

STATE OF TENNESSEE



The Budget

FISCAL YEAR 2026-2027



Bill Lee, Governor



Bill Lee,
Governor



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Introduction



Introduction

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BILL LEE
GOVERNOR
STATE OF TENNESSEE

February 2, 2026

Members of the 114th General Assembly:

It is an honor to present the Fiscal Year 2026-27 budget for the State of Tennessee.

From our earliest days as the Original Frontier, Tennessee has been a place where hard work, innovation, and freedom create opportunity. Today, that same frontier spirit continues to guide us as we lead the nation with responsible fiscal stewardship and bold, forward-thinking investments to secure Tennessee's future.

Tennessee's success is the result of a longstanding, bipartisan commitment to conservative budgeting and sound fiscal management. We continue to make common sense fiscal decisions that keep Tennessee's financial outlook secure – strengthening reserves, reducing debt, and carefully directing recurring revenues toward long-term priorities while reserving non-recurring funds for transformational one-time investments. This approach has positioned our state for lasting stability and sustained growth.

Over the past seven years together, we've made strategic investments to skill our workforce, modernize infrastructure, strengthen public schools, empower families, keep our neighborhoods safe, and foster innovation – across rural and urban Tennessee.

This year, we'll continue to invest boldly in Tennessee with funding to deliver education freedom for more families, lead the nation in nuclear energy advancement, bolster our trooper force, and support key community partnerships, among other priorities.

We have accomplished much together, and we can continue to make Tennessee a beacon for opportunity, security and freedom for future generations of Tennesseans. I am grateful for our valuable partnership and shared commitment to make life better for Tennessee and her people.

Sincerely,

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

Bill Lee



STATE OF TENNESSEE
DEPARTMENT OF FINANCE & ADMINISTRATION
312 ROSA L. PARKS AVENUE
NASHVILLE, TENNESSEE 37243-0435

BILL LEE
GOVERNOR

JIM BRYSON
COMMISSIONER

February 2, 2026

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 2027 budget. This balanced budget assumes conservative yet practical growth rates, addresses key priorities, and reserves funding for future contingencies.

Over the past few years, Tennessee has experienced periods of strong tax revenue growth and 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 slower economic growth and other challenges we may face in the year ahead. We expect growth to slow somewhat. Therefore, we built this budget carefully to ensure Tennessee remains in its historically strong financial position.

The proposed fiscal year 2027 budget is \$57.9 billion, down from the \$64.1 billion in fiscal year 2026. This lower total budget is primarily a result of a significant decline in federal funds from the previous year. This \$57.9 billion budget includes \$29.6 billion from state appropriations, \$19.4 billion from federal funding, and \$8.9 billion from other sources.

This budget makes major investments in Tennessee's future while preparing for uncertain economic days ahead. We consulted financial experts across our state who unanimously counseled for slow to moderate growth for Tennessee's FY27 economy. We 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 slower economic environment.

The collaboration between your administration and the General Assembly has resulted in Tennessee's solid financial position. 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 of Jim Bryson in black ink, written over a white background.

Jim Bryson, Commissioner
Department of Finance & Administration

Budget Highlights

Recommended Budget, Fiscal Year 2026-2027

The total recommended state budget for fiscal year 2026-2027 is \$57.9 billion, with \$29.6 billion from state appropriations; \$19.4 billion from federal funds; \$6.0 billion from other departmental revenues; \$2.5 billion from higher education student tuition and fees; and \$438.0 million in bonds. This is a decrease of \$6.2 billion in total funding and a decrease of \$125.4 million in state funding from the revised current fiscal year 2025-2026 spending estimates. Federal revenue is decreasing by \$5.0 billion; departmental revenue is decreasing by \$414.8 million; capital and highway construction bonds are decreasing by \$596.5 million; and higher education student tuition and fees remain 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 above actual fiscal year 2024-2025 collections and show slow growth in the next fiscal year. The revised recurring current-year growth rate in the general fund is 1.32 percent compared with the actual 2024-2025 Department of Revenue collections. For fiscal year 2026-2027, before inter-fund reallocations, recurring general fund taxes are expected to grow by \$450.1 million above the revised current-year estimate. This is a 2.35 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 2025-2026 and slow growth through fiscal year 2026-2027 and beyond.

Investments in Education

The administration recommends increases for the second year of the Education Freedom Scholarship program. First, a recurring \$42,350,000 is proposed for inflationary costs in the program and to increase the number of available scholarships by 5,000. The 5,000 additional scholarships are recommended pursuant to current law. Second, the administration proposes legislation to add an additional 15,000 scholarships with a \$112,950,000 recurring appropriation.

Fiscal year 2026-2027 is the fourth year under the new public education funding formula – the Tennessee Investment in Student Achievement (TISA). The recommended cost increase for TISA is \$170,000,000 recurring state funding. The \$170,000,000 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: non-recurring funding for the charter schools facilities fund (\$40,000,000), recurring funding for the summer learning camps and summer transportation program (\$5,000,000), and recurring funding for local education agency reimbursement of paid parental leave claims (\$2,610,400).

Budget Highlights

In the Treasury Department budget, the administration recommends a \$10,616,000 non-recurring fiscal year 2025-2026 supplemental general fund subsidy appropriation and a \$20,000,000 non-recurring general fund subsidy appropriation for the LEA Public Construction Maintenance program, which provides grants to local education agencies for construction and maintenance of public school buildings.

The administration further recommends increasing the number of school-based behavioral health liaisons. To fund this recommendation, a recurring \$3,000,000 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, a recurring state appropriation of \$39,400,000 funds the outcome funding formula and salaries for the University of Tennessee system (\$12,306,200), Locally Governed Institutions (\$15,075,100), and the Board of Regents (\$12,018,700). 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. Further, the administration proposes two appropriations to support the nuclear and cybersecurity industries: a \$10,000,000 non-recurring appropriation to strengthen workforce training initiatives in the nuclear energy industry, and a \$3,000,000 non-recurring appropriation to Tennessee Technological University to establish Governor's Academies for Next-Gen nuclear and cybersecurity technologies.

Investments in Public Safety

The administration proposes multiple investments in public safety. Three grants to the City of Memphis are recommended: \$50,000,000 non-recurring for downtown public safety, \$15,000,000 non-recurring for Crime Intervention and Prevention – Focused Deterrence, and \$15,000,000 non-recurring for Crime Intervention and Prevention – Work-Centered Training. Further, non-recurring appropriations are proposed for the construction of regional juvenile justice centers in West and East Tennessee.

An increase in the number of law enforcement positions statewide is proposed with this budget. In the Tennessee Highway Patrol, 50 new trooper positions and \$17,660,000 (\$10,270,000 recurring and \$7,390,000 non-recurring) are recommended. Also in the Department of Safety, 34 positions and \$2,658,800 (\$2,468,400 recurring and \$190,400 non-recurring) are recommended for increased staffing in Driver License centers. In the Tennessee Bureau of Investigation, 10 positions and \$4,933,400 (\$2,354,400 recurring and \$2,579,000 non-recurring) are recommended for operational support and the establishment of a rapid DNA unit.

In the Military Department, an additional deposit into the governor's response and recovery fund is proposed (\$100,000,000 non-recurring). The administration further recommends two pieces of legislation: one relative to disaster relief (\$368,400 total appropriation and 4 positions), and one relative designating the Tennessee Emergency Management Agency a cabinet-level department.

Lastly, multiple reorganizations of appropriations are proposed to begin the process of opening the Multi-Agency Law Enforcement Training Academy (MALETA) campus. Funding is transferred from the Departments of Commerce and Insurance, Correction, Safety, and Tennessee Bureau of Investigation to MALETA to reflect the future floorspace allocated to those departments at the MALETA campus. Further, an additional seven positions and \$838,600 (\$8,188,700 recurring with a non-recurring reduction of \$7,350,100) are recommended in the MALETA budget. The MALETA program is part of the Department of General Services.

Investments in Infrastructure and Business Development

The administration proposes four non-recurring appropriations to support state government's information technology infrastructure: \$50,000,000 for an artificial intelligence enablement program, \$20,000,000 to continue the relocation of the state's North Data Center, \$70,000,000 to modernize the state's enterprise resource planning software, and \$4,000,000 to comply with federal Americans with Disabilities Act digital accessibility regulations.

To address the state's transportation infrastructure needs, the administration recommends a \$425,000,000 (\$25,000,000 recurring and \$400,000,000 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 \$56,200,000 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 \$30,000,000 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, the administration recommends appropriations of \$73,500,000 (\$1,000,000 recurring) to fund several programs, including rural development funds, AgLaunch grants, television and film commission grants, nuclear industry initiative grants, and direct international flight grants. Further, the administration proposes \$20,000,000 non-recurring to support quantum computing infrastructure in the state.

In the Department of Labor and Workforce Development, the administration recommends an \$8,000,000 non-recurring appropriation to continue the TN Youth Employment Program, which connects youth with paid employment opportunities.

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 \$81,995,000 (\$79,339,000 non-recurring state appropriation and \$2,656,200 from departmental revenues) and 29 positions. The recommendation includes the creation of new state parks (Roaring Creek and

Budget Highlights

Buffalo River Blueway), further development of Clinch River, and recurring funding for new welcome centers at Harpeth River, Burgess Falls, and Lamar Alexander Rock Fork State Parks.

The administration also proposes legislation to transfer the State Energy Policy Council from the Comptroller of the Treasury to the Department of Environment and Conservation.

In the Tennessee Wildlife Resources Agency, the administration proposes legislation to provide members of the Tennessee National Guard with a free annual sportsmen's license (\$2,500,000 recurring from the general fund). Further, a non-recurring general fund subsidy of \$10,000,000 is recommended to aid the agency's capital outlay and capital maintenance needs.

In the Department of Agriculture, the administration recommends \$1,318,100 (\$845,600 recurring and \$472,500 non-recurring) and nine positions for a wildfire resiliency team.

Investments in Health and Social Services

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

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, 2024-2025, and 2025-2026, and new initiatives in fiscal year 2026-2027. New initiatives funded by shared savings include assisting TennCare members transitioning from Medicaid to private insurance (\$18,000,000), implementing federally mandated community engagement requirements (\$3,000,000), and providing rural health transformation resiliency grants in the Department of Health (\$125,000,000).

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 fifth year of the Health Starts initiative; and providing support funding to the Department of Children's Services. Altogether, \$230,220,200 (\$229,672,500 recurring and \$547,700 non-recurring) in state appropriations is recommended in the TennCare program.

Multiple appropriations are recommended in the Department of Children's Services (DCS). Legislation is proposed to provide safe environments for children with a recurring \$10,721,000 appropriation. Further, appropriations of \$77,078,100 are proposed in DCS for increases in

Budget Highlights

foster care and adoption reimbursement rates, residential custodial rates, eligibility rates in custody services, specialized treatment homes, and private provider case management. Of the \$77,078,100 appropriation, \$75,507,400 is recurring, and \$1,570,700 is non-recurring. Further, \$70,741,900 is in the DCS budget, and \$6,336,200 in the TennCare budget.

In other health and social services departments, the following cost increases are recommended. In the Department of Health, a non-recurring \$24,202,100 appropriation is recommended to continue a pilot program to address unmet dental services needs and increase the number of dentists practicing in the state, and \$18,480,100 (\$10,480,100 recurring and \$8,000,000 non-recurring) is proposed for insurance premiums in the Ryan White program. In the Department of Human Services, \$58,334,700 (\$60,000,000 recurring and negative \$1,665,300 non-recurring) is proposed to defray reduced federal support for the administration of the Supplemental Nutrition Assistance Program. Also, a non-recurring \$8,000,000 is recommended as a supplemental appropriation in fiscal year 2025-2026 for two summer nutrition and food programs in the Department of Human Services.

Investments in Employees

To continue implementing Pay for Performance in executive branch agencies, an appropriation of \$33,151,400 is recommended. This amount provides a pool of funds for salary increases effective July 1, 2026.

Salary increases for state employees not covered by the Tennessee Excellence, Accountability, and Management (TEAM) Act will be funded with an appropriation of \$8,179,600. 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 \$63,203,900 recurring for group health insurance and \$10,000,000 recurring for increased contributions to the Tennessee Consolidated Retirement System.

A total of \$32,427,500 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, 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, and trooper and wildlife officer step increases. State law further requires a border-state survey for Commerce and Insurance and highway patrol officers, and wildlife officer step increases and border-state survey. Funds for those salary survey increases are included in the total above.

State statutes mandate that teachers at state-run schools must be compensated based on training and experience. To fund this requirement, \$693,700 is provided in the Department of Education for state special schools.

Investments in Capital

Capital outlay in fiscal year 2026-2027 totals \$1,022,995,200, including \$456,597,000 in non-recurring current funds, new bonds of \$311,000,000, and \$255,398,200 from federal and other sources. Of the total capital outlay, statewide capital maintenance totals \$121,485,000, from state, federal, and other sources. Statewide capital maintenance is distributed as follows: \$42,825,000 for general government, \$27,070,000 for the University of Tennessee, \$26,350,000 for Locally Governed Institutions, and \$18,320,000 for the Tennessee Board of Regents.

Contained in the totals above, the facilities revolving fund capital budget provides an additional \$55,310,000 for projects and maintenance of state office buildings and similar facilities maintained through non-recurring current funds (\$19,050,000), and agency rent payments and reserves (\$36,260,000). Capital projects funded from dedicated sources of revenue in the amount of \$13,061,200 are also recommended 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 \$2,150,000,000 on June 30, 2025, and is estimated to be \$2,185,600,000 on June 30, 2026. A recommended deposit of \$20,000,000 to the fund in fiscal year 2026-2027 will have the total revenue fluctuation reserve at \$2,205,600,000 on June 30, 2027.

The TennCare reserve consists of prior-year unspent funds appropriated to the TennCare program. The reserve, as of June 30, 2025, is almost \$1,400,000,000 and is expected to be the same on June 30, 2026, and June 30, 2027.

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

The Budget Document

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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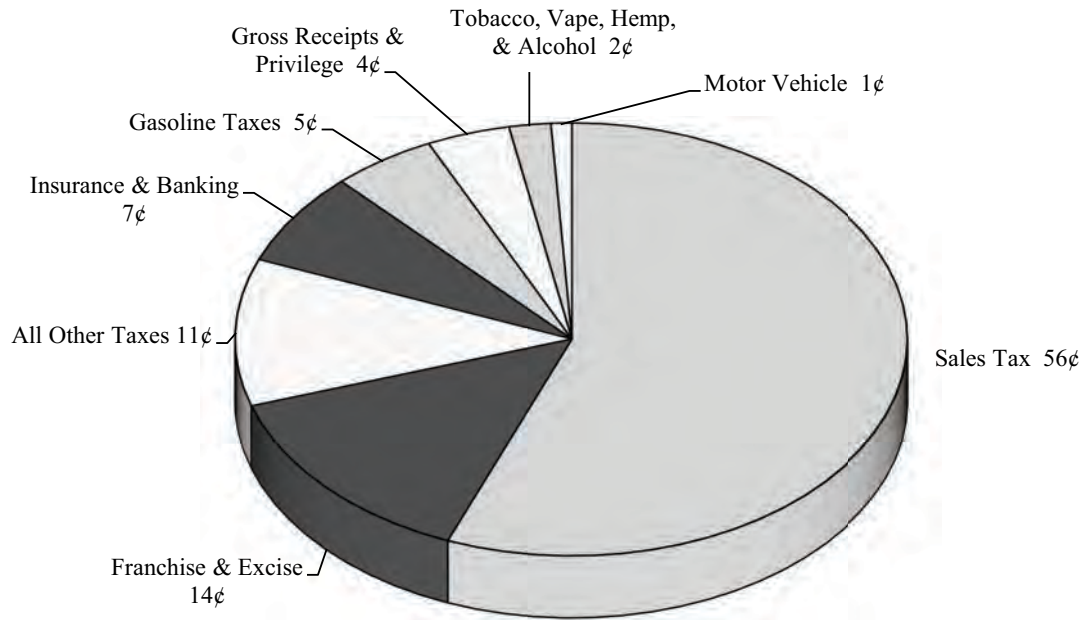
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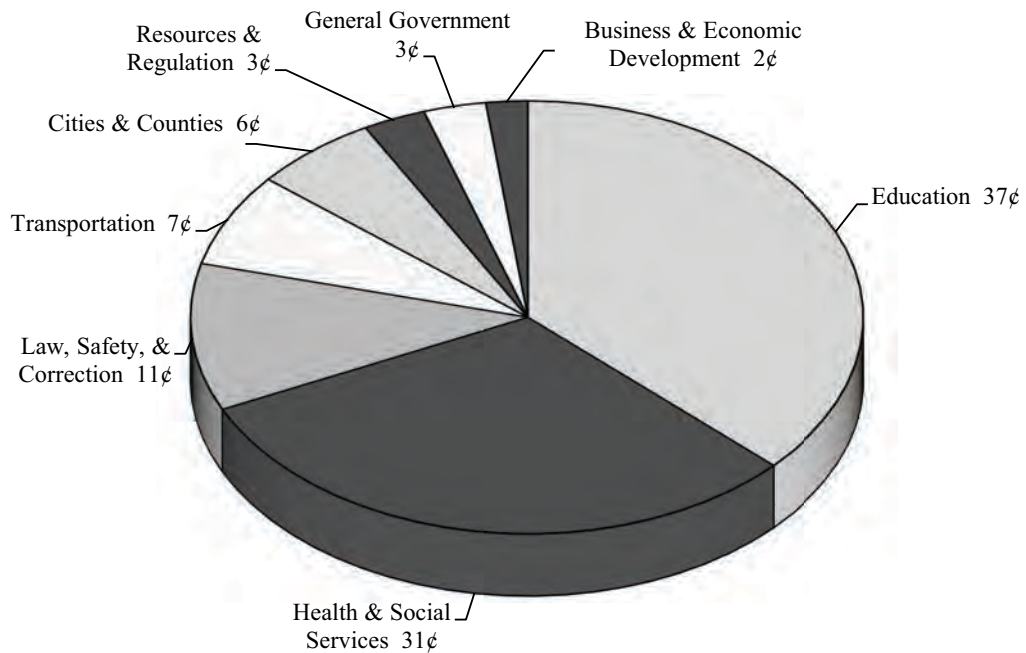
Total State Budget

Fiscal Year 2026-2027

Where Your State Tax Dollar Comes From



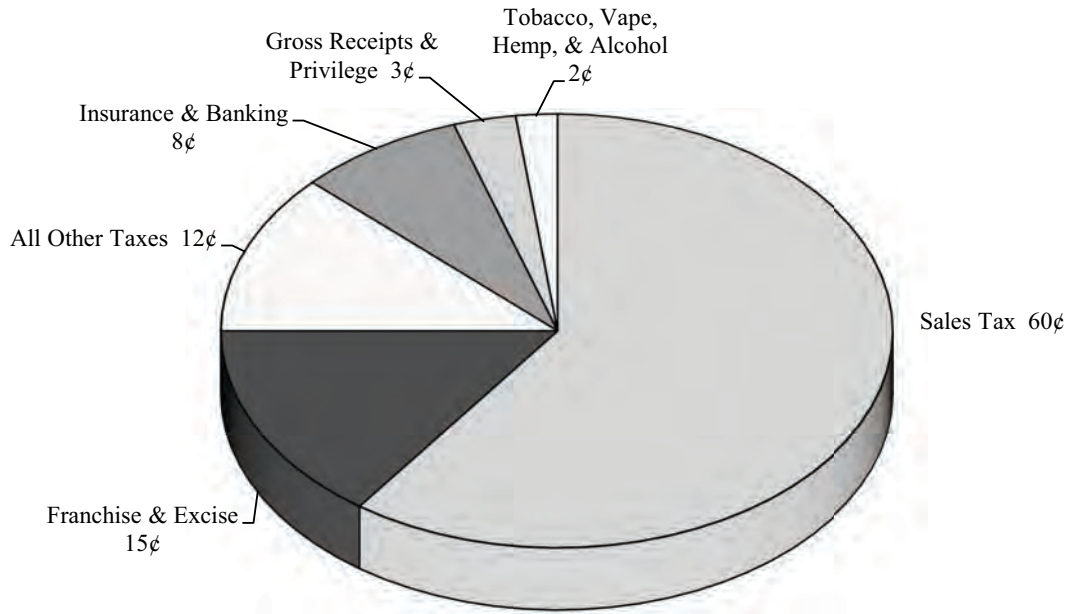
Where Your State Tax Dollar Goes



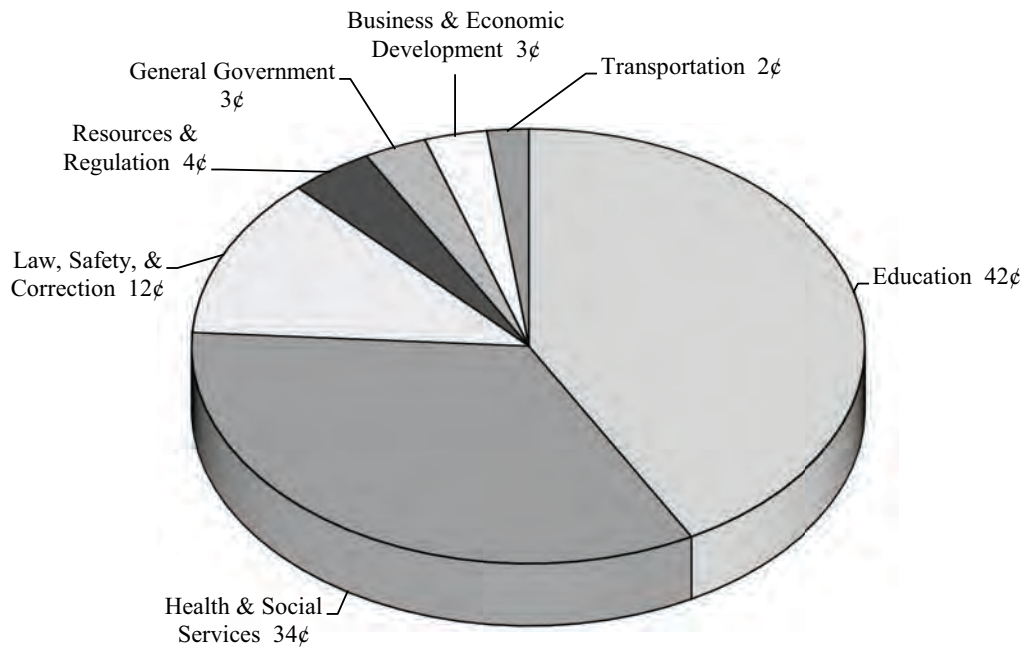
General Fund Budget

Fiscal Year 2026-2027

Where Your State Tax Dollar Comes From



Where Your State Tax Dollar Goes



Total State Budget
Comparison of Programs and Revenue Sources
Fiscal Years 2024-2025, 2025-2026, and 2026-2027

	<u>Actual 2024-2025</u>	<u>Estimated 2025-2026</u>	<u>Recommended 2026-2027</u>	<u>Act. vs. Est. Difference</u>	<u>Est. vs. Rec. Difference</u>
I. PROGRAMS					
ALL PROGRAMS	\$ 56,954,894,900	\$ 64,110,362,090	\$ 57,929,380,700	\$ 7,155,467,190	\$ (6,180,981,390)
General Fund ¹	50,458,810,300	57,339,575,590	51,677,087,100	6,880,765,290	(5,662,488,490)
Department of Transportation	3,105,234,700	2,842,241,800	2,898,018,000	(262,992,900)	55,776,200
Debt Service Requirements	372,436,000	396,408,000	462,792,000	23,972,000	66,384,000
Capital Outlay Program	1,168,520,000	1,679,423,800	1,022,995,200	510,903,800	(656,428,600)
Facilities Revolving Fund	232,353,900	172,712,900	177,188,400	(59,641,000)	4,475,500
Cities & Counties - State-Shared Taxes	1,617,540,000	1,680,000,000	1,691,300,000	62,460,000	11,300,000
II. REVENUE SOURCES					
APPROPRIATION	\$ 26,248,078,100	\$ 29,698,852,990	\$ 29,573,483,400	\$ 3,450,774,890	\$ (125,369,590)
General Fund ¹	21,838,891,700	25,981,950,190	25,754,067,600	4,143,058,490	(227,882,590)
Department of Transportation	1,467,385,400 ²	1,204,079,800	1,196,424,800	(263,305,600)	(7,655,000)
Debt Service Requirements	372,436,000	396,408,000	462,792,000	23,972,000	66,384,000
Capital Outlay Program	944,307,000 ²	424,113,000	456,597,000	(520,194,000)	32,484,000
Facilities Revolving Fund	7,518,000	12,302,000	12,302,000	4,784,000	0
Cities & Counties - State-Shared Taxes	1,617,540,000	1,680,000,000	1,691,300,000	62,460,000	11,300,000
BONDS	\$ 0	\$ 1,034,547,000	\$ 438,000,000	\$ 1,034,547,000	\$ (596,547,000)
Department of Transportation	0	80,000,000	127,000,000	80,000,000	47,000,000
Capital Outlay Program	0	954,547,000	311,000,000	954,547,000	(643,547,000)
FEDERAL	\$ 21,553,791,500	\$ 24,466,662,300	\$ 19,422,436,200	\$ 2,912,870,800	\$ (5,044,226,100)
General Fund	19,964,175,100	22,958,083,800	17,868,434,400	2,993,908,700	(5,089,649,400)
Department of Transportation	1,571,674,400	1,497,599,500	1,515,579,300	(74,074,900)	17,979,800
Capital Outlay Program	17,942,000	10,979,000	38,422,500	(6,963,000)	27,443,500
CURRENT SERVICES & OTHER	\$ 9,153,025,300	\$ 8,910,299,800	\$ 8,495,461,100	\$ (242,725,500)	\$ (414,838,700)
General Fund ³	8,655,743,500	8,399,541,600	8,054,585,100	(256,201,900)	(344,956,500)
Department of Transportation	66,174,900	60,562,500	59,013,900	(5,612,400)	(1,548,600)
Capital Outlay Program	206,271,000	289,784,800	216,975,700	83,513,800	(72,809,100)
Facilities Revolving Fund	224,835,900 ⁴	160,410,900	164,886,400	(64,425,000)	4,475,500
TOTAL STATE BUDGET	\$ 56,954,894,900	\$ 64,110,362,090	\$ 57,929,380,700	\$ 7,155,467,190	\$ (6,180,981,390)

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 2024-2025, 2025-2026, and 2026-2027

	Actual 2024-2025	Estimated 2025-2026	Recommended 2026-2027	Act. vs. Est. Difference	Est. vs. Rec. Difference
I. GENERAL FUND ¹	\$ 50,458,810,300	\$ 57,339,575,590	\$ 51,677,087,100	\$ 6,880,765,290	\$ (5,662,488,490)
Appropriation	21,838,891,700	25,981,950,190	25,754,067,600	4,143,058,490	(227,882,590)
Federal	19,964,175,100	22,958,083,800	17,868,434,400	2,993,908,700	(5,089,649,400)
Current Services & Other Revenue ²	8,655,743,500	8,399,541,600	8,054,585,100	(256,201,900)	(344,956,500)
II. DEPARTMENT OF TRANSPORTATION	\$ 3,105,234,700	\$ 2,842,241,800	\$ 2,898,018,000	\$ (262,992,900)	\$ 55,776,200
Appropriation	1,467,385,400 ³	1,204,079,800	1,196,424,800	(263,305,600)	(7,655,000)
Federal	1,571,674,400	1,497,599,500	1,515,579,300	(74,074,900)	17,979,800
Current Services & Other Revenue	66,174,900	60,562,500	59,013,900	(5,612,400)	(1,548,600)
Bonds	0	80,000,000	127,000,000	80,000,000	47,000,000
III. DEBT SERVICE REQUIREMENTS	\$ 372,436,000	\$ 396,408,000	\$ 462,792,000	\$ 23,972,000	\$ 66,384,000
Appropriation	372,436,000	396,408,000	462,792,000	23,972,000	66,384,000
IV. CAPITAL OUTLAY PROGRAM	\$ 1,168,520,000	\$ 1,679,423,800	\$ 1,022,995,200	\$ 510,903,800	\$ (656,428,600)
Appropriation	944,307,000 ³	424,113,000	456,597,000	(520,194,000)	32,484,000
Federal	17,942,000	10,979,000	38,422,500	(6,963,000)	27,443,500
Current Services & Other Revenue	206,271,000	289,784,800	216,975,700	83,513,800	(72,809,100)
Bonds	0	954,547,000	311,000,000	954,547,000	(643,547,000)
V. FACILITIES REVOLVING FUND	\$ 232,353,900	\$ 172,712,900	\$ 177,188,400	\$ (59,641,000)	\$ 4,475,500
Appropriation	7,518,000	12,302,000	12,302,000	4,784,000	0
Current Services & Other Revenue	224,835,900 ⁴	160,410,900	164,886,400	(64,425,000)	4,475,500
VI. CITIES & COUNTIES - STATE-SHARED TAXES	\$ 1,617,540,000	\$ 1,680,000,000	\$ 1,691,300,000	\$ 62,460,000	\$ 11,300,000
Appropriation	1,617,540,000	1,680,000,000	1,691,300,000	62,460,000	11,300,000
VII. TOTAL STATE BUDGET	\$ 56,954,894,900	\$ 64,110,362,090	\$ 57,929,380,700	\$ 7,155,467,190	\$ (6,180,981,390)
Appropriation	26,248,078,100	29,698,852,990	29,573,483,400	3,450,774,890	(125,369,590)
Federal	21,553,791,500	24,466,662,300	19,422,436,200	2,912,870,800	(5,044,226,100)
Current Services & Other Revenue ²	9,153,025,300	8,910,299,800	8,495,461,100	(242,725,500)	(414,838,700)
Bonds	0	1,034,547,000	438,000,000	1,034,547,000	(596,547,000)

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 2025-2026**

	<u>TOTAL</u>	<u>RECURRING</u>	<u>NON-RECURRING</u>
I. APPROPRIATION REQUIREMENTS			
General Fund Programs:			
2025 Appropriation Act - Work Program	\$ 25,864,328,590	\$ 21,762,522,040	\$ 4,101,806,550
2025 Appropriation Act - Dedicated Funds	(70,462,900)	(70,462,900)	0
2026 Supplemental Appropriations - General Fund	97,893,400	0	97,893,400
Total General Fund Requirements	\$ 25,891,759,090	\$ 21,692,059,140	\$ 4,199,699,950
Less: Overappropriation	(76,808,500)	(76,808,500)	0
Net General Fund Requirements	\$ 25,814,950,590	\$ 21,615,250,640	\$ 4,199,699,950
Other Programs:			
Capital Outlay Program	\$ 514,304,100	\$ 90,191,100	\$ 424,113,000
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
Subtotal 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
Subtotal Facilities Revolving Fund	\$ 12,302,000	\$ 12,302,000	\$ 0
Total Other Programs	\$ 530,891,200	\$ 106,778,200	\$ 424,113,000
Total Appropriation Requirements	\$ 26,345,841,790	\$ 21,722,028,840	\$ 4,623,812,950
II. GENERAL FUND REVENUES AND RESERVES			
State Tax Revenue - Department of Revenue	\$ 19,118,200,000	\$ 19,153,200,000	\$ (35,000,000)
State Tax Revenue - Dept. of Revenue - Hemp Tax Adjustment	(46,200,000)	(46,200,000)	0
State Tax Revenue - Other State Revenue	4,630,500,000	2,354,650,000	2,275,850,000
Miscellaneous Revenue	58,400,000	58,400,000	0
Tobacco MSA Revenue	115,000,000	121,000,000	(6,000,000)
Sports Wagering Privilege Tax - LEA School Facilities Fund	87,513,400	87,513,400	0
Lottery for Education Account	424,621,200	424,621,300	(100)
Transfers, Reserves, and Other Available Funds:			
Highway Fund Transfer - Gas Inspection Act	\$ 3,025,300	\$ 3,025,300	\$ 0
Highway Fund Transfer - Welcome Centers	12,001,400	12,008,300	(6,900)
Reserve for 2025-2026 Appropriations	2,405,172,000	0	2,405,172,000
Transfer to Rainy Day Fund	(35,600,000)	0	(35,600,000)
Transfer from Debt Service Fund at June 30, 2026	98,323,000	0	98,323,000
Unappropriated Budget Surplus (UBS) at June 30, 2025	1,142,683,200	0	1,142,683,200
Rounding	(725,100)	(737,900)	12,800
Subtotal Transfers, Reserves, and Other Available Funds	\$ 3,624,879,800	\$ 14,295,700	\$ 3,610,584,100
Total General Fund Revenues and Reserves	\$ 28,012,914,400	\$ 22,167,480,400	\$ 5,845,434,000
III. AVAILABLE FUNDS AT JUNE 30, 2026			
2025 PC 526 Hemp Tax Reserve (PC 530 61/15)	\$ 54,638,900	\$ 54,917,700	\$ (278,800)
Hemp Tax Adjustment	(46,200,000)	(46,200,000)	0
2025 PC 324 Vape Tax Reserve (PC 530 61/16)	14,655,300	15,609,200	(953,900)
Available Funds	1,643,978,410	421,124,660	1,222,853,750
Total Available Funds	\$ 1,667,072,610	\$ 445,451,560	\$ 1,221,621,050
Revenue Fluctuation Reserve at June 30, 2025	\$ 2,150,000,000		
Revenue Fluctuation Reserve at June 30, 2026	\$ 2,185,600,000		

**General Fund and Education Fund
Comparison of Appropriation Requirements and State Revenues
Fiscal Year 2026-2027**

	<u>TOTAL</u>	<u>RECURRING</u>	<u>NON-RECURRING</u>
I. APPROPRIATION REQUIREMENTS			
General Fund Programs:			
Base Budget Requirements	\$ 21,762,522,040	\$ 21,762,522,040	\$ 0
Rounding Adjustment	(40)	(40)	0
Base Budget Reduction Plans - General Fund	(124,376,800)	(79,798,400)	(44,578,400)
Sum Sufficient Appropriations - Dedicated Funds	(88,446,100)	(88,446,100)	0
Preliminary Base Budget Adjustments - Dedicated Funds	1,876,759,700	0	1,876,759,700
Base Budget Reduction Plans - Dedicated Funds	(197,000)	(197,000)	0
Base Budget Recommended	\$ 23,426,261,800	\$ 21,594,080,500	\$ 1,832,181,300
Cost Increases - Budget Recommendations			
All Programs - General Fund	\$ 2,223,768,400	\$ 1,018,627,700	\$ 1,205,140,700
All Programs - Dedicated Funds	13,846,300	11,746,300	2,100,000
Total Cost Increases Recommended	\$ 2,237,614,700	\$ 1,030,374,000	\$ 1,207,240,700
Total General Fund Requirements	\$ 25,663,876,500	\$ 22,624,454,500	\$ 3,039,422,000
Less: Overappropriation	(76,808,500)	(76,808,500)	0
Net General Fund Requirements	\$ 25,587,068,000	\$ 22,547,646,000	\$ 3,039,422,000
Other Programs:			
Capital Outlay Program	\$ 546,788,100	\$ 90,191,100	\$ 456,597,000
Designated to Other Funds:			
Metro Sports Authority Debt Service	\$ 3,261,800	\$ 3,261,800	\$ 0
Dedicated Funds - Reserves	1,000,000	1,000,000	0
Subtotal Designated to Other Funds	\$ 4,261,800	\$ 4,261,800	\$ 0
Facilities Revolving Fund:			
Facilities Revolving Fund - Operations	\$ 12,302,000	\$ 12,302,000	\$ 0
Subtotal Facilities Revolving Fund	\$ 12,302,000	\$ 12,302,000	\$ 0
Total Other Programs	\$ 563,351,900	\$ 106,754,900	\$ 456,597,000
Total Appropriation Requirements	\$ 26,150,419,900	\$ 22,654,400,900	\$ 3,496,019,000
II. GENERAL FUND REVENUES AND RESERVES			
State Tax Revenue - Department of Revenue	\$ 19,545,700,000	\$ 19,580,700,000	\$ (35,000,000)
State Tax Revenue - Other State Revenue	4,274,800,000	2,396,000,000	1,878,800,000
Miscellaneous Revenue	60,600,000	60,600,000	0
Tobacco MSA Revenue	115,000,000	115,000,000	0
Sports Wagering Privilege Tax - LEA School Facilities Fund	91,889,100	91,889,100	0
Lottery for Education Account	402,262,400	402,262,400	0
Highway Fund Transfer - Gas Inspection Act	3,325,300	3,325,300	0
Highway Fund Transfer - Welcome Centers	12,008,300	12,008,300	0
Available Funds at June 30, 2026	1,667,072,600	0	1,667,072,600
Transfer to Rainy Day Fund	(20,000,000)	0	(20,000,000)
Rounding Adjustment	(739,000)	(798,700)	59,700
Total General Fund Revenues and Reserves	\$ 26,151,918,700	\$ 22,660,986,400	\$ 3,490,932,300
III. AVAILABLE FUNDS AT JUNE 30, 2027			
Undesignated Fund Balance	\$ 1,498,800	\$ 6,585,500	\$ (5,086,700)
Total Available Funds	\$ 1,498,800	\$ 6,585,500	\$ (5,086,700)
Revenue Fluctuation Reserve at June 30, 2026	\$ 2,185,600,000		
Revenue Fluctuation Reserve at June 30, 2027	\$ 2,205,600,000		

Department of Transportation
Comparison of Appropriations and Funding Requirements
Fiscal Years 2025-2026 and 2026-2027

	<u>2025-2026</u>	<u>2026-2027</u>	<u>Difference</u>
I. APPROPRIATION REQUIREMENTS			
ADMINISTRATION	\$ 127,685,700	\$ 143,278,300	\$ 15,592,600
HEADQUARTERS OPERATIONS	64,185,400	66,099,100	1,913,700
FIELD OPERATIONS	109,626,700	96,704,900	(12,921,800)
GARAGE AND FLEET OPERATIONS	15,434,300	23,427,200	7,992,900
CAPITAL IMPROVEMENTS	5,478,800	8,085,000	2,606,200
HIGHWAY SYSTEM MAINTENANCE	543,478,900	766,713,800	223,234,900
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
Subtotal State-Funded Programs	<u>\$ 77,067,800</u>	<u>\$ 77,067,800</u>	<u>\$ 0</u>
FEDERALLY FUNDED PROGRAMS			
Planning and Research	\$ 5,817,000	\$ 6,568,000	\$ 751,000
Interstate System	0	0	0
Highway Infrastructure	243,618,650	453,665,300	210,046,650
Transportation Modernization Fund	1,000,000,000	0	(1,000,000,000)
Transit	77,217,900	85,815,400	8,597,500
Air, Water, and Rail	179,800,000	160,400,000	(19,400,000)
Aeronautics Economic Development Fund	0	0	0
Subtotal Federally Funded Programs	<u>\$ 1,506,453,550</u>	<u>\$ 706,448,700</u>	<u>\$ (800,004,850)</u>
TOTAL APPROPRIATION REQUIREMENTS	<u>\$ 2,449,411,150</u>	<u>\$ 1,887,824,800</u>	<u>\$ (561,586,350)</u>
II. STATE FUNDING SOURCES:			
Highway User Taxes	\$ 1,139,400,000	\$ 1,128,100,000	\$ (11,300,000)
Sales Tax - Transportation Equity Fund	18,300,000	21,000,000	2,700,000
Miscellaneous Revenue	46,379,800	47,324,800	945,000
Bond Authorization	80,000,000	127,000,000	47,000,000
General Fund Transfers	1,165,331,350	564,400,000	(600,931,350)
TOTAL STATE FUNDING SOURCES	<u>\$ 2,449,411,150</u>	<u>\$ 1,887,824,800</u>	<u>\$ (561,586,350)</u>

Department of Transportation
Comparison of Appropriations by Funding Sources
Fiscal Years 2025-2026 and 2026-2027

	<u>2025-2026</u>	<u>2026-2027</u>	<u>Difference</u>
I. STATE FUNDS			
Administration	\$ 127,685,700	\$ 143,278,300	\$ 15,592,600
Headquarters Operations	64,185,400	66,099,100	1,913,700
Field Operations	109,626,700	96,704,900	(12,921,800)
Garage and Fleet Operations	15,434,300	23,427,200	7,992,900
Capital Improvements	5,478,800	8,085,000	2,606,200
Highway System Maintenance	543,478,900	766,713,800	223,234,900
State-Funded Programs	77,067,800	77,067,800	0
Federally Funded Programs	1,426,453,550	579,448,700	(847,004,850)
Total State Funds	\$ 2,369,411,150	\$ 1,760,824,800	\$ (608,586,350)
II. BOND AUTHORIZATIONS			
Federally Funded Programs	\$ 80,000,000	\$ 127,000,000	\$ 47,000,000
Total Bond Authorizations	\$ 80,000,000	\$ 127,000,000	\$ 47,000,000
III. FEDERAL AID			
Federally Funded Programs	\$ 1,497,599,500	\$ 1,515,579,300	\$ 17,979,800
Total Federal Aid	\$ 1,497,599,500	\$ 1,515,579,300	\$ 17,979,800
IV. LOCAL GOVERNMENTS			
State-Funded Programs	\$ 2,925,000	\$ 2,925,000	\$ 0
Federally Funded Programs	52,737,500	50,288,900	(2,448,600)
Total Local Governments	\$ 55,662,500	\$ 53,213,900	\$ (2,448,600)
V. OTHER STATE AGENCIES			
Garage and Fleet Services	\$ 4,900,000	\$ 5,800,000	900,000
Total Other State Agencies	\$ 4,900,000	\$ 5,800,000	\$ 900,000
VI. GRAND TOTAL			
Administration	\$ 127,685,700	\$ 143,278,300	\$ 15,592,600
Headquarters Operations	64,185,400	66,099,100	1,913,700
Field Operations	109,626,700	96,704,900	(12,921,800)
Garage and Fleet Operations	20,334,300	29,227,200	8,892,900
Capital Improvements	5,478,800	8,085,000	2,606,200
Highway System Maintenance	543,478,900	766,713,800	223,234,900
State-Funded Programs	79,992,800	79,992,800	0
Federally Funded Programs	3,056,790,550	2,272,316,900	(784,473,650)
Grand Total	\$ 4,007,573,150	\$ 3,462,418,000	\$ (545,155,150)

Department of Transportation
Actual Expenditures by Program and Funding Source
Fiscal Year 2024-2025

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>
Administration	\$ 116,801,100	\$ 0	\$ 0	\$ 116,801,100
Headquarters Operations	47,428,500	0	0	47,428,500
Field Operations	83,692,400	0	0	83,692,400
Flight Services	2,044,400	0	0	2,044,400
Garage and Fleet Operations	17,514,400	0	3,279,200	20,793,600
Capital Improvements	3,156,300	0	0	3,156,300
Highway System Maintenance	430,803,000	0	4,512,300	435,315,300
STATE-FUNDED PROGRAMS				
Betterments	\$ 1,422,900	\$ 0	\$ 329,700	\$ 1,752,600
State Aid	31,048,900	0	67,400	31,116,300
TMF-State Aid	326,129,700	0	0	326,129,700
State Industrial Access	32,993,300	100	885,400	33,878,800
Local Interstate Connectors	(325,000)	0	1,896,400	1,571,400
Subtotal State-Funded Programs	\$ 391,269,800	\$ 100	\$ 3,178,900	\$ 394,448,800
FEDERALLY FUNDED PROGRAMS				
Planning and Research	\$ 5,696,100	\$ 24,055,100	\$ 1,164,900	\$ 30,916,100
Highway Infrastructure	298,642,200	1,466,346,200	50,705,500	1,815,693,900
Transit	63,486,100	50,328,100	0	113,814,200
Air, Water, and Rail	120,151,100	30,944,900	3,334,100	154,430,100
Subtotal Federally Funded Programs	\$ 487,975,500	\$ 1,571,674,300	\$ 55,204,500	\$ 2,114,854,300
TOTAL APPROPRIATIONS	\$ 1,580,685,400	\$ 1,571,674,400	\$ 66,174,900	\$ 3,218,534,700
STATE FUNDING SOURCES:				
Highway User Taxes	\$ 1,065,132,800			
Sales Tax - Transportation Equity Fund	22,757,700			
Miscellaneous Revenue	43,056,200			
Fund Balance	449,738,700			
TOTAL STATE FUNDING SOURCES	\$ 1,580,685,400			

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

	State	Federal	Other	Total
Administration	\$ 127,685,700	\$ 0	\$ 0	\$ 127,685,700
Headquarters Operations	64,185,400	0	0	64,185,400
Field Operations	109,626,700	0	0	109,626,700
Garage and Fleet Operations	15,434,300	0	4,900,000	20,334,300
Capital Improvements	5,478,800	0	0	5,478,800
Highway System Maintenance	543,478,900	0	0	543,478,900
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
Subtotal 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
Highway Infrastructure	243,618,650	1,300,879,000	43,805,000	1,588,302,650
Transportation Modernization Fund	1,000,000,000	0	0	1,000,000,000
Transit	77,217,900	147,385,500	645,500	225,248,900
Air, Water, and Rail	179,800,000	25,725,000	8,200,000	213,725,000
Aeronautics Economic Development	0	0	0	0
Subtotal Federally Funded Programs	\$ 1,506,453,550	\$ 1,497,599,500	\$ 52,737,500	\$ 3,056,790,550
TOTAL APPROPRIATIONS	\$ 2,449,411,150	\$ 1,497,599,500	\$ 60,562,500	\$ 4,007,573,150
STATE FUNDING SOURCES:				
Highway User Taxes	\$ 1,139,400,000			
Sales Tax - Transportation Equity Fund	18,300,000			
Miscellaneous Revenue	46,379,800			
General Fund Transfers	1,165,331,350			
Bond Authorization	80,000,000			
TOTAL STATE FUNDING SOURCES	\$ 2,449,411,150			

Department of Transportation
Recommended Budget by Program and Funding Source
Fiscal Year 2026-2027

	State	Federal	Other	Total
Administration	\$ 143,278,300	\$ 0	\$ 0	\$ 143,278,300
Headquarters Operations	66,099,100	0	0	66,099,100
Field Operations	96,704,900	0	0	96,704,900
Garage and Fleet Operations	23,427,200	0	5,800,000	29,227,200
Capital Improvements	8,085,000	0	0	8,085,000
Highway System Maintenance	766,713,800	0	0	766,713,800
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
Subtotal State-Funded Programs	\$ 77,067,800	\$ 0	\$ 2,925,000	\$ 79,992,800
FEDERALLY FUNDED PROGRAMS				
Planning and Research	\$ 6,568,000	\$ 29,616,000	\$ 837,000	\$ 37,021,000
Interstate System	0	0	0	0
Highway Infrastructure	453,665,300	1,300,938,000	40,615,000	1,795,218,300
Transit	85,815,400	166,875,300	636,900	253,327,600
Air, Water, and Rail	160,400,000	18,150,000	8,200,000	186,750,000
Aeronautics Economic Development Fund	0	0	0	0
Subtotal Federally Funded Programs	\$ 706,448,700	\$ 1,515,579,300	\$ 50,288,900	\$ 2,272,316,900
TOTAL APPROPRIATIONS	\$ 1,887,824,800	\$ 1,515,579,300	\$ 59,013,900	\$ 3,462,418,000
STATE FUNDING SOURCES:				
Highway User Taxes	\$ 1,128,100,000			
Sales Tax - Transportation Equity Fund	21,000,000			
Miscellaneous Revenue	47,324,800			
General Fund Transfers	564,400,000			
Bond Authorization	127,000,000			
TOTAL STATE FUNDING SOURCES	\$ 1,887,824,800			

Comparison of Programs

Fiscal Years 2024-2025, 2025-2026, and 2026-2027

Allot. Code	Department	Actual 2024-2025	Estimated 2025-2026	Recommended 2026-2027	Act. vs. Est. Difference	Est. vs. Rec. Difference
301	Legislature	\$ 72,374,000	\$ 78,910,300	\$ 78,794,600	\$ 6,536,300	\$ (115,700)
	Appropriation	70,863,800	78,772,800	78,657,100	7,909,000	(115,700)
	Current Services and Other Revenue	1,510,200	137,500	137,500	(1,372,700)	0
301.50	Fiscal Review Committee	\$ 2,398,400	\$ 3,088,800	\$ 3,089,300	\$ 690,400	\$ 500
	Appropriation	2,398,400	3,088,800	3,089,300	690,400	500
302	Court System	\$ 197,240,400	\$ 227,578,700	\$ 266,881,900	\$ 30,338,300	\$ 39,303,200
	Appropriation	180,574,100	219,865,000	259,167,700	39,290,900	39,302,700
	Federal	640,800	980,000	980,000	339,200	0
	Current Services and Other Revenue	16,025,500	6,733,700	6,734,200	(9,291,800)	500
303	Attorney General and Reporter	\$ 72,274,000	\$ 82,743,700	\$ 82,238,800	\$ 10,469,700	\$ (504,900)
	Appropriation	57,457,800	65,382,600	64,875,200	7,924,800	(507,400)
	Federal	0	969,800	969,800	969,800	0
	Current Services and Other Revenue	14,816,200	16,391,300	16,393,800	1,575,100	2,500
304	District Attorneys General	\$ 204,628,200	\$ 218,584,500	\$ 220,776,900	\$ 13,956,300	\$ 2,192,400
	Appropriation	154,490,700	164,263,600	165,694,800	9,772,900	1,431,200
	Federal	100	47,300	1,547,300	47,200	1,500,000
	Current Services and Other Revenue	50,137,400	54,273,600	53,534,800	4,136,200	(738,800)
305	Secretary of State	\$ 63,813,400	\$ 94,972,800	\$ 95,035,700	\$ 31,159,400	\$ 62,900
	Appropriation	44,190,500	52,026,800	52,089,100	7,836,300	62,300
	Federal	4,725,400	30,216,800	30,216,800	25,491,400	0
	Current Services and Other Revenue	14,897,500	12,729,200	12,729,800	(2,168,300)	600
306	District Public Defenders	\$ 94,520,500	\$ 100,949,800	\$ 102,400,000	\$ 6,429,300	\$ 1,450,200
	Appropriation	93,843,300	99,795,000	101,405,400	5,951,700	1,610,400
	Current Services and Other Revenue	677,200	1,154,800	994,600	477,600	(160,200)
307	Comptroller of the Treasury	\$ 147,553,100	\$ 144,734,800	\$ 149,359,100	\$ (2,818,300)	\$ 4,624,300
	Appropriation	125,326,100	133,953,700	138,578,000	8,627,600	4,624,300
	Current Services and Other Revenue	22,227,000	10,781,100	10,781,100	(11,445,900)	0
308	Post-Conviction Defender	\$ 3,646,800	\$ 4,303,000	\$ 4,458,500	\$ 656,200	\$ 155,500
	Appropriation	3,503,800	4,303,000	4,458,500	799,200	155,500
	Current Services and Other Revenue	143,000	0	0	(143,000)	0
309	Treasury Department	\$ 92,627,000	\$ 226,585,400	\$ 211,455,600	\$ 133,958,400	\$ (15,129,800)
	Appropriation	2,256,100	102,568,500	116,329,000	100,312,400	13,760,500
	Federal	17,574,800	38,037,900	0	20,463,100	(38,037,900)
	Current Services and Other Revenue	72,796,100	85,979,000	95,126,600	13,182,900	9,147,600
313	Claims and Compensation	\$ 128,979,700	\$ 125,688,700	\$ 127,454,100	\$ (3,291,000)	\$ 1,765,400
	Appropriation	17,955,300	22,610,000	24,806,600	4,654,700	2,196,600
	Federal	5,331,000	4,850,600	3,404,000	(480,400)	(1,446,600)
	Current Services and Other Revenue	105,693,400	98,228,100	99,243,500	(7,465,300)	1,015,400

Comparison of Programs

Fiscal Years 2024-2025, 2025-2026, and 2026-2027

Allot. Code	Department	Actual 2024-2025	Estimated 2025-2026	Recommended 2026-2027	Act. vs. Est. Difference	Est. vs. Rec. Difference
315	Executive Department	\$ 7,460,600	\$ 7,391,200	\$ 7,401,500	\$ (69,400)	\$ 10,300
	Appropriation	7,294,900	7,391,200	7,401,500	96,300	10,300
	Current Services and Other Revenue	165,700	0	0	(165,700)	0
316	Commissions	\$ 772,886,800	\$ 696,349,100	\$ 738,204,700	\$ (76,537,700)	\$ 41,855,600
	Appropriation	78,545,400	107,883,600	126,903,600	29,338,200	19,020,000
	Federal	589,450,900	476,438,400	491,559,100	(113,012,500)	15,120,700
	Current Services and Other Revenue	104,890,500	112,027,100	119,742,000	7,136,600	7,714,900
317	Finance and Administration (F&A)	\$ 731,579,600	\$ 862,460,500	\$ 719,822,700	\$ 130,880,900	\$ (142,637,800)
	Appropriation	33,905,800	83,992,000	38,679,500	50,086,200	(45,312,500)
	Federal	144,549,600	158,495,200	82,486,700	13,945,600	(76,008,500)
	Current Services and Other Revenue	553,124,200	619,973,300	598,656,500	66,849,100	(21,316,800)
318	F&A, TennCare	\$ 18,526,061,100	\$ 19,229,799,600	\$ 19,216,694,000	\$ 703,738,500	\$ (13,105,600)
	Appropriation	5,677,899,700	6,342,747,800	6,631,462,700	664,848,100	288,714,900
	Federal	11,537,222,100	11,724,863,700	11,454,479,900	187,641,600	(270,383,800)
	Current Services and Other Revenue	1,310,939,300	1,162,188,100	1,130,751,400	(148,751,200)	(31,436,700)
319	Human Resources	\$ 25,922,500	\$ 27,771,000	\$ 27,776,900	\$ 1,848,500	\$ 5,900
	Appropriation	0	0	0	0	0
	Current Services and Other Revenue	25,922,500	27,771,000	27,776,900	1,848,500	5,900
321	General Services	\$ 189,013,900	\$ 245,293,900	\$ 249,681,600	\$ 56,280,000	\$ 4,387,700
	Appropriation	25,610,400	75,786,400	72,569,800	50,176,000	(3,216,600)
	Federal	2,326,900	0	0	(2,326,900)	0
	Current Services and Other Revenue	161,076,600	169,507,500	177,111,800	8,430,900	7,604,300
323	Veterans Services	\$ 21,652,300	\$ 16,031,400	\$ 15,251,300	\$ (5,620,900)	\$ (780,100)
	Appropriation	13,533,500	14,498,100	13,711,900	964,600	(786,200)
	Federal	8,111,200	1,533,300	1,539,400	(6,577,900)	6,100
	Current Services and Other Revenue	7,600	0	0	(7,600)	0
324	Board of Parole	\$ 12,194,400	\$ 13,003,100	\$ 12,940,300	\$ 808,700	\$ (62,800)
	Appropriation	12,191,900	13,002,100	12,939,300	810,200	(62,800)
	Current Services and Other Revenue	2,500	1,000	1,000	(1,500)	0
325	Agriculture	\$ 278,118,500	\$ 377,158,900	\$ 232,007,000	\$ 99,040,400	\$ (145,151,900)
	Appropriation	119,457,400	256,300,800	140,392,700	136,843,400	(115,908,100)
	Federal	131,043,600	97,940,300	69,932,900	(33,103,300)	(28,007,400)
	Current Services and Other Revenue	27,617,500	22,917,800	21,681,400	(4,699,700)	(1,236,400)
326	Tourist Development	\$ 89,072,700	\$ 74,330,600	\$ 67,496,600	\$ (14,742,100)	\$ (6,834,000)
	Appropriation	33,822,400	70,824,200	66,702,400	37,001,800	(4,121,800)
	Federal	33,821,300	2,712,200	0	(31,109,100)	(2,712,200)
	Current Services and Other Revenue	21,429,000	794,200	794,200	(20,634,800)	0

Comparison of Programs

Fiscal Years 2024-2025, 2025-2026, and 2026-2027

Allot. Code	Department	Actual 2024-2025	Estimated 2025-2026	Recommended 2026-2027	Act. vs. Est. Difference	Est. vs. Rec. Difference
327	Environment and Conservation	\$ 947,298,400	\$ 1,883,289,200	\$ 582,146,300	\$ 935,990,800	\$ (1,301,142,900)
	Appropriation	282,337,100	384,537,000	296,054,700	102,199,900	(88,482,300)
	Federal	438,571,100	1,281,148,600	120,333,000	842,577,500	(1,160,815,600)
	Current Services and Other Revenue	226,390,200	217,603,600	165,758,600	(8,786,600)	(51,845,000)
328	Wildlife Resources Agency	\$ 156,252,000	\$ 196,956,400	\$ 177,702,800	\$ 40,704,400	\$ (19,253,600)
	Appropriation	71,150,400	88,157,500	98,953,900	17,007,100	10,796,400
	Federal	48,791,600	38,399,900	38,399,900	(10,391,700)	0
	Current Services and Other Revenue	36,310,000	70,399,000	40,349,000	34,089,000	(30,050,000)
329	Correction	\$ 1,395,643,400	\$ 1,516,925,100	\$ 1,506,713,400	\$ 121,281,700	\$ (10,211,700)
	Appropriation	1,356,282,500	1,497,563,800	1,479,901,800	141,281,300	(17,662,000)
	Federal	6,539,200	6,890,800	353,300	351,600	(6,537,500)
	Current Services and Other Revenue	32,821,700	12,470,500	26,458,300	(20,351,200)	13,987,800
330	Economic and Community Development	\$ 448,294,900	\$ 1,987,654,400	\$ 219,856,600	\$ 1,539,359,500	\$ (1,767,797,800)
	Appropriation	89,925,900	135,664,500	175,582,500	45,738,600	39,918,000
	Federal	278,469,800	1,722,510,700	40,894,900	1,444,040,900	(1,681,615,800)
	Current Services and Other Revenue	79,899,200	129,479,200	3,379,200	49,580,000	(126,100,000)
331	Education (K-12)	\$ 9,182,973,500	\$ 9,414,238,100	\$ 9,454,489,400	\$ 231,264,600	\$ 40,251,300
	Appropriation	7,162,710,300	7,836,279,700	7,926,060,000	673,569,400	89,780,300
	Federal	1,732,861,500	1,426,043,600	1,393,539,600	(306,817,900)	(32,504,000)
	Current Services and Other Revenue	287,401,700	151,914,800	134,889,800	(135,486,900)	(17,025,000)
	Lottery-Funded Programs ¹	\$ 12,382,900	\$ 19,346,200	\$ 19,346,300	\$ 6,963,300	\$ 100
	Appropriation	12,382,900	19,346,200	19,346,300	6,963,300	100
	Other Education (K-12) Programs ¹	\$ 9,170,590,600	\$ 9,394,891,900	\$ 9,435,143,100	\$ 224,301,300	\$ 40,251,200
	Appropriation	7,150,327,400	7,816,933,500	7,906,713,700	666,606,100	89,780,200
	Federal	1,732,861,500	1,426,043,600	1,393,539,600	(306,817,900)	(32,504,000)
	Current Services and Other Revenue	287,401,700	151,914,800	134,889,800	(135,486,900)	(17,025,000)
332	Higher Education	\$ 6,569,842,400	\$ 6,754,894,100	\$ 6,640,692,700	\$ 185,051,700	\$ (114,201,400)
	Appropriation	2,815,067,200	2,908,550,300	2,952,288,300	93,483,100	43,738,000
	Federal	126,653,000	91,799,400	91,799,500	(34,853,600)	100
	Current Services and Other Revenue	1,265,007,200	1,271,631,900	1,113,692,400	6,624,700	(157,939,500)
	Tuition and Student Fees	2,363,115,000	2,482,912,500	2,482,912,500	119,797,500	0
	Lottery for Education Account ¹	\$ 493,648,400	\$ 519,247,300	\$ 382,916,100	\$ 25,598,900	\$ (136,331,200)
	Appropriation	461,600,000	405,275,000	382,916,100	(56,325,000)	(22,358,900)
	Current Services and Other Revenue	32,048,400	113,972,300	0	81,923,900	(113,972,300)
	Other Higher Education Programs ¹	\$ 6,076,194,000	\$ 6,235,646,800	\$ 6,257,776,600	\$ 159,452,800	\$ 22,129,800
	Appropriation	2,353,467,200	2,503,275,300	2,569,372,200	149,808,100	66,096,900
	Federal	126,653,000	91,799,400	91,799,500	(34,853,600)	100
	Current Services and Other Revenue	1,232,958,800	1,157,659,600	1,113,692,400	(75,299,200)	(43,967,200)
	Tuition and Student Fees	2,363,115,000	2,482,912,500	2,482,912,500	119,797,500	0

