579,400	\$1,738,100	\$1,683,700	\$0	\$1,683,700
Federal	0	0	0	0	0
Other	0	0	0	0	0

343.07 Emergency Medical Services

Emergency Medical Services (EMS) provides quality assurance and oversight of pre-hospital emergency medical care and the medical transportation system in Tennessee. Activities include licensing public and private ambulance services, inspecting and issuing permits for ambulances, training and certifying personnel, and developing regulations. EMS provides technical assistance and coordination to local governments for developing EMS communications systems. EMS is also responsible for statewide, multi-agency emergency medical disaster planning, training, and operations, as identified in the Tennessee Emergency Management Plan.

Full-Time Positions	19	19	19	0	19
Part-Time Positions	13	13	13	0	13
Seasonal Positions	0	0	0	0	0
TOTAL	32	32	32	0	32
Payroll	\$2,038,500	\$1,997,800	\$1,997,800	\$0	\$1,997,800
Operational	2,941,900	9,786,000	7,766,600	0	7,766,600
TOTAL	\$4,980,400	\$11,783,800	\$9,764,400	\$0	\$9,764,400
State Appropriations	\$2,836,800	\$9,638,600	\$7,619,200	\$0	\$7,619,200
Federal	0	53,200	53,200	0	53,200
Other	2,143,600	2,092,000	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.

Full-Time Positions	192	199	199	1	200
Part-Time Positions	197	199	199	0	199
Seasonal Positions	0	0	0	0	0
TOTAL	389	398	398	1	399
Payroll	\$19,193,500	\$22,806,800	\$22,837,500	\$77,000	\$22,914,500
Operational	10,551,000	10,318,700	10,299,700	6,300	10,306,000
TOTAL	\$29,744,500	\$33,125,500	\$33,137,200	\$83,300	\$33,220,500
State Appropriations	\$28,388,800	\$30,788,200	\$30,799,900	\$83,300	\$30,883,200

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Federal	0	44,200	44,200	0	44,200
Other	1,355,700	2,293,100	2,293,100	0	2,293,100

Health Services

Health Services delivers public health services through a system of 13 regional health offices responsible for the oversight of services provided in 89 rural county health departments and six metropolitan health departments.

These services encompass both primary care and preventative services, with an emphasis on health promotion, disease prevention, and health access. Services are provided through the following programs: Laboratory Services; 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-born 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 Positions	141	141	141	0	141
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	141	141	141	0	141
Payroll	\$11,076,100	\$14,266,100	\$14,266,100	\$0	\$14,266,100
Operational	15,425,700	16,538,700	16,414,700	500,000	16,914,700
TOTAL	\$26,501,800	\$30,804,800	\$30,680,800	\$500,000	\$31,180,800
State Appropriations	\$10,353,600	\$14,879,500	\$14,755,500	\$500,000	\$15,255,500
Federal	13,800	345,000	345,000	0	345,000
Other	16,134,400	15,580,300	15,580,300	0	15,580,300

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 Positions	147	148	148	0	148
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0

Department of Health

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
TOTAL	147	148	148	0	148
Payroll	\$13,641,800	\$15,997,700	\$15,997,700	\$0	\$15,997,700
Operational	6,542,300	9,141,500	7,851,700	1,000,000	8,851,700
TOTAL	\$20,184,100	\$25,139,200	\$23,849,400	\$1,000,000	\$24,849,400
State Appropriations	\$8,671,800	\$12,511,100	\$11,220,700	\$1,000,000	\$12,220,700
Federal	3,615,500	5,350,200	5,350,800	0	5,350,800
Other	7,896,800	7,277,900	7,277,900	0	7,277,900

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 Positions	113	113	113	0	113
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	113	113	113	0	113
Payroll	\$10,676,100	\$11,910,500	\$11,910,500	\$0	\$11,910,500
Operational	1,403,200	2,298,900	2,019,100	0	2,019,100
TOTAL	\$12,079,300	\$14,209,400	\$13,929,600	\$0	\$13,929,600
State Appropriations	\$11,980,400	\$14,120,800	\$13,841,000	\$0	\$13,841,000
Federal	0	0	0	0	0
Other	98,900	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.

Full-Time Positions	144	140	140	0	140
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	144	140	140	0	140

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Payroll	\$14,740,800	\$16,851,000	\$16,851,000	\$0	\$16,851,000
Operational	59,231,600	85,325,200	84,236,300	4,805,000	89,041,300
TOTAL	\$73,972,400	\$102,176,200	\$101,087,300	\$4,805,000	\$105,892,300
State Appropriations	\$18,333,200	\$22,275,700	\$21,734,300	\$2,205,000	\$23,939,300
Federal	29,740,500	31,584,100	30,169,500	0	30,169,500
Other	25,898,700	48,316,400	49,183,500	2,600,000	51,783,500

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 Positions	247	247	247	0	247
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	247	247	247	0	247
Payroll	\$28,440,700	\$30,523,300	\$30,273,300	\$0	\$30,273,300
Operational	368,844,400	371,975,300	65,055,700	0	65,055,700
TOTAL	\$397,285,100	\$402,498,600	\$95,329,000	\$0	\$95,329,000
State Appropriations	\$36,878,100	\$34,186,100	\$33,673,300	\$0	\$33,673,300
Federal	338,633,900	345,479,800	38,823,000	0	38,823,000
Other	21,773,100	22,832,700	22,832,700	0	22,832,700

Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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.

Full-Time Positions	20	21	21	0	21
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	20	21	21	0	21
Payroll	\$2,094,900	\$2,487,400	\$2,487,400	\$0	\$2,487,400
Operational	90,404,500	303,798,900	38,714,500	64,723,800	103,438,300
TOTAL	\$92,499,400	\$306,286,300	\$41,201,900	\$64,723,800	\$105,925,700
State Appropriations	\$51,814,700	\$49,116,400	\$39,592,500	\$7,375,000	\$46,967,500
Federal	40,611,200	198,200,000	1,560,700	0	1,560,700
Other	73,500	58,969,900	48,700	57,348,800	57,397,500

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 Positions	18	19	19	0	19
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	18	19	19	0	19
Payroll	\$1,620,700	\$2,092,700	\$2,092,700	\$0	\$2,092,700
Operational	141,878,300	135,074,000	133,982,300	0	133,982,300
TOTAL	\$143,499,000	\$137,166,700	\$136,075,000	\$0	\$136,075,000
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	98,386,200	92,033,700	90,942,000	0	90,942,000
Other	45,112,800	45,133,000	45,133,000	0	45,133,000

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 Positions	1,538	1,525	1,518	0	1,518
Part-Time Positions	2	2	2	0	2
Seasonal Positions	0	0	0	0	0
TOTAL	1,540	1,527	1,520	0	1,520
Payroll	\$144,020,400	\$162,775,900	\$162,337,300	\$0	\$162,337,300
Operational	157,402,400	243,480,600	109,358,400	19,222,100	128,580,500
TOTAL	\$301,422,800	\$406,256,500	\$271,695,700	\$19,222,100	\$290,917,800
State Appropriations	\$142,338,600	\$149,643,900	\$135,819,500	\$19,222,100	\$155,041,600
Federal	91,356,100	185,025,200	64,353,600	0	64,353,600
Other	67,728,100	71,587,400	71,522,600	0	71,522,600

343.00 Total Department of Health

Full-Time Positions	2,705	2,699	2,692	1	2,693
Part-Time Positions	212	214	214	0	214
Seasonal Positions	0	0	0	0	0
TOTAL	2,917	2,913	2,906	1	2,907
Payroll	\$262,973,200	\$299,781,000	\$299,123,100	\$77,000	\$299,200,100
Operational	876,461,600	1,208,272,100	496,188,200	90,257,200	586,445,400
TOTAL	\$1,139,434,800	\$1,508,053,100	\$795,311,300	\$90,334,200	\$885,645,500
State Appropriations	\$339,409,000	\$365,759,800	\$337,609,400	\$30,385,400	\$367,994,800
Federal	610,976,400	867,486,600	241,014,100	0	241,014,100
Other	189,049,400	274,806,700	216,687,800	59,948,800	276,636,600

Department of Disability and Aging

The Department of Disability and Aging (DDA) 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 as well as providing services for individuals with intellectual disabilities and the aging population. The department is divided into three functional areas: Administration, Community Services, and Developmental Center.

<u>Actual 2023-2024</u>	<u>Estimated 2024-2025</u>	<u>Base 2025-2026</u>	<u>Cost Increase 2025-2026</u>	<u>Recommended 2025-2026</u>

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 Positions	280	294	294	0	294
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	280	294	294	0	294
Payroll	\$27,720,400	\$33,193,900	\$33,193,900	\$0	\$33,193,900
Operational	13,189,300	13,613,800	13,637,300	1,626,000	15,263,300
TOTAL	\$40,909,700	\$46,807,700	\$46,831,200	\$1,626,000	\$48,457,200
State Appropriations	\$2,546,700	\$3,544,000	\$3,545,200	\$0	\$3,545,200
Federal	0	0	0	0	0
Other	38,363,000	43,263,700	43,286,000	1,626,000	44,912,000

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

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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	36,785,600	65,336,700	64,586,700	0	64,586,700
TOTAL	\$36,785,600	\$65,336,700	\$64,586,700	\$0	\$64,586,700
State Appropriations	\$32,982,600	\$63,284,700	\$62,534,700	\$0	\$62,534,700
Federal	0	0	0	0	0
Other	3,803,000	2,052,000	2,052,000	0	2,052,000

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 Positions	78	80	80	0	80
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	78	80	80	0	80
Payroll	\$7,206,900	\$7,966,500	\$7,966,500	\$0	\$7,966,500
Operational	618,100	735,600	740,800	0	740,800
TOTAL	\$7,825,000	\$8,702,100	\$8,707,300	\$0	\$8,707,300
State Appropriations	\$152,800	\$645,200	\$645,500	\$0	\$645,500
Federal	0	0	0	0	0
Other	7,672,200	8,056,900	8,061,800	0	8,061,800

344.20 West Tennessee Regional Office

The West Tennessee Regional Office coordinates services and support to individuals with intellectual disabilities living in the community in West Tennessee.

Full-Time Positions	108	111	111	0	111
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	108	111	111	0	111
Payroll	\$9,778,000	\$11,369,800	\$11,366,800	\$0	\$11,366,800
Operational	7,426,400	1,757,700	1,772,900	0	1,772,900
TOTAL	\$17,204,400	\$13,127,500	\$13,139,700	\$0	\$13,139,700
State Appropriations	\$536,000	\$1,628,900	\$1,629,500	\$0	\$1,629,500
Federal	5,481,100	0	0	0	0
Other	11,187,300	11,498,600	11,510,200	0	11,510,200

	<u>Actual 2023-2024</u>	<u>Estimated 2024-2025</u>	<u>Base 2025-2026</u>	<u>Cost Increase 2025-2026</u>	<u>Recommended 2025-2026</u>

344.21 Middle Tennessee Regional Office

The Middle Tennessee Regional Office coordinates services and support to individuals with intellectual disabilities living in the community in Middle Tennessee.

Full-Time Positions	109	111	111	0	111
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	109	111	111	0	111
Payroll	\$9,333,900	\$10,798,700	\$10,798,700	\$0	\$10,798,700
Operational	16,813,100	2,442,500	2,454,600	0	2,454,600
TOTAL	\$26,147,000	\$13,241,200	\$13,253,300	\$0	\$13,253,300
State Appropriations	\$771,300	\$1,262,300	\$1,262,900	\$0	\$1,262,900
Federal	14,199,400	0	0	0	0
Other	11,176,300	11,978,900	11,990,400	0	11,990,400

344.22 East Tennessee Regional Office

The East Tennessee Regional Office coordinates services and support to individuals with intellectual disabilities living in the community in East Tennessee.

Full-Time Positions	109	108	108	0	108
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	109	108	108	0	108
Payroll	\$9,911,700	\$10,704,500	\$10,704,500	\$0	\$10,704,500
Operational	3,540,500	1,604,400	1,613,900	0	1,613,900
TOTAL	\$13,452,200	\$12,308,900	\$12,318,400	\$0	\$12,318,400
State Appropriations	\$416,200	\$1,000,500	\$1,001,000	\$0	\$1,001,000
Federal	2,038,600	0	0	0	0
Other	10,997,400	11,308,400	11,317,400	0	11,317,400

344.35 Seating and Positioning Clinics

The Seating and Positioning Clinics provides funding for three assistive technology clinics, located in East, Middle, and West Tennessee; and one mobile clinic serving the entire state, that provide custom wheelchairs and positioning equipment to individuals with intellectual and developmental disabilities.

Full-Time Positions	29	28	28	0	28
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	29	28	28	0	28
Payroll	\$2,599,500	\$2,989,600	\$2,989,600	\$0	\$2,989,600

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Operational	1,808,200	1,861,600	1,864,300	0	1,864,300
TOTAL	\$4,407,700	\$4,851,200	\$4,853,900	\$0	\$4,853,900
State Appropriations	\$3,404,300	\$4,078,600	\$4,081,300	\$0	\$4,081,300
Federal	0	0	0	0	0
Other	1,003,400	772,600	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 Positions	205	201	201	0	201
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	205	201	201	0	201
Payroll	\$12,955,800	\$17,753,700	\$17,736,300	\$0	\$17,736,300
Operational	7,199,700	7,619,100	7,651,900	0	7,651,900
TOTAL	\$20,155,500	\$25,372,800	\$25,388,200	\$0	\$25,388,200
State Appropriations	\$605,900	\$35,300	\$35,300	\$0	\$35,300
Federal	0	0	0	0	0
Other	19,549,600	25,337,500	25,352,900	0	25,352,900

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 Positions	156	151	151	0	151
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	156	151	151	0	151
Payroll	\$10,485,100	\$12,208,800	\$12,208,800	\$0	\$12,208,800
Operational	7,355,300	7,391,300	7,402,900	0	7,402,900
TOTAL	\$17,840,400	\$19,600,100	\$19,611,700	\$0	\$19,611,700
State Appropriations	\$1,157,000	\$95,900	\$95,900	\$0	\$95,900
Federal	0	0	0	0	0
Other	16,683,400	19,504,200	19,515,800	0	19,515,800

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
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 Positions	253	249	249	0	249
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	253	249	249	0	249
Payroll	\$16,929,200	\$19,901,100	\$19,901,100	\$0	\$19,901,100
Operational	7,011,300	8,008,000	8,023,800	0	8,023,800
TOTAL	\$23,940,500	\$27,909,100	\$27,924,900	\$0	\$27,924,900
State Appropriations	\$238,300	\$248,400	\$248,400	\$0	\$248,400
Federal	0	0	0	0	0
Other	23,702,200	27,660,700	27,676,500	0	27,676,500

344.60 Tennessee Early Intervention System

The Tennessee Early Intervention System (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 Positions	379	379	379	0	379
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	379	379	379	0	379
Payroll	\$24,920,800	\$30,964,500	\$30,964,500	\$0	\$30,964,500
Operational	58,076,600	75,011,700	75,027,800	801,500	75,829,300
TOTAL	\$82,997,400	\$105,976,200	\$105,992,300	\$801,500	\$106,793,800
State Appropriations	\$39,222,900	\$61,145,600	\$61,160,400	\$801,500	\$61,961,900
Federal	15,713,600	10,352,000	10,352,000	0	10,352,000
Other	28,060,900	34,478,600	34,479,900	0	34,479,900

344.61 Katie Beckett Waiver

The Katie Beckett Waiver program provides services and supports to non-Medicaid-eligible children under the age of 18 with disabilities or complex medical needs. These services focus on in-home care and wraparound supports rather than hospital or institutional care.

Full-Time Positions	91	100	100	0	100
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	91	100	100	0	100
Payroll	\$6,200,700	\$8,149,200	\$8,149,200	\$0	\$8,149,200

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Operational	24,469,000	50,143,300	50,143,300	0	50,143,300
TOTAL	\$30,669,700	\$58,292,500	\$58,292,500	\$0	\$58,292,500
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	30,669,700	58,292,500	58,292,500	0	58,292,500

344.62 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, Disability and Aging, 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 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.

Full-Time Positions	46	36	36	0	36
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	46	36	36	0	36
Payroll	\$3,499,600	\$4,573,200	\$4,554,500	\$0	\$4,554,500
Operational	67,760,000	63,021,900	59,021,800	12,610,700	71,632,500
TOTAL	\$71,259,600	\$67,595,100	\$63,576,300	\$12,610,700	\$76,187,000
State Appropriations	\$26,904,900	\$33,105,100	\$29,105,900	\$12,610,700	\$41,716,600
Federal	44,320,900	34,007,600	33,988,000	0	33,988,000
Other	33,800	482,400	482,400	0	482,400

Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

Developmental Center

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.

Full-Time Positions	40	38	38	0	38
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	40	38	38	0	38
Payroll	\$2,974,700	\$3,404,500	\$3,404,500	\$0	\$3,404,500
Operational	1,745,300	3,238,200	3,073,000	0	3,073,000
TOTAL	\$4,720,000	\$6,642,700	\$6,477,500	\$0	\$6,477,500
State Appropriations	\$4,720,000	\$6,472,500	\$6,476,500	\$0	\$6,476,500
Federal	0	0	0	0	0
Other	0	170,200	1,000	0	1,000

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 funding for maintenance projects that do not meet the criteria for capital maintenance.

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	462,300	500,000	500,000	0	500,000
TOTAL	\$462,300	\$500,000	\$500,000	\$0	\$500,000
State Appropriations	\$462,300	\$500,000	\$500,000	\$0	\$500,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
344.00 Total Department of Disability and Aging					
Full-Time Positions	1,883	1,886	1,886	0	1,886
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	1,883	1,886	1,886	0	1,886
Payroll	\$144,516,300	\$173,978,000	\$173,938,900	\$0	\$173,938,900
Operational	254,260,700	302,285,800	297,515,000	15,038,200	312,553,200
TOTAL	\$398,777,000	\$476,263,800	\$471,453,900	\$15,038,200	\$486,492,100
State Appropriations	\$114,121,200	\$177,047,000	\$172,322,500	\$13,412,200	\$185,734,700
Federal	81,753,600	44,359,600	44,340,000	0	44,340,000
Other	202,902,200	254,857,200	254,791,400	1,626,000	256,417,400

Statistical Data

Developmental Center and Community Homes

	Developmental Center	Community Homes			
	Harold Jordan Center 344.15	West Tennessee Community Homes 344.40	Middle Tennessee Community Homes 344.41	East Tennessee Community Homes 344.42	Total
Annual Admissions					
2018-2019	9	5	0	5	10
2019-2020	2	4	3	1	8
2020-2021	8	1	0	4	5
2021-2022	5	1	0	0	1
2022-2023	2	1	3	1	5
2023-2024	2	3	3	3	9
2024-2025	2	3	3	3	9
2025-2026	2	3	3	3	9
Annual Releases					
2018-2019	14	7	3	4	14
2019-2020	9	5	1	1	7
2020-2021	2	5	4	7	16
2021-2022	8	9	0	0	9
2022-2023	10	3	5	1	9
2023-2024	0	1	1	1	3
2024-2025	0	1	1	1	3
2025-2026	0	1	1	1	3
Average Daily Census					
2018-2019	10	45	33	62	140
2019-2020	4	43	33	62	138
2020-2021	7	42	30	59	131
2021-2022	9	36	29	55	120
2022-2023	3	32	29	54	115
2023-2024	4	37	30	53	120
2024-2025	6	40	32	60	132
2025-2026	6	44	36	64	144
Cost Per Occupancy Day*					
2018-2019	\$1,764.52	\$1,110.65	\$1,205.87	\$888.51	\$1,034.72
2019-2020	\$3,725.20	\$1,185.74	\$1,244.98	\$889.85	\$1,066.97
2020-2021	\$2,272.41	\$1,186.02	\$1,294.17	\$893.16	\$1,078.89
2021-2022	\$1,943.87	\$1,419.50	\$1,446.15	\$1,044.76	\$1,254.18
2022-2023	\$5,476.44	\$1,615.95	\$1,586.57	\$1,089.99	\$1,361.57
2023-2024	\$3,224.04	\$1,488.37	\$1,624.81	\$1,234.17	\$1,410.21
2024-2025	\$3,033.20	\$1,737.86	\$1,678.09	\$1,274.39	\$1,512.70
2025-2026	\$2,957.76	\$1,580.83	\$1,492.52	\$1,195.42	\$1,387.46

*Last column indicates average cost per day for all community homes.

Department of Human Services

The mission of the Department of Human Services is to improve quality of life by providing an effective system of services for disadvantaged, disabled, and vulnerable Tennesseans. The departmental structure includes Administration, Adult and Family Services, Child Support, and Rehabilitation Services.

Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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, personnel, staff development, program performance, and improved customer service.

Full-Time Positions	407	410	410	0	410
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	407	410	410	0	410
Payroll	\$41,337,300	\$46,300,100	\$46,300,100	\$0	\$46,300,100
Operational	203,401,500	219,019,000	144,000,500	20,318,600	164,319,100
TOTAL	\$244,738,800	\$265,319,100	\$190,300,600	\$20,318,600	\$210,619,200
State Appropriations	\$72,385,600	\$71,430,500	\$70,938,000	\$12,945,400	\$83,883,400
Federal	170,544,600	188,346,600	113,820,400	7,373,200	121,193,600
Other	1,808,600	5,542,000	5,542,200	0	5,542,200

345.17 County Rentals

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

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	20,289,200	18,763,300	18,763,300	2,840,000	21,603,300
TOTAL	\$20,289,200	\$18,763,300	\$18,763,300	\$2,840,000	\$21,603,300
State Appropriations	\$8,924,400	\$7,927,100	\$7,927,100	\$1,450,000	\$9,377,100
Federal	10,902,900	10,092,100	10,092,100	1,390,000	11,482,100
Other	461,900	744,100	744,100	0	744,100

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 Positions	120	120	120	0	120
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	120	120	120	0	120
Payroll	\$12,321,200	\$14,401,500	\$14,401,500	\$0	\$14,401,500
Operational	769,500	1,191,900	1,195,300	0	1,195,300
TOTAL	\$13,090,700	\$15,593,400	\$15,596,800	\$0	\$15,596,800
State Appropriations	\$6,348,600	\$5,491,600	\$5,493,400	\$0	\$5,493,400
Federal	6,742,100	10,101,800	10,103,400	0	10,103,400
Other	0	0	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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	239,411,600	298,960,800	290,795,600	0	290,795,600
TOTAL	\$239,411,600	\$298,960,800	\$290,795,600	\$0	\$290,795,600
State Appropriations	\$23,582,000	\$22,165,200	\$14,000,000	\$0	\$14,000,000
Federal	205,689,300	275,795,600	275,795,600	0	275,795,600
Other	10,140,300	1,000,000	1,000,000	0	1,000,000

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	64,246,600	102,449,100	102,449,100	0	102,449,100
TOTAL	\$64,246,600	\$102,449,100	\$102,449,100	\$0	\$102,449,100
State Appropriations	\$26,300	\$1,027,200	\$1,027,200	\$0	\$1,027,200
Federal	64,220,300	101,321,900	101,321,900	0	101,321,900
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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	1,713,907,600	3,209,112,700	3,209,112,700	0	3,209,112,700
TOTAL	\$1,713,907,600	\$3,209,112,700	\$3,209,112,700	\$0	\$3,209,112,700
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	1,713,907,600	3,209,112,700	3,209,112,700	0	3,209,112,700
Other	0	0	0	0	0

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 Positions	2,010	2,010	2,010	0	2,010
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	2,010	2,010	2,010	0	2,010
Payroll	\$135,154,500	\$154,197,700	\$154,197,700	\$0	\$154,197,700
Operational	190,792,500	240,935,900	87,403,400	24,000,000	111,403,400
TOTAL	\$325,947,000	\$395,133,600	\$241,601,100	\$24,000,000	\$265,601,100
State Appropriations	\$80,570,900	\$95,029,000	\$89,766,700	\$24,000,000	\$113,766,700
Federal	245,227,600	295,384,400	150,113,500	0	150,113,500
Other	148,500	4,720,200	1,720,900	0	1,720,900

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 Positions	426	427	426	0	426
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	426	427	426	0	426
Payroll	\$32,615,500	\$36,089,200	\$36,005,200	\$0	\$36,005,200
Operational	443,558,800	255,887,200	184,616,900	15,000,000	199,616,900
TOTAL	\$476,174,300	\$291,976,400	\$220,622,100	\$15,000,000	\$235,622,100
State Appropriations	\$30,297,500	\$39,497,700	\$20,544,100	\$15,150,000	\$35,694,100
Federal	439,296,800	247,051,600	195,822,800	0	195,822,800
Other	6,580,000	5,427,100	4,255,200	(150,000)	4,105,200

Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 Positions	118	118	118	0	118
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	118	118	118	0	118
Payroll	\$9,978,000	\$11,237,700	\$11,237,700	\$0	\$11,237,700
Operational	92,628,100	88,020,100	88,035,300	24,603,300	112,638,600
TOTAL	\$102,606,100	\$99,257,800	\$99,273,000	\$24,603,300	\$123,876,300
State Appropriations	\$14,119,100	\$17,673,300	\$17,678,400	\$8,475,100	\$26,153,500
Federal	59,325,600	54,774,700	54,784,800	19,828,200	74,613,000
Other	29,161,400	26,809,800	26,809,800	(3,700,000)	23,109,800

Rehabilitation Services

The Rehabilitation Services section provides direct services to persons with disabilities and determines eligibility for federal Social Security disability income programs.

345.70 Rehabilitation Services

The Rehabilitation Services program seeks to alleviate barriers and provide quality services to improve the conditions of persons with disabilities. The program's primary goal is to place disabled individuals into employment. Rehabilitation services include any services described in an individual plan for employment that are necessary to assist an individual with a disability in preparing for, securing, retaining, or regaining an employment outcome that is consistent with the strengths and abilities of the individual. The program includes the Tennessee Rehabilitation Center in Smyrna and other locations throughout the state.

Full-Time Positions	488	488	488	0	488
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	488	488	488	0	488
Payroll	\$33,089,000	\$40,024,400	\$40,024,400	\$0	\$40,024,400
Operational	48,124,800	66,408,400	63,059,700	0	63,059,700
TOTAL	\$81,213,800	\$106,432,800	\$103,084,100	\$0	\$103,084,100

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
State Appropriations	\$13,584,300	\$18,693,400	\$17,980,200	\$0	\$17,980,200
Federal	60,423,200	79,776,000	77,140,500	0	77,140,500
Other	7,206,300	7,963,400	7,963,400	0	7,963,400

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 Positions	465	462	462	0	462
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	465	462	462	0	462
Payroll	\$28,960,300	\$39,835,700	\$39,835,700	\$0	\$39,835,700
Operational	26,066,900	35,286,000	35,293,700	0	35,293,700
TOTAL	\$55,027,200	\$75,121,700	\$75,129,400	\$0	\$75,129,400
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	55,027,200	75,121,700	75,129,400	0	75,129,400
Other	0	0	0	0	0

345.00 Total Department of Human Services

Full-Time Positions	4,034	4,035	4,034	0	4,034
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	4,034	4,035	4,034	0	4,034
Payroll	\$293,455,800	\$342,086,300	\$342,002,300	\$0	\$342,002,300
Operational	3,043,197,100	4,536,034,400	4,224,725,500	86,761,900	4,311,487,400
TOTAL	\$3,336,652,900	\$4,878,120,700	\$4,566,727,800	\$86,761,900	\$4,653,489,700
State Appropriations	\$249,838,700	\$278,935,000	\$245,355,100	\$62,020,500	\$307,375,600
Federal	3,031,307,200	4,546,879,100	4,273,237,100	28,591,400	4,301,828,500
Other	55,507,000	52,306,600	48,135,600	(3,850,000)	44,285,600

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 2023-2024</u>	<u>Estimated 2024-2025</u>	<u>Base 2025-2026</u>	<u>Cost Increase 2025-2026</u>	<u>Recommended 2025-2026</u>

350.10 Health-Care Planning and Innovation

Health-Care Planning and Innovation includes administrative costs for the Cover Tennessee Health-Care Programs.

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	10,100	240,900	240,900	0	240,900
TOTAL	\$10,100	\$240,900	\$240,900	\$0	\$240,900
State Appropriations	\$2,100	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	8,000	240,900	240,900	0	240,900

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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	133,064,000	186,602,500	186,602,500	0	186,602,500
TOTAL	\$133,064,000	\$186,602,500	\$186,602,500	\$0	\$186,602,500
State Appropriations	\$30,358,900	\$45,593,800	\$45,593,800	\$794,900	\$46,388,700
Federal	100,572,500	140,146,800	140,146,800	(794,900)	139,351,900
Other	2,132,600	861,900	861,900	0	861,900

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	11,165,400	11,889,600	11,889,600	0	11,889,600
TOTAL	\$11,165,400	\$11,889,600	\$11,889,600	\$0	\$11,889,600
State Appropriations	\$7,950,400	\$8,889,600	\$8,889,600	\$0	\$8,889,600
Federal	0	0	0	0	0
Other	3,215,000	3,000,000	3,000,000	0	3,000,000

350.00 Total Department of Finance and Administration, Strategic Health-Care Programs

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	144,239,500	198,733,000	198,733,000	0	198,733,000
TOTAL	\$144,239,500	\$198,733,000	\$198,733,000	\$0	\$198,733,000
State Appropriations	\$38,311,400	\$54,483,400	\$54,483,400	\$794,900	\$55,278,300
Federal	100,572,500	140,146,800	140,146,800	(794,900)	139,351,900
Other	5,355,600	4,102,800	4,102,800	0	4,102,800

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.

Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

Administration

359.10 Administration

Administration provides funding 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 Positions	322	325	326	6	332
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	322	325	326	6	332
Payroll	\$37,893,300	\$43,307,200	\$43,402,400	\$149,600	\$43,552,000
Operational	47,445,500	44,585,900	44,493,700	27,553,300	72,047,000
TOTAL	\$85,338,800	\$87,893,100	\$87,896,100	\$27,702,900	\$115,599,000
State Appropriations	\$35,197,100	\$52,134,000	\$52,123,700	\$20,179,300	\$72,303,000
Federal	10,369,100	5,297,200	5,299,500	1,706,000	7,005,500
Other	39,772,600	30,461,900	30,472,900	5,817,600	36,290,500

Child Welfare

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

359.20 Family Support Services

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

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	79,462,100	106,084,200	100,229,300	17,769,800	117,999,100
TOTAL	\$79,462,100	\$106,084,200	\$100,229,300	\$17,769,800	\$117,999,100
State Appropriations	\$47,526,800	\$69,699,300	\$67,022,900	\$7,427,500	\$74,450,400
Federal	15,125,800	22,930,500	21,251,600	4,342,300	25,593,900
Other	16,809,500	13,454,400	11,954,800	6,000,000	17,954,800

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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$15,000	\$15,000	\$0	\$15,000
Operational	602,537,300	620,672,500	553,187,800	100,682,300	653,870,100
TOTAL	\$602,537,300	\$620,687,500	\$553,202,800	\$100,682,300	\$653,885,100
State Appropriations	\$219,462,000	\$214,507,400	\$169,914,400	\$64,171,800	\$234,086,200
Federal	39,185,900	55,563,500	53,679,400	4,412,100	58,091,500
Other	343,889,400	350,616,600	329,609,000	32,098,400	361,707,400

359.35 Needs Assessment

The Needs Assessment program provides funding to assist in determining the need for new or different placement and service resources, and where those placements and services should be located.

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	17,822,700	34,171,000	34,171,000	0	34,171,000
TOTAL	\$17,822,700	\$34,171,000	\$34,171,000	\$0	\$34,171,000
State Appropriations	\$17,822,700	\$34,171,000	\$34,171,000	\$0	\$34,171,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

<u>Actual 2023-2024</u>	<u>Estimated 2024-2025</u>	<u>Base 2025-2026</u>	<u>Cost Increase 2025-2026</u>	<u>Recommended 2025-2026</u>

359.40 Adoption Services

The Adoption Services program provides financial support payments to adoptive parents and treatment and counseling services for families to meet the needs of adopted children. Post-adoption records services are provided to adults who were adopted as youth in Tennessee.

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$15,000	\$15,000	\$0	\$15,000
Operational	151,988,300	157,824,200	157,824,200	4,109,400	161,933,600
TOTAL	\$151,988,300	\$157,839,200	\$157,839,200	\$4,109,400	\$161,948,600
State Appropriations	\$66,297,600	\$71,911,000	\$71,911,000	\$2,547,800	\$74,458,800
Federal	85,690,700	85,811,300	85,811,300	1,561,600	87,372,900
Other	0	116,900	116,900	0	116,900

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 Positions	3,351	3,403	3,403	0	3,403
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	3,351	3,403	3,403	0	3,403
Payroll	\$297,870,600	\$335,352,400	\$335,352,400	\$0	\$335,352,400
Operational	77,069,400	63,154,500	63,197,600	21,065,100	84,262,700
TOTAL	\$374,940,000	\$398,506,900	\$398,550,000	\$21,065,100	\$419,615,100
State Appropriations	\$147,488,100	\$157,383,900	\$157,301,500	\$13,346,400	\$170,647,900
Federal	29,433,900	43,014,200	43,043,200	1,378,300	44,421,500
Other	198,018,000	198,108,800	198,205,300	6,340,400	204,545,700

359.90 Social Security Income

Social Security Income funds are collected on behalf of and used for services provided to that child while in state custody. Child Support funds are received from the Department of Human Services and are used to support residential treatment services for children in state custody.

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	14,831,700	13,737,200	13,737,200	0	13,737,200
TOTAL	\$14,831,700	\$13,737,200	\$13,737,200	\$0	\$13,737,200
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	8,973,200	7,637,200	7,637,200	0	7,637,200
Other	5,858,500	6,100,000	6,100,000	0	6,100,000

Juvenile Justice

The department operates one youth development center that provides individualized treatment programs and services to juvenile offenders that contribute to their successful reintegration into society. The center assesses and properly cares 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 the center include parental responsibility counseling, academic education, general educational development, work-study programs, special education, abuse victimization counseling, family counseling, medical care, remedial reading and math, adult basic education, and vocational training. Some specialized services provided include drug and alcohol abuse treatment, sex-abuse and sex offender treatment, violent offender treatment, gang activity awareness, speech therapy, dental care, and behavioral management.

359.60 John S. Wilder Youth Development Center

John S. Wilder Youth Development Center, located in Somerville, is a regional hardware-secure residential treatment program for delinquent youth ages 13 to 18 who are committed by the courts to the department.

Full-Time Positions	184	129	129	0	129
Part-Time Positions	1	1	1	0	1
Seasonal Positions	0	0	0	0	0
TOTAL	185	130	130	0	130
Payroll	\$9,079,100	\$13,902,300	\$12,892,200	\$0	\$12,892,200
Operational	7,879,500	5,026,500	5,016,500	0	5,016,500
TOTAL	\$16,958,600	\$18,928,800	\$17,908,700	\$0	\$17,908,700
State Appropriations	\$15,501,700	\$18,528,000	\$17,507,900	\$0	\$17,507,900
Federal	0	0	0	0	0
Other	1,456,900	400,800	400,800	0	400,800

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

359.80 Major Maintenance

The Major Maintenance program provides institutional maintenance funds for the state youth development centers in the event of an emergency, as well as assists institutions with facility maintenance projects that do not meet the criteria for capital maintenance.

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	670,700	515,000	515,000	0	515,000
TOTAL	\$670,700	\$515,000	\$515,000	\$0	\$515,000
State Appropriations	\$500,000	\$500,000	\$500,000	\$0	\$500,000
Federal	0	0	0	0	0
Other	170,700	15,000	15,000	0	15,000

359.00 Total Department of Children's Services

Full-Time Positions	3,857	3,857	3,858	6	3,864
Part-Time Positions	1	1	1	0	1
Seasonal Positions	0	0	0	0	0
TOTAL	3,858	3,858	3,859	6	3,865
Payroll	\$344,843,000	\$392,591,900	\$391,677,000	\$149,600	\$391,826,600
Operational	999,707,200	1,045,771,000	972,372,300	171,179,900	1,143,552,200
TOTAL	\$1,344,550,200	\$1,438,362,900	\$1,364,049,300	\$171,329,500	\$1,535,378,800
State Appropriations	\$549,796,000	\$618,834,600	\$570,452,400	\$107,672,800	\$678,125,200
Federal	188,778,600	220,253,900	216,722,200	13,400,300	230,122,500
Other	605,975,600	599,274,400	576,874,700	50,256,400	627,131,100

Statistical Data

Youth Development Centers

	Wilder 359.60	Woodland Hills 359.62	Total
Annual Admissions			
2018-2019	156	30	186
2019-2020	98	0	98
2020-2021	87	0	87
2021-2022	99	0	99
2022-2023	42	0	42
2023-2024	157	0	157
2024-2025	150	0	150
2025-2026	150	0	150
Annual Releases			
2018-2019	152	36	188
2019-2020	98	0	98
2020-2021	122	0	122
2021-2022	100	0	100
2022-2023	57	0	57
2023-2024	126	0	126
2024-2025	125	0	125
2025-2026	125	0	125
Average Daily Census			
2018-2019	116	44	160
2019-2020	99	0	99
2020-2021	94	0	94
2021-2022	52	0	52
2022-2023	37	0	37
2023-2024	34	0	34
2024-2025	33	0	33
2025-2026	33	0	33
Cost Per Occupancy Day*			
2018-2019	\$363.95	\$91.59	\$289.05
2019-2020	\$427.78	N/A	\$427.78
2020-2021	\$406.36	N/A	\$406.36
2021-2022	\$644.40	N/A	\$644.40
2022-2023	\$1,037.06	N/A	\$1,037.06
2023-2024	\$1,362.79	N/A	\$1,362.79
2024-2025	\$1,571.51	N/A	\$1,571.51
2025-2026	\$1,486.82	N/A	\$1,486.82

*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 2025-2026

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)
- Tennessee Corrections Institute
- Inmate Disciplinary Oversight Board
- 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

	Actual 2023-2024	Estimated 2024-2025	Recommended 2025-2026
Personnel			
Full-Time Positions	13,011	13,177	13,313
Part-Time Positions	93	54	49
TOTAL	13,104	13,231	13,362
Expenditures			
Payroll	\$1,281,441,200	\$1,484,631,300	\$1,553,959,700
Operational	1,455,233,400	1,747,120,600	1,570,799,500
TOTAL	\$2,736,674,600	\$3,231,751,900	\$3,124,759,200
Funding			
State Appropriations	\$2,313,534,800	\$2,801,116,500	\$2,705,070,800
Federal	192,319,500	202,640,600	195,406,000
Other	230,820,300	227,994,800	224,282,400

Law, Safety, and Correction

Recommended Budget for Fiscal Year 2025-2026

By Funding Source

Department	State	Federal	Other	Total
302.00 Court System	\$200,586,600	\$980,000	\$6,665,400	\$208,232,000
303.00 Attorney General and Reporter	57,419,600	0	16,186,200	73,605,800
304.00 District Attorneys General Conference	160,287,000	47,300	51,736,500	212,070,800
306.00 District Public Defenders Conference	97,984,600	0	622,000	98,606,600
308.00 Office of the Post-Conviction Defender	4,219,200	0	0	4,219,200
316.03 Alcoholic Beverage Commission	0	27,000	13,095,200	13,122,200
316.08 TRICOR	0	0	54,052,800	54,052,800
316.09 Corrections Institute	7,814,000	0	95,500	7,909,500
316.16 Inmate Disciplinary Oversight Board	2,033,200	0	0	2,033,200
324.00 Board of Parole	12,575,100	0	1,000	12,576,100
329.00 Correction	1,476,104,100	353,300	10,662,800	1,487,120,200
341.00 Military Department	42,089,800	140,747,300	590,200	183,427,300
348.00 Tennessee Bureau of Investigation	116,883,300	13,935,800	27,719,300	158,538,400
349.00 Safety	527,074,300	39,315,300	42,855,500	609,245,100
TOTAL	\$2,705,070,800	\$195,406,000	\$224,282,400	\$3,124,759,200

Law, Safety, and Correction

Cost Increases for Fiscal Year 2025-2026

	<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, 2025. This represents a 3 percent increase in CPI.					
302.01 Appellate and Trial Courts	\$1,623,400	\$0	\$0	\$1,623,400	0
Sub-total	<u>\$1,623,400</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,623,400</u>	<u>0</u>
Total Court System	<u>\$1,623,400</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,623,400</u>	<u>0</u>

District Attorneys General Conference

● Statutory Salary Step Raises					
To provide recurring funding for 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 effective July 1, 2025. Other funding is interdepartmental revenue from the Department of Safety and the Department of Human Services.					
304.01 District Attorneys General	\$2,128,100	\$0	\$318,000	\$2,446,100	0
304.10 Executive Director	0	0	5,900	5,900	0
304.15 IV-D Child Support Enforcement	0	0	503,300	503,300	0
Sub-total	<u>\$2,128,100</u>	<u>\$0</u>	<u>\$827,200</u>	<u>\$2,955,300</u>	<u>0</u>
● Prosecution Positions					
To provide recurring funding and to establish ten positions to support increased caseloads.					
304.01 District Attorneys General	\$1,501,300	\$0	\$0	\$1,501,300	10
Sub-total	<u>\$1,501,300</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,501,300</u>	<u>10</u>
● District Office Rent Increases					
To provide recurring funding for increased rent costs at district offices.					
304.01 District Attorneys General	\$625,000	\$0	\$0	\$625,000	0
Sub-total	<u>\$625,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$625,000</u>	<u>0</u>
● Training					
To provide recurring funding for training related to the prosecution of child abuse.					
304.01 District Attorneys General	\$95,000	\$0	\$0	\$95,000	0
Sub-total	<u>\$95,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$95,000</u>	<u>0</u>

Law, Safety, and Correction

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
Laptop Replacement					
To provide recurring funding to replace and update laptops on a predictable cycle.					
304.01 District Attorneys General	\$100,000	\$0	\$0	\$100,000	0
Sub-total	\$100,000	\$0	\$0	\$100,000	0
Total District Attorneys General Conference	\$4,449,400	\$0	\$827,200	\$5,276,600	10

District Public Defenders Conference

Statutory Salary Step Raises					
To provide recurring funding for the assistant public defenders' and criminal investigators' salary increases required by TCA 8-14-107, effective July 1, 2025. These step increases are based on each employee's service anniversary dates.					
306.01 District Public Defenders	\$1,303,500	\$0	\$0	\$1,303,500	0
Sub-total	\$1,303,500	\$0	\$0	\$1,303,500	0
Statutory Increases for Shelby County and Davidson County					
To provide recurring funding to increase state support of the public defender offices in Davidson and Shelby counties required by TCA 8-14-110.					
306.10 Shelby County Public Defender	\$197,300	\$0	\$0	\$197,300	0
306.12 Davidson County Public Defender	86,200	0	0	86,200	0
Sub-total	\$283,500	\$0	\$0	\$283,500	0
Defense Positions					
To provide funding and to establish five positions to support increased caseloads. Of this total cost, \$773,300 is recurring and \$37,500 is non-recurring.					
306.01 District Public Defenders	\$810,800	\$0	\$0	\$810,800	5
Sub-total	\$810,800	\$0	\$0	\$810,800	5
JusticeText Platform					
To provide recurring funding for a software application to assist in the analysis and transcription of video evidence.					
306.01 District Public Defenders	\$350,000	\$0	\$0	\$350,000	0
Sub-total	\$350,000	\$0	\$0	\$350,000	0
Total District Public Defenders Conference	\$2,747,800	\$0	\$0	\$2,747,800	5

Law, Safety, and Correction

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
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, effective July 1, 2025.					
308.00 Office of the Post-Conviction Defender	\$50,800	\$0	\$0	\$50,800	0
Sub-total	\$50,800	\$0	\$0	\$50,800	0
● Rent Increase					
To provide recurring funding for increased rent cost at the office.					
308.00 Office of the Post-Conviction Defender	\$90,000	\$0	\$0	\$90,000	0
Sub-total	\$90,000	\$0	\$0	\$90,000	0
● Information Technology System Administration					
To provide recurring funding for technical support to enhance technology infrastructure and improve innovation.					
308.00 Office of the Post-Conviction Defender	\$105,600	\$0	\$0	\$105,600	0
Sub-total	\$105,600	\$0	\$0	\$105,600	0
Total Office of the Post-Conviction Defender	\$246,400	\$0	\$0	\$246,400	0
Inmate Disciplinary Oversight Board					
● Deputy Director Position					
To provide recurring funding and to establish a deputy director position for the board.					
316.16 Inmate Disciplinary Oversight Board	\$104,200	\$0	\$0	\$104,200	1
Sub-total	\$104,200	\$0	\$0	\$104,200	1
● Information Technology Project Manager Position					
To provide recurring funding and to establish an information technology project manager position.					
316.16 Inmate Disciplinary Oversight Board	\$75,000	\$0	\$0	\$75,000	1
Sub-total	\$75,000	\$0	\$0	\$75,000	1
Total Inmate Disciplinary Oversight Board	\$179,200	\$0	\$0	\$179,200	2

Law, Safety, and Correction

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
Correction					
● Correctional Officer Salaries					
To provide recurring funding to increase salaries for correctional officers and related positions in state prison facilities.					
329.01 Administration	\$36,000	\$0	\$0	\$36,000	0
329.06 Correction Academy	15,600	0	0	15,600	0
329.13 Debra K. Johnson Rehabilitation Center	2,026,200	0	0	2,026,200	0
329.14 Turney Center Industrial Complex	3,082,700	0	0	3,082,700	0
329.16 Mark Luttrell Transition Center	1,058,600	0	0	1,058,600	0
329.18 Bledsoe County Correctional Complex	4,847,900	0	0	4,847,900	0
329.41 West Tennessee State Penitentiary	5,304,900	0	0	5,304,900	0
329.42 Riverbend Maximum Security Institution	3,365,200	0	0	3,365,200	0
329.43 Northeast Correctional Complex	3,370,000	0	0	3,370,000	0
329.45 Northwest Correctional Complex	5,269,800	0	0	5,269,800	0
329.46 Lois M. DeBerry Special Needs Facility	2,980,800	0	0	2,980,800	0
329.47 Morgan County Correctional Complex	5,464,000	0	0	5,464,000	0
329.48 Office of Investigations and Conduct	89,000	0	0	89,000	0
Sub-total	\$36,910,700	\$0	\$0	\$36,910,700	0
● Clinical Services Contract					
To provide recurring funding for the new Clinical Services contract. This new contract combines behavioral health and medical services, as well as increases services in the Medication-Assisted Treatment Program and the Sex Offender Treatment Program.					
329.01 Administration	\$14,422,700	\$0	\$0	\$14,422,700	0
Sub-total	\$14,422,700	\$0	\$0	\$14,422,700	0
● Private Prisons Contract Inflator					
To provide recurring funding for private prison annual contract inflators.					
329.21 Hardeman County Incarceration Agreement	\$1,687,700	\$0	\$0	\$1,687,700	0

Law, Safety, and Correction

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
329.22 Hardeman County Agreement - Whiteville	1,345,800	0	0	1,345,800	0
329.23 Trousdale County Incarceration Agreement	2,501,300	0	0	2,501,300	0
329.44 South Central Correctional Facility	1,324,100	0	0	1,324,100	0
Sub-total	\$6,858,900	\$0	\$0	\$6,858,900	0

- Food Services Contract Inflator**

To provide recurring funding for the food services contract inflator.

329.41 West Tennessee State Penitentiary	\$2,175,900	\$0	\$0	\$2,175,900	0
329.42 Riverbend Maximum Security Institution	96,300	0	0	96,300	0
329.43 Northeast Correctional Complex	170,900	0	0	170,900	0
329.46 Lois M. DeBerry Special Needs Facility	352,100	0	0	352,100	0
329.47 Morgan County Correctional Complex	350,700	0	0	350,700	0
Sub-total	\$3,145,900	\$0	\$0	\$3,145,900	0

- Administration Legislation - Terroristic Threats**

To provide recurring funding for administration legislation relative to increased incarceration costs for terroristic threatening.

329.99 Operating Funds for Imprisonment Changes	\$1,285,000	\$0	\$0	\$1,285,000	0
Sub-total	\$1,285,000	\$0	\$0	\$1,285,000	0

- Community Treatment Collaborative**

To provide recurring funding to continue a joint initiative with the Tennessee Department of Mental Health and Substance Abuse Services. The Community Treatment Collaborative has existed since 2012 and utilizes existing data and healthcare provider infrastructure to reduce recidivism by providing individuals with substance use disorders early treatment and intervention.

329.51 Probation and Parole Field Supervision	\$2,209,100	\$0	\$0	\$2,209,100	0
Sub-total	\$2,209,100	\$0	\$0	\$2,209,100	0

- Hepatitis C Treatment Standards**

To provide non-recurring funding for the treatment of Hepatitis C in state and private prison facilities.

329.14 Turney Center Industrial Complex	\$867,500	\$0	\$0	\$867,500	0

Law, Safety, and Correction

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
329.16 Mark Luttrell Transition Center	105,300	0	0	105,300	0
329.18 Bledsoe County Correctional Complex	1,397,800	0	0	1,397,800	0
329.21 Hardeman County Incarceration Agreement	3,408,600	0	0	3,408,600	0
329.22 Hardeman County Agreement - Whiteville	2,056,000	0	0	2,056,000	0
329.23 Trousdale County Incarceration Agreement	3,001,500	0	0	3,001,500	0
329.41 West Tennessee State Penitentiary	2,799,600	0	0	2,799,600	0
329.42 Riverbend Maximum Security Institution	1,082,700	0	0	1,082,700	0
329.43 Northeast Correctional Complex	1,713,700	0	0	1,713,700	0
329.44 South Central Correctional Facility	2,131,900	0	0	2,131,900	0
329.45 Northwest Correctional Complex	1,961,700	0	0	1,961,700	0
329.47 Morgan County Correctional Complex	1,196,600	0	0	1,196,600	0
Sub-total	\$21,722,900	\$0	\$0	\$21,722,900	0
● Men of Valor Grant					
To provide non-recurring funding for a grant to Men of Valor.					
329.01 Administration	\$5,000,000	\$0	\$0	\$5,000,000	0
Sub-total	\$5,000,000	\$0	\$0	\$5,000,000	0
Total Correction	\$91,555,200	\$0	\$0	\$91,555,200	0

Military Department

● Enhanced Flood Preparedness

To provide funding for the implementation and maintenance of automated weather monitoring stations. Of this total cost, \$1,300,000 is recurring and \$3,000,000 is non-recurring.

341.04 Tennessee Emergency Management Agency	\$4,300,000	\$0	\$0	\$4,300,000	0
Sub-total	\$4,300,000	\$0	\$0	\$4,300,000	0

Law, Safety, and Correction

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
• Regional Response Vehicle Fleet					
To provide funding for upgrades and upkeep of the Tennessee Emergency Management Agency's (TEMA) regional response vehicles. Of this total cost, \$129,500 is recurring and \$2,600,000 is non-recurring.					
341.04 Tennessee Emergency Management Agency	\$2,729,500	\$0	\$0	\$2,729,500	0
Sub-total	\$2,729,500	\$0	\$0	\$2,729,500	0
• Radiological Monitoring					
To provide non-recurring funding to replace handheld radiological meters used in the inspection of radiological shipments on the state's highways.					
341.04 Tennessee Emergency Management Agency	\$450,000	\$0	\$0	\$450,000	0
Sub-total	\$450,000	\$0	\$0	\$450,000	0
• Radiological Detection Vehicle Upgrades					
To provide non-recurring funding to upgrade existing vehicles with equipment that enhances data sharing and communication.					
341.04 Tennessee Emergency Management Agency	\$228,000	\$0	\$0	\$228,000	0
Sub-total	\$228,000	\$0	\$0	\$228,000	0
• Southeast Region Generator - TEMA					
To provide non-recurring funding for the procurement and installation of a new diesel generator to create power source redundancy at the TEMA Southeast Region Headquarters.					
341.04 Tennessee Emergency Management Agency	\$120,000	\$0	\$0	\$120,000	0
Sub-total	\$120,000	\$0	\$0	\$120,000	0
• Administration Legislation - Support, Training, and Renewing Opportunity for National Guardsmen (STRONG) Act Updates					
To provide recurring funding for administration legislation relative to updates to the STRONG Act.					
341.13 STRONG Act of 2017	\$84,000	\$0	\$0	\$84,000	0
Sub-total	\$84,000	\$0	\$0	\$84,000	0
• STRONG Act					
To provide recurring funding to continue tuition reimbursement to eligible members of the Tennessee National Guard.					
341.13 STRONG Act of 2017	\$500,000	\$0	\$0	\$500,000	0
Sub-total	\$500,000	\$0	\$0	\$500,000	0

Law, Safety, and Correction

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
• Administrative Support Positions					
To provide recurring funding for the reclassification of two existing positions.					
341.01 Administration	\$134,400	\$0	\$0	\$134,400	0
Sub-total	\$134,400	\$0	\$0	\$134,400	0
• Armory Telecommunications					
To provide non-recurring funding for the United States Army's shift from ground communication to voice over internet protocol.					
341.02 Army National Guard	\$420,000	\$0	\$0	\$420,000	0
Sub-total	\$420,000	\$0	\$0	\$420,000	0
Total Military Department	\$8,965,900	\$0	\$0	\$8,965,900	0

Tennessee Bureau of Investigation

• Wastewater Testing Pilot Project					
To provide non-recurring funding to support a wastewater testing pilot project. Other funding is from the Tennessee General Fund Opioid Abatement Fund.					
348.00 Tennessee Bureau of Investigation	\$0	\$0	\$3,000,000	\$3,000,000	0
Sub-total	\$0	\$0	\$3,000,000	\$3,000,000	0
• Victim Services Coordinator Positions					
To provide funding and to establish four positions to enhance victim services across the state. Of this total cost, \$472,800 is recurring and \$32,000 is non-recurring.					
348.00 Tennessee Bureau of Investigation	\$504,800	\$0	\$0	\$504,800	4
Sub-total	\$504,800	\$0	\$0	\$504,800	4
• Intelligence Analyst Positions					
To provide funding and to establish seven positions to support criminal investigations. Of this total cost, \$764,400 is recurring and \$56,000 is non-recurring.					
348.00 Tennessee Bureau of Investigation	\$820,400	\$0	\$0	\$820,400	7
Sub-total	\$820,400	\$0	\$0	\$820,400	7
• Aviation Crew					
To provide funding and to establish four positions to create a second aviation crew to assist local, state, and federal agencies. Of this total cost, \$695,600 is recurring and \$484,000 is non-recurring.					
348.00 Tennessee Bureau of Investigation	\$1,179,600	\$0	\$0	\$1,179,600	4
Sub-total	\$1,179,600	\$0	\$0	\$1,179,600	4

Law, Safety, and Correction

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
● Police Officer Positions					
To provide funding and to establish two positions to secure agency facilities. Of this total cost, \$257,800 is recurring and \$191,200 is non-recurring.					
348.00 Tennessee Bureau of Investigation	\$449,000	\$0	\$0	\$449,000	2
Sub-total	\$449,000	\$0	\$0	\$449,000	2
● Medicaid Fraud Control Division Positions					
To provide funding and to establish two data analytics specialist positions to support the increased workload. Of this total cost, \$263,400 is recurring and \$16,000 is non-recurring.					
348.00 Tennessee Bureau of Investigation	\$69,800	\$209,600	\$0	\$279,400	2
Sub-total	\$69,800	\$209,600	\$0	\$279,400	2
● Administrative Positions					
To provide funding and to establish three positions to support daily operations. Of this total cost, \$419,800 is recurring and \$24,000 is non-recurring.					
348.00 Tennessee Bureau of Investigation	\$443,800	\$0	\$0	\$443,800	3
Sub-total	\$443,800	\$0	\$0	\$443,800	3
Total Tennessee Bureau of Investigation	\$3,467,400	\$209,600	\$3,000,000	\$6,677,000	22

Safety

● Statutory Salary Step Raises					
To provide recurring funding for the mandated annual trooper salary step raises required by TCA 4-7-206, effective July 1, 2025.					
349.03 Highway Patrol	\$3,085,600	\$0	\$0	\$3,085,600	0
Sub-total	\$3,085,600	\$0	\$0	\$3,085,600	0
● Salary Survey - Commissioned Officers					
To provide recurring funding for a salary increase for the annual commissioned officer salary survey results, pursuant to TCA 4-7-2. The salary increases will be effective July 1, 2025. The survey averages the current compensation levels of commissioned officers in the eight adjacent states.					
349.03 Highway Patrol	\$4,239,000	\$0	\$0	\$4,239,000	0
Sub-total	\$4,239,000	\$0	\$0	\$4,239,000	0
● Trooper Positions					
To provide funding and to establish 117 positions, including 100 troopers, 12 supervisors, and five administrative positions. Of this total cost, \$23,577,600 is recurring and \$14,332,200 is non-recurring.					
349.01 Administration	\$120,100	\$0	\$0	\$120,100	1

Law, Safety, and Correction

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
349.03 Highway Patrol	37,789,700	0	0	37,789,700	116
Sub-total	<u>\$37,909,800</u>	<u>\$0</u>	<u>\$0</u>	<u>\$37,909,800</u>	<u>117</u>

- **Statewide School Resource Officer Grant Program**

To provide recurring funding for alternative schools in the statewide school resource officer grant program.

349.15 Office of Homeland Security	\$5,000,000	\$0	\$0	\$5,000,000	0
Sub-total	<u>\$5,000,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$5,000,000</u>	<u>0</u>

- **Houses of Worship Security Grants**

To provide non-recurring funding for security grants for houses of worship.

349.01 Administration	\$1,250,000	\$0	\$0	\$1,250,000	0
Sub-total	<u>\$1,250,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,250,000</u>	<u>0</u>

- **Administration Legislation - Executive Protection Unit**

To provide recurring funding for administration legislation relative to the Executive Protection Unit.

349.03 Highway Patrol	\$113,800	\$0	\$0	\$113,800	0
Sub-total	<u>\$113,800</u>	<u>\$0</u>	<u>\$0</u>	<u>\$113,800</u>	<u>0</u>

- **New Regional Headquarters Rent**

To provide recurring funding for rent billings at four new Tennessee Highway Patrol headquarters.

349.03 Highway Patrol	\$1,036,800	\$0	\$0	\$1,036,800	0
Sub-total	<u>\$1,036,800</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,036,800</u>	<u>0</u>

- **Driver Services Center in Sumner County**

To provide funding and to establish six positions for a driver services center in Sumner County. Of this total cost, \$650,000 is recurring and \$76,000 is non-recurring.

349.02 Driver License Issuance	\$726,000	\$0	\$0	\$726,000	6
Sub-total	<u>\$726,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$726,000</u>	<u>6</u>

- **Statewide Radio System Maintenance**

To provide recurring funding for the annual maintenance fees in the Motorola contract to expand the Tennessee Advanced Communications Network (TACN).