Comparison of Programs

Fiscal Years 2024-2025, 2025-2026, and 2026-2027

Allot. Code	Department	Actual 2024-2025	Estimated 2025-2026	Recommended 2026-2027	Act. vs. Est. Difference	Est. vs. Rec. Difference
335	Commerce and Insurance	\$ 319,196,800	\$ 338,246,100	\$ 311,242,800	\$ 19,049,300	\$ (27,003,300)
	Appropriation	214,329,600	255,337,800	228,331,100	41,008,200	(27,006,700)
	Federal	736,500	324,800	324,800	(411,700)	0
	Current Services and Other Revenue	104,130,700	82,583,500	82,586,900	(21,547,200)	3,400
336	Financial Institutions	\$ 25,493,800	\$ 38,187,600	\$ 37,989,500	\$ 12,693,800	\$ (198,100)
	Appropriation	25,219,300	38,185,200	37,987,100	12,965,900	(198,100)
	Current Services and Other Revenue	274,500	2,400	2,400	(272,100)	0
337	Labor and Workforce Development	\$ 245,134,300	\$ 272,774,500	\$ 256,495,400	\$ 27,640,200	\$ (16,279,100)
	Appropriation	63,142,300	92,769,000	91,943,300	29,626,700	(825,700)
	Federal	156,026,800	140,783,000	132,322,900	(15,243,800)	(8,460,100)
	Current Services and Other Revenue	25,965,200	39,222,500	32,229,200	13,257,300	(6,993,300)
339	Mental Health and Substance Abuse Services	\$ 783,210,500	\$ 803,400,400	\$ 735,495,700	\$ 20,189,900	\$ (67,904,700)
	Appropriation	428,697,800	445,144,400	441,264,800	16,446,600	(3,879,600)
	Federal	153,326,900	111,574,600	101,075,800	(41,752,300)	(10,498,800)
	Current Services and Other Revenue	201,185,800	246,681,400	193,155,100	45,495,600	(53,526,300)
341	Military	\$ 700,411,000	\$ 311,648,000	\$ 379,923,100	\$ (388,763,000)	\$ 68,275,100
	Appropriation	272,966,900	69,191,700	137,431,200	(203,775,200)	68,239,500
	Federal	370,903,600	241,866,100	241,901,700	(129,037,500)	35,600
	Current Services and Other Revenue	56,540,500	590,200	590,200	(55,950,300)	0
343	Health	\$ 1,263,033,700	\$ 1,131,702,100	\$ 1,012,724,200	\$ (131,331,600)	\$ (118,977,900)
	Appropriation	352,624,300	393,561,800	397,301,300	40,937,500	3,739,500
	Federal	693,127,000	506,620,900	257,488,300	(186,506,100)	(249,132,600)
	Current Services and Other Revenue	217,282,400	231,519,400	357,934,600	14,237,000	126,415,200
344	Disability and Aging	\$ 478,059,000	\$ 497,821,900	\$ 491,434,200	\$ 19,762,900	\$ (6,387,700)
	Appropriation	123,489,900	193,332,100	186,985,400	69,842,200	(6,346,700)
	Federal	119,695,600	45,140,000	44,940,000	(74,555,600)	(200,000)
	Current Services and Other Revenue	234,873,500	259,349,800	259,508,800	24,476,300	159,000
345	Human Services	\$ 3,318,954,900	\$ 4,800,210,100	\$ 3,274,697,100	\$ 1,481,255,200	\$ (1,525,513,000)
	Appropriation	245,898,700	338,731,600	359,127,700	92,832,900	20,396,100
	Federal	2,985,873,800	4,399,861,300	2,861,124,400	1,413,987,500	(1,538,736,900)
	Current Services and Other Revenue	87,182,400	61,617,200	54,445,000	(25,565,200)	(7,172,200)
	Supplemental Nutrition Assistance ¹	\$ 1,770,567,400	\$ 3,209,112,700	\$ 1,859,112,700	\$ 1,438,545,300	\$ (1,350,000,000)
	Federal	1,770,567,400	3,209,112,700	1,859,112,700	1,438,545,300	(1,350,000,000)
	Other Human Services Programs ¹	\$ 1,548,387,500	\$ 1,591,097,400	\$ 1,415,584,400	\$ 42,709,900	\$ (175,513,000)
	Appropriation	245,898,700	338,731,600	359,127,700	92,832,900	20,396,100
	Federal	1,215,306,400	1,190,748,600	1,002,011,700	(24,557,800)	(188,736,900)
	Current Services and Other Revenue	87,182,400	61,617,200	54,445,000	(25,565,200)	(7,172,200)

Comparison of Programs

Fiscal Years 2024-2025, 2025-2026, and 2026-2027

Allot. Code	Department	Actual 2024-2025	Estimated 2025-2026	Recommended 2026-2027	Act. vs. Est. Difference	Est. vs. Rec. Difference
347	Revenue	\$ 146,635,400	\$ 172,883,400	\$ 174,388,600	\$ 26,248,000	\$ 1,505,200
	Appropriation	82,757,600	135,026,600	133,931,800	52,269,000	(1,094,800)
	Federal	36,300	20,900	20,900	(15,400)	0
	Current Services and Other Revenue	63,841,500	37,835,900	40,435,900	(26,005,600)	2,600,000
348	Tennessee Bureau of Investigation	\$ 162,420,100	\$ 170,092,600	\$ 168,809,500	\$ 7,672,500	\$ (1,283,100)
	Appropriation	111,000,200	121,366,700	129,743,500	10,366,500	8,376,800
	Federal	16,797,900	14,516,300	14,339,200	(2,281,600)	(177,100)
	Current Services and Other Revenue	34,622,000	34,209,600	24,726,800	(412,400)	(9,482,800)
349	Safety	\$ 613,062,000	\$ 618,840,100	\$ 640,523,800	\$ 5,778,100	\$ 21,683,700
	Appropriation	427,636,500	536,655,000	558,434,000	109,018,500	21,779,000
	Federal	45,992,900	39,368,600	39,372,300	(6,624,300)	3,700
	Current Services and Other Revenue	139,432,600	42,816,500	42,717,500	(96,616,100)	(99,000)
350	F&A, Strategic Health-Care Programs	\$ 181,459,500	\$ 198,733,000	\$ 198,733,000	\$ 17,273,500	\$ 0
	Appropriation	49,813,400	55,278,300	56,285,000	5,464,900	1,006,700
	Federal	127,050,000	139,351,900	138,345,200	12,301,900	(1,006,700)
	Current Services and Other Revenue	4,596,100	4,102,800	4,102,800	(493,300)	0
351	Miscellaneous Appropriations	\$ 157,319,300	\$ 630,075,040	\$ 635,235,600	\$ 472,755,740	\$ 5,160,560
	Appropriation	121,289,100	630,075,040	635,235,600	508,785,940	5,160,560
	Current Services and Other Revenue	36,030,200	0	0	(36,030,200)	0
352	Other Post-Employment Benefits Liability	\$ 52,177,800	\$ 4,460,000	\$ 0	\$ (47,717,800)	\$ (4,460,000)
	Appropriation	52,177,800	4,460,000	0	(47,717,800)	(4,460,000)
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	\$ 1,464,619,700	\$ 1,572,332,300	\$ 1,583,022,300	\$ 107,712,600	\$ 10,690,000
	Appropriation	621,953,600	736,694,800	745,910,500	114,741,200	9,215,700
	Federal	187,923,900	214,776,900	214,742,800	26,853,000	(34,100)
	Current Services and Other Revenue	654,742,200	620,860,600	622,369,000	(33,881,600)	1,508,400
400	Transportation - General Fund Subsidy	\$ 113,300,000	\$ 1,165,331,350	\$ 564,400,000	\$ 1,052,031,350	\$ (600,931,350)
	Appropriation	113,300,000	1,165,331,350	564,400,000	1,052,031,350	(600,931,350)

Comparison of Programs

Fiscal Years 2024-2025, 2025-2026, and 2026-2027

Allot. Code	Department	Actual 2024-2025	Estimated 2025-2026	Recommended 2026-2027	Act. vs. Est. Difference	Est. vs. Rec. Difference
	Grand Total - General Fund	\$ 50,458,810,300	\$ 57,339,575,590	\$ 51,677,087,100	\$ 6,880,765,290	\$ (5,662,488,490)
	Appropriation	21,838,891,700	25,981,950,190	25,754,067,600	4,143,058,490	(227,882,590)
	Federal	19,964,175,100	22,958,083,800	17,868,434,400	2,993,908,700	(5,089,649,400)
	Current Services and Other Revenue	6,292,628,500	5,916,629,100	5,571,672,600	(375,999,400)	(344,956,500)
	Tuition and Student Fees	2,363,115,000	2,482,912,500	2,482,912,500	119,797,500	0
400	Transportation	\$ 3,105,234,700	\$ 2,842,241,800	\$ 2,898,018,000	\$ (262,992,900)	\$ 55,776,200
	Appropriation	1,467,385,400 ²	1,204,079,800	1,196,424,800	(263,305,600)	(7,655,000)
	Federal	1,571,674,400	1,497,599,500	1,515,579,300	(74,074,900)	17,979,800
	Current Services and Other Revenue	66,174,900	60,562,500	59,013,900	(5,612,400)	(1,548,600)
	Bonds	0	80,000,000	127,000,000	80,000,000	47,000,000
	Debt Service Requirements	\$ 372,436,000	\$ 396,408,000	\$ 462,792,000	\$ 23,972,000	\$ 66,384,000
	Appropriation	372,436,000	396,408,000	462,792,000	23,972,000	66,384,000
	Capital Outlay Program	\$ 1,168,520,000	\$ 1,679,423,800	\$ 1,022,995,200	\$ 510,903,800	\$ (656,428,600)
	Appropriation	944,307,000 ²	424,113,000	456,597,000	(520,194,000)	32,484,000
	Federal	17,942,000	10,979,000	38,422,500	(6,963,000)	27,443,500
	Current Services and Other Revenue	206,271,000	289,784,800	216,975,700	83,513,800	(72,809,100)
	Bonds	0	954,547,000	311,000,000	954,547,000	(643,547,000)
	Facilities Revolving Fund	\$ 232,353,900	\$ 172,712,900	\$ 177,188,400	\$ (59,641,000)	\$ 4,475,500
	Appropriation	7,518,000	12,302,000	12,302,000	4,784,000	0
	Current Services and Other Revenue	224,835,900 ³	160,410,900	164,886,400	(64,425,000)	4,475,500
	Cities & Counties - State-Shared Taxes	\$ 1,617,540,000	\$ 1,680,000,000	\$ 1,691,300,000	\$ 62,460,000	\$ 11,300,000
	Appropriation	1,617,540,000	1,680,000,000	1,691,300,000	62,460,000	11,300,000
	Total State Budget - All Programs	\$ 56,954,894,900	\$ 64,110,362,090	\$ 57,929,380,700	\$ 7,155,467,190	\$ (6,180,981,390)
	Appropriation	26,248,078,100	29,698,852,990	29,573,483,400	3,450,774,890	(125,369,590)
	Federal	21,553,791,500	24,466,662,300	19,422,436,200	2,912,870,800	(5,044,226,100)
	Current Services and Other Revenue	6,789,910,300	6,427,387,300	6,012,548,600	(362,523,000)	(414,838,700)
	Tuition and Student Fees	2,363,115,000	2,482,912,500	2,482,912,500	119,797,500	0
	Bonds	0	1,034,547,000	438,000,000	1,034,547,000	(596,547,000)

¹ Included in departmental total.

² Transportation and Capital Outlay Program - Actual 2024-2025 includes tax revenue and bonds.

³ Facilities Revolving Fund - Actual 2024-2025 includes departmental revenue and bonds.

Funding Summary All Programs

	Actual 2024-2025	Estimated 2025-2026	Recommended 2026-2027
General Fund and Education Fund			
Expenditures			
Payroll	\$ 4,314,826,500	\$ 4,807,857,400	\$ 4,838,986,100
Operational	46,143,983,800	52,531,718,190	46,838,101,000
Total General Fund and Education Fund	\$ 50,458,810,300	\$ 57,339,575,590	\$ 51,677,087,100
Funding			
State Appropriation ¹	\$ 21,838,891,700	\$ 25,981,950,190	\$ 25,754,067,600
Federal Revenue	19,964,175,100	22,958,083,800	17,868,434,400
Other Departmental Revenue	6,292,628,500	5,916,629,100	5,571,672,600
Tuition and Fees	2,363,115,000	2,482,912,500	2,482,912,500
Transportation Fund			
Expenditures			
Payroll	\$ 358,898,300	\$ 430,314,700	\$ 435,149,200
Operational	2,746,336,400	2,411,927,100	2,462,868,800
Total Transportation Fund	\$ 3,105,234,700	\$ 2,842,241,800	\$ 2,898,018,000
Funding			
State Appropriation	\$ 1,467,385,400	\$ 1,284,079,800	\$ 1,323,424,800
Federal Revenue	1,571,674,400	1,497,599,500	1,515,579,300
Other Departmental Revenue	66,174,900	60,562,500	59,013,900
All Programs			
Expenditures			
Payroll	\$ 4,673,724,800	\$ 5,238,172,100	\$ 5,274,135,300
Operational	48,890,320,200	54,943,645,290	49,300,969,800
Total All Programs	\$ 53,564,045,000	\$ 60,181,817,390	\$ 54,575,105,100
Funding			
State Appropriation ¹	\$ 23,306,277,100	\$ 27,266,029,990	\$ 27,077,492,400
Federal Revenue	21,535,849,500	24,455,683,300	19,384,013,700
Other Departmental Revenue	6,358,803,400	5,977,191,600	5,630,686,500
Tuition and Fees	2,363,115,000	2,482,912,500	2,482,912,500

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

Lottery for Education	\$ 473,982,900	\$ 424,621,200	\$ 402,262,400
Transportation - General Fund Subsidy	\$ 113,300,000	\$ 1,165,331,350	\$ 564,400,000

**Departmental Comparison of Appropriations from State Revenues,
Recurring and Non-Recurring, for Fiscal Years 2025-2026 and 2026-2027**

Program	2025-2026 Appropriation		2026-2027 Base Recommended			2026-2027 Cost Increases		2026-2027 Total Recommended				
	Recurring	Non-Recurring	Recurring	Pct. Chg.	Non-Recurring	Recurring	Non-Recurring	Recurring	Pct. Chg.	Non-Recurring	Total	Pct. Chg.
Legislature	\$ 78,657,100	\$ 115,700	\$ 78,657,100	0.0%	\$ 0	\$ 0	\$ 0	\$ 78,657,100	0.0%	\$ 0	\$ 78,657,100	(0.1%)
Fiscal Review Committee	3,089,300	(500)	3,089,300	0.0%	0	0	0	3,089,300	0.0%	0	3,089,300	0.0%
Court System	215,889,800	3,975,200	215,889,800	0.0%	0	3,652,900	39,625,000	219,542,700	1.7%	39,625,000	259,167,700	17.9%
Attorney General and Reporter	65,393,800	(11,200)	64,875,200	(0.8%)	0	0	0	64,875,200	(0.8%)	0	64,875,200	(0.8%)
District Attorneys General	163,977,000	286,600	161,809,000	(1.3%)	0	3,885,800	0	165,694,800	1.0%	0	165,694,800	0.9%
Secretary of State	52,037,100	(10,300)	52,037,100	0.0%	0	52,000	0	52,089,100	0.1%	0	52,089,100	0.1%
District Public Defenders	99,834,200	(39,200)	98,934,700	(0.9%)	0	1,912,700	558,000	100,847,400	1.0%	558,000	101,405,400	1.6%
Comptroller of the Treasury	128,601,200	5,352,500	128,528,000	(0.1%)	0	0	10,050,000	128,528,000	(0.1%)	10,050,000	138,578,000	3.5%
Post-Conviction Defender	4,304,100	(1,100)	4,304,100	0.0%	0	154,400	0	4,458,500	3.6%	0	4,458,500	3.6%
Treasury Department	91,953,300	10,615,200	96,329,000	4.8%	0	0	20,000,000	96,329,000	4.8%	20,000,000	116,329,000	13.4%
Claims and Compensation	20,360,000	2,250,000	20,360,000	0.0%	0	4,446,600	0	24,806,600	21.8%	0	24,806,600	9.7%
Executive Department	7,392,700	(1,500)	7,392,700	0.0%	0	8,800	0	7,401,500	0.1%	0	7,401,500	0.1%
Commissions	91,442,000	16,441,600	90,967,800	(0.5%)	0	1,490,800	34,445,000	92,458,600	1.1%	34,445,000	126,903,600	17.6%
Finance and Administration (F&A)	33,999,600	49,992,400	33,779,500	(0.6%)	0	4,900,000	0	38,679,500	13.8%	0	38,679,500	(53.9%)
F&A - TennCare	4,591,145,700	1,751,602,100	4,555,125,600	(0.8%)	1,846,116,900	229,672,500	547,700	4,784,798,100	4.2%	1,846,664,600	6,631,462,700	4.6%
Human Resources	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0.0%
General Services	73,250,900	2,535,500	71,681,200	(2.1%)	0	8,188,700	(7,300,100)	79,869,900	9.0%	(7,300,100)	72,569,800	(4.2%)
Veterans Services	13,844,800	653,300	13,711,900	(1.0%)	0	0	0	13,711,900	(1.0%)	0	13,711,900	(5.4%)
Board of Parole	13,003,800	(1,700)	12,939,300	(0.5%)	0	0	0	12,939,300	(0.5%)	0	12,939,300	(0.5%)
Agriculture	138,481,500	117,819,300	137,954,300	(0.4%)	0	1,965,900	472,500	139,920,200	1.0%	472,500	140,392,700	(45.2%)
Tourist Development	44,933,500	25,890,700	44,933,500	0.0%	0	268,900	21,500,000	45,202,400	0.6%	21,500,000	66,702,400	(5.8%)
Environment and Conservation	303,552,400	80,984,600	294,433,700	(3.0%)	0	246,200	1,374,800	294,679,900	(2.9%)	1,374,800	296,054,700	(23.0%)
Wildlife Resources Agency	82,972,100	5,185,400	82,889,800	(0.1%)	0	6,064,100	10,000,000	88,953,900	7.2%	10,000,000	98,953,900	12.2%
Correction	1,469,449,000	28,114,800	1,463,295,400	(0.4%)	(14,795,500)	21,830,700	9,571,200	1,485,126,100	1.1%	(5,224,300)	1,479,901,800	(1.2%)
Economic and Community Development	79,043,600	56,620,900	79,043,600	0.0%	0	1,538,900	95,000,000	80,582,500	1.9%	95,000,000	175,582,500	29.4%

**Departmental Comparison of Appropriations from State Revenues,
Recurring and Non-Recurring, for Fiscal Years 2025-2026 and 2026-2027**

Program	2025-2026 Appropriation		2026-2027 Base Recommended			2026-2027 Cost Increases		2026-2027 Total Recommended				
	Recurring	Non-Recurring	Recurring	Pct. Chg.	Non-Recurring	Recurring	Non-Recurring	Recurring	Pct. Chg.	Non-Recurring	Total	Pct. Chg.
Education (K-12)	\$ 7,549,941,000	\$ 286,338,700	\$ 7,546,645,200	0.0%	\$ 0	\$ 338,749,800	\$ 40,665,000	\$ 7,885,395,000	4.4%	\$ 40,665,000	\$ 7,926,060,000	1.1%
Lottery-Funded Programs	19,346,300	(100)	19,346,300	0.0%	0	0	0	19,346,300	0.0%	0	19,346,300	0.0%
Other K-12 Education Programs	7,530,594,700	286,338,800	7,527,298,900	0.0%	0	338,749,800	40,665,000	7,866,048,700	4.5%	40,665,000	7,906,713,700	1.1%
Higher Education	\$ 2,879,670,300	\$ 28,880,000	\$ 2,856,831,800	(0.8%)	\$ 0	\$ 79,206,500	\$ 16,250,000	\$ 2,936,038,300	2.0%	\$ 16,250,000	\$ 2,952,288,300	1.5%
Lottery-Funded Programs	405,275,000	0	382,916,100	(5.5%)	0	0	0	382,916,100	(5.5%)	0	382,916,100	(5.5%)
Other Higher Education Programs	2,474,395,300	28,880,000	2,473,915,700	0.0%	0	79,206,500	16,250,000	2,553,122,200	3.2%	16,250,000	2,569,372,200	2.6%
Commerce and Insurance	228,269,500	27,068,300	228,079,700	(0.1%)	0	(3,313,100)	3,564,500	224,766,600	(1.5%)	3,564,500	228,331,100	(10.6%)
Financial Institutions	38,197,600	(12,400)	37,716,800	(1.3%)	0	270,300	0	37,987,100	(0.6%)	0	37,987,100	(0.5%)
Labor and Workforce Development	82,197,900	10,571,100	81,632,300	(0.7%)	0	2,223,400	8,087,600	83,855,700	2.0%	8,087,600	91,943,300	(0.9%)
Mental Health and Substance Abuse Services	440,440,200	4,704,200	439,154,900	(0.3%)	859,900	1,250,000	0	440,404,900	0.0%	859,900	441,264,800	(0.9%)
Military	37,390,800	31,800,900	37,062,800	(0.9%)	0	356,400	100,012,000	37,419,200	0.1%	100,012,000	137,431,200	98.6%
Health	351,428,700	42,133,100	348,170,800	(0.9%)	0	12,053,400	37,077,100	360,224,200	2.5%	37,077,100	397,301,300	1.0%
Disability and Aging	186,985,400	6,346,700	186,985,400	0.0%	0	0	0	186,985,400	0.0%	0	186,985,400	(3.3%)
Human Services	288,086,500	50,645,100	285,363,300	(0.9%)	0	60,429,700	13,334,700	345,793,000	20.0%	13,334,700	359,127,700	6.0%
Revenue	134,609,600	417,000	133,931,800	(0.5%)	0	0	0	133,931,800	(0.5%)	0	133,931,800	(0.8%)
Tennessee Bureau of Investigation	119,697,400	1,669,300	119,025,200	(0.6%)	0	4,668,200	6,050,100	123,693,400	3.3%	6,050,100	129,743,500	6.9%
Safety	515,662,100	20,992,900	513,530,200	(0.4%)	0	38,358,700	6,545,100	551,888,900	7.0%	6,545,100	558,434,000	4.1%
F&A - Strategic Health-Care Programs	55,278,300	0	55,278,300	0.0%	0	1,006,700	0	56,285,000	1.8%	0	56,285,000	1.8%
Miscellaneous Appropriations	259,824,740	370,250,300	259,824,700	0.0%	0	94,823,400	280,587,500	354,648,100	36.5%	280,587,500	635,235,600	0.8%
Other Post-Employment Benefits Liability	4,460,000	0	0	(100.0%)	0	0	0	0	(100.0%)	0	0	(100.0%)
Emergency and Contingency Fund	1,000,000	0	1,000,000	0.0%	0	0	0	1,000,000	0.0%	0	1,000,000	0.0%
State Building Commission	0	0	0	0.0%	0	0	0	0	0.0%	0	0	0.0%
Children's Services	659,301,700	77,393,100	657,876,800	(0.2%)	0	85,010,700	3,023,000	742,887,500	12.7%	3,023,000	745,910,500	1.3%
Transportation	83,200,000	1,082,131,350	83,200,000	0.0%	0	25,000,000	456,200,000	108,200,000	30.0%	456,200,000	564,400,000	(51.6%)
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	\$ 21,794,552,240	\$ 4,199,699,950	\$ 21,696,573,600	(0.4%)	\$ 1,832,181,300	\$ 1,030,374,000	\$ 1,207,240,700	\$ 22,726,947,600	4.3%	\$ 3,039,422,000	\$ 25,766,369,600	(0.9%)

Available Funds
Fiscal Year 2025-2026

I. Unappropriated Budget Surplus at June 30, 2025	\$ 1,142,683,200
II. Revenue Adjustments and Other Available Funds	
Fiscal Year 2025-2026 Enacted Budget Available Funds	\$ 71,909,810
Other State Revenue	
a. Commerce and Insurance - Insurance Premiums	30,000,000
b. Treasurer's Earnings	472,000,000
c. Unclaimed Property	2,250,000
Reduction of Debt Service Fund Requirements	98,323,000
Tobacco Master Settlement Agreement	(6,000,000)
2025 PC 526 Tax on Hemp Products - Revise Revenue Estimate	(46,200,000)
Rounding	(10)
Subtotal Revenue Adjustments and Other Available Funds	\$ 622,282,800
III. Subtotal Budget Surplus and Revenue Adjustments (I + II)	\$ 1,764,966,000
IV. Appropriation and Transfer Requirements	
Fiscal Year 2025-2026 Supplemental Appropriations	\$ (97,893,400)
V. Total Available Funds at June 30, 2026 (III + IV)	\$ 1,667,072,600

Supplemental Expenditures
Fiscal Year 2025-2026

	<u>General Fund</u>	<u>Dedicated</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>
1. <u>Children's Services</u>	53,103,200	0	(16,291,800)	0	36,811,400
1. Recalculate Residential Custodial Cost Budget	36,811,400	0	0	0	36,811,400
2. Align Eligibility Requirements in Custody Services	16,291,800	0	(16,291,800)	0	0
2. <u>Claims and Compensation</u>	2,250,000	0	0	0	2,250,000
1. Unclaimed Property - Service Contract	2,250,000	0	0	0	2,250,000
3. <u>Commerce and Insurance</u>	1,826,400	0	0	0	1,826,400
1. Peace Officer Standards and Training (POST) Pay Supplements	326,400	0	0	0	326,400
2. Emergency Responder Death Benefits	1,500,000	0	0	0	1,500,000
4. <u>Economic and Community Development</u>	538,900	0	0	0	538,900
1. Development District Grants	538,900	0	0	0	538,900
5. <u>Education (K-12)</u>	12,273,400	0	0	0	12,273,400
1. Paid Parental Leave	1,273,400	0	0	0	1,273,400
2. Grade A Schools	11,000,000	0	0	0	11,000,000
6. <u>Human Services</u>	16,000,000	0	0	0	16,000,000
1. Summer Nutrition Program	3,000,000	0	0	0	3,000,000
2. Summer Food Assistance	5,000,000	0	0	0	5,000,000
3. Data Analysis Contract	8,000,000	0	0	0	8,000,000
7. <u>Tennessee Bureau of Investigation</u>	1,035,500	0	0	0	1,035,500
1. Restore Funding for Crime Scene Vehicle Purchase	1,035,500	0	0	0	1,035,500
8. <u>Treasury</u>	10,616,000	0	0	0	10,616,000
1. School Construction and Maintenance Grants	10,616,000	0	0	0	10,616,000
9. <u>Veterans Services</u>	250,000	0	0	0	250,000
1. Emergency Repairs for Cemeteries	250,000	0	0	0	250,000
Total Supplemental Expenditures	\$ 97,893,400	\$ 0	\$ (16,291,800)	\$ 0	\$ 81,601,600

**Preliminary Base Budget Adjustments
Fiscal Year 2026-2027**

	General Fund		
	Recurring	Non-Recurring	Dedicated
<u>TennCare</u>	\$ 0	\$ 0	\$ 1,876,759,700
1. Hospital Coverage Assessment	0	0	1,681,647,100
2. Nursing Home Bed Assessment	0	0	184,877,200
3. Ambulance Service Assessment	0	0	10,235,400
Total Preliminary Base Budget Adjustments	\$ 0	\$ 0	\$ 1,876,759,700

**Agency Base Reductions
Fiscal Year 2026-2027**

	General Fund		Dedicated	Federal	Other	Total
	Recurring	Non-Recurring				
1. <u>Advisory Commission on Intergovernmental Relations</u>	(1,600)	0	0	0	0	(1,600)
1. Supplies	(1,600)	0	0	0	0	(1,600)
2. <u>Agriculture</u>	(827,200)	0	300,000	0	200,000	(327,200)
1. Motor Fuel Revenue Swap	(300,000)	0	300,000	0	0	0
2. Timber Sale Revenue Swap	(200,000)	0	0	0	200,000	0
3. Benefits Equity	(327,200)	0	0	0	0	(327,200)
3. <u>Arts Commission</u>	(26,800)	0	0	0	0	(26,800)
1. Grants and Travel	(26,800)	0	0	0	0	(26,800)
4. <u>Attorney General and Reporter</u>	(518,600)	0	0	0	0	(518,600)
1. Salary Equity	(518,600)	0	0	0	0	(518,600)
5. <u>Board of Parole</u>	(64,500)	0	0	0	0	(64,500)
1. Vacant Accounting Tech Position (-1 FT)	(64,500)	0	0	0	0	(64,500)
6. <u>Children's Services (DCS)</u>	(1,424,900)	0	0	(24,500)	(137,400)	(1,586,800)
1. Training and Professional Development Efficiencies	(242,500)	0	0	0	0	(242,500)
2. Prevention Services Contracts Efficiencies	(689,100)	0	0	0	0	(689,100)
3. Long-Term Vacant Positions (-10 FT)	(493,300)	0	0	(24,500)	(137,400)	(655,200)
7. <u>Commerce and Insurance</u>	(189,800)	0	0	0	(13,300)	(203,100)
1. Captive Insurance Program Efficiencies	(142,600)	0	0	0	0	(142,600)
2. Pharmacy Benefits Managers (-2 FT)	0	0	0	0	0	0
3. Long-Term Vacant Position (-1 FT)	(47,200)	0	0	0	(13,300)	(60,500)
8. <u>Commission on Children and Youth</u>	(58,400)	0	0	0	0	(58,400)
1. Grants	(58,400)	0	0	0	0	(58,400)
9. <u>Comptroller of the Treasury</u>	(73,200)	0	0	0	0	(73,200)
1. Administration Legislation - Transfer Administrative Duties for the State Energy Policy Council	(73,200)	0	0	0	0	(73,200)
10. <u>Correction</u>	(6,153,600)	(14,795,500)	0	0	14,795,500	(6,153,600)
1. Operating Funds for Imprisonment Changes	(3,418,900)	0	0	0	0	(3,418,900)
2. Sex Offender Treatment Program	(1,000,000)	0	0	0	0	(1,000,000)
3. Health and Wellness Program	(637,900)	0	0	0	0	(637,900)
4. Vacant Positions (-5 FT)	(396,800)	0	0	0	0	(396,800)
5. Long-Term Vacant Positions (-12 FT)	(700,000)	0	0	0	0	(700,000)
6. Community Corrections Revenue Swap	0	(14,795,500)	0	0	14,795,500	0
11. <u>Corrections Institute</u>	(68,000)	0	0	0	0	(68,000)
1. Operational Efficiencies	(68,000)	0	0	0	0	(68,000)
12. <u>Council on Developmental Disabilities</u>	(5,900)	0	0	(17,700)	0	(23,600)
1. Conference Materials	(5,900)	0	0	(17,700)	0	(23,600)
13. <u>Disability and Aging (DDA)</u>	-	0	0	0	(38,500)	(38,500)
1. Long-Term Vacant Position (-1 FT)	0	0	0	0	(38,500)	(38,500)
14. <u>District Attorneys General Conference</u>	(2,168,000)	0	0	0	0	(2,168,000)
1. Salary Equity	(2,168,000)	0	0	0	0	(2,168,000)
15. <u>District Public Defenders Conference</u>	(899,500)	0	0	0	0	(899,500)
1. Salary Equity	(899,500)	0	0	0	0	(899,500)
16. <u>Education (K-12)</u>	(3,295,800)	0	0	(35,012,200)	0	(38,308,000)
1. State Board of Education Efficiencies	(34,300)	0	0	0	0	(34,300)
2. Career Ladder Participation	(1,000,000)	0	0	0	0	(1,000,000)
3. Academic Offices - Operations	(1,000,000)	0	0	0	0	(1,000,000)
4. Salary Equity	(843,700)	0	0	0	0	(843,700)
5. Federal COVID Funding	0	0	0	(35,012,200)	0	(35,012,200)
6. Long-Term Vacant Positions (-10 FT)	(417,800)	0	0	0	0	(417,800)
17. <u>Environment and Conservation</u>	(9,118,700)	0	0	(31,224,000)	7,343,800	(32,998,900)
1. Solar for All Program Elimination (-2 FT)	0	0	0	(31,224,000)	0	(31,224,000)
2. Operational Efficiencies	(1,774,900)	0	0	0	0	(1,774,900)
3. Recognize State Parks Revenue	(7,343,800)	0	0	0	7,343,800	0
18. <u>Facilities Revolving Fund (FRF)</u>	0	0	0	0	(266,100)	(266,100)
1. Rent Reduction	0	0	0	0	(266,100)	(266,100)

**Agency Base Reductions
Fiscal Year 2026-2027**

	General Fund		Dedicated	Federal	Other	Total
	Recurring	Non-Recurring				
19. Finance and Administration	(220,100)	0	0	0	(4,669,000)	(4,889,100)
1. Contractor Services - Edison	0	0	0	0	(695,900)	(695,900)
2. Contractor Services - Business Solutions Delivery	0	0	0	0	(1,031,600)	(1,031,600)
3. Operational Efficiencies - Office of Evidence and Impact	(86,300)	0	0	0	0	(86,300)
4. Travel and Professional Services - Volunteer TN	(9,300)	0	0	0	0	(9,300)
5. Cost Savings for Automated Fingerprint Identification System (AFIS) Purchases - Office of Criminal Justice Programs	(60,500)	0	0	0	0	(60,500)
6. Extend Refresh Cycles for Switches - Strategic Technology Solutions (STS)	0	0	0	0	(2,000,000)	(2,000,000)
7. Extend Egress Upgrade - STS	0	0	0	0	(641,500)	(641,500)
8. Enterprise Agreement for Leaf Switch Connections - STS	0	0	0	0	(300,000)	(300,000)
9. Operational Efficiencies - Administration	(64,000)	0	0	0	0	(64,000)
10. Vacant Accounting Positions (-9 FT)	0	0	0	0	0	0
20. Financial Institutions	0	0	(480,800)	0	0	(480,800)
1. Long-Term Vacant Positions (-4 FT)	0	0	(480,800)	0	0	(480,800)
21. General Services	(1,569,700)	0	0	0	2,800	(1,566,900)
1. Megasite Water and Wastewater Authority Revenue Swap	(1,500,000)	0	0	0	1,500,000	0
2. Operational Efficiencies	(22,800)	0	0	0	(456,000)	(478,800)
3. Spending Reduction	(46,900)	0	0	0	(1,041,200)	(1,088,100)
22. Health	(3,257,900)	0	0	(17,500)	(8,200)	(3,283,600)
1. FRF Rent Reduction	(5,600)	0	0	0	0	(5,600)
2. Emergency Medical Services Training	(25,000)	0	0	0	0	(25,000)
3. Victims of Violent Crime Program	(500,000)	0	0	0	0	(500,000)
4. Environmental Health Operational Efficiencies	(52,500)	0	0	0	0	(52,500)
5. Policy, Planning, and Informatics Operational Efficiencies	(25,000)	0	0	0	0	(25,000)
6. Vacant Physician Positions (-2 FT)	(428,000)	0	0	0	0	(428,000)
7. Community Health Services Medical Efficiencies - Specialty and Training	(250,000)	0	0	0	0	(250,000)
8. Lab Operations Efficiencies	(125,000)	0	0	0	0	(125,000)
9. Family Health and Wellness Efficiencies	(200,000)	0	0	0	0	(200,000)
10. Communicable and Environmental Diseases and Emergency Preparedness Operational Efficiencies	(250,000)	0	0	0	0	(250,000)
11. Office of Informatics and Analytics Contracts	(125,000)	0	0	0	0	(125,000)
12. Metro Grant-in-Aid Funds	(521,000)	0	0	0	0	(521,000)
13. Local Health Department Grants	(521,000)	0	0	0	0	(521,000)
14. Long-Term Vacant Positions (-5 FT)	(229,800)	0	0	(17,500)	(8,200)	(255,500)
23. Health Facilities Commission	(168,200)	0	0	0	0	(168,200)
1. Operational Efficiencies	(168,200)	0	0	0	0	(168,200)
24. Higher Education - State Administered Programs	(479,600)	0	0	0	(27,900)	(507,500)
1. Grants, Centers of Excellence, Centers of Emphasis	(451,700)	0	0	0	0	(451,700)
2. Long-Term Vacant Position (-1 FT)	(27,900)	0	0	0	(27,900)	(55,800)
25. Human Services	(2,723,200)	0	0	(1,392,795,700)	(2,600)	(1,395,521,500)
1. Call Center Agents Efficiencies	(1,290,000)	0	0	(1,710,000)	0	(3,000,000)
2. Administrative Operational Efficiencies	(1,358,500)	0	0	(975,000)	0	(2,333,500)
3. SNAP Benefits - Align to Actual	0	0	0	(1,350,000,000)	0	(1,350,000,000)
4. Child Care Federal Reduction	0	0	0	(40,000,000)	0	(40,000,000)
5. Long-Term Vacant Positions (-3 FT)	(74,700)	0	0	(110,700)	(2,600)	(188,000)
26. Inmate Disciplinary Oversight Board	(20,400)	0	0	0	0	(20,400)
1. Salary Equity	(20,400)	0	0	0	0	(20,400)
27. Labor and Workforce Development	(565,600)	0	0	(210,500)	(7,800)	(783,900)
1. Adult Education Contract	(180,000)	0	0	0	0	(180,000)
2. Workers' Compensation - IT Savings	(200,000)	0	0	0	0	(200,000)
3. Mines	(35,000)	0	0	0	0	(35,000)
4. Labor Standards	(40,000)	0	0	0	0	(40,000)
5. Workforce Services Contracts	(75,000)	0	0	0	0	(75,000)
6. Long-Term Vacant Positions (-5 FT)	(35,600)	0	0	(210,500)	(7,800)	(253,900)
28. Mental Health and Substance Abuse Services	(1,285,300)	859,900	0	0	0	(425,400)
1. Community Substance Abuse Services Efficiencies	(425,400)	0	0	0	0	(425,400)
2. Peer Support Centers - Add Back as Non-recurring	(859,900)	859,900	0	0	0	0
29. Military Department	(328,000)	0	0	0	0	(328,000)
1. Operational Efficiencies	(328,000)	0	0	0	0	(328,000)

**Agency Base Reductions
Fiscal Year 2026-2027**

	General Fund		Dedicated	Federal	Other	Total
	Recurring	Non-Recurring				
30. <u>Revenue</u>	(740,100)	0	62,300	0	0	(677,800)
1. Electronic Insurance Verification System Revenue Swap	(62,300)	0	62,300	0	0	0
2. Out-of-State Offices	(577,800)	0	0	0	0	(577,800)
3. Contracts Efficiencies	(100,000)	0	0	0	0	(100,000)
31. <u>Safety</u>	(2,131,900)	0	0	0	0	(2,131,900)
1. Office of Homeland Security Efficiencies	(274,600)	0	0	0	0	(274,600)
2. Administration Efficiencies	(219,800)	0	0	0	0	(219,800)
3. Communications Division Efficiencies	(230,900)	0	0	0	0	(230,900)
4. TN Highway Patrol Efficiencies	(1,406,600)	0	0	0	0	(1,406,600)
32. <u>State Museum</u>	(124,900)	0	0	0	0	(124,900)
1. Reduced Acquisitions	(124,900)	0	0	0	0	(124,900)
33. <u>TennCare</u>	(24,971,700)	(30,642,800)	0	(43,528,300)	90,642,800	(8,500,000)
1. TN Strong Families - Buyback with Shared Savings	0	(30,642,800)	0	0	30,642,800	0
2. Fraud, Waste, and Abuse	(911,400)	0	0	(1,588,600)	0	(2,500,000)
3. Behavioral Health Provider Initiated Hospital Discharge	(2,187,300)	0	0	(3,812,700)	0	(6,000,000)
4. Pharmacy Rebate Swap	(21,873,000)	0	0	(38,127,000)	60,000,000	0
34. <u>TennCare for DCS</u>	(50,100)	0	0	(87,300)	0	(137,400)
1. Long-Term Vacant Positions	(50,100)	0	0	(87,300)	0	(137,400)
35. <u>TennCare for DDA</u>	(10,998,300)	0	0	(19,171,300)	0	(30,169,600)
1. Waiver Attrition	(438,100)	0	0	(763,700)	0	(1,201,800)
2. Waiver Utilization	(10,546,200)	0	0	(18,383,100)	0	(28,929,300)
3. Long-Term Vacant Position	(14,000)	0	0	(24,500)	0	(38,500)
36. <u>Tennessee Bureau of Investigation</u>	(672,200)	0	0	0	0	(672,200)
1. Operational Efficiencies	(172,200)	0	0	0	0	(172,200)
2. Salary Equity	(500,000)	0	0	0	0	(500,000)
37. <u>Transportation</u>	0	0	0	0	0	-
1. Long-Term Vacant Positions (-11 FT)	0	0	0	0	0	0
38. <u>Treasury</u>	0	0	0	0	(260,500)	(260,500)
1. FRF Rent Reduction	0	0	0	0	(260,500)	(260,500)
39. <u>TRICOR</u>	0	0	0	0	(222,400)	(222,400)
1. Long-Term Vacant Positions (-3 FT)	0	0	0	0	(222,400)	(222,400)
40. <u>Veterans Services</u>	(132,900)	0	0	0	0	(132,900)
1. Operational Efficiencies	(132,900)	0	0	0	0	(132,900)
41. <u>Wildlife Resources Agency</u>	(3,800)	0	(78,500)	0	0	(82,300)
1. Operational Efficiencies	(3,800)	0	0	0	0	(3,800)
2. Long-Term Vacant Position (-1 FT)	0	0	(78,500)	0	0	(78,500)
42. <u>Other Post-Employment Benefits (OPEB)</u>	(4,460,000)	0	0	0	0	(4,460,000)
1. OPEB Savings	(4,460,000)	0	0	0	0	(4,460,000)
Total Agency Base Reductions	\$ (79,798,400)	\$ (44,578,400)	\$ (197,000)	\$ (1,522,089,000)	\$ 107,331,200	\$ (1,539,331,600)

**Summary of Cost Increases
Fiscal Year 2026-2027**

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	43,277,900	43,277,900	0	0
303	Attorney General and Reporter	0	0	0	0
304	District Attorneys General Conference	6,254,400	3,885,800	1,500,000	868,600
305	Secretary of State	52,000	52,000	0	0
306	District Public Defenders Conference	2,470,700	2,470,700	0	0
307	Comptroller of the Treasury	10,050,000	10,050,000	0	0
308	Office of the Post-Conviction Defender	154,400	154,400	0	0
309	Treasury Department	29,360,000	20,000,000	0	9,360,000
313	Claims and Compensation	4,015,400	4,446,600	(1,446,600)	1,015,400
315	Executive Department	8,800	8,800	0	0
316	Commissions	64,290,200	35,935,800	17,800,000	10,554,400
317	Finance and Administration (F&A)	10,098,300	4,900,000	0	5,198,300
318	F&A, TennCare	978,525,500	230,220,200	447,223,400	301,081,900
319	Human Resources	0	0	0	0
321	General Services	888,600	888,600	0	0
323	Veterans Services	0	0	0	0
324	Board of Parole	0	0	0	0
325	Agriculture	3,058,700	2,438,400	0	620,300
326	Tourist Development	21,768,900	21,768,900	0	0
327	Environment and Conservation	13,170,700	1,621,000	7,309,400	4,240,300
328	Wildlife Resources Agency	16,064,100	16,064,100	0	0
329	Correction	31,401,900	31,401,900	0	0
330	Economic and Community Development	96,538,900	96,538,900	0	0
331	Education (K-12)	400,645,100	379,414,800	0	21,230,300
331.19	Lottery-Funded Programs *	0	0	0	0
	Other K-12 Education Programs *	400,645,100	379,414,800	0	21,230,300
332	Higher Education	109,206,500	95,456,500	0	13,750,000
332.19	Lottery for Education Account *	0	0	0	0
	Other Higher Education Programs *	109,206,500	95,456,500	0	13,750,000
335	Commerce and Insurance	251,400	251,400	0	0
336	Financial Institutions	270,300	270,300	0	0
337	Labor and Workforce Development	18,570,700	10,311,000	0	8,259,700
339	Mental Health and Substance Abuse Services	29,126,700	1,250,000	0	27,876,700
341	Military	100,368,400	100,368,400	0	0
343	Health	187,484,800	49,130,500	0	138,354,300
344	Disability and Aging	0	0	0	0
345	Human Services	15,778,500	73,764,400	(57,985,900)	0
347	Revenue	2,600,000	0	0	2,600,000
348	Tennessee Bureau of Investigation	10,718,300	10,718,300	0	0
349	Safety	44,903,800	44,903,800	0	0
350	F&A, Strategic Health-Care Programs	0	1,006,700	(1,006,700)	0
351	Miscellaneous Appropriations	375,410,900	375,410,900	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	94,294,700	88,033,700	(13,948,700)	20,209,700
400	Transportation - General Fund Subsidy	481,200,000	481,200,000	0	0
	Subtotal General Fund	\$ 3,202,279,500	\$ 2,237,614,700	\$ 399,444,900	\$ 565,219,900
501	Facilities Revolving Fund	4,741,600	0	0	4,741,600
	Total All Funds	\$ 3,207,021,100	\$ 2,237,614,700	\$ 399,444,900	\$ 569,961,500

* These items are included in the departmental totals.

Rainy Day Fund and TennCare Reserve
Fiscal Year 2022-2023 through Fiscal Year 2026-2027

	<u>Rainy Day Fund</u>	<u>TennCare Reserve</u>	<u>Total</u>
I. 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
II. 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
III. Fiscal Year 2024-2025			
Beginning Balance	\$ 2,050,000,000	\$ 1,398,790,921	\$ 3,448,790,921
Deposit / (Reduction) at June 30, 2025	100,000,000	(4,332,847)	95,667,153
Total Reserves at June 30, 2025	\$ 2,150,000,000	\$ 1,394,458,074	\$ 3,544,458,074
IV. Fiscal Year 2025-2026			
Beginning Balance	\$ 2,150,000,000	\$ 1,394,458,074	\$ 3,544,458,074
Deposit at June 30, 2026	35,600,000	0	35,600,000
Total Reserves at June 30, 2026	\$ 2,185,600,000	\$ 1,394,458,074	\$ 3,580,058,074
V. Fiscal Year 2026-2027			
Beginning Balance	\$ 2,185,600,000	\$ 1,394,458,074	\$ 3,580,058,074
Deposit at June 30, 2027	20,000,000	0	20,000,000
Total Reserves at June 30, 2027	\$ 2,205,600,000	\$ 1,394,458,074	\$ 3,600,058,074

**Fiscal Year 2024-2025 Closing
TennCare Reserve Obligations**

Bureau of TennCare Reserve Obligations:

Information Technology Non-Recurring Costs	\$	69,798,975
Health Starts Initiative Non-Recurring Costs		14,450,000
2023 Shared Savings		276,651,376
2024 Shared Savings		274,794,132
2025 Shared Savings		245,744,375
2026 Shared Savings		323,019,216
General Carryforward		190,000,000
Total Reserve Balance at June 30, 2025	\$	<u>1,394,458,074</u>

Fiscal Year 2022-2023 Through 2030-2031
TennCare Shared Savings
Award and Obligations Projection (millions)

Funded Item	Beg. Balance	Act. FY23	Act. FY24	Act. FY25	Rev. 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	30.6	33.0	33.9	35.0	15.1	229.4
Diaper Program			0.0	3.5	11.2	11.5	11.9	12.2	12.6	6.5	69.4
Unobligated Balance											32.1
June 30, 2025 Reserve Balance				\$ 276.7							
Fiscal Year 2024 Shared Savings Received	\$ 32.1		\$ 302.7								\$ 334.8
Rural Health - Apprenticeship Programs				2.9	11.7	8.3	8.3	8.2			39.4
Rural Health - Training Programs				0.0	9.3	4.4	4.4	4.4			22.5
Rural Health - Specialty Care				0.0	2.1	1.1	1.0	1.0			5.2
Rural Health - Telemedicine Program				0.0	0.1						0.1
Rural Health - Pathways Program				1.0	13.8	13.8	13.8	13.8	11.6		67.8
Rural Health - Center of Excellence				0.0	2.0	1.0	1.0	1.0			5.0
Rural Health - Center of Excellence Grants				0.0	2.8	1.4	1.4	1.4			7.0
Rural Health - Health Care Resiliency Program				0.9	44.9						45.8
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				0.2	1.8	1.0	1.0	1.0			5.0
Behavioral Health - Hospitals				7.5	22.5						30.0
Behavioral Health - Care for Individuals with IDD				1.5	1.5						3.0
Behavioral Health - Substance Use Disorder Treatment				0.5	3.5	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				0.2	0.6	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				5.0	5.0						10.0
Value-Based Payment Initiative - TennCare				0.0	2.0	4.0	3.0	0.5	0.5		10.0
Unobligated Balance											31.5
June 30, 2025 Reserve Balance				\$ 274.8							
Fiscal Year 2025 Shared Savings Received	\$ 31.5			\$ 345.8							\$ 377.3
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
Provider Stability Funds to Nursing Homes					28.0						28.0
Hospital Assessment Buyback					98.7						98.7
Ophthalmologist and Optometrist Loan Forgiveness Pilot					0.5						0.5
Diaper Connection Grant					1.0						1.0
County Health Departments - Lost Federal Funding					4.0						4.0
Inpatient Psychiatric Care for Children						3.7	4.5	4.5			12.7
Unobligated Balance											(46.0)
June 30, 2025 Reserve Balance				\$ 245.8							
Fiscal Year 2026 Shared Savings Received	\$ (46.0)				\$ 323.0						\$ 277.0
Food Bank Grants					5.0						5.0
Rural Health Transformation Resiliency Grants						125.0					125.0
Pathway to Independence Program						18.0	36.0	36.0	36.0	18.0	144.0
Community Engagement Administrative Cost						3.0					3.0
Unobligated Balance											0.0

*Note: Shaded item has recurring state funding in the base budget to continue the program once Shared Savings commitment has ended.

**Base Appropriations Preserved
by Proposed Assessment Legislation
Fiscal Year 2026-2027**

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	\$ 80,389,300	\$ 140,127,200	\$ 220,516,500
Graduate Medical Education	17,125,000	29,850,700	46,975,700
Charity Care Fund	168,697,200	294,057,400	462,754,600
Provider Reimbursement and Co-Pay	83,022,000	144,716,300	227,738,300
Hospital Reimbursement Ceiling	20,655,400	36,004,600	56,660,000
Inpatient Services	55,444,500	96,645,700	152,090,200
Lab and X-Ray Procedures	19,643,100	34,240,000	53,883,100
Therapies	9,320,200	16,246,100	25,566,300
Outpatient Services	39,755,800	69,298,700	109,054,500
Office Visits	19,344,700	33,719,900	53,064,600
Match for Admissions Data Contract Payments	175,000	175,000	350,000
Directed Hospital Payments	262,886,000	458,238,700	721,124,700
New Directed Payments	880,246,000	1,534,363,800	2,414,609,800
Non-Emergent Care at Hospitals	598,900	1,043,900	1,642,800
Administrative Staff Costs	382,400	382,400	764,800
340B Pricing Provision of MCO Contractor Agreement	20,934,900	36,491,800	57,426,700
Match for TN Center for Health Workforce Development	1,426,700	1,426,700	2,853,400
TennCare Contractor	1,600,000	1,600,000	3,200,000
Total Hospital Assessment	\$ 1,681,647,100	\$ 2,928,628,900	\$ 4,610,276,000
II. Nursing Home Assessment	\$ 184,877,200	\$ 322,260,900	\$ 507,138,100
III. Ambulance Service Assessment	\$ 10,235,400	\$ 17,726,200	\$ 27,961,600
IV. Total Proposed Assessments	\$ 1,876,759,700	\$ 3,268,616,000	\$ 5,145,375,700

National Opioid Settlement Agreement
Fiscal Years 2023-2024 Through 2026-2027 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, 2025

\$ 61,772,700

	Initial Obligation	Spend to Date	Remaining Obligation
Obligated Uses of Reserve			
Fiscal Year 2023-2024 Cost Increases:			
1. Health - Naloxone Purchase - Three-Year Pilot Project	\$ 750,000	\$ 750,000	\$ 0
2. Mental Health and Substance Abuse Services - Substance Use Residential Treatment Bed Infrastructure	12,000,000	2,510,200	9,489,800
Fiscal Year 2024-2025 Cost Increase:			
1. Mental Health and Substance Abuse Services - Addiction Recovery Program Enhancement	8,430,400	1,870,400	6,560,000
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
Fiscal Year 2026-2027 Cost Increases:			
1. Health - One Billion Pill Pledge Grant	5,000,000	0	5,000,000
2. Mental Health and Substance Abuse Services - Project Rural Recovery	3,822,700	0	3,822,700
3. Mental Health and Substance Abuse Services - Pathways Behavioral Health Scholarships	1,775,100	0	1,775,100
4. Mental Health and Substance Abuse Services - Creating Homes Initiative	5,000,000	0	5,000,000
5. Health - Naloxone Purchase	500,000	0	500,000
Subtotal Obligated Uses of Reserve	\$ 50,716,000	\$ 5,130,600	\$ 45,585,400
Unobligated Settlement Reserve Balance			<u>\$ 16,187,300</u>

Recommended Legislation with Fiscal Impact
General and Dedicated State Appropriations, Federal, and Other Funds
Fiscal Year 2026-2027

	General Fund		Dedicated / Federal / Other Funds	
	Recurring	Non-Recurring	Recurring	Non-Recurring
I. Expenditure Adjustments - (Cost) / Savings				
1. Children's Services - Safe Environments for Children	\$ (10,721,000)	\$ 0	\$ 0	\$ 0
2. Comptroller of the Treasury - State Energy Policy Council	73,200	0	0	0
3. Environment and Conservation - State Energy Policy Council (2 FT)	(246,200)	(4,000)	0	0
4. Human Resources - TN Excellence, Accountability, and Management (TEAM) Act 2.0	0	0	150,000	0
5. Miscellaneous Appropriations - TN Emergency Management Agency (TEMA) Legislation	(1,700,000)	0	0	0
6. Military - Disaster Relief (4 FT)	(356,400)	(12,000)	0	0
7. Safety - Insurance Minimum Requirement	0	(38,000)	0	0
8. Wildlife Resources Agency - National Guard Sportsman's Licenses	(2,500,000)	0	0	0
Total Expenditure Adjustments	\$ (15,450,400)	\$ (54,000)	\$ 150,000	\$ 0

State of Tennessee Lending Programs

As of June 30, 2024

	Number of Loans / Projects ¹	Loans Outstanding ¹	Estimated Default ¹
State Revolving Fund Loan Program			
Clean Water (Sewage)	228	\$ 893,735,624	\$ 0
Drinking Water	156	164,152,105	0
State Infrastructure Fund	1	1,174,431	0
Energy Efficient Schools Initiative	54	68,221,936	0
Small and Minority-Owned Business Assistance Program	2	114,452	114,452
Utility Relocation Loan Program	1	78,662	0
Community Development Block Grant Loan Program	3	1,075,269	580,322
Business Enterprise Resource Office Loan Program	3	19,516	19,516
Tennessee Local Development Authority ²	3	560,000	0
Tennessee State School Bond Authority ²			
Higher Education Facilities	172	1,700,886,062	0
Qualified School Construction Bonds	28	64,976,926	0
Tennessee Housing Development Agency (THDA)			
Single Family Mortgage Loans ³	25,740	3,161,409,817	5,632,536
Second Mortgages - Forgivable	9,080	62,034,252	3,206,443 ⁴
Second Mortgages - Repayments	5,979	63,893,629	1,718,739
Investor Warehouse	30	6,926,669 ⁵	0 ⁵
Total Loans Outstanding and Estimated Default		\$ 6,189,259,350	\$ 11,272,008

Source: TN Comptroller of the Treasury, State of Tennessee, State Lending Transparency Act Report for Fiscal Year Ending June 30, 2024. Note: All state lending programs reported have the expectation of repayment. This report is included in the Budget to fulfil TCA-9-5-104.

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

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

³The 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.

Lottery-Funded Education Programs
Comparison of Appropriation Requirements, Revenues, Reserves, and Scholarship Award Levels
Fiscal Years 2024-2025 Through 2029-2030

	<u>Actual</u> <u>2024-2025</u>	<u>Estimated</u> <u>2025-2026</u>	<u>Base</u> <u>2026-2027</u>	<u>Projected</u> <u>2027-2028</u>	<u>Projected</u> <u>2028-2029</u>	<u>Projected</u> <u>2029-2030</u>
I. Appropriation Requirements						
Higher Education Scholarships ¹	\$ 482,784,800	\$ 508,300,000	\$ 513,400,000	\$ 518,500,000	\$ 523,700,000	\$ 558,900,000
Tennessee Higher Education Commission	4,328,700	4,328,700	4,328,700	4,328,700	4,328,700	4,328,700
Tennessee Student Assistance Corporation (TSAC)	6,534,900	6,618,600	6,618,600	6,618,600	6,618,600	6,618,600
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)
Less: Expenditure Reduction ²	0	0	(141,431,200)	(130,072,300)	(135,272,300)	(170,472,300)
Subtotal Lottery for Education Account	\$ 493,648,400	\$ 519,247,300	\$ 382,916,100	\$ 399,375,000	\$ 399,375,000	\$ 399,375,000
After-School Programs	\$ 12,382,900	\$ 19,346,200	\$ 19,346,300	\$ 19,346,300	\$ 19,346,300	\$ 19,346,300
Total Appropriation Requirements	\$ 506,031,300	\$ 538,593,500	\$ 402,262,400	\$ 418,721,300	\$ 418,721,300	\$ 418,721,300
II. Available Revenues and Reserves						
Net Education Lottery Proceeds ³	\$ 412,234,000	\$ 405,200,000	\$ 399,300,000	\$ 399,300,000	\$ 399,300,000	\$ 399,300,000
Lottery for Education Account - Interest	6,313,000	75,000	75,000	75,000	75,000	75,000
Sports Wagering/Construction Fund	82,740,600	87,513,400	0	0	0	0
General Shortfall Reserve at Prior June 30	100,000,000	100,000,000	83,541,100	100,000,000	100,000,000	100,000,000
Lottery for Education Account at Prior June 30	83,837,600	10,000,000	0	0	0	0
Subtotal Lottery for Education Account	\$ 685,125,200	\$ 602,788,400	\$ 482,916,100	\$ 499,375,000	\$ 499,375,000	\$ 499,375,000
Unclaimed Prizes	17,752,600	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000
After-School Programs - Interest	2,247,400	100,000	100,000	100,000	100,000	100,000
Unclaimed Prizes at Prior June 30	52,303,500	22,858,100	21,611,900	20,365,600	19,119,300	17,873,000
Transfer to Summer Camp Program	(37,062,500)	0	0	0	0	0
Subtotal After-School Programs	\$ 35,241,000	\$ 40,958,100	\$ 39,711,900	\$ 38,465,600	\$ 37,219,300	\$ 35,973,000
Total Available Revenues and Reserves	\$ 720,366,200	\$ 643,746,500	\$ 522,628,000	\$ 537,840,600	\$ 536,594,300	\$ 535,348,000
III. Available Funds at June 30						
Required - General Shortfall Reserve of \$100M	\$ 100,000,000	\$ 83,541,100	\$ 100,000,000	\$ 100,000,000	\$ 100,000,000	\$ 100,000,000
Lottery for Education Account Reserve	10,000,000	0	0	0	0	0
Available to Transfer to Tennessee Promise Scholarships	81,476,800	0	0	0	0	0
Subtotal Lottery for Education Account	\$ 191,476,800	\$ 83,541,100	\$ 100,000,000	\$ 100,000,000	\$ 100,000,000	\$ 100,000,000
After-School Programs Reserve	22,858,100	21,611,900	20,365,600	19,119,300	17,873,000	16,626,700
Total Available Funds at June 30	\$ 214,334,900	\$ 105,153,000	\$ 120,365,600	\$ 119,119,300	\$ 117,873,000	\$ 116,626,700
IV. Scholarship Award Levels:						
HOPE 4-Year Colleges: Freshmen/Sophomores	\$ 4,500	\$ 4,500				
HOPE 4-Year Colleges: Juniors/Seniors	5,700	5,700				
HOPE 2-Year Colleges	3,200	3,200				

¹ Higher Education Scholarship appropriation requirements as per letter provided by TSAC to the State Funding Board on November 3rd, 2025.