349.16 Communications	\$1,500,000	\$0	\$0	\$1,500,000	0
Sub-total	<u>\$1,500,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,500,000</u>	<u>0</u>

Law, Safety, and Correction

Cost Increases for Fiscal Year 2025-2026

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
● Lifecycle Repair and Replacement of HVAC Systems					
To provide funding for the repair and replacement of the HVAC systems at TACN tower sites. Of this total cost, \$230,000 is recurring and \$230,000 is non-recurring.					
349.16 Communications	\$460,000	\$0	\$0	\$460,000	0
Sub-total	<u>\$460,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$460,000</u>	<u>0</u>
● Explosive Ordnance Disposal Robots					
To provide non-recurring funding for four robots to improve public and officer safety during high-risk incidents.					
349.03 Highway Patrol	\$866,200	\$0	\$0	\$866,200	0
Sub-total	<u>\$866,200</u>	<u>\$0</u>	<u>\$0</u>	<u>\$866,200</u>	<u>0</u>
Total Safety	<u>\$56,187,200</u>	<u>\$0</u>	<u>\$0</u>	<u>\$56,187,200</u>	<u>123</u>
Total Law, Safety, and Correction	<u>\$169,421,900</u>	<u>\$209,600</u>	<u>\$3,827,200</u>	<u>\$173,458,700</u>	<u>162</u>

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.

Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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

The Appellate and Trial Courts program provides salaries and benefits for judges of the state trial and appellate courts, their law clerks and other staff. This program also includes funds for judges' travel expenses, law books, and other operational expenses.

Full-Time Positions	448	454	454	0	454
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	448	454	454	0	454
Payroll	\$80,544,500	\$85,756,400	\$85,861,300	\$1,623,400	\$87,484,700
Operational	5,653,700	3,520,200	3,498,800	0	3,498,800
TOTAL	\$86,198,200	\$89,276,600	\$89,360,100	\$1,623,400	\$90,983,500

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
State Appropriations	\$86,077,100	\$89,249,300	\$89,332,800	\$1,623,400	\$90,956,200
Federal	0	0	0	0	0
Other	121,100	27,300	27,300	0	27,300

302.08 Child Support Referees

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

Full-Time Positions	24	24	24	0	24
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	24	24	24	0	24
Payroll	\$3,168,100	\$3,409,000	\$3,409,000	\$0	\$3,409,000
Operational	253,600	322,600	322,900	0	322,900
TOTAL	\$3,421,700	\$3,731,600	\$3,731,900	\$0	\$3,731,900
State Appropriations	\$1,177,600	\$1,227,700	\$1,227,800	\$0	\$1,227,800
Federal	0	0	0	0	0
Other	2,244,100	2,503,900	2,504,100	0	2,504,100

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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	8,858,400	11,047,500	11,047,500	0	11,047,500
TOTAL	\$8,858,400	\$11,047,500	\$11,047,500	\$0	\$11,047,500
State Appropriations	\$8,858,400	\$11,047,500	\$11,047,500	\$0	\$11,047,500
Federal	0	0	0	0	0
Other	0	0	0	0	0

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	35,180,100	53,399,700	53,399,700	0	53,399,700
TOTAL	\$35,180,100	\$53,399,700	\$53,399,700	\$0	\$53,399,700
State Appropriations	\$35,076,400	\$53,394,700	\$53,394,700	\$0	\$53,394,700
Federal	0	0	0	0	0
Other	103,700	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 is used for continuing education of professional bail bond agents.

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	2,650,000	3,327,900	3,327,900	0	3,327,900
TOTAL	\$2,650,000	\$3,327,900	\$3,327,900	\$0	\$3,327,900
State Appropriations	\$2,650,000	\$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 Positions	15	15	15	0	15
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	15	15	15	0	15
Payroll	\$806,300	\$3,102,500	\$3,102,500	\$0	\$3,102,500

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Operational	3,152,500	2,289,100	2,289,100	0	2,289,100
TOTAL	\$3,958,800	\$5,391,600	\$5,391,600	\$0	\$5,391,600
State Appropriations	\$3,958,800	\$5,391,600	\$5,391,600	\$0	\$5,391,600
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 Positions	1	1	1	0	1
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	1	1	1	0	1
Payroll	\$105,100	\$124,000	\$124,000	\$0	\$124,000
Operational	3,121,600	2,372,700	2,372,700	0	2,372,700
TOTAL	\$3,226,700	\$2,496,700	\$2,496,700	\$0	\$2,496,700
State Appropriations	\$3,226,700	\$2,496,700	\$2,496,700	\$0	\$2,496,700
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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	68,900	127,300	127,300	0	127,300
TOTAL	\$68,900	\$127,300	\$127,300	\$0	\$127,300
State Appropriations	\$47,100	\$60,300	\$60,300	\$0	\$60,300
Federal	0	0	0	0	0
Other	21,800	67,000	67,000	0	67,000

<u>Actual 2023-2024</u>	<u>Estimated 2024-2025</u>	<u>Base 2025-2026</u>	<u>Cost Increase 2025-2026</u>	<u>Recommended 2025-2026</u>

Support Services

The Support Services functional area consists 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 Positions	84	84	84	0	84
Part-Time Positions	1	1	1	0	1
Seasonal Positions	0	0	0	0	0
TOTAL	85	85	85	0	85
Payroll	\$11,273,900	\$13,372,000	\$13,372,000	\$0	\$13,372,000
Operational	13,447,800	7,363,900	7,364,900	0	7,364,900
TOTAL	\$24,721,700	\$20,735,900	\$20,736,900	\$0	\$20,736,900
State Appropriations	\$17,401,500	\$18,472,200	\$18,473,200	\$0	\$18,473,200
Federal	614,300	980,000	980,000	0	980,000
Other	6,705,900	1,283,700	1,283,700	0	1,283,700

302.05 Supreme Court Buildings

The Supreme Court Buildings program provides funding for the operation, maintenance, and security of Supreme Court buildings in Nashville, Knoxville, and Jackson.

Full-Time Positions	5	5	5	0	5
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	5	5	5	0	5
Payroll	\$553,500	\$876,800	\$876,800	\$0	\$876,800
Operational	3,084,900	3,187,500	3,187,700	0	3,187,700
TOTAL	\$3,638,400	\$4,064,300	\$4,064,500	\$0	\$4,064,500
State Appropriations	\$2,928,900	\$3,451,300	\$3,451,500	\$0	\$3,451,500
Federal	0	0	0	0	0
Other	709,500	613,000	613,000	0	613,000

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

302.15 Tennessee State Law Libraries

The Tennessee State Law Libraries provide legal resources to the state judiciary. The libraries are located in Nashville, Knoxville, and Jackson.

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	5,800	74,500	74,500	0	74,500
TOTAL	\$5,800	\$74,500	\$74,500	\$0	\$74,500
State Appropriations	\$5,800	\$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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	461,700	413,700	413,700	0	413,700
TOTAL	\$461,700	\$413,700	\$413,700	\$0	\$413,700
State Appropriations	\$461,700	\$373,700	\$373,700	\$0	\$373,700
Federal	0	0	0	0	0
Other	0	40,000	40,000	0	40,000

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 Positions	3	3	3	0	3
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	3	3	3	0	3
Payroll	\$504,600	\$531,500	\$531,500	\$0	\$531,500

Court System

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Operational	404,500	797,100	797,100	0	797,100
TOTAL	\$909,100	\$1,328,600	\$1,328,600	\$0	\$1,328,600
State Appropriations	\$709,600	\$830,400	\$830,400	\$0	\$830,400
Federal	0	0	0	0	0
Other	199,500	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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	204,700	260,100	260,100	0	260,100
TOTAL	\$204,700	\$260,100	\$260,100	\$0	\$260,100
State Appropriations	\$204,700	\$260,100	\$260,100	\$0	\$260,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

302.30 Appellate Court Clerks

The Appellate Court Clerks' offices are located at the Supreme Court buildings in Nashville, Knoxville, and Jackson and are responsible for administrative matters of the Supreme Court, Court of Appeals, and Court of Criminal Appeals.

Full-Time Positions	30	30	30	0	30
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	30	30	30	0	30
Payroll	\$2,521,600	\$2,942,400	\$2,942,400	\$0	\$2,942,400
Operational	249,700	352,000	352,200	0	352,200
TOTAL	\$2,771,300	\$3,294,400	\$3,294,600	\$0	\$3,294,600
State Appropriations	\$1,722,100	\$1,667,300	\$1,667,500	\$0	\$1,667,500
Federal	0	0	0	0	0
Other	1,049,200	1,627,100	1,627,100	0	1,627,100

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 Positions	14	14	14	0	14
Part-Time Positions	7	7	7	0	7
Seasonal Positions	0	0	0	0	0
TOTAL	21	21	21	0	21
Payroll	\$844,900	\$761,800	\$761,800	\$0	\$761,800
Operational	514,000	408,300	408,400	0	408,400
TOTAL	\$1,358,900	\$1,170,100	\$1,170,200	\$0	\$1,170,200
State Appropriations	\$1,184,400	\$1,170,100	\$1,170,200	\$0	\$1,170,200
Federal	0	0	0	0	0
Other	174,500	0	0	0	0

302.40 Board of Professional Responsibility

The Board of Professional Responsibility reviews and investigates allegations of attorney misconduct and imposes disciplinary action on those who violate professional standards. Also, the board publishes ethics opinions, conducts seminars, and operates an ethics hotline for attorneys. The board is funded from a dedicated annual registration fee set by Supreme Court Rule 9 and paid by each attorney.

Full-Time Positions	33	33	33	0	33
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	33	33	33	0	33
Payroll	\$4,237,800	\$3,361,600	\$3,361,600	\$0	\$3,361,600
Operational	1,386,800	1,135,200	1,135,600	0	1,135,600
TOTAL	\$5,624,600	\$4,496,800	\$4,497,200	\$0	\$4,497,200
State Appropriations	\$4,420,100	\$4,496,800	\$4,497,200	\$0	\$4,497,200
Federal	0	0	0	0	0
Other	1,204,500	0	0	0	0

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 33 and paid by each attorney.

Full-Time Positions	4	4	4	0	4
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	4	4	4	0	4
Payroll	\$521,400	\$471,500	\$471,500	\$0	\$471,500
Operational	189,300	125,400	125,400	0	125,400
TOTAL	\$710,700	\$596,900	\$596,900	\$0	\$596,900
State Appropriations	\$584,500	\$596,900	\$596,900	\$0	\$596,900
Federal	0	0	0	0	0
Other	126,200	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 Positions	5	5	5	0	5
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	5	5	5	0	5
Payroll	\$707,600	\$665,000	\$665,000	\$0	\$665,000
Operational	558,700	415,200	415,200	0	415,200
TOTAL	\$1,266,300	\$1,080,200	\$1,080,200	\$0	\$1,080,200
State Appropriations	\$1,067,800	\$1,080,200	\$1,080,200	\$0	\$1,080,200
Federal	0	0	0	0	0
Other	198,500	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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	138,100	208,500	208,500	0	208,500
TOTAL	\$138,100	\$208,500	\$208,500	\$0	\$208,500
State Appropriations	\$38,200	\$208,500	\$208,500	\$0	\$208,500
Federal	0	0	0	0	0
Other	99,900	0	0	0	0

302.00 Total Court System

Full-Time Positions	666	672	672	0	672
Part-Time Positions	8	8	8	0	8
Seasonal Positions	0	0	0	0	0
TOTAL	674	680	680	0	680
Payroll	\$105,789,300	\$115,374,500	\$115,479,400	\$1,623,400	\$117,102,800
Operational	79,584,800	91,148,400	91,129,200	0	91,129,200
TOTAL	\$185,374,100	\$206,522,900	\$206,608,600	\$1,623,400	\$208,232,000
State Appropriations	\$171,801,400	\$198,877,700	\$198,963,200	\$1,623,400	\$200,586,600
Federal	614,300	980,000	980,000	0	980,000
Other	12,958,400	6,665,200	6,665,400	0	6,665,400

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>2023-2024</u>	<u>Estimated</u> <u>2024-2025</u>	<u>Base</u> <u>2025-2026</u>	<u>Cost Increase</u> <u>2025-2026</u>	<u>Recommended</u> <u>2025-2026</u>

Attorney General and Reporter

303.01 Attorney General and Reporter

The Attorney General and Reporter provides funding for the personnel and operational costs of the Office of the Attorney General and Reporter.

Full-Time Positions	361	361	361	0	361
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	361	361	361	0	361
Payroll	\$47,105,200	\$57,936,200	\$57,880,200	\$0	\$57,880,200
Operational	10,301,200	10,236,500	10,241,500	0	10,241,500
TOTAL	\$57,406,400	\$68,172,700	\$68,121,700	\$0	\$68,121,700
State Appropriations	\$46,533,800	\$52,776,300	\$52,724,300	\$0	\$52,724,300
Federal	0	0	0	0	0
Other	10,872,600	15,396,400	15,397,400	0	15,397,400

303.05 Publication of Tennessee Reports

The Publication of Tennessee Reports provides funding for the publication of opinions of the Tennessee Supreme Court, Court of Appeals, and Court of Criminal Appeals. The opinions of the Attorney General and Reporter are published on the Attorney General's website.

Full-Time Positions	2	2	2	0	2
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	2	2	2	0	2
Payroll	\$317,700	\$283,200	\$339,200	\$0	\$339,200
Operational	50,700	66,400	66,400	0	66,400
TOTAL	\$368,400	\$349,600	\$405,600	\$0	\$405,600
State Appropriations	\$368,400	\$349,600	\$405,600	\$0	\$405,600

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Federal	0	0	0	0	0
Other	0	0	0	0	0

303.08 Special Litigation

The Special Litigation program provides funding for 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.

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	2,280,600	5,078,500	5,078,500	0	5,078,500
TOTAL	\$2,280,600	\$5,078,500	\$5,078,500	\$0	\$5,078,500
State Appropriations	\$1,411,100	\$4,289,700	\$4,289,700	\$0	\$4,289,700
Federal	0	0	0	0	0
Other	869,500	788,800	788,800	0	788,800

303.00 Total Attorney General and Reporter

Full-Time Positions	363	363	363	0	363
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	363	363	363	0	363
Payroll	\$47,422,900	\$58,219,400	\$58,219,400	\$0	\$58,219,400
Operational	12,632,500	15,381,400	15,386,400	0	15,386,400
TOTAL	\$60,055,400	\$73,600,800	\$73,605,800	\$0	\$73,605,800
State Appropriations	\$48,313,300	\$57,415,600	\$57,419,600	\$0	\$57,419,600
Federal	0	0	0	0	0
Other	11,742,100	16,185,200	16,186,200	0	16,186,200

District Attorneys General Conference

District Attorneys General are elected for each of the state's 32 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. District attorneys and support staff also consult with and advise law enforcement agencies on cases or investigations within the district. Some of the district attorneys enforce court-ordered child support obligations through an agreement with the Department of Human Services.

<u>Actual 2023-2024</u>	<u>Estimated 2024-2025</u>	<u>Base 2025-2026</u>	<u>Cost Increase 2025-2026</u>	<u>Recommended 2025-2026</u>

District Attorneys

304.01 District Attorneys General

The District Attorneys General program provides funding for the personnel and operational costs of the district attorneys general, assistant district attorneys general, criminal investigators, and other agency support staff. The offices provide annual education and training and an assistance program for victims and witnesses.

Full-Time Positions	951	961	938	10	948
Part-Time Positions	13	13	7	0	7
Seasonal Positions	0	0	0	0	0
TOTAL	964	974	945	10	955
Payroll	\$132,439,000	\$143,229,500	\$143,229,500	\$3,833,300	\$147,062,800
Operational	18,945,000	18,653,400	16,750,600	934,100	17,684,700
TOTAL	\$151,384,000	\$161,882,900	\$159,980,100	\$4,767,400	\$164,747,500
State Appropriations	\$140,543,400	\$150,611,900	\$150,323,000	\$4,449,400	\$154,772,400
Federal	9,600	47,300	47,300	0	47,300
Other	10,831,000	11,223,700	9,609,800	318,000	9,927,800

304.10 Executive Director

The Office of the Executive Director provides administrative support services to the 32 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. The Executive Director of the District Attorneys General Conference is elected every four years.

Full-Time Positions	33	39	37	0	37
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	33	39	37	0	37
Payroll	\$4,681,000	\$6,468,500	\$6,468,500	\$5,900	\$6,474,400
Operational	938,900	1,202,900	1,101,700	0	1,101,700
TOTAL	\$5,619,900	\$7,671,400	\$7,570,200	\$5,900	\$7,576,100
State Appropriations	\$4,568,000	\$5,530,300	\$5,514,600	\$0	\$5,514,600

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Federal	0	0	0	0	0
Other	1,051,900	2,141,100	2,055,600	5,900	2,061,500

304.15 IV-D Child Support Enforcement

The IV-D Child Support Enforcement program provides personnel and funding resources, under contract with the Department of Human Services, for some district attorneys to enforce child support collection orders. The authority stems from Title IV-D of the federal Social Security Act.

Full-Time Positions	383	383	383	0	383
Part-Time Positions	1	1	1	0	1
Seasonal Positions	0	0	0	0	0
TOTAL	384	384	384	0	384
Payroll	\$30,232,000	\$34,441,300	\$34,441,300	\$503,300	\$34,944,600
Operational	3,839,400	4,790,400	4,802,600	0	4,802,600
TOTAL	\$34,071,400	\$39,231,700	\$39,243,900	\$503,300	\$39,747,200
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	34,071,400	39,231,700	39,243,900	503,300	39,747,200

304.00 Total District Attorneys General Conference

Full-Time Positions	1,367	1,383	1,358	10	1,368
Part-Time Positions	14	14	8	0	8
Seasonal Positions	0	0	0	0	0
TOTAL	1,381	1,397	1,366	10	1,376
Payroll	\$167,352,000	\$184,139,300	\$184,139,300	\$4,342,500	\$188,481,800
Operational	23,723,300	24,646,700	22,654,900	934,100	23,589,000
TOTAL	\$191,075,300	\$208,786,000	\$206,794,200	\$5,276,600	\$212,070,800
State Appropriations	\$145,111,400	\$156,142,200	\$155,837,600	\$4,449,400	\$160,287,000
Federal	9,600	47,300	47,300	0	47,300
Other	45,954,300	52,596,500	50,909,300	827,200	51,736,500

District Public Defenders Conference

As required by the United States Constitution and the Tennessee Constitution, district public defenders and support 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. Thirty judicial districts participate directly in the District Public Defenders Conference. The public defenders for Shelby and Davidson counties receive direct appropriations with no administrative support or control from the conference.

<u>Actual</u> <u>2023-2024</u>	<u>Estimated</u> <u>2024-2025</u>	<u>Base</u> <u>2025-2026</u>	<u>Cost Increase</u> <u>2025-2026</u>	<u>Recommended</u> <u>2025-2026</u>

Public Defenders

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 Positions	464	467	467	5	472
Part-Time Positions	22	21	21	0	21
Seasonal Positions	0	0	0	0	0
TOTAL	486	488	488	5	493
Payroll	\$69,150,700	\$75,668,800	\$75,668,800	\$1,996,800	\$77,665,600
Operational	7,048,500	6,784,500	6,791,000	467,500	7,258,500
TOTAL	\$76,199,200	\$82,453,300	\$82,459,800	\$2,464,300	\$84,924,100
State Appropriations	\$75,604,400	\$81,831,300	\$81,837,800	\$2,464,300	\$84,302,100
Federal	0	0	0	0	0
Other	594,800	622,000	622,000	0	622,000

306.03 Executive Director

The Executive Director's office provides administrative support to the conference, such as training, fiscal services, coordination of multi-district cases, legal research, and information technology support. The Executive Director is elected by the District Public Defenders Conference and serves a four-year term.

Full-Time Positions	19	19	19	0	19
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	19	19	19	0	19
Payroll	\$3,302,400	\$3,642,400	\$3,642,400	\$0	\$3,642,400
Operational	279,000	307,800	308,100	0	308,100
TOTAL	\$3,581,400	\$3,950,200	\$3,950,500	\$0	\$3,950,500
State Appropriations	\$3,581,400	\$3,950,200	\$3,950,500	\$0	\$3,950,500

	<u>Actual 2023-2024</u>	<u>Estimated 2024-2025</u>	<u>Base 2025-2026</u>	<u>Cost Increase 2025-2026</u>	<u>Recommended 2025-2026</u>
Federal	0	0	0	0	0
Other	0	0	0	0	0

306.10 Shelby County Public Defender

The Shelby County Public Defender program provides an appropriation to the Shelby County public defender's office.

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	6,316,000	6,575,000	6,575,000	197,300	6,772,300
TOTAL	\$6,316,000	\$6,575,000	\$6,575,000	\$197,300	\$6,772,300
State Appropriations	\$6,316,000	\$6,575,000	\$6,575,000	\$197,300	\$6,772,300
Federal	0	0	0	0	0
Other	0	0	0	0	0

306.12 Davidson County Public Defender

The Davidson County Public Defender program provides an appropriation to the Davidson County public defender's office.

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	2,760,300	2,873,500	2,873,500	86,200	2,959,700
TOTAL	\$2,760,300	\$2,873,500	\$2,873,500	\$86,200	\$2,959,700
State Appropriations	\$2,760,300	\$2,873,500	\$2,873,500	\$86,200	\$2,959,700
Federal	0	0	0	0	0
Other	0	0	0	0	0

306.00 Total District Public Defenders Conference

Full-Time Positions	483	486	486	5	491
Part-Time Positions	22	21	21	0	21
Seasonal Positions	0	0	0	0	0

District Public Defenders Conference

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
TOTAL	505	507	507	5	512
Payroll	\$72,453,100	\$79,311,200	\$79,311,200	\$1,996,800	\$81,308,000
Operational	16,403,800	16,540,800	16,547,600	751,000	17,298,600
TOTAL	\$88,856,900	\$95,852,000	\$95,858,800	\$2,747,800	\$98,606,600
State Appropriations	\$88,262,100	\$95,230,000	\$95,236,800	\$2,747,800	\$97,984,600
Federal	0	0	0	0	0
Other	594,800	622,000	622,000	0	622,000

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 indigent clients 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 2023-2024</u>	<u>Estimated 2024-2025</u>	<u>Base 2025-2026</u>	<u>Cost Increase 2025-2026</u>	<u>Recommended 2025-2026</u>
308.00 Office of the Post-Conviction Defender					
Full-Time Positions	20	20	20	0	20
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	20	20	20	0	20
Payroll	\$2,637,600	\$3,194,600	\$3,194,600	\$50,800	\$3,245,400
Operational	595,700	777,700	778,200	195,600	973,800
TOTAL	\$3,233,300	\$3,972,300	\$3,972,800	\$246,400	\$4,219,200
State Appropriations	\$3,233,300	\$3,972,300	\$3,972,800	\$246,400	\$4,219,200
Federal	0	0	0	0	0
Other	0	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</u> <u>2023-2024</u>	<u>Estimated</u> <u>2024-2025</u>	<u>Base</u> <u>2025-2026</u>	<u>Cost Increase</u> <u>2025-2026</u>	<u>Recommended</u> <u>2025-2026</u>

316.03 Alcoholic Beverage Commission

Full-Time Positions	87	87	87	0	87
Part-Time Positions	3	3	3	0	3
Seasonal Positions	0	0	0	0	0
TOTAL	<u>90</u>	<u>90</u>	<u>90</u>	<u>0</u>	<u>90</u>
Payroll	\$8,174,900	\$9,083,900	\$9,083,900	\$0	\$9,083,900
Operational	4,262,800	4,381,400	4,038,300	0	4,038,300
TOTAL	<u>\$12,437,700</u>	<u>\$13,465,300</u>	<u>\$13,122,200</u>	<u>\$0</u>	<u>\$13,122,200</u>
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	300	27,000	27,000	0	27,000
Other	12,437,400	13,438,300	13,095,200	0	13,095,200

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, nonprofit organizations, and private partners. TRICOR has a central headquarters with operations at correctional facilities and warehouse and 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 beef 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.

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

316.08 TRICOR

Full-Time Positions	100	100	100	0	100
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	100	100	100	0	100
Payroll	\$8,186,200	\$9,053,800	\$9,053,800	\$0	\$9,053,800
Operational	22,259,900	44,996,000	44,999,000	0	44,999,000
TOTAL	\$30,446,100	\$54,049,800	\$54,052,800	\$0	\$54,052,800
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	30,446,100	54,049,800	54,052,800	0	54,052,800

Corrections Institute

The 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 technical assistance, performs studies, and research for all local correctional facilities. TCI also 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. A seven-member Board of Control appoints the agency director. The board consists of the Governor or the Governor's designee, the Commissioner of the Department of Correction, the chairs of the criminal justice departments at Tennessee State University and Middle Tennessee State University, two sheriffs and either a police chief or county commissioner appointed by the Governor.

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
316.09 Corrections Institute					
Full-Time Positions	23	23	23	0	23
Part-Time Positions	1	1	1	0	1
Seasonal Positions	0	0	0	0	0
TOTAL	24	24	24	0	24
Payroll	\$2,520,100	\$2,963,500	\$2,963,500	\$0	\$2,963,500
Operational	3,371,200	4,963,400	4,946,000	0	4,946,000
TOTAL	\$5,891,300	\$7,926,900	\$7,909,500	\$0	\$7,909,500
State Appropriations	\$5,710,900	\$7,831,400	\$7,814,000	\$0	\$7,814,000
Federal	0	0	0	0	0
Other	180,400	95,500	95,500	0	95,500

Inmate Disciplinary Oversight Board

The Inmate Disciplinary Oversight Board is responsible for the review and subsequent grant, denial, and removal of inmate sentence credits. Sentence credits are any credit that results in a reduction of the amount of time an inmate must serve on the original sentence or sentences. The board was created due to the passage of 2023 Public Chapter 402 during the regular legislative session. The board is comprised of nine members; three appointed by the Governor, three appointed by the Lieutenant Governor, and three appointed by the Speaker of the House of Representatives.

Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

316.16 Inmate Disciplinary Oversight Board

Full-Time Positions	12	12	12	1	13
Part-Time Positions	0	0	0	1	1
Seasonal Positions	0	0	0	0	0
TOTAL	12	12	12	2	14
Payroll	\$822,000	\$1,928,000	\$1,719,700	\$179,200	\$1,898,900
Operational	21,800	134,300	134,300	0	134,300
TOTAL	\$843,800	\$2,062,300	\$1,854,000	\$179,200	\$2,033,200
State Appropriations	\$843,800	\$2,062,300	\$1,854,000	\$179,200	\$2,033,200
Federal	0	0	0	0	0
Other	0	0	0	0	0

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.

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Full-Time Positions	84	84	84	0	84
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	84	84	84	0	84
Payroll	\$8,987,600	\$9,869,600	\$9,869,600	\$0	\$9,869,600
Operational	2,503,600	2,758,100	2,706,500	0	2,706,500
TOTAL	\$11,491,200	\$12,627,700	\$12,576,100	\$0	\$12,576,100
State Appropriations	\$11,489,200	\$12,626,700	\$12,575,100	\$0	\$12,575,100
Federal	0	0	0	0	0
Other	2,000	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.

Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 Conduct, the Sex Offender Treatment Program, Probation and Parole Field Supervision, Community Corrections, and Operating Funds for Imprisonment Changes.

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; inspector general's office, which oversees compliance functions for the department including 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 Positions	296	301	301	0	301
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	296	301	301	0	301
Payroll	\$32,069,100	\$37,298,500	\$37,298,500	\$36,000	\$37,334,500
Operational	33,995,800	43,644,600	28,367,600	19,422,700	47,790,300
TOTAL	\$66,064,900	\$80,943,100	\$65,666,100	\$19,458,700	\$85,124,800
State Appropriations	\$55,462,200	\$63,524,200	\$61,178,400	\$19,458,700	\$80,637,100
Federal	1,545,700	12,816,900	353,300	0	353,300
Other	9,057,000	4,602,000	4,134,400	0	4,134,400

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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.

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	134,707,200	173,677,800	173,677,800	0	173,677,800
TOTAL	\$134,707,200	\$173,677,800	\$173,677,800	\$0	\$173,677,800
State Appropriations	\$132,805,700	\$172,877,800	\$172,877,800	\$0	\$172,877,800
Federal	0	0	0	0	0
Other	1,901,500	800,000	800,000	0	800,000

329.06 Correction Academy

The Tennessee Correction Academy serves as the state's primary training and staff development center for TDOC and as a specialty training site for other law enforcement and selected emergency management-type agencies. The academy provides pre-service, in-service, and specialized training schools and certification programs on campus as well as regionally at the institutions and district offices across the state.

Full-Time Positions	72	70	70	0	70
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	72	70	70	0	70
Payroll	\$5,845,200	\$6,173,700	\$6,173,700	\$15,600	\$6,189,300
Operational	2,827,900	2,113,200	2,122,200	0	2,122,200
TOTAL	\$8,673,100	\$8,286,900	\$8,295,900	\$15,600	\$8,311,500
State Appropriations	\$8,642,000	\$8,222,000	\$8,231,000	\$15,600	\$8,246,600
Federal	0	0	0	0	0
Other	31,100	64,900	64,900	0	64,900

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

329.28 Correction Release Centers

The Correction Release Centers offer programs to assist offenders such as drug courts and a residential program for TDOC offenders who have completed sentences and been released from prison.

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	624,400	1,103,700	1,103,700	0	1,103,700
TOTAL	\$624,400	\$1,103,700	\$1,103,700	\$0	\$1,103,700
State Appropriations	\$624,400	\$1,103,700	\$1,103,700	\$0	\$1,103,700
Federal	0	0	0	0	0
Other	0	0	0	0	0

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 prisons' computer systems.

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	17,832,400	9,842,300	9,851,100	0	9,851,100
TOTAL	\$17,832,400	\$9,842,300	\$9,851,100	\$0	\$9,851,100
State Appropriations	\$14,729,300	\$9,842,300	\$9,851,100	\$0	\$9,851,100
Federal	0	0	0	0	0
Other	3,103,100	0	0	0	0

329.48 Office of Investigations and Conduct

The Office of Investigations and Conduct provides canine, apprehension, enforcement, and contraband interdiction units to support the central office, institutions, the Tennessee Correction Academy, Community Corrections, and Probation and Parole Field Supervision.

Full-Time Positions	93	96	96	0	96
Part-Time Positions	0	0	0	0	0

Department of Correction

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Seasonal Positions	0	0	0	0	0
TOTAL	93	96	96	0	96
Payroll	\$9,656,200	\$10,507,100	\$10,507,100	\$89,000	\$10,596,100
Operational	3,072,500	2,558,100	2,574,000	0	2,574,000
TOTAL	\$12,728,700	\$13,065,200	\$13,081,100	\$89,000	\$13,170,100
State Appropriations	\$12,683,900	\$13,065,200	\$13,081,100	\$89,000	\$13,170,100
Federal	43,600	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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	1,201,400	3,030,200	3,030,200	0	3,030,200
TOTAL	\$1,201,400	\$3,030,200	\$3,030,200	\$0	\$3,030,200
State Appropriations	\$1,201,400	\$3,030,200	\$3,030,200	\$0	\$3,030,200
Federal	0	0	0	0	0
Other	0	0	0	0	0

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 Positions	1,190	1,190	1,190	0	1,190
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	1,190	1,190	1,190	0	1,190
Payroll	\$95,119,800	\$104,180,800	\$104,143,900	\$0	\$104,143,900
Operational	30,581,300	28,426,400	28,501,100	2,209,100	30,710,200
TOTAL	\$125,701,100	\$132,607,200	\$132,645,000	\$2,209,100	\$134,854,100

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
State Appropriations	\$125,659,200	\$131,537,700	\$131,575,500	\$2,209,100	\$133,784,600
Federal	0	0	0	0	0
Other	41,900	1,069,500	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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	12,516,900	14,795,500	14,795,500	0	14,795,500
TOTAL	\$12,516,900	\$14,795,500	\$14,795,500	\$0	\$14,795,500
State Appropriations	\$12,500,900	\$14,795,500	\$14,795,500	\$0	\$14,795,500
Federal	0	0	0	0	0
Other	16,000	0	0	0	0

329.53 Community Rehabilitative Services

Community Rehabilitative Services consists of programs offered within the community to offenders. The program consists of transitional housing, female residential treatment services, eight Day Reporting Centers that offer a one-year three-phase program that will assist moderate to high-risk offenders with a substance use issue, criminal convictions records unit, Risk Needs Assessment quality assurance unit, and behavioral health specialists.

Full-Time Positions	217	218	218	0	218
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	217	218	218	0	218
Payroll	\$15,805,900	\$18,829,800	\$18,829,800	\$0	\$18,829,800
Operational	5,584,800	6,635,400	6,635,400	0	6,635,400
TOTAL	\$21,390,700	\$25,465,200	\$25,465,200	\$0	\$25,465,200
State Appropriations	\$21,390,700	\$25,465,200	\$25,465,200	\$0	\$25,465,200
Federal	0	0	0	0	0
Other	0	0	0	0	0

Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

329.99 Operating Funds for Imprisonment Changes

During the regular legislative session of 2021, the General Assembly passed Public Chapter 412. The law requires that for any law enacted after January 1, 2022, 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 three years, beginning with the year the additional sentence to be served impacts the correctional facilities' population. For laws enacted that result in a net decrease in periods of imprisonment in state correctional facilities, an appropriation reduction shall occur. These funds will be allocated to the operational needs of the department during the following year's budget process.

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	0	4,579,800	0	1,285,000	1,285,000
TOTAL	\$0	\$4,579,800	\$0	\$1,285,000	\$1,285,000
State Appropriations	\$0	\$4,579,800	\$0	\$1,285,000	\$1,285,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

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 Debra K. Johnson Rehabilitation Center, Lois M. DeBerry Special Needs Facility, 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 Debra K. Johnson Rehabilitation Center

The Debra K. Johnson Rehabilitation Center (DJRC) 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. DJRC also provides academic and vocational programs, as well as transitional services.

Full-Time Positions	235	235	235	0	235
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	235	235	235	0	235
Payroll	\$17,030,200	\$20,281,900	\$20,268,900	\$2,026,200	\$22,295,100
Operational	26,153,800	22,445,100	22,470,700	0	22,470,700
TOTAL	\$43,184,000	\$42,727,000	\$42,739,600	\$2,026,200	\$44,765,800

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
State Appropriations	\$42,160,300	\$42,332,300	\$42,344,900	\$2,026,200	\$44,371,100
Federal	0	0	0	0	0
Other	1,023,700	394,700	394,700	0	394,700

329.14 Turney Center Industrial Complex

Turney Center Industrial Complex (TCIX) is a time-building institution with an emphasis on prison industry, with a main site in Hickman County and an annex in Wayne County. 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 and transitional services inside the main compound.

Full-Time Positions	410	410	410	0	410
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	410	410	410	0	410
Payroll	\$32,511,400	\$36,568,400	\$36,546,900	\$3,082,700	\$39,629,600
Operational	30,137,400	27,181,400	27,231,600	867,500	28,099,100
TOTAL	\$62,648,800	\$63,749,800	\$63,778,500	\$3,950,200	\$67,728,700
State Appropriations	\$60,713,800	\$63,133,900	\$63,162,600	\$3,950,200	\$67,112,800
Federal	0	0	0	0	0
Other	1,935,000	615,900	615,900	0	615,900

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 Positions	154	154	154	0	154
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	154	154	154	0	154
Payroll	\$12,660,400	\$13,583,800	\$13,583,300	\$1,058,600	\$14,641,900
Operational	7,541,000	9,209,000	9,229,800	105,300	9,335,100
TOTAL	\$20,201,400	\$22,792,800	\$22,813,100	\$1,163,900	\$23,977,000
State Appropriations	\$19,429,600	\$22,466,300	\$22,486,600	\$1,163,900	\$23,650,500
Federal	0	0	0	0	0
Other	771,800	326,500	326,500	0	326,500

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 Positions	681	680	680	0	680
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	681	680	680	0	680
Payroll	\$56,008,300	\$59,753,800	\$59,727,400	\$4,847,900	\$64,575,300
Operational	49,338,000	45,574,100	45,665,000	1,397,800	47,062,800
TOTAL	\$105,346,300	\$105,327,900	\$105,392,400	\$6,245,700	\$111,638,100
State Appropriations	\$103,495,100	\$104,703,200	\$104,767,700	\$6,245,700	\$111,013,400
Federal	0	0	0	0	0
Other	1,851,200	624,700	624,700	0	624,700

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 Positions	643	643	643	0	643
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	643	643	643	0	643
Payroll	\$46,292,600	\$56,422,100	\$56,386,200	\$5,304,900	\$61,691,100
Operational	51,680,700	50,281,400	50,350,700	4,975,500	55,326,200
TOTAL	\$97,973,300	\$106,703,500	\$106,736,900	\$10,280,400	\$117,017,300
State Appropriations	\$96,158,000	\$106,195,900	\$106,229,300	\$10,280,400	\$116,509,700
Federal	0	0	0	0	0
Other	1,815,300	507,600	507,600	0	507,600

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 Positions	341	340	340	0	340
Part-Time Positions	0	0	0	0	0

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Seasonal Positions	0	0	0	0	0
TOTAL	341	340	340	0	340
Payroll	\$22,872,900	\$28,836,400	\$28,812,800	\$3,365,200	\$32,178,000
Operational	21,741,800	17,468,700	17,502,700	1,179,000	18,681,700
TOTAL	\$44,614,700	\$46,305,100	\$46,315,500	\$4,544,200	\$50,859,700
State Appropriations	\$43,868,400	\$46,198,500	\$46,208,900	\$4,544,200	\$50,753,100
Federal	0	0	0	0	0
Other	746,300	106,600	106,600	0	106,600

329.43 Northeast Correctional Complex

The Northeast Correctional Complex (NECX), located in Johnson County, 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 Positions	425	422	422	0	422
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	425	422	422	0	422
Payroll	\$34,344,000	\$37,636,600	\$37,602,400	\$3,370,000	\$40,972,400
Operational	32,233,500	26,518,000	26,566,100	1,884,600	28,450,700
TOTAL	\$66,577,500	\$64,154,600	\$64,168,500	\$5,254,600	\$69,423,100
State Appropriations	\$65,184,200	\$63,840,400	\$63,854,300	\$5,254,600	\$69,108,900
Federal	0	0	0	0	0
Other	1,393,300	314,200	314,200	0	314,200

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 Positions	604	603	603	0	603
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	604	603	603	0	603
Payroll	\$37,138,700	\$52,322,200	\$52,284,200	\$5,269,800	\$57,554,000
Operational	36,067,900	35,811,600	35,863,700	1,961,700	37,825,400
TOTAL	\$73,206,600	\$88,133,800	\$88,147,900	\$7,231,500	\$95,379,400

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
State Appropriations	\$71,748,700	\$87,174,200	\$87,188,300	\$7,231,500	\$94,419,800
Federal	0	0	0	0	0
Other	1,457,900	959,600	959,600	0	959,600

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.

Full-Time Positions	656	656	656	0	656
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	656	656	656	0	656
Payroll	\$51,238,600	\$57,162,000	\$57,123,500	\$5,464,000	\$62,587,500
Operational	47,341,700	42,263,500	42,346,100	1,547,300	43,893,400
TOTAL	\$98,580,300	\$99,425,500	\$99,469,600	\$7,011,300	\$106,480,900
State Appropriations	\$96,850,800	\$98,912,600	\$98,956,700	\$7,011,300	\$105,968,000
Federal	0	0	0	0	0
Other	1,729,500	512,900	512,900	0	512,900

Special Purpose Facilities

329.46 Lois M. DeBerry Special Needs Facility

The Lois M. DeBerry Special Needs Facility (LDSNF), located in Davidson County, includes a reception and diagnostic center and provides quality health care, intensive mental health care, and geriatric services. The facility has a maximum-security designation.

Full-Time Positions	405	404	404	0	404
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	405	404	404	0	404
Payroll	\$33,247,000	\$37,827,800	\$37,795,300	\$2,980,800	\$40,776,100
Operational	45,644,400	37,226,200	37,276,200	352,100	37,628,300
TOTAL	\$78,891,400	\$75,054,000	\$75,071,500	\$3,332,900	\$78,404,400
State Appropriations	\$78,381,500	\$74,892,200	\$74,909,700	\$3,332,900	\$78,242,600
Federal	0	0	0	0	0
Other	509,900	161,800	161,800	0	161,800

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 Incarceration Agreement covers the Hardeman County Correctional Facility (HCCF), which 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 Positions	2	2	2	0	2
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	2	2	2	0	2
Payroll	\$201,000	\$246,900	\$246,900	\$0	\$246,900
Operational	45,615,700	52,506,100	52,506,500	5,096,300	57,602,800
TOTAL	\$45,816,700	\$52,753,000	\$52,753,400	\$5,096,300	\$57,849,700
State Appropriations	\$45,808,300	\$52,734,100	\$52,734,500	\$5,096,300	\$57,830,800
Federal	0	0	0	0	0
Other	8,400	18,900	18,900	0	18,900

329.22 Hardeman County Agreement - Whiteville

The Hardeman County Agreement - Whiteville covers the Whiteville Correctional Facility (WCFA), which 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 Positions	2	2	2	0	2
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	2	2	2	0	2
Payroll	\$189,000	\$239,700	\$239,700	\$0	\$239,700
Operational	43,019,700	47,860,900	47,861,200	3,401,800	51,263,000
TOTAL	\$43,208,700	\$48,100,600	\$48,100,900	\$3,401,800	\$51,502,700
State Appropriations	\$43,195,900	\$48,081,900	\$48,082,200	\$3,401,800	\$51,484,000
Federal	0	0	0	0	0
Other	12,800	18,700	18,700	0	18,700

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

329.23 Trousdale County Incarceration Agreement

The Trousdale County Incarceration Agreement covers the Trousdale Turner Correctional Center (TCCC), which 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 Positions	2	2	2	0	2
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	2	2	2	0	2
Payroll	\$96,600	\$265,300	\$265,300	\$0	\$265,300
Operational	61,646,400	79,940,200	79,940,400	5,502,800	85,443,200
TOTAL	\$61,743,000	\$80,205,500	\$80,205,700	\$5,502,800	\$85,708,500
State Appropriations	\$61,727,000	\$80,192,300	\$80,192,500	\$5,502,800	\$85,695,300
Federal	0	0	0	0	0
Other	16,000	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 Positions	2	2	2	0	2
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	2	2	2	0	2
Payroll	\$172,100	\$237,100	\$237,100	\$0	\$237,100
Operational	48,240,800	52,022,500	52,022,800	3,456,000	55,478,800
TOTAL	\$48,412,900	\$52,259,600	\$52,259,900	\$3,456,000	\$55,715,900
State Appropriations	\$48,403,600	\$52,240,900	\$52,241,200	\$3,456,000	\$55,697,200
Federal	0	0	0	0	0
Other	9,300	18,700	18,700	0	18,700

329.00 Total Department of Correction

Full-Time Positions	6,430	6,430	6,430	0	6,430
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	6,430	6,430	6,430	0	6,430
Payroll	\$502,499,000	\$578,373,900	\$578,072,900	\$36,910,700	\$614,983,600

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Operational	789,347,400	836,715,700	817,492,100	54,644,500	872,136,600
TOTAL	\$1,291,846,400	\$1,415,089,600	\$1,395,565,000	\$91,555,200	\$1,487,120,200
State Appropriations	\$1,262,824,900	\$1,391,142,300	\$1,384,548,900	\$91,555,200	\$1,476,104,100
Federal	1,589,300	12,816,900	353,300	0	353,300
Other	27,432,200	11,130,400	10,662,800	0	10,662,800

Statistical Data Correctional Institutions

	Debra K. Johnson Rehabilitation Center 329.13	Turney Center Industrial Complex 329.14	Mark Luttrell Transition Center 329.16	Bledsoe County Correctional Complex 329.18	West Tennessee State Penitentiary 329.41
Annual Admissions					
2018-2019	1,122	955	167	4,810	1,727
2019-2020	923	721	164	4,174	1,444
2020-2021	1,387	666	135	5,432	1,327
2021-2022	723	625	209	4,566	1,179
2022-2023	822	625	166	4,746	930
2023-2024	927	515	135	4,149	836
2024-2025	1,300	960	350	5,790	1,850
2025-2026	1,300	960	350	5,790	1,850
Annual Releases					
2018-2019	1,118	918	141	4,441	1,742
2019-2020	1,039	930	240	4,368	1,540
2020-2021	1,355	583	207	4,912	1,142
2021-2022	757	723	170	4,795	1,296
2022-2023	868	575	149	4,437	855
2023-2024	997	530	135	3,642	544
2024-2025	1,300	960	350	5,790	1,850
2025-2026	1,300	960	350	5,790	1,850
Average Daily Census					
2018-2019	770	1,604	268	2,385	1,870
2019-2020	724	1,530	249	2,359	1,843
2020-2021	695	1,326	155	2,156	1,694
2021-2022	686	1,426	170	1,879	1,751
2022-2023	641	1,384	198	1,805	1,618
2023-2024	627	1,303	187	2,092	1,760
2024-2025	805	1,772	440	2,521	2,582
2025-2026	805	1,772	440	2,521	2,582
Cost Per Occupancy Day (Total Expenditures)**					
2018-2019	\$104.09	\$74.31	\$142.43	\$82.00	\$97.45
2019-2020	\$115.13	\$81.00	\$163.53	\$89.57	\$109.61
2020-2021	\$129.94	\$93.46	\$228.80	\$103.67	\$119.16
2021-2022	\$132.92	\$92.14	\$228.94	\$114.32	\$115.29
2022-2023	\$153.03	\$108.97	\$240.16	\$135.15	\$139.93
2023-2024	\$188.18	\$131.37	\$295.16	\$137.59	\$152.09
2024-2025	\$145.42	\$98.56	\$141.92	\$114.47	\$113.22
2025-2026	\$152.36	\$104.72	\$149.30	\$121.32	\$124.17

**Fiscal years 2018-2019 to 2023-2024 are actual expenditures from all sources; 2024-2025 to 2025-2026 are estimates.

Statistical Data Correctional Institutions

	Riverbend Maximum Security Institution 329.42	Northeast Correctional Complex 329.43	Northwest Correctional Complex 329.45	Lois M. DeBerry Special Needs Facility 329.46	Morgan County Correctional Complex 329.47
Annual Admissions					
2018-2019	506	769	914	288	1,054
2019-2020	300	606	711	274	964
2020-2021	257	796	491	316	948
2021-2022	396	868	755	397	776
2022-2023	402	777	667	302	1,010
2023-2024	186	424	431	180	701
2024-2025	470	940	1,200	420	1,390
2025-2026	470	940	1,200	420	1,390
Annual Releases					
2018-2019	479	793	1,200	370	1,257
2019-2020	346	679	772	397	1,103
2020-2021	214	650	776	418	929
2021-2022	386	1,055	633	469	973
2022-2023	369	714	628	416	828
2023-2024	253	380	502	268	769
2024-2025	470	940	1,200	420	1,390
2025-2026	470	940	1,200	420	1,390
Average Daily Census					
2018-2019	769	1,679	2,158	751	2,046
2019-2020	759	1,590	2,002	714	2,037
2020-2021	711	1,528	1,699	656	1,961
2021-2022	717	1,454	1,599	663	1,799
2022-2023	735	1,364	1,630	622	1,761
2023-2024	756	1,364	1,596	645	1,922
2024-2025	832	1,678	2,425	800	2,291
2025-2026	832	1,678	2,425	800	2,291
Cost Per Occupancy Day (Total Expenditures)**					
2018-2019	\$110.55	\$84.75	\$75.70	\$186.21	\$88.57
2019-2020	\$116.87	\$96.36	\$83.00	\$207.92	\$94.94
2020-2021	\$130.75	\$105.27	\$94.02	\$227.28	\$103.89
2021-2022	\$130.22	\$99.73	\$97.74	\$203.27	\$108.90
2022-2023	\$146.73	\$115.08	\$109.18	\$296.37	\$130.10
2023-2024	\$161.24	\$133.36	\$125.32	\$334.19	\$140.14
2024-2025	\$152.48	\$104.75	\$99.57	\$257.03	\$118.90
2025-2026	\$167.48	\$113.35	\$107.76	\$268.51	\$127.34

*Fiscal years 2018-2019 to 2023-2024 are actual expenditures from all sources; 2024-2025 to 2025-2026 are estimates.

Statistical Data Correctional Institutions

	Hardeman Co. Correctional Facility 329.21	Whiteville Correctional Facility 329.22	Trousdale Turner Correctional Center 329.23	South Central Correctional Facility 329.44	Total
Annual Admissions					
2018-2019	971	776	1,192	973	10,700
2019-2020	1,121	907	1,129	1,149	8,751
2020-2021	918	632	1,198	671	7,229
2021-2022	953	685	1,173	789	7,746
2022-2023	766	509	1,114	408	7,696
2023-2024	611	395	775	349	7,654
2024-2025	1,020	910	1,320	810	10,700
2025-2026	1,020	910	1,320	810	10,700
Annual Releases					
2018-2019	949	751	1,168	951	10,700
2019-2020	1,243	1,006	1,249	1,225	10,644
2020-2021	749	471	1,020	591	6,603
2021-2022	864	628	1,089	1,089	9,220
2022-2023	705	490	1,267	556	7,778
2023-2024	557	370	718	292	7,256
2024-2025	1,020	910	1,320	810	10,700
2025-2026	1,020	910	1,320	810	10,700
Average Daily Census					
2018-2019	1,968	1,500	2,507	1,627	21,902
2019-2020	1,943	1,480	2,477	1,606	21,313
2020-2021	1,808	1,455	2,284	1,545	19,633
2021-2022	1,950	1,515	2,468	1,465	19,542
2022-2023	1,968	1,505	2,463	1,217	18,911
2023-2024	1,970	1,502	2,101	1,108	18,933
2024-2025	2,016	1,536	2,552	1,676	23,926
2025-2026	2,016	1,536	2,552	1,676	23,926
Cost Per Occupancy Day (Total Expenditures)**					
2018-2019	\$52.78	\$64.10	\$63.06	\$55.23	\$81.04
2019-2020	\$54.97	\$66.97	\$67.90	\$59.14	\$88.23
2020-2021	\$60.75	\$69.66	\$73.17	\$72.67	\$98.41
2021-2022	\$64.06	\$76.16	\$73.73	\$72.34	\$98.85
2022-2023	\$62.75	\$73.07	\$78.18	\$73.38	\$113.07
2023-2024	\$63.54	\$78.60	\$80.29	\$119.38	\$128.50
2024-2025	\$71.69	\$85.80	\$86.11	\$85.43	\$108.52
2025-2026	\$78.62	\$91.86	\$92.01	\$91.08	\$116.39

*Fiscal years 2018-2019 to 2023-2024 are actual expenditures from all sources; 2024-2025 to 2025-2026 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 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 Positions	35	35	35	0	35
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	35	35	35	0	35
Payroll	\$5,145,400	\$5,124,400	\$4,670,800	\$134,400	\$4,805,200
Operational	3,054,900	2,484,300	2,424,000	0	2,424,000
TOTAL	\$8,200,300	\$7,608,700	\$7,094,800	\$134,400	\$7,229,200
State Appropriations	\$6,789,700	\$6,720,900	\$6,207,000	\$134,400	\$6,341,400
Federal	1,389,000	884,800	884,800	0	884,800
Other	21,600	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 Positions	108	108	108	0	108
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	108	108	108	0	108
Payroll	\$7,915,500	\$10,945,400	\$10,945,400	\$0	\$10,945,400
Operational	3,493,800	8,940,900	3,871,400	420,000	4,291,400
TOTAL	\$11,409,300	\$19,886,300	\$14,816,800	\$420,000	\$15,236,800

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
State Appropriations	\$1,344,600	\$7,738,900	\$2,664,500	\$420,000	\$3,084,500
Federal	10,064,700	12,124,900	12,129,800	0	12,129,800
Other	0	22,500	22,500	0	22,500

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 Positions	133	133	133	0	133
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	133	133	133	0	133
Payroll	\$9,404,200	\$11,750,200	\$11,750,200	\$0	\$11,750,200
Operational	7,981,000	7,252,300	7,206,000	0	7,206,000
TOTAL	\$17,385,200	\$19,002,500	\$18,956,200	\$0	\$18,956,200
State Appropriations	\$3,018,700	\$3,552,600	\$3,501,700	\$0	\$3,501,700
Federal	14,366,500	15,449,900	15,454,500	0	15,454,500
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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	8,275,000	7,194,600	7,194,600	0	7,194,600
TOTAL	\$8,275,000	\$7,194,600	\$7,194,600	\$0	\$7,194,600
State Appropriations	\$1,500,300	\$1,500,000	\$1,500,000	\$0	\$1,500,000
Federal	6,540,300	5,500,000	5,500,000	0	5,500,000
Other	234,400	194,600	194,600	0	194,600

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	4,461,200	5,441,800	5,441,800	0	5,441,800
TOTAL	\$4,461,200	\$5,441,800	\$5,441,800	\$0	\$5,441,800
State Appropriations	\$1,071,000	\$1,400,600	\$1,400,600	\$0	\$1,400,600
Federal	3,390,200	4,041,200	4,041,200	0	4,041,200
Other	0	0	0	0	0

341.11 Station Commanders Upkeep and Maintenance Fund

The Station Commanders Upkeep and Maintenance Fund (SCUMF) is exclusively utilized to repair, maintain, and provide viable upkeep for Military Department facilities. The SCUMF is supported by armory rental and service fees.

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	223,700	400,000	400,000	0	400,000
TOTAL	\$223,700	\$400,000	\$400,000	\$0	\$400,000
State Appropriations	\$106,600	\$150,000	\$150,000	\$0	\$150,000
Federal	117,100	250,000	250,000	0	250,000
Other	0	0	0	0	0

341.13 STRONG Act of 2017

The Support Training and Renewing Opportunity for National Guardsmen (STRONG) Act provides funding for tuition reimbursement to eligible members of the Tennessee National Guard.

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0

Military Department

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Operational	3,477,400	3,500,000	3,500,000	584,000	4,084,000
TOTAL	\$3,477,400	\$3,500,000	\$3,500,000	\$584,000	\$4,084,000
State Appropriations	\$3,477,400	\$3,500,000	\$3,500,000	\$584,000	\$4,084,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Emergency Management

The Military Department provides emergency management services and administers federally-funded homeland security grants.

341.04 Tennessee Emergency Management Agency

The Tennessee Emergency Management Agency (TEMA) is responsible for the planning and management of emergency operations of the state, and for the training of and assistance to local governments during man-made or natural disasters.

Full-Time Positions	140	143	143	0	143
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	140	143	143	0	143
Payroll	\$12,551,200	\$15,501,000	\$15,501,000	\$0	\$15,501,000
Operational	17,135,000	7,107,300	7,016,000	7,827,500	14,843,500
TOTAL	\$29,686,200	\$22,608,300	\$22,517,000	\$7,827,500	\$30,344,500
State Appropriations	\$10,001,800	\$9,759,200	\$9,661,100	\$7,827,500	\$17,488,600
Federal	17,240,600	12,479,000	12,485,800	0	12,485,800
Other	2,443,800	370,100	370,100	0	370,100

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 Positions	2	2	2	0	2
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	2	2	2	0	2
Payroll	\$212,800	\$256,100	\$256,100	\$0	\$256,100
Operational	12,848,800	9,745,000	9,745,000	0	9,745,000
TOTAL	\$13,061,600	\$10,001,100	\$10,001,100	\$0	\$10,001,100
State Appropriations	\$259,700	\$0	\$0	\$0	\$0

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Federal	12,801,900	10,001,100	10,001,100	0	10,001,100
Other	0	0	0	0	0

341.09 TEMA Disaster Relief Grants

TEMA Disaster Relief Grants is responsible for administering federal and state grants to eligible applicants of presidentially-declared disasters. Funds are available for the repair and restoration of damaged bridges, buildings, and other public services and infrastructure.

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$318,500	\$0	\$0	\$0	\$0
Operational	80,950,400	324,000,000	84,000,000	0	84,000,000
TOTAL	\$81,268,900	\$324,000,000	\$84,000,000	\$0	\$84,000,000
State Appropriations	\$4,000,000	\$244,000,000	\$4,000,000	\$0	\$4,000,000
Federal	70,327,500	80,000,000	80,000,000	0	80,000,000
Other	6,941,400	0	0	0	0

341.14 STORM Act

The Safeguarding Tomorrow through Ongoing Risk Mitigation (STORM) Act supports mitigation projects for local governments by providing low interest loans to homeowners, businesses, and nonprofit organizations, which help to increase Tennessee's resilience to all hazards.

Full-Time Positions	2	7	7	0	7
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	2	7	7	0	7
Payroll	\$150,500	\$539,000	\$539,000	\$0	\$539,000
Operational	0	100	100	0	100
TOTAL	\$150,500	\$539,100	\$539,100	\$0	\$539,100
State Appropriations	\$150,500	\$539,000	\$539,000	\$0	\$539,000
Federal	0	100	100	0	100
Other	0	0	0	0	0

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
341.00 Total Military Department					
Full-Time Positions	420	428	428	0	428
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	420	428	428	0	428
Payroll	\$35,698,100	\$44,116,100	\$43,662,500	\$134,400	\$43,796,900
Operational	141,901,200	376,066,300	130,798,900	8,831,500	139,630,400
TOTAL	\$177,599,300	\$420,182,400	\$174,461,400	\$8,965,900	\$183,427,300
State Appropriations	\$31,720,300	\$278,861,200	\$33,123,900	\$8,965,900	\$42,089,800
Federal	136,237,800	140,731,000	140,747,300	0	140,747,300
Other	9,641,200	590,200	590,200	0	590,200

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 eight divisions: Administrative Services, Criminal Investigation, Drug Investigation, Forensic Services, Criminal Justice Information Services, Medicaid Fraud Control, Technology and Innovation, and Training.

The Administrative Services division provides overall direction and support for the bureau, including professional standards, accreditation, fiscal, human resources, internal audit, and public information.

The Criminal Investigation division is responsible for providing specialized law enforcement services to agencies across Tennessee and houses the Field Investigation, Criminal Intelligence, Technical Services, and Victim Services Units.

The Drug Investigation division has original jurisdiction to investigate violations of Tennessee's drug control laws and is responsible for investigating and assisting prosecution of crimes involving controlled substances, narcotics, and other illegal drugs.

The Forensic Services division provides forensic examinations for the law enforcement community and medical examiners statewide. TBI operates laboratories in Nashville, Knoxville, and Jackson.

The Criminal Justice Information Services division houses the state repository of criminal history records and assists law enforcement agencies in conducting background checks for gun purchasers.

The Medicaid Fraud Control division investigates and provides support in provider fraud and patient abuse cases within the TennCare system.

The Technology and Innovation division provides technical investigative services, support, and evidence processing. The division is also responsible for integrating the use of modern technology into policies.

The Training division provides training to TBI employees, law enforcement officers, state agency employees, private citizens, and college students through classroom instruction, online training, and internship programs.