² Expenditure reduction forecasted pursuant to TCA 4-51-111, which requires net lottery expenditures equal net lottery proceeds if the General Shortfall Reserve falls below \$100,000,000. TCA 4-51-111 also requires in any year reserve funds are used, the state must make an effort to replenish those funds. If needed, actual reduction amounts would be determined after closing, June 30, 2026.

³ Net Education Lottery Proceeds as adopted by the State Funding Board on November 24th, 2025.

**Tennessee Promise Last Dollar Scholarship
Multi-Year Projection
Fiscal Years 2024-2025 Through 2026-2027**

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 2025 was 23,128.

	Actual 2024-2025	Estimated 2025-2026	Estimated 2026-2027
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	\$ 4,267,200	\$ 4,267,200	\$ 4,627,200
Net Lottery Proceeds Transfer	50,000,000	81,476,800	0
Endowment/Reserve Earnings	121,455,100	58,393,900	63,623,500
Total Available Revenue	<u>\$ 175,722,300</u>	<u>\$ 144,137,900</u>	<u>\$ 68,250,700</u>
III. Expenditures			
Tennessee Promise Cost	\$ 23,078,200	\$ 26,939,700	\$ 27,209,100
Treasury Administrative Fees	984,500	984,500	984,500
Total Expenditures	<u>\$ 24,062,700</u>	<u>\$ 27,924,200</u>	<u>\$ 28,193,600</u>
IV. Surplus/Deficit	<u>\$ 151,659,600</u>	<u>\$ 116,213,700</u>	<u>\$ 40,057,100</u>
V. Special Reserve Balance at Previous June 30th	<u>\$ 784,601,600</u>	<u>\$ 936,261,200</u>	<u>\$ 1,052,474,900</u>
VI. Balance Forward/Special Reserve	<u>\$ 936,261,200</u>	<u>\$ 1,052,474,900</u>	<u>\$ 1,092,532,000</u>
VII. Total Reserve and Endowment Balance	<u><u>\$ 1,297,642,500</u></u>	<u><u>\$ 1,413,856,200</u></u>	<u><u>\$ 1,453,913,300</u></u>

**Summary Comparison of Tennessee Personal Income
and Appropriations from State Tax Revenues
Fiscal Years 1977-1978, 2024-2025, 2025-2026, and 2026-2027**

TABLE 1

**Tennessee Personal Income
Calendar Years 1977, 2024, 2025, and 2026
(Dollars in Millions)**

Year	Personal Income ¹	Percent Growth
1977	\$ 27,175.8	-
2024	480,671.2	-
2025	503,314.9	4.71
2026	528,557.3	5.02

TABLE 2

**Appropriations from State Tax Revenues
Fiscal Years 1977-1978, 2024-2025, 2025-2026, and 2026-2027
(Dollars in Millions)**

Year	Appropriations	Percent Growth
1977-1978	\$ 1,747.3	-
2024-2025	25,689.2	-
2025-2026	26,415.3	2.83
2026-2027	27,026.3	2.31

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 2026-2027

	<u>Estimated 2025-2026</u>	<u>Estimated 2026-2027</u>
I. Appropriated State Revenues	\$ 26,976,000,000	\$ 27,120,100,000
Less: Non-Tax Revenue	(560,700,000)	(93,800,000)
Subtotal Appropriated from State Tax Revenues	<u>\$ 26,415,300,000</u>	<u>\$ 27,026,300,000</u>
Add/Less: No Adjustments	0	0
Total State Tax Revenue	<u>\$ 26,415,300,000</u>	<u>\$ 27,026,300,000</u>
Percent Increase Over the Prior Year		2.31%
 II. Fiscal Year 2025-2026 Established Limit	 \$ 26,711,100,000	 \$ 26,711,100,000
Adjustment to Established Base		(295,800,000)
Fiscal Year 2026-2027 Base Appropriations Limit		<u>\$ 26,415,300,000</u>
State Economic Growth Measure		
2026 Forecasted Personal Income Growth	5.02%	1,326,000,000
Fiscal Year 2025-2026 Revised Appropriations Limit	<u>\$ 26,711,100,000</u>	
Fiscal Year 2026-2027 Appropriations Limit		<u>\$ 27,741,300,000</u>
 III. Availability Under the Established Limit	 <u>\$ 295,800,000</u>	 <u>\$ 715,000,000</u>

* Cap reset to the appropriated state tax revenue in fiscal year 2025-2026.

Comparison of Authorized Positions State Agencies and Higher Education

	<u>Actual 2024-2025</u>	<u>Estimated 2025-2026</u>	<u>Recommended 2026-2027</u>	<u>Change From Current Year</u>
I. STATE AGENCIES				
General Fund ¹	43,609	44,067	44,164	97
Full-time	42,522	42,987	43,084	97
Part-time	834	837	837	0
Seasonal	253	243	243	0
Department of Transportation	4,022	3,716	3,705	(11)
Full-time	4,017	3,711	3,700	(11)
Part-time	5	5	5	0
Seasonal	0	0	0	0
Total State Agencies ¹	47,631	47,783	47,869	86
Full-time	46,539	46,698	46,784	86
Part-time	839	842	842	0
Seasonal	253	243	243	0
II. HIGHER EDUCATION				
Total Positions	28,573	29,399	29,399	0
Full-time Equivalent (UT and TBR)				
Administrative	1,404	1,556	1,556	0
Professional	8,348	8,851	8,851	0
Faculty	10,700	10,812	10,812	0
Clerical and Support	8,121	8,180	8,180	0
III. TOTAL STATE AGENCIES AND HIGHER EDUCATION				
Total Positions	76,204	77,182	77,268	86
Full-time ²	75,112	76,097	76,183	86
Part-time	839	842	842	0
Seasonal	253	243	243	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 2026-2027
Authorized Positions Change
Recommended 2026-2027 Change from Estimated 2025-2026

	<u>Full-Time</u>	<u>Part-Time</u>	<u>Seasonal</u>	<u>Total</u>
I. 2026-2027 Total Recommended Change	<u>86</u>	<u>0</u>	<u>0</u>	<u>86</u>
II. 2026-2027 Base Budget Changes	<u>(128)</u>	<u>0</u>	<u>0</u>	<u>(128)</u>
a. Base Budget Reductions	<u>(88)</u>	<u>0</u>	<u>0</u>	<u>(88)</u>
TRICOR - Long-Term Vacant Positions	(3)	0	0	(3)
Finance and Administration - Vacant Accounts Positions	(9)	0	0	(9)
Board of Parole - Accounting Tech Position	(1)	0	0	(1)
Environment and Conservation - Vacant Solar For All Positions	(2)	0	0	(2)
Tennessee Wildlife Resources Agency - Long-Term Vacant Position	(1)	0	0	(1)
Correction - Vacant and Long-Term Vacant Positions	(17)	0	0	(17)
Education (K-12) - Long-Term Vacant Positions	(10)	0	0	(10)
Higher Education - Long-Term Vacant Position	(1)	0	0	(1)
Commerce and Insurance - Long-Term Vacant Positions	(3)	0	0	(3)
Financial Institutions - Long-Term Vacant Positions	(4)	0	0	(4)
Labor and Workforce Development - Long-Term Vacant Positions	(5)	0	0	(5)
Health - Vacant Physician and Long-Term Vacant Positions	(7)	0	0	(7)
Disability and Aging - Long-Term Vacant Position	(1)	0	0	(1)
Human Services - Long-Term Vacant Positions	(3)	0	0	(3)
Children's Services - Long-Term Vacant Positions	(10)	0	0	(10)
Transportation - Long-Term Vacant Positions	(11)	0	0	(11)
b. 2025-2026 Non-recurring Positions Not Continued in Base	<u>(24)</u>	<u>1</u>	<u>0</u>	<u>(23)</u>
District Public Defenders - Coffee County Grant Funded Positions	(2)	1	0	(1)
Finance and Administration, Division of TennCare - Hospital Assessment	(6)	0	0	(6)
Agriculture - Agricultural Inspector Positions	(9)	0	0	(9)
Environment and Conservation - Water Education and Training Positions	(2)	0	0	(2)
Environment and Conservation - Electric Grid Formula Grant - Year Four	(2)	0	0	(2)
Mental Health and Substance Abuse Services - Project Aware	(1)	0	0	(1)
Tennessee Bureau of Investigation - Intelligence Analyst Positions	(2)	0	0	(2)
c. Other Base Budget Adjustments	<u>(16)</u>	<u>(1)</u>	<u>0</u>	<u>(17)</u>
Finance and Administration, Division of TennCare - Hospital Assessment	6	0	0	6
District Attorneys General Conference - Criminal Justice Positions	(21)	(1)	0	(22)
Human Services - Criminal Justice Positions	(1)	0	0	(1)
III. 2026-2027 Recommended Agency Cost Increases	<u>214</u>	<u>0</u>	<u>0</u>	<u>214</u>
Court System	18	0	0	18
Office of the Post-Conviction Defender	1	0	0	1
Treasury Department	2	0	0	2
Sports Wagering Council	4	0	0	4
State Museum	5	0	0	5
General Services	7	0	0	7
Agriculture	18	0	0	18
Environment and Conservation	49	0	0	49
Higher Education - State Administered Programs	1	0	0	1
Commerce and Insurance	7	0	0	7
Financial Institutions	1	0	0	1
Labor and Workforce Development	3	0	0	3
Military Department	4	0	0	4
Tennessee Bureau of Investigation	10	0	0	10
Safety	84	0	0	84

Full-Time Employees Overlapped Over 90 Days

Agency		Count
301.00	Legislature	34
301.50	Fiscal Review Committee	2
302.00	Court System	27
304.00	District Attorneys General Conference	9
309.00	Treasury Department	2
316.07	Health Facilities Commission	1
316.12	Advisory Commission on Intergovernmental Relations	2
316.27	State Museum	1
317.00	Finance and Administration	2
318.00	Finance and Administration, Bureau of TennCare	2
321.00	General Services	1
325.00	Agriculture	6
326.00	Tourist Development	2
327.00	Environment and Conservation	10
328.00	Tennessee Wildlife Resources Agency	6
329.00	Correction	5
330.00	Economic and Community Development	3
331.00	Education (K-12)	11
332.00	Higher Education - State Administered Programs	1
337.00	Labor and Workforce Development	8
339.00	Mental Health and Substance Abuse Services	26
341.00	Military	6
343.00	Health	7
345.00	Human Services	34
348.00	Tennessee Bureau of Investigation	12
349.00	Safety	26
359.00	Children's Services	9
400.00	Transportation	26
Total		281

Based on Edison extract of full-time employees overlapped more than 90 days as of January 14, 2026.

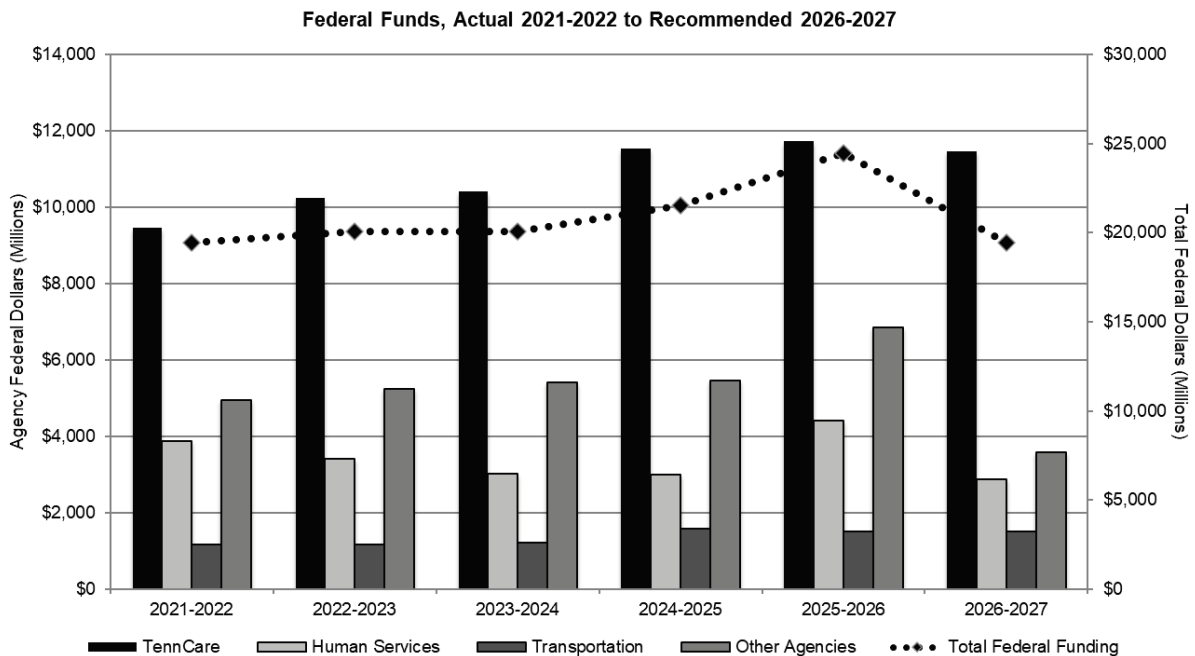
Federal Aid Trends Fiscal Year 2026-2027

The total recommended budget for the fiscal year is \$57,929,380,700 with 33.5 percent from federal sources. The \$19,422,436,200 of federal funding is a decrease of 20.6 percent from the 2025-2026 estimate. Of the total federal funding, \$11,454,479,900 (59.0 percent) is recommended for TennCare expenditures, \$2,861,124,400 (14.7 percent) for the Department of Human Services, \$1,515,579,300 (7.8 percent) for the Department of Transportation, and \$3,591,252,600 (18.5 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 Transportation receives funds from the federal Department of Transportation to plan, design, construct, and maintain the state's highway network.

	Actual 2021-2022	Actual 2022-2023	Actual 2023-2024	Actual 2024-2025	Estimated 2025-2026	Recommended 2026-2027
Total Federal Funding	\$19,433,972,300	\$20,053,431,800	\$20,061,357,500	\$21,553,791,500	\$24,466,662,300	\$19,422,436,200
TennCare	9,472,648,100	10,233,997,600	10,414,670,000	11,537,222,100	11,724,863,700	11,454,479,900
Human Services	3,861,758,900	3,404,588,800	3,031,307,200	2,985,873,800	4,399,861,300	2,861,124,400
Transportation	1,159,858,300	1,162,564,100	1,215,089,200	1,571,674,400	1,497,599,500	1,515,579,300
Other Agencies	4,939,707,000	5,252,281,300	5,400,291,100	5,459,021,200	6,844,337,800	3,591,252,600

	Percent Change FY 2026 to 2027	Average Annual Percent Change FY 2022 to 2027
Total Federal Funding	-20.62%	-0.01%
TennCare	-2.31%	3.87%
Human Services	-34.97%	-5.82%
Transportation	1.20%	5.50%
Other Agencies	-47.53%	-6.18%



From fiscal years 2021-2022 to 2024-2025, non-TennCare federal fund collections were between \$9.6 and \$10.0 billion, with estimated funding in fiscal years 2025-2026 greater and 2026-2027 lesser than fiscal year 2024-2025 actual levels. In the TennCare program, an upward trend in federal funding from fiscal years 2021-2022 to 2024-2025 continues in fiscal year 2025-2026 and flattens in fiscal year 2026-2027. The trends in fiscal years 2025-2026 and 2026-2027 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.

Expiration and Wind Down of Pandemic- and Infrastructure-related Federal Spending Bills and the One Big Beautiful Bill Act (OBBA)

Beginning 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 (PPPHCE 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. The funding to the state from these bills, save ARP, have been expended. This budget reflects all expenditures from ARP expiring on December 31, 2026, the midpoint of state fiscal year 2026-2027.

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.

Passed by the U.S. House of Representatives in May 2025, the Senate in July 2025, and signed into law by the President on July 4, 2025, the One Big Beautiful Bill Act (OBBA) has effects on the budgets of the states. In the Supplemental Nutrition Assistance Program (SNAP), two changes stand out. First, OBBA reduces federal participation in administration of SNAP from 50 percent to 25 percent. The impact of this change is reflected in the Department of Human Services budget elsewhere in this budget. Second, OBBA requires state participation in SNAP benefit costs for the first time. Previously, SNAP benefit costs were solely a federal expenditure. Under OBBA, state participation in SNAP benefit costs will range from 5 to 15 percent based on a state's error rate in determining program eligibility and calculating program benefits. The impact to the Department of Human Services budget for SNAP benefit costs will occur in the fiscal year 2027-2028 budget and therefore is not considered in this budget. Also occurring in the future are provisions of OBBA that could affect the TennCare program. The effect on TennCare will be considered in future budgets.

Fiscal Year 2027 Outlook

For fiscal year 2026-2027, total federal aid decreases from the fiscal year 2025-2026 estimate. This is largely due to the expiration of pandemic-related and infrastructure federal spending bills and the decreased federal participation instituted by the OBBA. The state will continue to monitor federal spending actions that affect state governments and programs.

Tennessee Economic Overview

Recommended Budget, Fiscal Year 2026-2027

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 was positive but volatile through the first half of 2025, as federal policies surrounding international trade (e.g. tariffs) had an outsized impact on spending patterns in 2025.

In the first quarter of 2025, Tennessee inflation-adjusted gross domestic product (real GDP) rose by only 0.3 percent but then accelerated to 3.1 percent growth in the second quarter. This was driven by tariff-induced changes in spending patterns, as businesses and households front-loaded their purchases of foreign goods in an effort to get ahead of tariff-driven price increases. That is, they purchased more foreign goods in the first quarter and fewer in the second quarter. As more imports are purchased in a given quarter, fewer dollars are spent on domestic goods or services, putting a drag on top-line GDP growth. This pattern reversed in the second quarter, as import spending plummeted and domestic purchases rose, leading to a rebound in GDP growth. Expectations are for Tennessee real GDP to grow by 1.7 percent for 2025 as a whole and 2.0 percent in 2026. While still positive, these would represent slowdowns relative to the 2.7 percent rate seen in 2024. Slower growth in 2025 is partially due to timing. As we get deeper into the current growth cycle, the economy generally settles into a slower growth pattern. However, lower GDP growth projections are also driven by federal policy changes, particularly surrounding international trade and immigration, and economic uncertainty surrounding federal policies that continue to change and evolve. Nonetheless, expectations are for economic growth to remain positive over the next two years, amid consumer spending that has remained firm. In addition, the Federal Reserve recently cut

interest rates, which could stimulate business investment and further consumer spending. The U.S. economy is projected to follow a similar growth trajectory, with 2.0 percent real GDP growth in 2025 and 2.2 percent growth in 2026.

The discussion that follows provides additional background on current economic conditions and the economic outlook for the state and nation to help frame the state's fiscal outlook for the upcoming fiscal year. For more information on the economic outlook for the U.S. and Tennessee, see "An Economic Report to the Governor of the State of Tennessee."

Recent Economic Conditions

The U.S. economy presented a mixed picture of growth tempered by mounting policy-driven headwinds in 2025. The year began with the first quarterly contraction in real GDP since early 2022, a 0.6 percent decline that reflected a rush by firms to bolster their inventories of foreign goods ahead of the largest single-year tariff increase since the mid-1800s. U.S. real GDP then saw a strong rebound, advancing by 3.8 percent in the second quarter.

Consumption continued to serve as the primary driver of U.S. economic growth in 2025. Of the roughly \$480 billion in real GDP added during the twelve-month period ending in June, an extraordinary 90 percent came from increased consumer spending, an unusually high share even in an economy where consumption typically anchors top-line growth.

The U.S. labor market softened relative to recent years, reflecting the cumulative effects of slowing economic momentum, elevated policy uncertainty, and the downstream consequences of the year's tariff increases. The economy added 933 thousand nonfarm jobs over the past twelve months (ending in November 2025), well below the 1.96 million added over the same period in the year before, but still indicative of forward motion. As job growth has slowed, the national unemployment rate has edged higher, and currently sits at 4.6 percent as of November 2025, a 0.4 percentage point increase compared to

November 2024. By comparison, unemployment for prime-age workers (25-54 years old) sits at a lower 3.9 percent, while unemployment among younger workers (16 to 24 years old) has risen to 10.6 percent. The latter has not been this high since early 2021 and reflects a cooling labor market where new entrants are having more difficulty finding work.

Inflation, as measured by the Consumer Price Index (CPI), drifted slightly upward, reaching roughly 3.0 percent year-over-year as of September, with a notable shift in its underlying composition. Housing remained a major contributor, but its influence eased as home price appreciation cooled. Instead, non-housing inflation accelerated, driven overwhelmingly by tariff increases introduced beginning in March 2025. More recent data from November 2025 show the inflation rate slowing to 2.7 percent, but it is unclear how accurate the November data are due to disrupted data collections during the government shutdown.

Short-Term Economic Outlook

The short-term economic outlook calls for slower but still positive growth in Tennessee. Expectations are that Tennessee real GDP will increase by 1.7 percent in 2025 and 2.0 percent in 2026, while U.S. GDP will advance by 2.0 percent in 2025 and 2.2 percent in 2026.

Nonfarm employment growth is also projected to moderate but remain positive. The state economy

added roughly 41,000 nonfarm jobs in 2024 (up 1.2 percent). However, job growth is projected to slow to 0.7 percent this year and 0.9 percent next year, equating to approximately 24,000 new jobs in 2025 and 31,000 in 2026. By comparison, the U.S. labor market is projected to grow by 0.9 percent in 2025 and 0.5 percent in 2026.

Tennessee's unemployment rate is projected to inch upwards, averaging 3.6 percent for 2025, 3.8 percent in 2026, and 3.9 percent in 2027. Despite these increases, the state rate is projected to remain below the national unemployment rate, which is expected to remain near 4.5 percent in both 2026 and 2027.

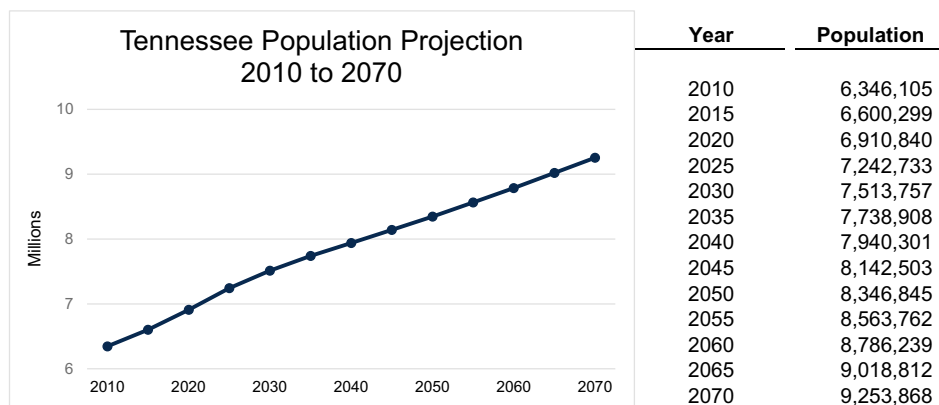
Tennessee nominal personal income will increase by 4.7 percent in 2025 and 5.0 percent in 2026. This would be slower than the 5.9 percent rate of growth registered in 2024 but is more in line with the pre-pandemic growth pattern. Nominal income growth will largely be driven by gains in wages and salaries, the largest component of personal income, which is projected to increase by 4.8 percent in 2025 and 4.5 percent in 2026. After adjusting for inflation, real personal income will increase by 2.0 percent in both 2025 and 2026. On a fiscal year basis, nominal personal income is projected to grow by 4.7 percent in fiscal year 2025-2026 and 5.1 percent in fiscal year 2026-2027.

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

Tennessee Characteristics

	Population			
	2010	2015	2020	2024
Total Population ¹	6,346,105	6,600,299	6,910,840	7,227,750
Population by Grand Division ¹				
East Tennessee	2,327,544	2,388,671	2,470,105	2,597,886
Middle Tennessee	2,455,911	2,645,026	2,883,086	3,083,716
West Tennessee	1,562,650	1,566,602	1,557,649	1,546,148
Metropolitan Statistical Area Population ^{1, 2}				
Chattanooga, TN-GA	528,143	547,232	562,647	588,050
Tennessee Portion	378,812	396,755	410,870	433,702
Georgia Portion	149,331	150,477	151,777	154,348
Clarksville, TN-KY	273,949	293,062	320,535	345,955
Tennessee Portion	185,655	205,739	233,726	260,390
Kentucky Portion	88,294	87,323	86,809	85,565
Cleveland, TN	115,788	120,565	126,164	132,120
Jackson, TN	179,694	178,399	180,504	183,680
Johnson City, TN	198,716	200,217	207,465	214,948
Kingsport-Bristol, TN - Bristol, VA	309,544	306,182	307,614	313,876
Tennessee Portion	213,656	212,560	214,884	222,074
Virginia Portion	95,888	93,622	92,730	91,802
Knoxville, TN	814,914	837,547	879,773	957,608
Memphis, TN-AR-MS	1,316,100	1,335,278	1,337,779	1,339,345
Tennessee Portion	1,027,138	1,038,628	1,032,704	1,017,193
Arkansas Portion	50,902	49,040	48,163	46,633
Mississippi Portion	238,060	247,610	256,912	275,519
Morristown, TN	136,608	139,222	142,709	126,932
Nashville-Davidson - Murfreesboro - Franklin, TN	1,646,200	1,805,147	1,989,519	2,150,553
Total Tennessee Metropolitan Statistical Area Population	4,897,181	5,134,779	5,418,318	5,699,200
Total Tennessee Non-Metropolitan Population	1,448,924	1,465,520	1,492,522	1,528,550
Demographic Characteristics ^{1, 3, 4}				
Percent of Population by Age Group:				
Under Age 5	6.4%	6.0%	7.1%	5.7%
Age 5 to 17	17.1%	16.6%	14.8%	16.1%
Age 18 to 24	9.6%	9.6%	8.7%	9.1%
Age 25 to 64	53.4%	52.4%	52.2%	51.5%
Age 65 and Older	13.5%	15.5%	17.1%	17.6%
Percent of Population by Race:				
White	77.5%	77.6%	73.5%	72.0%
Black or African American	16.7%	16.8%	15.3%	15.0%
American Indian and Alaska Native	0.3%	0.3%	0.3%	0.4%
Asian	1.5%	1.7%	1.9%	2.0%
Other	4.0%	3.5%	9.0%	10.7%
Hispanic Population (Percent of Total Population):	4.6%	5.1%	5.7%	7.8%
Place of Birth of Tennessee Residents:				
Born in Tennessee	61.0%	60.1%	58.8%	55.9%
Born in Another State	33.7%	34.1%	35.5%	36.5%
Born Outside the United States	0.8%	0.9%	1.0%	1.0%
Born in a Foreign Country	4.5%	5.0%	4.8%	6.5%

Tennessee Population 2010 to 2070 ^{1, 5}



Education Characteristics

Public School Enrollment and Expenditures ⁶

	2009-2010	2014-2015	2019-2020	2023-2024
Total Number of Public Schools	1,746	1,811	1,837	1,860
Total K-12 Public School Average Daily Attendance (ADA)	894,764	913,227	947,308	934,246
Total Operating Expenditures (in thousands)	\$ 7,849,989	\$ 8,561,440	\$ 9,803,589	\$ 13,223,224
Public School Per Pupil Expenditures (based on ADA)	\$ 8,773	\$ 9,375	\$ 9,998	\$ 13,658

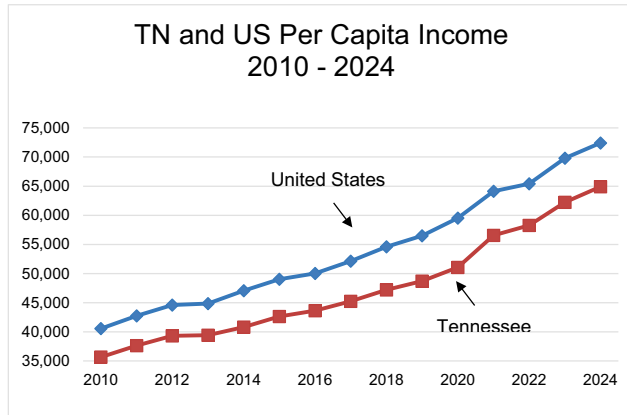
Educational Attainment ^{4, 7}

	2010	2015	2020	2024
Population 25 Years and Over:				
Less Than 9th Grade	6.2%	5.3%	3.5%	3.5%
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%	30.7%
Some College, No Degree	20.8%	20.5%	20.1%	19.5%
Associate Degree	6.2%	6.7%	7.6%	8.0%
Bachelor's Degree	14.6%	16.1%	19.3%	20.0%
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%	89.9%
Tennessee	83.6%	86.1%	89.7%	90.6%
Percent Bachelor's Degree or Higher:				
United States	28.2%	30.6%	35.1%	36.8%
Tennessee	23.1%	25.7%	30.7%	32.4%

Income and Poverty ⁸

	2010	2015	2020	2024
Tennessee's Per Capita Income as a Percent of the U.S.	87.9%	87.0%	85.8%	89.6%
Tennessee's Rank in U.S. by Per Capita Income	35	35	38	32

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
2024	72,425	64,908
Percent change 2010-2024	78.6%	82.1%

Percent of Population Below Poverty ⁹

	2010	2015	2020	2024
United States	15.3%	14.7%	11.9%	12.1%
Tennessee	17.7%	16.7%	13.7%	13.5%

Tennessee Gross Domestic Product ¹⁰

	2010	2015	2020	2024
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%	0.3%
6 Mining	0.4%	0.2%	0.3%	0.3%
10 Utilities	0.8%	0.6%	0.6%	0.8%
11 Construction	3.4%	3.8%	3.7%	4.3%
12 Manufacturing	15.6%	16.5%	15.0%	13.1%
13 Durable Goods	8.1%	9.3%	8.4%	7.2%
25 Nondurable Goods	7.5%	7.2%	6.6%	5.9%
34 Wholesale Trade	7.0%	7.0%	6.8%	6.7%
35 Retail Trade	7.4%	7.2%	7.0%	7.8%
36 Transportation and Warehousing	4.6%	4.6%	4.6%	4.5%
45 Information	3.3%	2.8%	2.9%	3.2%
51 Finance and Insurance	5.1%	5.4%	6.7%	5.9%
56 Real Estate and Rental and Leasing	11.1%	10.8%	12.2%	12.1%
60 Professional, Scientific, and Technical Services	5.2%	5.3%	6.0%	6.4%
64 Management of Companies and Enterprises	1.3%	1.9%	1.9%	1.8%
65 Administrative and Waste Services	4.0%	4.0%	4.0%	3.7%
69 Educational Services	1.0%	1.0%	1.1%	1.0%
70 Health Care and Social Assistance	9.8%	9.4%	9.1%	9.6%
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	\$ 29,184,890
Tennessee	\$ 255,936	\$ 314,191	\$ 369,574	\$ 549,709
Tennessee as a Percent of U.S.	1.71%	1.76%	1.77%	1.88%
Tennessee's Rank in U.S.	20	19	20	17

Civilian Labor Force ¹²

	2010	2015	2020	2024
Civilian Labor Force	3,084,100	3,057,301	3,289,426	3,420,373
Employment	2,783,000	2,885,145	3,043,894	3,303,023
Unemployment	301,100	172,156	245,532	117,350
Unemployment Rate	9.8%	5.6%	7.5%	3.4%

Employment by Industry ¹²

	2010	2015	2020	2024
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%	5.0%
9 Manufacturing	11.4%	11.5%	11.2%	10.8%
10 Durable Goods	6.7%	7.3%	7.0%	7.0%
11 Nondurable Goods	4.7%	4.2%	4.1%	3.8%
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%	10.2%
17 Transportation, Warehousing, and Utilities	5.0%	5.4%	6.2%	6.3%
18 Information	1.7%	1.5%	1.4%	1.6%
19 Financial Activities	5.2%	5.1%	5.7%	5.7%
20 Professional and Business Services	11.6%	13.6%	13.8%	13.4%
21 Education and Health Services	14.3%	14.4%	14.4%	14.6%
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, 2024 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 2024.

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 2020-2024.

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 2026-2027

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 2024-2025, and as passed by the 2025 General Assembly for the 2025-2026 estimates and 2026-2027 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, 2024 – June 30, 2027**

Comparison Statement of State Revenues
Actual and Estimated July 1, 2024 - June 30, 2027

SOURCE OF REVENUE

Department of Revenue	Actual 2024-2025	Estimated 2025-2026	Estimated 2026-2027	Growth Required
Sales and Use Tax	\$ 14,502,001,400	\$ 14,852,800,000	\$ 15,297,900,000	3.00%
Gasoline Tax	889,801,100	887,800,000	898,500,000	1.21%
Motor Fuel Tax	319,488,900	324,400,000	324,600,000	0.06%
Gasoline Inspection Tax	72,261,200	72,800,000	73,000,000	0.27%
Motor Vehicle Registration Tax	412,087,400	392,400,000	403,700,000	2.88%
Privilege Tax	466,855,300	476,000,000	510,400,000	7.23%
Gross Receipts Tax - TVA	400,317,600	399,000,000	441,600,000	10.68%
Gross Receipts Tax - Other	46,236,600	42,100,000	46,500,000	10.45%
Beer Tax	16,621,500	17,800,000	16,400,000	-7.87%
Alcoholic Beverage Tax	84,731,000	89,800,000	82,400,000	-8.24%
Franchise Tax	1,096,661,800	1,216,300,000	1,178,000,000	-3.15%
Excise Tax	2,630,540,200	2,707,100,000	2,622,000,000	-3.14%
Tobacco Tax	180,531,100	179,000,000	174,200,000	-2.68%
Vapor Products Tax	0	17,200,000	17,200,000	0.00%
Hemp Tax	0	55,800,000	130,000,000	132.97%
Motor Vehicle Title Fees	22,600,700	22,300,000	23,100,000	3.59%
Mixed Drink Tax	229,147,100	229,100,000	234,900,000	2.53%
Business Tax	354,875,300	362,800,000	370,000,000	1.98%
Severance Tax	468,700	500,000	500,000	0.00%
Coin-operated Amusement Tax	419,400	500,000	400,000	-20.00%
Unauthorized Substance Tax	1,700	0	0	NA
Repealed Sources (Income and Estate Taxes)	2,195,000	0	0	NA
Subtotal Department of Revenue	\$ 21,727,843,000	\$ 22,345,500,000	\$ 22,845,300,000	2.24%
Other State Revenue				
Dept. of Commerce and Insurance	\$ 1,570,949,400	\$ 1,676,200,000	\$ 1,676,200,000	0.00%
E-911 Emergency Communications	153,738,700	159,300,000	159,200,000	-0.06%
Dept. of Financial Institutions	29,157,100	38,200,000	38,000,000	-0.52%
Wildlife Resources Agency	75,197,800	79,400,000	83,000,000	4.53%
Dept. of Agriculture	33,971,800	19,600,000	20,200,000	3.06%
Regulatory Board Fees	49,534,900	63,800,000	63,800,000	0.00%
Alcoholic Beverage Commission	0	4,900,000	3,600,000	-26.53%
Tennessee Public Utilities Commission	6,074,800	8,800,000	8,800,000	0.00%
Secretary of State	95,581,100	80,800,000	80,800,000	0.00%
Dept. of Safety	51,738,600	34,800,000	34,800,000	0.00%
Dept. of Revenue	13,211,700	10,800,000	10,900,000	0.93%
State Treasurer	933,761,100	475,700,000	3,700,000	-99.22%
Dept. of Education	4,494,100	5,000,000	5,800,000	16.00%
Dept. of Labor	20,446,900	29,200,000	29,200,000	0.00%
Dept. of Health	7,721,100	9,000,000	9,000,000	0.00%
Dept. of Environment and Conservation	91,978,800	95,300,000	95,400,000	0.10%
Miscellaneous Revenue	285,226,300	59,300,000	64,300,000	8.43%
Nursing Home Tax	192,343,200	196,300,000	196,300,000	0.00%
Hospital Coverage Assessment	1,542,244,800	1,573,900,000	1,681,600,000	6.84%
Ambulance Service Assessment	12,174,500	10,200,000	10,200,000	0.00%
Subtotal Other State Revenue	\$ 5,169,546,700	\$ 4,630,500,000	\$ 4,274,800,000	-7.68%
Total State Revenue	\$ 26,897,389,700	\$ 26,976,000,000	\$ 27,120,100,000	0.53%

**Distribution of Actual 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 *	\$ 14,502,001,400	\$ 5,280,751,500	\$ 8,293,138,400	\$ 22,757,700	\$ 101,959,200	\$ 803,394,600
Gasoline Tax	889,801,100	14,233,300	0	449,519,500	87,700,000	338,348,300
Motor Fuel Tax	319,488,900	2,299,400	0	233,696,200	0	83,493,300
Gasoline Inspection Tax	72,261,200	21,099,500	0	39,144,700	0	12,017,000
Motor Vehicle Registration Tax	412,087,400	74,475,700	173,500	332,113,200	0	5,325,000
Privilege Tax	466,855,300	460,058,400	174,900	0	0	6,622,000
Gross Receipts Tax - TVA	400,317,600	232,780,600	0	0	0	167,537,000
Gross Receipts Tax - Other	46,236,600	37,672,000	0	8,564,600	0	0
Beer Tax	16,621,500	11,175,800	0	2,094,600	0	3,351,100
Alcoholic Beverage Tax	84,731,000	69,939,600	0	0	0	14,791,400
Franchise Tax	1,096,661,800	1,078,661,800	0	0	18,000,000	0
Excise Tax	2,630,540,200	2,431,052,000	0	0	131,640,800	67,847,400
Tobacco Tax	180,531,100	27,461,400	153,069,700	0	0	0
Vapor Products Tax	0	0	0	0	0	0
Hemp Tax	0	0	0	0	0	0
Motor Vehicle Title Fees	22,600,700	19,900,700	0	0	2,700,000	0
Mixed Drink Tax	229,147,100	0	114,566,400	0	0	114,580,700
Business Tax	354,875,300	354,875,300	0	0	0	0
Severance Tax	468,700	312,500	0	0	0	156,200
Coin-operated Amusement Tax	419,400	419,400	0	0	0	0
Unauthorized Substance Tax	1,700	1,700	0	0	0	0
Repealed Sources (Income and Estate Taxes)	2,195,000	2,119,000	0	0	0	76,000
Subtotal Department of Revenue	\$ 21,727,843,000	\$ 10,119,289,600	\$ 8,561,122,900	\$ 1,087,890,500	\$ 342,000,000	\$ 1,617,540,000
Other State Revenue						
Dept. of Commerce and Insurance	\$ 1,570,949,400	\$ 1,570,949,400	\$ 0	\$ 0	\$ 0	\$ 0
E-911 Emergency Communications	153,738,700	153,738,700	0	0	0	0
Dept. of Financial Institutions	29,157,100	29,157,100	0	0	0	0
Wildlife Resources Agency	75,197,800	75,197,800	0	0	0	0
Dept. of Agriculture	33,971,800	33,971,800	0	0	0	0
Regulatory Board Fees	49,534,900	49,534,900	0	0	0	0
Alcoholic Beverage Commission	0	0	0	0	0	0
Tennessee Public Utilities Commission	6,074,800	6,074,800	0	0	0	0
Secretary of State	95,581,100	95,581,100	0	0	0	0
Dept. of Safety	51,738,600	51,738,600	0	0	0	0
Dept. of Revenue	13,211,700	13,211,700	0	0	0	0
State Treasurer	933,761,100	933,761,100	0	0	0	0
Dept. of Education	4,494,100	0	4,494,100	0	0	0
Dept. of Labor	20,446,900	20,446,900	0	0	0	0
Dept. of Health	7,721,100	7,721,100	0	0	0	0
Dept. of Environment and Conservation	91,978,800	91,978,800	0	0	0	0
Miscellaneous Revenue	285,226,300	285,226,300	0	0	0	0
Nursing Home Tax	192,343,200	192,343,200	0	0	0	0
Hospital Coverage Assessment	1,542,244,800	1,542,244,800	0	0	0	0
Ambulance Service Assessment	12,174,500	12,174,500	0	0	0	0
Subtotal Other State Revenue	\$ 5,169,546,700	\$ 5,165,052,600	\$ 4,494,100	\$ 0	\$ 0	\$ 0
Total State Revenue	\$ 26,897,389,700	\$ 15,284,342,200	\$ 8,565,617,000	\$ 1,087,890,500	\$ 342,000,000	\$ 1,617,540,000

* 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 Revised 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 *	\$ 14,852,800,000	\$ 5,272,900,000	\$8,550,400,000	\$ 98,300,000	\$ 105,300,000	\$ 825,900,000
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	392,400,000	74,800,000	200,000	317,400,000	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	2,443,000,000	0	0	183,600,000	80,500,000
Tobacco Tax	179,000,000	27,000,000	152,000,000	0	0	0
Vapor Products Tax	17,200,000	17,200,000	0	0	0	0
Hemp Tax	55,800,000	55,800,000	0	0	0	0
Motor Vehicle Title Fees	22,300,000	19,600,000	0	0	2,700,000	0
Mixed Drink Tax	229,100,000	0	114,500,000	0	0	114,600,000
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
Subtotal Department of Revenue	\$ 22,345,500,000	\$ 10,300,800,000	\$ 8,817,400,000	\$ 1,157,700,000	\$ 389,600,000	\$ 1,680,000,000
Other State Revenue						
Dept. of Commerce and Insurance	\$ 1,676,200,000	\$ 1,676,200,000	\$ 0	\$ 0	\$ 0	\$ 0
E-911 Emergency Communications	159,300,000	159,300,000	0	0	0	0
Dept. of Financial Institutions	38,200,000	38,200,000	0	0	0	0
Wildlife Resources Agency	79,400,000	79,400,000	0	0	0	0
Dept. of Agriculture	19,600,000	19,600,000	0	0	0	0
Regulatory Board Fees	63,800,000	63,800,000	0	0	0	0
Alcoholic Beverage Commission	4,900,000	4,900,000	0	0	0	0
Tennessee Public Utilities Commission	8,800,000	8,800,000	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	475,700,000	475,700,000	0	0	0	0
Dept. of Education	5,000,000	0	5,000,000	0	0	0
Dept. of Labor	29,200,000	29,200,000	0	0	0	0
Dept. of Health	9,000,000	9,000,000	0	0	0	0
Dept. of Environment and Conservation	95,300,000	95,300,000	0	0	0	0
Miscellaneous Revenue	59,300,000	59,300,000	0	0	0	0
Nursing Home Tax	196,300,000	196,300,000	0	0	0	0
Hospital Coverage Assessment	1,573,900,000	1,573,900,000	0	0	0	0
Ambulance Service Assessment	10,200,000	10,200,000	0	0	0	0
Subtotal Other State Revenue	\$ 4,630,500,000	\$ 4,625,500,000	\$ 5,000,000	\$ 0	\$ 0	\$ 0
Total State Revenue	\$ 26,976,000,000	\$ 14,926,300,000	\$ 8,822,400,000	\$ 1,157,700,000	\$ 389,600,000	\$ 1,680,000,000

* 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 2026-2027**

SOURCE OF REVENUE

Department of Revenue	Total Revenue	General Fund	Education Fund	Highway Fund	Debt Service Fund	Cities & Counties *
Sales and Use Tax *	\$ 15,297,900,000	\$ 5,487,900,000	\$ 8,748,300,000	\$ 116,700,000	\$ 107,500,000	\$ 837,500,000
Gasoline Tax	898,500,000	14,400,000	0	415,600,000	127,000,000	341,500,000
Motor Fuel Tax	324,600,000	2,300,000	0	237,400,000	0	84,900,000
Gasoline Inspection Tax	73,000,000	21,100,000	0	39,800,000	0	12,100,000
Motor Vehicle Registration Tax	403,700,000	73,700,000	200,000	329,800,000	0	0
Privilege Tax	510,400,000	502,800,000	300,000	0	0	7,300,000
Gross Receipts Tax - TVA	441,600,000	239,000,000	0	0	0	202,600,000
Gross Receipts Tax - Other	46,500,000	38,800,000	0	7,700,000	0	0
Beer Tax	16,400,000	11,000,000	0	2,100,000	0	3,300,000
Alcoholic Beverage Tax	82,400,000	68,100,000	0	0	0	14,300,000
Franchise Tax	1,178,000,000	1,160,000,000	0	0	18,000,000	0
Excise Tax	2,622,000,000	2,348,000,000	0	0	204,000,000	70,000,000
Tobacco Tax	174,200,000	26,900,000	147,300,000	0	0	0
Vapor Products Tax	17,200,000	17,200,000	0	0	0	0
Hemp Tax	130,000,000	130,000,000	0	0	0	0
Motor Vehicle Title Fees	23,100,000	20,400,000	0	0	2,700,000	0
Mixed Drink Tax	234,900,000	0	117,400,000	0	0	117,500,000
Business Tax	370,000,000	370,000,000	0	0	0	0
Severance Tax	500,000	200,000	0	0	0	300,000
Coin-operated Amusement Tax	400,000	400,000	0	0	0	0
Unauthorized Substance Tax	0	0	0	0	0	0
Subtotal Department of Revenue	\$ 22,845,300,000	\$ 10,532,200,000	\$ 9,013,500,000	\$ 1,149,100,000	\$ 459,200,000	\$ 1,691,300,000
Other State Revenue						
Dept. of Commerce and Insurance	\$ 1,676,200,000	\$ 1,676,200,000	\$ 0	\$ 0	\$ 0	\$ 0
E-911 Emergency Communications	159,200,000	159,200,000	0	0	0	0
Dept. of Financial Institutions	38,000,000	38,000,000	0	0	0	0
Wildlife Resources Agency	83,000,000	83,000,000	0	0	0	0
Dept. of Agriculture	20,200,000	20,200,000	0	0	0	0
Regulatory Board Fees	63,800,000	63,800,000	0	0	0	0
Alcoholic Beverage Commission	3,600,000	3,600,000	0	0	0	0
Tennessee Public Utilities Commission	8,800,000	8,800,000	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	10,900,000	10,900,000	0	0	0	0
State Treasurer	3,700,000	3,700,000	0	0	0	0
Dept. of Education	5,800,000	0	5,800,000	0	0	0
Dept. of Labor	29,200,000	29,200,000	0	0	0	0
Dept. of Health	9,000,000	9,000,000	0	0	0	0
Dept. of Environment and Conservation	95,400,000	95,400,000	0	0	0	0
Miscellaneous Revenue	64,300,000	64,300,000	0	0	0	0
Nursing Home Tax	196,300,000	196,300,000	0	0	0	0
Hospital Coverage Assessment	1,681,600,000	1,681,600,000	0	0	0	0
Ambulance Service Assessment	10,200,000	10,200,000	0	0	0	0
Subtotal Other State Revenue	\$ 4,274,800,000	\$ 4,269,000,000	\$ 5,800,000	\$ 0	\$ 0	\$ 0
Total State Revenue	\$ 27,120,100,000	\$ 14,801,200,000	\$ 9,019,300,000	\$ 1,149,100,000	\$ 459,200,000	\$ 1,691,300,000

* 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, 2024 - June 30, 2027
To Support Statement of State Revenues

	Actual 2024-2025	Estimated 2025-2026	Estimated 2026-2027
<u>Commerce and Insurance Regulatory Boards</u>			
State Board of Accountancy	\$ 942,300	\$ 1,366,400	\$ 1,366,400
State Board of Examiners for Architects and Engineers	1,797,800	2,481,400	2,481,400
Tennessee Auctioneer Commission	139,100	188,700	188,700
Tennessee Collection Service Board	155,800	183,900	183,900
Board for Licensing Contractors	2,973,600	3,894,400	3,902,000
State Board of Cosmetology and Barbers	3,056,100	4,147,800	4,143,800
Board of Funeral Directors, Embalmers and Burial Services	493,700	1,039,200	1,039,200
Board of Examiners for Land Surveyors	23,800	447,300	447,300
Detection Services Licensing	2,402,500	3,482,700	3,482,700
Real Estate Appraiser Commission	780,800	1,234,500	1,234,500
Registration of Geologists and Soil Scientists	74,400	109,700	109,700
Tennessee Real Estate Commission	2,872,300	3,991,100	3,991,100
Tennessee Motor Vehicle Commission	1,938,100	2,281,200	2,281,200
Private Probation Services Council	52,200	73,600	73,600
Home Inspectors Licensing	116,900	164,700	164,700
Scrap Metal Dealers Registration	70,600	85,200	85,200
Tennessee Athletic Commission	158,900	439,400	439,400
Board of Court Reporting	30,000	120,500	120,500
Debt Management and Credit Services	47,900	173,600	173,600
Professional Bondsmen	0	480,100	448,500
Subtotal: Commerce and Insurance	\$ 18,126,800	\$ 26,385,400	\$ 26,357,400
<u>Health Regulatory Boards</u>			
Board of Chiropractic Examiners	\$ 230,400	\$ 329,600	\$ 329,300
Board of Dentistry	953,300	1,711,500	1,710,300
Board of Dietitian / Nutritionist Examiners	128,300	154,800	154,600
Board of Dispensing Opticians	47,300	114,600	114,500
State Board of Electrolysis Examiners	7,100	12,600	12,600
Council for Licensing Hearing Instrument Specialists	73,000	86,700	86,600
Board of Social Worker Certification and Licensure	558,700	685,500	684,800
Board of Medical Examiners	5,435,900	6,763,600	6,757,000
Tennessee Medical Laboratory Board	569,800	690,700	689,900
Board of Nursing and Certified Medication Aide Licensure	7,181,900	8,838,500	8,829,500
Board of Examiners for Nursing Home Administrators	82,900	103,900	103,800
Board of Occupational and Physical Therapy Examiners	672,100	904,900	904,100
Massage Licensure Board	658,100	927,400	926,600
State Board of Athletic Trainers	103,400	156,400	156,300
Board of Respiratory Care	188,700	236,200	235,900
State Board of Optometry	177,000	213,800	213,600
Board of Osteopathic Examination	481,400	594,000	593,500
Board of Pharmacy	3,813,000	5,234,500	5,229,500
Board of Registration for Podiatry	76,600	125,400	125,300
Board of Cert. for Prof. Counselors, and Marital and Family Therapists	529,900	659,400	658,800
Board of Examiners in Psychology	228,600	306,000	305,700
Board for Communication Disorders and Sciences	200,100	243,500	243,300
Committee on Physician Assistants	471,100	671,400	670,900
Board of Veterinary Medical Examiners	758,500	961,100	960,100
Alcohol and Drug Abuse Counselors	112,100	133,300	133,200
Board of Midwifery	19,400	27,200	27,200
Board of Acupuncture	38,400	53,600	53,500
Board of Clinical Perfusionists	18,900	23,600	23,600
Reflexologist License	19,700	33,800	33,800
Polysomnographic Professional Standards Board	31,600	38,100	38,100
Pain Management Clinic Certificate	175,500	235,600	235,400
Applied Behavioral Analyst Board	257,400	310,300	310,000
Medical Spas Licensure	100,900	133,400	133,300
Subtotal: Health	\$ 24,401,000	\$ 31,714,900	\$ 31,684,600
<u>Other Regulatory Boards</u>			
State Regulatory Fee	\$ 3,204,000	\$ 2,500,000	\$ 2,500,000
State Board of Law Examiners	1,370,100	1,199,600	1,199,800
Health Facilities Commission	2,433,000	2,049,100	2,071,500
Subtotal: Other	\$ 7,007,100	\$ 5,748,700	\$ 5,771,300
Rounding Adjustment	\$ 0	\$ (49,000)	\$ (13,300)
Total Regulatory Boards	\$ 49,534,900	\$ 63,800,000	\$ 63,800,000

Tax Expenditures

Recommended Budget, Fiscal Year 2026-2027

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 2026-2027. 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 2026-2027 Estimated Loss	
Service/Product Area Exempted	State	Local *
Administrative and Support Services	\$ 805,200,000	\$ 287,600,000
Collection Agencies and Credit Bureaus	62,700,000	22,400,000
Employment Services	410,100,000	146,500,000
Investigation and Security Services	96,200,000	34,400,000
Mail, Document Reproduction, and Call Centers	71,800,000	25,600,000
Services to Buildings and Dwellings	164,400,000	58,700,000
Construction Services	\$ 864,900,000	\$ 308,900,000
Construction of Buildings	292,600,000	104,500,000
Heavy and Civil Engineering Construction	94,600,000	33,800,000
Specialty Trade Contractors	477,700,000	170,600,000
Educational Services	\$ 81,700,000	\$ 29,100,000
Educational Services (for-profit)	71,800,000	25,600,000
Educational Services (nonprofit)	9,900,000	3,500,000
Finance, Insurance, and Real Estate	\$ 400,200,000	\$ 143,000,000
Investment Banking, Securities Brokerage, and Related	196,500,000	70,200,000
Insurance Agents and Related	17,300,000	6,200,000
Real Estate Agents and Brokers	186,400,000	66,600,000
Health Care and Social Services (For-profit)	\$ 2,114,200,000	\$ 755,100,000
Physicians and Dentists	1,009,700,000	360,600,000
Other Health Practitioners	127,700,000	45,600,000
Hospitals	446,000,000	159,300,000
Nursing and Residential Care Facilities	101,200,000	36,100,000
Outpatient Care Centers	139,100,000	49,700,000
Medical and Diagnostic Laboratories	75,000,000	26,800,000
Other Selected Health Services	53,800,000	19,200,000
Social and Community Services	161,700,000	57,800,000
Health Care and Social Services (Nonprofit)	\$ 1,676,400,000	\$ 598,800,000
Hospitals	1,170,000,000	417,900,000
Nursing and Residential Care Facilities	243,200,000	86,900,000
Outpatient Care Centers	137,600,000	49,100,000
Other Selected Health Services	50,000,000	17,900,000
Social and Community Services	75,600,000	27,000,000
Information Services	\$ 195,400,000	\$ 72,000,000
Data Processing Services	80,100,000	28,600,000
Movie Production and Sound Recording Studios	107,800,000	38,500,000
Cable TV Subscriptions (exempt amount)	7,500,000	4,900,000
Media Advertising Sales	\$ 153,500,000	\$ 54,800,000
Newspaper Advertising	10,200,000	3,600,000
Radio Advertising	21,000,000	7,500,000
Television Advertising (Broadcast and Cable)	122,300,000	43,700,000
Personal Services	\$ 217,900,000	\$ 77,800,000
Coin-operated Laundry	2,600,000	900,000
Death Care Services	26,400,000	9,400,000
Diet and Weight Loss	1,200,000	400,000
Hair, Nail, and Skin Care Services	80,600,000	28,800,000
Nonprofit Amusement and Membership Organizations	107,100,000	38,300,000
Professional and Technical Services	\$ 1,533,300,000	\$ 547,600,000
Accounting, Tax Return Preparation, and Payroll	253,900,000	90,700,000
Advertising and Public Relations	103,500,000	37,000,000
Architectural Services	41,200,000	14,700,000
Engineering Services	163,900,000	58,500,000
All Other Architectural, Engineering, and Related	29,400,000	10,500,000
Specialized Design Services	33,300,000	11,900,000
Computer Systems Design and Related Services	266,900,000	95,300,000
Legal Services (for-profit and nonprofit)	306,200,000	109,400,000
Management, Scientific, and Technical Consulting	291,300,000	104,000,000
Scientific Research and Development (for-profit and nonprofit)	43,700,000	15,600,000
Transportation Services (Local Trucking only)	\$ 100,600,000	\$ 35,900,000
Truck Transportation (Local)	100,600,000	35,900,000
Total Revenue Loss	\$ 8,143,300,000	\$ 2,910,600,000

* 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 2026-2027 Estimated Loss	
		State	Local
	Sales and Use Tax	\$ 5,035,600,000	\$ 1,567,600,000
67-6-329(a)(1)	Gasoline	739,300,000	264,000,000
67-6-329(a)(2)	Motor vehicle fuel (diesel fuel)	294,700,000	105,200,000
67-6-217	Aviation fuel (reduced rate)	42,600,000	42,600,000
67-6-207(a)(9)	Gasoline/diesel fuel for agriculture	19,000,000	6,800,000
67-6-314, 320	Prescription drugs, insulin, and related	1,485,000,000	530,400,000
67-6-319	Prescription drug samples	60,500,000	21,600,000
67-6-334	Energy fuels sold for residential use	337,000,000	153,200,000
67-6-206(b)(1-2), 702(b)	Energy and water sales to manufacturers (reduced rate)	152,800,000	69,500,000
67-6-206(b)(2-8)	Energy and water sales to manufacturers for direct processing (exempt)	34,300,000	15,600,000
67-6-102(44), 206(a), 207, 702(b)	Industrial and farm machinery and equipment	373,200,000	80,000,000
67-6-228(a)	Food sales (reduced rate)	668,300,000	20,500,000
67-6-329(a)(13)	Packaging sold for resale or use	226,800,000	77,700,000
67-6-329(a)(3), (18)	School books and lunches	44,300,000	15,800,000
67-6-330(a)(4-5)	Membership dues of civic organizations and business associations	21,700,000	7,700,000
67-6-316	Prescription eyewear and optical goods	27,300,000	9,700,000
67-6-103(f), 226, 714	Cable television (exempt portion)	7,500,000	4,900,000
67-6-329(a)(10)	Newspaper periodical sales	2,700,000	1,000,000
67-6-303	Motor vehicles sold to active-duty or non-resident military personnel	7,500,000	300,000
67-6-216	Non-material cost of manufactured homes (reduced rate)	19,800,000	0
67-6-301	Agricultural products	260,400,000	69,600,000
67-6-219, 702(e)	Sales to common carriers (reduced rate)	17,200,000	7,300,000
67-6-330(a)(16)	Physical fitness facility fees	15,300,000	5,500,000
67-6-313(g), 321	Railroad rolling stock, materials, and repairs	6,400,000	1,400,000
67-6-309(a)	Film and transcription rentals	0	0
67-6-102(44)(H)(i)	Certain warehouse equipment	24,300,000	4,600,000
67-6-207(a)(10-17)	Fertilizers, pesticides, seeds, and related items to nurseries	68,100,000	24,300,000
67-6-335	Dentists	45,900,000	16,400,000
	All other remaining exemptions	33,700,000	12,000,000
	Corporate Franchise and Excise Tax	\$ 109,000,000	\$ 0
67-4-2109	Jobs credit (Franchise and Excise)	79,700,000	Not Applicable
67-4-2108	Cap on value of inventories (Franchise)	18,800,000	Not Applicable
67-4-2009	Industrial machinery credit (Franchise and Excise)	10,500,000	Not Applicable
	Motor Vehicle Registration Fees	\$ 6,900,000	\$ 0
55-4-223	Government vehicles	3,300,000	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	1,500,000	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	1,500,000	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	\$ 375,400,000	\$ 0
67-4-405(b)	Gas, Water, and Electric Companies - Govt. operations exempt	365,900,000	Not Applicable
67-4-405(d)	Gas, Water, and Electric Companies - Franchise and Excise tax credit	4,700,000	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	4,600,000	Not Applicable
	Miscellaneous Taxes	\$ 700,000	\$ 0
67-4-409(b)(4)	Mortgage Tax - \$2,000 exemption	700,000	Not Applicable
	Total Revenue Loss	\$ 5,527,600,000	\$ 1,567,600,000

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 0.5% of the tax from interstate telecommunication services sold to businesses (TCA 67-6-221(b)).