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
348.00 Tennessee Bureau of Investigation					
Full-Time Positions	740	761	761	22	783
Part-Time Positions	5	5	5	0	5
Seasonal Positions	0	0	0	0	0
TOTAL	745	766	766	22	788
Payroll	\$96,085,300	\$108,624,500	\$107,624,500	\$2,305,800	\$109,930,300
Operational	54,516,300	50,506,800	44,236,900	4,371,200	48,608,100
TOTAL	\$150,601,600	\$159,131,300	\$151,861,400	\$6,677,000	\$158,538,400
State Appropriations	\$108,451,900	\$115,639,200	\$113,415,900	\$3,467,400	\$116,883,300

	<u>Actual 2023-2024</u>	<u>Estimated 2024-2025</u>	<u>Base 2025-2026</u>	<u>Cost Increase 2025-2026</u>	<u>Recommended 2025-2026</u>
Federal	14,273,400	13,724,800	13,726,200	209,600	13,935,800
Other	27,876,300	29,767,300	24,719,300	3,000,000	27,719,300

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.

Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

Administrative and Support Services

The Administrative and Support Services functional area includes Administration, 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, technical services, legal services, and public information. 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 Positions	103	151	151	1	152
Part-Time Positions	2	2	2	0	2
Seasonal Positions	0	0	0	0	0
TOTAL	105	153	153	1	154
Payroll	\$10,895,000	\$17,184,000	\$17,184,000	\$103,900	\$17,287,900
Operational	8,760,000	7,623,300	4,868,500	1,266,200	6,134,700
TOTAL	\$19,655,000	\$24,807,300	\$22,052,500	\$1,370,100	\$23,422,600
State Appropriations	\$16,188,000	\$24,342,300	\$21,752,500	\$1,370,100	\$23,122,600
Federal	0	165,000	0	0	0
Other	3,467,000	300,000	300,000	0	300,000

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 Positions	28	40	40	0	40
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	28	40	40	0	40
Payroll	\$2,156,500	\$3,791,000	\$3,791,000	\$0	\$3,791,000
Operational	76,528,600	18,230,000	18,227,100	1,960,000	20,187,100
TOTAL	\$78,685,100	\$22,021,000	\$22,018,100	\$1,960,000	\$23,978,100
State Appropriations	\$73,374,500	\$21,096,000	\$21,093,000	\$1,960,000	\$23,053,000

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Federal	0	0	0	0	0
Other	5,310,600	925,000	925,100	0	925,100

Public Services

The Public Services functional area includes 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. The 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. This division also administers the Financial Responsibility Law, which involves canceling and restoring driving privileges.

Full-Time Positions	563	563	563	6	569
Part-Time Positions	38	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	601	563	563	6	569
Payroll	\$32,981,200	\$39,140,000	\$40,240,000	\$650,000	\$40,890,000
Operational	32,632,800	31,229,000	29,164,100	76,000	29,240,100
TOTAL	\$65,614,000	\$70,369,000	\$69,404,100	\$726,000	\$70,130,100
State Appropriations	\$34,716,800	\$36,524,100	\$35,556,800	\$726,000	\$36,282,800
Federal	73,100	378,000	378,400	0	378,400
Other	30,824,100	33,466,900	33,468,900	0	33,468,900

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 Positions	10	9	9	0	9
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	10	9	9	0	9
Payroll	\$1,382,500	\$2,122,200	\$2,122,200	\$0	\$2,122,200

Department of Safety

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Operational	27,147,000	25,507,500	26,508,800	0	26,508,800
TOTAL	\$28,529,500	\$27,629,700	\$28,631,000	\$0	\$28,631,000
State Appropriations	\$624,400	\$255,300	\$255,300	\$0	\$255,300
Federal	27,875,100	27,194,400	28,195,700	0	28,195,700
Other	30,000	180,000	180,000	0	180,000

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 divisions. 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 Positions	1,350	1,405	1,405	116	1,521
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	1,350	1,405	1,405	116	1,521
Payroll	\$166,939,500	\$201,133,400	\$198,795,600	\$24,126,700	\$222,922,300
Operational	58,521,000	49,599,800	49,726,600	23,004,400	72,731,000
TOTAL	\$225,460,500	\$250,733,200	\$248,522,200	\$47,131,100	\$295,653,300
State Appropriations	\$202,474,700	\$237,090,900	\$230,714,900	\$47,131,100	\$277,846,000
Federal	11,646,600	6,576,200	10,741,200	0	10,741,200
Other	11,339,200	7,066,100	7,066,100	0	7,066,100

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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Operational	400	349,800	349,800	0	349,800
TOTAL	\$400	\$349,800	\$349,800	\$0	\$349,800
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	400	349,800	349,800	0	349,800

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 coordinates 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 Positions	158	156	156	0	156
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	158	156	156	0	156
Payroll	\$8,103,200	\$16,494,100	\$16,494,100	\$0	\$16,494,100
Operational	100,305,400	145,178,200	144,685,000	5,000,000	149,685,000
TOTAL	\$108,408,600	\$161,672,300	\$161,179,100	\$5,000,000	\$166,179,100
State Appropriations	\$107,824,800	\$161,106,700	\$160,613,500	\$5,000,000	\$165,613,500
Federal	0	0	0	0	0
Other	583,800	565,600	565,600	0	565,600

Education

The Education functional area 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 Positions	2	2	2	0	2
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	2	2	2	0	2
Payroll	\$269,300	\$230,300	\$230,300	\$0	\$230,300

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Operational	133,700	330,300	330,700	0	330,700
TOTAL	\$403,000	\$560,600	\$561,000	\$0	\$561,000
State Appropriations	\$403,000	\$560,600	\$561,000	\$0	\$561,000
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.

Full-Time Positions	2	2	2	0	2
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	2	2	2	0	2
Payroll	\$85,900	\$284,000	\$284,000	\$0	\$284,000
Operational	80,200	55,700	56,100	0	56,100
TOTAL	\$166,100	\$339,700	\$340,100	\$0	\$340,100
State Appropriations	\$166,100	\$339,700	\$340,100	\$0	\$340,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

349.00 Total Department of Safety

Full-Time Positions	2,216	2,328	2,328	123	2,451
Part-Time Positions	40	2	2	0	2
Seasonal Positions	0	0	0	0	0
TOTAL	2,256	2,330	2,330	123	2,453
Payroll	\$222,813,100	\$280,379,000	\$279,141,200	\$24,880,600	\$304,021,800
Operational	304,109,100	278,103,600	273,916,700	31,306,600	305,223,300
TOTAL	\$526,922,200	\$558,482,600	\$553,057,900	\$56,187,200	\$609,245,100
State Appropriations	\$435,772,300	\$481,315,600	\$470,887,100	\$56,187,200	\$527,074,300
Federal	39,594,800	34,313,600	39,315,300	0	39,315,300
Other	51,555,100	42,853,400	42,855,500	0	42,855,500

Resources and Regulation



Resources and Regulation



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Resources and Regulation

Recommended Budget, Fiscal Year 2025-2026

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 agencies 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 agencies 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

	Actual 2023-2024	Estimated 2024-2025	Recommended 2025-2026
Personnel			
Full-Time Positions	5,220	5,341	5,383
Part-Time Positions	385	329	329
Seasonal Positions	215	159	159
TOTAL	5,820	5,829	5,871
Expenditures			
Payroll	\$447,621,000	\$534,774,900	\$544,719,600
Operational	986,744,500	2,464,091,100	1,007,928,800
TOTAL	\$1,434,365,500	\$2,998,866,000	\$1,552,648,400
Funding			
State Appropriations	\$667,382,200	\$861,129,600	\$839,521,100
Federal	453,434,200	1,817,446,100	399,470,900
Other	313,549,100	320,290,300	313,656,400

Resources and Regulation

Recommended Budget for Fiscal Year 2025-2026

By Funding Source

Department	State	Federal	Other	Total
316.25 Arts Commission	\$13,560,900	\$1,010,600	\$3,037,800	\$17,609,300
316.27 State Museum	14,583,000	0	415,000	14,998,000
327.00 Environment and Conservation	345,920,300	218,976,400	156,951,600	721,848,300
328.00 Tennessee Wildlife Resources Agency	112,010,300	38,399,900	34,349,000	184,759,200
335.00 Commerce and Insurance	228,186,600	324,800	79,781,300	308,292,700
336.00 Financial Institutions	35,542,900	0	2,400	35,545,300
337.00 Labor and Workforce Development	89,717,100	140,759,200	39,119,300	269,595,600
TOTAL	\$839,521,100	\$399,470,900	\$313,656,400	\$1,552,648,400

Resources and Regulation

Cost Increases for Fiscal Year 2025-2026

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>

Arts Commission

- **Arts Grants**

To provide 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. Other funding is from the license plate reserve and is non-recurring. Of the dedicated state funding, \$900,000 is recurring and \$1,100,000 is non-recurring.

316.25 Arts Commission	\$2,000,000	\$0	\$2,800,000	\$4,800,000	0
Sub-total	<u>\$2,000,000</u>	<u>\$0</u>	<u>\$2,800,000</u>	<u>\$4,800,000</u>	<u>0</u>
Total Arts Commission	<u>\$2,000,000</u>	<u>\$0</u>	<u>\$2,800,000</u>	<u>\$4,800,000</u>	<u>0</u>

State Museum

- **New Collection Storage Building Rent**

To provide recurring funding for rent billings for the new museum collection storage building, which will house and safeguard the state's collection of historical artifacts.

316.27 State Museum	\$620,000	\$0	\$0	\$620,000	0
Sub-total	<u>\$620,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$620,000</u>	<u>0</u>

- **National Civil Rights Museum Rent**

To provide recurring funding for rent billings for the National Civil Rights Museum, which houses artifacts representing American civil rights history and African American history and culture.

316.27 State Museum	\$1,069,100	\$0	\$0	\$1,069,100	0
Sub-total	<u>\$1,069,100</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,069,100</u>	<u>0</u>

- **Semiquincentennial Celebration - Year Two of Three**

To provide non-recurring funding to support Tennessee's participation in the United States Semiquincentennial Celebration.

316.27 State Museum	\$2,145,000	\$0	\$0	\$2,145,000	0
Sub-total	<u>\$2,145,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,145,000</u>	<u>0</u>
Total State Museum	<u>\$3,834,100</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,834,100</u>	<u>0</u>

Environment and Conservation

- **Preserving Tennessee's Outdoor Heritage - State Parks**

To provide funding and to establish 32 positions to enhance Tennessee's state parks and recreation areas. Of this total cost, \$2,643,500 is recurring and \$1,104,100 is non-recurring.

327.12 Tennessee State Parks	\$3,747,600	\$0	\$0	\$3,747,600	32
Sub-total	<u>\$3,747,600</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,747,600</u>	<u>32</u>

Resources and Regulation

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
● State Parks Maintenance Funding					
To provide recurring funding for the ongoing maintenance needs of the Tennessee State Park system.					
327.15 State Parks Maintenance	\$6,200,000	\$0	\$0	\$6,200,000	0
Sub-total	\$6,200,000	\$0	\$0	\$6,200,000	0
● State Park Ranger Equipment and Training Support					
To provide funding for training and to replace outdated state park emergency, safety, and security equipment. Of this total cost, \$300,000 is recurring and \$1,275,000 is non-recurring. Other funding is from state park revenues.					
327.12 Tennessee State Parks	\$0	\$0	\$1,575,000	\$1,575,000	0
Sub-total	\$0	\$0	\$1,575,000	\$1,575,000	0
● Administration Legislation - Outdoor Recreation					
To provide a recurring general fund subsidy for administration legislation relative to grants to local communities to purchase land for parks, natural areas, greenways, and other recreational facilities.					
327.19 Local Parks Acquisition Fund	\$1,500,000	\$0	\$0	\$1,500,000	0
Sub-total	\$1,500,000	\$0	\$0	\$1,500,000	0
● Duck River Planning					
To provide non-recurring funding to establish a comprehensive water resource management plan in the Duck River region.					
327.34 Division of Water Resources	\$24,500,000	\$0	\$0	\$24,500,000	0
Sub-total	\$24,500,000	\$0	\$0	\$24,500,000	0
● Nuclear Fusion Regulatory Framework					
To provide funding and to establish five positions for a state regulatory framework for nuclear fusion. Of this total cost, \$2,000,000 is recurring and \$628,000 is non-recurring.					
327.32 Radiological Health	\$2,628,000	\$0	\$0	\$2,628,000	5
Sub-total	\$2,628,000	\$0	\$0	\$2,628,000	5
● Infrastructure Investment and Jobs Act - State Revolving Fund - Year Four Match					
To provide non-recurring funding to leverage federal dollars for water infrastructure projects throughout the state.					
327.33 Clean Water and Drinking Water State Revolving Fund	\$14,475,800	\$71,867,500	\$0	\$86,343,300	0
Sub-total	\$14,475,800	\$71,867,500	\$0	\$86,343,300	0

Resources and Regulation

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
● Preventing Outages and Enhancing the Resilience of the Electric Grid Formula Grant - Year Four					
To provide non-recurring funding and to continue two positions to improve the resilience of the electric grid against disruptive events.					
327.52 Office of Energy Programs	\$1,068,500	\$7,123,000	\$0	\$8,191,500	2
Sub-total	\$1,068,500	\$7,123,000	\$0	\$8,191,500	2
● Water Education and Training (WET) Center Positions					
To provide non-recurring funding and to establish two positions for the WET Center, which is a multi-purpose flood simulation facility that will provide training for infrastructure resilience and stormwater.					
327.26 West Tennessee River Basin Authority	\$278,400	\$0	\$0	\$278,400	2
Sub-total	\$278,400	\$0	\$0	\$278,400	2
● Business System Modernization Continuation					
To provide funding to expand the department's capabilities for efficient business operations by utilizing Microsoft platforms. Of this total cost, \$500,000 is recurring and \$5,000,000 is non-recurring.					
327.01 Administrative Services	\$5,500,000	\$0	\$0	\$5,500,000	0
Sub-total	\$5,500,000	\$0	\$0	\$5,500,000	0
● Geographic Information Systems (GIS) Modernization					
To provide recurring funding to support the department's GIS platforms and associated licensing and storage costs.					
327.01 Administrative Services	\$400,000	\$0	\$0	\$400,000	0
Sub-total	\$400,000	\$0	\$0	\$400,000	0
● State Facility Utility Data Management Platform					
To provide recurring funding for the renewal of a statewide contract for a utility data management and reporting platform, which is a central location where past and current utility cost and usage data is stored.					
327.52 Office of Energy Programs	\$500,000	\$0	\$0	\$500,000	0
Sub-total	\$500,000	\$0	\$0	\$500,000	0
● Tennessee Geologic Survey					
To provide recurring funding to the Tennessee Geologic Survey, which provides geologic mapping, hazard assessments, and natural resource evaluations to various Tennessee stakeholders.					
327.11 Geology	\$450,000	\$0	\$0	\$450,000	0
Sub-total	\$450,000	\$0	\$0	\$450,000	0

Resources and Regulation

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
• State Energy Program Grant					
To provide non-recurring funding and to continue two positions for the State Energy Program, which provides funding and technical assistance to states to enhance energy security, advance state-led energy initiatives, and increase energy affordability.					
327.52 Office of Energy Programs	\$0	\$1,702,900	\$0	\$1,702,900	2
Sub-total	\$0	\$1,702,900	\$0	\$1,702,900	2
• Water Resources Enforcement					
To provide funding for the reclassification of 12 positions to be repurposed for various water permitting, enforcement, and program needs. Of this total cost, \$1,394,500 is recurring and \$36,900 is non-recurring. Other funding is from the department's Environmental Protection Fund.					
327.34 Division of Water Resources	\$0	\$0	\$1,431,400	\$1,431,400	0
Sub-total	\$0	\$0	\$1,431,400	\$1,431,400	0
Total Environment and Conservation	\$61,248,300	\$80,693,400	\$3,006,400	\$144,948,100	43

Tennessee Wildlife Resources Agency

• Statutory Salary Step Raises					
To provide recurring dedicated funding for the mandated salary step raises, pursuant to TCA 70-1-309. The salary step raises are effective July 1, 2025, and affect the agency's officers, biologists, and other unique positions.					
328.01 Wildlife Resources Agency	\$1,997,400	\$0	\$0	\$1,997,400	0
328.02 Boating Safety	272,300	0	0	272,300	0
Sub-total	\$2,269,700	\$0	\$0	\$2,269,700	0
• Salary Survey - Commissioned Officers					
To provide recurring dedicated funding for a 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 increases will be effective July 1, 2025.					
328.01 Wildlife Resources Agency	\$1,323,500	\$0	\$0	\$1,323,500	0
328.02 Boating Safety	180,500	0	0	180,500	0
Sub-total	\$1,504,000	\$0	\$0	\$1,504,000	0

Resources and Regulation

Cost Increases for Fiscal Year 2025-2026

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• General Fund Subsidy - Capital Projects					
To provide a non-recurring general fund subsidy for various capital projects. This appropriation is subject to the commission legislation regarding the Wetlands Acquisition Fund.					
328.01 Wildlife Resources Agency	\$30,000,000	\$0	\$0	\$30,000,000	0
Sub-total	<u>\$30,000,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$30,000,000</u>	<u>0</u>
• Chronic Wasting Disease - Continue Positions					
To provide recurring funding and to continue ten positions to help manage Chronic Wasting Disease in Tennessee's deer population. State funding is dedicated.					
328.01 Wildlife Resources Agency	\$238,200	\$654,500	\$0	\$892,700	10
Sub-total	<u>\$238,200</u>	<u>\$654,500</u>	<u>\$0</u>	<u>\$892,700</u>	<u>10</u>
• Asian Carp Control - Continue Positions					
To provide recurring funding and to continue four positions to help with Asian Carp control in Tennessee.					
328.01 Wildlife Resources Agency	\$0	\$319,600	\$0	\$319,600	4
Sub-total	<u>\$0</u>	<u>\$319,600</u>	<u>\$0</u>	<u>\$319,600</u>	<u>4</u>
Total Tennessee Wildlife Resources Agency	<u>\$34,011,900</u>	<u>\$974,100</u>	<u>\$0</u>	<u>\$34,986,000</u>	<u>14</u>

Commerce and Insurance

• Statutory Salary Step Increase					
To provide recurring funding for the mandated annual trooper salary step raises, pursuant to TCA 4-7-206. The salary step raises are effective July 1, 2025.					
335.11 Tennessee Law Enforcement Training Academy	\$49,000	\$0	\$0	\$49,000	0
Sub-total	<u>\$49,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$49,000</u>	<u>0</u>
• Salary Survey - Commissioned Officers					
To provide recurring funding for a salary increase for the annual commissioned officer salary survey results, pursuant to TCA 4-7-2. The salary increases will be effective July 1, 2025. The survey averages the current compensation levels of commissioned officers in the eight adjacent states.					
335.11 Tennessee Law Enforcement Training Academy	\$70,800	\$0	\$0	\$70,800	0
335.12 POST Commission	3,200	0	0	3,200	0
Sub-total	<u>\$74,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$74,000</u>	<u>0</u>

Resources and Regulation

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
● Depreciation and Replacement Funding For New Fire Apparatus					
To provide recurring funding for the depreciation and replacement costs of a new fire apparatus at the Tennessee Fire and Codes Enforcement Academy.					
335.07 Fire Service and Codes Enforcement Academy	\$168,300	\$0	\$0	\$168,300	0
Sub-total	\$168,300	\$0	\$0	\$168,300	0
● Tennessee Advanced Communications Network Radios					
To provide non-recurring funding to purchase 17 radios at the Tennessee Law Enforcement Training Academy.					
335.11 Tennessee Law Enforcement Training Academy	\$174,700	\$0	\$0	\$174,700	0
Sub-total	\$174,700	\$0	\$0	\$174,700	0
Total Commerce and Insurance	\$466,000	\$0	\$0	\$466,000	0

Labor and Workforce Development

● State Workforce Board					
To provide funding and to establish three positions for the State Workforce Board to enhance the board's ability to plan and execute workforce development strategies for the state. Of this total cost, \$700,000 is recurring and \$4,000,000 is non-recurring.					
337.10 Workforce Services	\$4,700,000	\$0	\$0	\$4,700,000	3
Sub-total	\$4,700,000	\$0	\$0	\$4,700,000	3
● Youth Employment Program					
To provide funding to expand the summer youth employment program. The program connects youth and young adults with career exploration opportunities and paid work experiences. Of this total cost, \$2,000,000 is recurring and \$5,000,000 is non-recurring.					
337.10 Workforce Services	\$7,000,000	\$0	\$0	\$7,000,000	0
Sub-total	\$7,000,000	\$0	\$0	\$7,000,000	0
● Microcredentialing					
To provide recurring funding to create a statewide microcredentialing program. A microcredential is a short, focused qualification designed to provide a learner a specific skill or knowledge in a particular area.					
337.09 Adult Basic Education	\$6,300,000	\$0	\$0	\$6,300,000	0
Sub-total	\$6,300,000	\$0	\$0	\$6,300,000	0

Resources and Regulation

Cost Increases for Fiscal Year 2025-2026

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
● Shared Savings - Rural Health Care Apprenticeship Programs					
To provide non-recurring funding to bolster, support, and expand registered apprenticeship and nonstate apprenticeship opportunities in rural communities. Other funding is from TennCare shared savings.					
337.10 Workforce Services	\$0	\$0	\$8,259,700	\$8,259,700	0
Sub-total	\$0	\$0	\$8,259,700	\$8,259,700	0
Total Labor and Workforce Development	\$18,000,000	\$0	\$8,259,700	\$26,259,700	3
Total Resources and Regulation	\$119,560,300	\$81,667,500	\$14,066,100	\$215,293,900	60

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.

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
316.25 Arts Commission					
Full-Time Positions	20	20	20	0	20
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	20	20	20	0	20
Payroll	\$2,372,200	\$2,674,000	\$2,674,000	\$0	\$2,674,000
Operational	39,300,000	15,110,300	10,135,300	4,800,000	14,935,300
TOTAL	\$41,672,200	\$17,784,300	\$12,809,300	\$4,800,000	\$17,609,300
State Appropriations	\$12,525,300	\$11,635,900	\$11,560,900	\$2,000,000	\$13,560,900
Federal	26,806,000	1,610,600	1,010,600	0	1,010,600
Other	2,340,900	4,537,800	237,800	2,800,000	3,037,800

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.

Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

316.27 State Museum

Full-Time Positions	59	62	62	0	62
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	59	62	62	0	62
Payroll	\$4,344,900	\$5,331,300	\$5,331,300	\$0	\$5,331,300
Operational	11,303,700	13,358,600	5,832,600	3,834,100	9,666,700
TOTAL	\$15,648,600	\$18,689,900	\$11,163,900	\$3,834,100	\$14,998,000
State Appropriations	\$14,397,900	\$18,274,900	\$10,748,900	\$3,834,100	\$14,583,000
Federal	0	0	0	0	0
Other	1,250,700	415,000	415,000	0	415,000

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.

Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

Administration

327.01 Administrative Services

The Administrative Services division provides departmental management and support services including policy, planning, fiscal services, human resources, internal audit, legal services, external affairs, and public information.

Full-Time Positions	136	139	140	0	140
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	136	139	140	0	140
Payroll	\$16,426,700	\$19,154,300	\$19,333,300	\$0	\$19,333,300
Operational	13,458,600	13,334,100	12,916,700	5,900,000	18,816,700
TOTAL	\$29,885,300	\$32,488,400	\$32,250,000	\$5,900,000	\$38,150,000
State Appropriations	\$13,525,000	\$15,236,800	\$14,944,600	\$5,900,000	\$20,844,600
Federal	3,944,700	3,012,600	3,012,600	0	3,012,600
Other	12,415,600	14,239,000	14,292,800	0	14,292,800

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.

Full-Time Positions	12	11	11	0	11
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	12	11	11	0	11
Payroll	\$984,400	\$1,286,000	\$1,286,000	\$0	\$1,286,000
Operational	1,311,000	9,125,500	6,726,400	0	6,726,400
TOTAL	\$2,295,400	\$10,411,500	\$8,012,400	\$0	\$8,012,400

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
State Appropriations	\$1,060,100	\$3,310,700	\$911,600	\$0	\$911,600
Federal	0	4,791,300	4,791,300	0	4,791,300
Other	1,235,300	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 Positions	20	20	20	0	20
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	20	20	20	0	20
Payroll	\$1,946,000	\$2,105,400	\$2,105,400	\$0	\$2,105,400
Operational	11,142,900	2,780,200	2,732,000	0	2,732,000
TOTAL	\$13,088,900	\$4,885,600	\$4,837,400	\$0	\$4,837,400
State Appropriations	\$10,655,100	\$4,306,000	\$4,257,800	\$0	\$4,257,800
Federal	1,186,000	529,600	529,600	0	529,600
Other	1,247,800	50,000	50,000	0	50,000

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 Positions	12	12	12	0	12
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	12	12	12	0	12
Payroll	\$1,153,500	\$1,496,100	\$1,496,100	\$0	\$1,496,100
Operational	206,400	224,700	225,800	0	225,800
TOTAL	\$1,359,900	\$1,720,800	\$1,721,900	\$0	\$1,721,900
State Appropriations	\$1,353,900	\$1,660,300	\$1,661,400	\$0	\$1,661,400
Federal	0	0	0	0	0
Other	6,000	60,500	60,500	0	60,500

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 Positions	1,187	1,302	1,302	32	1,334
Part-Time Positions	37	0	0	0	0
Seasonal Positions	215	159	159	0	159
TOTAL	1,439	1,461	1,461	32	1,493
Payroll	\$83,786,600	\$93,223,600	\$93,223,600	\$2,019,100	\$95,242,700
Operational	89,168,900	63,226,000	38,527,700	3,303,500	41,831,200
TOTAL	\$172,955,500	\$156,449,600	\$131,751,300	\$5,322,600	\$137,073,900
State Appropriations	\$98,083,800	\$108,879,800	\$82,995,300	\$3,747,600	\$86,742,900
Federal	155,700	131,100	131,100	0	131,100
Other	74,716,000	47,438,700	48,624,900	1,575,000	50,199,900

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 the listing and recovery of plants under the 1973 Federal Endangered Species Act. The division also regulates the export of ginseng.

Full-Time Positions	17	17	17	0	17
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	17	17	17	0	17
Payroll	\$1,555,000	\$2,164,200	\$2,164,200	\$0	\$2,164,200
Operational	583,600	136,700	338,300	0	338,300
TOTAL	\$2,138,600	\$2,300,900	\$2,502,500	\$0	\$2,502,500
State Appropriations	\$1,895,400	\$2,140,800	\$2,342,400	\$0	\$2,342,400
Federal	107,700	90,000	90,000	0	90,000
Other	135,500	70,100	70,100	0	70,100

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

327.15 State Parks Maintenance

The State Parks Maintenance program provides funding 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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	28,291,100	7,129,100	7,129,100	6,200,000	13,329,100
TOTAL	\$28,291,100	\$7,129,100	\$7,129,100	\$6,200,000	\$13,329,100
State Appropriations	\$6,529,100	\$6,529,100	\$6,529,100	\$6,200,000	\$12,729,100
Federal	0	0	0	0	0
Other	21,762,000	600,000	600,000	0	600,000

327.17 Elk River Resource Management

The Elk River Resource Management program addresses the preservation and disposition of 6,400 acres of land formerly owned by the Tennessee Valley Authority and the Tennessee Elk River Development Agency. The department distributes the proceeds of Elk River land sales and leases to ten counties in the Elk River watershed.

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	4,400	0	0	0	0
TOTAL	\$4,400	\$0	\$0	\$0	\$0
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	4,400	0	0	0	0

327.18 Maintenance of Historic Sites

The Maintenance of Historic Sites program ensures that state-owned historical sites are properly maintained according to historic preservation standards and for visitation by the public. Sites are maintained through contractual agreements between the Tennessee Historical Commission and nonprofit organizations.

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	278,300	500,000	455,300	0	455,300
TOTAL	\$278,300	\$500,000	\$455,300	\$0	\$455,300
State Appropriations	\$278,300	\$500,000	\$455,300	\$0	\$455,300
Federal	0	0	0	0	0
Other	0	0	0	0	0

327.19 Local Parks Acquisition Fund

The Local Parks Acquisition Fund, administered in conjunction with the Department of Agriculture and the Tennessee Wildlife Resources Agency, provides funding 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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	8,699,500	3,718,700	3,718,700	1,500,000	5,218,700
TOTAL	\$8,699,500	\$3,718,700	\$3,718,700	\$1,500,000	\$5,218,700
State Appropriations	\$3,718,700	\$3,718,700	\$3,718,700	\$1,500,000	\$5,218,700
Federal	0	0	0	0	0
Other	4,980,800	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 funding 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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	8,307,600	3,067,500	3,067,500	0	3,067,500
TOTAL	\$8,307,600	\$3,067,500	\$3,067,500	\$0	\$3,067,500

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
State Appropriations	\$3,067,500	\$3,067,500	\$3,067,500	\$0	\$3,067,500
Federal	0	0	0	0	0
Other	5,240,100	0	0	0	0

327.22 State Lands Compensation Fund

The funds for this program come from the state lands acquisition fund and are used to make in-lieu-of-tax payments to local governments, recognizing the loss of local property taxes resulting from the purchase of land by the state.

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	245,200	345,000	345,000	0	345,000
TOTAL	\$245,200	\$345,000	\$345,000	\$0	\$345,000
State Appropriations	\$245,200	\$345,000	\$345,000	\$0	\$345,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

327.50 Tennessee Heritage Conservation Trust Fund

The Tennessee Heritage Conservation Trust Fund was established in 2005 to protect and conserve significant natural areas throughout Tennessee. Through strategic partnerships with landowners, government agencies, nonprofit organizations, and private companies, the program provides funding for acquisition of property and easements that preserve and protect the state's physical, cultural, archaeological, historical, and environmental resources.

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	700,300	52,000,000	1,000,000	0	1,000,000
TOTAL	\$700,300	\$52,000,000	\$1,000,000	\$0	\$1,000,000
State Appropriations	\$0	\$51,000,000	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	700,300	1,000,000	1,000,000	0	1,000,000

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	15,600	12,000	12,000	0	12,000
TOTAL	\$15,600	\$12,000	\$12,000	\$0	\$12,000
State Appropriations	\$0	\$12,000	\$12,000	\$0	\$12,000
Federal	0	0	0	0	0
Other	15,600	0	0	0	0

Environment

The environmental programs in the department are responsible for the preservation and enhancement of the state's environmental resources and for ensuring compliance with state and federal regulations.

327.11 Geology

The Geology division maps and identifies mineral resources, geology, and geological hazards across the state. The division also serves as a clearinghouse for geological information. Study results are published and distributed in the form of maps and reports. The program maps mineral deposits including coal, oil, and gas and maintains production records for oil and gas wells. The program is a primary source of information, advice, and education about Tennessee's geology, mineral resources, geological hazards, and oil and gas activity for the public, schools, professional geologists, state and federal agencies, environmental regulators, and industries.

Full-Time Positions	7	7	7	0	7
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	7	7	7	0	7
Payroll	\$656,000	\$818,700	\$818,700	\$0	\$818,700
Operational	202,400	208,700	209,400	450,000	659,400
TOTAL	\$858,400	\$1,027,400	\$1,028,100	\$450,000	\$1,478,100
State Appropriations	\$588,400	\$398,000	\$398,700	\$450,000	\$848,700
Federal	251,800	192,500	192,500	0	192,500
Other	18,200	436,900	436,900	0	436,900

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

327.21 Division of Mineral and Geologic Resources

The Division of Mineral and Geologic Resources is responsible for ensuring the environmentally sound management, protection, and documentation of the state's mineral, land, and energy resources through regulation. The division regulates point source mine water discharge and surface disturbances related to mining. The division regulates oil and natural gas drilling operations, the exploration for minerals, and the underground injection of fluids associated with oil and natural gas production. The division administers the Abandoned Mine Land Program (AML), which protects and promotes the health and safety of rural Tennessee citizens while improving the quality of the state's coalfield land and water through a responsible reclamation program.

Full-Time Positions	40	39	35	0	35
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	40	39	35	0	35
Payroll	\$2,732,400	\$4,562,500	\$4,562,500	\$0	\$4,562,500
Operational	2,067,700	11,662,800	11,661,100	0	11,661,100
TOTAL	\$4,800,100	\$16,225,300	\$16,223,600	\$0	\$16,223,600
State Appropriations	\$2,149,700	\$1,386,400	\$1,386,200	\$0	\$1,386,200
Federal	2,355,700	13,146,800	13,146,000	0	13,146,000
Other	294,700	1,692,100	1,691,400	0	1,691,400

327.23 Used Oil Collection Program

The Used Oil Collection Program promotes the proper disposal of used oil, and staff of the Solid Waste Management division 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 Positions	4	4	4	0	4
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	4	4	4	0	4
Payroll	\$133,000	\$377,000	\$377,000	\$0	\$377,000
Operational	625,800	1,015,700	1,016,000	0	1,016,000
TOTAL	\$758,800	\$1,392,700	\$1,393,000	\$0	\$1,393,000
State Appropriations	\$680,600	\$1,391,700	\$1,392,000	\$0	\$1,392,000
Federal	0	0	0	0	0
Other	78,200	1,000	1,000	0	1,000

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 Positions	23	23	23	2	25
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	23	23	23	2	25
Payroll	\$2,347,300	\$2,596,500	\$2,596,500	\$257,800	\$2,854,300
Operational	2,978,700	9,720,000	9,723,200	20,600	9,743,800
TOTAL	\$5,326,000	\$12,316,500	\$12,319,700	\$278,400	\$12,598,100
State Appropriations	\$925,600	\$2,063,100	\$2,065,200	\$278,400	\$2,343,600
Federal	333,600	0	0	0	0
Other	4,066,800	10,253,400	10,254,500	0	10,254,500

327.24 West Tennessee River Basin Authority Maintenance

The West Tennessee River Basin Authority Maintenance program provides funding 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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	1,765,000	1,615,500	1,615,500	0	1,615,500
TOTAL	\$1,765,000	\$1,615,500	\$1,615,500	\$0	\$1,615,500
State Appropriations	\$1,615,500	\$1,615,500	\$1,615,500	\$0	\$1,615,500
Federal	0	0	0	0	0
Other	149,500	0	0	0	0

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

327.28 Tennessee Dry Cleaners Environmental Response Fund

The Tennessee Dry Cleaners Environmental Response Fund provides funding 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 Positions	3	3	3	0	3
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	3	3	3	0	3
Payroll	\$147,100	\$568,700	\$568,700	\$0	\$568,700
Operational	227,600	1,426,800	1,427,200	0	1,427,200
TOTAL	\$374,700	\$1,995,500	\$1,995,900	\$0	\$1,995,900
State Appropriations	\$105,600	\$1,995,500	\$1,995,900	\$0	\$1,995,900
Federal	0	0	0	0	0
Other	269,100	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 Positions	62	61	61	0	61
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	62	61	61	0	61
Payroll	\$4,882,200	\$5,543,300	\$5,543,300	\$0	\$5,543,300
Operational	1,101,800	1,079,400	1,086,400	0	1,086,400
TOTAL	\$5,984,000	\$6,622,700	\$6,629,700	\$0	\$6,629,700
State Appropriations	\$915,500	\$1,272,600	\$1,275,700	\$0	\$1,275,700
Federal	9,700	86,200	86,200	0	86,200
Other	5,058,800	5,263,900	5,267,800	0	5,267,800

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

327.31 Air Pollution Control

The Division of Air Pollution Control works to maintain the purity of the air resources of the State of Tennessee consistent with the protection of normal health, general welfare, and physical property of the people while preserving maximum employment and enhancing the industrial development of the state by regulating air contaminants that are emitted into the atmosphere. The division directly serves 91 counties within the state and oversees and assists in the actions of Davidson, Hamilton, Knox, and Shelby counties, which have local air pollution control programs. State, local, and federal agencies monitor the ambient air at several sites across the state to determine if Tennessee's air quality meets the National Ambient Air Quality Standards as required by the Clean Air Act. The division establishes emission standards and procedure requirements to monitor industries in the state through the issuance of construction and operating permits. Other duties include conducting source visits and compliance inspections, developing enforcement cases on violations of the regulations, performing and observing stack tests, certifying persons as Visible Emissions Readers, and collecting and disseminating information relative to the control of air pollution.

Full-Time Positions	127	127	127	0	127
Part-Time Positions	12	12	12	0	12
Seasonal Positions	0	0	0	0	0
TOTAL	139	139	139	0	139
Payroll	\$13,076,300	\$16,061,400	\$16,061,400	\$0	\$16,061,400
Operational	3,085,400	7,803,800	7,708,900	0	7,708,900
TOTAL	\$16,161,700	\$23,865,200	\$23,770,300	\$0	\$23,770,300
State Appropriations	\$4,161,900	\$4,311,700	\$4,288,000	\$0	\$4,288,000
Federal	3,410,500	1,777,500	1,777,500	0	1,777,500
Other	8,589,300	17,776,000	17,704,800	0	17,704,800

327.32 Radiological Health

The Radiological Health division regulates the use and possession of radioactive materials and radiation producing machines throughout the state. The program performs these functions through licensing and registering of x-ray equipment, inspecting registered facilities, and environmental monitoring of specific sites. The division also monitors the environment for radioactivity, particularly near nuclear reactors, and responds to accidents involving radioactive materials.

Full-Time Positions	59	59	59	5	64
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	59	59	59	5	64
Payroll	\$4,858,900	\$6,590,500	\$6,590,500	\$628,000	\$7,218,500
Operational	1,233,100	1,754,400	1,681,800	2,000,000	3,681,800
TOTAL	\$6,092,000	\$8,344,900	\$8,272,300	\$2,628,000	\$10,900,300
State Appropriations	\$603,300	\$822,100	\$814,900	\$2,628,000	\$3,442,900
Federal	288,600	152,500	152,500	0	152,500
Other	5,200,100	7,370,300	7,304,900	0	7,304,900

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

327.33 Clean Water and Drinking Water State Revolving Fund

The Clean Water and Drinking Water State Revolving Fund provides funding 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 Positions	23	23	23	0	23
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	23	23	23	0	23
Payroll	\$1,465,300	\$2,312,800	\$2,312,800	\$0	\$2,312,800
Operational	68,801,000	144,325,900	60,678,300	86,343,300	147,021,600
TOTAL	\$70,266,300	\$146,638,700	\$62,991,100	\$86,343,300	\$149,334,400
State Appropriations	\$13,540,600	\$19,661,000	\$6,313,400	\$14,475,800	\$20,789,200
Federal	55,821,600	125,477,700	55,177,700	71,867,500	127,045,200
Other	904,100	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, regulation, and financial assistance. The division regulates stream channel modification, wetlands alteration, and gravel dredging. 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 Positions	351	355	355	0	355
Part-Time Positions	9	9	9	0	9
Seasonal Positions	0	0	0	0	0
TOTAL	360	364	364	0	364
Payroll	\$33,149,300	\$38,497,500	\$38,497,500	\$1,170,400	\$39,667,900
Operational	155,013,000	1,372,439,000	12,757,200	24,761,000	37,518,200
TOTAL	\$188,162,300	\$1,410,936,500	\$51,254,700	\$25,931,400	\$77,186,100
State Appropriations	\$33,299,100	\$40,811,300	\$28,870,600	\$24,500,000	\$53,370,600
Federal	144,267,300	1,354,688,000	6,652,500	0	6,652,500
Other	10,595,900	15,437,200	15,731,600	1,431,400	17,163,000

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 Positions	120	120	117	0	117
Part-Time Positions	12	12	12	0	12
Seasonal Positions	0	0	0	0	0
TOTAL	132	132	129	0	129
Payroll	\$11,871,000	\$14,360,700	\$14,360,700	\$0	\$14,360,700
Operational	1,521,400	2,050,100	1,915,800	0	1,915,800
TOTAL	\$13,392,400	\$16,410,800	\$16,276,500	\$0	\$16,276,500
State Appropriations	\$2,628,300	\$3,162,000	\$3,121,700	\$0	\$3,121,700
Federal	1,985,100	2,376,500	2,376,500	0	2,376,500
Other	8,779,000	10,872,300	10,778,300	0	10,778,300

327.36 DOE Oversight

The DOE Oversight program, by agreement with the U.S. Department of Energy (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 Positions	37	33	33	0	33
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	37	33	33	0	33
Payroll	\$3,682,300	\$5,140,300	\$5,140,300	\$0	\$5,140,300
Operational	1,378,800	2,675,100	2,678,900	0	2,678,900
TOTAL	\$5,061,100	\$7,815,400	\$7,819,200	\$0	\$7,819,200
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	5,033,200	7,715,400	7,719,200	0	7,719,200
Other	27,900	100,000	100,000	0	100,000

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

327.37 Abandoned Lands

The Abandoned Lands program administers the Tennessee surface mining reclamation fund for reclamation and re-vegetation of land affected by surface mining. This program sponsors reclamation projects that remove safety hazards from abandoned mines and restore resources to make them available for economic development and recreational uses. The fund is comprised of fees and forfeited bonds from both active and inactive mining operations.

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$35,200	\$0	\$0	\$0	\$0
Operational	60,900	1,691,500	1,692,300	0	1,692,300
TOTAL	\$96,100	\$1,691,500	\$1,692,300	\$0	\$1,692,300
State Appropriations	\$0	\$580,100	\$580,900	\$0	\$580,900
Federal	96,100	1,111,400	1,111,400	0	1,111,400
Other	0	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 Positions	52	52	52	0	52
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	52	52	52	0	52
Payroll	\$4,764,500	\$6,914,900	\$6,914,900	\$0	\$6,914,900
Operational	4,267,700	11,393,700	11,327,900	0	11,327,900
TOTAL	\$9,032,200	\$18,308,600	\$18,242,800	\$0	\$18,242,800
State Appropriations	\$0	\$6,762,500	\$6,762,500	\$0	\$6,762,500
Federal	1,257,000	2,690,400	2,690,400	0	2,690,400
Other	7,775,200	8,855,700	8,789,900	0	8,789,900

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 Positions	81	81	84	0	84
Part-Time Positions	1	1	1	0	1
Seasonal Positions	0	0	0	0	0
TOTAL	82	82	85	0	85
Payroll	\$8,243,300	\$9,498,800	\$10,024,500	\$0	\$10,024,500
Operational	15,918,600	18,931,000	18,977,300	0	18,977,300
TOTAL	\$24,161,900	\$28,429,800	\$29,001,800	\$0	\$29,001,800
State Appropriations	\$19,604,600	\$26,456,400	\$27,028,400	\$0	\$27,028,400
Federal	1,146,300	1,973,400	1,973,400	0	1,973,400
Other	3,411,000	0	0	0	0

327.42 Solid Waste Assistance

Solid Waste Assistance supports programs that promote planning, development, and maintenance by local governments of comprehensive, integrated solid waste management. The program encourages generators and handlers of solid waste to minimize solid waste incineration and disposal by methods such as source reduction, re-use, composting, and recycling.

Full-Time Positions	18	18	21	0	21
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	18	18	21	0	21
Payroll	\$1,272,100	\$1,937,100	\$2,200,900	\$0	\$2,200,900
Operational	6,738,000	5,497,700	5,557,800	0	5,557,800
TOTAL	\$8,010,100	\$7,434,800	\$7,758,700	\$0	\$7,758,700
State Appropriations	\$6,830,400	\$7,434,800	\$7,758,700	\$0	\$7,758,700
Federal	0	0	0	0	0
Other	1,179,700	0	0	0	0

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	42,026,600	65,353,000	65,394,100	0	65,394,100
TOTAL	\$42,026,600	\$65,353,000	\$65,394,100	\$0	\$65,394,100
State Appropriations	\$38,620,900	\$65,353,000	\$65,394,100	\$0	\$65,394,100
Federal	0	0	0	0	0
Other	3,405,700	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 Positions	11	11	11	0	11
Part-Time Positions	4	4	4	0	4
Seasonal Positions	0	0	0	0	0
TOTAL	15	15	15	0	15
Payroll	\$961,800	\$1,130,200	\$1,130,200	\$0	\$1,130,200
Operational	680,600	1,130,500	631,200	0	631,200
TOTAL	\$1,642,400	\$2,260,700	\$1,761,400	\$0	\$1,761,400
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	699,000	1,304,500	804,500	0	804,500
Other	943,400	956,200	956,900	0	956,900

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 Positions	8	7	7	0	7
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	8	7	7	0	7
Payroll	\$920,300	\$1,078,100	\$1,078,100	\$0	\$1,078,100
Operational	2,923,600	1,792,900	1,793,800	0	1,793,800
TOTAL	\$3,843,900	\$2,871,000	\$2,871,900	\$0	\$2,871,900
State Appropriations	\$1,973,300	\$1,984,700	\$1,985,600	\$0	\$1,985,600
Federal	390,700	336,300	336,300	0	336,300
Other	1,479,900	550,000	550,000	0	550,000

327.52 Office of Energy Programs

The Office of Energy Programs promotes efficient, effective use of energy by the public and private sectors to enhance the environmental and economic health of the state. Through grants from the U.S. Department of Energy, including the State Energy Program, the division provides education, outreach, technical assistance, and/or funding opportunities for energy efficiency, energy management, renewable energy, energy security, and energy in transportation.

Full-Time Positions	17	21	17	4	21
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	17	21	17	4	21
Payroll	\$1,154,300	\$2,903,500	\$2,016,600	\$886,900	\$2,903,500
Operational	7,190,600	49,042,200	39,419,400	9,507,500	48,926,900
TOTAL	\$8,344,900	\$51,945,700	\$41,436,000	\$10,394,400	\$51,830,400
State Appropriations	\$1,177,000	\$1,175,300	\$34,800	\$1,568,500	\$1,603,300
Federal	2,420,000	44,901,000	35,531,800	8,825,900	44,357,700
Other	4,747,900	5,869,400	5,869,400	0	5,869,400

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

327.54 State Facility Utility Management

State Facility Utility Management (SFUM) oversees various statutory responsibilities related to utility data and energy management for state-owned and managed facilities per TCA 4-3-1012 and 4-3-1017-1019, including the development and maintenance of the utility data management platform. SFUM provides technical assistance to state agencies and higher education facilities to promote implementation of energy management, efficiency, or renewable energy projects.

Full-Time Positions	3	3	3	0	3
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	3	3	3	0	3
Payroll	\$244,100	\$318,400	\$318,400	\$0	\$318,400
Operational	89,500	30,000	30,100	0	30,100
TOTAL	\$333,600	\$348,400	\$348,500	\$0	\$348,500
State Appropriations	\$333,600	\$348,400	\$348,500	\$0	\$348,500
Federal	0	0	0	0	0
Other	0	0	0	0	0

327.00 Total Department of Environment and Conservation

Full-Time Positions	2,430	2,548	2,544	43	2,587
Part-Time Positions	75	38	38	0	38
Seasonal Positions	215	159	159	0	159
TOTAL	2,720	2,745	2,741	43	2,784
Payroll	\$202,448,900	\$240,640,500	\$240,722,100	\$4,962,200	\$245,684,300
Operational	482,311,200	1,868,239,200	336,178,100	139,985,900	476,164,000
TOTAL	\$684,760,100	\$2,108,879,700	\$576,900,200	\$144,948,100	\$721,848,300
State Appropriations	\$270,166,000	\$389,692,800	\$284,672,000	\$61,248,300	\$345,920,300
Federal	225,160,300	1,566,484,700	138,283,000	80,693,400	218,976,400
Other	189,433,800	152,702,200	153,945,200	3,006,400	156,951,600

Tennessee Wildlife Resources Agency

The Tennessee Wildlife Resources Agency (TWRA) is charged with preserving and managing all species of wildlife in Tennessee. The agency is governed by the Tennessee Wildlife Resources Commission. The commission establishes the agency's objectives; promulgates rules, regulations, and proclamations; approves the agency's budget; and hires the agency's executive director. TWRA generates revenue from a variety of sources including hunting and fishing licenses and permits; boat registration fees; excise taxes on arms, ammunition, bows and arrows, and fishing equipment; and fines for violations of wildlife, hunting, and boating regulations.

Program responsibilities are divided between the central office and regional offices. Administrative and support services provided by the central office include coordinating the agency's comprehensive planning system; coordinating the geographic information system; administering federal aid programs; publishing the Tennessee Wildlife magazine, hunting and fishing guides, and news releases; coordinating law enforcement activities and training; and coordinating equipment crews and engineering activities. Activities include building and maintaining boat access areas, levees, and forestry logging roads on agency property and investigating, reporting, and testifying on environmental issues.

Regional office responsibilities include sponsoring hunting and boating safety workshops and classes; providing technical assistance to farm pond and small lake owners; and developing, maintaining, and operating the wildlife management areas, state lakes, and fish hatcheries.

Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 Positions	652	652	639	14	653
Part-Time Positions	9	9	9	0	9
Seasonal Positions	0	0	0	0	0
TOTAL	661	661	648	14	662
Payroll	\$62,346,500	\$69,414,400	\$68,622,500	\$4,533,200	\$73,155,700
Operational	50,877,200	78,682,100	45,102,100	30,000,000	75,102,100
TOTAL	\$113,223,700	\$148,096,500	\$113,724,600	\$34,533,200	\$148,257,800
State Appropriations	\$45,715,800	\$60,083,200	\$49,998,600	\$33,559,100	\$83,557,700
Federal	40,979,700	48,333,000	34,925,800	974,100	35,899,900
Other	26,528,200	39,680,300	28,800,200	0	28,800,200

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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.

Full-Time Positions	42	43	42	0	42
Part-Time Positions	44	43	43	0	43
Seasonal Positions	0	0	0	0	0
TOTAL	86	86	85	0	85
Payroll	\$6,422,400	\$9,121,800	\$9,121,800	\$452,800	\$9,574,600
Operational	6,364,700	10,381,400	8,870,900	0	8,870,900
TOTAL	\$12,787,100	\$19,503,200	\$17,992,700	\$452,800	\$18,445,500
State Appropriations	\$8,414,800	\$12,527,900	\$11,605,900	\$452,800	\$12,058,700
Federal	3,802,500	2,556,900	2,500,000	0	2,500,000
Other	569,800	4,418,400	3,886,800	0	3,886,800

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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	18,388,700	17,500,000	17,500,000	0	17,500,000
TOTAL	\$18,388,700	\$17,500,000	\$17,500,000	\$0	\$17,500,000
State Appropriations	\$15,784,700	\$15,838,000	\$15,838,000	\$0	\$15,838,000
Federal	1,515,700	0	0	0	0
Other	1,088,300	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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	519,100	555,900	555,900	0	555,900
TOTAL	\$519,100	\$555,900	\$555,900	\$0	\$555,900
State Appropriations	\$462,300	\$555,900	\$555,900	\$0	\$555,900
Federal	0	0	0	0	0
Other	56,800	0	0	0	0

328.00 Total Tennessee Wildlife Resources Agency

Full-Time Positions	694	695	681	14	695
Part-Time Positions	53	52	52	0	52
Seasonal Positions	0	0	0	0	0
TOTAL	747	747	733	14	747
Payroll	\$68,768,900	\$78,536,200	\$77,744,300	\$4,986,000	\$82,730,300
Operational	76,149,700	107,119,400	72,028,900	30,000,000	102,028,900
TOTAL	\$144,918,600	\$185,655,600	\$149,773,200	\$34,986,000	\$184,759,200
State Appropriations	\$70,377,600	\$89,005,000	\$77,998,400	\$34,011,900	\$112,010,300
Federal	46,297,900	50,889,900	37,425,800	974,100	38,399,900
Other	28,243,100	45,760,700	34,349,000	0	34,349,000

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 2023-2024</u>	<u>Estimated 2024-2025</u>	<u>Base 2025-2026</u>	<u>Cost Increase 2025-2026</u>	<u>Recommended 2025-2026</u>

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 Positions	73	72	72	0	72
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	<u>73</u>	<u>72</u>	<u>72</u>	<u>0</u>	<u>72</u>
Payroll	\$8,970,300	\$9,573,400	\$9,573,400	\$0	\$9,573,400
Operational	1,959,000	5,295,600	5,297,500	0	5,297,500
TOTAL	\$10,929,300	\$14,869,000	\$14,870,900	\$0	\$14,870,900
State Appropriations	\$2,461,800	\$2,467,000	\$2,467,300	\$0	\$2,467,300
Federal	0	0	0	0	0
Other	8,467,500	12,402,000	12,403,600	0	12,403,600

Consumer Protection

The Department of Commerce and Insurance strives to ensure Tennesseans' safety in the marketplace and supports education and awareness programs. Services include regulating insurance companies and agents, approving individual and group self-insurance proposals, regulating the securities market, enforcing the Tennessee Consumer Protection Act, promoting fair consumer practices and consumer education, regulating health clubs, and granting payments to consumers who are awarded judgments against real estate and auctioneer licensees.

335.02 Insurance

The Insurance division protects policyholders, enrollees, and captive entities by regulating insurance industry policies, rates, conduct, agents, captives and cells; and by regulating health maintenance organizations, self-insured entities, and workers' compensation insurance. The division collects insurance premium taxes and fees.

Full-Time Positions	126	128	128	0	128
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	<u>126</u>	<u>128</u>	<u>128</u>	<u>0</u>	<u>128</u>
Payroll	\$10,470,400	\$13,371,400	\$13,371,400	\$0	\$13,371,400
Operational	6,514,100	14,338,700	14,202,400	0	14,202,400
TOTAL	\$16,984,500	\$27,710,100	\$27,573,800	\$0	\$27,573,800

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
State Appropriations	\$0	\$3,069,000	\$2,930,800	\$0	\$2,930,800
Federal	0	0	0	0	0
Other	16,984,500	24,641,100	24,643,000	0	24,643,000

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 Positions	14	14	14	0	14
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	14	14	14	0	14
Payroll	\$2,093,900	\$2,402,000	\$2,402,000	\$0	\$2,402,000
Operational	427,900	697,700	698,100	0	698,100
TOTAL	\$2,521,800	\$3,099,700	\$3,100,100	\$0	\$3,100,100
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	2,521,800	3,099,700	3,100,100	0	3,100,100

335.05 Securities

The Securities division ensures investor protection by promoting and maintaining the integrity of the securities markets in Tennessee. The division promotes investor protection and market efficiency by examining broker-dealer applications, financial reports, and complaints. The division collects fees from the securities industry.

Full-Time Positions	30	30	30	0	30
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	30	30	30	0	30
Payroll	\$2,400,300	\$2,850,700	\$2,850,700	\$0	\$2,850,700
Operational	1,619,600	1,545,100	1,545,800	0	1,545,800
TOTAL	\$4,019,900	\$4,395,800	\$4,396,500	\$0	\$4,396,500
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	4,019,900	4,395,800	4,396,500	0	4,396,500

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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; architects and landscape architects; scrap metal dealers; beauty pageants; credit services; debt management; court reporting; athletic commission; and employee leasing.

Full-Time Positions	183	183	183	0	183
Part-Time Positions	122	122	122	0	122
Seasonal Positions	0	0	0	0	0
TOTAL	305	305	305	0	305
Payroll	\$14,984,000	\$17,728,900	\$17,728,900	\$0	\$17,728,900
Operational	5,374,900	10,197,600	9,700,700	0	9,700,700
TOTAL	\$20,358,900	\$27,926,500	\$27,429,600	\$0	\$27,429,600
State Appropriations	\$19,693,600	\$26,494,600	\$26,497,700	\$0	\$26,497,700
Federal	4,000	0	0	0	0
Other	661,300	1,431,900	931,900	0	931,900

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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	0	297,500	297,500	0	297,500
TOTAL	\$0	\$297,500	\$297,500	\$0	\$297,500
State Appropriations	\$0	\$297,500	\$297,500	\$0	\$297,500
Federal	0	0	0	0	0
Other	0	0	0	0	0

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	67,100	82,800	82,800	0	82,800
TOTAL	\$67,100	\$82,800	\$82,800	\$0	\$82,800
State Appropriations	\$56,500	\$82,800	\$82,800	\$0	\$82,800
Federal	0	0	0	0	0
Other	10,600	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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	0	366,200	366,200	0	366,200
TOTAL	\$0	\$366,200	\$366,200	\$0	\$366,200
State Appropriations	\$0	\$361,200	\$361,200	\$0	\$361,200
Federal	0	0	0	0	0
Other	0	5,000	5,000	0	5,000

335.20 Pre-Need Funeral State Administrative Fund

The Pre-Need Funeral State Administrative Fund was established in 2007 by the General Assembly for the pre-need registration program and to provide consumer protection for any receivership action taken by the commissioner against a seller of pre-need funeral contracts.

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	0	350,100	350,100	0	350,100
TOTAL	\$0	\$350,100	\$350,100	\$0	\$350,100
State Appropriations	\$0	\$350,100	\$350,100	\$0	\$350,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

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 Positions	7	7	7	0	7
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	7	7	7	0	7
Payroll	\$1,057,300	\$1,316,300	\$1,316,300	\$0	\$1,316,300
Operational	151,788,800	163,660,200	163,660,600	0	163,660,600
TOTAL	\$152,846,100	\$164,976,500	\$164,976,900	\$0	\$164,976,900
State Appropriations	\$151,832,600	\$159,154,700	\$159,155,100	\$0	\$159,155,100
Federal	0	0	0	0	0
Other	1,013,500	5,821,800	5,821,800	0	5,821,800

Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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; 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, and enforcement. The division, also known as the state Fire Marshal's Office, performs electrical inspections and building codes enforcement.