**Collecting Agency
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Rate and Source

Basis of Apportionment

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).
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)). The sale, use, consumption, or distribution of new or used tires on or after July 1, 2025 (TCA 67-6-103(v)).
Debt Service Fund.....	0.9185% of the remaining 5.5% after the allocation to the Transportation Equity Trust Fund, or whatever amount is necessary to meet debt service requirements (TCA 67-6-103 and 9-9-106, and Section 1 of the general appropriations bill).
Municipalities.....	4.6030% of the remaining 5.5% after the allocation to the Transportation Equity Trust Fund, less the Municipal Technical Advisory Service (MTAS) grant (0.95% of the amount from the preceding calculation during fiscal year 1998-1999 and 1.0% thereafter) to the University of Tennessee. Premier resorts receive a portion of the tax collected by dealers within their boundaries. The collective amount distributed to premier resorts is limited to the amount distributed in the 1999-2000 fiscal year (TCA 67-6-103). A share of the tax on interstate telecommunication services sold to businesses is allocated to cities and counties, and distributed based on the local government's percentage share of the difference in property tax and in lieu of tax revenue (TCA 67-6-221 (c)).
Counties.....	A share of the tax on interstate telecommunication services sold to businesses is allocated to cities and counties, and distributed based on the local government's percentage share of the difference in property tax and in lieu of tax revenue (TCA 67-6-221(c)). In addition, a share of General Fund

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Basis of Apportionment

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).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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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Rate and Source

Basis of Apportionment

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

**Collecting Agency
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Rate and Source

Basis of Apportionment

		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	

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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, court clerk continuing education account, 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, 39-13-708, 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

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

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; for certain counties, \$10 is earmarked to the Department of Mental Health and Substance Abuse Services to support veterans' drug court and substance abuse services, including administration of drug court and veterans treatment court 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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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 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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

		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).
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

**Collecting Agency
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Rate and Source

Basis of Apportionment

		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).	
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	

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

		Department of General Services (TCA 57-9-205, 12-2-207, and 12-2-209).
Cities and Counties.....		90% of the proceeds of sale of liquor seized by local law enforcement officers, earmarked to city or county employing officer (TCA 57-9-115), and 50% of proceeds of sale of vehicles, aircraft, and boats seized by local officers, earmarked to city or county employing officer (TCA 57-9-201).
FRANCHISE TAX.....	\$0.25 on each \$100 of 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	

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

warehouses, wholesale dealers and jobbers and tobacco distributors; a \$25 fee for replacing a lost or destroyed license; proceeds from the sale of confiscated goods; and penalties of \$100 to \$5,000 for violations of the Unfair Cigarette Sales Law (TCA 67-4-1002 through 67-4-1005, 67-4-1015, 67-4-1020, 47-25-308, and 47-25-309).

General Fund.....	Approximately 15.4%. 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 84.6%. 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).
VAPOR PRODUCTS	
TAX	10% of the wholesale cost price of registered vapor products subject to tobacco tax. (TCA 67-4-1005).
General Fund.....	100% of tax receipts with 12.5% specified for the Alcoholic Beverage Commission (TCA 67-4-1025).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

HEMP TAX\$0.02 tax per milligram on hemp-derived cannabinoid products at the wholesale price. \$50 per one ounce on the wholesale price of hemp flower or hemp plant parts. (TCA 57-7-108).

General Fund.....100% of tax receipts with specified amounts of 10% to the Alcoholic Beverage Commission and 10% to the Department of Revenue for administration and enforcement (TCA 57-7-108(d)).

MOTOR VEHICLE

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

General Fund.....Approximately 88.3% (including \$0.50 of the \$5.50 fee, earmarked for enforcement action against odometer fraud; and a portion of \$1.50 of the \$5.00 fee in excess of debt service requirements, earmarked for State Parks capital projects) (TCA 55-6-101 and 55-6-103).

Debt Service Fund.....Approximately 11.7% (including \$1.50 of the \$5.50 fee, earmarked for debt service on a State Parks bond issue) (TCA 55-6-101).

MIXED DRINK

TAX 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)

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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).

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).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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 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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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 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. State chartered public trust and state chartered private trust regulation and exam fees are allocated and assessed amongst all trust companies in proportion to each trust company's total assets to fund the department's regulation of such entities. The minimum amount assessed to any public trust company must be \$10,000. (TCA 45-1-118).

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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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%.

Tennessee 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).

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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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%.

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Alcoholic Beverage Commission

HEMP

LICENSING Fees received from the issuance of licenses and permits to entities engaged in the business of manufacturing, distributing, or selling hemp-derived cannabinoid products (HDCPs) including inspections and the assessment of civil penalties (TCA 57-7-106).

General Fund.....100% (earmarked for the administration of this program) (TCA 57-7-106(e)).

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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

residential basic, local exchange telephone service. Fees are required by the TPUC as necessary to support universal service and fund administration of the mechanism (TCA 65-5-207).

General Fund.....100% (earmarked for Tennessee Public Utility Commission) (TCA 65-4-307 and 64-4-120).

TELEMARKETING.....A fee of \$500 per year for access to a database of telephone numbers of residential subscribers who object to receiving telephone solicitations. TPUC may also impose a civil penalty up to a maximum of \$2,000 for each violation of state laws regulating telephone solicitation (TCA 65-4-405).

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

UNSOLICITED

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

General Fund.....100% (earmarked for Tennessee Public Utility Commission) (TCA 65-4-504).

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, and other
miscellaneous application and
recording services. Also, any civil
penalties assessed by the Bureau of
Ethics and Campaign Finance (TCA
47-25-517 and 3-6-306).

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

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
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).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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

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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Department of Labor

**PENALTY AND
REGULATION**

FEES Penalty and regulatory fees arising from Occupational Safety and Health Administration (OSHA) enforcement actions, workers' compensation, lawful employment compliance, employee misclassification, and other labor-related regulatory programs, as well as permit fees associated with amusement rides, elevators, boilers, and construction services (TCA 50-3-408, 50-6-801, 68-121-120, 68-121-107, 68-122-111, and 50-6-912).

General Fund.....100% (earmarked for regulated program activities).

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, 68-14-511, 68-14-713, 68-14-714, and 68-110-103).

General Fund.....100%.

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

**TATTOO
PARLORS AND**

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

General Fund..... 100%.

CHILD SAFETY.....Fines up to \$50 imposed for violations of the Child Passenger Restraint Law for children under 4 years of age, or between 4 and 8 years of age, and measuring less than 4 feet 9 inches in height; fines up to \$50 imposed for violation of mandatory use of a passenger restraint system for children between 9 and 12 years of age, or any child through 12 years of age measuring 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).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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

Department of Environment and Conservation

**TENNESSEE
ENVIRONMENTAL
PROTECTION**

FUND Fees from environmental permits, inspections, damages, and fines (TCA Title 60, Parts 1, 2, and 5; Title 68, Chapter 131, Part 4, Chapter 201, Part 1, Chapter 202, Parts 2 and 5, Chapter 203, Chapter 211, Part 1, Chapter 212, Part 1, and Chapter 221, Parts 4, 7, 9 and 10; and Title 69, Chapters 3 and 11).

General Fund.....100% (earmarked for the programs generating the fees) (TCA 68-203-101 and citations above).

**SOLID WASTE
MANAGEMENT**

FUND Fees from a surcharge on each ton of municipal solid waste received at all Class 1 solid waste disposal facilities or incinerators of \$0.90 per ton. Also, the \$1.35 pre-disposal fee collected from retailers by the Department of Revenue for each new tire sold in Tennessee (TCA 68-211-835 and 67-4-1603).

General Fund.....100% (earmarked for the Solid Waste Assistance Program) (TCA 68-211-835).

**DRYCLEANER
ENVIRONMENTAL
RESPONSE FUND**

.....Various fees from drycleaning facilities, including annual site registration fees of up to \$1,500, annual wholesale distributor registration fees of \$5,500 per in-state facility, and drycleaning solvent surcharges of \$10 per gallon of non-aqueous solvent and \$1 per gallon of 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).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

OIL AND GAS

REGULATION.....All funds received as payment for penalties assessed by the Oil and Gas Board (TCA 60-1-404).

General Fund.....100% (earmarked for the Oil and Gas Reclamation Program) (TCA 60-1-404).

AUTOMOTIVE

OIL FEE.....\$0.02 per quart fee on the sale of packaged automotive oil, less a distributor handling deduction of 2%, up to \$50 per report. This fee is collected from the distributors by the Department of Revenue (TCA 68-211-1006 and 68-211-1010).

General Fund.....100% (earmarked for the Used Oil Collection Program) (TCA 68-211-1004 - 1006).

Nursing Home Tax

ANNUAL

NURSING HOME

ASSESSMENT.....Annual assessment, payable in monthly installments, equal to 6% 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, 2026 (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)).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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, 2026 (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, 2026 (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
Honorable Gary Hicks
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 8, 2025

Subject: State Funding Board Growth Projections for FY 2025-2026 and FY 2026-2027

The State Funding Board met on November 3, 2025, to hear presentations on the State's economic outlook for the remainder of fiscal year 2025-2026 and for fiscal year 2026-2027. The Board reconvened on November 24, 2025, to discuss revenue growth projections and to arrive at estimates.

Total State Taxes and General Fund Revenue Growth Estimates

The Board is charged, in Tennessee Code Annotated Section 9-4-5202(e), with the responsibility of developing estimates of state revenue growth. In doing so, the Board evaluates and interprets economic data and revenue forecasts supplied by various economists as well as persons acquainted with the Tennessee revenue system. This is a revenue estimation process, not a budgeting process. The Board does not take into consideration the State's fiscal situation when developing its consensus ranges of revenue growth; however, the Board does strive to have the highest degree of confidence in the State's ability to achieve such growth. Fiscal considerations properly belong with those who set the State's budget – the Administration that recommends appropriation levels based upon its assessment of revenue growth and the General Assembly that adopts a *de facto* revenue estimate through its final action on the appropriations bill.

Pursuant to Tennessee Code Annotated Section 9-4-5202(b), the Tennessee Department of Revenue provides to the Board estimates of growth in franchise and excise tax revenue and includes in that estimation whether the growth is recurring or non-recurring. Additionally, the Board shall, pursuant to Tennessee Code Annotated Section 9-4-5202(e), identify and report whether any growth in franchise and excise tax revenue is recurring or non-recurring. To fulfill these statutory obligations, the Department of Revenue reported no

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non-recurring franchise and excise tax revenue growth. The total tax and general fund tax revenue growth estimates displayed below are for recurring growth and do not account for any non-recurring growth.

The Board heard a report regarding the economy from Ms. Emily Mitchell of the Federal Reserve Bank of Atlanta. Then, 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 minimal growth in the current fiscal year and slow growth the next fiscal year. Factors cited to support minimal growth in the current and slow growth in next year included uncertainty around tariff impacts on consumption, labor supply concerns (and interrupted labor market data), and lingering inflation. Tennessee's relative economic strength compared to the nation was cited as a positive factor. Those factors all combine to urge caution when estimating both economic and state tax revenue growth. Further, the growth ranges adopted are below the current nominal inflation rate, indicating negative real state tax revenue growth.

Taking into account the factors cited above, the Board recommends state tax growth rates for fiscal year 2025-2026 within the range of state tax growth estimates provided by the presenters and state tax growth rates for fiscal year 2026-2027 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 2025-2026		FY 2026-2027	
	Low	High	Low	High
Total State Taxes	1.59%	2.04%	2.03%	2.23%
General Fund	0.72%	1.32%	2.25%	2.35%

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 2025 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. Peter Abernathy, Chief of Student Aid and Compliance of Tennessee Student Assistance Corporation. The lottery-funded scholarship programs as authorized through the 2025 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. Abernathy are summarized in an attachment to this memorandum.

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

Net Lottery Proceeds	FY2025-2026	FY2026-2027	FY2027-2028	FY2028-2029	FY2029-2030
Low	\$403,000,000	\$390,000,000	\$390,000,000	\$390,000,000	\$390,000,000
High	\$405,200,000	\$399,300,000	\$399,300,000	\$399,300,000	\$399,300,000

The State Funding Board considered the joint projections for lottery scholarship and grant program funding needs provided by TSAC and recommended projections below the ranges presented. It should be noted that net lottery proceeds have declined three of the last four fiscal years, and the Board anticipates that decline to continue. These estimates and projections assume no new legislative changes regarding the TELC and its authority or the scholarship and grant programs.

Attached is a copy of the letter from the Department of Education requesting \$23,000 from Net Lottery Proceeds pursuant to Tennessee Code Annotated Section 4-51-111(c)(2)(B) which states:

Before December 15, 2003, and before December in each succeeding year, appropriate state agencies shall submit to the funding board and to the governor their recommendations for other educational programs and purposes consistent with the Constitution of Tennessee, Article XI, § 5 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 2025 - 2026**

(Accrual - Basis Estimates)

2025-2026											
DEPARTMENT OF REVENUE TAXES	2024-2025	July 1, 2025	% Change	UT - BCBER	% Change	Fiscal Review	% Change	Dept. of Revenue	% Change	ETSU	% Change
SOURCE OF REVENUE	Actual Year	Budget Estimate	Over Actual	Estimate	Over Actual	Estimate	Over Actual	Estimate	Over Actual	Estimate	Over Actual
Sales and Use Tax ¹	\$ 14,502,001,400	\$ 14,852,800,000	2.42%	\$ 14,908,100,000	2.80%	\$ 14,991,000,000	3.37%	\$ 14,944,300,000	3.05%	\$ 15,151,000,000	4.48%
Gasoline Tax	889,801,100	887,800,000	-0.22%	894,300,000	0.51%	893,300,000	0.39%	894,700,000	0.55%	897,000,000	0.81%
Motor Fuel Tax	319,488,900	324,400,000	1.54%	322,400,000	0.91%	327,000,000	2.35%	322,000,000	0.79%	326,000,000	2.04%
Gasoline Inspection Tax	72,261,200	72,800,000	0.75%	72,600,000	0.47%	72,650,000	0.54%	73,000,000	1.02%	72,000,000	-0.36%
Motor Vehicle Registration Tax	412,087,400	392,400,000	-4.78%	399,700,000	-3.01%	413,500,000	0.34%	429,000,000	4.10%	396,800,000	-3.71%
Income Tax	2,069,000	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A
Privilege Tax - Less Earmarked Portion ¹	466,855,300	476,000,000	1.96%	494,900,000	6.01%	501,200,000	7.36%	497,200,000	6.50%	459,950,000	-1.48%
Gross Receipts Tax - TVA	400,317,600	399,000,000	-0.33%	404,300,000	0.99%	401,000,000	0.17%	402,300,000	0.50%	402,400,000	0.52%
Gross Receipts Tax - Other	46,236,600	42,100,000	-8.95%	46,200,000	-0.08%	45,000,000	-2.67%	46,400,000	0.35%	50,700,000	9.65%
Beer Tax	16,621,500	17,800,000	7.09%	15,000,000	-9.76%	16,600,000	-0.13%	16,700,000	0.47%	16,320,000	-1.81%
Alcoholic Beverage Tax	84,731,000	89,800,000	5.98%	83,900,000	-0.98%	88,000,000	3.86%	82,000,000	-3.22%	88,840,000	4.85%
Franchise & Excise Tax	3,727,202,000	3,923,400,000	5.26%	3,736,500,000	0.25%	3,750,000,000	0.61%	3,757,000,000	0.80%	3,550,900,000	-4.73%
Inheritance and Estate Tax	126,000	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A
Tobacco Tax	180,531,100	179,000,000	-0.85%	169,700,000	-6.00%	176,100,000	-2.45%	171,300,000	-5.11%	180,800,000	0.15%
Vapor Products Tax	-	17,200,000	N/A	17,200,000	N/A	17,200,000	N/A	17,500,000	N/A	17,200,000	N/A
Hemp Tax	-	55,800,000	N/A	55,800,000	N/A	55,800,000	N/A	57,500,000	N/A	55,800,000	N/A
Motor Vehicle Title Fees	22,600,700	22,300,000	-1.33%	22,100,000	-2.22%	23,000,000	1.77%	23,300,000	3.09%	22,600,000	0.00%
Mixed Drink Tax	229,147,100	229,100,000	-0.02%	232,600,000	1.51%	235,500,000	2.77%	234,200,000	2.21%	229,150,000	0.00%
Business Tax	354,875,300	362,800,000	2.23%	362,000,000	2.01%	365,500,000	2.99%	363,700,000	2.49%	306,800,000	-13.55%
Severance Tax	468,700	500,000	6.68%	500,000	6.68%	500,000	6.68%	500,000	6.68%	468,700	0.00%
Coin-operated Amusement Tax	419,400	500,000	19.22%	400,000	-4.63%	430,000	2.53%	400,000	-4.63%	450,000	7.30%
Unauthorized Substance Tax	1,700	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A
TOTAL DEPARTMENT OF REVENUE	\$ 21,727,843,000	\$ 22,345,500,000	2.84%	\$ 22,238,200,000	2.35%	\$ 22,373,280,000	2.97%	\$ 22,333,000,000	2.79%	22,225,178,700	2.29%
TOTAL - RECURRING	\$ 21,933,743,000	\$ 22,380,500,000	2.04%	\$ 22,273,200,000	1.55%	\$ 22,408,280,000	2.16%	\$ 22,368,000,000	1.98%	22,260,178,700	1.49%
GENERAL FUND ONLY²	\$ 18,680,412,500	\$ 19,118,200,000	2.34%	\$ 19,028,400,000	1.86%	\$ 19,143,980,000	2.48%	\$ 19,096,700,000	2.23%	19,002,578,700	1.72%
GENERAL FUND - RECURRING	\$ 18,904,412,500	\$ 19,153,200,000	1.32%	\$ 19,063,400,000	0.84%	\$ 19,178,980,000	1.45%	\$ 19,131,700,000	1.20%	19,037,578,700	0.70%

SELECTED TAXES	Actual Year	July 1 Estimate	%	UT - BCBER	%	Fiscal Review	%	Revenue Dept.	%	ETSU	%
SALES AND USE TAX	\$ 14,502,001,400	\$ 14,852,800,000	2.42%	\$ 14,908,100,000	2.80%	\$ 14,991,000,000	3.37%	\$ 14,944,300,000	3.05%	\$ 15,151,000,000	4.48%
FRANCHISE AND EXCISE TAXES	3,727,202,000	3,923,400,000	5.26%	3,736,500,000	0.25%	3,750,000,000	0.61%	3,757,000,000	0.80%	3,550,900,000	-4.73%
ROAD USER TAXES (Fuel + MV Reg Taxes)	1,693,638,600	1,677,400,000	-0.96%	1,689,000,000	-0.27%	1,706,450,000	0.76%	1,718,700,000	1.48%	1,691,800,000	-0.11%
<i>Fuel Taxes Only</i>	<i>1,281,551,200</i>	<i>1,285,000,000</i>	<i>0.27%</i>	<i>1,289,300,000</i>	<i>0.60%</i>	<i>1,292,950,000</i>	<i>0.89%</i>	<i>1,289,700,000</i>	<i>0.64%</i>	<i>1,295,000,000</i>	<i>1.05%</i>
SELECT CONSUMPTION TAXES	511,030,700	588,700,000	15.20%	574,200,000	12.36%	589,200,000	15.30%	579,200,000	13.34%	588,110,000	15.08%
ALL OTHER TAXES	1,293,970,300	1,303,200,000	0.71%	1,330,400,000	2.82%	1,336,630,000	3.30%	1,333,800,000	3.08%	1,243,368,700	-3.91%

¹ For FY 2024-2025 excludes \$153.7 million in earmarked fund in Sales and Use Taxes and \$79.1 million from Privilege Tax collections.

For FY 2025-2026 and FY 2026-2027 exclude estimates of \$159 million in earmarked funds in Sales and Use Taxes and \$78 million from Privilege Tax collections.

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

**COMPARISON OF ESTIMATED STATE TAX REVENUE FOR
FISCAL YEAR 2026 - 2027**

(Accrual - Basis Estimates)

2026-2027								
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	\$ 15,265,900,000	2.40%	\$ 15,441,000,000	3.00%	\$ 15,332,900,000	2.60%	\$ 15,600,000,000	2.96%
Gasoline Tax	901,400,000	0.79%	898,500,000	0.58%	901,000,000	0.70%	924,000,000	3.01%
Motor Fuel Tax	324,600,000	0.68%	330,000,000	0.92%	325,500,000	1.09%	344,500,000	5.67%
Gasoline Inspection Tax	73,000,000	0.55%	73,100,000	0.62%	73,600,000	0.82%	74,810,000	3.90%
Motor Vehicle Registration Tax	403,700,000	1.00%	418,000,000	1.09%	444,900,000	3.71%	307,000,000	-22.63%
Income Tax	-	N/A	-	N/A	-	N/A	-	N/A
Privilege Tax - Less Earmarked Portion ¹	513,200,000	3.70%	517,000,000	3.15%	520,600,000	4.71%	505,500,000	9.90%
Gross Receipts Tax - TVA	404,300,000	0.00%	403,500,000	0.62%	404,300,000	0.50%	419,000,000	4.13%
Gross Receipts Tax - Other	46,200,000	0.00%	48,500,000	7.78%	46,500,000	0.22%	29,350,000	-42.11%
Beer Tax	14,400,000	-4.00%	16,400,000	-1.20%	16,800,000	0.60%	19,320,000	18.38%
Alcoholic Beverage Tax	83,900,000	0.00%	88,300,000	0.34%	82,400,000	0.49%	95,600,000	7.61%
Franchise & Excise Tax	3,781,400,000	1.20%	3,700,000,000	-1.33%	3,802,100,000	1.20%	3,554,800,000	0.11%
Inheritance and Estate Tax	-	N/A	-	N/A	-	N/A	-	N/A
Tobacco Tax	163,400,000	-3.71%	174,200,000	-1.08%	164,000,000	-4.26%	211,000,000	16.70%
Vapor Products Tax	17,200,000	0.00%	17,600,000	2.33%	17,900,000	2.29%	17,200,000	0.00%
Hemp Tax	111,600,000	100.00%	130,000,000	132.97%	111,800,000	94.43%	55,800,000	0.00%
Motor Vehicle Title Fees	22,400,000	1.36%	23,150,000	0.65%	23,800,000	2.15%	24,505,000	8.43%
Mixed Drink Tax	234,900,000	0.99%	241,200,000	2.42%	240,500,000	2.69%	228,050,000	-0.48%
Business Tax	372,800,000	2.98%	371,000,000	1.50%	373,200,000	2.61%	318,000,000	3.65%
Severance Tax	500,000	0.00%	500,000	0.00%	500,000	0.00%	820,000	74.95%
Coin-operated Amusement Tax	400,000	N/A	430,000	0.00%	400,000	0.00%	465,000	3.33%
Unauthorized Substance Tax	-	N/A	-	N/A	-	N/A	-	N/A
TOTAL DEPARTMENT OF REVENUE	\$ 22,735,200,000	2.23%	\$ 22,892,380,000	2.32%	\$ 22,882,700,000	2.46%	22,729,720,000	2.27%
TOTAL - RECURRING	22,770,200,000	2.23%	22,927,380,000	2.32%	22,917,700,000	2.46%	22,764,720,000	2.27%
GENERAL FUND ONLY²	\$ 19,476,500,000	2.35%	\$ 19,606,980,000	2.42%	\$ 19,582,000,000	2.54%	19,489,420,000	2.56%
GENERAL FUND - RECURRING	19,511,500,000	2.35%	19,641,980,000	2.41%	19,617,000,000	2.54%	19,524,420,000	2.56%

SELECTED TAXES	UT - BCBER	%	Fiscal Review	%	Revenue Dept.	%	ETSU	%
SALES AND USE TAX	\$ 15,265,900,000	2.40%	\$ 15,441,000,000	3.00%	\$ 15,332,900,000	2.60%	\$ 15,600,000,000	2.96%
FRANCHISE AND EXCISE TAXES	3,781,400,000	1.20%	3,700,000,000	-1.33%	3,802,100,000	1.20%	3,554,800,000	0.11%
ROAD USER TAXES (Fuel + MV Reg Taxes)	1,702,700,000	0.81%	1,719,600,000	0.77%	1,745,000,000	1.53%	1,650,310,000	-2.45%
<i>Fuel Taxes Only</i>	<i>1,299,000,000</i>	<i>0.75%</i>	<i>1,301,600,000</i>	<i>0.67%</i>	<i>1,300,100,000</i>	<i>0.81%</i>	<i>1,343,310,000</i>	<i>3.73%</i>
SELECT CONSUMPTION TAXES	625,400,000	8.92%	667,700,000	13.32%	633,400,000	9.36%	626,970,000	6.61%
ALL OTHER TAXES	1,359,800,000	2.21%	1,364,080,000	2.05%	1,369,300,000	2.66%	1,297,640,000	4.36%

¹ For FY 2026-2027, Sales and Use Tax estimates and Privilege Tax estimates exclude designated earmarked funds.

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

Department of Revenue Taxes
Estimated Revenues Based on Recurring Growth Rates
Funding Board Meeting - November 24, 2025

	<u>Recurring Actual FY 2024-2025</u>	<u>FY 2025-2026</u>	<u>Growth Rate</u>	<u>FY 2026-2027</u>	<u>Growth Rate</u>
Total Taxes	\$ 21,933,743,000			\$ 22,734,800,000	2.03%
		\$ 22,282,500,000	1.59%		
				\$ 22,779,400,000	2.23%
				\$ 22,834,800,000	2.03%
		\$ 22,380,500,000	2.04%		
				\$ 22,879,600,000	2.23%
		<i>Spread</i>	<i>0.45%</i>		<i>0.20%</i>
General Fund	\$ 18,904,412,500			\$ 19,468,900,000	2.25%
		\$ 19,040,500,000	0.72%		
				\$ 19,488,000,000	2.35%
				\$ 19,584,100,000	2.25%
		\$ 19,153,200,000	1.32%		
				\$ 19,603,300,000	2.35%
		<i>Spread</i>	<i>0.60%</i>		<i>0.10%</i>

Net Lottery Proceeds Estimates
Actual 2024-2025 and Estimated 2025-2026 Through 2029-2030
November 24, 2025

	2024-2025 Actual	2025-2026 Revised	%	2026-2027 Estimated	%	2027-2028 Estimated	%	2028-2029 Estimated	%	2029-2030 Estimated	%
Lottery Corporation											
Low	412,314,000	434,017,000	5.26%	442,000,000	1.84%	449,000,000	1.58%	457,000,000	1.78%	465,000,000	1.75%
High	412,314,000	445,049,000	7.94%	455,000,000	2.24%	465,000,000	2.20%	476,000,000	2.37%	486,000,000	2.10%
Fiscal Review Staff											
Low	412,314,000	405,228,600	-1.72%	392,190,600	-3.22%						
Median	412,314,000	411,857,600	-0.11%	402,303,000	-2.32%	406,326,030	1.00%	410,389,290	1.00%	414,493,183	1.00%
High	412,314,000	418,486,600	1.50%	412,415,400	-1.45%						
Recommended Range											
Low	412,314,000	403,000,000	-2.25%	390,000,000	-3.22%	390,000,000	0.00%	390,000,000	0.00%	390,000,000	0.00%
High	412,314,000	405,200,000	-1.72%	399,300,000	-1.45%	399,300,000	0.00%	399,300,000	0.00%	399,300,000	0.00%
Spread		2,200,000	0.53%	9,300,000	1.77%	9,300,000	0.00%	9,300,000	0.00%	9,300,000	0.00%

DR. STEVEN GENTILE
Executive Director



BILL LEE
Governor

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

November 3, 2025

MEMORANDUM

TO: State Funding Board

FROM: Tim Phelps, Senior Director for Grant & Scholarship Programs
Tennessee Higher Education Commission

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) is providing projected expenditures for the lottery scholarship and grant programs through the 2029-30 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>
2024-25 actual*	N/A	\$481.2M	N/A	156,100
2025-26 estimated*	\$498.1M	\$508.3M	\$523.5M	157,700
2026-27 estimated*	\$503.1M	\$513.4M	\$528.8M	159,300
2027-28 estimated*	\$508.1M	\$518.5M	\$534.1M	160,900
2028-29 estimated*	\$513.2M	\$523.7M	\$539.4M	162,500
2029-30 estimated*	\$518.4M	\$558.9M	\$544.8M	164,100

**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

Lizzette
Reynolds_srp

Digitally signed by
Lizzette Reynolds_srp
Date: 2025.10.20 14:33:29
-05'00'

DATE: October 20, 2025

SUBJECT: Request for \$23,000 from Net Lottery Proceeds for Lottery Scholarship Day for FY2026-2027

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 2026-2027 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, 2024, and June 30, 2025

	<u>June 30, 2024</u>	<u>June 30, 2025</u>
Assets:		
Cash and Cash Equivalents	\$ 13,179,507,000	\$ 12,647,146,000
Receivables, net	3,803,054,000	7,001,268,000
Due from Other Funds	2,717,000	3,013,000
Due from Component Units	281,000	246,000
Inventories, at Cost	54,225,000	42,275,000
Loans Receivable	1,209,000	1,206,000
Prepayments and Others	10,486,000	6,925,000
Restricted Assets - Investments	<u>129,003,000</u>	<u>163,359,000</u>
Total Assets	<u>\$ 17,180,482,000</u>	<u>\$ 19,865,438,000</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance		
Liabilities:		
Accounts Payable and Accruals	\$ 6,458,004,000	\$ 7,466,520,000
Due to Other Funds	47,373,000	62,140,000
Due to Component Units	29,563,000	43,902,000
Unearned Revenue	<u>641,588,000</u>	<u>952,886,000</u>
Total Liabilities	<u>\$ 7,176,528,000</u>	<u>\$ 8,525,448,000</u>
Deferred Inflows of Resources	<u>\$ 196,458,000</u>	<u>\$ 212,954,000</u>
Fund Balance:		
Nonspendable - Inventories	\$ 54,225,000	\$ 42,275,000
Nonspendable - Accounts Receivable	6,429,000	16,687,000
Nonspendable - Prepayments	10,395,000	58,000
Restricted	256,187,000	334,259,000
Committed	745,242,000	898,805,000
Assigned - Appropriations for 2024-2025	456,900,000	0
Assigned - Appropriations for 2025-2026	0	2,405,200,000
Assigned - Other Reserves	4,513,928,000	4,135,969,000
Unassigned - Revenue Fluctuation Reserve	2,050,000,000	2,150,000,000
Unassigned - Reserve for Future Requirements	1,713,687,000	1,142,683,200
Unassigned - Fund Balance	<u>503,000</u>	<u>1,099,800</u>
Total Fund Balance	<u>\$ 9,807,496,000</u>	<u>\$ 11,127,036,000</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 17,180,482,000</u>	<u>\$ 19,865,438,000</u>

Education Fund
Comparative Balance Sheet
June 30, 2024, and June 30, 2025

	<u>June 30, 2024</u>	<u>June 30, 2025</u>
Assets:		
Cash and Cash Equivalents	\$ 307,233,000	\$ 361,426,000
Investments	763,636,000	920,453,000
Receivables, net	1,303,746,000	1,130,994,000
Due from Other Funds	28,162,000	37,057,000
Due from Component Units	152,111,000	120,958,000
Inventories, at Cost	106,000	123,000
Restricted Assets - Investments	<u>361,381,000</u>	<u>361,381,000</u>
Total Assets	<u>\$ 2,916,375,000</u>	<u>\$ 2,932,392,000</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance		
Liabilities:		
Accounts Payable and Accruals	\$ 739,544,000	\$ 622,684,000
Due to Other Funds	32,000	144,000
Due to Component Units	31,135,000	22,292,000
Unearned Revenue	<u>101,000</u>	<u>0</u>
Total Liabilities	<u>\$ 770,812,000</u>	<u>\$ 645,120,000</u>
Deferred Inflows of Resources	<u>\$ 63,567,000</u>	<u>\$ 84,723,000</u>
Fund Balance:		
Nonspendable - Inventories	\$ 106,000	\$ 123,000
Nonspendable - Permanent Fund and Endowment Corpus	361,381,000	361,381,000
Restricted - Lottery Scholarships	233,838,000	191,477,000
Restricted - Energy Efficient Schools	1,695,000	2,177,000
Restricted - After-School Program	52,302,000	22,858,000
Restricted - State Endowment	784,602,000	936,261,000
Restricted - Other	1,112,000	1,242,000
Committed	168,387,000	233,143,000
Assigned	<u>478,573,000</u>	<u>453,887,000</u>
Total Fund Balance	<u>\$ 2,081,996,000</u>	<u>\$ 2,202,549,000</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 2,916,375,000</u>	<u>\$ 2,932,392,000</u>

Highway Fund
Comparative Balance Sheet
June 30, 2024, and June 30, 2025

	<u>June 30, 2024</u>	<u>June 30, 2025</u>
Assets:		
Cash and Cash Equivalents	\$ 5,587,358,000	\$ 5,547,508,000
Receivables, net	295,992,000	334,764,000
Due from Other Funds	2,871,000	6,115,000
Inventories, at Cost	47,489,000	49,127,000
Loans Receivable	79,000	0
Prepayments and Others	<u>1,612,000</u>	<u>0</u>
Total Assets	<u>\$ 5,935,401,000</u>	<u>\$ 5,937,514,000</u>
 Liabilities, Deferred Inflows of Resources, and Fund Balance		
Liabilities:		
Accounts Payable and Accruals	\$ 447,140,000	\$ 548,403,000
Due to Other Funds	874,000	619,000
Due to Component Units	2,388,000	1,969,000
Unearned Revenue	<u>5,553,000</u>	<u>5,674,000</u>
Total Liabilities	<u>\$ 455,955,000</u>	<u>\$ 556,665,000</u>
Deferred Inflows of Resources	<u>\$ 58,420,000</u>	<u>\$ 64,494,000</u>
Fund Balance:		
Nonspendable - Inventories	\$ 47,489,000	\$ 49,127,000
Restricted	875,998,000	965,096,000
Committed	3,706,599,000	3,555,356,000
Assigned	<u>790,940,000</u>	<u>746,776,000</u>
Total Fund Balance	<u>\$ 5,421,026,000</u>	<u>\$ 5,316,355,000</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 5,935,401,000</u>	<u>\$ 5,937,514,000</u>

Debt Management

Recommended Budget, Fiscal Year 2026-2027

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, 2025, the debt limit calculation produced a maximum annual debt service debt limit of \$1,154,918,000. The annual debt service requirement on the state's outstanding debt, authorized but unissued debt, and proposed bond authorizations in the fiscal year 2026-2027 budget total \$335,792,000, 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 2025-2026. As of June 30, 2025, Tennessee's total general obligation bonded indebtedness was \$1,405,403,000, excluding the Facilities Revolving Fund (FRF). This debt was issued entirely for institutional and building construction.

In the spring of fiscal 2025, the first session of the 114th General Assembly approved new general obligation bond authorizations in the amount of \$1,034,547,000. Of this amount, institutional and building bonds accounted for \$954,547,000 and highway bonds \$80,000,000.

The state's practice of using surplus cash to finance road projects in lieu of issuing debt has been one of the key factors in Tennessee's ability to secure and retain very high bond ratings. Consistent with this long-standing policy, the State Funding Board cancelled \$87,700,000 in highway construction bonds and \$5,906,723 in regular general obligation bond authorizations in fiscal year 2024-2025.

The increase in bond authorization coupled with the Funding Board's action on bond cancellations increased the category of authorized but unissued bonds to \$1,864,119,300, which includes \$866.3 million in capital construction bonds, \$836.0 million in highway fund authorizations, and \$161.8 million in FRF bonds.

The recommended 2026-2027 capital budget, excluding FRF, is funded from proposed bond authorizations in the amount of \$311,000,000, surplus cash in the amount of \$437,547,000, and \$206,077,000 from federal funds and other sources.

Debt Service Fund
Statement of Revenues, Expenditures, and Requirements
July 1, 2024 - June 30, 2027

	Actual 2024-2025	Estimated 2025-2026	Estimated 2026-2027
Fund Balance, July 1	\$ 42,921,000	\$ 32,362,000	\$ 29,200,000
Tax Revenues:			
Sales Tax	\$ 101,959,000	\$ 105,300,000	\$ 107,500,000
Gasoline Tax	87,700,000	80,000,000	127,000,000
Franchise Tax	18,000,000	18,000,000	18,000,000
Excise Tax	131,641,000	183,600,000	204,000,000
Motor Vehicle Title Fees	2,700,000	2,700,000	2,700,000
Total Tax Revenues	\$ 342,000,000	\$ 389,600,000	\$ 459,200,000
Other Revenues:			
Sports Authority	\$ 3,309,000	\$ 3,285,000	\$ 3,262,000
University of Memphis - Land Bank	172,000	0	172,000
State Veterans' Homes - Refinancing	379,000	361,000	237,000
Interest Earnings	16,017,000	0	0
Total Other Revenues	\$ 19,877,000	\$ 3,646,000	\$ 3,671,000
Total Available Funds	\$ 404,798,000	\$ 425,608,000	\$ 492,071,000
Appropriations, Transfers, and Fund Balance			
Debt Service Appropriations for:			
Outstanding Bonds at July 1	\$ 219,058,000	\$ 210,585,000	\$ 198,791,000
Capital Outlay - Unissued Bonds (\$866,273,700)	0	0	95,291,000
Proposed Capital Outlay Bonds (\$311,000,000)	0	0	34,210,000
Short-Term Interest	359,000	4,000,000	4,000,000
Debt Issuance Expense	1,573,000	3,500,000	3,500,000
Total Debt Service Appropriations	\$ 220,990,000	\$ 218,085,000	\$ 335,792,000
Transfers to Other Funds:			
Highway Fund - Bonds Cancelled	\$ 87,700,000	\$ 80,000,000	\$ 127,000,000
General Fund	57,839,000	98,323,000	0
Capital Projects Fund - University of Memphis	155,000	0	0
Capital Projects Fund - Bonds Cancelled	5,752,000	0	0
Total Transfers to Other Funds	\$ 151,446,000	\$ 178,323,000	\$ 127,000,000
Total Appropriations and Transfers	\$ 372,436,000	\$ 396,408,000	\$ 462,792,000
Fund Balance, June 30			
Net Receivables	\$ 10,249,000	\$ 8,500,000	\$ 8,500,000
Cash and Cash Equivalents	22,113,000	10,700,000	10,700,000
Unobligated Balance	0	10,000,000	10,079,000
Total Fund Balance, June 30	\$ 32,362,000	\$ 29,200,000	\$ 29,279,000

Debt Service Fund
Comparative Balance Sheet
June 30, 2024, and June 30, 2025

	<u>June 30, 2024</u>	<u>June 30, 2025</u>
Assets:		
Cash and Cash Equivalents	\$ 31,877,000	\$ 22,113,000
Receivables, net	11,782,000	11,259,000
Loans Receivable	<u>1,896,000</u>	<u>1,412,000</u>
Total Assets	<u>\$ 45,555,000</u>	<u>\$ 34,784,000</u>
 Liabilities, Deferred Inflows of Resources, and Fund Balance		
Liabilities:		
Accounts Payable and Accruals	<u>\$ 10,000</u>	<u>\$ 20,000</u>
Total Liabilities	<u>\$ 10,000</u>	<u>\$ 20,000</u>
Deferred Inflows of Resources	<u>\$ 2,624,000</u>	<u>\$ 2,402,000</u>
Fund Balance:		
Restricted	\$ 7,969,000	\$ 3,162,000
Assigned	<u>34,952,000</u>	<u>29,200,000</u>
Total Fund Balance	<u>\$ 42,921,000</u>	<u>\$ 32,362,000</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 45,555,000</u>	<u>\$ 34,784,000</u>

Bond Fund
Statement of Bonds Authorized and Unissued
June 30, 2024 - June 30, 2026

Year	Authority	Description	June 30, 2024	June 30, 2025	June 30, 2026 *
2007	Chapter 591	Higher Education - Board of Regents	\$ 1,226,497.97	\$ 1,071,933.97	\$ 1,071,933.97
2010	Chapter 1109	Capital Outlay	1,124,023.43	174,023.43	174,023.43
2010	Chapter 1109	Facilities Revolving Fund	1,465,579.16	1,245,618.16	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	12,000,000.00	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	26,600,000.00	26,600,000.00	26,600,000.00
2012	Chapter 1024	Capital Outlay	7,338,061.88	7,252,656.50	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	8,227,583.75	8,227,583.75
2016	Chapter 1060	Highway Construction	87,700,000.00	0.00	0.00
2017	Chapter 462	Highway Construction	80,000,000.00	80,000,000.00	0.00
2018	Chapter 1062	Capital Outlay	7,283.50	0.00	0.00
2018	Chapter 1062	Facilities Revolving Fund	2,191,504.01	0.00	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	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	87,700,000.00	87,700,000.00	87,700,000.00
2025	Chapter 528	Highway Construction	0.00	80,000,000.00	80,000,000.00
2025	Chapter 528	Capital Outlay	0.00	820,547,000.00	820,547,000.00
2025	Chapter 528	Facilities Revolving Fund	0.00	134,000,000.00	134,000,000.00
Total Bonds Authorized and Unissued			\$ 1,003,179,053.67	\$ 1,944,119,330.38	\$ 1,864,119,330.38
Summary by Purpose:					
		Capital Outlay	\$ 49,221,970.50	\$ 866,273,712.22	\$ 866,273,712.22
		Facilities Revolving Fund	30,257,083.17	161,845,618.16	161,845,618.16
		Highway Construction	923,700,000.00	916,000,000.00	836,000,000.00
Total Bonds Authorized and Unissued			\$ 1,003,179,053.67	\$ 1,944,119,330.38	\$ 1,864,119,330.38

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

Bond Fund
Statement of Bonds Sold
July 1, 2023 - June 30, 2026

<u>Year</u>	<u>Authority</u>	<u>Description</u>	<u>July 1, 2023 - June 30, 2024</u>	<u>July 1, 2024 - June 30, 2025</u>	<u>July 1, 2025 - June 30, 2026</u>
2012	Chapter 1024	Capital Outlay	\$ 13,999,283.50	\$ 0.00	\$ 0.00
2018	Chapter 1062	Capital Outlay	30,700,716.50	0.00	0.00
2022	Chapter 1133	Capital Outlay	500,000,000.00	0.00	0.00
Total Bonds Sold			<u>\$ 544,700,000.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>
Summary by Purpose:					
		Capital Outlay	\$ 544,700,000.00	\$ 0.00	\$ 0.00
		Facilities Revolving Fund	0.00	0.00	0.00
		Total Bonds Sold	<u>\$ 544,700,000.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>

Bond Fund
Statement of Appropriations in Lieu of Issuing Bonds
Statement of Bonds Cancelled
July 1, 2023 - June 30, 2026

Year	Authority	Description	July 1, 2023 - June 30, 2024	July 1, 2024 - June 30, 2025	July 1, 2025 - June 30, 2026 *
2007	Chapter 591	Capital Outlay	\$ 154,564.00	\$ 154,564.00	\$ 0.00
2010	Chapter 1109	Capital Outlay	0.00	950,000.00	0.00
2010	Chapter 1109	Facilities Revolving Fund	0.00	219,961.00	0.00
2012	Chapter 1024	Capital Outlay	0.00	85,405.38	0.00
2015	Chapter 424	Highway Construction	83,800,000.00	0.00	0.00
2015	Chapter 424	Capital Outlay	0.00	2,298,005.40	0.00
2016	Chapter 1060	Highway Construction	0.00	87,700,000.00	0.00
2017	Chapter 462	Highway Construction	0.00	0.00	80,000,000.00
2018	Chapter 1062	Capital Outlay	0.00	7,283.50	0.00
2018	Chapter 1062	Facilities Revolving Fund	0.00	2,191,504.01	0.00
Total Appropriations in Lieu of Issuing Bonds			<u>\$ 83,954,564.00</u>	<u>\$ 93,606,723.29</u>	<u>\$ 80,000,000.00</u>
Summary by Purpose:					
		Capital Outlay	\$ 154,564.00	\$ 3,495,258.28	\$ 0.00
		Facilities Revolving Fund	0.00	2,411,465.01	0.00
		Highway Construction	83,800,000.00	87,700,000.00	80,000,000.00
Total Appropriations in Lieu of Issuing Bonds			<u>\$ 83,954,564.00</u>	<u>\$ 93,606,723.29</u>	<u>\$ 80,000,000.00</u>

* 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, 2025

Fiscal Year	Outstanding Bonds		
	Principal	Interest	Total
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	\$ 1,405,403,000	\$ 390,873,000	\$ 1,796,276,000

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, 2025, the outstanding principal was \$109,182,000 and interest was \$22,022,000.

Capital Outlay and Facilities Program



Capital Outlay and Facilities Program



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Capital Budget

Recommended Budget, Fiscal Year 2026-2027

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.

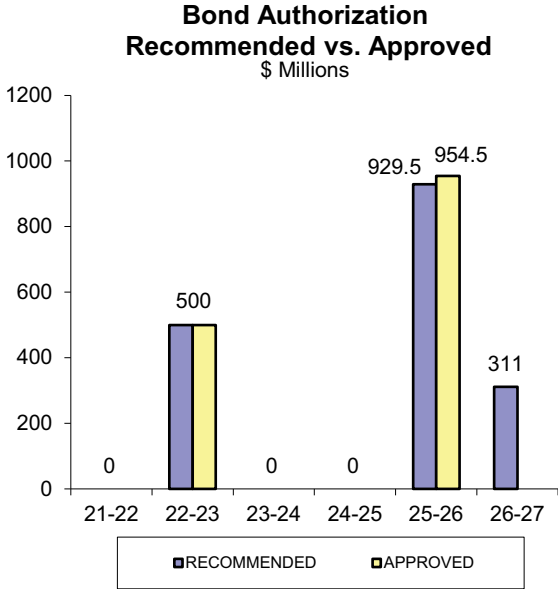
Capital improvement projects are defined as those providing new facilities or materially extending the useful life and improving or changing the function of an existing facility. These projects include facility renovation, new construction, new utility or service systems, land with or without buildings, 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 2026-2027 capital appropriations budget recommends \$1,022,995,200 divided between capital improvement projects and capital maintenance requests. The recommendation includes \$954.6 million for capital outlay, \$55.3 million for the Facilities Revolving Fund, and \$13.1 million for projects funded from dedicated sources of revenue.

Capital Outlay Improvement Projects — Capital outlay improvement projects recommended for fiscal year 2026-2027 total \$840,059,000 including \$415,617,000 from state appropriations. Bonds, federal, and other funding sources account for the remainder of the total amount. The recommendation includes \$433.7 million for Higher Education projects, \$146.1 million for state parks, and various upgrades to state facilities.

Capital Outlay Maintenance Projects — Capital outlay maintenance projects are recommended at a level of \$114,565,000 including \$21,930,000 from state appropriations. 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 \$311,000,000 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 \$55,310,000 is recommended for capital maintenance and capital improvement projects. A general fund appropriation of \$19,050,000 is recommended. 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 \$13,061,200 are also recommended for 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 2026-2027**

	TOTAL	STATE	BONDS	FEDERAL	OTHER
Capital Outlay Program	\$ 1,022,995,200	\$ 456,597,000	\$ 311,000,000	\$ 38,422,500	\$ 216,975,700
Capital Maintenance	121,485,000	21,930,000	0	8,422,500	91,132,500
Capital Improvements	901,510,200	434,667,000	311,000,000	30,000,000	125,843,200
Capital Outlay ¹	\$ 954,624,000	\$ 437,547,000	\$ 311,000,000	\$ 38,422,500	\$ 167,654,500
Capital Maintenance	114,565,000	21,930,000	0	8,422,500	84,212,500
Capital Improvements	840,059,000	415,617,000	311,000,000	30,000,000	83,442,000
Facilities Revolving Fund (FRF) ¹	\$ 55,310,000	\$ 19,050,000	\$ 0	\$ 0	\$ 36,260,000
Capital Maintenance	6,920,000	0	0	0	6,920,000
Capital Improvements	48,390,000	19,050,000	0	0	29,340,000
Dedicated Funds ¹	\$ 13,061,200	\$ 0	\$ 0	\$ 0	\$ 13,061,200
Capital Maintenance	0	0	0	0	0
Capital Improvements	13,061,200	0	0	0	13,061,200

¹ Included in Capital Outlay Program total.

**Proposed Capital Appropriations
from Bonds, Current Funds, and Other Revenues
Fiscal Year 2026-2027**

	COUNTY	TOTAL	STATE	BONDS	FEDERAL	OTHER
Agriculture						
Pinson Seedling Cooler Replacement	Madison	\$ 1,100,000	\$ 1,100,000	\$ 0	\$ 0	\$ 0
Children's Services						
Maintenance	Statewide	\$ 6,840,000	\$ 0	\$ 0	\$ 0	\$ 6,840,000
Education						
Maintenance	Statewide	\$ 4,560,000	\$ 0	\$ 0	\$ 0	\$ 4,560,000
Alvin C. York ISM Slaughter Facility	Fentress	3,740,000	2,740,000	0	0	1,000,000
Subtotal Education		\$ 8,300,000	\$ 2,740,000	\$ 0	\$ 0	\$ 5,560,000
Environment and Conservation						
Maintenance	Statewide	\$ 13,040,000	\$ 0	\$ 0	\$ 0	\$ 13,040,000
Buffalo River Blueway SP Visitor Center & Campground	Wayne	34,000,000	34,000,000	0	0	0
Cumberland Mountain SP Lodge Planning	Cumberland	5,000,000	5,000,000	0	0	0
David Crockett Birthplace SP Reconstruction Phase 1	Greene	61,750,000	22,750,000	0	27,000,000	12,000,000
Roaring Creek SP Visitor Center & Campground	Rhea	45,339,000	45,339,000	0	0	0
Subtotal Environment and Conservation		\$ 159,129,000	\$ 107,089,000	\$ 0	\$ 27,000,000	\$ 25,040,000
General Services						
Maintenance	Statewide	\$ 1,000,000	\$ 0	\$ 0	\$ 0	\$ 1,000,000
Military						
Maintenance	Statewide	\$ 14,890,000	\$ 0	\$ 0	\$ 8,422,500	\$ 6,467,500
New Army Aviation Support Facility	Rutherford	83,000,000	80,000,000	0	3,000,000	0
Subtotal Military		\$ 97,890,000	\$ 80,000,000	\$ 0	\$ 11,422,500	\$ 6,467,500
Transportation						
Rest Areas & Welcome Centers Reno & Replacement	Statewide	\$ 165,000,000	\$ 165,000,000	\$ 0	\$ 0	\$ 0
Veterans Services						
Maintenance	Statewide	\$ 2,495,000	\$ 0	\$ 0	\$ 0	\$ 2,495,000
MTSVC Site Improvements	Davidson	2,970,000	2,970,000	0	0	0
WTSVC Committal Service Shelter	Shelby	4,440,000	4,440,000	0	0	0
Subtotal Veterans Services		\$ 9,905,000	\$ 7,410,000	\$ 0	\$ 0	\$ 2,495,000
Locally Governed Higher Education Institutions						
Austin Peay State University						
Maintenance	Statewide	\$ 3,000,000	\$ 1,000,000	\$ 0	\$ 0	\$ 2,000,000
East Tennessee State University						
Maintenance	Statewide	\$ 7,000,000	\$ 3,500,000	\$ 0	\$ 0	\$ 3,500,000
Main Campus Utility Infrastructure Replacement	Washington	19,220,000	18,048,000	0	0	1,172,000
Subtotal East Tennessee State University		\$ 26,220,000	\$ 21,548,000	\$ 0	\$ 0	\$ 4,672,000
Middle Tennessee State University						
Maintenance	Statewide	\$ 4,000,000	\$ 0	\$ 0	\$ 0	\$ 4,000,000
Tennessee State University						
Maintenance	Statewide	\$ 2,400,000	\$ 0	\$ 0	\$ 0	\$ 2,400,000
Tennessee Technological University						
Maintenance	Statewide	\$ 4,210,000	\$ 1,690,000	\$ 0	\$ 0	\$ 2,520,000
University of Memphis						
Maintenance	Statewide	\$ 5,740,000	\$ 0	\$ 0	\$ 0	\$ 5,740,000
Business and Economics Addition	Shelby	60,000,000	30,000,000	0	0	30,000,000
Subtotal University of Memphis		\$ 65,740,000	\$ 30,000,000	\$ 0	\$ 0	\$ 35,740,000
Subtotal Locally Governed Higher Education Institutions		\$ 105,570,000	\$ 54,238,000	\$ 0	\$ 0	\$ 51,332,000
Tennessee Board of Regents						
Maintenance	Statewide	\$ 18,320,000	\$ 6,990,000	\$ 0	\$ 0	\$ 11,330,000

**Proposed Capital Appropriations
from Bonds, Current Funds, and Other Revenues
Fiscal Year 2026-2027**

	COUNTY	TOTAL	STATE	BONDS	FEDERAL	OTHER
University of Tennessee						
Maintenance	Statewide	\$ 27,070,000	\$ 8,750,000	\$ 0	\$ 0	\$ 18,320,000
UTHSC College of Medicine & Interdisciplinary Building	Shelby	350,000,000	0	311,000,000	0	39,000,000
UTM Cattle Outreach and Workforce Facility	Weakley	4,500,000	4,230,000	0	0	270,000
Subtotal University of Tennessee		\$ 381,570,000	\$ 12,980,000	\$ 311,000,000	\$ 0	\$ 57,590,000
Grand Total		\$ 954,624,000	\$ 437,547,000	\$ 311,000,000	\$ 38,422,500	\$ 167,654,500
Subtotal Higher Education		505,460,000	74,208,000	311,000,000	0	120,252,000
Subtotal Other Agencies		449,164,000	363,339,000	0	38,422,500	47,402,500
Subtotal Higher Education		\$ 505,460,000	\$ 74,208,000	\$ 311,000,000	\$ 0	\$ 120,252,000
Capital Maintenance		71,740,000	21,930,000	0	0	49,810,000
Capital Improvements		433,720,000	52,278,000	311,000,000	0	70,442,000
Subtotal Other Agencies		\$ 449,164,000	\$ 363,339,000	\$ 0	\$ 38,422,500	\$ 47,402,500
Capital Maintenance		42,825,000	0	0	8,422,500	34,402,500
Capital Improvements		406,339,000	363,339,000	0	30,000,000	13,000,000

**Proposed Capital Maintenance Appropriations
from Bonds, Current Funds, and Other Revenues
Fiscal Year 2026-2027**

	COUNTY	TOTAL	STATE	BONDS	FEDERAL	OTHER
Children's Services						
Mountain View Roof Replacements	Jefferson	\$ 6,840,000	\$ 0	\$ 0	\$ 0	\$ 6,840,000
Education						
Tennessee School for the Blind Fire Alarm Upgrades	Davidson	\$ 4,560,000	\$ 0	\$ 0	\$ 0	\$ 4,560,000
Environment and Conservation						
Norris Dam SP Wastewater Treatment Plant Replacement	Campbell	\$ 4,900,000	\$ 0	\$ 0	\$ 0	\$ 4,900,000
Pickwick Landing SP Water Line Replacement	Hardin	8,140,000	0	0	0	8,140,000
Subtotal Environment and Conservation		\$ 13,040,000	\$ 0	\$ 0	\$ 0	\$ 13,040,000
General Services						
Environmental Consultant	Statewide	\$ 1,000,000	\$ 0	\$ 0	\$ 0	\$ 1,000,000
Military						
Chattanooga Readiness Center Storm Drainage Repairs	Hamblen	\$ 3,300,000	\$ 0	\$ 0	\$ 1,650,000	\$ 1,650,000
Memphis Readiness Center HVAC and Energy Update	Shelby	2,970,000	0	0	1,485,000	1,485,000
Nashville JFHQ Building 108 HVAC and Energy Update	Davidson	4,010,000	0	0	2,005,000	2,005,000
Nashville JFHQ Parking Garages Repairs	Davidson	700,000	0	0	350,000	350,000
VTS Smyrna Building 686 HVAC and Energy Update	Rutherford	3,910,000	0	0	2,932,500	977,500
Subtotal Military		\$ 14,890,000	\$ 0	\$ 0	\$ 8,422,500	\$ 6,467,500
Veterans Services						
ETSVC Clean and Realign Headstones	Knox	\$ 828,000	\$ 0	\$ 0	\$ 0	\$ 828,000
MTSVC Clean and Realign Headstones	Davidson	527,000	0	0	0	527,000
WTSVC Drainage Improvements	Shelby	1,140,000	0	0	0	1,140,000
Subtotal Veterans Services		\$ 2,495,000	\$ 0	\$ 0	\$ 0	\$ 2,495,000
Locally Governed Higher Education Institutions						
Austin Peay State University						
Chiller Replacement and Plant Upgrades Phases 1, 2, and 3	Montgomery	\$ 3,000,000	\$ 1,000,000	\$ 0	\$ 0	\$ 2,000,000
East Tennessee State University						
Multiple Buildings Roof Replacements Phase 1	Washington	\$ 3,500,000	\$ 3,500,000	\$ 0	\$ 0	\$ 0
Safety Steam Line Repairs and Replacement Phase 2	Washington	3,500,000	0	0	0	3,500,000
Subtotal East Tennessee State University		\$ 7,000,000	\$ 3,500,000	\$ 0	\$ 0	\$ 3,500,000
Middle Tennessee State University						
Multiple Buildings Envelope & Structural Repairs Phase 2	Rutherford	\$ 4,000,000	\$ 0	\$ 0	\$ 0	\$ 4,000,000
Tennessee State University						
Multiple Buildings Roof Replacements Phase 1	Davidson	\$ 2,400,000	\$ 0	\$ 0	\$ 0	\$ 2,400,000
Tennessee Technological University						
Multiple Buildings Elevator Upgrades Phase 2	Putnam	\$ 1,690,000	\$ 1,690,000	\$ 0	\$ 0	\$ 0
Utility Infrastructure Upgrades Phase 1	Putnam	2,520,000	0	0	0	2,520,000
Subtotal Tennessee Technological University		\$ 4,210,000	\$ 1,690,000	\$ 0	\$ 0	\$ 2,520,000
University of Memphis						
Multiple Buildings Roof Replacements	Shelby	\$ 5,740,000	\$ 0	\$ 0	\$ 0	\$ 5,740,000
Subtotal Locally Governed Higher Education Institutions		\$ 26,350,000	\$ 6,190,000	\$ 0	\$ 0	\$ 20,160,000
Tennessee Board of Regents						
ChSCC Central Plant Modernization Phase 2	Hamilton	\$ 2,080,000	\$ 2,080,000	\$ 0	\$ 0	\$ 0
CISCC Multiple Buildings Roof Replacements Phase 2	Bradley	1,750,000	0	0	0	1,750,000
CoSCC Campus Infrastructure Upgrades	Maury	2,460,000	0	0	0	2,460,000
DSCC Jimmy Naifeh Building Roof Replacement	Tipton	1,100,000	0	0	0	1,100,000
RSCC Multiple Buildings Roof Replacements and Repairs	Areawide	1,500,000	0	0	0	1,500,000
SWTCC Roof Replacements and Envelope Repairs	Shelby	3,000,000	0	0	0	3,000,000
TCAT Roof Replacements & Envelope Repairs Phase 1	Statewide	4,910,000	4,910,000	0	0	0
WSCC Humanities MEP Improvements & Energy Upgrades	Hamblen	1,520,000	0	0	0	1,520,000
Subtotal Tennessee Board of Regents		\$ 18,320,000	\$ 6,990,000	\$ 0	\$ 0	\$ 11,330,000

**Proposed Capital Maintenance Appropriations
from Bonds, Current Funds, and Other Revenues
Fiscal Year 2026-2027**

	COUNTY	TOTAL	STATE	BONDS	FEDERAL	OTHER
University of Tennessee						
UTC Electrical Distribution and Chiller Plant Upgrades	Hamilton	\$ 8,750,000	\$ 8,750,000	\$ 0	\$ 0	\$ 0
UTHSC Multiple Buildings Control Systems Upgrades	Shelby	2,500,000	0	0	0	2,500,000
UTK Campus Infrastructure Upgrades Phase 1	Knox	9,500,000	0	0	0	9,500,000
UTM Elam Center Brick Replacement	Weakley	1,750,000	0	0	0	1,750,000
UTS Multiple Buildings Envelope Repairs	Giles	4,570,000	0	0	0	4,570,000
Subtotal University of Tennessee		\$ 27,070,000	\$ 8,750,000	\$ 0	\$ 0	\$ 18,320,000
 Grand Total Maintenance						
		\$ 114,565,000	\$ 21,930,000	\$ 0	\$ 8,422,500	\$ 84,212,500
Subtotal Higher Education		71,740,000	21,930,000	0	0	49,810,000
Subtotal Other Agencies		42,825,000	0	0	8,422,500	34,402,500

**Projects Funded from Dedicated Revenues
Fiscal Year 2026-2027**

	<u>COUNTY</u>	<u>TOTAL</u>	<u>STATE</u>	<u>BONDS</u>	<u>FEDERAL</u>	<u>OTHER</u>
Capital Improvements:						
Transportation						
Region 1 New Anderson County Support Buildings	Anderson	\$ 4,976,200	\$ 0	\$ 0	\$ 0	\$ 4,976,200
Region 3 New Rutherford County Support Buildings	Rutherford	8,085,000	0	0	0	8,085,000
Subtotal Transportation		\$ 13,061,200	\$ 0	\$ 0	\$ 0	\$ 13,061,200
Total Improvements		\$ 13,061,200	\$ 0	\$ 0	\$ 0	\$ 13,061,200
Total Dedicated Funds		\$ 13,061,200	\$ 0	\$ 0	\$ 0	\$ 13,061,200

Capital Projects from School Bonds and Other Sources Fiscal Year 2026-2027

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.