Full-Time Positions	157	157	157	0	157
Part-Time Positions	9	9	9	0	9
Seasonal Positions	0	0	0	0	0
TOTAL	166	166	166	0	166
Payroll	\$11,705,300	\$13,051,000	\$13,051,000	\$0	\$13,051,000
Operational	28,977,000	26,654,500	12,896,800	0	12,896,800
TOTAL	\$40,682,300	\$39,705,500	\$25,947,800	\$0	\$25,947,800
State Appropriations	\$0	\$14,313,900	\$553,400	\$0	\$553,400
Federal	504,400	271,300	271,300	0	271,300
Other	40,177,900	25,120,300	25,123,100	0	25,123,100

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 Positions	27	27	27	0	27
Part-Time Positions	83	80	80	0	80
Seasonal Positions	0	0	0	0	0
TOTAL	110	107	107	0	107
Payroll	\$2,455,100	\$3,378,000	\$3,378,000	\$0	\$3,378,000
Operational	3,091,200	2,912,500	2,914,200	168,300	3,082,500
TOTAL	\$5,546,300	\$6,290,500	\$6,292,200	\$168,300	\$6,460,500
State Appropriations	\$4,135,800	\$4,662,600	\$4,663,900	\$168,300	\$4,832,200
Federal	900	53,500	53,500	0	53,500
Other	1,409,600	1,574,400	1,574,800	0	1,574,800

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	6,575,200	9,960,900	9,960,900	0	9,960,900
TOTAL	\$6,575,200	\$9,960,900	\$9,960,900	\$0	\$9,960,900
State Appropriations	\$6,575,200	\$9,960,900	\$9,960,900	\$0	\$9,960,900
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 Positions	36	35	35	0	35
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	36	35	35	0	35
Payroll	\$3,407,400	\$3,672,800	\$3,672,800	\$119,800	\$3,792,600
Operational	4,997,800	5,320,500	3,323,300	174,700	3,498,000
TOTAL	\$8,405,200	\$8,993,300	\$6,996,100	\$294,500	\$7,290,600
State Appropriations	\$4,928,600	\$5,255,300	\$5,257,900	\$294,500	\$5,552,400
Federal	0	0	0	0	0
Other	3,476,600	3,738,000	1,738,200	0	1,738,200

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 Positions	7	7	7	0	7
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	7	7	7	0	7
Payroll	\$558,600	\$606,800	\$606,800	\$3,200	\$610,000
Operational	22,138,800	14,828,300	14,578,500	0	14,578,500
TOTAL	\$22,697,400	\$15,435,100	\$15,185,300	\$3,200	\$15,188,500
State Appropriations	\$22,585,400	\$15,391,800	\$15,142,000	\$3,200	\$15,145,200
Federal	0	0	0	0	0
Other	112,000	43,300	43,300	0	43,300

335.00 Total Department of Commerce and Insurance

Full-Time Positions	660	660	660	0	660
Part-Time Positions	214	211	211	0	211
Seasonal Positions	0	0	0	0	0
TOTAL	874	871	871	0	871
Payroll	\$58,102,600	\$67,951,300	\$67,951,300	\$123,000	\$68,074,300
Operational	233,531,400	256,508,200	239,875,400	343,000	240,218,400
TOTAL	\$291,634,000	\$324,459,500	\$307,826,700	\$466,000	\$308,292,700
State Appropriations	\$212,269,500	\$241,861,400	\$227,720,600	\$466,000	\$228,186,600
Federal	509,300	324,800	324,800	0	324,800
Other	78,855,200	82,273,300	79,781,300	0	79,781,300

Department of Financial Institutions

The Tennessee Department of Financial Institutions provides the citizens of Tennessee a supervised and sound system of state-chartered and licensed financial institutions. These include commercial banks; trust companies; savings institutions; credit unions; industrial loan and thrift companies; business and industrial development corporations; deferred presentment and check cashing companies; mortgage lenders, brokers, servicers, and originators; insurance premium finance companies; and money transmitters.

The primary statutory mission of the Department of Financial Institutions is to provide the people of Tennessee with a safe and sound system of banks and other institutions by ensuring safety, soundness, and compliance with governing law, while giving institutions the opportunity to contribute to the economic progress of Tennessee and the nation. None of the department's operating expenditures are funded with general state tax dollars. Revenue is derived solely from supervision, examination, and license fees assessed to those financial institutions regulated by the department.

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
336.00 Financial Institutions					
Full-Time Positions	160	160	160	0	160
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	160	160	160	0	160
Payroll	\$20,924,300	\$27,170,600	\$27,170,600	\$0	\$27,170,600
Operational	3,402,800	8,369,600	8,374,700	0	8,374,700
TOTAL	\$24,327,100	\$35,540,200	\$35,545,300	\$0	\$35,545,300
State Appropriations	\$24,323,900	\$35,537,800	\$35,542,900	\$0	\$35,542,900
Federal	0	0	0	0	0
Other	3,200	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.

Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 Positions	50	50	50	0	50
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	50	50	50	0	50
Payroll	\$5,772,800	\$7,614,500	\$7,614,500	\$0	\$7,614,500
Operational	7,826,000	7,064,700	7,066,000	0	7,066,000
TOTAL	\$13,598,800	\$14,679,200	\$14,680,500	\$0	\$14,680,500
State Appropriations	\$4,960,100	\$6,477,500	\$6,478,700	\$0	\$6,478,700
Federal	6,843,200	6,636,400	6,512,900	0	6,512,900
Other	1,795,500	1,565,300	1,688,900	0	1,688,900

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 Positions	91	91	91	0	91
Part-Time Positions	3	3	3	0	3
Seasonal Positions	0	0	0	0	0
TOTAL	94	94	94	0	94
Payroll	\$8,479,800	\$10,758,500	\$10,448,500	\$0	\$10,448,500
Operational	2,399,200	2,230,100	2,091,900	0	2,091,900
TOTAL	\$10,879,000	\$12,988,600	\$12,540,400	\$0	\$12,540,400
State Appropriations	\$5,845,300	\$7,464,700	\$7,465,700	\$0	\$7,465,700
Federal	4,999,500	5,516,900	5,067,700	0	5,067,700
Other	34,200	7,000	7,000	0	7,000

	<u>Actual 2023-2024</u>	<u>Estimated 2024-2025</u>	<u>Base 2025-2026</u>	<u>Cost Increase 2025-2026</u>	<u>Recommended 2025-2026</u>

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 Positions	3	3	3	0	3
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	3	3	3	0	3
Payroll	\$302,600	\$433,600	\$412,400	\$0	\$412,400
Operational	122,400	146,100	152,800	0	152,800
TOTAL	\$425,000	\$579,700	\$565,200	\$0	\$565,200
State Appropriations	\$187,100	\$333,300	\$333,400	\$0	\$333,400
Federal	196,400	195,300	180,700	0	180,700
Other	41,500	51,100	51,100	0	51,100

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 Positions	76	76	76	0	76
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	76	76	76	0	76
Payroll	\$6,505,500	\$7,603,700	\$7,603,700	\$0	\$7,603,700
Operational	1,989,600	1,700,900	1,702,300	0	1,702,300
TOTAL	\$8,495,100	\$9,304,600	\$9,306,000	\$0	\$9,306,000
State Appropriations	\$8,428,000	\$9,189,700	\$9,191,100	\$0	\$9,191,100
Federal	0	0	0	0	0
Other	67,100	114,900	114,900	0	114,900

Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 Positions	121	121	121	0	121
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	121	121	121	0	121
Payroll	\$14,433,900	\$15,882,300	\$15,882,300	\$0	\$15,882,300
Operational	3,241,200	5,834,900	4,237,800	0	4,237,800
TOTAL	\$17,675,100	\$21,717,200	\$20,120,100	\$0	\$20,120,100
State Appropriations	\$15,837,700	\$21,511,500	\$19,914,400	\$0	\$19,914,400
Federal	0	0	0	0	0
Other	1,837,400	205,700	205,700	0	205,700

337.08 Subsequent Injury and Vocational Recovery Fund

The Subsequent Injury and Vocational Recovery Fund appropriation provides funding to pay the disability claims of previously injured employees that suffer additional injury on the job, resulting in permanent and total disability. In addition, the fund also encourages employers to hire workers with disabilities. Funding is provided from the workers' compensation premium tax.

Full-Time Positions	10	10	10	0	10
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	10	10	10	0	10
Payroll	\$1,336,100	\$1,651,000	\$1,651,000	\$0	\$1,651,000
Operational	1,539,700	7,631,200	7,631,500	0	7,631,500
TOTAL	\$2,875,800	\$9,282,200	\$9,282,500	\$0	\$9,282,500
State Appropriations	\$2,826,800	\$9,082,200	\$9,082,500	\$0	\$9,082,500
Federal	0	0	0	0	0
Other	49,000	200,000	200,000	0	200,000

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 Positions	11	11	11	0	11
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	11	11	11	0	11
Payroll	\$727,300	\$1,021,500	\$1,086,500	\$0	\$1,086,500
Operational	180,400	665,000	600,200	0	600,200
TOTAL	\$907,700	\$1,686,500	\$1,686,700	\$0	\$1,686,700
State Appropriations	\$30,800	\$1,686,500	\$1,686,700	\$0	\$1,686,700
Federal	0	0	0	0	0
Other	876,900	0	0	0	0

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 Positions	18	18	18	0	18
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	18	18	18	0	18
Payroll	\$1,228,700	\$1,484,700	\$1,484,700	\$0	\$1,484,700
Operational	317,500	325,000	325,300	0	325,300
TOTAL	\$1,546,200	\$1,809,700	\$1,810,000	\$0	\$1,810,000
State Appropriations	\$1,546,200	\$1,809,700	\$1,810,000	\$0	\$1,810,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 Positions	18	18	18	0	18
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	18	18	18	0	18
Payroll	\$1,643,600	\$1,968,900	\$2,018,900	\$0	\$2,018,900
Operational	25,815,200	30,150,100	23,678,000	6,300,000	29,978,000
TOTAL	\$27,458,800	\$32,119,000	\$25,696,900	\$6,300,000	\$31,996,900
State Appropriations	\$11,156,400	\$11,189,800	\$10,767,400	\$6,300,000	\$17,067,400
Federal	15,655,000	20,914,200	14,914,500	0	14,914,500
Other	647,400	15,000	15,000	0	15,000

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 administering the work of 13 local Workforce Boards by monitoring compliance to ensure regulations are implemented, accountable, and transparent.

Full-Time Positions	340	340	340	3	343
Part-Time Positions	1	1	1	0	1
Seasonal Positions	0	0	0	0	0
TOTAL	341	341	341	3	344
Payroll	\$21,998,800	\$27,981,500	\$27,981,500	\$700,000	\$28,681,500
Operational	65,186,600	83,606,800	66,358,500	19,259,700	85,618,200
TOTAL	\$87,185,400	\$111,588,300	\$94,340,000	\$19,959,700	\$114,299,700
State Appropriations	\$12,089,600	\$5,920,600	\$4,530,800	\$11,700,000	\$16,230,800
Federal	68,716,600	86,396,800	76,401,200	0	76,401,200
Other	6,379,200	19,270,900	13,408,000	8,259,700	21,667,700

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 Positions	459	458	458	0	458
Part-Time Positions	39	24	24	0	24
Seasonal Positions	0	0	0	0	0
TOTAL	498	482	482	0	482
Payroll	\$28,230,100	\$36,070,800	\$36,170,800	\$0	\$36,170,800
Operational	32,127,900	56,031,000	17,136,800	0	17,136,800
TOTAL	\$60,358,000	\$92,101,800	\$53,307,600	\$0	\$53,307,600
State Appropriations	\$414,000	\$456,300	\$456,400	\$0	\$456,400
Federal	58,250,000	78,476,500	37,682,200	0	37,682,200
Other	1,694,000	13,169,000	15,169,000	0	15,169,000

337.00 Total Department of Labor and Workforce Development

Full-Time Positions	1,197	1,196	1,196	3	1,199
Part-Time Positions	43	28	28	0	28
Seasonal Positions	0	0	0	0	0
TOTAL	1,240	1,224	1,224	3	1,227
Payroll	\$90,659,200	\$112,471,000	\$112,354,800	\$700,000	\$113,054,800
Operational	140,745,700	195,385,800	130,981,100	25,559,700	156,540,800
TOTAL	\$231,404,900	\$307,856,800	\$243,335,900	\$26,259,700	\$269,595,600
State Appropriations	\$63,322,000	\$75,121,800	\$71,717,100	\$18,000,000	\$89,717,100
Federal	154,660,700	198,136,100	140,759,200	0	140,759,200
Other	13,422,200	34,598,900	30,859,600	8,259,700	39,119,300

Transportation, Business, and Economic Development



Transportation, Business, and Economic Development



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Transportation, Business, and Economic Development

Recommended Budget, Fiscal Year 2025-2026

The Transportation, Business, and Economic Development functional group is a diverse collection of agencies responsible for developing 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 developing and promoting economic activity and improving the livelihood of all Tennesseans. This is accomplished through various programs and activities, including creating an environment conducive to operating business and industry and constructing and maintaining sound public infrastructure.

In addition to the above general activities, this functional group also concentrates on promoting job growth through developing infrastructure and job training investments, regulating and maintaining the state agricultural and forest industries, and marketing 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

	Actual 2023-2024	Estimated 2024-2025	Recommended 2025-2026
Personnel			
Full-Time Positions	5,361	5,365	5,063
Part-Time Positions	10	10	10
Seasonal Positions	90	66	66
TOTAL	5,461	5,441	5,139
Expenditures			
Payroll	\$467,039,400	\$563,917,900	\$569,717,100
Operational	3,652,547,400	5,065,235,400	5,007,263,600
TOTAL	\$4,119,586,800	\$5,629,153,300	\$5,576,980,700
Funding			
State Appropriations	\$1,822,969,400	\$1,652,867,200	\$2,898,576,300
Federal	2,098,199,800	3,855,083,400	2,399,884,400
Other	198,417,600	121,202,700	278,520,000

Transportation, Business, and Economic Development

Recommended Budget for Fiscal Year 2025-2026

By Funding Source

Department	State	Federal	Other	Total
316.20 Tennessee Housing Development Agency	\$60,000,000	\$461,807,500	\$24,750,300	\$546,557,800
325.00 Agriculture	255,241,400	22,882,700	24,715,900	302,840,000
326.00 Tourist Development	48,229,900	2,712,200	12,547,200	63,489,300
330.00 Economic and Community Development	129,425,200	414,882,500	155,944,100	700,251,800
400.00 Transportation	2,405,679,800	1,497,599,500	60,562,500	3,963,841,800
TOTAL	\$2,898,576,300	\$2,399,884,400	\$278,520,000	\$5,576,980,700

Transportation, Business, and Economic Development

Cost Increases for Fiscal Year 2025-2026

<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>

Tennessee Housing Development Agency

- Starter Home Revolving Fund - General Fund Subsidy**

To provide a non-recurring general fund subsidy for the Starter Home Revolving Fund. This fund will aim to increase availability of affordable starter homes across the state with a focus on rural areas.

316.20 Tennessee Housing Development Agency	\$60,000,000	\$0	\$0	\$60,000,000	0
Sub-total	<u>\$60,000,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$60,000,000</u>	<u>0</u>
Total Tennessee Housing Development Agency	<u>\$60,000,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$60,000,000</u>	<u>0</u>

Agriculture

- Agricultural Enterprise Fund**

To provide recurring funding for the Agriculture Enterprise Fund. The fund awards grants for starting or expanding agricultural, food, and forestry businesses.

325.01 Administration and Grants	\$15,000,000	\$0	\$0	\$15,000,000	0
Sub-total	<u>\$15,000,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$15,000,000</u>	<u>0</u>

- Tennessee Agricultural Enhancement Program**

To provide recurring funding for grants provided to farmers making long-term, strategic investments to increase efficiency and profitability and to generate economic activity in rural communities.

325.01 Administration and Grants	\$5,000,000	\$0	\$0	\$5,000,000	0
Sub-total	<u>\$5,000,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$5,000,000</u>	<u>0</u>

- Administration Legislation - Farmland Conservation Fund**

To provide non-recurring funding for administration legislation relative to the Farmland Conservation Fund, which makes grants to farm and forestland owners who voluntarily enroll their land in a permanent conservation easement.

325.01 Administration and Grants	\$25,000,000	\$0	\$0	\$25,000,000	0
Sub-total	<u>\$25,000,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$25,000,000</u>	<u>0</u>

- Administration Legislation - Meat Inspection**

To provide funding from the general fund for administration legislation relative to the State Meat Inspection program originally established by 2023 Public Chapter 380. New legislation deletes fees originally contemplated in Public Chapter 380. Of this total cost, \$1,531,000 is recurring and \$335,300 is non-recurring.

325.16 Agricultural Regulatory Fund	(\$1,531,000)	\$0	\$0	(\$1,531,000)	0

Transportation, Business, and Economic Development

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
325.18 Animal Health	1,866,300	0	0	1,866,300	0
Sub-total	<u>\$335,300</u>	<u>\$0</u>	<u>\$0</u>	<u>\$335,300</u>	<u>0</u>
● 4-H Capital Grant					
To provide funding for a grant to 4-H for capital and operational costs. Of this total cost, \$250,000 is recurring and \$46,000,000 is non-recurring.					
325.01 Administration and Grants	\$46,250,000	\$0	\$0	\$46,250,000	0
Sub-total	<u>\$46,250,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$46,250,000</u>	<u>0</u>
● Future Farmers of America (FFA) Lodge at Camp Clements					
To provide funding for a grant to FFA for a lodge at Camp Clements. Of this total cost, \$250,000 is recurring and \$46,000,000 is non-recurring.					
325.01 Administration and Grants	\$46,250,000	\$0	\$0	\$46,250,000	0
Sub-total	<u>\$46,250,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$46,250,000</u>	<u>0</u>
Total Agriculture	<u>\$137,835,300</u>	<u>\$0</u>	<u>\$0</u>	<u>\$137,835,300</u>	<u>0</u>

Tourist Development

● Marketing Funding

To provide funding to maintain current and establish new marketing initiatives. Of this total cost, \$10,100,000 is recurring and \$15,000,000 is non-recurring.

326.01 Administration and Marketing	\$25,100,000	\$0	\$0	\$25,100,000	0
Sub-total	<u>\$25,100,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$25,100,000</u>	<u>0</u>
● Tennessee Sports Hall of Fame Operational Funding - Year Two of Three					
To provide non-recurring funding for the operation of the Tennessee Sports Hall of Fame.					
326.01 Administration and Marketing	\$500,000	\$0	\$0	\$500,000	0
Sub-total	<u>\$500,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$500,000</u>	<u>0</u>
Total Tourist Development	<u>\$25,600,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$25,600,000</u>	<u>0</u>

Transportation, Business, and Economic Development

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
Economic and Community Development					
● FastTrack Infrastructure and Jobs Training					
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 funding is necessary for the recruitment of new businesses, including support of workforce training, marketing, and education initiatives. Other funding is from FastTrack reserves.					
330.06 FastTrack Infrastructure and Job Training Assistance	\$0	\$0	\$25,000,000	\$25,000,000	0
Sub-total	\$0	\$0	\$25,000,000	\$25,000,000	0
● Rural Development Fund					
To provide 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. Of this total cost, \$7,200,000 is recurring and \$38,600,000 is non-recurring. Other funding is from FastTrack reserves.					
330.07 Community and Rural Development	\$7,200,000	\$0	\$38,600,000	\$45,800,000	0
Sub-total	\$7,200,000	\$0	\$38,600,000	\$45,800,000	0
● Research and Development (R&D) and Innovation Grants					
To provide non-recurring funding for R&D grants: \$25,000,000 for the RevV! program to connect private R&D companies with existing statewide research assets; \$20,000,000 for federal match funding to provide an investment commitment to various federal entities; \$10,000,000 for the Small Business Innovation Research and Small Business Technology Transfer programs to serve as match funds for federal applications; \$5,000,000 for the Tennessee Technology Advancement Consortium (TTAC) program to expand the organization's network of partners and work towards building the innovation ecosystem for Tennessee Universities; and \$3,000,000 for the Tennessee Innovation Exchange program to utilize existing TTAC relationships to provide solutions for technology transfer and translational research as well as potential industry partnerships at small schools. Other funding is from FastTrack reserves.					
330.05 Innovation Programs	\$0	\$0	\$63,000,000	\$63,000,000	0
Sub-total	\$0	\$0	\$63,000,000	\$63,000,000	0
● Workforce Development Grants					
To provide non-recurring funding to support workforce development in Tennessee. Funding will help create training programs tailored to the specific needs of incoming and existing businesses. Other funding is from FastTrack reserves.					
330.02 Business Development	\$0	\$0	\$5,000,000	\$5,000,000	0
Sub-total	\$0	\$0	\$5,000,000	\$5,000,000	0

Transportation, Business, and Economic Development

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
● Nuclear Industry Initiative Grants					
To provide non-recurring funding to support the nuclear industry initiative, which will provide grants and assistance to support nuclear power related businesses across Tennessee. Other funding is from FastTrack reserves.					
330.02 Business Development	\$0	\$0	\$10,000,000	\$10,000,000	0
Sub-total	\$0	\$0	\$10,000,000	\$10,000,000	0
● Small Modular Reactor Grant Fund					
To provide non-recurring funding for a small modular reactor grant fund to support design, construction, and deployment to leverage federal Department of Energy funding.					
330.02 Business Development	\$50,000,000	\$0	\$0	\$50,000,000	0
Sub-total	\$50,000,000	\$0	\$0	\$50,000,000	0
● Direct International Flights					
To provide non-recurring funding to establish direct international flights at Tennessee airports. Other funding is from FastTrack reserves.					
330.02 Business Development	\$0	\$0	\$3,500,000	\$3,500,000	0
Sub-total	\$0	\$0	\$3,500,000	\$3,500,000	0
● Southeast United States (SEUS) - Japan Conference					
To provide non-recurring funding for the SEUS Japan Conference that will take place in Nashville in 2026. Other funding is from FastTrack reserves.					
330.02 Business Development	\$0	\$0	\$1,000,000	\$1,000,000	0
Sub-total	\$0	\$0	\$1,000,000	\$1,000,000	0
● West Tennessee Planning Services					
To provide non-recurring funding for West Tennessee planning services, which will help plan for the impact of BlueOval City. Other funding is from FastTrack reserves.					
330.07 Community and Rural Development	\$0	\$0	\$5,000,000	\$5,000,000	0
Sub-total	\$0	\$0	\$5,000,000	\$5,000,000	0
● Governors Economic Report					
To provide recurring funding to support the preparation of the University of Tennessee's Boyd Center for Business and Economic Research annual Economic Report to the Governor.					
330.01 Administrative Services	\$20,100	\$0	\$0	\$20,100	0
Sub-total	\$20,100	\$0	\$0	\$20,100	0

Transportation, Business, and Economic Development

Cost Increases for Fiscal Year 2025-2026

	State	Federal	Other	Total	Positions
• Tennessee Entertainment Commission					
To provide funding for the Tennessee Entertainment Commission to fund film production and music incentive grants. Of this total cost, \$3,000,000 is recurring and \$2,000,000 is non-recurring.					
330.17 Film and Television Incentive Fund	\$5,000,000	\$0	\$0	\$5,000,000	0
Sub-total	\$5,000,000	\$0	\$0	\$5,000,000	0
Total Economic and Community Development	\$62,220,100	\$0	\$151,100,000	\$213,320,100	0

Transportation

• General Fund Subsidy – TDOT Projects and Operations

To provide a non-recurring general fund subsidy to advance needed state of good repair for existing transportation assets including pavements and bridges across Tennessee. Funding will also help expedite projects in Transportation's ten year plan, add projects currently not included in the ten year plan, and advance leveraging opportunities in Transportation's Statewide Partnership Program.

403.00 Bureau of Engineering	\$186,791,300	\$0	\$0	\$186,791,300	0
404.00 Bureau of Operations	791,872,500	0	0	791,872,500	0
405.00 Bureau of Planning	21,336,200	0	0	21,336,200	0
Sub-total	\$1,000,000,000	\$0	\$0	\$1,000,000,000	0

• Transportation Equity Fund - General Fund Subsidy - Commercial Aviation

To provide a non-recurring general fund subsidy for grants to commercial aviation authorities for capital improvements.

405.00 Bureau of Planning	\$34,300,000	\$0	\$0	\$34,300,000	0
Sub-total	\$34,300,000	\$0	\$0	\$34,300,000	0

• Transportation Equity Fund - General Fund Subsidy - General Aviation

To provide a non-recurring general fund subsidy for grants to local airport authorities for capital improvements.

405.00 Bureau of Planning	\$1,000,000	\$0	\$0	\$1,000,000	0
Sub-total	\$1,000,000	\$0	\$0	\$1,000,000	0

• General Fund Subsidy - Wilson County - Peyton Road Improvements

To provide a non-recurring general fund subsidy for improvements on Wilson County's Peyton Road.

403.00 Bureau of Engineering	\$301,800	\$0	\$0	\$301,800	0
404.00 Bureau of Operations	2,801,900	0	0	2,801,900	0
405.00 Bureau of Planning	96,300	0	0	96,300	0
Sub-total	\$3,200,000	\$0	\$0	\$3,200,000	0

Transportation, Business, and Economic Development **Cost Increases for Fiscal Year 2025-2026**

	State	Federal	Other	Total	Positions
Total Transportation	\$1,038,500,000	\$0	\$0	\$1,038,500,000	0
Total Transportation, Business, and Economic Development	\$1,324,155,400	\$0	\$151,100,000	\$1,475,255,400	0

Tennessee Housing Development Agency

The Tennessee Housing Development Agency (THDA) provides opportunities for decent, affordable housing to low- and moderate-income Tennesseans. THDA was created in response to a need for housing initiatives in rural areas, but it also performs activities in the major urban centers. The agency is authorized to sell tax-exempt revenue notes and bonds to provide funding 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 nonprofit 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.

Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

316.20 Tennessee Housing Development Agency

Full-Time Positions	340	329	329	0	329
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	340	329	329	0	329
Payroll	\$32,512,700	\$37,691,700	\$37,691,700	\$0	\$37,691,700
Operational	515,496,900	849,752,900	448,866,100	60,000,000	508,866,100
TOTAL	\$548,009,600	\$887,444,600	\$486,557,800	\$60,000,000	\$546,557,800
State Appropriations	\$0	\$0	\$0	\$60,000,000	\$60,000,000
Federal	523,746,000	862,696,500	461,807,500	0	461,807,500
Other	24,263,600	24,748,100	24,750,300	0	24,750,300

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, Business Development, Consumer and Industry Services, and Forestry.

Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 area 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 area also administers several programs to help reduce soil erosion on Tennessee farms and forestlands and to improve water quality.

325.01 Administration and Grants

The Administration and Grants program includes the commissioner's office, budget office, legal services, personnel office, public affairs, legislative liaison, agricultural crime services, agricultural museum, and agricultural statistics services. This program carries out the Nonpoint Clean Water Act services delegated through the Environmental Protection Agency (EPA). This program also provides grants to promote nonprofit agricultural fairs and livestock shows throughout the state and coordinates the distribution of commodities under the guidance of various federal laws.

Full-Time Positions	69	80	80	0	80
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	69	80	80	0	80
Payroll	\$7,930,000	\$10,021,700	\$10,021,700	\$0	\$10,021,700
Operational	139,034,200	66,455,200	41,585,700	137,500,000	179,085,700
TOTAL	\$146,964,200	\$76,476,900	\$51,607,400	\$137,500,000	\$189,107,400
State Appropriations	\$43,995,400	\$55,085,600	\$41,466,100	\$137,500,000	\$178,966,100
Federal	100,546,600	20,635,100	9,385,100	0	9,385,100
Other	2,422,200	756,200	756,200	0	756,200

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	13,303,200	7,187,500	7,187,500	0	7,187,500
TOTAL	\$13,303,200	\$7,187,500	\$7,187,500	\$0	\$7,187,500
State Appropriations	\$7,187,500	\$7,187,500	\$7,187,500	\$0	\$7,187,500
Federal	0	0	0	0	0
Other	6,115,700	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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	187,100	126,700	126,700	0	126,700
TOTAL	\$187,100	\$126,700	\$126,700	\$0	\$126,700
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	187,100	126,700	126,700	0	126,700

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	321,000	250,000	250,000	0	250,000
TOTAL	\$321,000	\$250,000	\$250,000	\$0	\$250,000
State Appropriations	\$250,000	\$250,000	\$250,000	\$0	\$250,000
Federal	0	0	0	0	0
Other	71,000	0	0	0	0

Business Development

325.06 Business Development

The Business Development 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. Business Development 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 products. The division also administers the Tennessee Agricultural Enhancement Program, which assists producers in maximizing farm profits, adapting to changing market situations, improving operational safety, increasing farm efficiency, and making a positive community economic impact.

Full-Time Positions	24	24	24	0	24
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	24	24	24	0	24
Payroll	\$1,816,400	\$2,511,000	\$2,511,000	\$0	\$2,511,000
Operational	10,689,600	57,147,100	3,868,200	0	3,868,200
TOTAL	\$12,506,000	\$59,658,100	\$6,379,200	\$0	\$6,379,200
State Appropriations	\$3,066,300	\$3,276,100	\$3,277,200	\$0	\$3,277,200
Federal	9,359,600	56,304,500	3,024,500	0	3,024,500
Other	80,100	77,500	77,500	0	77,500

Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 inspecting items pertaining to human and animal health safety, consumer protection, truth in labeling, and free movement of plants and animals.

Full-Time Positions	200	191	191	0	191
Part-Time Positions	5	5	5	0	5
Seasonal Positions	3	3	3	0	3
TOTAL	208	199	199	0	199
Payroll	\$13,995,900	\$17,040,700	\$17,040,700	\$0	\$17,040,700
Operational	8,685,800	8,402,200	6,812,900	0	6,812,900
TOTAL	\$22,681,700	\$25,442,900	\$23,853,600	\$0	\$23,853,600
State Appropriations	\$6,769,600	\$7,239,400	\$7,023,300	\$0	\$7,023,300
Federal	3,259,700	3,779,400	2,406,200	0	2,406,200
Other	12,652,400	14,424,100	14,424,100	0	14,424,100

325.15 Technical Services

The Technical Services division provides analytical support to the divisions of Animal Health and Consumer and Industry Services. Diagnostic services, including necropsy, are provided for food and fiber animals by the C.E. Kord Animal Health Diagnostic Laboratory, and regulatory tests are performed on samples of dairy, food, feed, fertilizer, hemp, soil, water, and vegetation for consumer protection.

Full-Time Positions	62	62	62	0	62
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	62	62	62	0	62
Payroll	\$4,190,000	\$6,501,400	\$6,501,400	\$0	\$6,501,400
Operational	2,164,400	3,721,100	3,721,100	0	3,721,100
TOTAL	\$6,354,400	\$10,222,500	\$10,222,500	\$0	\$10,222,500
State Appropriations	\$4,530,400	\$7,027,100	\$7,027,100	\$0	\$7,027,100
Federal	781,400	851,800	851,800	0	851,800
Other	1,042,600	2,343,600	2,343,600	0	2,343,600

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	13,128,800	14,704,000	14,704,000	(1,531,000)	13,173,000
TOTAL	\$13,128,800	\$14,704,000	\$14,704,000	(\$1,531,000)	\$13,173,000
State Appropriations	\$12,455,500	\$13,963,700	\$13,963,700	(\$1,531,000)	\$12,432,700
Federal	0	0	0	0	0
Other	673,300	740,300	740,300	0	740,300

325.18 Animal Health

The Animal Health division is committed to preventing the spreading of disease through livestock traceability and movement requirements. The division, also known as the State Veterinarian's Office, investigates livestock welfare issues and trains responders for disaster animal response teams.