	TOTAL	TSSBA	INSTITUTIONAL/ AUXILIARY	OTHER
Locally Governed Institutions				
Austin Peay State University				
Public-Private Partnership Residence Hall	\$ 48,000,000	\$ 0	\$ 0	\$ 48,000,000
East Tennessee State University				
Parking Garage	\$ 55,000,000	\$ 54,000,000	\$ 1,000,000	\$ 0
Residence Hall	40,000,000	38,500,000	1,500,000	0
Subtotal East Tennessee State University	\$ 95,000,000	\$ 92,500,000	\$ 2,500,000	\$ 0
Middle Tennessee State University				
Wellness Center Renovations	\$ 7,000,000	\$ 7,000,000	\$ 0	\$ 0
Tennessee State University				
Agriculture Poultry Layer House	\$ 1,800,000	\$ 0	\$ 0	\$ 1,800,000
Hale Stadium Field Turf and Infrastructure Upgrades	3,000,000	0	0	3,000,000
Subtotal Tennessee State University	\$ 4,800,000	\$ 0	\$ 0	\$ 4,800,000
Subtotal Locally Governed Institutions	\$ 154,800,000	\$ 99,500,000	\$ 2,500,000	\$ 52,800,000
Tennessee Board of Regents				
VSCC New Health Sciences Building	\$ 25,000,000	\$ 0	\$ 25,000,000	\$ 0
University of Tennessee				
UTC 8th Street Parking Garage	\$ 37,000,000	\$ 27,000,000	\$ 10,000,000	\$ 0
UTC New Dining Facility	30,000,000	0	30,000,000	0
UTC South Campus Housing Acquisition	108,000,000	105,300,000	2,700,000	0
UTHSC College of Medicine and Interdisciplinary Building	29,000,000	29,000,000	0	0
Subtotal University of Tennessee	\$ 204,000,000	\$ 161,300,000	\$ 42,700,000	\$ 0
Grand Total	\$ 383,800,000	\$ 260,800,000	\$ 70,200,000	\$ 52,800,000

Capital Outlay Project Descriptions Fiscal Year 2026-2027

	Total Project Cost
Agriculture	
Objective: Promote efficient use of agricultural resources.	
Pinson Seedling Cooler Replacement	\$ 1,100,000
Funds are provided to demolish existing cold storage facility and replace with a new cold storage facility. Project includes repairs and repaving of exterior apron.	
Children's Services	
Objective: Provide safe and secure surroundings for youth development residents.	
Maintenance	\$ 6,840,000
Funds are provided to repair, maintain, and update facilities. See Capital Maintenance Project Descriptions for additional details.	
Education	
Objective: Provide a safe and secure environment for learning.	
Maintenance	\$ 4,560,000
Funds are provided to repair, maintain, and update facilities. See Capital Maintenance Project Descriptions for additional details.	
Alvin C. York ISM Slaughter Facility	3,740,000
Funds are provided to construct a new slaughter facility building, including demolition of existing building, septic system upgrades, and site improvements.	
Subtotal Education	\$ 8,300,000
Environment and Conservation	
Objective: Increase visitation to the state's parks and historic areas.	
Maintenance	\$ 13,040,000
Funds are provided to repair, maintain, and update facilities. See Capital Maintenance Project Descriptions for additional details.	
Buffalo River Blueway State Park Visitor Center and Campground	34,000,000
Funds are provided to construct a visitor center, campground, maintenance facility, bathhouse, park amenities, roadways, and related infrastructure.	
Cumberland Mountain State Park Lodge Planning	5,000,000
Funds are provided to plan a future lodge.	
David Crockett Birthplace State Park Reconstruction Phase One	61,750,000
Funds are provided to construct a visitor center, campground, maintenance facility, bathhouse, park amenities, roadways, and related infrastructure.	
Roaring Creek State Park Visitor Center and Campground	45,339,000
Funds are provided to construct a visitor center, campground, maintenance facility, bathhouse, park amenities, roadways, and related infrastructure.	
Subtotal Environment and Conservation	\$ 159,129,000
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.	

Capital Outlay Project Descriptions Fiscal Year 2026-2027

Military

Objective: Expand and renovate military facilities.

Maintenance	\$ 14,890,000
Funds are provided to repair, maintain, and update facilities. See Capital Maintenance Project Descriptions for additional details.	

New Army Aviation Support Facility	83,000,000
Funds are provided to construct a new Army Aviation Support Facility and Flight Operations.	

Subtotal Military	\$ 97,890,000

Transportation

Objective: Maintain, repair, and update roadways.

Rest Areas and Welcome Centers Renovation and Replacement	\$ 165,000,000
Funds are provided to renovate, demolish, and construct rest areas and welcome centers.	

Veterans Services

Objective: Expand and renovate state veteran cemetery facilities.

Maintenance	\$ 2,495,000
Funds are provided to repair, maintain, and update facilities. See Capital Maintenance Project Descriptions for additional details.	

Middle Tennessee State Veterans Cemetery Site Improvements	2,970,000
Funds are provided to repair the committal service shelter building and exterior site features, expand visitor parking, demolish a portion of the existing maintenance area, construct additional sheds, and build a vehicle wash station.	

West Tennessee State Veterans Cemetery Committal Service Shelter	4,440,000
Funds are provided to construct a new committal service shelter, driveway, and parking.	

Subtotal Veterans Services	\$ 9,905,000

Locally Governed Higher Education Institutions

Objective: Expand and enhance facilities for student and faculty needs.

Austin Peay State University

Maintenance	\$ 3,000,000
Funds are provided to repair, maintain, and update campus facilities. See Capital Maintenance Project Descriptions for additional details.	

East Tennessee State University

Maintenance	\$ 7,000,000
Funds are provided to repair, maintain, and update campus facilities. See Capital Maintenance Project Descriptions for additional details.	

Main Campus Utility Infrastructure Replacement	19,220,000
Funds are provided to replace steam lines, boilers, pumps, chilled water piping, domestic water lines, and sewer systems.	

Subtotal East Tennessee State University	\$ 26,220,000

Capital Outlay Project Descriptions Fiscal Year 2026-2027

Middle Tennessee State University	
Maintenance	\$ 4,000,000
Funds are provided to repair, maintain, and update campus facilities. See Capital Maintenance Project Descriptions for additional details.	
Tennessee State University	
Maintenance	\$ 2,400,000
Funds are provided to repair, maintain, and update campus facilities. See Capital Maintenance Project Descriptions for additional details.	
Tennessee Technological University	
Maintenance	\$ 4,210,000
Funds are provided to repair, maintain, and update campus facilities. See Capital Maintenance Project Descriptions for additional details.	
University of Memphis	
Maintenance	\$ 5,740,000
Funds are provided to repair, maintain, and update campus facilities. See Capital Maintenance Project Descriptions for additional details.	
Business and Economics Addition	60,000,000
Funds are provided to construct a new addition to the Fogelman College of Business and Economics, enclose existing lobby, and complete exterior facade enhancements to existing building.	
Subtotal University of Memphis	<u>\$ 65,740,000</u>
Subtotal Locally Governed Higher Education Institutions	<u>\$ 105,570,000</u>
Tennessee Board of Regents	
Objective: Expand and enhance facilities for student and faculty needs.	
Maintenance	\$ 18,320,000
Funds are provided to repair, maintain, and update higher education institution facilities statewide. See Capital Maintenance Project Descriptions for additional details.	
University of Tennessee	
Objective: Expand and enhance facilities for students and faculty needs.	
Maintenance	\$ 27,070,000
Funds are provided to repair, maintain, and update higher education institution facilities statewide. See Capital Maintenance Project Descriptions for additional details.	
UTHSC College of Medicine and Interdisciplinary Building	350,000,000
Funds are provided to construct a College of Medicine and Interdisciplinary Classroom building.	
UTM Cattle Outreach and Workforce Facility	4,500,000
Funds are provided to construct a new cattle outreach and workforce facility that will include site improvements and equipment.	
Subtotal University of Tennessee	<u>\$ 381,570,000</u>
Grand Total	<u><u>\$ 954,624,000</u></u>

Capital Maintenance Project Descriptions Fiscal Year 2026-2027

	Total Project Cost
Children's Services	
Mountain View Roof Replacements	\$ 6,840,000
Funds are provided for replacement of all roofing, damaged sheeting, roof drainage, and all related work.	
Education	
Tennessee School for the Blind Fire Alarm Upgrades	\$ 4,560,000
Funds are provided for replacement of the fire alarm system with a campus-wide single addressable fire alarm system and all related work.	
Environment and Conservation	
Norris Dam State Park Wastewater Treatment Plant Replacement	\$ 4,900,000
Funds are provided for replacement of the wastewater treatment plant and all related work.	
Pickwick Landing State Park Water Line Replacement	8,140,000
Funds are provided for replacement of the main water distribution system and all related work.	
Subtotal Environment and Conservation	\$ 13,040,000
General Services	
Environmental Consultant	\$ 1,000,000
Funds are provided for environmental services for state properties, interest, initiatives, and all related work.	
Military	
Chattanooga Readiness Center Storm Drainage Repairs	\$ 3,300,000
Funds are provided for repair of site and storm water drainage and all related work.	
Memphis Readiness Center HVAC and Energy Update	2,970,000
Funds are provided for replacement of the mechanical, electrical, and plumbing systems, doors and door hardware, and all related work.	
Nashville JFHQ Building 108 HVAC and Energy Update	4,010,000
Funds are provided for replacement of the mechanical, electrical, and plumbing systems, and all related work.	
Nashville JFHQ Parking Garages Repairs	700,000
Funds are provided for repair of the parking garage structures and all related work.	
VTS Smyrna Building 686 HVAC and Energy Update	3,910,000
Funds are provided for replacement of the mechanical, electrical, and plumbing systems, and all related work.	
Subtotal Military	\$ 14,890,000
Veterans Services	
ETSVC Clean and Realign Headstones	\$ 828,000
Funds are provided for raising, cleaning, realigning, and providing a grid beam system for the stabilization of headstones, and all related work.	
MTSVC Clean and Realign Headstones	527,000
Funds are provided for raising, cleaning, realigning, and providing a grid beam system for the stabilization of headstones, and all related work.	
WTSVC Drainage Improvements	1,140,000
Funds are provided for upgrading undersized culverts, installing scour protection and stabilization measures, and all related work.	
Subtotal Veterans Services	\$ 2,495,000

Capital Maintenance Project Descriptions

Fiscal Year 2026-2027

Locally Governed Higher Education Institutions

Austin Peay State University

Chiller Replacement and Plant Upgrades Phases One, Two, and Three \$ 3,000,000

Funds are provided for replacement of chillers, acoustical panels, roof, and all related work.

East Tennessee State University

Multiple Buildings Roof Replacements Phase One \$ 3,500,000

Funds are provided for repair and replacement of roof and drainage systems for multiple buildings, and all related work.

Safety Steam Line Repairs and Replacement Phase Two 3,500,000

Funds are provided for repair and replacement of steam piping, condensate lines, steam traps, and associated systems in the campus steam distribution system. The work includes direct bury and steam tunnel piping. Project includes replacement of boiler and associated systems and all related work.

Subtotal East Tennessee State University \$ 7,000,000

Middle Tennessee State University

Multiple Buildings Envelope and Structural Repairs Phase Two \$ 4,000,000

Funds are provided for repair or replacement of building envelope components, including roofs and structural repairs on multiple buildings, and all related work.

Tennessee State University

Multiple Buildings Roof Replacements Phase One \$ 2,400,000

Funds are provided for repair and replacement of roof systems, roof-top mounted equipment, drainage on multiple buildings, and all related work.

Tennessee Technological University

Multiple Buildings Elevator Upgrades Phase Two \$ 1,690,000

Funds are provided for upgrade or replacement of several elevators on campus and all related work.

Utility Infrastructure Upgrades Phase One 2,520,000

Funds are provided for replacement and repair of various utilities campus-wide, including rerouting distribution lines, and all related work.

Subtotal Tennessee Technological University \$ 4,210,000

University of Memphis

Multiple Buildings Roof Replacements \$ 5,740,000

Funds are provided for replacement of roofs for multiple buildings and all related work.

Subtotal Locally Governed Higher Education Institutions \$ 26,350,000

Tennessee Board of Regents

ChSCC Central Plant Modernization Phase Two \$ 2,080,000

Funds are provided for modernization of the central plant, including replacement of boilers, chillers, pumps, and piping; lighting, electrical, and controls updates; and all related work.

CISCC Multiple Buildings Roof Replacements Phase Two 1,750,000

Funds are provided for replacement of multiple roofs throughout the main campus and all related work.

CoSCC Campus Infrastructure Upgrades 2,460,000

Funds are provided for upgrades of campus infrastructure, including electrical switchgear, transformers, and electrical components; chiller, cooling tower, piping, and central plant equipment; HVAC controls; and all related work.

Capital Maintenance Project Descriptions Fiscal Year 2026-2027

DSCC Jimmy Naifeh Building Roof Replacement	1,100,000
Funds are provided for replacement of metal roofing system and all related work.	
RSCC Multiple Buildings Roof Replacements and Repairs	1,500,000
Funds are provided for replacement or repair of roofs and gutters for multiple buildings and all related work.	
SWTCC Roof Replacements and Envelope Repairs	3,000,000
Funds are provided for replacement of roofing systems and envelope repairs, including windows, doors, caulking for multiple buildings, and all related work.	
TCAT Roof Replacements and Envelope Repairs Phase One	4,910,000
Funds are provided for replacement or repair of roofing systems, envelope and drainage repairs, and all related work.	
WSCC Humanities MEP Improvements and Energy Upgrades	1,520,000
Funds are provided for MEP improvements and energy upgrades, including new water source heat pump units, removal of rooftop HVAC package units, replacement of hydronic lines, pipe repairs, window replacements, and all related work.	
Subtotal Tennessee Board of Regents	\$ 18,320,000
University of Tennessee	
UTC Electrical Distribution and Chiller Plant Upgrades	\$ 8,750,000
Funds are provided for upgrades to the primary campus electrical distribution service system and at the central chilled water plant. Project includes replacement of high temperature heating water generators and all related work.	
UTHSC Multiple Buildings Control Systems Upgrades	2,500,000
Funds are provided for upgrades to mechanical control systems in multiple buildings and all related work.	
UTK Campus Infrastructure Upgrades Phase One	9,500,000
Funds are provided for replacement and repair of existing infrastructure components for underground utilities for water and steam including all related work.	
UTM Elam Center Brick Replacement	1,750,000
Funds are provided for replacement and structural repairs of the masonry brick veneer system at the Elam Center and all related work.	
UTS Multiple Buildings Envelope Repairs	4,570,000
Funds are provided for replacement and repair of several exterior building system components including roofs, foundations, doors, windows, and all related work.	
Subtotal University of Tennessee	\$ 27,070,000
Grand Total Capital Maintenance	\$ 114,565,000

**Projected First-Year Operating Costs for New Facilities
Recommended as Projects for Fiscal Year 2026-2027**

	<u>COUNTY</u>	<u>TOTAL</u>	<u>UTILITIES</u>	<u>MAINTENANCE</u>	<u>PROGRAM *</u>	<u>ADDITIONAL PERSONNEL</u>
Environment and Conservation						
Buffalo River Blueway SP Visitor Center & Campground	Wayne	\$ 721,000	\$ 20,000	\$ 7,000	\$ 694,000	9
Roaring Creek SP Visitor Center & Campground	Rhea	836,000	25,000	9,000	802,000	11
Subtotal Environment and Conservation		\$ 1,557,000	\$ 45,000	\$ 16,000	\$ 1,496,000	20
University of Memphis						
Business and Economics Addition	Shelby	\$ 464,000	\$ 116,000	\$ 348,000	\$ 0	0
University of Tennessee						
UTHSC College of Medicine and Interdisciplinary Building	Shelby	\$ 3,077,000	\$ 1,031,000	\$ 976,000	\$ 1,070,000	0
UTM Cattle Outreach & Workforce Facility	Weakley	47,000	25,000	22,000	0	0
Subtotal University of Tennessee		\$ 3,124,000	\$ 1,056,000	\$ 998,000	\$ 1,070,000	0
Grand Total		\$ 5,145,000	\$ 1,217,000	\$ 1,362,000	\$ 2,566,000	20

* 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	RC	Readiness Center
A&A	Arts and Architecture	Reno	Renovation
A/C	Air Conditioning	Re-Roof	Replace Roof
AASF	Army Aviation Support Facility	RSCC	Roane State Community College
ADA	Americans with Disabilities Act	SCCF	South Central Correctional Facility
Admin	Administration	SCSP	South Cumberland State Park
Ag.	Agriculture	Sgt.	Sergeant
AHU	Air Handling Unit	SP	State Park
APSU	Austin Peay State University	STREAM	State of Tennessee Real Estate Asset Management
BAS	Building Automation Systems	SWTCC	Southwest Tennessee Community College
Bldg(s).	Building(s)	TBI	Tennessee Bureau of Investigation
ChSCC	Chattanooga State Community College	TBR	Tennessee Board of Regents
CISCC	Cleveland State Community College	TCAT	Tennessee College of Applied Technology
CoSCC	Columbia State Community College	TDOT	Tennessee Department of Transportation
DCS	Department of Children's Services	TEMA	Tennessee Emergency Management Agency
DSCC	Dyersburg State Community College	THEC	Tennessee Higher Education Commission
Ed	Education	THP	Tennessee Highway Patrol
EMS	Emergency Medical Services	TN	Tennessee
EOC	Emergency Operations Center	TPAC	Tennessee Performing Arts Center
EPDM	Ethylene Propylene Diene Monomer	TRC	Tennessee Rehabilitation Center
ETSU	East Tennessee State University	TSB	Tennessee School for the Blind
ETSVC	East Tennessee State Veterans Cemetery	TSD	Tennessee School for the Deaf
Ext	External	TSSBA	Tennessee State School Bond Authority
FRF	Facilities Revolving Fund	TSU	Tennessee State University
FY	Fiscal Year	TTU	Tennessee Technological University
HVAC	Heating, Ventilation, and Air Conditioning	TWRA	Tennessee Wildlife Resources Agency
Impvts.	Improvements	UoM	University of Memphis
Int	Internal	UT	University of Tennessee
ISM	Innovative School Models	UTC	University of Tennessee Chattanooga
IT	Information Technology	UTHSC	University of Tennessee Health Science Center
JFHQ	Joint Force Headquarters	UTIA	University of Tennessee Institute of Agriculture
Jr.	Junior	UTK	University of Tennessee Knoxville
LGI	Locally Governed Institution(s)	UTM	University of Tennessee Martin
LWFD	Labor and Workforce Development	UTS	University of Tennessee Southern
Maint	Maintenance	VAV	Variable Air Volume
MEP	Mechanical, Electrical, and Plumbing	VC	Visitor Center
MHI	Mental Health Institute	VSCC	Volunteer State Community College
Misc.	Miscellaneous	VTs	Volunteer Training Site
MTMHI	Middle Tennessee Mental Health Institute	WSCC	Walters State Community College
MTSU	Middle Tennessee State University	WTRC	Women's Therapeutic Residential Center
MTSVC	Middle Tennessee State Veterans Cemetery	WTSVC	West Tennessee State Veterans Cemetery
NeSCC	Northeast State Community College	WTSD	West Tennessee School for the Deaf
P3	Public Private Partnership	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 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	84,898,200	70,406,200	70,406,200	1,384,500	71,790,700
TOTAL	\$84,898,200	\$70,406,200	\$70,406,200	\$1,384,500	\$71,790,700
State Appropriations	\$7,518,000	\$7,518,000	\$7,518,000	\$0	\$7,518,000
Federal	0	0	0	0	0
Other	77,380,200	62,888,200	62,888,200	1,384,500	64,272,700

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
TOTAL	0	0	0	0	0

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	5,001,000	4,943,400	4,943,400	188,800	5,132,200
TOTAL	\$5,001,000	\$4,943,400	\$4,943,400	\$188,800	\$5,132,200
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	5,001,000	4,943,400	4,943,400	188,800	5,132,200

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	77,094,600	64,263,300	63,997,200	2,851,500	66,848,700
TOTAL	\$77,094,600	\$64,263,300	\$63,997,200	\$2,851,500	\$66,848,700
State Appropriations	\$0	\$4,784,000	\$4,784,000	\$0	\$4,784,000
Federal	0	0	0	0	0
Other	77,094,600	59,479,300	59,213,200	2,851,500	62,064,700

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	47,446,100	0	0	0	0
TOTAL	\$47,446,100	\$0	\$0	\$0	\$0
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	47,446,100	0	0	0	0

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	17,914,000	33,100,000	33,100,000	316,800	33,416,800
TOTAL	\$17,914,000	\$33,100,000	\$33,100,000	\$316,800	\$33,416,800
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	17,914,000	33,100,000	33,100,000	316,800	33,416,800

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	232,353,900	172,712,900	172,446,800	4,741,600	177,188,400
TOTAL	\$232,353,900	\$172,712,900	\$172,446,800	\$4,741,600	\$177,188,400
State Appropriations	\$7,518,000	\$12,302,000	\$12,302,000	\$0	\$12,302,000
Federal	0	0	0	0	0
Other	224,835,900	160,410,900	160,144,800	4,741,600	164,886,400

Facilities Revolving Fund (FRF)
Proposed Capital Appropriations
from Bonds, General Fund, and Other Sources
Fiscal Year 2026-2027

	COUNTY	TOTAL	GENERAL FUND CURRENT	BONDS	OTHER
Capital Improvements:					
220 French Landing Renovation - DCS & LWFD	Davidson	\$ 29,340,000	\$ 0	\$ 0	\$ 29,340,000
Porter/Ivy Replacement Lab Design	Davidson	6,000,000	6,000,000	0	0
RS Gass State Lab Demolition	Davidson	13,050,000	13,050,000	0	0
Subtotal Capital Improvements		\$ 48,390,000	\$ 19,050,000	\$ 0	\$ 29,340,000
Capital Maintenance:					
Driver Service Center Renovations - Columbia	Maury	\$ 6,270,000	\$ 0	\$ 0	\$ 6,270,000
Fleming Training Center Roof Replacement	Rutherford	650,000	0	0	650,000
Subtotal Capital Maintenance		\$ 6,920,000	\$ 0	\$ 0	\$ 6,920,000
Grand Total		\$ 55,310,000	\$ 19,050,000	\$ 0	\$ 36,260,000

Proposed Facilities Revolving Fund (FRF) Project Descriptions Fiscal Year 2026-2027

Objective: Provide efficient management of state facilities.

Capital Improvements:

220 French Landing Renovation - DCS and LWFD

Funds are provided for interior renovation including new finishes; furniture; reconfiguration of space; associated mechanical, electrical, plumbing, and data upgrades; and a new building automation system.

Total
Project Cost

\$ 29,340,000

Porter/Ivy Replacement Lab Design

Funds are provided for design development of a replacement lab facility, including demolition of a barn and renovation to a portion of the existing facility.

6,000,000

RS Gass State Lab Demolition

Funds are provided for demolition, removal, and stabilization of the site.

13,050,000

Total Capital Improvements

\$ 48,390,000

Capital Maintenance:

Driver Service Center Renovations - Columbia

Funds are provided for interior and exterior renovations, including finishes, roofing, paving, signage, window repair, and all related work.

\$ 6,270,000

Fleming Training Center Roof Replacement

Funds are provided for replacement of roofing system and all related work.

650,000

Total Capital Maintenance

\$ 6,920,000

Grand Total FRF Capital Outlay

\$ 55,310,000

Program Statements by Functional Area



Program Statements by Functional Area

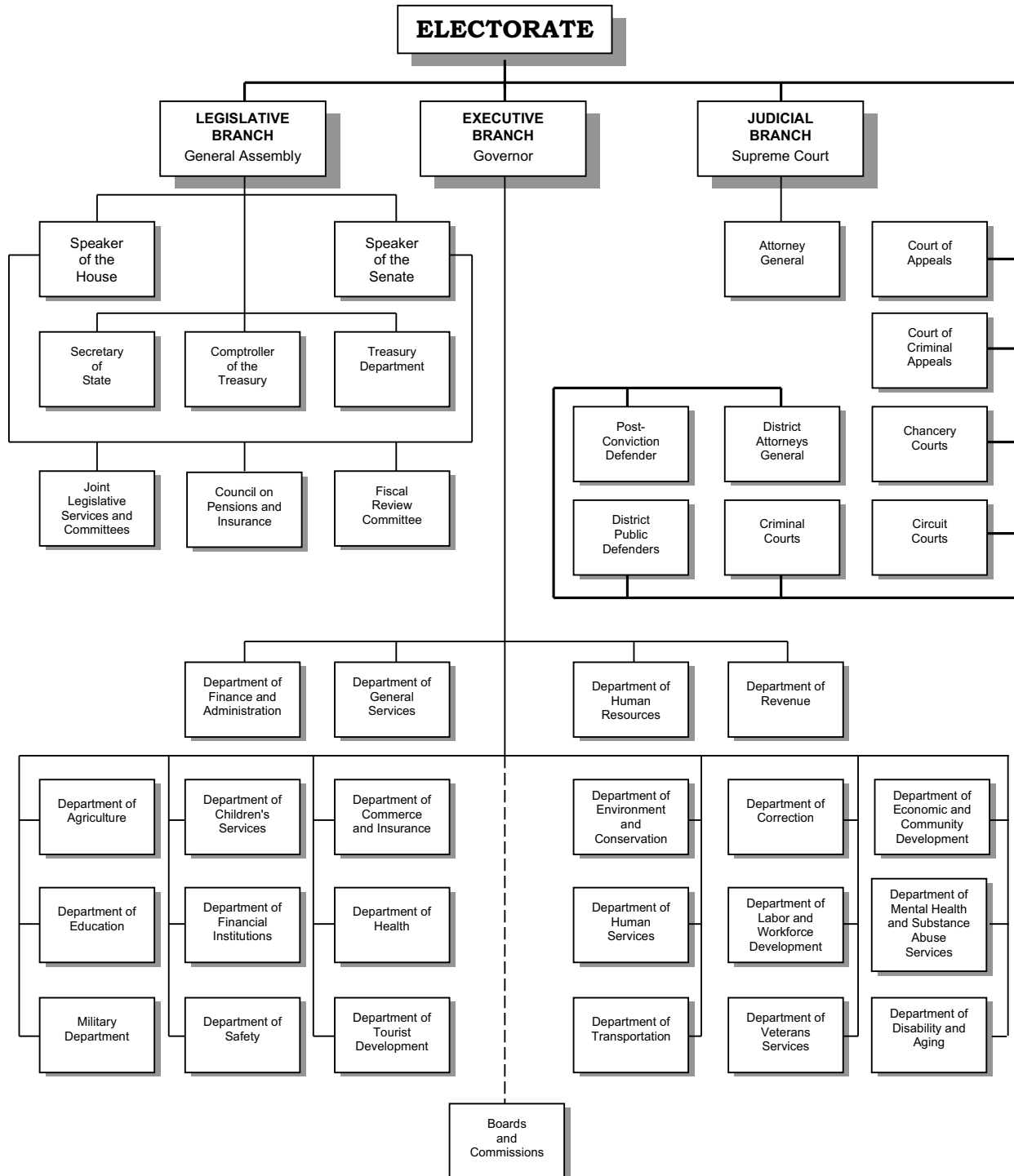
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TENNESSEE STATE GOVERNMENT ORGANIZATIONAL CHART

FISCAL YEAR 2026 – 2027



Recommended Budget for Fiscal Year 2026-2027

By Functional Area

Functional Area	State	Federal	Other	Total
General Government	\$1,325,049,200	\$118,794,100	\$1,067,623,300	\$2,511,466,600
Education	10,885,303,500	1,485,339,100	3,731,494,700*	16,102,137,300
Health and Social Services	8,853,702,400	15,084,228,200	2,629,675,200	26,567,605,800
Law, Safety, and Correction	2,928,827,500	299,490,600	249,436,700	3,477,754,800
Resources and Regulation	784,107,400	292,391,200	322,578,900	1,399,077,500
Transportation, Business, and Economic Development	2,300,502,400	2,103,770,500	112,790,200	4,517,063,100
TOTAL	\$27,077,492,400	\$19,384,013,700	\$8,113,599,000	\$54,575,105,100

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

General Government



General Government

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General Government

Budget, Fiscal Year 2026-2027

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 three agencies whose responsibilities affect many facets of government:

- Tennessee Public Utility 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

	Actual 2024-2025	Estimated 2025-2026	Recommended 2026-2027
Full-Time Positions	5,608	5,734	5,734
Part-Time Positions	187	208	208
Seasonal Positions	28	28	28
TOTAL	5,823	5,970	5,970
Payroll	\$740,224,100	\$758,154,300	\$749,093,700
Operational	1,115,809,400	1,898,908,840	1,762,372,900
TOTAL	\$1,856,033,500	\$2,657,063,140	\$2,511,466,600
State Appropriations	\$608,401,600	\$1,354,217,540	\$1,325,049,200
Federal	184,889,300	234,280,700	118,794,100
Other	1,062,742,600	1,068,564,900	1,067,623,300

General Government

Recommended Budget for Fiscal Year 2026-2027

By Funding Source

Department	State	Federal	Other	Total
301.00 Legislature	\$78,657,100	\$0	\$137,500	\$78,794,600
301.50 Fiscal Review Committee	3,089,300	0	0	3,089,300
305.00 Secretary of State	52,089,100	30,216,800	12,729,800	95,035,700
307.00 Comptroller of the Treasury	138,578,000	0	10,781,100	149,359,100
309.00 Treasury Department	116,329,000	0	95,126,600	211,455,600
313.00 Claims and Compensation	24,806,600	3,404,000	99,243,500	127,454,100
315.00 Executive Department	7,401,500	0	0	7,401,500
316.04 Tennessee Human Rights Commission	0	0	0	0
316.11 Tennessee Public Utility Commission	8,808,600	1,126,300	1,431,000	11,365,900
316.12 Advisory Commission on Intergovernmental Relations	161,400	0	4,042,700	4,204,100
317.00 Finance and Administration	38,679,500	82,486,700	598,656,500	719,822,700
319.00 Human Resources	0	0	27,776,900	27,776,900
321.00 General Services	72,569,800	0	177,111,800	249,681,600
323.00 Veterans Services	13,711,900	1,539,400	0	15,251,300
347.00 Revenue	133,931,800	20,900	40,435,900	174,388,600
351.00 Miscellaneous Appropriations	635,235,600	0	0	635,235,600
352.00 Other Post-Employment Benefits Liability	0	0	0	0
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	\$1,325,049,200	\$118,794,100	\$1,067,623,300	\$2,511,466,600

General Government

Cost Increases for Fiscal Year 2026-2027

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Secretary of State					
● Salary for Auditor					
To provide recurring funding to increase salary funding for a vacant auditor position.					
305.07 Bureau of Ethics and Campaign Finance	\$52,000	\$0	\$0	\$52,000	0
Subtotal	<u>\$52,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$52,000</u>	<u>0</u>
Total Secretary of State	<u>\$52,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$52,000</u>	<u>0</u>

Comptroller of the Treasury

● Property Tax Relief					
To provide non-recurring funding for the Property Tax Relief program.					
307.10 Tax Relief	\$10,000,000	\$0	\$0	\$10,000,000	0
Subtotal	<u>\$10,000,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$10,000,000</u>	<u>0</u>
● National Association of State Auditors, Comptrollers and Treasurers (NASACT) Emerging Leaders Conference					
To provide non-recurring funding to host the NASACT Emerging Leaders Conference.					
307.01 Division of Administration	\$50,000	\$0	\$0	\$50,000	0
Subtotal	<u>\$50,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$50,000</u>	<u>0</u>
Total Comptroller of the Treasury	<u>\$10,050,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$10,050,000</u>	<u>0</u>

Treasury Department

● General Fund Subsidy - School Construction and Maintenance Grants					
To provide a non-recurring general fund subsidy for school construction and maintenance grants.					
309.04 LEA Public School Construction Maintenance	\$20,000,000	\$0	\$0	\$20,000,000	0
Subtotal	<u>\$20,000,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$20,000,000</u>	<u>0</u>
● Investment Analyst Position for Tennessee Housing Development Agency (THDA) Funds					
To provide recurring funding and to establish one position to fully integrate the Treasury Investment division with the cash flow forecasting of the THDA. Other funding is from program fees.					
309.01 Treasury Department	\$0	\$0	\$180,000	\$180,000	1
Subtotal	<u>\$0</u>	<u>\$0</u>	<u>\$180,000</u>	<u>\$180,000</u>	<u>1</u>

General Government

Cost Increases for Fiscal Year 2026-2027

	State	Federal	Other	Total	Positions
● Verification Services for Tennessee Consolidated Retirement System (TCRS)					
To provide recurring funding for member verification services for the TCRS. Other funding is fees from participating employers in the TCRS.					
309.01 Treasury Department	\$0	\$0	\$500,000	\$500,000	0
Subtotal	\$0	\$0	\$500,000	\$500,000	0
● Investment Book of Records Replacement Project					
To provide funding for a new Investment Book of Records to continue providing a responsible and effective investment of public funds. Of this total cost, \$5,000,000 is recurring and \$1,000,000 is non-recurring. Other funding is from the State Pooled Investment Fund reserve and State Pooled Investment Fund Administrative Revolving Account.					
309.01 Treasury Department	\$0	\$0	\$6,000,000	\$6,000,000	0
Subtotal	\$0	\$0	\$6,000,000	\$6,000,000	0
● Information Technology - Cloud Migration					
To provide funding to migrate Treasury applications to the cloud. Other funding is from interdepartmental revenue.					
309.01 Treasury Department	\$0	\$0	\$1,700,000	\$1,700,000	0
Subtotal	\$0	\$0	\$1,700,000	\$1,700,000	0
● Enterprise Solutions Resources					
To provide non-recurring funding for contractors to support the enterprise resource 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	\$850,000	\$850,000	0
Subtotal	\$0	\$0	\$850,000	\$850,000	0
● Financial Literacy Commission (FLC) Position					
To provide recurring funding and to establish one position to support the FLC's growing portfolio of statewide financial literacy initiatives, deepen community partnerships, and ensure the seamless execution of high-impact programs. Other funding is from program revenue.					
309.01 Treasury Department	\$0	\$0	\$130,000	\$130,000	1
Subtotal	\$0	\$0	\$130,000	\$130,000	1
Total Treasury Department	\$20,000,000	\$0	\$9,360,000	\$29,360,000	2

Claims and Compensation

● Criminal Injuries Compensation – Funding Realignment					
To provide recurring dedicated funding to replace federal funds. Dedicated funding is from privilege taxes, fees, and bond forfeitures.					
313.03 Criminal Injuries Compensation	\$1,446,600	(\$1,446,600)	\$0	\$0	0
Subtotal	\$1,446,600	(\$1,446,600)	\$0	\$0	0

General Government

Cost Increases for Fiscal Year 2026-2027

	State	Federal	Other	Total	Positions
• Criminal Injury Compensation					
To provide recurring dedicated funding for increased payroll costs in the Treasury Department. Dedicated funding is from privilege taxes, fees, and bond forfeitures.					
313.03 Criminal Injuries Compensation	\$750,000	\$0	\$0	\$750,000	0
Subtotal	<u>\$750,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$750,000</u>	<u>0</u>
• 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	\$1,015,400	\$1,015,400	0
Subtotal	<u>\$0</u>	<u>\$0</u>	<u>\$1,015,400</u>	<u>\$1,015,400</u>	<u>0</u>
• Unclaimed Property System Contract					
To provide recurring funding for the Unclaimed Property system vendor contract's increased costs.					
313.20 Unclaimed Property	\$2,250,000	\$0	\$0	\$2,250,000	0
Subtotal	<u>\$2,250,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,250,000</u>	<u>0</u>
Total Claims and Compensation	<u>\$4,446,600</u>	<u>(\$1,446,600)</u>	<u>\$1,015,400</u>	<u>\$4,015,400</u>	<u>0</u>

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 2.7 percent increase in the Consumer Price Index.					
315.01 Governor's Office	\$8,800	\$0	\$0	\$8,800	0
Subtotal	<u>\$8,800</u>	<u>\$0</u>	<u>\$0</u>	<u>\$8,800</u>	<u>0</u>
Total Executive Department	<u>\$8,800</u>	<u>\$0</u>	<u>\$0</u>	<u>\$8,800</u>	<u>0</u>

Finance and Administration

• STS - End Point Management Services					
To provide recurring funding to replace expiring federal American Rescue Plan funds to upgrade aging System Center Configuration Manager (SCCM) servers and purchase remote desktop licenses to support new cybersecurity tools. Other funding is from interdepartmental revenue.					
317.03 Strategic Technology Solutions (STS) Operations	\$0	\$0	\$1,103,300	\$1,103,300	0
Subtotal	<u>\$0</u>	<u>\$0</u>	<u>\$1,103,300</u>	<u>\$1,103,300</u>	<u>0</u>

General Government

Cost Increases for Fiscal Year 2026-2027

	State	Federal	Other	Total	Positions
• STS - Cloud Consumption North Data Center Relocation					
To provide recurring funding for an increase in cloud consumption due to the relocation of the North Data Center. Other funding is from interdepartmental revenue.					
317.03 Strategic Technology Solutions (STS) Operations	\$0	\$0	\$3,000,000	\$3,000,000	0
Subtotal	\$0	\$0	\$3,000,000	\$3,000,000	0
• STS - Multi-State Information Sharing and Analysis Center (MS-ISAC) Membership					
To provide recurring funding to continue membership with the MS-ISAC. Other funding is from interdepartmental revenue.					
317.03 Strategic Technology Solutions (STS) Operations	\$0	\$0	\$795,000	\$795,000	0
Subtotal	\$0	\$0	\$795,000	\$795,000	0
• STS - Unified Communications Audio/Visual (A/V) Contract Replacement					
To provide recurring funding for replacement of the division's A/V contract. Other funding is from interdepartmental revenue.					
317.03 Strategic Technology Solutions (STS) Operations	\$0	\$0	\$300,000	\$300,000	0
Subtotal	\$0	\$0	\$300,000	\$300,000	0
• Specialty License Plates					
To provide increased recurring dedicated funding for the additional collections of specialty license plate sales. Dedicated revenue is from specialty license plate sales.					
317.40 Vehicle Tag and Analogous Fees	\$3,200,000	\$0	\$0	\$3,200,000	0
Subtotal	\$3,200,000	\$0	\$0	\$3,200,000	0
• Nashville Anti-Human Trafficking Coalition Grants					
To provide recurring funding for grants to the Nashville Anti-Human Trafficking Coalition.					
317.06 Criminal Justice Programs	\$500,000	\$0	\$0	\$500,000	0
Subtotal	\$500,000	\$0	\$0	\$500,000	0
• Tennessee Counter-Trafficking Coalition Grants					
To provide recurring funding for grants to the Tennessee Counter-Trafficking Coalition.					
317.06 Criminal Justice Programs	\$1,200,000	\$0	\$0	\$1,200,000	0
Subtotal	\$1,200,000	\$0	\$0	\$1,200,000	0
Total Finance and Administration	\$4,900,000	\$0	\$5,198,300	\$10,098,300	0

General Government Cost Increases for Fiscal Year 2026-2027

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
General Services					
● Multi-Agency Law Enforcement Training Academy (MALETA) Staffing and Operations Increase					
To provide funding and to establish seven positions to manage the fiscal year 2027-2028 transition and opening of the MALETA campus. Of this amount, \$8,188,700 is recurring and allocated for MALETA personnel and operations but is reduced on a non-recurring basis by \$7,350,100 to reflect the fiscal year 2027-2028 opening date.					
321.23 Multi-Agency Law Enforcement Training Academy	\$838,600	\$0	\$0	\$838,600	7
Subtotal	<u>\$838,600</u>	<u>\$0</u>	<u>\$0</u>	<u>\$838,600</u>	<u>7</u>
● Photographic Services – Drone Purchase					
To provide non-recurring funding for the purchase of a drone for the Photographic Services division.					
321.09 Printing and Media Services	\$50,000	\$0	\$0	\$50,000	0
Subtotal	<u>\$50,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$50,000</u>	<u>0</u>
Total General Services	<u>\$888,600</u>	<u>\$0</u>	<u>\$0</u>	<u>\$888,600</u>	<u>7</u>

Revenue

● Electronic Lien and Title System					
To provide recurring funding for projected increased volume in the Electronic Lien and Title system. Other funding is from current services revenue.					
347.17 Vehicle Services Division	\$0	\$0	\$2,600,000	\$2,600,000	0
Subtotal	<u>\$0</u>	<u>\$0</u>	<u>\$2,600,000</u>	<u>\$2,600,000</u>	<u>0</u>
Total Revenue	<u>\$0</u>	<u>\$0</u>	<u>\$2,600,000</u>	<u>\$2,600,000</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, 2026.					
351.00 Miscellaneous Appropriations	\$33,151,400	\$0	\$0	\$33,151,400	0
Subtotal	<u>\$33,151,400</u>	<u>\$0</u>	<u>\$0</u>	<u>\$33,151,400</u>	<u>0</u>

General Government

Cost Increases for Fiscal Year 2026-2027

	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, 2026.					
351.00 Miscellaneous Appropriations	\$8,179,600	\$0	\$0	\$8,179,600	0
Subtotal	\$8,179,600	\$0	\$0	\$8,179,600	0
● Retirement Contribution Increase					
To provide recurring funding for the increase in the retirement contribution rate for state and higher education employees. This increase will be effective July 1, 2026.					
351.00 Miscellaneous Appropriations	\$10,000,000	\$0	\$0	\$10,000,000	0
Subtotal	\$10,000,000	\$0	\$0	\$10,000,000	0
● Group Health Insurance - January 1, 2027 Rate Increase					
To provide recurring funding for the state share of a 12.3 percent group health insurance premium increase. Additional funding for eligible higher education employees (\$21,855,900) is included in the departmental budget for Higher Education. The total cost to the general fund is \$44,008,000.					
351.00 Miscellaneous Appropriations	\$22,152,100	\$0	\$0	\$22,152,100	0
Subtotal	\$22,152,100	\$0	\$0	\$22,152,100	0
● Group Health Insurance - Annualize January 1, 2026 Rate Increase					
To provide recurring funding for the state share of a 5.7 percent group health insurance premium increase. Additional funding for eligible higher education employees (\$9,448,900) is included in the departmental budget for Higher Education. The total cost to the general fund is \$19,195,900.					
351.00 Miscellaneous Appropriations	\$9,747,000	\$0	\$0	\$9,747,000	0
Subtotal	\$9,747,000	\$0	\$0	\$9,747,000	0
● Memphis Downtown Public Safety Grants					
To provide non-recurring funding for grants to the City of Memphis to sustain public safety gains in the downtown business district through crime-deterrence technology, Crime Prevention Through Environmental Design (CPTED), and place-based enforcement strategies. Funds may also support law enforcement training, officer retention strategies, investigative capacity-building, and coordination efforts with state agencies to improve violent crime case clearance.					
351.00 Miscellaneous Appropriations	\$50,000,000	\$0	\$0	\$50,000,000	0
Subtotal	\$50,000,000	\$0	\$0	\$50,000,000	0

General Government

Cost Increases for Fiscal Year 2026-2027

	State	Federal	Other	Total	Positions
● Crime Intervention - Focused Deterrence Grants					
To provide non-recurring funding for a grant to the City of Memphis to reduce violent crime through data-driven evidence-based focused deterrence programs that combine swift and certain accountability for high-risk violent offenders while promoting victim safety through the implementation of interventions such as: life coaching, case management, global positioning systems, and cognitive behavioral interventions delivered by community-based organizations serving Shelby County in coordination and collaboration with local and state law enforcement and correctional agencies.					
351.00 Miscellaneous Appropriations	\$15,000,000	\$0	\$0	\$15,000,000	0
Subtotal	\$15,000,000	\$0	\$0	\$15,000,000	0
● Crime Intervention - Work-Centered Training Grants					
To provide non-recurring funding for grants to nonprofits providing services to the Memphis community to support employment and economic stability for high-risk youth and justice-involved adults in Memphis through workforce development, vocational training, cognitive behavioral interventions, and evidence-based career pathway interventions that address behavioral and situational barriers for individuals to maintain and sustain workforce participation.					
351.00 Miscellaneous Appropriations	\$15,000,000	\$0	\$0	\$15,000,000	0
Subtotal	\$15,000,000	\$0	\$0	\$15,000,000	0
● West Tennessee Regional Juvenile Justice Center					
To provide non-recurring funding for investments in infrastructure for justice-involved youth in West Tennessee.					
351.00 Miscellaneous Appropriations	\$10,000,000	\$0	\$0	\$10,000,000	0
Subtotal	\$10,000,000	\$0	\$0	\$10,000,000	0
● East Tennessee Juvenile Justice Center					
To provide non-recurring funding for investments in infrastructure for justice-involved youth in East Tennessee.					
351.00 Miscellaneous Appropriations	\$10,000,000	\$0	\$0	\$10,000,000	0
Subtotal	\$10,000,000	\$0	\$0	\$10,000,000	0
● Artificial Intelligence (AI) Enablement Program					
To provide non-recurring funding for a new foundational proof of concept to develop an enterprise AI solution.					
351.00 Miscellaneous Appropriations	\$50,000,000	\$0	\$0	\$50,000,000	0
Subtotal	\$50,000,000	\$0	\$0	\$50,000,000	0

General Government

Cost Increases for Fiscal Year 2026-2027

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
● North Data Center Relocate - Phase Two					
To provide non-recurring funding for phase two to continue personnel and technology relocation out of the North Data Center.					
351.00 Miscellaneous Appropriations	\$20,000,000	\$0	\$0	\$20,000,000	0
Subtotal	<u>\$20,000,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$20,000,000</u>	<u>0</u>
● Enterprise Resource Planning (ERP) Modernization					
To provide non-recurring funding for continued planning of the future replacement of the current ERP system.					
351.00 Miscellaneous Appropriations	\$70,000,000	\$0	\$0	\$70,000,000	0
Subtotal	<u>\$70,000,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$70,000,000</u>	<u>0</u>
● End Point Management Systems					
To provide recurring funding to replace expiring federal American Rescue Plan funds to upgrade aging System Center Configuration Manager (SCCM) servers and purchase remote desktop licenses to support new cybersecurity tools.					
351.00 Miscellaneous Appropriations	\$717,100	\$0	\$0	\$717,100	0
Subtotal	<u>\$717,100</u>	<u>\$0</u>	<u>\$0</u>	<u>\$717,100</u>	<u>0</u>
● Cloud Consumption - North Data Center Relocate					
To provide recurring funding for an increase in cloud consumption due to the relocation of the North Data Center.					
351.00 Miscellaneous Appropriations	\$1,950,000	\$0	\$0	\$1,950,000	0
Subtotal	<u>\$1,950,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,950,000</u>	<u>0</u>
● Americans with Disabilities Act (ADA) Digital Accessibility Compliance Tools - Phase Two					
To provide non-recurring funding for phase two of the improvement of web accessibility in State of Tennessee domains required by the ADA.					
351.00 Miscellaneous Appropriations	\$4,000,000	\$0	\$0	\$4,000,000	0
Subtotal	<u>\$4,000,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$4,000,000</u>	<u>0</u>
● Multi-State Information Sharing and Analysis Center (MS-ISAC) Membership					
To provide recurring funding to continue membership with the MS-ISAC.					
351.00 Miscellaneous Appropriations	\$516,800	\$0	\$0	\$516,800	0
Subtotal	<u>\$516,800</u>	<u>\$0</u>	<u>\$0</u>	<u>\$516,800</u>	<u>0</u>

General Government

Cost Increases for Fiscal Year 2026-2027

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Gubernatorial Transition To provide funding for the gubernatorial transition. Of this total cost, \$250,000 is recurring and \$2,000,000 is non-recurring.					
351.00 Miscellaneous Appropriations	\$2,250,000	\$0	\$0	\$2,250,000	0
Subtotal	<u>\$2,250,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,250,000</u>	<u>0</u>
Policy Management Software To provide non-recurring funding to purchase a policy and rulemaking software for the enterprise.					
351.00 Miscellaneous Appropriations	\$1,443,300	\$0	\$0	\$1,443,300	0
Subtotal	<u>\$1,443,300</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,443,300</u>	<u>0</u>
Governor's Rural Education Foundation To provide recurring funding for the Governor's Rural Education Foundation.					
351.00 Miscellaneous Appropriations	\$100,000	\$0	\$0	\$100,000	0
Subtotal	<u>\$100,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$100,000</u>	<u>0</u>
Camp Blount Park Grant To provide non-recurring funding for a grant to the City of Fayetteville for the upkeep of the Camp Blount Park.					
351.00 Miscellaneous Appropriations	\$50,000	\$0	\$0	\$50,000	0
Subtotal	<u>\$50,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$50,000</u>	<u>0</u>
Facilities Revolving Fund (FRF) To provide recurring funding for a statewide rent adjustment.					
351.00 Miscellaneous Appropriations	\$2,059,400	\$0	\$0	\$2,059,400	0
Subtotal	<u>\$2,059,400</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,059,400</u>	<u>0</u>
2025 Public Chapter 324 - Vape Bill - Fiscal Year 2026 Revenue Collections To provide non-recurring funding to recognize revenue collected from Public Chapter 324 during fiscal year 2026, and reserved pursuant to 2025 Public Chapter 530, Section 61, Item 16.					
351.00 Miscellaneous Appropriations	\$14,655,300	\$0	\$0	\$14,655,300	0
Subtotal	<u>\$14,655,300</u>	<u>\$0</u>	<u>\$0</u>	<u>\$14,655,300</u>	<u>0</u>
2025 Public Chapter 526 - Hemp Bill - Fiscal Year 2026 Revenue Collections To provide non-recurring funding to recognize revenue collected from Public Chapter 526 during fiscal year 2026, and reserved pursuant to 2025 Public Chapter 530, Section 61, Item 15.					
351.00 Miscellaneous Appropriations	\$8,438,900	\$0	\$0	\$8,438,900	0
Subtotal	<u>\$8,438,900</u>	<u>\$0</u>	<u>\$0</u>	<u>\$8,438,900</u>	<u>0</u>

General Government

Cost Increases for Fiscal Year 2026-2027

	State	Federal	Other	Total	Positions
● 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
Subtotal	\$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
Subtotal	\$8,000,000	\$0	\$0	\$8,000,000	0
Total Miscellaneous Appropriations	\$375,410,900	\$0	\$0	\$375,410,900	0
Total General Government	\$415,756,900	(\$1,446,600)	\$18,173,700	\$432,484,000	9

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 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	32	32	0	32
Part-Time Positions	3	23	23	0	23
Seasonal Positions	28	28	28	0	28
TOTAL	53	83	83	0	83
Payroll	\$3,112,300	\$3,650,500	\$3,650,500	\$0	\$3,650,500
Operational	6,118,900	6,626,600	6,619,200	0	6,619,200
TOTAL	\$9,231,200	\$10,277,100	\$10,269,700	\$0	\$10,269,700
State Appropriations	\$8,175,600	\$10,260,100	\$10,252,700	\$0	\$10,252,700
Federal	0	0	0	0	0
Other	1,055,600	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	85	85	0	85
Part-Time Positions	29	29	29	0	29
Seasonal Positions	0	0	0	0	0
TOTAL	93	114	114	0	114

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
Payroll	\$10,356,000	\$12,662,800	\$12,662,800	\$0	\$12,662,800
Operational	2,594,800	1,645,300	1,647,400	0	1,647,400
TOTAL	\$12,950,800	\$14,308,100	\$14,310,200	\$0	\$14,310,200
State Appropriations	\$12,950,800	\$14,238,100	\$14,240,200	\$0	\$14,240,200
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	0	68,900	68,900	0	68,900
TOTAL	\$0	\$68,900	\$68,900	\$0	\$68,900
State Appropriations	\$0	\$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	262	262	0	262
Part-Time Positions	40	40	40	0	40
Seasonal Positions	0	0	0	0	0
TOTAL	247	302	302	0	302
Payroll	\$24,451,000	\$30,049,400	\$30,049,400	\$0	\$30,049,400
Operational	9,574,800	4,376,500	4,359,800	0	4,359,800
TOTAL	\$34,025,800	\$34,425,900	\$34,409,200	\$0	\$34,409,200
State Appropriations	\$33,590,900	\$34,397,400	\$34,380,700	\$0	\$34,380,700
Federal	0	0	0	0	0
Other	434,900	28,500	28,500	0	28,500

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	116	116	0	116
Part-Time Positions	54	54	54	0	54
Seasonal Positions	0	0	0	0	0
TOTAL	155	170	170	0	170
Payroll	\$12,693,200	\$17,313,800	\$17,313,800	\$0	\$17,313,800
Operational	3,473,000	2,516,500	2,422,800	0	2,422,800
TOTAL	\$16,166,200	\$19,830,300	\$19,736,600	\$0	\$19,736,600
State Appropriations	\$16,146,500	\$19,808,300	\$19,714,600	\$0	\$19,714,600
Federal	0	0	0	0	0
Other	19,700	22,000	22,000	0	22,000

301.00 Total Legislature

Full-Time Positions	394	495	495	0	495
Part-Time Positions	126	146	146	0	146
Seasonal Positions	28	28	28	0	28
TOTAL	548	669	669	0	669
Payroll	\$50,612,500	\$63,676,500	\$63,676,500	\$0	\$63,676,500
Operational	21,761,500	15,233,800	15,118,100	0	15,118,100
TOTAL	\$72,374,000	\$78,910,300	\$78,794,600	\$0	\$78,794,600
State Appropriations	\$70,863,800	\$78,772,800	\$78,657,100	\$0	\$78,657,100
Federal	0	0	0	0	0
Other	1,510,200	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.

	<u>Actual 2024-2025</u>	<u>Estimated 2025-2026</u>	<u>Base 2026-2027</u>	<u>Cost Increase 2026-2027</u>	<u>Recommended 2026-2027</u>
Full-Time Positions	16	18	18	0	18
Part-Time Positions	0	1	1	0	1
Seasonal Positions	0	0	0	0	0
TOTAL	<u>16</u>	<u>19</u>	<u>19</u>	<u>0</u>	<u>19</u>
Payroll	\$2,305,300	\$3,010,200	\$3,010,200	\$0	\$3,010,200
Operational	93,100	78,600	79,100	0	79,100
TOTAL	\$2,398,400	\$3,088,800	\$3,089,300	\$0	\$3,089,300
State Appropriations	\$2,398,400	\$3,088,800	\$3,089,300	\$0	\$3,089,300
Federal	0	0	0	0	0
Other	0	0	0	0	0

Secretary of State

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

Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	\$20,288,900	\$25,310,100	\$25,310,100	\$0	\$25,310,100
Operational	7,241,600	4,550,000	4,556,000	0	4,556,000
TOTAL	\$27,530,500	\$29,860,100	\$29,866,100	\$0	\$29,866,100
State Appropriations	\$16,979,400	\$21,024,900	\$21,030,900	\$0	\$21,030,900
Federal	0	300,000	300,000	0	300,000
Other	10,551,100	8,535,200	8,535,200	0	8,535,200

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	\$109,000	\$165,400	\$165,400	\$0	\$165,400
Operational	1,447,500	1,476,100	1,476,100	0	1,476,100
TOTAL	\$1,556,500	\$1,641,500	\$1,641,500	\$0	\$1,641,500
State Appropriations	\$1,556,500	\$1,641,500	\$1,641,500	\$0	\$1,641,500
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	171,000	516,400	516,400	0	516,400
TOTAL	\$171,000	\$516,400	\$516,400	\$0	\$516,400
State Appropriations	\$171,000	\$516,400	\$516,400	\$0	\$516,400
Federal	0	0	0	0	0
Other	0	0	0	0	0

Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	\$1,433,200	\$1,696,300	\$1,696,300	\$52,000	\$1,748,300
Operational	260,100	471,500	471,900	0	471,900
TOTAL	\$1,693,300	\$2,167,800	\$2,168,200	\$52,000	\$2,220,200
State Appropriations	\$692,100	\$1,452,700	\$1,453,100	\$52,000	\$1,505,100
Federal	0	0	0	0	0
Other	1,001,200	715,100	715,100	0	715,100

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	1,049,700	27,500,000	27,500,000	0	27,500,000
TOTAL	\$1,049,700	\$27,500,000	\$27,500,000	\$0	\$27,500,000
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	952,000	26,500,000	26,500,000	0	26,500,000
Other	97,700	1,000,000	1,000,000	0	1,000,000

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	\$855,200	\$976,100	\$976,100	\$0	\$976,100
Operational	635,100	642,700	643,300	0	643,300
TOTAL	\$1,490,300	\$1,618,800	\$1,619,400	\$0	\$1,619,400
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	1,490,300	1,618,800	1,619,400	0	1,619,400

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	\$8,168,800	\$10,660,500	\$10,660,500	\$0	\$10,660,500
Operational	11,037,600	9,423,200	9,425,700	0	9,425,700
TOTAL	\$19,206,400	\$20,083,700	\$20,086,200	\$0	\$20,086,200
State Appropriations	\$14,659,300	\$16,597,900	\$16,600,400	\$0	\$16,600,400
Federal	2,799,400	2,820,700	2,820,700	0	2,820,700
Other	1,747,700	665,100	665,100	0	665,100

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	\$4,945,900	\$6,208,500	\$6,208,500	\$0	\$6,208,500
Operational	6,169,800	5,376,000	5,377,400	0	5,377,400
TOTAL	\$11,115,700	\$11,584,500	\$11,585,900	\$0	\$11,585,900
State Appropriations	\$10,132,200	\$10,793,400	\$10,794,800	\$0	\$10,794,800
Federal	974,000	596,100	596,100	0	596,100
Other	9,500	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	\$35,801,000	\$45,016,900	\$45,016,900	\$52,000	\$45,068,900
Operational	28,012,400	49,955,900	49,966,800	0	49,966,800
TOTAL	\$63,813,400	\$94,972,800	\$94,983,700	\$52,000	\$95,035,700
State Appropriations	\$44,190,500	\$52,026,800	\$52,037,100	\$52,000	\$52,089,100
Federal	4,725,400	30,216,800	30,216,800	0	30,216,800
Other	14,897,500	12,729,200	12,729,800	0	12,729,800

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.

Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

Administrative and Support Services

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

307.01 Division of Administration

Division of Administration directs and coordinates administrative activities within the Comptroller's Office and legislative support.

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	\$1,329,500	\$1,663,500	\$1,663,500	\$0	\$1,663,500
Operational	601,600	398,300	274,500	50,000	324,500
TOTAL	\$1,931,100	\$2,061,800	\$1,938,000	\$50,000	\$1,988,000
State Appropriations	\$1,920,500	\$2,061,800	\$1,938,000	\$50,000	\$1,988,000
Federal	0	0	0	0	0
Other	10,600	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 areas such as 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	\$3,436,100	\$3,574,200	\$3,574,200	\$0	\$3,574,200
Operational	952,900	824,800	822,900	0	822,900
TOTAL	\$4,389,000	\$4,399,000	\$4,397,100	\$0	\$4,397,100
State Appropriations	\$4,275,700	\$4,399,000	\$4,397,100	\$0	\$4,397,100
Federal	0	0	0	0	0
Other	113,300	0	0	0	0

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

307.06 Communications and Public Affairs Office

The Division of Communications and Public Affairs provides internal and external communications support to all divisions of the Comptroller's Office. The division offers support in publications, photography, videography, graphic design, web content, and a variety of other communications functions.

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	\$868,100	\$890,800	\$890,800	\$0	\$890,800
Operational	116,800	151,100	150,600	0	150,600
TOTAL	\$984,900	\$1,041,900	\$1,041,400	\$0	\$1,041,400
State Appropriations	\$943,900	\$1,041,900	\$1,041,400	\$0	\$1,041,400
Federal	0	0	0	0	0
Other	41,000	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 the implementation and support of the technology infrastructure, including network, server, database, and endpoint 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	39	39	39	0	39
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	39	39	39	0	39
Payroll	\$5,798,000	\$5,945,800	\$5,945,800	\$0	\$5,945,800
Operational	9,894,800	5,828,800	5,893,400	0	5,893,400
TOTAL	\$15,692,800	\$11,774,600	\$11,839,200	\$0	\$11,839,200
State Appropriations	\$11,486,600	\$11,552,100	\$11,616,700	\$0	\$11,616,700
Federal	0	0	0	0	0
Other	4,206,200	222,500	222,500	0	222,500

307.17 Office of General Counsel

The Office of General Counsel provides legal support for all divisions of the Comptroller's Office. It also includes the Office of Open Records Counsel, which assists citizens, governmental entities, and media with questions related to the Tennessee Public Records Act and the Tennessee Open Meetings Act.

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

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
Payroll	\$1,460,100	\$1,619,400	\$1,619,400	\$0	\$1,619,400
Operational	93,500	125,000	124,400	0	124,400
TOTAL	\$1,553,600	\$1,744,400	\$1,743,800	\$0	\$1,743,800
State Appropriations	\$1,553,600	\$1,744,400	\$1,743,800	\$0	\$1,743,800
Federal	0	0	0	0	0
Other	0	0	0	0	0

Office of Research and Education Accountability

The Office of Research and Education Accountability is responsible for providing non-partisan, objective analysis of policy issues to the Comptroller of the Treasury, the 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 various education topics, as well as on 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 with 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	14	14	0	14
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	13	14	14	0	14
Payroll	\$1,662,200	\$1,827,600	\$1,827,600	\$0	\$1,827,600
Operational	205,200	99,500	98,100	0	98,100
TOTAL	\$1,867,400	\$1,927,100	\$1,925,700	\$0	\$1,925,700
State Appropriations	\$1,867,400	\$1,927,100	\$1,925,700	\$0	\$1,925,700
Federal	0	0	0	0	0
Other	0	0	0	0	0

<u>Actual 2024-2025</u>	<u>Estimated 2025-2026</u>	<u>Base 2026-2027</u>	<u>Cost Increase 2026-2027</u>	<u>Recommended 2026-2027</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	201	177	177	0	177
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	201	177	177	0	177
Payroll	\$26,650,800	\$24,575,800	\$24,575,800	\$0	\$24,575,800
Operational	2,920,700	1,213,200	1,197,100	0	1,197,100
TOTAL	\$29,571,500	\$25,789,000	\$25,772,900	\$0	\$25,772,900
State Appropriations	\$20,399,400	\$22,427,400	\$22,411,300	\$0	\$22,411,300
Federal	0	0	0	0	0
Other	9,172,100	3,361,600	3,361,600	0	3,361,600

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 91 of those counties. Private CPAs conduct audits in the remaining four counties. 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. CPAs perform these audits.

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	\$15,222,800	\$15,971,900	\$15,971,900	\$0	\$15,971,900
Operational	1,641,600	4,061,000	1,051,800	0	1,051,800
TOTAL	\$16,864,400	\$20,032,900	\$17,023,700	\$0	\$17,023,700

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
State Appropriations	\$14,224,900	\$18,573,800	\$15,564,600	\$0	\$15,564,600
Federal	0	0	0	0	0
Other	2,639,500	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	\$5,627,000	\$6,074,100	\$6,074,100	\$0	\$6,074,100
Operational	427,900	499,900	496,600	0	496,600
TOTAL	\$6,054,900	\$6,574,000	\$6,570,700	\$0	\$6,570,700
State Appropriations	\$6,043,700	\$6,574,000	\$6,570,700	\$0	\$6,570,700
Federal	0	0	0	0	0
Other	11,200	0	0	0	0

307.18 Division of Health Provider Review

The Division of Health Provider Review performs rate computation and attestation functions for the state's Medicaid program. The functions include reimbursable cost computation and examinations of nursing facilities, reimbursable rate computation and examinations for intellectual and developmental disabilities facilities, rate computation and examination services for federally qualified health centers and rural health clinics participating in the Medicaid program, and examinations of Managed Care Contractors jointly with the Department of Commerce and Insurance. Examinations are conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.

Full-Time Positions	0	24	24	0	24
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	24	24	0	24
Payroll	\$0	\$3,122,000	\$3,122,000	\$0	\$3,122,000
Operational	0	126,100	126,100	0	126,100
TOTAL	\$0	\$3,248,100	\$3,248,100	\$0	\$3,248,100
State Appropriations	\$0	\$348,100	\$348,100	\$0	\$348,100
Federal	0	0	0	0	0
Other	0	2,900,000	2,900,000	0	2,900,000

Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

Services to Local Governments

Programs providing services to local governments work toward improving the operation of counties, metropolitan governments, municipalities, utility districts, and utility authorities by providing assistance and information that affects the state and local governments. These programs assist local governments with debt management, ensure that local governments adopt balanced budgets, and monitor local governments for fiscal health and sustainability.

307.12 Division of Local Government Finance

The Division of Local Government Finance implements laws and policies supporting the financial health of local governments, including counties, metropolitan governments, municipalities, utility districts, and utility authorities. Division responsibilities include reviewing annual budgets and certain debt issues, monitoring fiscal health metrics, serving as staff to the Tennessee Board of Utility Regulation that provides oversight for the financial and managerial integrity of local government-owned utility systems, approving specific investment programs, overseeing the annual budget certificate and the annual financial excellence award programs, reporting on electric system plans to provide broadband services, assisting and training in areas of finance, and providing research and support to the 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	\$1,759,200	\$1,915,700	\$1,915,700	\$0	\$1,915,700
Operational	129,600	99,600	98,600	0	98,600
TOTAL	\$1,888,800	\$2,015,300	\$2,014,300	\$0	\$2,014,300
State Appropriations	\$1,888,800	\$2,015,300	\$2,014,300	\$0	\$2,014,300
Federal	0	0	0	0	0
Other	0	0	0	0	0

307.07 Division of State Government Finance

The Division of State Government Finance is responsible for issuing and managing the state's general obligation debt and the debt of the state's issuing authorities, the Tennessee State School Bond Authority, the Tennessee Local Development Authority, and the debt of certain loan programs. Division responsibilities include monitoring and ensuring compliance with all federal laws, regulations, and ruling bodies regarding debt issued in the capital markets, issuance of all bonds and notes, timely payment of debt service (principal and interest) on bonds outstanding, accessing the capital markets efficiently and timely to provide the most cost-efficient funding for capital projects authorized by the General Assembly, accounting for all debt issued and loans made through preparation of annual financial statements of each debt/loan program, providing investors and the capital markets community with current financial information as a part of the division's continuing disclosure responsibilities, and providing research and support to the General Assembly.

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	\$1,574,000	\$1,620,400	\$1,620,400	\$0	\$1,620,400
Operational	71,900	115,500	114,700	0	114,700
TOTAL	\$1,645,900	\$1,735,900	\$1,735,100	\$0	\$1,735,100

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
State Appropriations	\$835,400	\$904,900	\$904,100	\$0	\$904,100
Federal	0	0	0	0	0
Other	810,500	831,000	831,000	0	831,000

Property Assessment and Appraisal

The Comptroller of the Treasury is responsible for the administration and coordination of property tax assessments, appeals, and exemptions. 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 supporting local governments in property tax administration. Other duties include monitoring visual inspections, sales verification, and parcel boundary mapping completed by property assessors. This division also conducts biennial appraisal ratio studies, supports the state computer-assisted mass appraisal system and geographic information systems, and performs 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	\$13,023,300	\$13,312,000	\$13,312,000	\$0	\$13,312,000
Operational	4,578,400	4,113,200	1,783,500	0	1,783,500
TOTAL	\$17,601,700	\$17,425,200	\$15,095,500	\$0	\$15,095,500
State Appropriations	\$15,323,100	\$15,525,700	\$13,196,000	\$0	\$13,196,000
Federal	0	0	0	0	0
Other	2,278,600	1,899,500	1,899,500	0	1,899,500

307.10 Tax Relief

The Tax Relief program provides property tax relief to qualifying low-income elderly and disabled homeowners, as well as disabled veteran homeowners and their 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 their local property taxes paid. The Division of Property Assessments administers 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
Operational	44,132,100	41,265,100	41,265,100	10,000,000	51,265,100
TOTAL	\$44,132,100	\$41,265,100	\$41,265,100	\$10,000,000	\$51,265,100
State Appropriations	\$41,265,100	\$41,265,100	\$41,265,100	\$10,000,000	\$51,265,100
Federal	0	0	0	0	0
Other	2,867,000	0	0	0	0

Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	\$1,407,400	\$1,542,300	\$1,542,300	\$0	\$1,542,300
Operational	192,700	284,100	283,100	0	283,100
TOTAL	\$1,600,100	\$1,826,400	\$1,825,400	\$0	\$1,825,400
State Appropriations	\$1,523,100	\$1,719,000	\$1,718,000	\$0	\$1,718,000
Federal	0	0	0	0	0
Other	77,000	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	\$1,659,900	\$1,746,700	\$1,746,700	\$0	\$1,746,700
Operational	115,000	127,400	126,400	0	126,400
TOTAL	\$1,774,900	\$1,874,100	\$1,873,100	\$0	\$1,873,100
State Appropriations	\$1,774,900	\$1,874,100	\$1,873,100	\$0	\$1,873,100
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

Comptroller of the Treasury

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
Payroll	\$81,478,400	\$85,402,200	\$85,402,200	\$0	\$85,402,200
Operational	66,074,700	59,332,600	53,906,900	10,050,000	63,956,900
TOTAL	\$147,553,100	\$144,734,800	\$139,309,100	\$10,050,000	\$149,359,100
State Appropriations	\$125,326,100	\$133,953,700	\$128,528,000	\$10,050,000	\$138,578,000
Federal	0	0	0	0	0
Other	22,227,000	10,781,100	10,781,100	0	10,781,100

Treasury Department

The State Treasurer is a constitutional officer elected every two years by a joint session of both houses of the General Assembly. The State Treasurer is charged with various responsibilities and duties relating to the financial operations of state government. In addition to these duties, the State Treasurer administers and manages an educational incentive program for county public administrators, 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 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	371	404	404	2	406
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	371	404	404	2	406
Payroll	\$55,608,300	\$66,840,800	\$61,090,800	\$250,000	\$61,340,800
Operational	33,019,500	59,126,600	26,277,100	9,110,000	35,387,100
TOTAL	\$88,627,800	\$125,967,400	\$87,367,900	\$9,360,000	\$96,727,900
State Appropriations	\$0	\$2,900,500	\$2,901,300	\$0	\$2,901,300
Federal	17,574,800	38,037,900	0	0	0
Other	71,053,000	85,029,000	84,466,600	9,360,000	93,826,600

309.02 Certified Public Administrators

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

Full-Time 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	407,300	407,300	407,300	0	407,300
TOTAL	\$407,300	\$407,300	\$407,300	\$0	\$407,300

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
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	2,213,200	1,570,800	1,920,800	0	1,920,800
TOTAL	\$2,213,200	\$1,570,800	\$1,920,800	\$0	\$1,920,800
State Appropriations	\$800,700	\$920,800	\$920,800	\$0	\$920,800
Federal	0	0	0	0	0
Other	1,412,500	650,000	1,000,000	0	1,000,000

309.04 LEA Public School Construction Maintenance

The State Treasurer administers the Local Education Authorities (LEAs) Public School Construction Maintenance program established under TCA 4-49-104. This program provides funding for construction and maintenance of public school buildings and funding is provided from 80 percent of the privilege tax collected by the Sports Wagering Advisory Council.

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	98,129,400	91,889,100	20,000,000	111,889,100
TOTAL	\$0	\$98,129,400	\$91,889,100	\$20,000,000	\$111,889,100
State Appropriations	\$0	\$98,129,400	\$91,889,100	\$20,000,000	\$111,889,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

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

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	330,600	250,000	250,000	0	250,000
TOTAL	\$330,600	\$250,000	\$250,000	\$0	\$250,000
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	330,600	250,000	250,000	0	250,000

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	1,048,100	210,500	210,500	0	210,500
TOTAL	\$1,048,100	\$210,500	\$210,500	\$0	\$210,500
State Appropriations	\$1,048,100	\$210,500	\$210,500	\$0	\$210,500
Federal	0	0	0	0	0
Other	0	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	371	404	404	2	406
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	371	404	404	2	406

Treasury Department

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
Payroll	\$55,608,300	\$66,840,800	\$61,090,800	\$250,000	\$61,340,800
Operational	37,018,700	159,744,600	121,004,800	29,110,000	150,114,800
TOTAL	\$92,627,000	\$226,585,400	\$182,095,600	\$29,360,000	\$211,455,600
State Appropriations	\$2,256,100	\$102,568,500	\$96,329,000	\$20,000,000	\$116,329,000
Federal	17,574,800	38,037,900	0	0	0
Other	72,796,100	85,979,000	85,766,600	9,360,000	95,126,600

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 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	14,216,800	16,923,100	16,923,100	750,000	17,673,100
TOTAL	\$14,216,800	\$16,923,100	\$16,923,100	\$750,000	\$17,673,100
State Appropriations	\$8,714,200	\$12,072,500	\$12,072,500	\$2,196,600	\$14,269,100
Federal	5,331,000	4,850,600	4,850,600	(1,446,600)	3,404,000
Other	171,600	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
Operational	105,521,800	98,228,100	98,228,100	1,015,400	99,243,500
TOTAL	\$105,521,800	\$98,228,100	\$98,228,100	\$1,015,400	\$99,243,500
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	105,521,800	98,228,100	98,228,100	1,015,400	99,243,500

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	9,241,100	10,537,500	8,287,500	2,250,000	10,537,500
TOTAL	\$9,241,100	\$10,537,500	\$8,287,500	\$2,250,000	\$10,537,500
State Appropriations	\$9,241,100	\$10,537,500	\$8,287,500	\$2,250,000	\$10,537,500
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	128,979,700	125,688,700	123,438,700	4,015,400	127,454,100
TOTAL	\$128,979,700	\$125,688,700	\$123,438,700	\$4,015,400	\$127,454,100
State Appropriations	\$17,955,300	\$22,610,000	\$20,360,000	\$4,446,600	\$24,806,600
Federal	5,331,000	4,850,600	4,850,600	(1,446,600)	3,404,000
Other	105,693,400	98,228,100	98,228,100	1,015,400	99,243,500

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 2024-2025</u>	<u>Estimated 2025-2026</u>	<u>Base 2026-2027</u>	<u>Cost Increase 2026-2027</u>	<u>Recommended 2026-2027</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	<u>40</u>	<u>40</u>	<u>40</u>	<u>0</u>	<u>40</u>
Payroll	\$5,832,400	\$6,049,700	\$6,049,700	\$8,800	\$6,058,500
Operational	1,628,200	1,341,500	1,343,000	0	1,343,000
TOTAL	<u>\$7,460,600</u>	<u>\$7,391,200</u>	<u>\$7,392,700</u>	<u>\$8,800</u>	<u>\$7,401,500</u>
State Appropriations	\$7,294,900	\$7,391,200	\$7,392,700	\$8,800	\$7,401,500
Federal	0	0	0	0	0
Other	165,700	0	0	0	0

Tennessee Human Rights Commission

The Tennessee Human Rights Commission (THRC) was 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 monitored other state agencies' compliance with civil rights laws in the expenditure of federal funds and supported the efforts of the Title VI Compliance Commission.

The THRC cooperated 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.

In the 2025 regular legislative session, Public Chapter 471 reconstituted the Human Rights Commission and transferred its duties to the Attorney General and Reporter and the Department of Human Resources.

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
Full-Time Positions	33	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	33	0	0	0	0
Payroll	\$3,034,800	\$0	\$0	\$0	\$0
Operational	669,100	0	0	0	0
TOTAL	\$3,703,900	\$0	\$0	\$0	\$0
State Appropriations	\$2,819,700	\$0	\$0	\$0	\$0
Federal	745,500	0	0	0	0
Other	138,700	0	0	0	0

Tennessee Public Utility Commission

The Tennessee Public Utility Commission (TPUC) is a quasi-judicial body. Leadership for the agency is comprised of five directors, three of whom are appointed to six-year terms by the Governor, House Speaker, and Senate Speaker acting separately. Two directors are appointed by the Governor, House Speaker, and Senate Speaker collectively. TPUC's mission is to promote the public interest by balancing the interests of utility consumers and providers, while facilitating the transition to a more competitive environment. TPUC's functions include regulating the quality of service provided and compliance with regulations by public utilities such as gas, electric, water, and telephone; granting of operating authority to public utilities and adjudicating conflicts and controversies arising from utility operations; protecting the public from the accidental release of natural gas by monitoring compliance of distribution systems with minimum federal and state safety standards; administering the state's "Do Not Call" and "Do Not Fax" programs, which give the residents of Tennessee the option not to receive solicitation calls or faxes from telemarketers; administering the Telecommunications Device Access Program and regulating relay services, which provide telecommunications equipment and operator based assistance to the state's deaf, blind, and hearing impaired population; and pursuant to the Competitive Cable and Video Services Act of 2008, serving as the administrative center for statewide cable franchise agreements.

<u>Actual</u> <u>2024-2025</u>	<u>Estimated</u> <u>2025-2026</u>	<u>Base</u> <u>2026-2027</u>	<u>Cost Increase</u> <u>2026-2027</u>	<u>Recommended</u> <u>2026-2027</u>

316.11 Tennessee Public Utility Commission

Full-Time Positions	55	52	52	0	52
Part-Time Positions	7	7	7	0	7
Seasonal Positions	0	0	0	0	0
TOTAL	<u>62</u>	<u>59</u>	<u>59</u>	<u>0</u>	<u>59</u>
Payroll	\$6,958,300	\$8,457,300	\$8,457,300	\$0	\$8,457,300
Operational	1,808,600	2,904,300	2,908,600	0	2,908,600
TOTAL	<u>\$8,766,900</u>	<u>\$11,361,600</u>	<u>\$11,365,900</u>	<u>\$0</u>	<u>\$11,365,900</u>
State Appropriations	\$6,022,600	\$8,804,600	\$8,808,600	\$0	\$8,808,600
Federal	1,488,600	1,126,000	1,126,300	0	1,126,300
Other	1,255,700	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 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	\$2,975,000	\$3,138,000	\$3,138,000	\$0	\$3,138,000
Operational	1,080,700	1,066,300	1,066,100	0	1,066,100
TOTAL	\$4,055,700	\$4,204,300	\$4,204,100	\$0	\$4,204,100
State Appropriations	\$0	\$163,000	\$161,400	\$0	\$161,400
Federal	0	0	0	0	0
Other	4,055,700	4,041,300	4,042,700	0	4,042,700

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.

<u>Actual</u> <u>2024-2025</u>	<u>Estimated</u> <u>2025-2026</u>	<u>Base</u> <u>2026-2027</u>	<u>Cost Increase</u> <u>2026-2027</u>	<u>Recommended</u> <u>2026-2027</u>

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	63	63	0	63
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	54	63	63	0	63
Payroll	\$10,240,200	\$9,812,800	\$9,812,800	\$0	\$9,812,800
Operational	101,950,500	86,630,800	3,543,300	0	3,543,300
TOTAL	\$112,190,700	\$96,443,600	\$13,356,100	\$0	\$13,356,100
State Appropriations	\$4,359,500	\$6,562,800	\$6,499,300	\$0	\$6,499,300
Federal	96,853,100	76,025,000	0	0	0
Other	10,978,100	13,855,800	6,856,800	0	6,856,800

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	104	104	104	0	104
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	104	104	104	0	104

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
Payroll	\$13,438,000	\$14,800,100	\$14,800,100	\$0	\$14,800,100
Operational	2,783,600	3,670,900	3,673,100	0	3,673,100
TOTAL	\$16,221,600	\$18,471,000	\$18,473,200	\$0	\$18,473,200
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	16,221,600	18,471,000	18,473,200	0	18,473,200

Grant Administration

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

317.06 Criminal Justice Programs

The Office of Criminal Justice Programs secures, distributes, manages, and evaluates federal and state grant funds for criminal justice programs, such as Stop Violence Against Women, Family Violence Act, Victims of Crimes Act, and Rural Domestic Violence. The office monitors the grantees to ensure that criminal justice funds are spent in accordance with federal and state guidelines.

Full-Time 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	\$4,735,500	\$5,891,000	\$5,891,000	\$0	\$5,891,000
Operational	94,912,600	126,226,300	76,187,700	1,700,000	77,887,700
TOTAL	\$99,648,100	\$132,117,300	\$82,078,700	\$1,700,000	\$83,778,700
State Appropriations	\$10,945,400	\$57,822,300	\$7,767,200	\$1,700,000	\$9,467,200
Federal	40,607,800	74,189,200	74,205,700	0	74,205,700
Other	48,094,900	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
Seasonal Positions	0	0	0	0	0
TOTAL	7	7	7	0	7
Payroll	\$749,100	\$846,000	\$846,000	\$0	\$846,000
Operational	6,768,200	7,938,500	7,941,800	0	7,941,800
TOTAL	\$7,517,300	\$8,784,500	\$8,787,800	\$0	\$8,787,800

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
State Appropriations	\$468,100	\$478,500	\$469,300	\$0	\$469,300
Federal	7,021,300	8,281,000	8,281,000	0	8,281,000
Other	27,900	25,000	37,500	0	37,500

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	\$3,840,600	\$4,704,100	\$4,704,100	\$0	\$4,704,100
Operational	1,716,800	1,501,800	1,502,400	0	1,502,400
TOTAL	\$5,557,400	\$6,205,900	\$6,206,500	\$0	\$6,206,500
State Appropriations	\$4,420,100	\$6,205,900	\$6,206,500	\$0	\$6,206,500
Federal	0	0	0	0	0
Other	1,137,300	0	0	0	0

317.05 Division of Accounts

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

Full-Time Positions	597	604	595	0	595
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	597	604	595	0	595
Payroll	\$60,359,700	\$67,433,800	\$67,433,800	\$0	\$67,433,800
Operational	6,012,300	5,525,900	5,526,900	0	5,526,900
TOTAL	\$66,372,000	\$72,959,700	\$72,960,700	\$0	\$72,960,700
State Appropriations	\$2,878,000	\$4,921,700	\$4,922,400	\$0	\$4,922,400
Federal	0	0	0	0	0
Other	63,494,000	68,038,000	68,038,300	0	68,038,300

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	\$1,632,900	\$1,882,700	\$1,882,700	\$0	\$1,882,700
Operational	736,700	2,118,100	2,032,100	0	2,032,100
TOTAL	\$2,369,600	\$4,000,800	\$3,914,800	\$0	\$3,914,800
State Appropriations	\$2,369,600	\$4,000,800	\$3,914,800	\$0	\$3,914,800
Federal	0	0	0	0	0
Other	0	0	0	0	0

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	487	486	486	0	486
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	487	486	486	0	486
Payroll	\$62,701,500	\$69,510,400	\$69,510,400	\$0	\$69,510,400
Operational	161,511,800	211,758,000	198,930,700	5,198,300	204,129,000
TOTAL	\$224,213,300	\$281,268,400	\$268,441,100	\$5,198,300	\$273,639,400
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	55,500	0	0	0	0
Other	224,157,800	281,268,400	268,441,100	5,198,300	273,639,400

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	142	142	0	142
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	140	142	142	0	142
Payroll	\$19,044,900	\$20,604,400	\$20,604,400	\$0	\$20,604,400
Operational	10,995,100	19,697,500	14,004,900	0	14,004,900
TOTAL	\$30,040,000	\$40,301,900	\$34,609,300	\$0	\$34,609,300
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	30,040,000	40,301,900	34,609,300	0	34,609,300

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	640	622	622	0	622
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	640	622	622	0	622
Payroll	\$86,473,000	\$92,178,200	\$92,178,200	\$0	\$92,178,200
Operational	8,016,100	13,708,000	12,692,800	0	12,692,800
TOTAL	\$94,489,100	\$105,886,200	\$104,871,000	\$0	\$104,871,000
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	94,489,100	105,886,200	104,871,000	0	104,871,000

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	58,549,600	85,500,000	85,500,000	0	85,500,000
TOTAL	\$58,549,600	\$85,500,000	\$85,500,000	\$0	\$85,500,000

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	58,549,600	85,500,000	85,500,000	0	85,500,000

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	45	45	45	0	45
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	45	45	45	0	45
Payroll	\$5,065,500	\$5,540,000	\$5,540,000	\$0	\$5,540,000
Operational	851,300	981,200	985,200	0	985,200
TOTAL	\$5,916,800	\$6,521,200	\$6,525,200	\$0	\$6,525,200
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	11,900	0	0	0	0
Other	5,904,900	6,521,200	6,525,200	0	6,525,200

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	8,494,100	4,000,000	4,000,000	3,200,000	7,200,000
TOTAL	\$8,494,100	\$4,000,000	\$4,000,000	\$3,200,000	\$7,200,000
State Appropriations	\$8,465,100	\$4,000,000	\$4,000,000	\$3,200,000	\$7,200,000
Federal	0	0	0	0	0
Other	29,000	0	0	0	0

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
317.00 Total Department of Finance and Administration					
Full-Time Positions	2,163	2,162	2,153	0	2,153
Part-Time Positions	1	1	1	0	1
Seasonal Positions	0	0	0	0	0
TOTAL	2,164	2,163	2,154	0	2,154
Payroll	\$268,280,900	\$293,203,500	\$293,203,500	\$0	\$293,203,500
Operational	463,298,700	569,257,000	416,520,900	10,098,300	426,619,200
TOTAL	\$731,579,600	\$862,460,500	\$709,724,400	\$10,098,300	\$719,822,700
State Appropriations	\$33,905,800	\$83,992,000	\$33,779,500	\$4,900,000	\$38,679,500
Federal	144,549,600	158,495,200	82,486,700	0	82,486,700
Other	553,124,200	619,973,300	593,458,200	5,198,300	598,656,500

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 coordinates learning and development courses for all state departments and agencies. The four major program areas of DOHR are Executive Administration, HR Management Services, Office of Strategic Support, and Talent Management Centers of Excellence.

Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	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	\$753,500	\$955,200	\$955,200	\$0	\$955,200
Operational	1,066,000	1,185,600	1,185,700	0	1,185,700
TOTAL	\$1,819,500	\$2,140,800	\$2,140,900	\$0	\$2,140,900
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	1,819,500	2,140,800	2,140,900	0	2,140,900

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. The employee sick leave bank is administered by HR Management Services. In addition, this division 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.

Full-Time Positions	67	67	67	0	67
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	67	67	67	0	67
Payroll	\$7,675,000	\$8,366,100	\$8,366,100	\$0	\$8,366,100
Operational	714,800	414,100	416,100	0	416,100
TOTAL	\$8,389,800	\$8,780,200	\$8,782,200	\$0	\$8,782,200
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	8,389,800	8,780,200	8,782,200	0	8,782,200

Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

319.05 Office of Strategic Support

The Office of Strategic Support provides legal, operations, and communications support to all divisions within the department. The office 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 and Title VI Compliance. In addition, the office manages many services provided to state employees, including the Board of Appeals, Legal Services, and Equal Employment Opportunity. The office provides fiscal, data management, and business process improvement services for DOHR. In the 2025 regular legislative session, Public Chapter 471 reconstituted the Human Rights Commission and transferred its duties to the Attorney General and Reporter and the Department of Human Resources.

Full-Time Positions	40	43	43	0	43
Part-Time Positions	18	18	18	0	18
Seasonal Positions	0	0	0	0	0
TOTAL	58	61	61	0	61
Payroll	\$5,500,900	\$6,321,900	\$6,321,900	\$0	\$6,321,900
Operational	639,500	608,400	610,500	0	610,500
TOTAL	\$6,140,400	\$6,930,300	\$6,932,400	\$0	\$6,932,400
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	6,140,400	6,930,300	6,932,400	0	6,932,400

319.08 Talent Management Centers of Excellence

The Talent Management Centers of Excellence is responsible for a strategic approach to partner with agencies, resulting in individual and organizational success. The division provides oversight on strategy to attract, hire, and maintain a diverse workplace that reflects the Tennessee State Government at all levels. In addition, the division provides support for employee engagement and retention, employee experience, talent development, instructional design and effectiveness, organizational development, and career management. Other programs of oversight include the Tennessee Employee Mediation program, exit surveys, service awards, suggestion awards, 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.

Full-Time Positions	43	44	44	0	44
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	43	44	44	0	44
Payroll	\$5,781,300	\$6,240,100	\$6,240,100	\$0	\$6,240,100
Operational	3,791,500	3,679,600	3,681,300	0	3,681,300
TOTAL	\$9,572,800	\$9,919,700	\$9,921,400	\$0	\$9,921,400
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	9,572,800	9,919,700	9,921,400	0	9,921,400

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
319.00 Total Department of Human Resources					
Full-Time Positions	154	158	158	0	158
Part-Time Positions	18	18	18	0	18
Seasonal Positions	0	0	0	0	0
TOTAL	172	176	176	0	176
Payroll	\$19,710,700	\$21,883,300	\$21,883,300	\$0	\$21,883,300
Operational	6,211,800	5,887,700	5,893,600	0	5,893,600
TOTAL	\$25,922,500	\$27,771,000	\$27,776,900	\$0	\$27,776,900
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	25,922,500	27,771,000	27,776,900	0	27,776,900

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 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	\$5,467,500	\$6,003,100	\$6,003,100	\$0	\$6,003,100
Operational	3,470,000	4,021,900	3,929,300	0	3,929,300
TOTAL	\$8,937,500	\$10,025,000	\$9,932,400	\$0	\$9,932,400
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	8,937,500	10,025,000	9,932,400	0	9,932,400

Property Management Services

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

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	21	24	24	0	24
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	21	24	24	0	24
Payroll	\$1,925,600	\$2,539,100	\$2,539,100	\$0	\$2,539,100
Operational	78,880,800	87,248,400	93,443,900	0	93,443,900
TOTAL	\$80,806,400	\$89,787,500	\$95,983,000	\$0	\$95,983,000
State Appropriations	\$1,067,100	\$2,190,000	\$1,673,200	\$0	\$1,673,200
Federal	0	0	0	0	0
Other	79,739,300	87,597,500	94,309,800	0	94,309,800

<u>Actual 2024-2025</u>	<u>Estimated 2025-2026</u>	<u>Base 2026-2027</u>	<u>Cost Increase 2026-2027</u>	<u>Recommended 2026-2027</u>

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	118	119	119	0	119
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	118	119	119	0	119
Payroll	\$14,830,500	\$16,412,500	\$16,412,500	\$0	\$16,412,500
Operational	9,483,100	8,999,900	8,801,800	0	8,801,800
TOTAL	\$24,313,600	\$25,412,400	\$25,214,300	\$0	\$25,214,300
State Appropriations	\$8,059,800	\$8,628,400	\$8,582,300	\$0	\$8,582,300
Federal	0	0	0	0	0
Other	16,253,800	16,784,000	16,632,000	0	16,632,000

321.20 Capital Projects Programming

Capital Projects Programming provides for consultative work associated with the development of scopes, schedules, and budgets for all general government projects.

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	6,676,300	1,086,600	1,086,600	0	1,086,600
TOTAL	\$6,676,300	\$1,086,600	\$1,086,600	\$0	\$1,086,600
State Appropriations	\$1,086,200	\$1,086,600	\$1,086,600	\$0	\$1,086,600
Federal	0	0	0	0	0
Other	5,590,100	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

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
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	34	34	34	0	34
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	34	34	34	0	34
Payroll	\$2,363,900	\$2,613,100	\$2,613,100	\$0	\$2,613,100
Operational	20,877,500	16,155,400	15,971,100	0	15,971,100
TOTAL	\$23,241,400	\$18,768,500	\$18,584,200	\$0	\$18,584,200
State Appropriations	\$0	\$83,000	\$82,200	\$0	\$82,200
Federal	0	0	0	0	0
Other	23,241,400	18,685,500	18,502,000	0	18,502,000

321.09 Printing and Media Services

Printing and Media Services produces a full range of centralized graphic design, photography, printing, copying, and binding services for state and local governments. Other services include design of files for the web, layout consultation, and development of document specifications.

Full-Time Positions	53	55	64	0	64
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	53	55	64	0	64
Payroll	\$3,181,900	\$5,018,900	\$5,810,100	\$0	\$5,810,100
Operational	5,018,100	4,160,900	4,635,900	50,000	4,685,900
TOTAL	\$8,200,000	\$9,179,800	\$10,446,000	\$50,000	\$10,496,000
State Appropriations	\$0	\$1,106,900	\$1,117,400	\$50,000	\$1,167,400
Federal	0	0	0	0	0
Other	8,200,000	8,072,900	9,328,600	0	9,328,600

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	86	86	86	0	86
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	86	86	86	0	86
Payroll	\$9,307,500	\$11,074,000	\$11,074,000	\$0	\$11,074,000
Operational	3,284,100	3,888,600	3,801,300	0	3,801,300
TOTAL	\$12,591,600	\$14,962,600	\$14,875,300	\$0	\$14,875,300
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	12,591,600	14,962,600	14,875,300	0	14,875,300

321.18 Surplus Operations

Surplus Operations handles the sale of the state's surplus property and the distribution of state and federal surplus property to authorized governmental agencies, nonprofits, educational agencies, law enforcement agencies, and the general public within Tennessee.

Full-Time Positions	27	27	18	0	18
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	27	27	18	0	18
Payroll	\$1,725,700	\$2,371,300	\$1,580,100	\$0	\$1,580,100
Operational	4,297,900	2,997,900	2,430,700	0	2,430,700
TOTAL	\$6,023,600	\$5,369,200	\$4,010,800	\$0	\$4,010,800
State Appropriations	\$10,000	\$10,000	\$0	\$0	\$0
Federal	2,326,900	0	0	0	0
Other	3,686,700	5,359,200	4,010,800	0	4,010,800

<u>Actual 2024-2025</u>	<u>Estimated 2025-2026</u>	<u>Base 2026-2027</u>	<u>Cost Increase 2026-2027</u>	<u>Recommended 2026-2027</u>

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	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	14,600,000	15,954,000	14,454,000	0	14,454,000
TOTAL	\$14,600,000	\$15,954,000	\$14,454,000	\$0	\$14,454,000
State Appropriations	\$14,600,000	\$15,954,000	\$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.

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	692,300	1,159,800	1,160,600	0	1,160,600
TOTAL	\$692,300	\$1,159,800	\$1,160,600	\$0	\$1,160,600
State Appropriations	\$397,900	\$1,052,800	\$1,053,500	\$0	\$1,053,500
Federal	0	0	0	0	0
Other	294,400	107,000	107,100	0	107,100

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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. 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
Payroll	\$438,100	\$757,900	\$757,900	\$0	\$757,900
Operational	2,102,300	9,655,900	9,655,900	0	9,655,900
TOTAL	\$2,540,400	\$10,413,800	\$10,413,800	\$0	\$10,413,800
State Appropriations	\$0	\$2,500,000	\$1,000,000	\$0	\$1,000,000
Federal	0	0	0	0	0
Other	2,540,400	7,913,800	9,413,800	0	9,413,800

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	8	8	7	15
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	2	8	8	7	15
Payroll	\$361,900	\$1,709,500	\$1,709,500	\$838,600	\$2,548,100
Operational	28,900	1,274,100	731,400	0	731,400
TOTAL	\$390,800	\$2,983,600	\$2,440,900	\$838,600	\$3,279,500
State Appropriations	\$389,400	\$2,983,600	\$2,440,900	\$838,600	\$3,279,500
Federal	0	0	0	0	0
Other	1,400	0	0	0	0

321.00 Total Department of General Services

Full-Time Positions	384	396	396	7	403
Part-Time Positions	7	7	7	0	7
Seasonal Positions	0	0	0	0	0
TOTAL	391	403	403	7	410
Payroll	\$39,602,600	\$48,499,400	\$48,499,400	\$838,600	\$49,338,000
Operational	149,411,300	196,794,500	200,293,600	50,000	200,343,600
TOTAL	\$189,013,900	\$245,293,900	\$248,793,000	\$888,600	\$249,681,600

Department of General Services

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
State Appropriations	\$25,610,400	\$75,786,400	\$71,681,200	\$888,600	\$72,569,800
Federal	2,326,900	0	0	0	0
Other	161,076,600	169,507,500	177,111,800	0	177,111,800

Department of Veterans Services

The Department of Veterans Services serves Tennessee's approximately one-half million veterans, dependents, and survivors. Through a statewide power of attorney system, the department serves as an advocate, ensuring that veterans of the state receive quality care, support, and maximum earned entitlements. The department also operates and maintains the state's five veterans cemeteries, located within each grand division. In addition to these duties, the department participates in programs that increase public awareness of the services and sacrifices made by veterans.

Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	73	73	0	73
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	71	73	73	0	73
Payroll	\$7,014,500	\$7,633,900	\$7,633,900	\$0	\$7,633,900
Operational	2,821,400	2,186,300	1,846,000	0	1,846,000
TOTAL	\$9,835,900	\$9,820,200	\$9,479,900	\$0	\$9,479,900
State Appropriations	\$9,834,600	\$9,820,200	\$9,479,900	\$0	\$9,479,900
Federal	0	0	0	0	0
Other	1,300	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	57	57	57	0	57
Part-Time Positions	4	4	4	0	4
Seasonal Positions	0	0	0	0	0
TOTAL	61	61	61	0	61
Payroll	\$3,715,300	\$4,119,000	\$4,119,000	\$0	\$4,119,000
Operational	8,101,100	2,092,200	1,652,400	0	1,652,400
TOTAL	\$11,816,400	\$6,211,200	\$5,771,400	\$0	\$5,771,400
State Appropriations	\$3,698,900	\$4,677,900	\$4,232,000	\$0	\$4,232,000
Federal	8,111,200	1,533,300	1,539,400	0	1,539,400
Other	6,300	0	0	0	0

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
323.00 Total Department of Veterans Services					
Full-Time Positions	128	130	130	0	130
Part-Time Positions	4	4	4	0	4
Seasonal Positions	0	0	0	0	0
TOTAL	132	134	134	0	134
Payroll	\$10,729,800	\$11,752,900	\$11,752,900	\$0	\$11,752,900
Operational	10,922,500	4,278,500	3,498,400	0	3,498,400
TOTAL	\$21,652,300	\$16,031,400	\$15,251,300	\$0	\$15,251,300
State Appropriations	\$13,533,500	\$14,498,100	\$13,711,900	\$0	\$13,711,900
Federal	8,111,200	1,533,300	1,539,400	0	1,539,400
Other	7,600	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 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	92	96	96	0	96
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	92	96	96	0	96
Payroll	\$12,957,700	\$14,829,700	\$14,829,700	\$0	\$14,829,700
Operational	6,746,200	10,611,900	10,180,400	0	10,180,400
TOTAL	\$19,703,900	\$25,441,600	\$25,010,100	\$0	\$25,010,100
State Appropriations	\$634,700	\$11,492,700	\$11,061,200	\$0	\$11,061,200
Federal	25,700	0	0	0	0
Other	19,043,500	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	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	\$831,700	\$1,362,900	\$1,362,900	\$0	\$1,362,900
Operational	11,672,800	14,909,100	14,909,300	0	14,909,300
TOTAL	\$12,504,500	\$16,272,000	\$16,272,200	\$0	\$16,272,200
State Appropriations	\$12,504,500	\$16,272,000	\$16,272,200	\$0	\$16,272,200
Federal	0	0	0	0	0
Other	0	0	0	0	0

<u>Actual 2024-2025</u>	<u>Estimated 2025-2026</u>	<u>Base 2026-2027</u>	<u>Cost Increase 2026-2027</u>	<u>Recommended 2026-2027</u>

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	147	149	149	0	149
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	147	149	149	0	149
Payroll	\$11,013,900	\$12,214,300	\$12,214,300	\$0	\$12,214,300
Operational	3,466,600	5,375,900	5,378,800	0	5,378,800
TOTAL	\$14,480,500	\$17,590,200	\$17,593,100	\$0	\$17,593,100
State Appropriations	\$11,554,300	\$15,919,000	\$15,921,900	\$0	\$15,921,900
Federal	0	0	0	0	0
Other	2,926,200	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	60	60	60	0	60
Part-Time Positions	4	4	4	0	4
Seasonal Positions	0	0	0	0	0
TOTAL	64	64	64	0	64
Payroll	\$4,674,300	\$5,737,400	\$5,737,400	\$0	\$5,737,400
Operational	1,753,400	2,209,000	2,110,600	0	2,110,600
TOTAL	\$6,427,700	\$7,946,400	\$7,848,000	\$0	\$7,848,000
State Appropriations	\$689,900	\$4,651,700	\$4,553,300	\$0	\$4,553,300
Federal	0	0	0	0	0
Other	5,737,800	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

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
Payroll	\$6,107,500	\$7,213,700	\$7,213,700	\$0	\$7,213,700
Operational	19,404,800	23,061,400	23,055,300	2,600,000	25,655,300
TOTAL	\$25,512,300	\$30,275,100	\$30,269,000	\$2,600,000	\$32,869,000
State Appropriations	\$17,979,800	\$26,729,700	\$26,723,600	\$0	\$26,723,600
Federal	0	0	0	0	0
Other	7,532,500	3,545,400	3,545,400	2,600,000	6,145,400

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	5,227,900	2,500,000	2,500,000	0	2,500,000
TOTAL	\$5,227,900	\$2,500,000	\$2,500,000	\$0	\$2,500,000
State Appropriations	\$5,227,900	\$2,500,000	\$2,500,000	\$0	\$2,500,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

347.22 Computerized Title and Registration System

The Computerized Title and Registration System division's primary mission is to improve the processing of titling and registration transactions from customer contact through point-of-sale, inventory, financial reporting, and balancing with the Department of Revenue and the State of Tennessee county clerks.

Full-Time 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	\$83,200	\$111,500	\$111,500	\$0	\$111,500
Operational	5,789,500	6,995,600	6,995,600	0	6,995,600
TOTAL	\$5,872,700	\$7,107,100	\$7,107,100	\$0	\$7,107,100
State Appropriations	\$4,802,500	\$7,107,100	\$7,107,100	\$0	\$7,107,100
Federal	0	0	0	0	0
Other	1,070,200	0	0	0	0

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	\$1,075,300	\$1,191,100	\$1,191,100	\$0	\$1,191,100
Operational	1,845,200	2,253,000	2,253,300	0	2,253,300
TOTAL	\$2,920,500	\$3,444,100	\$3,444,400	\$0	\$3,444,400
State Appropriations	\$1,311,700	\$3,444,100	\$3,444,400	\$0	\$3,444,400
Federal	0	0	0	0	0
Other	1,608,800	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	\$10,452,200	\$11,410,600	\$11,410,600	\$0	\$11,410,600
Operational	1,410,700	1,949,000	1,952,300	0	1,952,300
TOTAL	\$11,862,900	\$13,359,600	\$13,362,900	\$0	\$13,362,900
State Appropriations	\$5,835,300	\$9,989,700	\$9,993,000	\$0	\$9,993,000
Federal	0	0	0	0	0
Other	6,027,600	3,369,900	3,369,900	0	3,369,900

Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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, as well as several out-of-state post-of-duty stations.

Full-Time Positions	329	330	330	0	330
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	329	330	330	0	330
Payroll	\$35,970,600	\$40,298,300	\$40,298,300	\$0	\$40,298,300
Operational	3,686,300	5,494,000	4,926,500	0	4,926,500
TOTAL	\$39,656,900	\$45,792,300	\$45,224,800	\$0	\$45,224,800
State Appropriations	\$19,751,400	\$33,765,600	\$33,198,100	\$0	\$33,198,100
Federal	10,600	20,900	20,900	0	20,900
Other	19,894,900	12,005,800	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	23	23	0	23
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	21	23	23	0	23
Payroll	\$1,830,700	\$2,394,100	\$2,394,100	\$0	\$2,394,100
Operational	623,600	510,900	512,900	0	512,900
TOTAL	\$2,454,300	\$2,905,000	\$2,907,000	\$0	\$2,907,000
State Appropriations	\$2,454,300	\$2,905,000	\$2,907,000	\$0	\$2,907,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	11,300	250,000	250,000	0	250,000
TOTAL	\$11,300	\$250,000	\$250,000	\$0	\$250,000
State Appropriations	\$11,300	\$250,000	\$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	890	890	0	890
Part-Time Positions	4	4	4	0	4
Seasonal Positions	0	0	0	0	0
TOTAL	885	894	894	0	894
Payroll	\$84,997,100	\$96,763,600	\$96,763,600	\$0	\$96,763,600
Operational	61,638,300	76,119,800	75,025,000	2,600,000	77,625,000
TOTAL	\$146,635,400	\$172,883,400	\$171,788,600	\$2,600,000	\$174,388,600
State Appropriations	\$82,757,600	\$135,026,600	\$133,931,800	\$0	\$133,931,800
Federal	36,300	20,900	20,900	0	20,900
Other	63,841,500	37,835,900	37,835,900	2,600,000	40,435,900

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 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
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	\$20,119,200	\$0	\$0	\$0	\$0
Operational	137,200,100	630,075,040	259,824,700	375,410,900	635,235,600
TOTAL	\$157,319,300	\$630,075,040	\$259,824,700	\$375,410,900	\$635,235,600
State Appropriations	\$121,289,100	\$630,075,040	\$259,824,700	\$375,410,900	\$635,235,600
Federal	0	0	0	0	0
Other	36,030,200	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 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
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	\$52,177,800	\$4,460,000	\$0	\$0	\$0
Operational	0	0	0	0	0
TOTAL	\$52,177,800	\$4,460,000	\$0	\$0	\$0
State Appropriations	\$52,177,800	\$4,460,000	\$0	\$0	\$0
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 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
353.00 Emergency and Contingency 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	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 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
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 2026-2027

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 State Treasurer for the construction and maintenance of public school buildings 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

	Actual 2024-2025	Estimated 2025-2026	Recommended 2026-2027
Full-Time Positions	1,166	1,177	1,171
Part-Time Positions	36	36	36
Full-Time Administrative	1,404	1,556	1,556
Professional	8,348	8,851	8,851
Faculty	10,700	10,812	10,812
Clerical Support	8,121	8,180	8,180
TOTAL	29,775	30,612	30,606
Payroll	\$127,841,200	\$148,024,900	\$148,301,700
Operational	15,629,455,300	16,028,060,800	15,953,835,600
TOTAL	\$15,757,296,500	\$16,176,085,700	\$16,102,137,300
State Appropriations	\$9,982,250,900	\$10,751,783,500	\$10,885,303,500
Federal	1,859,514,500	1,517,843,000	1,485,339,100
Other	1,552,416,100	1,423,546,700	1,248,582,200
Tuition and Fees	2,363,115,000	2,482,912,500	2,482,912,500

Education

Recommended Budget for Fiscal Year 2026-2027

By Funding Source

Department	State	Federal	Other	Total
316.15 Sports Wagering Council	\$6,955,200	\$0	\$0	\$6,955,200
331.00 Education (K-12)	7,926,060,000	1,393,539,600	134,889,800	9,454,489,400
332.00 Higher Education - State Administered Programs	617,671,600	5,951,500	25,788,300	649,411,400
332.10 University of Tennessee System	969,901,100	65,201,900	1,853,571,500*	2,888,674,500
332.60 State University and Community College System	599,403,200	1,292,800	479,225,200*	1,079,921,200
332.70 Austin Peay State University	78,179,300	1,000,000	126,181,000*	205,360,300
332.72 East Tennessee State University	175,848,500	4,220,000	279,805,300*	459,873,800
332.74 University of Memphis	191,383,000	5,780,500	330,753,800*	527,917,300
332.75 Middle Tennessee State University	152,220,200	1,150,000	275,066,000*	428,436,200
332.77 Tennessee State University	71,245,700	4,500,000	70,712,000*	146,457,700
332.78 Tennessee Technological University	96,435,700	2,702,800	155,501,800*	254,640,300
TOTAL	\$10,885,303,500	\$1,485,339,100	\$3,731,494,700	\$16,102,137,300

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

Education

Cost Increases for Fiscal Year 2026-2027

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Sports Wagering Council					
● Positions					
To establish four positions for the council to support increased regulatory responsibilities. Funding for these positions will be reallocated from the council's operational budget.					
316.15 Sports Wagering Council	\$0	\$0	\$0	\$0	4
Subtotal	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>4</u>
Total Sports Wagering Council	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>4</u>

Education (K-12)

- Administration Legislation - Education Freedom Scholarship (EFS) Expansion**
 To provide recurring funding for administration legislation relative to the expansion of the EFS program. This legislation funds 15,000 additional scholarships.

331.59 Education Freedom Scholarship Program	\$112,950,000	\$0	\$0	\$112,950,000	0
Subtotal	<u>\$112,950,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$112,950,000</u>	<u>0</u>
- EFS - Inflation**
 To provide recurring funding for inflationary costs in the EFS program. This item also funds an additional 5,000 scholarships, pursuant to TCA 49-6-3504(b)(1).

331.59 Education Freedom Scholarship Program	\$42,350,000	\$0	\$0	\$42,350,000	0
Subtotal	<u>\$42,350,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$42,350,000</u>	<u>0</u>
- Tennessee Investment in Student Achievement (TISA)**
 To provide recurring funding for TISA formula growth and inflationary costs.

331.25 Tennessee Investment in Student Achievement	\$170,000,000	\$0	\$0	\$170,000,000	0
Subtotal	<u>\$170,000,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$170,000,000</u>	<u>0</u>
- 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)	\$5,000,000	\$0	\$0	\$5,000,000	0
Subtotal	<u>\$5,000,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$5,000,000</u>	<u>0</u>

Education

Cost Increases for Fiscal Year 2026-2027

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Paid Parental Leave					
To provide recurring funding to reimburse Local Education Agencies (LEAs) for paid parental leave for eligible licensed employees.					
331.02 Grants-In-Aid	\$2,610,400	\$0	\$0	\$2,610,400	0
Subtotal	<u>\$2,610,400</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,610,400</u>	<u>0</u>
• Charter School Facilities Fund					
To provide non-recurring funding for the Charter School Facilities Fund.					
331.02 Grants-In-Aid	\$40,000,000	\$0	\$0	\$40,000,000	0
Subtotal	<u>\$40,000,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$40,000,000</u>	<u>0</u>
• Public Charter School Commission					
To provide recurring funding for the expansion of new and existing charter schools authorized by the Charter School Commission. The source of the dedicated funding is the charter authorizer fee.					
331.56 Charter School Commission	\$816,200	\$0	\$21,230,300	\$22,046,500	0
Subtotal	<u>\$816,200</u>	<u>\$0</u>	<u>\$21,230,300</u>	<u>\$22,046,500</u>	<u>0</u>
• School Turnaround Program					
To provide recurring funding for growth in the School Turnaround Program, mandated by 2025 Public Chapter 525.					
331.03 ESSA and Federal Programs	\$484,500	\$0	\$0	\$484,500	0
Subtotal	<u>\$484,500</u>	<u>\$0</u>	<u>\$0</u>	<u>\$484,500</u>	<u>0</u>
• Information Technology Operational Funding					
To provide recurring funding to sustain the department's technology environment and systems.					
331.04 Technology, Infrastructure, and Support Systems	\$2,800,000	\$0	\$0	\$2,800,000	0
Subtotal	<u>\$2,800,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,800,000</u>	<u>0</u>
• Legislation - Artificial Intelligence Training					
To provide funding for legislation relative to the implementation of a professional development course on the use of artificial intelligence in the classroom. Of this total cost, \$45,000 is recurring and \$165,000 is non-recurring.					
331.05 Academic Offices	\$210,000	\$0	\$0	\$210,000	0
Subtotal	<u>\$210,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$210,000</u>	<u>0</u>
• Jobs for TN Graduates Grant					
To provide recurring funding for a grant to Jobs for TN Graduates.					
331.02 Grants-In-Aid	\$1,000,000	\$0	\$0	\$1,000,000	0
Subtotal	<u>\$1,000,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,000,000</u>	<u>0</u>

Education

Cost Increases for Fiscal Year 2026-2027

	State	Federal	Other	Total	Positions
● Appalachia Sessions Live Grant					
To provide non-recurring funding for a grant to Appalachia Sessions Live.					
331.02 Grants-In-Aid	\$500,000	\$0	\$0	\$500,000	0
Subtotal	\$500,000	\$0	\$0	\$500,000	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	\$121,000	\$0	\$0	\$121,000	0
331.91 Tennessee School for the Blind	187,200	0	0	187,200	0
331.92 Tennessee School for the Deaf	345,400	0	0	345,400	0
331.93 West Tennessee School for the Deaf	40,100	0	0	40,100	0
Subtotal	\$693,700	\$0	\$0	\$693,700	0
Total Education (K-12)	\$379,414,800	\$0	\$21,230,300	\$400,645,100	0

Higher Education - State Administered Programs

● Tennessee Higher Education Commission (THEC) - Non-Formula Unit - Salary Pool and Operational Costs					
To provide recurring funding for a salary pool for higher education employees and recognize increased operational costs.					
332.08 Centers of Excellence	\$278,200	\$0	\$0	\$278,200	0
332.11 Campus Centers of Emphasis	18,500	0	0	18,500	0
Subtotal	\$296,700	\$0	\$0	\$296,700	0
● Correction Education Initiatives (CEI) - Correction Education Coordinator					
To provide recurring funding and to establish one position to support the establishment of a Correction Education Initiative Office within THEC. The newly established office will anchor cross-sector collaboration in a permanent structure dedicated to ongoing innovation, quality assurance, and student-centered support.					
332.01 Tennessee Higher Education Commission	\$250,000	\$0	\$0	\$250,000	1
Subtotal	\$250,000	\$0	\$0	\$250,000	1
● Nuclear Workforce Funding					
To provide non-recurring funding for grants to higher education institutions to support workforce training initiatives with a focus on nuclear energy development.					
332.09 THEC Grants	\$10,000,000	\$0	\$0	\$10,000,000	0
Subtotal	\$10,000,000	\$0	\$0	\$10,000,000	0

Education

Cost Increases for Fiscal Year 2026-2027

	State	Federal	Other	Total	Positions
● Reconnect Re-Entry Navigator Program					
To provide recurring funding to support expansion of the Reconnect Re-Entry Navigator program.					
332.09 THEC Grants	\$1,990,000	\$0	\$0	\$1,990,000	0
Subtotal	\$1,990,000	\$0	\$0	\$1,990,000	0
● 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.					
332.09 THEC Grants	\$0	\$0	\$13,750,000	\$13,750,000	0
Subtotal	\$0	\$0	\$13,750,000	\$13,750,000	0
Total Higher Education - State Administered Programs	\$12,536,700	\$0	\$13,750,000	\$26,286,700	1

University of Tennessee System

● UT System - Salary Pool and Institutional Outcomes					
To provide recurring funding associated with a salary pool for higher education employees and greater institutional outcomes.					
332.40 UT Chattanooga	\$1,984,900	\$0	\$0	\$1,984,900	0
332.42 UT Knoxville	9,015,000	0	0	9,015,000	0
332.44 UT Martin	1,104,200	0	0	1,104,200	0
332.46 UT Southern	202,100	0	0	202,100	0
Subtotal	\$12,306,200	\$0	\$0	\$12,306,200	0
● UT System - Non-Formula Unit - Salary Pool and Operational Costs					
To provide recurring funding for a salary pool for higher education employees and recognize increased operational costs.					
332.10 UT University-Wide Administration	\$35,300	\$0	\$0	\$35,300	0
332.14 Tennessee Foreign Language Center	8,300	0	0	8,300	0
332.15 UT Institute for Public Service	67,500	0	0	67,500	0
332.16 UT Municipal Technical Advisory Service	51,700	0	0	51,700	0
332.17 UT County Technical Assistance Service	45,200	0	0	45,200	0
332.23 UT Space Institute	137,400	0	0	137,400	0
332.25 UT Agricultural Experiment Station	366,700	0	0	366,700	0
332.26 UT Agricultural Extension Service	557,400	0	0	557,400	0

Education

Cost Increases for Fiscal Year 2026-2027

	State	Federal	Other	Total	Positions
332.28 UT Veterinary Medicine	377,100	0	0	377,100	0
332.30 UT Health Science Center	2,195,300	0	0	2,195,300	0
Subtotal	\$3,841,900	\$0	\$0	\$3,841,900	0

- **UT System Group Health Insurance - January 1, 2027 Rate Increase**

To provide recurring funding for the state share of a 12.3 percent group health insurance premium increase on January 1, 2027. This is funded for six months in the Recommended Budget.

332.10 UT University-Wide Administration	\$271,300	\$0	\$0	\$271,300	0
332.14 Tennessee Foreign Language Center	16,800	0	0	16,800	0
332.15 UT Institute for Public Service	76,500	0	0	76,500	0
332.16 UT Municipal Technical Advisory Service	39,200	0	0	39,200	0
332.17 UT County Technical Assistance Service	36,300	0	0	36,300	0
332.23 UT Space Institute	52,700	0	0	52,700	0
332.25 UT Agricultural Experiment Station	349,800	0	0	349,800	0
332.26 UT Agricultural Extension Service	654,000	0	0	654,000	0
332.28 UT Veterinary Medicine	345,900	0	0	345,900	0
332.30 UT Health Science Center	2,175,400	0	0	2,175,400	0
332.40 UT Chattanooga	1,051,000	0	0	1,051,000	0
332.42 UT Knoxville	3,923,400	0	0	3,923,400	0
332.44 UT Martin	613,600	0	0	613,600	0
332.46 UT Southern	86,800	0	0	86,800	0
Subtotal	\$9,692,700	\$0	\$0	\$9,692,700	0

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

To provide recurring funding to annualize the state share of a 5.7 percent group health insurance premium increase on January 1, 2026.

332.10 UT University-Wide Administration	\$118,600	\$0	\$0	\$118,600	0
332.14 Tennessee Foreign Language Center	7,100	0	0	7,100	0
332.15 UT Institute for Public Service	31,400	0	0	31,400	0

Education

Cost Increases for Fiscal Year 2026-2027

	State	Federal	Other	Total	Positions
332.16 UT Municipal Technical Advisory Service	19,000	0	0	19,000	0
332.17 UT County Technical Assistance Service	15,800	0	0	15,800	0
332.23 UT Space Institute	21,600	0	0	21,600	0
332.25 UT Agricultural Experiment Station	153,000	0	0	153,000	0
332.26 UT Agricultural Extension Service	283,200	0	0	283,200	0
332.28 UT Veterinary Medicine	151,900	0	0	151,900	0
332.30 UT Health Science Center	949,000	0	0	949,000	0
332.40 UT Chattanooga	456,200	0	0	456,200	0
332.42 UT Knoxville	1,656,900	0	0	1,656,900	0
332.44 UT Martin	262,700	0	0	262,700	0
332.46 UT Southern	33,500	0	0	33,500	0
Subtotal	\$4,159,900	\$0	\$0	\$4,159,900	0
Total University of Tennessee System	\$30,000,700	\$0	\$0	\$30,000,700	0

State University and Community College System

- Tennessee Board of Regents (TBR) - Salary Pool and Institutional Outcomes**

To provide recurring funding associated with a salary pool for higher education employees and greater institutional outcomes.