Full-Time Positions	44	43	43	0	43
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	44	43	43	0	43
Payroll	\$2,132,900	\$3,888,700	\$3,888,700	\$1,226,400	\$5,115,100
Operational	788,500	1,612,800	1,614,800	639,900	2,254,700
TOTAL	\$2,921,400	\$5,501,500	\$5,503,500	\$1,866,300	\$7,369,800
State Appropriations	\$1,899,400	\$3,435,900	\$3,437,900	\$1,866,300	\$5,304,200
Federal	611,200	228,600	228,600	0	228,600
Other	410,800	1,837,000	1,837,000	0	1,837,000

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 Positions	313	324	324	0	324
Part-Time Positions	0	0	0	0	0
Seasonal Positions	87	63	63	0	63
TOTAL	400	387	387	0	387
Payroll	\$24,279,900	\$28,426,400	\$28,426,400	\$0	\$28,426,400
Operational	15,481,100	36,290,500	15,743,900	0	15,743,900
TOTAL	\$39,761,000	\$64,716,900	\$44,170,300	\$0	\$44,170,300
State Appropriations	\$28,296,700	\$53,569,900	\$32,773,300	\$0	\$32,773,300
Federal	6,179,800	6,736,500	6,986,500	0	6,986,500
Other	5,284,500	4,410,500	4,410,500	0	4,410,500

325.11 Forestry Maintenance

The Forestry Maintenance program provides funds for maintenance of the Division of Forestry facilities and communications equipment.

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	687,300	1,000,000	1,000,000	0	1,000,000
TOTAL	\$687,300	\$1,000,000	\$1,000,000	\$0	\$1,000,000
State Appropriations	\$687,300	\$1,000,000	\$1,000,000	\$0	\$1,000,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

325.00 Total Department of Agriculture

Full-Time Positions	712	724	724	0	724
Part-Time Positions	5	5	5	0	5
Seasonal Positions	90	66	66	0	66

Department of Agriculture

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
TOTAL	807	795	795	0	795
Payroll	\$54,345,100	\$68,389,900	\$68,389,900	\$1,226,400	\$69,616,300
Operational	204,471,000	196,897,100	96,614,800	136,608,900	233,223,700
TOTAL	\$258,816,100	\$265,287,000	\$165,004,700	\$137,835,300	\$302,840,000
State Appropriations	\$109,138,100	\$152,035,200	\$117,406,100	\$137,835,300	\$255,241,400
Federal	120,738,300	88,535,900	22,882,700	0	22,882,700
Other	28,939,700	24,715,900	24,715,900	0	24,715,900

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.

Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

326.01 Administration and Marketing

The Administration and Marketing division is responsible for planning, managing, and implementing marketing programs that increase travel to Tennessee and support tourism development initiatives. These efforts are designed to increase the economic impact of tourism on the state's economy and to drive tax revenue. These activities include creating, producing, and placing broadcast, digital, and print media campaigns; developing direct sales programs that target group tour companies, travel agents, and international tour operators; promoting Tennessee destinations, attractions, and events to the media and sponsoring travel writer press trips; 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 Positions	36	36	36	0	36
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	36	36	36	0	36
Payroll	\$4,400,300	\$5,157,700	\$5,157,700	\$0	\$5,157,700
Operational	53,847,400	55,609,100	17,883,600	25,600,000	43,483,600
TOTAL	\$58,247,700	\$60,766,800	\$23,041,300	\$25,600,000	\$48,641,300
State Appropriations	\$26,767,500	\$32,265,400	\$19,539,900	\$25,600,000	\$45,139,900
Federal	27,042,600	27,712,200	2,712,200	0	2,712,200
Other	4,437,600	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 Positions	152	152	152	0	152
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
TOTAL	152	152	152	0	152
Payroll	\$8,156,300	\$9,916,000	\$9,916,000	\$0	\$9,916,000
Operational	5,625,700	4,928,900	4,932,000	0	4,932,000
TOTAL	\$13,782,000	\$14,844,900	\$14,848,000	\$0	\$14,848,000
State Appropriations	\$3,062,600	\$3,090,000	\$3,090,000	\$0	\$3,090,000
Federal	0	0	0	0	0
Other	10,719,400	11,754,900	11,758,000	0	11,758,000

326.00 Total Department of Tourist Development

Full-Time Positions	188	188	188	0	188
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	188	188	188	0	188
Payroll	\$12,556,600	\$15,073,700	\$15,073,700	\$0	\$15,073,700
Operational	59,473,100	60,538,000	22,815,600	25,600,000	48,415,600
TOTAL	\$72,029,700	\$75,611,700	\$37,889,300	\$25,600,000	\$63,489,300
State Appropriations	\$29,830,100	\$35,355,400	\$22,629,900	\$25,600,000	\$48,229,900
Federal	27,042,600	27,712,200	2,712,200	0	2,712,200
Other	15,157,000	12,544,100	12,547,200	0	12,547,200

Department of Economic and Community Development

The Department of Economic and Community Development (ECD) is charged with aiding existing businesses in 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 goal 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, Italy, United Kingdom, and Germany maintaining and providing ECD's presence, assistance, and programs in Tennessee and internationally.

Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 Positions	38	41	41	0	41
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	38	41	41	0	41
Payroll	\$5,751,400	\$6,849,200	\$6,849,200	\$0	\$6,849,200
Operational	2,987,000	3,105,500	2,826,300	20,100	2,846,400
TOTAL	\$8,738,400	\$9,954,700	\$9,675,500	\$20,100	\$9,695,600
State Appropriations	\$8,008,300	\$8,900,900	\$8,901,700	\$20,100	\$8,921,800
Federal	259,100	445,200	165,200	0	165,200
Other	471,000	608,600	608,600	0	608,600

<u>Actual 2023-2024</u>	<u>Estimated 2024-2025</u>	<u>Base 2025-2026</u>	<u>Cost Increase 2025-2026</u>	<u>Recommended 2025-2026</u>

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: 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 Positions	40	38	38	0	38
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	40	38	38	0	38
Payroll	\$5,793,900	\$5,727,400	\$5,727,400	\$0	\$5,727,400
Operational	2,422,200	14,935,100	2,035,900	69,500,000	71,535,900
TOTAL	\$8,216,100	\$20,662,500	\$7,763,300	\$69,500,000	\$77,263,300
State Appropriations	\$8,102,300	\$19,687,200	\$6,788,000	\$50,000,000	\$56,788,000
Federal	110,000	161,700	161,700	0	161,700
Other	3,800	813,600	813,600	19,500,000	20,313,600

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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	79,620,100	25,342,900	25,342,900	25,000,000	50,342,900
TOTAL	\$79,620,100	\$25,342,900	\$25,342,900	\$25,000,000	\$50,342,900
State Appropriations	\$34,463,800	\$25,002,400	\$25,002,400	\$0	\$25,002,400
Federal	0	0	0	0	0
Other	45,156,300	340,500	340,500	25,000,000	25,340,500

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 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 Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	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 Appropriations	\$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 Positions	3	3	3	0	3
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	3	3	3	0	3
Payroll	\$456,600	\$498,600	\$498,600	\$0	\$498,600
Operational	1,961,300	10,218,300	5,218,300	5,000,000	10,218,300
TOTAL	\$2,417,900	\$10,716,900	\$5,716,900	\$5,000,000	\$10,716,900
State Appropriations	\$1,794,500	\$10,668,300	\$5,668,300	\$5,000,000	\$10,668,300
Federal	0	0	0	0	0
Other	623,400	48,600	48,600	0	48,600

Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

330.20 Headquarters Relocation Assistance

The Headquarters Relocation Assistance program assists companies to locate 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 jobs were created.

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	0	400,900	0	0	0
TOTAL	\$0	\$400,900	\$0	\$0	\$0
State Appropriations	\$0	\$400,900	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	0	0	0	0	0

Innovation and Entrepreneurism

330.05 Innovation Programs

Innovation Programs is tasked with raising the state's profile in innovation-based economic development by focusing on innovation, commercialization, investment, technology, and entrepreneurship. Innovation is the process that translates knowledge into economic growth and social well-being through a consideration of scientific, technological, organizational, financial, and commercial activities. Innovation Programs is carried out through partnerships with other organizations.

Full-Time Positions	4	4	4	0	4
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	4	4	4	0	4
Payroll	\$419,700	\$596,600	\$596,600	\$0	\$596,600
Operational	23,281,400	42,162,100	17,124,700	63,000,000	80,124,700
TOTAL	\$23,701,100	\$42,758,700	\$17,721,300	\$63,000,000	\$80,721,300
State Appropriations	\$13,372,100	\$18,960,400	\$6,460,400	\$0	\$6,460,400
Federal	10,329,000	23,798,300	11,260,900	0	11,260,900
Other	0	0	0	63,000,000	63,000,000

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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 that are in the early stages of development.

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	2,575,400	1,500,000	1,500,000	0	1,500,000
TOTAL	\$2,575,400	\$1,500,000	\$1,500,000	\$0	\$1,500,000
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	2,575,400	1,500,000	1,500,000	0	1,500,000

Community Development

The Community Development area works with communities to ensure the communities develop and maintain the leadership, organizations, and community facilities essentials for economic growth. Community Development also administers federal Community Development Block Grant (CDBG) grants, Appalachian Regional Commission grants, Delta Regional Authority grants, and federal and state funding for broadband infrastructure and adoption 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 Positions	7	7	7	0	7
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	7	7	7	0	7
Payroll	\$745,100	\$837,800	\$837,800	\$0	\$837,800
Operational	43,736,300	28,545,400	28,545,500	0	28,545,500
TOTAL	\$44,481,400	\$29,383,200	\$29,383,300	\$0	\$29,383,300
State Appropriations	\$532,100	\$720,200	\$720,300	\$0	\$720,300
Federal	42,298,500	28,595,100	28,595,100	0	28,595,100
Other	1,650,800	67,900	67,900	0	67,900

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

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, Tennessee Downtowns, Three-Star, and Select Tennessee community preparedness programs.

Full-Time Positions	6	10	10	0	10
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	6	10	10	0	10
Payroll	\$1,259,600	\$1,819,800	\$1,600,200	\$0	\$1,600,200
Operational	21,853,000	55,350,400	9,770,200	50,800,000	60,570,200
TOTAL	\$23,112,600	\$57,170,200	\$11,370,400	\$50,800,000	\$62,170,400
State Appropriations	\$16,654,900	\$47,066,300	\$11,266,500	\$7,200,000	\$18,466,500
Federal	1,325,600	10,103,900	103,900	0	103,900
Other	5,132,100	0	0	43,600,000	43,600,000

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 program provides funding for state grants to the development districts. Local government contributions are required to receive funding.

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	3,075,000	2,080,000	2,080,000	0	2,080,000
TOTAL	\$3,075,000	\$2,080,000	\$2,080,000	\$0	\$2,080,000
State Appropriations	\$3,075,000	\$2,080,000	\$2,080,000	\$0	\$2,080,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

330.23 Broadband Accessibility

The Broadband Accessibility Grant Program seeks to facilitate broadband access to all Tennesseans while promoting practices that increase deployment to unserved homes and businesses and encourage adoption. By offsetting the capital expenses, these funds are targeted to areas that are unlikely to receive broadband service without grant funding. Through the Training Opportunities for the Public (TOP) Program, grant opportunities are provided to local libraries to help residents improve their digital literacy skills and maximize the benefits of broadband statewide.

Full-Time Positions	4	4	4	0	4
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	4	4	4	0	4
Payroll	\$760,600	\$910,900	\$910,900	\$0	\$910,900
Operational	156,627,300	1,338,630,000	374,002,300	0	374,002,300
TOTAL	\$157,387,900	\$1,339,540,900	\$374,913,200	\$0	\$374,913,200
State Appropriations	\$126,200	\$317,500	\$317,500	\$0	\$317,500
Federal	157,261,500	1,339,223,400	374,595,700	0	374,595,700
Other	200	0	0	0	0

330.00 Total Department of Economic and Community Development

Full-Time Positions	102	107	107	0	107
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	102	107	107	0	107
Payroll	\$15,186,900	\$17,240,300	\$17,020,700	\$0	\$17,020,700
Operational	338,139,000	1,523,735,500	469,911,000	213,320,100	683,231,100
TOTAL	\$353,325,900	\$1,540,975,800	\$486,931,700	\$213,320,100	\$700,251,800
State Appropriations	\$86,129,200	\$133,804,100	\$67,205,100	\$62,220,100	\$129,425,200
Federal	211,583,700	1,402,327,600	414,882,500	0	414,882,500
Other	55,613,000	4,844,100	4,844,100	151,100,000	155,944,100

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 Planning.

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
401.00 Headquarters					
Headquarters consists of divisions that report directly to the commissioner. Headquarters' functions include legislative affairs, federal affairs, public affairs/communications, community relations, legal services, and payment of risk management fund premiums for property and liability insurance.					
Full-Time Positions	24	37	37	0	37
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	24	37	37	0	37
Payroll	\$3,336,700	\$5,669,500	\$6,072,200	\$0	\$6,072,200
Operational	17,292,400	21,649,400	20,741,200	0	20,741,200
TOTAL	\$20,629,100	\$27,318,900	\$26,813,400	\$0	\$26,813,400
State Appropriations	\$20,629,100	\$27,318,900	\$26,813,400	\$0	\$26,813,400
Federal	0	0	0	0	0
Other	0	0	0	0	0

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, and the purchase of mobile equipment for the department. Finance, civil rights, human resources, information technology, and internal audit services are provided by this bureau. The bureau also provides the programming and scheduling of transportation pre-construction activities for the department.

Full-Time Positions	282	251	249	0	249
Part-Time Positions	5	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	287	251	249	0	249
Payroll	\$29,671,300	\$31,937,200	\$32,640,200	\$0	\$32,640,200
Operational	158,228,600	76,271,400	71,884,200	0	71,884,200
TOTAL	\$187,899,900	\$108,208,600	\$104,524,400	\$0	\$104,524,400
State Appropriations	\$120,121,200	\$107,611,600	\$104,050,500	\$0	\$104,050,500
Federal	54,307,900	580,600	472,200	0	472,200
Other	13,470,800	16,400	1,700	0	1,700

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026

403.00 Bureau of Engineering

The Bureau of Engineering's responsibilities include development of construction standards, administration of highway and bridge maintenance programs, maintenance of materials standards, and monitoring environmental impacts of transportation projects. Improvement of state highways that are not classified as construction or reconstruction projects is administered under the Highway Betterments program. The bureau also administers the Capital Improvements program, which provides 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, materials testing, highway incident management, intelligent transportation systems, and outdoor advertising and easements.

Full-Time Positions	719	801	801	0	801
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	719	801	801	0	801
Payroll	\$69,843,500	\$96,191,400	\$102,156,800	\$0	\$102,156,800
Operational	369,155,200	357,527,200	361,247,700	187,093,100	548,340,800
TOTAL	\$438,998,700	\$453,718,600	\$463,404,500	\$187,093,100	\$650,497,600
State Appropriations	\$213,053,200	\$168,688,900	\$175,160,300	\$187,093,100	\$362,253,400
Federal	206,869,200	275,021,700	277,434,400	0	277,434,400
Other	19,076,300	10,008,000	10,809,800	0	10,809,800

404.00 Bureau of Operations

The Bureau of Operations consists of four different functions, which include Field Engineering, Field Construction, Field Maintenance Operations, and Garage and Fleet Operations. Field Engineering services include preliminary engineering, roadway and bridge design, traffic engineering, utility relocations, right-of-way acquisitions, construction, 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 mitigation, 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 Positions	2,765	2,728	2,428	0	2,428
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	2,765	2,728	2,428	0	2,428
Payroll	\$230,469,800	\$269,396,900	\$267,049,700	\$0	\$267,049,700
Operational	1,754,723,900	1,552,558,500	1,613,217,000	794,674,400	2,407,891,400
TOTAL	\$1,985,193,700	\$1,821,955,400	\$1,880,266,700	\$794,674,400	\$2,674,941,100
State Appropriations	\$1,102,479,500	\$796,772,400	\$838,637,100	\$794,674,400	\$1,633,311,500

	Actual 2023-2024	Estimated 2024-2025	Base 2025-2026	Cost Increase 2025-2026	Recommended 2025-2026
Federal	844,017,800	989,253,600	1,001,676,800	0	1,001,676,800
Other	38,696,400	35,929,400	39,952,800	0	39,952,800

405.00 Bureau of Planning

The Bureau of Planning oversees all planning and multimodal functions of the department including supporting communities in the delivery of local program projects. Key responsibilities of the bureau include long-range planning, metropolitan and rural planning, freight planning, rail rehabilitation, rail inspection and oversight, and public transportation program management and technical assistance. Additionally, the bureau licenses Tennessee's public-use airports, provides aviation program management and oversight, provides airport planning and design services, and provides flight services for state government. The bureau also handles bicycling and pedestrian planning and infrastructure, local programs project delivery, research, traffic data collection and analysis, GIS and data analytics, and highway beautification. The bureau administers and distributes funding from the transportation equity fund for aviation, short-line rail, and waterways as well various other federal and state grants for transit, state-aid and off-system bridges, litter grants, and pedestrian and bikeways. The bureau ensures compliance with these grants and other program requirements.

Full-Time Positions	229	200	200	0	200
Part-Time Positions	0	5	5	0	5
Seasonal Positions	0	0	0	0	0
TOTAL	229	205	205	0	205
Payroll	\$19,116,800	\$22,327,300	\$22,395,800	\$0	\$22,395,800
Operational	235,567,300	426,305,400	427,937,000	56,732,500	484,669,500
TOTAL	\$254,684,100	\$448,632,700	\$450,332,800	\$56,732,500	\$507,065,300
State Appropriations	\$141,589,000	\$231,280,700	\$222,518,500	\$56,732,500	\$279,251,000
Federal	109,894,300	208,955,300	218,016,100	0	218,016,100
Other	3,200,800	8,396,700	9,798,200	0	9,798,200

400.00 Total Department of Transportation

Full-Time Positions	4,019	4,017	3,715	0	3,715
Part-Time Positions	5	5	5	0	5
Seasonal Positions	0	0	0	0	0
TOTAL	4,024	4,022	3,720	0	3,720
Payroll	\$352,438,100	\$425,522,300	\$430,314,700	\$0	\$430,314,700
Operational	2,534,967,400	2,434,311,900	2,495,027,100	1,038,500,000	3,533,527,100
TOTAL	\$2,887,405,500	\$2,859,834,200	\$2,925,341,800	\$1,038,500,000	\$3,963,841,800
State Appropriations	\$1,597,872,000	\$1,331,672,500	\$1,367,179,800	\$1,038,500,000	\$2,405,679,800
Federal	1,215,089,200	1,473,811,200	1,497,599,500	0	1,497,599,500
Other	74,444,300	54,350,500	60,562,500	0	60,562,500

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	Commissioner of F&A	August September
Budget Planning and Estimation	Budget Division Departments and Agencies	July August September
Preparation of the Budget	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	Departments and Agencies Finance Committees	July-June
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.

Preparation and Executive Review of Strategic Plans

The Governmental Accountability Act of 2013 amended the Governmental Accountability Act of 2002, which requires strategic planning, performance measures, and performance audits. The Commissioner of Finance and Administration annually issues instructions for strategic plans and performance measures to the executive branch agencies, which are due to the commissioner by August 15 each year. The commissioner reviews the plans and measures, revises as deemed necessary, approves, and submits the strategic plans to the Governor and General Assembly by September 30 of each year. The judicial and legislative branches, the constitutional officers, and the Attorney General and Reporter submit plans separately to the Governor and General Assembly by September 30.

Budget 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 updating instructions used by departments and agencies in presenting operational and capital budget requests to the Division of Budget.

The instructions, which are distributed to agencies in August, include submitting three levels of requests: (a) a base request, which accommodates the continuation of current services, (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, and (c) a base budget reduction request. As part of a cost increase request, agencies may request to use statutory

reserves, which are funds held for future needs or special purposes as designated in statute and / or the Appropriations Bill.

The legal deadline for completing and transmitting budget requests is the first of October. During the preparation period, the Division of Budget staff meets as needed with agencies' fiscal, capital, and program personnel to answer questions and provide assistance with developing agencies' 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 the Commissioner of Finance and Administration's and the Governor's staffs.

Preparation of the Budget

Chapter 33 of the Public Acts of 1937 grants 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.

After receiving agency operational and capital budget requests, analysts with the Division of Budget begin the process of balancing expenditures against estimated revenues. Capital budget requests are reviewed in conjunction with the Real Estate Asset Management office.

Following analysis of the operational and capital requests and available funding, as well as resolving any questions about the requests with agencies, detailed recommendations are made to the Commissioner of Finance and Administration. Meetings are convened with department commissioners and agency

directors by the Commissioner of Finance and Administration.

After these meetings are completed, the Division of Budget staff makes revisions 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, activities mandated by state or federal statute, day-to-day operations, and estimated revenues. The Governor may choose to conduct meetings or budget hearings with department commissioners and may direct them to submit plans for further budget adjustments.

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.

Legislative Deliberation

The Appropriations Bill, prepared by the Division of Budget, 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 the committees' purviews. The departments and agencies often are invited to testify before these committees on budget issues.

After these committees report the committees' 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 recommended amendments.

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. The Governor 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.

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.

The approved Appropriations Act also contains overappropriation amounts, or reversion, which is the return of any unused portion of appropriation or revenue overcollection. The Division of Budget estimates the proportion of the total reversion in the Appropriations Act to be allocated to each agency and informs each agency of its target reversion.

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. Analysts review the status of the various allotments and reversion targets and advise the Commissioner of Finance and Administration of any problems. Analysts may also receive agency requests for supplemental appropriations for state dollars after the beginning of the fiscal year, which become part of the next year's budget discussions and recommendations to be included in the next Budget Document and Appropriations Bill.

Additionally, analysts may receive agency requests for new federally or other funded programs, expansions of existing federally or other funded programs, or redirected funds after the beginning of the fiscal year. These requests, known as expansion requests, are reviewed within the Division of Budget, and then sent to the Finance, Ways and Means committees for approval. Agencies may not expand programs or implement new programs on the agencies' 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.

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. At

closing, agencies may request to carry forward unexpended state appropriations for the specified purpose, provided the agencies have the authority in statute or the Appropriations Act to do so. Agencies may request to use reserve funds, which are funds held for future needs or special purposes, with statutory reserve authority. The Commissioner of Finance and Administration can approve agency requests for carry forwards and use of reserve funds.

TCA section 4-3-1016 gives the Commissioner of Finance and Administration authority to deny carry forwards for and to transfer funds to the general fund to meet funding requirements, subject to specific provisions in the Appropriations Bill. The funds, reserves, and programs authorized for transfer are listed in the above TCA citation. These transfers are known as reserve taking to close the fiscal year.

Legislative Review

Further legislative review and control is maintained throughout the year 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 review and approve expansion requests of new or existing

federally or other funded programs. If the expansion request is approved, the Commissioner of Finance and Administration may allot the additional departmental revenue to implement the proposed or expanded program.

Additionally, a committee comprised of the Speakers of the House and the Senate, and the Comptroller of the Treasury must approve a transfer of appropriations between allotments for purposes other than those for which they were appropriated after approval of the Commissioner of Finance and Administration.

Comptroller Audit and Review

Post-audit and performance review are functions that continue throughout the fiscal year. The Division of State Audit, within the Comptroller's Office, has the duty of conducting, supervising, and monitoring the audits and performance reviews of all state departments and agencies, intermediate care facilities receiving Medicaid funds, and other entities receiving state grants.

The General Assembly may review the Comptroller's audit reports and performance reviews, and agency personnel may respond to inquiries about activities and programs under the agency's jurisdiction.

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" section. 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 Document, 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

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
Vehicle Tag and Analogous Fees
Opioid Abatement Fund.

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
STS Agency Purchasing
Postal Services
Motor Vehicle Management
Printing and Media Services
Procurement Office
Warehousing and Distribution
Human Resources Executive Administration
Human Resources Strategic Learning Solutions
Human Resources Management Services
Human Resources Office of General Counsel
Human Resources Business Solutions
Human Resources Office of People,
Performance and Culture.

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, Locally Governed Institutions, the Foreign Language Center, 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 Document easier to understand, the Annual Comprehensive Financial Report (ACFR) 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, Annual Comprehensive 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 economic resources measurement focus and 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;

Capital Projects Fund – used to account for the acquisition or construction of all major governmental capital facilities; and,

State Shared Taxes Fund – used to account for the sharing of state levied tax revenues and certain fees with local city and county governments as authorized by state statutes.

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.

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 and Other Employee Benefit Trust Funds– used to account for activities of the defined benefit pension plans administered by the Tennessee Consolidated Retirement System, the defined contribution pension plans, the deferred compensation plans, the employee flexible plans, higher education 403(b) plan fund, and the state of Tennessee Postemployment Benefit Trust;

Investment Trust Fund – used to account for deposits belonging to entities outside of the state's financial reporting entity.

Private-Purpose Trust Funds – used to report trust arrangements under which the principal and income benefit individuals, private organizations, or other governments; and,

Custodial Funds – used to account for assets the state holds on behalf 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 are custodial in nature and do not involve measurement of operations.

Discretely presented component units include:

Tennessee Student Assistance Corporation (TSAC)
Tennessee Community Services Agency
Tennessee Certified Cotton Growers' Organization
Tennessee Housing Development Agency
Tennessee Local Development Authority
Tennessee Veterans' Homes Board
Tennessee State School Bond Authority
State University and Community College System
University of Tennessee Board of Trustees
Tennessee Education Lottery Corporation
Access Tennessee.

Glossary and Index



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 was the formula that determined the funding level each school system needed in order to provide a basic level of service for all students. This formula ended June 30, 2023.

Budget Request - The annual spending and revenue plan submitted by each agency for review by the Department of Finance and Administration, the State Comptroller, and the Fiscal Review Committee.

C

Capital Budget - The portion of the budget devoted to proposed additions or maintenance to capital assets and the means of financing those additions.

Capital Maintenance - Major non-routine repairs and replacements unrelated to new construction. Improvements of this type have a cost of \$250,000 or more.

Capital Outlay - Expenditures that result in the acquisition of or addition to major fixed assets (e.g., land, buildings, and equipment related to construction).

Clean Water 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.

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.

EPF - The Environmental Protection Fund, administered by the Department of Environment and Conservation, to improve performance in permitting, monitoring, investigation, enforcement, and administration of the department's function under each regulatory program.

F

Families First - This program, administered by the Department of Human Services, replaced Aid to Families with Dependent Children and provides time-limited cash grants, education, job training, childcare, employment assistance, and transitional benefits to poor or low-income Tennesseans in order to reduce or eliminate welfare dependency.

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.

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 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.

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

Ned McWherter Scholars Program - In-state scholarships offered to academically outstanding Tennessee high school students, to encourage them to attend college in Tennessee.

Non-Recurring Funds - Funds that are appropriated to be used for a one-time expense.

O

Operating Budget - Money that is necessary to maintain a program, excluding the cost of capital construction.

Other Revenue - A collection of funding sources, excluding state appropriations and federal funds, that are generally from local governments, current services, and interdepartmental activities.

Overappropriation - The anticipated savings resulting from position vacancies and other unexpended funds.

Overlapped - Term used when an appointing authority places more than one

incumbent into a single position. This is subject to budgetary limits as well as approval of the Department of Human Resources.

P

Performance Measure - A quantitative or qualitative indicator that is used to assess performance.

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).

Recommended Funding - The funds proposed by the Governor for legislative approval, including the base budget and cost increases.

Recurring Funds - Funds that are appropriated on an ongoing basis.

Reserve Funds - Funds held for future needs or a special purpose.

Reversion - The return of the unused portion of an appropriation to the fund from which the appropriation was made.

Revolving Fund - A fund provided to carry out a cycle of operations. The amounts expended from a fund of this type are restored by earnings from operations or by transfer from other funds. Thus, the fund is always intact in the form of cash, receivables, inventory, or other assets.

S

Section 8 - A federally funded rental subsidy program offered through the Tennessee Housing Development Agency for individuals and families with very low incomes.

Sinking Fund - See **Debt Service Fund**.

Special Schools - Schools operated by the state Department of Education to provide educational opportunities in residential settings for legally blind, deaf, and multi-disabled children ages preschool to 21, and to provide a model rural high school.

Subsequent Injury and Vocational Recovery Fund - A fund providing money for judgments against the State of Tennessee and for legal costs awarded by the state in order to encourage employers to hire workers with prior injuries or disabilities.

Supervision Fees - Fees collected from felons under the supervision of the Department of Correction, used to defray the costs of supervision and rehabilitation.

Supplemental Appropriation - Additional appropriations to the original allotment authorized by the General Assembly after the beginning of the fiscal year.

T

TANF - Temporary Assistance for Needy Families is a federal program administered by the Department of Human Services and provides cash grants for families with financial need and dependent children deprived of support or care.

TCAP - The Tennessee Comprehensive Assessment Program, which is used to assess academic progress of Tennessee students at specified points in their academic career.

TBR - Tennessee Board of Regents

THEC - Tennessee Higher Education Commission

TISA - The Tennessee Investment in Student Achievement is the formula that determines funding by the needs of the individual student. This formula began July 1, 2023.

TVA - The Tennessee Valley Authority, which is a federal power-producing and economic development program.

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.

U

UT - University of Tennessee System

W

West Tennessee River Basin Authority - The 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 2025-2026

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