332.89 Tennessee Community Colleges	\$9,532,100	\$0	\$0	\$9,532,100	0
332.98 Tennessee Colleges of Applied Technology	2,486,600	0	0	2,486,600	0
Subtotal	\$12,018,700	\$0	\$0	\$12,018,700	0

- Correction Education Initiatives (CEI) - Mobile Training Labs**

To provide non-recurring funding to support the equipment and rotation of three mobile technical training labs to prisons with limited instructional space to expand high-wage credential offerings.

332.60 Tennessee Board of Regents	\$2,250,000	\$0	\$0	\$2,250,000	0
Subtotal	\$2,250,000	\$0	\$0	\$2,250,000	0

Education

Cost Increases for Fiscal Year 2026-2027

	State	Federal	Other	Total	Positions
• CEI Initiatives - Apprenticeship Pilots					
To provide non-recurring funding to develop and launch in-prison apprenticeship programs aligned with high-demand occupations.					
332.60 Tennessee Board of Regents	\$1,000,000	\$0	\$0	\$1,000,000	0
Subtotal	\$1,000,000	\$0	\$0	\$1,000,000	0
• TBR - Non-Formula Unit - Salary Pool and Operational Costs					
To provide recurring funding for a salary pool for higher education employees and recognize increased operational costs.					
332.60 Tennessee Board of Regents	\$245,000	\$0	\$0	\$245,000	0
Subtotal	\$245,000	\$0	\$0	\$245,000	0
• TBR Health Insurance - January 1, 2027 Rate Increase					
To provide recurring funding for the state share of a 12.3 percent group health insurance premium increase on January 1, 2027. This is funded for six months in the Recommended Budget.					
332.60 Tennessee Board of Regents	\$208,600	\$0	\$0	\$208,600	0
332.89 Tennessee Community Colleges	3,438,500	0	0	3,438,500	0
332.98 Tennessee Colleges of Applied Technology	961,100	0	0	961,100	0
Subtotal	\$4,608,200	\$0	\$0	\$4,608,200	0
• TBR - Annualize January 1, 2026 Rate Increase					
To provide recurring funding to annualize the state share of a 5.7 percent group health insurance premium increase on January 1, 2026.					
332.60 Tennessee Board of Regents	\$86,900	\$0	\$0	\$86,900	0
332.89 Tennessee Community Colleges	1,501,200	0	0	1,501,200	0
332.98 Tennessee Colleges of Applied Technology	410,800	0	0	410,800	0
Subtotal	\$1,998,900	\$0	\$0	\$1,998,900	0
Total State University and Community College System	\$22,120,800	\$0	\$0	\$22,120,800	0

Education

Cost Increases for Fiscal Year 2026-2027

	State	Federal	Other	Total	Positions
Austin Peay State University					
● Austin Peay State University - Salary Pool and Institutional Outcomes					
To provide recurring funding associated with a salary pool for higher education employees and greater institutional outcomes.					
332.70 Austin Peay State University	\$1,767,700	\$0	\$0	\$1,767,700	0
Subtotal	\$1,767,700	\$0	\$0	\$1,767,700	0
● Austin Peay State University Health Insurance - January 1, 2027 Rate Increase					
To provide recurring funding for the state share of a 12.3 percent group health insurance premium increase on January 1, 2027. This is funded for six months in the Recommended Budget.					
332.70 Austin Peay State University	\$767,900	\$0	\$0	\$767,900	0
Subtotal	\$767,900	\$0	\$0	\$767,900	0
● Austin Peay State University - Annualize January 1, 2026 Rate Increase					
To provide recurring funding to annualize the state share of a 5.7 percent group health insurance premium increase on January 1, 2026.					
332.70 Austin Peay State University	\$337,300	\$0	\$0	\$337,300	0
Subtotal	\$337,300	\$0	\$0	\$337,300	0
Total Austin Peay State University	\$2,872,900	\$0	\$0	\$2,872,900	0

East Tennessee State University

● East Tennessee State University (ETSU) - Salary Pool and Institutional Outcomes					
To provide recurring funding associated with a salary pool for higher education employees and greater institutional outcomes.					
332.72 East Tennessee State University	\$2,380,800	\$0	\$0	\$2,380,800	0
Subtotal	\$2,380,800	\$0	\$0	\$2,380,800	0
● ETSU - Non-Formula Unit - Salary Pool and Operational Costs					
To provide recurring funding for a salary pool for higher education employees and recognize increased operational costs.					
332.65 ETSU Health	\$751,400	\$0	\$0	\$751,400	0
Subtotal	\$751,400	\$0	\$0	\$751,400	0
● ETSU Health Insurance - January 1, 2027 Rate Increase					
To provide recurring funding for the state share of a 12.3 percent group health insurance premium increase on January 1, 2027. This is funded for six months in the Recommended Budget.					
332.65 ETSU Health	\$408,300	\$0	\$0	\$408,300	0

Education

Cost Increases for Fiscal Year 2026-2027

	State	Federal	Other	Total	Positions
332.72 East Tennessee State University	1,400,900	0	0	1,400,900	0
Subtotal	<u>\$1,809,200</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,809,200</u>	<u>0</u>
• ETSU - Annualize January 1, 2026 Rate Increase					
To provide recurring funding to annualize the state share of a 5.7 percent group health insurance premium increase on January 1, 2026.					
332.65 ETSU Health	\$122,800	\$0	\$0	\$122,800	0
332.72 East Tennessee State University	649,000	0	0	649,000	0
Subtotal	<u>\$771,800</u>	<u>\$0</u>	<u>\$0</u>	<u>\$771,800</u>	<u>0</u>
Total East Tennessee State University	<u>\$5,713,200</u>	<u>\$0</u>	<u>\$0</u>	<u>\$5,713,200</u>	<u>0</u>

University of Memphis

• University of Memphis - Salary Pool and Institutional Outcomes

To provide recurring funding associated with a salary pool for higher education employees and greater institutional outcomes.

332.74 University of Memphis	\$4,332,000	\$0	\$0	\$4,332,000	0
Subtotal	<u>\$4,332,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$4,332,000</u>	<u>0</u>

• University of Memphis Health Insurance - January 1, 2027 Rate Increase

To provide recurring funding for the state share of a 12.3 percent group health insurance premium increase on January 1, 2027. This is funded for six months in the Recommended Budget.

332.74 University of Memphis	\$1,740,600	\$0	\$0	\$1,740,600	0
Subtotal	<u>\$1,740,600</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,740,600</u>	<u>0</u>

• University of Memphis - Annualize January 1, 2026 Rate Increase

To provide recurring funding to annualize the state share of a 5.7 percent group health insurance premium increase on January 1, 2026.

332.74 University of Memphis	\$763,900	\$0	\$0	\$763,900	0
Subtotal	<u>\$763,900</u>	<u>\$0</u>	<u>\$0</u>	<u>\$763,900</u>	<u>0</u>
Total University of Memphis	<u>\$6,836,500</u>	<u>\$0</u>	<u>\$0</u>	<u>\$6,836,500</u>	<u>0</u>

Education

Cost Increases for Fiscal Year 2026-2027

	State	Federal	Other	Total	Positions
Middle Tennessee State University					
● Middle Tennessee State University (MTSU) - Salary Pool and Institutional Outcomes					
To provide recurring funding associated with a salary pool for higher education employees and greater institutional outcomes.					
332.75 Middle Tennessee State University	\$3,436,400	\$0	\$0	\$3,436,400	0
Subtotal	\$3,436,400	\$0	\$0	\$3,436,400	0
● MTSU Health Insurance - January 1, 2027 Rate Increase					
To provide recurring funding for the state share of a 12.3 percent group health insurance premium increase on January 1, 2027. This is funded for six months in the Recommended Budget.					
332.75 Middle Tennessee State University	\$1,666,300	\$0	\$0	\$1,666,300	0
Subtotal	\$1,666,300	\$0	\$0	\$1,666,300	0
● MTSU - Annualize January 1, 2026 Rate Increase					
To provide recurring funding to annualize the state share of a 5.7 percent group health insurance premium increase on January 1, 2026.					
332.75 Middle Tennessee State University	\$724,100	\$0	\$0	\$724,100	0
Subtotal	\$724,100	\$0	\$0	\$724,100	0
Total Middle Tennessee State University	\$5,826,800	\$0	\$0	\$5,826,800	0

Tennessee State University

● Tennessee State University (TSU) - 1890 Land Grant Institutions Federal Match Funds					
To provide recurring funding to leverage federal dollars for food and agriculture grants to support research and extension activities.					
332.63 TSU Institute of Agricultural and Environmental Research	\$996,000	\$0	\$0	\$996,000	0
332.68 TSU McIntire-Stennis Forestry Research	4,000	0	0	4,000	0
Subtotal	\$1,000,000	\$0	\$0	\$1,000,000	0
● TSU - Salary Pool and Institutional Outcomes					
To provide recurring funding associated with a salary pool for higher education employees and greater institutional outcomes.					
332.77 Tennessee State University	\$1,263,100	\$0	\$0	\$1,263,100	0
Subtotal	\$1,263,100	\$0	\$0	\$1,263,100	0

Education

Cost Increases for Fiscal Year 2026-2027

	State	Federal	Other	Total	Positions
● TSU - Non-Formula Unit - Salary Pool and Operational Costs					
To provide recurring funding for a salary pool for higher education employees and recognize increased operational costs.					
332.62 TSU McMinnville Center	\$13,400	\$0	\$0	\$13,400	0
332.63 TSU Institute of Agricultural and Environmental Research	22,600	0	0	22,600	0
332.64 TSU Cooperative Education	87,100	0	0	87,100	0
332.68 TSU McIntire-Stennis Forestry Research	3,600	0	0	3,600	0
Subtotal	<u>\$126,700</u>	<u>\$0</u>	<u>\$0</u>	<u>\$126,700</u>	<u>0</u>
● TSU Health Insurance - January 1, 2027 Rate Increase					
To provide recurring funding for the state share of a 12.3 percent group health insurance premium increase on January 1, 2027. This is funded for six months in the Recommended Budget.					
332.77 Tennessee State University	\$661,600	\$0	\$0	\$661,600	0
Subtotal	<u>\$661,600</u>	<u>\$0</u>	<u>\$0</u>	<u>\$661,600</u>	<u>0</u>
● TSU - Annualize January 1, 2026 Rate Increase					
To provide recurring funding to annualize the state share of a 5.7 percent group health insurance premium increase on January 1, 2026.					
332.77 Tennessee State University	\$296,100	\$0	\$0	\$296,100	0
Subtotal	<u>\$296,100</u>	<u>\$0</u>	<u>\$0</u>	<u>\$296,100</u>	<u>0</u>
Total Tennessee State University	<u>\$3,347,500</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,347,500</u>	<u>0</u>

Tennessee Technological University

● Governor's Academies for Next-Gen Nuclear and Cyber Technologies					
To provide non-recurring funding to establish nuclear energy and cybersecurity technology academies at Tennessee Technological University.					
332.78 Tennessee Technological University	\$3,000,000	\$0	\$0	\$3,000,000	0
Subtotal	<u>\$3,000,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,000,000</u>	<u>0</u>

Education

Cost Increases for Fiscal Year 2026-2027

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
● Tennessee Technological University - Salary Pool and Institutional Outcomes					
To provide recurring funding associated with a salary pool for higher education employees and greater institutional outcomes.					
332.78 Tennessee Technological University	\$1,895,100	\$0	\$0	\$1,895,100	0
Subtotal	<u>\$1,895,100</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,895,100</u>	<u>0</u>
● Tennessee Technological University Health Insurance - January 1, 2027 Rate Increase					
To provide recurring funding for the state share of a 12.3 percent group health insurance premium increase on January 1, 2027. This is funded for six months in the Recommended Budget.					
332.78 Tennessee Technological University	\$909,400	\$0	\$0	\$909,400	0
Subtotal	<u>\$909,400</u>	<u>\$0</u>	<u>\$0</u>	<u>\$909,400</u>	<u>0</u>
● Tennessee Technological University - Annualize January 1, 2026 Rate Increase					
To provide recurring funding to annualize the state share of a 5.7 percent group health insurance premium increase on January 1, 2026.					
332.78 Tennessee Technological University	\$396,900	\$0	\$0	\$396,900	0
Subtotal	<u>\$396,900</u>	<u>\$0</u>	<u>\$0</u>	<u>\$396,900</u>	<u>0</u>
Total Tennessee Technological University	<u>\$6,201,400</u>	<u>\$0</u>	<u>\$0</u>	<u>\$6,201,400</u>	<u>0</u>
Total Education	<u>\$474,871,300</u>	<u>\$0</u>	<u>\$34,980,300</u>	<u>\$509,851,600</u>	<u>5</u>

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.

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
Full-Time Positions	20	20	20	4	24
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	20	20	20	4	24
Payroll	\$3,898,700	\$4,760,800	\$5,599,800	\$0	\$5,599,800
Operational	581,900	2,192,700	1,355,400	0	1,355,400
TOTAL	\$4,480,600	\$6,953,500	\$6,955,200	\$0	\$6,955,200
State Appropriations	\$4,473,400	\$6,953,500	\$6,955,200	\$0	\$6,955,200
Federal	0	0	0	0	0
Other	7,200	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 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	83	83	83	0	83
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	83	83	83	0	83
Payroll	\$11,234,100	\$12,126,400	\$12,126,400	\$0	\$12,126,400
Operational	26,778,300	24,429,100	4,420,600	0	4,420,600
TOTAL	\$38,012,400	\$36,555,500	\$16,547,000	\$0	\$16,547,000
State Appropriations	\$26,244,600	\$33,329,500	\$13,321,000	\$0	\$13,321,000
Federal	3,165,900	3,168,000	3,168,000	0	3,168,000
Other	8,601,900	58,000	58,000	0	58,000

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	\$2,727,900	\$2,906,500	\$2,906,500	\$0	\$2,906,500
Operational	563,300	602,700	569,800	0	569,800
TOTAL	\$3,291,200	\$3,509,200	\$3,476,300	\$0	\$3,476,300
State Appropriations	\$3,208,000	\$3,509,200	\$3,476,300	\$0	\$3,476,300
Federal	0	0	0	0	0
Other	83,200	0	0	0	0

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	19	23	23	0	23
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	19	23	23	0	23
Payroll	\$2,505,400	\$3,137,100	\$3,137,100	\$20,000	\$3,157,100
Operational	103,098,500	132,909,000	110,410,300	22,026,500	132,436,800
TOTAL	\$105,603,900	\$136,046,100	\$113,547,400	\$22,046,500	\$135,593,900
State Appropriations	\$1,689,700	\$4,705,400	\$4,705,500	\$816,200	\$5,521,700
Federal	0	0	0	0	0
Other	103,914,200	131,340,700	108,841,900	21,230,300	130,072,200

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	\$359,200	\$469,000	\$469,000	\$0	\$469,000
Operational	116,800	445,700	445,800	0	445,800
TOTAL	\$476,000	\$914,700	\$914,800	\$0	\$914,800
State Appropriations	\$476,000	\$914,700	\$914,800	\$0	\$914,800
Federal	0	0	0	0	0
Other	0	0	0	0	0

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	11	11	0	11
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	11	11	0	11
Payroll	\$0	\$2,100,000	\$2,100,000	\$0	\$2,100,000
Operational	0	146,520,000	146,520,000	155,300,000	301,820,000
TOTAL	\$0	\$148,620,000	\$148,620,000	\$155,300,000	\$303,920,000

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
State Appropriations	\$0	\$148,620,000	\$148,620,000	\$155,300,000	\$303,920,000
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 Tennessee Investment in Student Achievement; 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	6,718,057,900	6,982,228,000	6,951,228,000	170,000,000	7,121,228,000
TOTAL	\$6,718,057,900	\$6,982,228,000	\$6,951,228,000	\$170,000,000	\$7,121,228,000
State Appropriations	\$6,703,170,200	\$6,982,228,000	\$6,951,228,000	\$170,000,000	\$7,121,228,000
Federal	0	0	0	0	0
Other	14,887,700	0	0	0	0

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	\$1,942,100	\$2,759,700	\$2,759,700	\$0	\$2,759,700
Operational	30,540,100	1,871,500	1,872,500	0	1,872,500
TOTAL	\$32,482,200	\$4,631,200	\$4,632,200	\$0	\$4,632,200
State Appropriations	\$32,482,200	\$4,631,200	\$4,632,200	\$0	\$4,632,200
Federal	0	0	0	0	0
Other	0	0	0	0	0

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	46,500,100	51,754,200	34,780,800	44,110,400	78,891,200
TOTAL	\$46,500,100	\$51,754,200	\$34,780,800	\$44,110,400	\$78,891,200
State Appropriations	\$46,500,100	\$51,754,200	\$34,780,800	\$44,110,400	\$78,891,200
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
Payroll	\$2,594,000	\$2,933,900	\$2,933,900	\$0	\$2,933,900
Operational	5,077,100	3,881,500	3,882,900	2,800,000	6,682,900
TOTAL	\$7,671,100	\$6,815,400	\$6,816,800	\$2,800,000	\$9,616,800
State Appropriations	\$7,671,100	\$6,815,400	\$6,816,800	\$2,800,000	\$9,616,800
Federal	0	0	0	0	0
Other	0	0	0	0	0

Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	60	62	62	0	62
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	60	62	62	0	62
Payroll	\$7,229,000	\$8,037,400	\$8,037,400	\$0	\$8,037,400
Operational	17,977,300	38,134,700	36,104,900	210,000	36,314,900
TOTAL	\$25,206,300	\$46,172,100	\$44,142,300	\$210,000	\$44,352,300
State Appropriations	\$16,391,100	\$37,144,700	\$36,114,200	\$210,000	\$36,324,200
Federal	8,492,900	8,023,900	8,024,600	0	8,024,600
Other	322,300	1,003,500	3,500	0	3,500

331.10 Career Ladder

The Comprehensive Education Reform Act of 1984 established the Career Ladder program designed to promote staff development among teachers, principals, and supervisors, and to reward with substantial pay supplements to those evaluated as outstanding and that accept additional responsibilities, as applicable.

Full-Time 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	6,703,700	204,326,500	4,958,900	0	4,958,900
TOTAL	\$6,703,700	\$204,326,500	\$4,958,900	\$0	\$4,958,900
State Appropriations	\$6,703,700	\$204,326,500	\$4,958,900	\$0	\$4,958,900
Federal	0	0	0	0	0
Other	0	0	0	0	0

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	35	37	37	0	37
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	35	37	37	0	37
Payroll	\$4,713,400	\$5,384,300	\$5,384,300	\$0	\$5,384,300
Operational	49,969,500	36,124,900	36,127,200	0	36,127,200
TOTAL	\$54,682,900	\$41,509,200	\$41,511,500	\$0	\$41,511,500
State Appropriations	\$42,303,200	\$32,554,100	\$32,556,200	\$0	\$32,556,200
Federal	12,364,100	8,930,100	8,930,300	0	8,930,300
Other	15,600	25,000	25,000	0	25,000

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	\$249,600	\$316,600	\$316,600	\$0	\$316,600
Operational	12,133,300	19,029,600	19,029,700	0	19,029,700
TOTAL	\$12,382,900	\$19,346,200	\$19,346,300	\$0	\$19,346,300
State Appropriations	\$12,382,900	\$19,346,200	\$19,346,300	\$0	\$19,346,300
Federal	0	0	0	0	0
Other	0	0	0	0	0

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	29	29	29	0	29
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	29	29	29	0	29
Payroll	\$2,825,800	\$2,967,300	\$2,967,300	\$0	\$2,967,300
Operational	111,837,900	113,207,500	113,208,800	0	113,208,800
TOTAL	\$114,663,700	\$116,174,800	\$116,176,100	\$0	\$116,176,100
State Appropriations	\$100,875,800	\$106,833,100	\$106,834,400	\$0	\$106,834,400
Federal	1,772,200	9,341,700	9,341,700	0	9,341,700
Other	12,015,700	0	0	0	0

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	2	2	0	2
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	3	2	2	0	2
Payroll	\$268,600	\$344,100	\$344,100	\$0	\$344,100
Operational	953,400	874,700	229,900	0	229,900
TOTAL	\$1,222,000	\$1,218,800	\$574,000	\$0	\$574,000
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	1,222,000	1,218,800	574,000	0	574,000

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	53	53	53	0	53
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	53	53	53	0	53

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
Payroll	\$7,160,900	\$7,952,400	\$7,824,000	\$0	\$7,824,000
Operational	89,091,400	84,940,700	84,944,600	5,000,000	89,944,600
TOTAL	\$96,252,300	\$92,893,100	\$92,768,600	\$5,000,000	\$97,768,600
State Appropriations	\$58,219,500	\$90,579,000	\$90,454,500	\$5,000,000	\$95,454,500
Federal	38,032,800	2,314,100	2,314,100	0	2,314,100
Other	0	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	1,200,000	1,700,000	1,700,000	0	1,700,000
TOTAL	\$1,200,000	\$1,700,000	\$1,700,000	\$0	\$1,700,000
State Appropriations	\$1,200,000	\$1,700,000	\$1,700,000	\$0	\$1,700,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Federally-Funded and Supported LEA Programs

Various federally-funded programs, including funding for the Every Student Succeeds Act (ESSA), are designed to enhance the learning environment of disadvantaged and disabled students. Other programs support teacher training in core academic subjects, 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	42	43	44	0	44
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	42	43	44	0	44
Payroll	\$5,844,100	\$6,213,500	\$6,213,500	\$109,500	\$6,323,000
Operational	448,750,600	451,562,000	454,064,700	375,000	454,439,700
TOTAL	\$454,594,700	\$457,775,500	\$460,278,200	\$484,500	\$460,762,700

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
State Appropriations	\$1,236,400	\$2,009,600	\$2,009,700	\$484,500	\$2,494,200
Federal	453,358,300	455,765,900	458,268,500	0	458,268,500
Other	0	0	0	0	0

331.09 Improving Schools Program

The Improving Schools Program includes the state's Coordinated School Health division and the School Safety and Transportation team. This program connects health and wellbeing with academics by uniting families, educators, and communities to ensure every student is equipped to succeed in the classroom and beyond. Support is provided to schools and districts by providing guidance, training, and resources in areas including health education, healthy school environments, social services, and staff wellness.

Full-Time Positions	25	25	25	0	25
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	25	25	25	0	25
Payroll	\$3,159,000	\$3,382,000	\$3,298,100	\$0	\$3,298,100
Operational	22,182,800	22,839,600	2,841,000	0	2,841,000
TOTAL	\$25,341,800	\$26,221,600	\$6,139,100	\$0	\$6,139,100
State Appropriations	\$3,504,300	\$23,478,100	\$3,395,200	\$0	\$3,395,200
Federal	2,193,200	2,464,300	2,464,700	0	2,464,700
Other	19,644,300	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	\$2,503,200	\$3,149,900	\$3,149,900	\$0	\$3,149,900
Operational	557,106,000	555,961,900	555,963,300	0	555,963,300
TOTAL	\$559,609,200	\$559,111,800	\$559,113,200	\$0	\$559,113,200
State Appropriations	\$5,350,200	\$4,836,300	\$4,836,300	\$0	\$4,836,300
Federal	554,259,000	554,270,500	554,271,900	0	554,271,900
Other	0	5,000	5,000	0	5,000

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	34	34	34	0	34
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	34	34	34	0	34
Payroll	\$3,973,900	\$5,107,100	\$5,069,200	\$0	\$5,069,200
Operational	318,338,500	317,748,800	317,750,800	0	317,750,800
TOTAL	\$322,312,400	\$322,855,900	\$322,820,000	\$0	\$322,820,000
State Appropriations	\$743,200	\$1,235,100	\$1,197,200	\$0	\$1,197,200
Federal	321,105,200	321,120,800	321,122,800	0	321,122,800
Other	464,000	500,000	500,000	0	500,000

331.45 College, Career and Technical Education

The Division of College, Career and Technical Education (CCTE) is responsible for providing specialized education courses and support to the state's middle and high school students that will prepare students for postsecondary 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 postsecondary 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	\$3,478,600	\$3,733,000	\$3,733,000	\$0	\$3,733,000
Operational	156,549,700	36,828,400	36,830,000	0	36,830,000
TOTAL	\$160,028,300	\$40,561,400	\$40,563,000	\$0	\$40,563,000
State Appropriations	\$37,166,600	\$14,913,200	\$14,914,400	\$0	\$14,914,400
Federal	25,572,300	25,572,600	25,573,000	0	25,573,000
Other	97,289,400	75,600	75,600	0	75,600

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	1	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	1	0	0	0	0
Payroll	\$238,800	\$11,700	\$0	\$0	\$0
Operational	312,279,300	35,000,000	0	0	0
TOTAL	\$312,518,100	\$35,011,700	\$0	\$0	\$0
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	312,518,100	35,011,700	0	0	0
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 an LEA, authorizes charter operators to run schools and directly manages schools. Based on Public Chapter 464 of 2025, the ASD will cease operations on June 30, 2026.

Full-Time Positions	6	1	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	6	1	0	0	0
Payroll	\$756,300	\$181,400	\$0	\$0	\$0
Operational	26,747,800	13,930,300	0	0	0
TOTAL	\$27,504,100	\$14,111,700	\$0	\$0	\$0
State Appropriations	\$3,387,100	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	24,117,000	14,111,700	0	0	0

<u>Actual 2024-2025</u>	<u>Estimated 2025-2026</u>	<u>Base 2026-2027</u>	<u>Cost Increase 2026-2027</u>	<u>Recommended 2026-2027</u>

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	176	0	176
Part-Time Positions	10	10	10	0	10
Seasonal Positions	0	0	0	0	0
TOTAL	187	187	186	0	186
Payroll	\$13,817,700	\$18,174,000	\$17,577,400	\$187,200	\$17,764,600
Operational	3,861,200	3,464,700	3,474,700	0	3,474,700
TOTAL	\$17,678,900	\$21,638,700	\$21,052,100	\$187,200	\$21,239,300
State Appropriations	\$15,770,500	\$20,594,000	\$20,007,400	\$187,200	\$20,194,600
Federal	0	0	0	0	0
Other	1,908,400	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	235	227	0	227
Part-Time Positions	12	12	12	0	12
Seasonal Positions	0	0	0	0	0
TOTAL	248	247	239	0	239
Payroll	\$18,428,600	\$21,713,300	\$21,402,100	\$345,400	\$21,747,500
Operational	6,906,900	5,857,100	5,867,900	0	5,867,900
TOTAL	\$25,335,500	\$27,570,400	\$27,270,000	\$345,400	\$27,615,400
State Appropriations	\$24,414,600	\$27,011,800	\$26,711,400	\$345,400	\$27,056,800
Federal	0	0	0	0	0
Other	920,900	558,600	558,600	0	558,600

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
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	31	30	0	30
Part-Time Positions	8	8	8	0	8
Seasonal Positions	0	0	0	0	0
TOTAL	41	39	38	0	38
Payroll	\$2,775,000	\$3,576,400	\$3,531,900	\$40,100	\$3,572,000
Operational	1,040,100	912,200	914,100	0	914,100
TOTAL	\$3,815,100	\$4,488,600	\$4,446,000	\$40,100	\$4,486,100
State Appropriations	\$3,640,500	\$4,264,500	\$4,221,900	\$40,100	\$4,262,000
Federal	0	0	0	0	0
Other	174,600	224,100	224,100	0	224,100

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	\$7,144,100	\$8,044,100	\$7,985,100	\$121,000	\$8,106,100
Operational	2,682,700	2,192,600	2,197,500	0	2,197,500
TOTAL	\$9,826,800	\$10,236,700	\$10,182,600	\$121,000	\$10,303,600
State Appropriations	\$7,978,800	\$8,706,800	\$8,652,700	\$121,000	\$8,773,700
Federal	27,500	60,000	60,000	0	60,000
Other	1,820,500	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	0	239,100	239,100	0	239,100
TOTAL	\$0	\$239,100	\$239,100	\$0	\$239,100

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
State Appropriations	\$0	\$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	1,020	1,030	1,020	0	1,020
Part-Time Positions	36	36	36	0	36
Seasonal Positions	0	0	0	0	0
TOTAL	1,056	1,066	1,056	0	1,056
Payroll	\$105,929,300	\$124,721,100	\$123,266,500	\$823,200	\$124,089,700
Operational	9,077,044,200	9,289,517,000	8,930,577,800	399,821,900	9,330,399,700
TOTAL	\$9,182,973,500	\$9,414,238,100	\$9,053,844,300	\$400,645,100	\$9,454,489,400
State Appropriations	\$7,162,710,300	\$7,836,279,700	\$7,546,645,200	\$379,414,800	\$7,926,060,000
Federal	1,732,861,500	1,426,043,600	1,393,539,600	0	1,393,539,600
Other	287,401,700	151,914,800	113,659,500	21,230,300	134,889,800

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				
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	525	105	168	38
2025-2026	530	107	175	40
2026-2027	538	115	180	42
Annual Releases				
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	75	38	12	2
2025-2026	38	12	15	1
2026-2027	75	15	15	1
Average Daily Census				
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	480	103	155	38
2025-2026	492	103	182	40
2026-2027	538	105	188	42
Cost Per Occupancy Day				
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	\$113.74	\$953.55	\$908.08	\$557.76
2025-2026	\$115.59	\$1,167.14	\$841.59	\$623.42
2026-2027	\$106.40	\$1,123.77	\$816.06	\$593.40

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 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	74	75	75	1	76
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	74	75	75	1	76
Payroll	\$10,739,800	\$11,216,000	\$11,216,000	\$125,000	\$11,341,000
Operational	7,011,900	8,077,800	8,079,700	125,000	8,204,700
TOTAL	\$17,751,700	\$19,293,800	\$19,295,700	\$250,000	\$19,545,700
State Appropriations	\$7,447,800	\$7,821,100	\$7,821,900	\$250,000	\$8,071,900
Federal	3,175,800	5,951,400	5,951,500	0	5,951,500
Other	7,128,100	5,521,300	5,522,300	0	5,522,300

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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.

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	2,577,000	2,619,200	2,396,100	0	2,396,100
TOTAL	\$2,577,000	\$2,619,200	\$2,396,100	\$0	\$2,396,100
State Appropriations	\$2,577,000	\$2,619,200	\$2,396,100	\$0	\$2,396,100
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.

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	23,203,500	33,014,800	8,661,200	25,740,000	34,401,200
TOTAL	\$23,203,500	\$33,014,800	\$8,661,200	\$25,740,000	\$34,401,200
State Appropriations	\$8,661,200	\$20,323,900	\$8,661,200	\$11,990,000	\$20,651,200
Federal	0	0	0	0	0
Other	14,542,300	12,690,900	0	13,750,000	13,750,000

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	21,052,200	21,316,800	21,103,600	278,200	21,381,800
TOTAL	\$21,052,200	\$21,316,800	\$21,103,600	\$278,200	\$21,381,800

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
State Appropriations	\$21,052,200	\$21,316,800	\$21,103,600	\$278,200	\$21,381,800
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	1,527,700	1,544,300	1,528,900	18,500	1,547,400
TOTAL	\$1,527,700	\$1,544,300	\$1,528,900	\$18,500	\$1,547,400
State Appropriations	\$1,527,700	\$1,544,300	\$1,528,900	\$18,500	\$1,547,400
Federal	0	0	0	0	0
Other	0	0	0	0	0

Tennessee Student Assistance Corporation

The Tennessee Student Assistance Corporation (TSAC) is a division of the Tennessee Higher Education Commission that administers financial assistance programs for Tennessee residents enrolled in postsecondary institutions in Tennessee. TSAC's responsibilities include administering 18 lottery and state-funded grant and scholarship programs 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 training to financial aid staff at postsecondary institutions throughout the state.

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	119,082,200	125,262,500	125,262,500	0	125,262,500
TOTAL	\$119,082,200	\$125,262,500	\$125,262,500	\$0	\$125,262,500
State Appropriations	\$113,555,600	\$125,262,500	\$125,262,500	\$0	\$125,262,500
Federal	0	0	0	0	0
Other	5,526,600	0	0	0	0

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	52	52	51	0	51
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	52	52	51	0	51
Payroll	\$7,273,400	\$7,327,000	\$7,271,200	\$0	\$7,271,200
Operational	3,281,800	1,754,100	1,755,400	0	1,755,400
TOTAL	\$10,555,200	\$9,081,100	\$9,026,600	\$0	\$9,026,600
State Appropriations	\$2,938,000	\$3,207,500	\$3,180,300	\$0	\$3,180,300
Federal	0	0	0	0	0
Other	7,617,200	5,873,600	5,846,300	0	5,846,300

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	1,112,100	1,590,500	1,590,500	0	1,590,500
TOTAL	\$1,112,100	\$1,590,500	\$1,590,500	\$0	\$1,590,500
State Appropriations	\$959,000	\$1,211,800	\$1,211,800	\$0	\$1,211,800
Federal	0	0	0	0	0
Other	153,100	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

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	103,300	1,343,500	1,343,500	0	1,343,500
TOTAL	\$103,300	\$1,343,500	\$1,343,500	\$0	\$1,343,500
State Appropriations	\$0	\$1,052,500	\$1,052,500	\$0	\$1,052,500
Federal	0	0	0	0	0
Other	103,300	291,000	291,000	0	291,000

332.19 Lottery for Education Account

The Lottery for Education Account represents lottery proceeds generated from the Tennessee Lottery Corporation. The majority of these funds are made available for post-secondary scholarships, which include the Tennessee HOPE Scholarship, the General Assembly Merit Scholarship, the 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	493,648,400	519,247,300	382,916,100	0	382,916,100
TOTAL	\$493,648,400	\$519,247,300	\$382,916,100	\$0	\$382,916,100
State Appropriations	\$461,600,000	\$405,275,000	\$382,916,100	\$0	\$382,916,100
Federal	0	0	0	0	0
Other	32,048,400	113,972,300	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

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
332.00 Total Higher Education - State Administered Programs					
Full-Time Positions	126	127	126	1	127
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	126	127	126	1	127
Payroll	\$18,013,200	\$18,543,000	\$18,487,200	\$125,000	\$18,612,200
Operational	672,600,100	765,770,800	604,637,500	26,161,700	630,799,200
TOTAL	\$690,613,300	\$784,313,800	\$623,124,700	\$26,286,700	\$649,411,400
State Appropriations	\$620,318,500	\$639,634,600	\$605,134,900	\$12,536,700	\$617,671,600
Federal	3,175,800	5,951,400	5,951,500	0	5,951,500
Other	67,119,000	138,727,800	12,038,300	13,750,000	25,788,300

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 2024 and Fall 2025. Federal revenues, tuition and fees, and other revenues are unrestricted current funds derived from education and general sources, and auxiliary enterprise sources.

<u>Actual 2024-2025</u>	<u>Estimated 2025-2026</u>	<u>Base 2026-2027</u>	<u>Cost Increase 2026-2027</u>	<u>Recommended 2026-2027</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	91	84	84	0	84
Professional	182	228	228	0	228
Faculty	0	1	1	0	1
Clerical Support	66	52	52	0	52
TOTAL	339	365	365	0	365
Headcount	0	0	0	0	0
State Appropriations	\$6,484,200	\$6,725,900	\$6,730,500	\$425,200	\$7,155,700
Federal	28,500	0	0	0	0
Other	77,196,600	72,675,000	72,675,000	0	72,675,000
Tuition and Fees	0	0	0	0	0
TOTAL	\$83,709,300	\$79,400,900	\$79,405,500	\$425,200	\$79,830,700

332.21 UT Student Success and Innovation Initiative

The UT Student Success and Innovation Initiative provides financial support for student success and innovation programming.

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	\$5,806,700	\$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

Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

Public Service

One of the missions of the University of Tennessee is to provide services to the public beyond traditional postsecondary 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	12	4	4	0	4
Professional	15	42	42	0	42
Faculty	0	0	0	0	0
Clerical Support	13	12	12	0	12
TOTAL	40	58	58	0	58
Headcount	0	0	0	0	0
State Appropriations	\$7,099,300	\$9,782,500	\$9,286,100	\$175,400	\$9,461,500
Federal	963,500	738,500	738,500	0	738,500
Other	2,948,700	3,220,200	3,220,200	0	3,220,200
Tuition and Fees	0	0	0	0	0
TOTAL	\$11,011,500	\$13,741,200	\$13,244,800	\$175,400	\$13,420,200

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	5	1	1	0	1
Professional	40	41	41	0	41
Faculty	0	0	0	0	0
Clerical Support	9	8	8	0	8
TOTAL	54	50	50	0	50
Headcount	0	0	0	0	0
State Appropriations	\$4,805,000	\$4,996,100	\$4,997,100	\$109,900	\$5,107,000
Federal	0	0	0	0	0
Other	5,614,600	5,570,500	5,570,500	0	5,570,500
Tuition and Fees	0	0	0	0	0
TOTAL	\$10,419,600	\$10,566,600	\$10,567,600	\$109,900	\$10,677,500

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	1	1	0	1
Professional	30	36	36	0	36
Faculty	0	0	0	0	0
Clerical Support	3	4	4	0	4
TOTAL	38	41	41	0	41
Headcount	0	0	0	0	0
State Appropriations	\$4,275,400	\$4,429,500	\$4,430,600	\$97,300	\$4,527,900
Federal	0	0	0	0	0
Other	3,899,900	4,261,600	4,261,600	0	4,261,600
Tuition and Fees	0	0	0	0	0
TOTAL	\$8,175,300	\$8,691,100	\$8,692,200	\$97,300	\$8,789,500

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	5	1	1	0	1
Professional	5	12	12	0	12
Faculty	0	0	0	0	0
Clerical Support	7	3	3	0	3
TOTAL	17	16	16	0	16
Headcount	0	0	0	0	0
State Appropriations	\$1,050,000	\$1,108,900	\$1,109,700	\$32,200	\$1,141,900
Federal	33,500	99,800	99,800	0	99,800
Other	4,292,200	3,661,100	3,661,100	0	3,661,100
Tuition and Fees	0	0	0	0	0
TOTAL	\$5,375,700	\$4,869,800	\$4,870,600	\$32,200	\$4,902,800

Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	21	21	0	21
Professional	89	90	90	0	90
Faculty	99	96	96	0	96
Clerical Support	100	108	108	0	108
TOTAL	306	315	315	0	315
Headcount	0	0	0	0	0
State Appropriations	\$37,106,800	\$38,202,400	\$38,232,300	\$869,500	\$39,101,800
Federal	18,698,200	8,661,100	8,661,100	0	8,661,100
Other	6,518,000	3,470,300	3,470,300	0	3,470,300
Tuition and Fees	0	0	0	0	0
TOTAL	\$62,323,000	\$50,333,800	\$50,363,700	\$869,500	\$51,233,200

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	22	18	18	0	18
Professional	305	325	325	0	325
Faculty	54	54	54	0	54
Clerical Support	142	259	259	0	259
TOTAL	523	656	656	0	656
Headcount	0	0	0	0	0
State Appropriations	\$49,214,400	\$50,905,300	\$50,933,500	\$1,494,600	\$52,428,100
Federal	17,364,900	10,379,900	10,379,900	0	10,379,900
Other	11,551,800	14,304,300	14,304,300	0	14,304,300
Tuition and Fees	3,800	0	0	0	0
TOTAL	\$78,134,900	\$75,589,500	\$75,617,700	\$1,494,600	\$77,112,300

Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	13	16	16	0	16
Professional	47	47	47	0	47
Faculty	112	118	118	0	118
Clerical Support	263	285	285	0	285
TOTAL	435	466	466	0	466
Headcount	408	426	426	0	426
State Appropriations	\$33,993,700	\$38,095,700	\$35,606,400	\$874,900	\$36,481,300
Federal	956,200	979,600	979,600	0	979,600
Other	24,220,600	26,222,100	26,222,100	0	26,222,100
Tuition and Fees	15,347,000	15,913,700	15,913,700	0	15,913,700
TOTAL	\$74,517,500	\$81,211,100	\$78,721,800	\$874,900	\$79,596,700

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	132	132	132	0	132
Professional	350	351	351	0	351
Faculty	574	597	597	0	597
Clerical Support	839	890	890	0	890
TOTAL	1,895	1,970	1,970	0	1,970
Headcount	3,101	3,157	3,157	0	3,157
State Appropriations	\$223,970,800	\$239,927,200	\$232,340,600	\$5,319,700	\$237,660,300
Federal	18,146,600	14,780,000	14,780,000	0	14,780,000
Other	32,187,000	23,859,000	23,859,000	0	23,859,000
Tuition and Fees	95,010,900	107,534,200	107,534,200	0	107,534,200
TOTAL	\$369,315,300	\$386,100,400	\$378,513,800	\$5,319,700	\$383,833,500

<u>Actual 2024-2025</u>	<u>Estimated 2025-2026</u>	<u>Base 2026-2027</u>	<u>Cost Increase 2026-2027</u>	<u>Recommended 2026-2027</u>

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	12	11	11	0	11
Professional	14	28	28	0	28
Faculty	15	15	15	0	15
Clerical Support	43	40	40	0	40
TOTAL	84	94	94	0	94
Headcount	59	61	61	0	61
State Appropriations	\$11,014,600	\$11,311,300	\$11,315,000	\$211,700	\$11,526,700
Federal	1,125,600	420,000	420,000	0	420,000
Other	401,700	568,600	568,600	0	568,600
Tuition and Fees	1,282,500	1,167,000	1,167,000	0	1,167,000
TOTAL	\$13,824,400	\$13,466,900	\$13,470,600	\$211,700	\$13,682,300

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	110	187	187	0	187
Professional	343	354	354	0	354
Faculty	551	564	564	0	564
Clerical Support	339	330	330	0	330
TOTAL	1,343	1,435	1,435	0	1,435
Headcount	11,775	12,060	12,060	0	12,060
State Appropriations	\$82,597,200	\$84,684,400	\$84,559,100	\$3,492,100	\$88,051,200
Federal	1,374,800	440,400	440,400	0	440,400
Other	34,389,400	35,458,000	35,458,000	0	35,458,000
Tuition and Fees	145,224,900	142,832,700	142,832,700	0	142,832,700
TOTAL	\$263,586,300	\$263,415,500	\$263,290,200	\$3,492,100	\$266,782,300

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	385	480	480	0	480
Professional	1,375	1,540	1,540	0	1,540
Faculty	1,922	1,962	1,962	0	1,962
Clerical Support	1,718	1,705	1,705	0	1,705
TOTAL	5,400	5,687	5,687	0	5,687
Headcount	38,261	39,934	39,934	0	39,934
State Appropriations	\$357,946,600	\$379,412,800	\$392,411,400	\$14,595,300	\$407,006,700
Federal	38,584,000	28,591,000	28,591,000	0	28,591,000
Other	460,301,700	427,581,400	427,581,400	0	427,581,400
Tuition and Fees	796,214,500	857,512,800	857,512,800	0	857,512,800
TOTAL	\$1,653,046,800	\$1,693,098,000	\$1,706,096,600	\$14,595,300	\$1,720,691,900

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	56	70	70	0	70

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
Professional	121	148	148	0	148
Faculty	312	293	293	0	293
Clerical Support	261	268	268	0	268
TOTAL	750	779	779	0	779
Headcount	7,499	8,096	8,096	0	8,096
State Appropriations	\$48,140,500	\$49,462,500	\$47,678,200	\$1,980,500	\$49,658,700
Federal	342,000	110,000	110,000	0	110,000
Other	23,019,200	17,106,400	17,106,400	0	17,106,400
Tuition and Fees	69,109,600	75,189,800	75,189,800	0	75,189,800
TOTAL	\$140,611,300	\$141,868,700	\$140,084,400	\$1,980,500	\$142,064,900

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	11	13	13	0	13
Professional	51	47	47	0	47
Faculty	52	57	57	0	57
Clerical Support	24	25	25	0	25
TOTAL	138	142	142	0	142
Headcount	1,046	1,132	1,132	0	1,132
State Appropriations	\$6,304,400	\$8,425,000	\$8,610,300	\$322,400	\$8,932,700
Federal	47,800	1,600	1,600	0	1,600
Other	3,524,100	3,835,300	3,835,300	0	3,835,300
Tuition and Fees	10,333,300	11,627,500	11,627,500	0	11,627,500
TOTAL	\$20,209,600	\$23,889,400	\$24,074,700	\$322,400	\$24,397,100

332.10 Total University of Tennessee System

Full-Time Administrative	877	1,039	1,039	0	1,039
Professional	2,967	3,289	3,289	0	3,289
Faculty	3,691	3,757	3,757	0	3,757
Clerical Support	3,827	3,989	3,989	0	3,989
TOTAL	11,362	12,074	12,074	0	12,074
Headcount	62,149	64,866	64,866	0	64,866
State Appropriations	\$885,662,500	\$939,129,100	\$939,900,400	\$30,000,700	\$969,901,100
Federal	97,665,600	65,201,900	65,201,900	0	65,201,900
Other	690,065,500	641,793,800	641,793,800	0	641,793,800
Tuition and Fees	1,132,526,500	1,211,777,700	1,211,777,700	0	1,211,777,700
TOTAL	\$2,805,920,100	\$2,857,902,500	\$2,858,673,800	\$30,000,700	\$2,888,674,500

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 (LGI)) 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 2024 and Fall 2025. 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
2024-2025	2025-2026	2026-2027	2026-2027	2026-2027

Tennessee Board of Regents

The Tennessee Board of Regents (TBR) 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	8	8	8	0	8
Professional	160	191	191	0	191
Faculty	0	0	0	0	0
Clerical Support	76	80	80	0	80
TOTAL	244	279	279	0	279
Headcount	0	0	0	0	0
State Appropriations	\$32,441,900	\$35,504,600	\$35,509,400	\$3,790,500	\$39,299,900
Federal	20,400	1,500	1,500	0	1,500
Other	27,915,000	31,498,800	31,498,800	0	31,498,800
Tuition and Fees	0	0	0	0	0
TOTAL	\$60,377,300	\$67,004,900	\$67,009,700	\$3,790,500	\$70,800,200

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

332.59 TBR and LGI Student Success and Innovation Initiative

The TBR and LGI Student Success and Innovation Initiative provides financial support for student success and innovation programming.

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	118	117	117	0	117
Professional	1,489	1,556	1,556	0	1,556
Faculty	1,929	1,968	1,968	0	1,968
Clerical Support	1,499	1,526	1,526	0	1,526
TOTAL	5,035	5,167	5,167	0	5,167
Headcount	75,110	78,560	78,560	0	78,560
State Appropriations	\$390,082,600	\$405,874,000	\$407,866,900	\$14,471,800	\$422,338,700
Federal	1,191,700	1,192,700	1,192,700	0	1,192,700
Other	43,531,100	33,159,500	33,159,500	0	33,159,500
Tuition and Fees	312,342,400	325,204,600	325,204,600	0	325,204,600
TOTAL	\$747,147,800	\$765,430,800	\$767,423,700	\$14,471,800	\$781,895,500

<u>Actual 2024-2025</u>	<u>Estimated 2025-2026</u>	<u>Base 2026-2027</u>	<u>Cost Increase 2026-2027</u>	<u>Recommended 2026-2027</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	69	67	67	0	67
Professional	158	171	171	0	171
Faculty	707	736	736	0	736
Clerical Support	272	286	286	0	286
TOTAL	1,206	1,260	1,260	0	1,260
Headcount	26,943	31,765	31,765	0	31,765
State Appropriations	\$119,452,200	\$126,595,300	\$123,649,200	\$3,858,500	\$127,507,700
Federal	166,000	98,600	98,600	0	98,600
Other	22,376,700	20,701,900	20,701,900	0	20,701,900
Tuition and Fees	63,755,100	68,660,400	68,660,400	0	68,660,400
TOTAL	\$205,750,000	\$216,056,200	\$213,110,100	\$3,858,500	\$216,968,600

332.60 Total State University and Community College System

Full-Time Administrative	195	192	192	0	192
Professional	1,807	1,918	1,918	0	1,918
Faculty	2,636	2,704	2,704	0	2,704
Clerical Support	1,847	1,892	1,892	0	1,892
TOTAL	6,485	6,706	6,706	0	6,706
Headcount	102,053	110,325	110,325	0	110,325
State Appropriations	\$552,233,600	\$578,230,800	\$577,282,400	\$22,120,800	\$599,403,200
Federal	1,378,100	1,292,800	1,292,800	0	1,292,800
Other	93,822,800	85,360,200	85,360,200	0	85,360,200
Tuition and Fees	376,097,500	393,865,000	393,865,000	0	393,865,000
TOTAL	\$1,023,532,000	\$1,058,748,800	\$1,057,800,400	\$22,120,800	\$1,079,921,200

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 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

332.70 Austin Peay State University

Full-Time Administrative	32	31	31	0	31
Professional	351	374	374	0	374
Faculty	418	418	418	0	418
Clerical Support	227	228	228	0	228
TOTAL	1,028	1,051	1,051	0	1,051
Headcount	10,439	11,185	11,185	0	11,185
State Appropriations	\$76,654,500	\$78,750,300	\$75,306,400	\$2,872,900	\$78,179,300
Federal	579,400	1,000,000	1,000,000	0	1,000,000
Other	27,903,200	26,488,800	26,488,800	0	26,488,800
Tuition and Fees	100,192,700	99,692,200	99,692,200	0	99,692,200
TOTAL	\$205,329,800	\$205,931,300	\$202,487,400	\$2,872,900	\$205,360,300

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 2024-2025</u>	<u>Estimated 2025-2026</u>	<u>Base 2026-2027</u>	<u>Cost Increase 2026-2027</u>	<u>Recommended 2026-2027</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	39	40	40	0	40
Professional	598	600	600	0	600
Faculty	731	715	715	0	715
Clerical Support	427	395	395	0	395
TOTAL	<u>1,795</u>	<u>1,750</u>	<u>1,750</u>	<u>0</u>	<u>1,750</u>
Headcount	13,230	13,609	13,609	0	13,609
State Appropriations	\$104,753,100	\$106,604,600	\$103,523,900	\$4,430,700	\$107,954,600
Federal	2,780,500	2,700,000	2,700,000	0	2,700,000
Other	72,927,900	72,255,900	72,255,900	0	72,255,900
Tuition and Fees	150,271,100	157,088,900	157,088,900	0	157,088,900
TOTAL	<u>\$330,732,600</u>	<u>\$338,649,400</u>	<u>\$335,568,700</u>	<u>\$4,430,700</u>	<u>\$339,999,400</u>

332.65 ETSU Health

ETSU Health encompasses the ETSU Quillen College of Medicine, College of Pharmacy, and Family Practice schools. The schools provide training and education to students, pharmacists, and physicians who are interested in providing comprehensive health care in under-served rural communities primarily in East Tennessee and Southern Appalachia.

Full-Time Administrative	6	6	6	0	6
Professional	153	153	153	0	153
Faculty	228	228	228	0	228
Clerical Support	165	165	165	0	165
TOTAL	<u>552</u>	<u>552</u>	<u>552</u>	<u>0</u>	<u>552</u>
Headcount	497	518	518	0	518
State Appropriations	\$63,775,100	\$69,572,500	\$66,611,400	\$1,282,500	\$67,893,900
Federal	2,072,900	1,520,000	1,520,000	0	1,520,000
Other	28,567,000	31,971,200	31,971,200	0	31,971,200
Tuition and Fees	17,491,800	18,489,300	18,489,300	0	18,489,300
TOTAL	<u>\$111,906,800</u>	<u>\$121,553,000</u>	<u>\$118,591,900</u>	<u>\$1,282,500</u>	<u>\$119,874,400</u>

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
332.72 Total East Tennessee State University					
Full-Time Administrative	45	46	46	0	46
Professional	751	753	753	0	753
Faculty	959	943	943	0	943
Clerical Support	592	560	560	0	560
TOTAL	2,347	2,302	2,302	0	2,302
Headcount	13,727	14,127	14,127	0	14,127
State Appropriations	\$168,528,200	\$176,177,100	\$170,135,300	\$5,713,200	\$175,848,500
Federal	4,853,400	4,220,000	4,220,000	0	4,220,000
Other	101,494,900	104,227,100	104,227,100	0	104,227,100
Tuition and Fees	167,762,900	175,578,200	175,578,200	0	175,578,200
TOTAL	\$442,639,400	\$460,202,400	\$454,160,600	\$5,713,200	\$459,873,800

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 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
332.74 University of Memphis					
Full-Time Administrative	76	73	73	0	73
Professional	912	940	940	0	940
Faculty	1,086	1,092	1,092	0	1,092
Clerical Support	625	601	601	0	601
TOTAL	2,699	2,706	2,706	0	2,706
Headcount	20,276	19,652	19,652	0	19,652
State Appropriations	\$182,026,300	\$185,828,000	\$184,546,500	\$6,836,500	\$191,383,000
Federal	8,217,000	5,780,500	5,780,500	0	5,780,500
Other	135,816,200	132,017,600	132,017,600	0	132,017,600
Tuition and Fees	201,113,400	198,736,200	198,736,200	0	198,736,200
TOTAL	\$527,172,900	\$522,362,300	\$521,080,800	\$6,836,500	\$527,917,300

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 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

332.75 Middle Tennessee State University

Full-Time Administrative	69	69	69	0	69
Professional	708	708	708	0	708
Faculty	1,012	1,011	1,011	0	1,011
Clerical Support	464	464	464	0	464
TOTAL	2,253	2,252	2,252	0	2,252
Headcount	20,523	20,964	20,964	0	20,964
State Appropriations	\$167,343,100	\$151,083,900	\$146,393,400	\$5,826,800	\$152,220,200
Federal	1,739,300	1,150,000	1,150,000	0	1,150,000
Other	61,095,400	57,750,200	57,750,200	0	57,750,200
Tuition and Fees	211,137,000	217,315,800	217,315,800	0	217,315,800
TOTAL	\$441,314,800	\$427,299,900	\$422,609,400	\$5,826,800	\$428,436,200

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 2024-2025</u>	<u>Estimated 2025-2026</u>	<u>Base 2026-2027</u>	<u>Cost Increase 2026-2027</u>	<u>Recommended 2026-2027</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	68	62	62	0	62
Professional	390	335	335	0	335
Faculty	411	380	380	0	380
Clerical Support	230	176	176	0	176
TOTAL	1,099	953	953	0	953
Headcount	6,310	5,364	5,364	0	5,364
State Appropriations	\$59,428,000	\$54,956,500	\$53,809,000	\$2,220,800	\$56,029,800
Federal	5,565,000	4,500,000	4,500,000	0	4,500,000
Other	39,284,700	50,552,500	5,552,500	0	5,552,500
Tuition and Fees	58,280,900	65,159,500	65,159,500	0	65,159,500
TOTAL	\$162,558,600	\$175,168,500	\$129,021,000	\$2,220,800	\$131,241,800

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	2	2	0	2
Professional	1	1	1	0	1
Faculty	2	1	1	0	1
Clerical Support	0	0	0	0	0
TOTAL	4	4	4	0	4
Headcount	0	0	0	0	0
State Appropriations	\$6,009,200	\$6,019,100	\$6,019,400	\$1,018,600	\$7,038,000
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition and Fees	0	0	0	0	0
TOTAL	\$6,009,200	\$6,019,100	\$6,019,400	\$1,018,600	\$7,038,000

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	6	8	8	0	8
Faculty	2	5	5	0	5
Clerical Support	3	3	3	0	3
TOTAL	12	17	17	0	17
Headcount	0	0	0	0	0
State Appropriations	\$1,572,700	\$1,595,800	\$1,595,800	\$13,400	\$1,609,200
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition and Fees	0	0	0	0	0
TOTAL	\$1,572,700	\$1,595,800	\$1,595,800	\$13,400	\$1,609,200

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	1	1	1	0	1
Professional	11	20	20	0	20
Faculty	14	24	24	0	24
Clerical Support	7	6	6	0	6
TOTAL	33	51	51	0	51
Headcount	0	0	0	0	0
State Appropriations	\$6,196,400	\$6,240,500	\$6,240,900	\$87,100	\$6,328,000
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition and Fees	0	0	0	0	0
TOTAL	\$6,196,400	\$6,240,500	\$6,240,900	\$87,100	\$6,328,000

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

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
Professional	0	0	0	0	0
Faculty	1	1	1	0	1
Clerical Support	0	0	0	0	0
TOTAL	1	1	1	0	1
Headcount	0	0	0	0	0
State Appropriations	\$228,400	\$233,100	\$233,100	\$7,600	\$240,700
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition and Fees	0	0	0	0	0
TOTAL	\$228,400	\$233,100	\$233,100	\$7,600	\$240,700

332.77 Total Tennessee State University

Full-Time Administrative	71	66	66	0	66
Professional	408	364	364	0	364
Faculty	430	411	411	0	411
Clerical Support	240	185	185	0	185
TOTAL	1,149	1,026	1,026	0	1,026
Headcount	6,310	5,364	5,364	0	5,364
State Appropriations	\$73,434,700	\$69,045,000	\$67,898,200	\$3,347,500	\$71,245,700
Federal	5,565,000	4,500,000	4,500,000	0	4,500,000
Other	39,284,700	50,552,500	5,552,500	0	5,552,500
Tuition and Fees	58,280,900	65,159,500	65,159,500	0	65,159,500
TOTAL	\$176,565,300	\$189,257,000	\$143,110,200	\$3,347,500	\$146,457,700

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 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
332.78 Tennessee Technological University					
Full-Time Administrative	39	40	40	0	40
Professional	444	505	505	0	505
Faculty	468	476	476	0	476
Clerical Support	299	261	261	0	261
TOTAL	1,250	1,282	1,282	0	1,282
Headcount	10,511	10,701	10,701	0	10,701
State Appropriations	\$88,865,800	\$90,671,500	\$90,234,300	\$6,201,400	\$96,435,700
Federal	3,479,400	2,702,800	2,702,800	0	2,702,800
Other	48,405,500	34,713,900	34,713,900	0	34,713,900
Tuition and Fees	116,004,100	120,787,900	120,787,900	0	120,787,900
TOTAL	\$256,754,800	\$248,876,100	\$248,438,900	\$6,201,400	\$254,640,300

Grand Total Higher Education

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
Full-Time Positions	126	127	126	1	127
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
Full-Time Administrative	1,404	1,556	1,556	0	1,556
Professional	8,348	8,851	8,851	0	8,851
Faculty	10,700	10,812	10,812	0	10,812
Clerical Support	8,121	8,180	8,180	0	8,180
TOTAL	28,699	29,526	29,525	1	29,526
Headcount	245,988	257,184	257,184	0	257,184
State Appropriations	\$2,815,067,200	\$2,908,550,300	\$2,856,831,800	\$95,456,500	\$2,952,288,300
Federal	126,653,000	91,799,400	91,799,500	0	91,799,500
Other	1,265,007,200	1,271,631,900	1,099,942,400	13,750,000	1,113,692,400
Tuition and Fees	2,363,115,000	2,482,912,500	2,482,912,500	0	2,482,912,500
TOTAL	\$6,569,842,400	\$6,754,894,100	\$6,531,486,200	\$109,206,500	\$6,640,692,700

Health and Social Services



Health and Social Services



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Health and Social Services

Recommended Budget, Fiscal Year 2026-2027

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

	Actual 2024-2025	Estimated 2025-2026	Recommended 2026-2027
Full-Time Positions	15,884	15,882	15,859
Part-Time Positions	223	223	223
TOTAL	16,107	16,105	16,082
Payroll	\$1,439,463,400	\$1,600,950,500	\$1,598,313,800
Operational	24,623,322,500	26,694,616,600	24,969,292,000
TOTAL	\$26,062,785,900	\$28,295,567,100	\$26,567,605,800
State Appropriations	\$7,531,313,100	\$8,545,088,400	\$8,853,702,400
Federal	15,816,896,900	17,154,373,800	15,084,228,200
Other	2,714,575,900	2,596,104,900	2,629,675,200

Health and Social Services

Recommended Budget for Fiscal Year 2026-2027

By Funding Source

Department	State	Federal	Other	Total
316.01 Commission on Children and Youth	\$5,870,200	\$1,071,600	\$746,900	\$7,688,700
316.07 Health Facilities Commission	28,871,600	9,246,200	5,911,600	44,029,400
316.14 Council on Developmental Disabilities	623,200	1,714,000	750,000	3,087,200
318.00 Finance and Administration, Division of TennCare	6,631,462,700	11,454,479,900	1,130,751,400	19,216,694,000
339.00 Mental Health and Substance Abuse Services	441,264,800	101,075,800	193,155,100	735,495,700
343.00 Health	397,301,300	257,488,300	357,934,600	1,012,724,200
344.00 Disability and Aging	186,985,400	44,940,000	259,508,800	491,434,200
345.00 Human Services	359,127,700	2,861,124,400	54,445,000	3,274,697,100
350.00 Finance and Administration, Strategic Health-Care Programs	56,285,000	138,345,200	4,102,800	198,733,000
359.00 Children's Services	745,910,500	214,742,800	622,369,000	1,583,022,300
TOTAL	\$8,853,702,400	\$15,084,228,200	\$2,629,675,200	\$26,567,605,800

Health and Social Services

Cost Increases for Fiscal Year 2026-2027

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Finance and Administration, Division of TennCare					
● Medical Inflation					
To provide recurring funding for a 2.03 percent medical inflation increase in managed care organization expenditures.					
318.66 TennCare Medical Services	\$89,288,100	\$155,638,900	\$0	\$244,927,000	0
Subtotal	<u>\$89,288,100</u>	<u>\$155,638,900</u>	<u>\$0</u>	<u>\$244,927,000</u>	<u>0</u>
● Medicare Services					
To provide recurring funding for the increase in Medicare payments for dual-eligible members' Part A and Part B premiums.					
318.72 Medicare Services	\$19,705,500	\$34,348,700	\$0	\$54,054,200	0
Subtotal	<u>\$19,705,500</u>	<u>\$34,348,700</u>	<u>\$0</u>	<u>\$54,054,200</u>	<u>0</u>
● Pharmacy					
To provide recurring funding for the pharmacy program due to an increase in prescription drug prices.					
318.66 TennCare Medical Services	\$16,724,000	\$29,151,700	\$0	\$45,875,700	0
Subtotal	<u>\$16,724,000</u>	<u>\$29,151,700</u>	<u>\$0</u>	<u>\$45,875,700</u>	<u>0</u>
● Employment and Community First (ECF) CHOICES Mandatory Population					
To provide recurring funding to add approximately 300 enrollees to the ECF CHOICES program for individuals in crisis.					
318.66 TennCare Medical Services	\$10,984,300	\$19,146,900	\$0	\$30,131,200	0
Subtotal	<u>\$10,984,300</u>	<u>\$19,146,900</u>	<u>\$0</u>	<u>\$30,131,200</u>	<u>0</u>
● Health Starts Initiative					
To provide non-recurring funding for the fifth 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
Subtotal	<u>\$0</u>	<u>\$11,400,000</u>	<u>\$12,300,000</u>	<u>\$23,700,000</u>	<u>0</u>
● 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	\$133,702,400	\$25,784,700	\$159,487,100	0
Subtotal	<u>\$0</u>	<u>\$133,702,400</u>	<u>\$25,784,700</u>	<u>\$159,487,100</u>	<u>0</u>

Health and Social Services

Cost Increases for Fiscal Year 2026-2027

	State	Federal	Other	Total	Positions
• 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	\$32,168,700	\$11,837,800	\$44,006,500	0
Subtotal	\$0	\$32,168,700	\$11,837,800	\$44,006,500	0
• Shared Savings - Pathway to Independence					
To provide non-recurring funding for a pilot project to incentivize employment, encourage higher income, and lower taxpayer obligations by assisting TennCare members in transitioning from Medicaid to private health insurance. Other funding is from TennCare Shared Savings.					
318.66 TennCare Medical Services	\$0	\$0	\$18,000,000	\$18,000,000	0
Subtotal	\$0	\$0	\$18,000,000	\$18,000,000	0
• Shared Savings - Community Engagement					
To provide non-recurring funding for the potential implementation of federally mandated community engagement requirements. Other funding is from TennCare Shared Savings.					
318.66 TennCare Medical Services	\$0	\$27,000,000	\$3,000,000	\$30,000,000	0
Subtotal	\$0	\$27,000,000	\$3,000,000	\$30,000,000	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	\$34,948,300	\$20,049,400	\$54,997,700	0
Subtotal	\$0	\$34,948,300	\$20,049,400	\$54,997,700	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 funding 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	\$19,857,800	\$11,392,200	\$31,250,000	0
Subtotal	\$0	\$19,857,800	\$11,392,200	\$31,250,000	0
• 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, ECF 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
Subtotal	\$0	\$0	\$10,000,000	\$10,000,000	0

Health and Social Services

Cost Increases for Fiscal Year 2026-2027

	State	Federal	Other	Total	Positions
● 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
Subtotal	\$0	\$0	\$3,000,000	\$3,000,000	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	\$20,111,600	\$11,537,800	\$31,649,400	0
Subtotal	\$0	\$20,111,600	\$11,537,800	\$31,649,400	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
Subtotal	\$0	\$0	\$7,000,000	\$7,000,000	0
● Shared Savings - Psychiatric Inpatient Expansion for Children and Adolescents with Intellectual and Developmental Disabilities					
To provide non-recurring funding to create capacity in psychiatric hospitals to serve children and adolescents with complex, high-need behavioral challenges co-occurring with an intellectual or developmental disability. Other funding is from TennCare Shared Savings.					
318.66 TennCare Medical Services	\$0	\$0	\$3,750,000	\$3,750,000	0
Subtotal	\$0	\$0	\$3,750,000	\$3,750,000	0
● 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	\$166,000	\$166,000	0
Subtotal	\$0	\$0	\$166,000	\$166,000	0

Health and Social Services

Cost Increases for Fiscal Year 2026-2027

	State	Federal	Other	Total	Positions
● 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
Subtotal	\$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.					
318.65 TennCare Administration	\$0	\$0	\$400,000	\$400,000	0
Subtotal	\$0	\$0	\$400,000	\$400,000	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	\$4,000,000	\$4,000,000	\$8,000,000	0
Subtotal	\$0	\$4,000,000	\$4,000,000	\$8,000,000	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	\$157,864,000	\$157,864,000	0
Subtotal	\$0	\$0	\$157,864,000	\$157,864,000	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 \$7,279,200 in state appropriations, \$547,700 is for specialized treatment foster homes, \$2,240,300 is for continued private provider case management, \$3,548,200 is for additional private provider case management, and \$943,000 is for county office rent increases. Of this total appropriation, \$6,731,500 is recurring and \$547,700 is non-recurring.					
318.66 TennCare Medical Services	\$7,279,200	\$11,987,500	\$0	\$19,266,700	0
Subtotal	\$7,279,200	\$11,987,500	\$0	\$19,266,700	0

Health and Social Services

Cost Increases for Fiscal Year 2026-2027

	State	Federal	Other	Total	Positions
● Federal Medical Assistance Percentage (FMAP)					
To provide recurring state funding to reflect a decrease in the FMAP rate from 64.323 percent to 63.545 percent.					
318.66 TennCare Medical Services	\$71,220,400	(\$71,220,400)	\$0	\$0	0
318.70 Supplemental Payments	992,300	(992,300)	0	0	0
318.71 Intellectual Disabilities Services	8,961,800	(8,961,800)	0	0	0
318.72 Medicare Services	5,064,600	(5,064,600)	0	0	0
Subtotal	<u>\$86,239,100</u>	<u>(\$86,239,100)</u>	<u>\$0</u>	<u>\$0</u>	<u>0</u>
Total Finance and Administration, Division of TennCare	<u>\$230,220,200</u>	<u>\$447,223,400</u>	<u>\$301,081,900</u>	<u>\$978,525,500</u>	<u>0</u>

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	\$3,000,000	\$3,000,000	0
Subtotal	<u>\$0</u>	<u>\$0</u>	<u>\$3,000,000</u>	<u>\$3,000,000</u>	<u>0</u>

● **Creating Homes Initiative 3.0**

To provide non-recurring funding to expand the number of safe, affordable, and quality permanent housing opportunities for Tennesseans experiencing mental illness and/or substance use disorder. Other funding is from the Tennessee General Fund Opioid Abatement Fund.

339.08 Community Mental Health Services	\$0	\$0	\$5,000,000	\$5,000,000	0
Subtotal	<u>\$0</u>	<u>\$0</u>	<u>\$5,000,000</u>	<u>\$5,000,000</u>	<u>0</u>

● **Addiction Recovery Program - Year Three 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
Subtotal	<u>\$0</u>	<u>\$0</u>	<u>\$2,107,600</u>	<u>\$2,107,600</u>	<u>0</u>

Health and Social Services

Cost Increases for Fiscal Year 2026-2027

	State	Federal	Other	Total	Positions
• Project Rural Recovery Expansion and Sustainability					
To provide non-recurring funding for integrated physical, mental health, and substance use care to individuals living in rural communities across Tennessee. Other funding is from the Tennessee General Fund Opioid Abatement Fund.					
339.01 Administrative Services Division	\$0	\$0	\$82,700	\$82,700	0
339.08 Community Mental Health Services	0	0	3,740,000	3,740,000	0
Subtotal	<u>\$0</u>	<u>\$0</u>	<u>\$3,822,700</u>	<u>\$3,822,700</u>	<u>0</u>
• 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	\$1,775,100	\$1,775,100	0
Subtotal	<u>\$0</u>	<u>\$0</u>	<u>\$1,775,100</u>	<u>\$1,775,100</u>	<u>0</u>
• 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
Subtotal	<u>\$0</u>	<u>\$0</u>	<u>\$2,000,000</u>	<u>\$2,000,000</u>	<u>0</u>
• 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
Subtotal	<u>\$0</u>	<u>\$0</u>	<u>\$1,000,000</u>	<u>\$1,000,000</u>	<u>0</u>
• 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 4-49-119. Other funding is from the Tennessee Sports Gaming Fund.					
339.03 Community Substance Abuse Services	\$0	\$0	\$5,171,300	\$5,171,300	0
Subtotal	<u>\$0</u>	<u>\$0</u>	<u>\$5,171,300</u>	<u>\$5,171,300</u>	<u>0</u>

Health and Social Services

Cost Increases for Fiscal Year 2026-2027

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
● 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
Subtotal	<u>\$0</u>	<u>\$0</u>	<u>\$4,000,000</u>	<u>\$4,000,000</u>	<u>0</u>
● The Next Door Grant					
To provide recurring funding for a grant to The Next Door to assist women with substance use and co-occurring disorders.					
339.03 Community Substance Abuse Services	\$500,000	\$0	\$0	\$500,000	0
Subtotal	<u>\$500,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$500,000</u>	<u>0</u>
● The Jason Foundation Grant					
To provide recurring funding for a grant to The Jason Foundation, which provides educational and awareness programs related to youth suicide.					
339.03 Community Substance Abuse Services	\$500,000	\$0	\$0	\$500,000	0
Subtotal	<u>\$500,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$500,000</u>	<u>0</u>
● Families Free Grant					
To provide recurring funding for a grant to Families Free, which provides treatment, education, and intervention services to families.					
339.03 Community Substance Abuse Services	\$250,000	\$0	\$0	\$250,000	0
Subtotal	<u>\$250,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$250,000</u>	<u>0</u>
Total Mental Health and Substance Abuse Services	<u>\$1,250,000</u>	<u>\$0</u>	<u>\$27,876,700</u>	<u>\$29,126,700</u>	<u>0</u>

Health

● Dental Pilot Program - Year Five

To provide non-recurring funding for the fifth 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 supports dental schools in Tennessee by expanding class sizes, increasing services, providing prosthodontic services, and recruiting and incentivizing dentists to practice in rural Tennessee.

343.52 Community and Medical Services	\$5,000,000	\$0	\$0	\$5,000,000	0
343.60 Health Services	19,202,100	0	0	19,202,100	0
Subtotal	<u>\$24,202,100</u>	<u>\$0</u>	<u>\$0</u>	<u>\$24,202,100</u>	<u>0</u>

Health and Social Services

Cost Increases for Fiscal Year 2026-2027

	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.					
343.60 Health Services	\$3,375,000	\$0	\$0	\$3,375,000	0
Subtotal	<u>\$3,375,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,375,000</u>	<u>0</u>
• Insurance Premiums - Ryan White Program					
To provide funding to support the cost of maintaining the Ryan White Insurance Assistance Premium program. Of this total cost, \$10,480,100 is recurring and \$8,000,000 is non-recurring.					
343.49 Communicable and Environmental Disease and Emergency Preparedness	\$18,480,100	\$0	\$0	\$18,480,100	0
Subtotal	<u>\$18,480,100</u>	<u>\$0</u>	<u>\$0</u>	<u>\$18,480,100</u>	<u>0</u>
• Billion Pill Pledge					
To provide non-recurring funding for a grant to the Billion Pill Pledge to reduce opioid use. Other funding is from the Tennessee General Fund Opioid Abatement Fund.					
343.52 Community and Medical Services	\$0	\$0	\$5,000,000	\$5,000,000	0
Subtotal	<u>\$0</u>	<u>\$0</u>	<u>\$5,000,000</u>	<u>\$5,000,000</u>	<u>0</u>
• Naloxone Kits					
To provide non-recurring funding for the purchase of Naloxone kits to be distributed at local health departments. Other funding is from the Tennessee General Fund Opioid Abatement Fund.					
343.60 Health Services	\$0	\$0	\$500,000	\$500,000	0
Subtotal	<u>\$0</u>	<u>\$0</u>	<u>\$500,000</u>	<u>\$500,000</u>	<u>0</u>
• Rent Increase - R.S. Gass Replacement Lab Facility					
To provide recurring funding for an increase in rent at the new department laboratory.					
343.08 Laboratory Services	\$1,573,300	\$0	\$0	\$1,573,300	0
Subtotal	<u>\$1,573,300</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,573,300</u>	<u>0</u>
• Seeds for Seeing - Tennessee Eyecare Access Grant					
To provide non-recurring funding for a grant to Seeds for Seeing for eyecare access.					
343.52 Community and Medical Services	\$500,000	\$0	\$0	\$500,000	0
Subtotal	<u>\$500,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$500,000</u>	<u>0</u>
• Live Like Lou Foundation Grant					
To provide non-recurring funding for a grant to the Live Like Lou Foundation for ALS research.					
343.52 Community and Medical Services	\$1,000,000	\$0	\$0	\$1,000,000	0
Subtotal	<u>\$1,000,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,000,000</u>	<u>0</u>

Health and Social Services

Cost Increases for Fiscal Year 2026-2027

	State	Federal	Other	Total	Positions
● Shared Savings - Rural Health Transformation Resiliency Grants					
To provide non-recurring funding to supplement Tennessee's federally funded Rural Health Transformation Program (RHTP) through targeted capital projects and to extend the most effective models emerging from the RHTP. Other funding is from TennCare Shared Savings.					
343.52 Community and Medical Services	\$0	\$0	\$125,000,000	\$125,000,000	0
Subtotal	\$0	\$0	\$125,000,000	\$125,000,000	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	\$1,006,000	\$1,006,000	0
Subtotal	\$0	\$0	\$1,006,000	\$1,006,000	0
● 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
Subtotal	\$0	\$0	\$1,400,000	\$1,400,000	0
● Shared Savings - Rural Health Care Training Program					
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	\$4,398,300	\$4,398,300	0
Subtotal	\$0	\$0	\$4,398,300	\$4,398,300	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
Subtotal	\$0	\$0	\$1,050,000	\$1,050,000	0
Total Health	\$49,130,500	\$0	\$138,354,300	\$187,484,800	0

Health and Social Services

Cost Increases for Fiscal Year 2026-2027

	State	Federal	Other	Total	Positions
Human Services					
● Supplemental Nutrition Assistance Program (SNAP) Administration					
To provide recurring state funding to reflect a decrease in federal participation in SNAP Administration. Of this total cost, \$60,000,000 is recurring and (\$1,665,300) is non-recurring.					
345.01 Administration	\$22,263,600	(\$22,263,600)	\$0	\$0	0
345.17 County Rentals	2,748,300	(2,748,300)	0	0	0
345.30 Family Assistance Services	31,413,700	(31,413,700)	0	0	0
345.31 Appeals and Hearings	1,909,100	(1,909,100)	0	0	0
Subtotal	<u>\$58,334,700</u>	<u>(\$58,334,700)</u>	<u>\$0</u>	<u>\$0</u>	<u>0</u>
● 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, 2026.					
345.13 Child Support	\$179,700	\$348,800	\$0	\$528,500	0
Subtotal	<u>\$179,700</u>	<u>\$348,800</u>	<u>\$0</u>	<u>\$528,500</u>	<u>0</u>
● Statewide Alliance of YMCAs Grant					
To provide non-recurring funding for a grant to the Statewide Alliance of YMCAs.					
345.49 Community Services	\$15,000,000	\$0	\$0	\$15,000,000	0
Subtotal	<u>\$15,000,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$15,000,000</u>	<u>0</u>
● YMCA Community Action Project Programs Grant					
To provide recurring funding for a grant to YMCA Community Action Project programs.					
345.49 Community Services	\$250,000	\$0	\$0	\$250,000	0
Subtotal	<u>\$250,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$250,000</u>	<u>0</u>
Total Human Services	<u>\$73,764,400</u>	<u>(\$57,985,900)</u>	<u>\$0</u>	<u>\$15,778,500</u>	<u>0</u>

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 75.025 percent to 74.483 percent.					
350.50 CoverKids	\$1,006,700	(\$1,006,700)	\$0	\$0	0
Subtotal	<u>\$1,006,700</u>	<u>(\$1,006,700)</u>	<u>\$0</u>	<u>\$0</u>	<u>0</u>
Total Finance and Administration, Strategic Health-Care Programs	<u>\$1,006,700</u>	<u>(\$1,006,700)</u>	<u>\$0</u>	<u>\$0</u>	<u>0</u>

Health and Social Services

Cost Increases for Fiscal Year 2026-2027

	State	Federal	Other	Total	Positions
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	\$36,811,400	\$0	\$0	\$36,811,400	0
Subtotal	\$36,811,400	\$0	\$0	\$36,811,400	0
● Custody Services Revenue Replacement					
To provide recurring funding to reflect a change in revenues collected in the custody services program. Federal revenue collections have decreased as fewer children have been eligible to receive federal reimbursement for services.					
359.30 Custody Services	\$16,291,800	(\$16,291,800)	\$0	\$0	0
Subtotal	\$16,291,800	(\$16,291,800)	\$0	\$0	0
● Administration Legislation - Safe Environments for Children					
To provide recurring funding for administration legislation relative to enhancing staff safety at facilities that accommodate delinquent youth.					
359.30 Custody Services	\$10,721,000	\$0	\$0	\$10,721,000	0
Subtotal	\$10,721,000	\$0	\$0	\$10,721,000	0
● Continuation of Private Provider Case Management					
To provide recurring funding for the continuation of contracted case management positions that were previously funded with non-recurring dollars.					
359.50 Child and Family Management	\$6,154,400	\$1,068,800	\$6,145,400	\$13,368,600	0
Subtotal	\$6,154,400	\$1,068,800	\$6,145,400	\$13,368,600	0
● Additional Private Case Management					
To provide recurring funding for additional private case management positions to assist with reducing caseload ratios.					
359.30 Custody Services	\$9,733,000	\$1,692,700	\$9,733,000	\$21,158,700	0
Subtotal	\$9,733,000	\$1,692,700	\$9,733,000	\$21,158,700	0
● Specialized Treatment Foster Homes - Year Three 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	\$1,023,000	\$274,900	\$1,502,300	\$2,800,200	0
Subtotal	\$1,023,000	\$274,900	\$1,502,300	\$2,800,200	0

Health and Social Services

Cost Increases for Fiscal Year 2026-2027

	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	\$549,000	\$214,000	\$0	\$763,000	0
Subtotal	\$549,000	\$214,000	\$0	\$763,000	0
• Adoption Assistance (AA) and Subsidized Permanent Guardianship (SPG) Rate Increase					
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	\$179,300	\$208,300	\$0	\$387,600	0
Subtotal	\$179,300	\$208,300	\$0	\$387,600	0
• County Office Rent Increases					
To provide recurring funding for increased county office lease payments.					
359.10 Administration	\$1,886,000	\$328,000	\$1,886,000	\$4,100,000	0
Subtotal	\$1,886,000	\$328,000	\$1,886,000	\$4,100,000	0
• Legal Representation					
To provide non-recurring funding for counsel and legal representation for complex litigation.					
359.10 Administration	\$2,000,000	\$0	\$0	\$2,000,000	0
Subtotal	\$2,000,000	\$0	\$0	\$2,000,000	0
• Fleet Vehicles					
To provide recurring funding for 250 leased state vehicles for staff that are responsible for the safe transportation of children.					
359.10 Administration	\$943,000	\$164,000	\$943,000	\$2,050,000	0
Subtotal	\$943,000	\$164,000	\$943,000	\$2,050,000	0
• Child Advocacy Centers					
To provide recurring funding for the required 3 percent contract increase to all Child Advocacy Centers required by TCA 9-4-213.					
359.20 Family Support Services	\$134,200	\$0	\$0	\$134,200	0
Subtotal	\$134,200	\$0	\$0	\$134,200	0
• Federal Medical Assistance Percentage (FMAP)					
To provide recurring state funding to reflect a decrease in the FMAP rate from 64.323 percent to 63.545 percent.					
359.30 Custody Services	\$585,600	(\$585,600)	\$0	\$0	0
359.40 Adoption Services	1,022,000	(1,022,000)	0	0	0
Subtotal	\$1,607,600	(\$1,607,600)	\$0	\$0	0
Total Children's Services	\$88,033,700	(\$13,948,700)	\$20,209,700	\$94,294,700	0
Total Health and Social Services	\$443,405,500	\$374,282,100	\$487,522,600	\$1,305,210,200	0

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.

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
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	29	29	29	0	29
Payroll	\$3,561,400	\$3,767,000	\$3,767,000	\$0	\$3,767,000
Operational	4,218,000	3,978,600	3,921,700	0	3,921,700
TOTAL	\$7,779,400	\$7,745,600	\$7,688,700	\$0	\$7,688,700
State Appropriations	\$5,884,900	\$5,927,100	\$5,870,200	\$0	\$5,870,200
Federal	1,029,200	1,071,600	1,071,600	0	1,071,600
Other	865,300	746,900	746,900	0	746,900

Health Facilities Commission

The Tennessee Health Facilities Commission (HFC) administers the Certificate of Need (CON) program, licenses health care facilities, and conducts surveys and investigations to determine compliance with state and federal regulations as the federally designated state surveying agency. In addition to these responsibilities, HFC manages the Nursing Home Civil Monetary Penalty program, the Trauma System Fund, the Abuse Registry, the Nurse Aide Registry, and other state and federal programs.

HFC is governed by a board comprised of 15 members. The Governor, Lieutenant Governor, and Speaker of the House appoint four members each. The Comptroller of the Treasury, the Director of TennCare, and the Commissioner of Disability and Aging serve as ex officio members.

	<u>Actual 2024-2025</u>	<u>Estimated 2025-2026</u>	<u>Base 2026-2027</u>	<u>Cost Increase 2026-2027</u>	<u>Recommended 2026-2027</u>
316.07 Health Facilities Commission					
Full-Time Positions	190	190	190	0	190
Part-Time Positions	8	8	8	0	8
Seasonal Positions	0	0	0	0	0
TOTAL	<u>198</u>	<u>198</u>	<u>198</u>	<u>0</u>	<u>198</u>
Payroll	\$21,098,000	\$23,770,000	\$23,120,000	\$0	\$23,120,000
Operational	15,819,600	26,941,800	20,909,400	0	20,909,400
TOTAL	<u>\$36,917,600</u>	<u>\$50,711,800</u>	<u>\$44,029,400</u>	<u>\$0</u>	<u>\$44,029,400</u>
State Appropriations	\$24,445,800	\$33,041,900	\$28,871,600	\$0	\$28,871,600
Federal	10,318,900	9,381,200	9,246,200	0	9,246,200
Other	2,152,900	8,288,700	5,911,600	0	5,911,600

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>2024-2025</u>	<u>Estimated</u> <u>2025-2026</u>	<u>Base</u> <u>2026-2027</u>	<u>Cost Increase</u> <u>2026-2027</u>	<u>Recommended</u> <u>2026-2027</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	\$1,454,500	\$1,560,600	\$1,560,600	\$0	\$1,560,600
Operational	1,236,000	1,549,700	1,526,600	0	1,526,600
TOTAL	<u>\$2,690,500</u>	<u>\$3,110,300</u>	<u>\$3,087,200</u>	<u>\$0</u>	<u>\$3,087,200</u>
State Appropriations	\$605,000	\$628,600	\$623,200	\$0	\$623,200
Federal	1,329,500	1,731,700	1,714,000	0	1,714,000
Other	756,000	750,000	750,000	0	750,000

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 2024-2025</u>	<u>Estimated 2025-2026</u>	<u>Base 2026-2027</u>	<u>Cost Increase 2026-2027</u>	<u>Recommended 2026-2027</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	1,307	1,307	1,307	0	1,307
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	<u>1,307</u>	<u>1,307</u>	<u>1,307</u>	<u>0</u>	<u>1,307</u>
Payroll	\$138,106,300	\$148,733,100	\$148,733,100	\$0	\$148,733,100
Operational	859,100,700	821,288,600	529,869,700	393,457,600	923,327,300
TOTAL	<u>\$997,207,000</u>	<u>\$970,021,700</u>	<u>\$678,602,800</u>	<u>\$393,457,600</u>	<u>\$1,072,060,400</u>
State Appropriations	\$262,905,600	\$211,509,500	\$223,528,300	\$0	\$223,528,300
Federal	731,749,800	676,771,300	452,982,600	181,271,100	634,253,700
Other	2,551,600	81,740,900	2,091,900	212,186,500	214,278,400

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	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	14,313,059,900	14,944,405,500	14,315,111,800	531,013,700	14,846,125,500
TOTAL	<u>\$14,313,059,900</u>	<u>\$14,944,405,500</u>	<u>\$14,315,111,800</u>	<u>\$531,013,700</u>	<u>\$14,846,125,500</u>
State Appropriations	\$4,065,895,400	\$4,749,063,000	\$4,816,461,200	\$195,496,000	\$5,011,957,200
Federal	8,943,413,600	9,154,934,200	8,696,111,900	246,622,300	8,942,734,200
Other	1,303,750,900	1,040,408,300	802,538,700	88,895,400	891,434,100

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	1,019,788,900	1,053,932,700	1,013,008,300	0	1,013,008,300
TOTAL	\$1,019,788,900	\$1,053,932,700	\$1,013,008,300	\$0	\$1,013,008,300
State Appropriations	\$361,215,000	\$324,219,700	\$314,219,700	\$992,300	\$315,212,000
Federal	653,939,300	689,739,100	673,814,700	(992,300)	672,822,400
Other	4,634,600	39,973,900	24,973,900	0	24,973,900

318.71 Intellectual Disabilities Services

Intellectual Disabilities Services provides administrative oversight and funding for three HCBS waivers for persons with intellectual disabilities. These waivers are the Self-Determination waiver, Comprehensive Aggregate Cap waiver, and the Statewide waiver. The Department of Intellectual and Developmental Disabilities is the administrative lead agency for these waiver programs. With the implementation of the ECF CHOICES program, the current HCBS waivers for individuals with intellectual disabilities are closed to new enrollees with only a few narrow exceptions. This program also provides funding for individuals who require long-term institutional care in intermediate care facilities 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	1,202,285,300	1,233,370,400	1,203,376,300	0	1,203,376,300
TOTAL	\$1,202,285,300	\$1,233,370,400	\$1,203,376,300	\$0	\$1,203,376,300
State Appropriations	\$432,833,700	\$450,359,000	\$439,436,700	\$8,961,800	\$448,398,500
Federal	769,449,400	782,946,400	763,874,600	(8,961,800)	754,912,800
Other	2,200	65,000	65,000	0	65,000

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	993,720,000	1,028,069,300	1,028,069,300	54,054,200	1,082,123,500
TOTAL	\$993,720,000	\$1,028,069,300	\$1,028,069,300	\$54,054,200	\$1,082,123,500
State Appropriations	\$555,050,000	\$607,596,600	\$607,596,600	\$24,770,100	\$632,366,700
Federal	438,670,000	420,472,700	420,472,700	29,284,100	449,756,800
Other	0	0	0	0	0

318.00 Total Department of Finance and Administration, Division of TennCare

Full-Time Positions	1,307	1,307	1,307	0	1,307
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	1,307	1,307	1,307	0	1,307
Payroll	\$138,106,300	\$148,733,100	\$148,733,100	\$0	\$148,733,100
Operational	18,387,954,800	19,081,066,500	18,089,435,400	978,525,500	19,067,960,900
TOTAL	\$18,526,061,100	\$19,229,799,600	\$18,238,168,500	\$978,525,500	\$19,216,694,000
State Appropriations	\$5,677,899,700	\$6,342,747,800	\$6,401,242,500	\$230,220,200	\$6,631,462,700
Federal	11,537,222,100	11,724,863,700	11,007,256,500	447,223,400	11,454,479,900
Other	1,310,939,300	1,162,188,100	829,669,500	301,081,900	1,130,751,400

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 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	202	204	203	0	203
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	202	204	203	0	203
Payroll	\$27,495,100	\$28,726,300	\$28,420,200	\$186,800	\$28,607,000
Operational	7,912,800	10,454,600	10,031,200	3,500	10,034,700
TOTAL	\$35,407,900	\$39,180,900	\$38,451,400	\$190,300	\$38,641,700
State Appropriations	\$25,807,200	\$29,121,400	\$29,161,800	\$0	\$29,161,800
Federal	5,493,900	5,075,300	4,906,500	0	4,906,500
Other	4,106,800	4,984,200	4,383,100	190,300	4,573,400

<u>Actual 2024-2025</u>	<u>Estimated 2025-2026</u>	<u>Base 2026-2027</u>	<u>Cost Increase 2026-2027</u>	<u>Recommended 2026-2027</u>

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	183,317,100	175,041,100	163,487,400	10,421,300	173,908,700
TOTAL	\$183,317,100	\$175,041,100	\$163,487,400	\$10,421,300	\$173,908,700
State Appropriations	\$76,635,100	\$94,076,800	\$90,901,500	\$1,250,000	\$92,151,500
Federal	91,062,900	64,423,400	64,423,400	0	64,423,400
Other	15,619,100	16,540,900	8,162,500	9,171,300	17,333,800

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
TOTAL	0	0	0	0	0

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	291,304,200	241,178,000	218,134,200	18,515,100	236,649,300
TOTAL	\$291,304,200	\$241,178,000	\$218,134,200	\$18,515,100	\$236,649,300
State Appropriations	\$172,588,400	\$175,744,700	\$173,308,700	\$0	\$173,308,700
Federal	55,417,700	39,235,200	28,905,200	0	28,905,200
Other	63,298,100	26,198,100	15,920,300	18,515,100	34,435,400

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	574	573	573	0	573
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	574	573	573	0	573
Payroll	\$50,026,700	\$54,382,800	\$54,382,800	\$0	\$54,382,800
Operational	20,190,000	19,496,800	19,513,600	0	19,513,600
TOTAL	\$70,216,700	\$73,879,600	\$73,896,400	\$0	\$73,896,400
State Appropriations	\$49,909,700	\$50,217,000	\$50,382,100	\$0	\$50,382,100
Federal	706,900	1,275,400	1,275,400	0	1,275,400
Other	19,600,100	22,387,200	22,238,900	0	22,238,900

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	\$37,553,000	\$39,124,000	\$39,124,000	\$0	\$39,124,000
Operational	13,604,500	9,980,400	10,077,000	0	10,077,000
TOTAL	\$51,157,500	\$49,104,400	\$49,201,000	\$0	\$49,201,000
State Appropriations	\$38,970,400	\$36,558,100	\$36,654,700	\$0	\$36,654,700
Federal	117,100	160,900	160,900	0	160,900
Other	12,070,000	12,385,400	12,385,400	0	12,385,400

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
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	458	458	0	458
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	459	458	458	0	458
Payroll	\$38,788,200	\$41,612,200	\$41,612,200	\$0	\$41,612,200
Operational	17,561,100	11,193,800	11,321,700	0	11,321,700
TOTAL	\$56,349,300	\$52,806,000	\$52,933,900	\$0	\$52,933,900
State Appropriations	\$44,542,000	\$40,223,200	\$40,351,100	\$0	\$40,351,100
Federal	349,200	1,108,200	1,108,200	0	1,108,200
Other	11,458,100	11,474,600	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	\$17,831,000	\$18,371,300	\$18,371,300	\$0	\$18,371,300
Operational	8,707,800	7,081,900	7,133,600	0	7,133,600
TOTAL	\$26,538,800	\$25,453,200	\$25,504,900	\$0	\$25,504,900
State Appropriations	\$19,390,000	\$18,303,200	\$18,354,900	\$0	\$18,354,900
Federal	179,200	296,200	296,200	0	296,200
Other	6,969,600	6,853,800	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	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	\$1,302,000	\$1,511,100	\$1,511,100	\$0	\$1,511,100
Operational	821,700	1,417,500	1,418,800	0	1,418,800
TOTAL	\$2,123,700	\$2,928,600	\$2,929,900	\$0	\$2,929,900

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	2,123,700	2,928,600	2,929,900	0	2,929,900

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	65,940,300	142,928,600	80,929,900	0	80,929,900
TOTAL	\$65,940,300	\$142,928,600	\$80,929,900	\$0	\$80,929,900
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	65,940,300	142,928,600	80,929,900	0	80,929,900

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	855,000	900,000	900,000	0	900,000
TOTAL	\$855,000	\$900,000	\$900,000	\$0	\$900,000
State Appropriations	\$855,000	\$900,000	\$900,000	\$0	\$900,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

339.00 Total Department of Mental Health and Substance Abuse Services

Full-Time Positions	1,870	1,870	1,869	0	1,869
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	1,870	1,870	1,869	0	1,869
Payroll	\$172,996,000	\$183,727,700	\$183,421,600	\$186,800	\$183,608,400

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
Operational	610,214,500	619,672,700	522,947,400	28,939,900	551,887,300
TOTAL	\$783,210,500	\$803,400,400	\$706,369,000	\$29,126,700	\$735,495,700
State Appropriations	\$428,697,800	\$445,144,400	\$440,014,800	\$1,250,000	\$441,264,800
Federal	153,326,900	111,574,600	101,075,800	0	101,075,800
Other	201,185,800	246,681,400	165,278,400	27,876,700	193,155,100

Statistical Data Mental Health Institutes

	Middle Tennessee 339.11	Western 339.12	Moccasin Bend 339.16	Memphis 339.17	Total
Annual Admissions					
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	1,868	501	2,459	763	5,591
2025-2026	2,400	550	2,600	900	6,450
2026-2027	2,400	550	2,600	900	6,450
Annual Releases					
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	1,808	470	2,434	760	5,472
2025-2026	2,400	550	2,600	900	6,450
2026-2027	2,400	550	2,600	900	6,450
Average Daily Census					
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	196	130	123	36	485
2025-2026	220	140	135	40	535
2026-2027	220	140	135	40	535
Cost Per Occupancy Day*					
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	\$981.50	\$1078.13	\$1,255.14	\$2,019.70	\$1,153.86
2025-2026	\$920.04	\$960.95	\$1,071.66	\$1,743.37	\$1,030.56
2026-2027	\$920.25	\$962.84	\$1,074.25	\$1,746.91	\$1,032.06

* Last column indicates average cost per day for all institutions.

Department of Health

The Department of Health is responsible for protecting and improving the health of Tennessee's citizens and visitors. In order to carry out this responsibility, the department is organized into the following three areas: Administrative and Support Services, Health Licensure and Regulation, and Health Services.

<u>Actual 2024-2025</u>	<u>Estimated 2025-2026</u>	<u>Base 2026-2027</u>	<u>Cost Increase 2026-2027</u>	<u>Recommended 2026-2027</u>

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	113	114	114	0	114
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	113	114	114	0	114
Payroll	\$15,506,700	\$17,104,100	\$17,104,100	\$0	\$17,104,100
Operational	23,775,800	21,737,700	21,751,700	0	21,751,700
TOTAL	\$39,282,500	\$38,841,800	\$38,855,800	\$0	\$38,855,800
State Appropriations	\$27,252,000	\$28,650,100	\$28,662,100	\$0	\$28,662,100
Federal	11,463,700	9,556,300	9,558,300	0	9,558,300
Other	566,800	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	\$1,595,800	\$1,334,600	\$1,334,600	\$0	\$1,334,600
Operational	367,800	186,000	187,400	0	187,400
TOTAL	\$1,963,600	\$1,520,600	\$1,522,000	\$0	\$1,522,000

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
State Appropriations	\$1,963,600	\$1,520,600	\$1,522,000	\$0	\$1,522,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

343.07 Emergency Medical Services

Emergency Medical Services (EMS) provides quality assurance and oversight of pre-hospital emergency medical care and the medical transportation system in Tennessee. Activities include licensing public and private ambulance services, inspecting and issuing permits for ambulances, training and certifying personnel, and developing regulations. EMS provides technical assistance and coordination to local governments for developing EMS communications systems. EMS is also responsible for statewide, multi-agency emergency medical disaster planning, training, and operations, as identified in the Tennessee Emergency Management Plan.

Full-Time 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	\$2,158,700	\$1,985,700	\$1,985,700	\$0	\$1,985,700
Operational	4,885,400	12,870,500	7,749,000	0	7,749,000
TOTAL	\$7,044,100	\$14,856,200	\$9,734,700	\$0	\$9,734,700
State Appropriations	\$4,936,100	\$12,711,000	\$7,589,500	\$0	\$7,589,500
Federal	0	53,200	53,200	0	53,200
Other	2,108,000	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	199	200	200	0	200
Part-Time Positions	199	199	199	0	199
Seasonal Positions	0	0	0	0	0
TOTAL	398	399	399	0	399
Payroll	\$20,739,100	\$23,533,700	\$23,533,700	\$0	\$23,533,700
Operational	11,521,500	10,518,500	10,488,200	0	10,488,200
TOTAL	\$32,260,600	\$34,052,200	\$34,021,900	\$0	\$34,021,900
State Appropriations	\$31,008,700	\$31,714,900	\$31,684,600	\$0	\$31,684,600
Federal	0	44,200	0	0	0
Other	1,251,900	2,293,100	2,337,300	0	2,337,300

Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	\$12,331,400	\$14,331,800	\$14,331,800	\$0	\$14,331,800
Operational	17,193,200	17,753,500	17,641,200	1,573,300	19,214,500
TOTAL	\$29,524,600	\$32,085,300	\$31,973,000	\$1,573,300	\$33,546,300
State Appropriations	\$11,485,900	\$15,345,000	\$15,232,700	\$1,573,300	\$16,806,000
Federal	351,300	1,160,000	1,160,000	0	1,160,000
Other	17,687,400	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	148	154	153	0	153
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	148	154	153	0	153
Payroll	\$14,946,900	\$17,361,200	\$17,322,600	\$0	\$17,322,600
Operational	6,487,900	7,954,700	7,318,900	0	7,318,900
TOTAL	\$21,434,800	\$25,315,900	\$24,641,500	\$0	\$24,641,500
State Appropriations	\$8,001,200	\$12,639,000	\$11,967,100	\$0	\$11,967,100
Federal	4,266,700	5,399,000	5,396,500	0	5,396,500
Other	9,166,900	7,277,900	7,277,900	0	7,277,900

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	\$11,054,800	\$11,957,100	\$11,957,100	\$0	\$11,957,100
Operational	1,880,800	2,031,300	1,989,800	0	1,989,800
TOTAL	\$12,935,600	\$13,988,400	\$13,946,900	\$0	\$13,946,900
State Appropriations	\$12,741,200	\$13,899,800	\$13,858,300	\$0	\$13,858,300
Federal	0	0	0	0	0
Other	194,400	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	140	136	135	0	135
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	140	136	135	0	135
Payroll	\$16,355,500	\$16,935,900	\$16,579,500	\$0	\$16,579,500
Operational	73,022,400	93,030,200	88,593,800	0	88,593,800
TOTAL	\$89,377,900	\$109,966,100	\$105,173,300	\$0	\$105,173,300
State Appropriations	\$20,583,200	\$25,362,400	\$22,628,400	\$0	\$22,628,400
Federal	30,593,500	32,820,200	30,761,400	0	30,761,400
Other	38,201,200	51,783,500	51,783,500	0	51,783,500

Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	246	246	0	246
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	247	246	246	0	246
Payroll	\$30,978,600	\$31,765,200	\$31,765,200	\$0	\$31,765,200
Operational	321,959,400	121,906,300	69,655,700	18,480,100	88,135,800
TOTAL	\$352,938,000	\$153,671,500	\$101,420,900	\$18,480,100	\$119,901,000
State Appropriations	\$33,996,100	\$36,126,400	\$35,906,400	\$18,480,100	\$54,386,500
Federal	288,310,500	94,712,400	42,681,800	0	42,681,800
Other	30,631,400	22,832,700	22,832,700	0	22,832,700

343.52 Community and Medical Services

Community and Medical Services supports health promotion activities that reduce premature death and disability. The program promotes healthy lifestyle practices through a combination of preventive programs and wellness initiatives. The target population is the indigent and medically underserved. The Breast and Cervical Cancer Program provides screening and diagnostic testing. The Health Access Incentive Program provides financial incentives to primary care providers to locate in underserved areas as well as other community initiatives. The Office of Rural Health provides statewide coordination of activities designed to improve the availability and accessibility of health-care services in rural areas. Specific services include health access, rural health, rape prevention and education, community prevention initiative, diabetes prevention and control, heart disease and stroke prevention, and traumatic brain injury treatment.

Full-Time Positions	21	21	21	0	21
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	21	21	21	0	21
Payroll	\$2,106,600	\$2,470,900	\$2,470,900	\$0	\$2,470,900
Operational	112,820,600	171,843,700	39,422,300	144,354,300	183,776,600
TOTAL	\$114,927,200	\$174,314,600	\$41,893,200	\$144,354,300	\$186,247,500
State Appropriations	\$45,048,900	\$55,126,400	\$39,603,800	\$6,500,000	\$46,103,800
Federal	63,173,000	111,240,700	2,240,700	0	2,240,700
Other	6,705,300	7,947,500	48,700	137,854,300	137,903,000

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	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	\$1,947,100	\$2,181,500	\$2,181,500	\$0	\$2,181,500
Operational	161,181,200	133,984,000	143,986,000	0	143,986,000
TOTAL	\$163,128,300	\$136,165,500	\$146,167,500	\$0	\$146,167,500
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	126,094,400	91,032,500	101,034,500	0	101,034,500
Other	37,033,900	45,133,000	45,133,000	0	45,133,000

343.60 Health Services

Health Services is a network of regional health offices, metropolitan area offices, and county health departments. Grants-in-aid are provided to local health units to ensure that every citizen in the state has access to health care and to assist county health departments in providing adequate staff. Services include child health and development assistance; family planning; community health clinics; primary care; TennCare dental services; children's special services; immunizations; health promotion; sexually transmitted disease assistance; tuberculosis control; AIDS assistance; bioterrorism preparedness; community development; Early and Periodic Screening, Diagnosis, and Treatment outreach; and supplemental foods, screening, and counseling through the WIC program described above.

Full-Time Positions	1,525	1,513	1,508	0	1,508
Part-Time Positions	2	2	2	0	2
Seasonal Positions	0	0	0	0	0
TOTAL	1,527	1,515	1,510	0	1,510
Payroll	\$153,743,100	\$166,767,300	\$166,176,600	\$0	\$166,176,600
Operational	244,473,400	230,156,700	109,712,100	23,077,100	132,789,200
TOTAL	\$398,216,500	\$396,924,000	\$275,888,700	\$23,077,100	\$298,965,800
State Appropriations	\$155,607,400	\$160,466,200	\$139,515,900	\$22,577,100	\$162,093,000
Federal	168,873,900	160,602,400	64,601,900	0	64,601,900
Other	73,735,200	75,855,400	71,770,900	500,000	72,270,900

343.00 Total Department of Health

Full-Time Positions	2,699	2,690	2,683	0	2,683
Part-Time Positions	214	214	214	0	214
Seasonal Positions	0	0	0	0	0
TOTAL	2,913	2,904	2,897	0	2,897

Department of Health

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
Payroll	\$283,464,300	\$307,729,000	\$306,743,300	\$0	\$306,743,300
Operational	979,569,400	823,973,100	518,496,100	187,484,800	705,980,900
TOTAL	\$1,263,033,700	\$1,131,702,100	\$825,239,400	\$187,484,800	\$1,012,724,200
State Appropriations	\$352,624,300	\$393,561,800	\$348,170,800	\$49,130,500	\$397,301,300
Federal	693,127,000	506,620,900	257,488,300	0	257,488,300
Other	217,282,400	231,519,400	219,580,300	138,354,300	357,934,600

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.

Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	294	297	297	0	297
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	294	297	297	0	297
Payroll	\$30,238,000	\$34,406,300	\$34,406,300	\$0	\$34,406,300
Operational	14,326,300	13,884,900	14,515,200	0	14,515,200
TOTAL	\$44,564,300	\$48,291,200	\$48,921,500	\$0	\$48,921,500
State Appropriations	\$2,861,500	\$3,741,100	\$4,077,800	\$0	\$4,077,800
Federal	0	0	0	0	0
Other	41,702,800	44,550,100	44,843,700	0	44,843,700

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
TOTAL	0	0	0	0	0

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	36,278,900	67,613,100	65,878,600	0	65,878,600
TOTAL	\$36,278,900	\$67,613,100	\$65,878,600	\$0	\$65,878,600
State Appropriations	\$32,151,400	\$63,935,100	\$62,200,600	\$0	\$62,200,600
Federal	0	0	0	0	0
Other	4,127,500	3,678,000	3,678,000	0	3,678,000

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	80	80	80	0	80
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	80	80	80	0	80
Payroll	\$7,679,700	\$8,238,400	\$8,238,400	\$0	\$8,238,400
Operational	688,600	761,700	771,800	0	771,800
TOTAL	\$8,368,300	\$9,000,100	\$9,010,200	\$0	\$9,010,200
State Appropriations	\$244,200	\$660,100	\$660,600	\$0	\$660,600
Federal	0	0	0	0	0
Other	8,124,100	8,340,000	8,349,600	0	8,349,600

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	111	110	110	0	110
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	111	110	110	0	110
Payroll	\$9,891,500	\$11,564,000	\$11,564,000	\$0	\$11,564,000
Operational	34,623,800	1,782,000	1,803,000	0	1,803,000
TOTAL	\$44,515,300	\$13,346,000	\$13,367,000	\$0	\$13,367,000
State Appropriations	\$420,400	\$1,643,900	\$1,644,900	\$0	\$1,644,900
Federal	33,051,900	0	0	0	0
Other	11,043,000	11,702,100	11,722,100	0	11,722,100

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	111	110	110	0	110
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	111	110	110	0	110

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
Payroll	\$9,680,000	\$11,036,400	\$11,036,400	\$0	\$11,036,400
Operational	17,705,300	2,493,500	2,515,500	0	2,515,500
TOTAL	\$27,385,300	\$13,529,900	\$13,551,900	\$0	\$13,551,900
State Appropriations	\$924,200	\$1,280,700	\$1,281,800	\$0	\$1,281,800
Federal	14,547,900	0	0	0	0
Other	11,913,200	12,249,200	12,270,100	0	12,270,100

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	108	107	107	0	107
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	108	107	107	0	107
Payroll	\$9,983,800	\$10,939,300	\$10,939,300	\$0	\$10,939,300
Operational	15,864,000	1,594,800	1,612,700	0	1,612,700
TOTAL	\$25,847,800	\$12,534,100	\$12,552,000	\$0	\$12,552,000
State Appropriations	\$345,300	\$1,015,700	\$1,016,600	\$0	\$1,016,600
Federal	14,330,500	0	0	0	0
Other	11,172,000	11,518,400	11,535,400	0	11,535,400

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	28	28	28	0	28
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	28	28	28	0	28
Payroll	\$2,743,100	\$3,061,700	\$3,061,700	\$0	\$3,061,700
Operational	1,684,600	1,885,800	1,891,000	0	1,891,000
TOTAL	\$4,427,700	\$4,947,500	\$4,952,700	\$0	\$4,952,700
State Appropriations	\$3,507,800	\$4,174,900	\$4,180,100	\$0	\$4,180,100
Federal	0	0	0	0	0
Other	919,900	772,600	772,600	0	772,600

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	201	200	200	0	200
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	201	200	200	0	200
Payroll	\$13,752,000	\$17,293,400	\$17,293,400	\$0	\$17,293,400
Operational	7,082,700	7,734,000	7,264,400	0	7,264,400
TOTAL	\$20,834,700	\$25,027,400	\$24,557,800	\$0	\$24,557,800
State Appropriations	\$871,600	\$35,300	\$35,300	\$0	\$35,300
Federal	0	0	0	0	0
Other	19,963,100	24,992,100	24,522,500	0	24,522,500

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	151	147	147	0	147
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	151	147	147	0	147
Payroll	\$11,062,800	\$12,524,600	\$12,524,600	\$0	\$12,524,600
Operational	7,639,500	7,475,800	7,748,800	0	7,748,800
TOTAL	\$18,702,300	\$20,000,400	\$20,273,400	\$0	\$20,273,400
State Appropriations	\$592,400	\$95,900	\$95,900	\$0	\$95,900
Federal	0	0	0	0	0
Other	18,109,900	19,904,500	20,177,500	0	20,177,500

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	249	247	246	0	246
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	249	247	246	0	246
Payroll	\$17,595,500	\$19,820,900	\$19,782,400	\$0	\$19,782,400
Operational	8,332,500	8,117,300	8,145,600	0	8,145,600
TOTAL	\$25,928,000	\$27,938,200	\$27,928,000	\$0	\$27,928,000
State Appropriations	\$942,400	\$248,400	\$248,400	\$0	\$248,400
Federal	0	0	0	0	0
Other	24,985,600	27,689,800	27,679,600	0	27,679,600

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	380	380	0	380
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	379	380	380	0	380
Payroll	\$28,193,500	\$31,964,900	\$31,964,900	\$0	\$31,964,900
Operational	64,752,400	75,014,700	75,051,700	0	75,051,700
TOTAL	\$92,945,900	\$106,979,600	\$107,016,600	\$0	\$107,016,600
State Appropriations	\$46,399,300	\$61,269,100	\$61,302,400	\$0	\$61,302,400
Federal	15,063,900	10,352,000	10,352,000	0	10,352,000
Other	31,482,700	35,358,500	35,362,200	0	35,362,200

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	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	\$7,823,000	\$8,407,900	\$8,407,900	\$0	\$8,407,900
Operational	43,120,100	50,185,200	50,186,200	0	50,186,200
TOTAL	\$50,943,100	\$58,593,100	\$58,594,100	\$0	\$58,594,100
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	50,943,100	58,593,100	58,594,100	0	58,594,100

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	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	\$3,668,800	\$4,661,000	\$4,661,000	\$0	\$4,661,000
Operational	68,268,000	76,969,000	71,771,300	0	71,771,300
TOTAL	\$71,936,800	\$81,630,000	\$76,432,300	\$0	\$76,432,300
State Appropriations	\$28,848,800	\$46,841,600	\$41,843,900	\$0	\$41,843,900
Federal	42,701,400	34,788,000	34,588,000	0	34,588,000
Other	386,600	400	400	0	400

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	38	44	44	0	44
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	38	44	44	0	44
Payroll	\$3,064,900	\$4,274,500	\$4,274,500	\$0	\$4,274,500
Operational	1,838,700	3,616,800	3,623,600	0	3,623,600
TOTAL	\$4,903,600	\$7,891,300	\$7,898,100	\$0	\$7,898,100
State Appropriations	\$4,903,600	\$7,890,300	\$7,897,100	\$0	\$7,897,100
Federal	0	0	0	0	0
Other	0	1,000	1,000	0	1,000

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	477,000	500,000	500,000	0	500,000
TOTAL	\$477,000	\$500,000	\$500,000	\$0	\$500,000
State Appropriations	\$477,000	\$500,000	\$500,000	\$0	\$500,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

344.00 Total Department of Disability and Aging

Full-Time Positions	1,886	1,886	1,885	0	1,885
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	1,886	1,886	1,885	0	1,885
Payroll	\$155,376,600	\$178,193,300	\$178,154,800	\$0	\$178,154,800
Operational	322,682,400	319,628,600	313,279,400	0	313,279,400
TOTAL	\$478,059,000	\$497,821,900	\$491,434,200	\$0	\$491,434,200
State Appropriations	\$123,489,900	\$193,332,100	\$186,985,400	\$0	\$186,985,400
Federal	119,695,600	45,140,000	44,940,000	0	44,940,000
Other	234,873,500	259,349,800	259,508,800	0	259,508,800

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					
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	6	0	0	0	0
2025-2026	6	3	3	3	9
2026-2027	5	2	2	2	6
Annual Releases					
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	5	5	1	5	11
2025-2026	4	1	1	1	3
2026-2027	3	1	1	1	3
Average Daily Census					
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	5	26	25	48	99
2025-2026	8	28	27	50	105
2026-2027	10	27	26	49	102
Cost Per Occupancy Day*					
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	\$2,686.90	\$2,195.44	\$2,049.57	\$1,479.91	\$1,811.68
2025-2026	\$2,702.50	\$2,448.86	\$2,029.47	\$1,530.86	\$1,903.87
2026-2027	\$2,163.86	\$2,491.91	\$2,136.29	\$1,561.53	\$1,954.32

*Last column indicates average cost per day for all community homes.

Department of Human Services

The mission of the Department of Human Services is to improve quality of life by providing an effective system of services for disadvantaged, disabled, and vulnerable Tennesseans. The departmental structure includes Administration, Adult and Family Services, Child Support, and Rehabilitation Services.

<u>Actual 2024-2025</u>	<u>Estimated 2025-2026</u>	<u>Base 2026-2027</u>	<u>Cost Increase 2026-2027</u>	<u>Recommended 2026-2027</u>

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	410	413	412	0	412
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	410	413	412	0	412
Payroll	\$44,668,300	\$47,721,700	\$47,678,500	\$0	\$47,678,500
Operational	179,674,600	174,328,000	162,976,100	0	162,976,100
TOTAL	\$224,342,900	\$222,049,700	\$210,654,600	\$0	\$210,654,600
State Appropriations	\$105,574,200	\$93,911,200	\$84,231,500	\$22,263,600	\$106,495,100
Federal	117,248,300	122,675,100	120,960,000	(22,263,600)	98,696,400
Other	1,520,400	5,463,400	5,463,100	0	5,463,100

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	23,616,100	23,178,200	23,178,200	0	23,178,200
TOTAL	\$23,616,100	\$23,178,200	\$23,178,200	\$0	\$23,178,200
State Appropriations	\$9,529,000	\$10,000,700	\$10,000,700	\$2,748,300	\$12,749,000
Federal	13,538,100	12,435,900	12,435,900	(2,748,300)	9,687,600
Other	549,000	741,600	741,600	0	741,600

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	121	121	0	121
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	120	121	121	0	121
Payroll	\$14,029,100	\$14,944,200	\$14,944,200	\$0	\$14,944,200
Operational	1,500,200	1,211,300	1,619,300	0	1,619,300
TOTAL	\$15,529,300	\$16,155,500	\$16,563,500	\$0	\$16,563,500
State Appropriations	\$6,139,800	\$5,824,300	\$9,278,500	\$1,909,100	\$11,187,600
Federal	7,664,600	10,331,200	7,285,000	(1,909,100)	5,375,900
Other	1,724,900	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	312,974,800	266,695,600	246,695,600	0	246,695,600
TOTAL	\$312,974,800	\$266,695,600	\$246,695,600	\$0	\$246,695,600
State Appropriations	\$19,461,300	\$19,900,000	\$19,900,000	\$0	\$19,900,000
Federal	279,004,500	235,795,600	215,795,600	0	215,795,600
Other	14,509,000	11,000,000	11,000,000	0	11,000,000

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	65,260,100	102,451,400	102,451,400	0	102,451,400
TOTAL	\$65,260,100	\$102,451,400	\$102,451,400	\$0	\$102,451,400
State Appropriations	\$0	\$1,029,500	\$1,029,500	\$0	\$1,029,500
Federal	65,260,100	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	1,770,567,400	3,209,112,700	1,859,112,700	0	1,859,112,700
TOTAL	\$1,770,567,400	\$3,209,112,700	\$1,859,112,700	\$0	\$1,859,112,700
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	1,770,567,400	3,209,112,700	1,859,112,700	0	1,859,112,700
Other	0	0	0	0	0

Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	2,009	2,008	0	2,008
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	2,010	2,009	2,008	0	2,008
Payroll	\$142,185,800	\$158,798,500	\$158,714,200	\$0	\$158,714,200
Operational	179,351,300	171,764,800	84,894,300	0	84,894,300
TOTAL	\$321,537,100	\$330,563,300	\$243,608,500	\$0	\$243,608,500
State Appropriations	\$74,523,600	\$92,183,500	\$91,205,600	\$31,413,700	\$122,619,300
Federal	239,621,000	236,579,500	150,602,700	(31,413,700)	119,189,000
Other	7,392,500	1,800,300	1,800,200	0	1,800,200

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	427	426	425	0	425
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	427	426	425	0	425
Payroll	\$34,729,500	\$37,028,000	\$37,028,000	\$0	\$37,028,000
Operational	295,784,900	288,248,300	214,900,900	15,250,000	230,150,900
TOTAL	\$330,514,400	\$325,276,300	\$251,928,900	\$15,250,000	\$267,178,900
State Appropriations	\$13,856,900	\$70,991,800	\$24,815,700	\$15,250,000	\$40,065,700
Federal	308,275,700	242,845,800	222,846,300	0	222,846,300
Other	8,381,800	11,438,700	4,266,900	0	4,266,900

Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	119	119	0	119
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	118	119	119	0	119
Payroll	\$10,452,400	\$11,701,100	\$11,701,100	\$0	\$11,701,100
Operational	104,436,100	113,776,500	113,794,700	528,500	114,323,200
TOTAL	\$114,888,500	\$125,477,600	\$125,495,800	\$528,500	\$126,024,300
State Appropriations	\$0	\$26,697,600	\$26,703,800	\$179,700	\$26,883,500
Federal	70,351,800	75,670,200	75,682,200	348,800	76,031,000
Other	44,536,700	23,109,800	23,109,800	0	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	485	485	0	485
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	488	485	485	0	485
Payroll	\$34,844,600	\$40,934,500	\$40,934,500	\$0	\$40,934,500
Operational	51,108,800	62,117,800	62,140,500	0	62,140,500
TOTAL	\$85,953,400	\$103,052,300	\$103,075,000	\$0	\$103,075,000
State Appropriations	\$16,813,900	\$18,193,000	\$18,198,000	\$0	\$18,198,000
Federal	60,571,400	76,895,900	76,913,600	0	76,913,600
Other	8,568,100	7,963,400	7,963,400	0	7,963,400

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	462	462	461	0	461
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	462	462	461	0	461
Payroll	\$28,413,300	\$40,854,500	\$40,794,000	\$0	\$40,794,000
Operational	25,357,600	35,343,000	35,360,400	0	35,360,400
TOTAL	\$53,770,900	\$76,197,500	\$76,154,400	\$0	\$76,154,400
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	53,770,900	76,197,500	76,154,400	0	76,154,400
Other	0	0	0	0	0

345.00 Total Department of Human Services

Full-Time Positions	4,035	4,035	4,031	0	4,031
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	4,035	4,035	4,031	0	4,031
Payroll	\$309,323,000	\$351,982,500	\$351,794,500	\$0	\$351,794,500
Operational	3,009,631,900	4,448,227,600	2,907,124,100	15,778,500	2,922,902,600
TOTAL	\$3,318,954,900	\$4,800,210,100	\$3,258,918,600	\$15,778,500	\$3,274,697,100
State Appropriations	\$245,898,700	\$338,731,600	\$285,363,300	\$73,764,400	\$359,127,700
Federal	2,985,873,800	4,399,861,300	2,919,110,300	(57,985,900)	2,861,124,400
Other	87,182,400	61,617,200	54,445,000	0	54,445,000

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</u> <u>2024-2025</u>	<u>Estimated</u> <u>2025-2026</u>	<u>Base</u> <u>2026-2027</u>	<u>Cost Increase</u> <u>2026-2027</u>	<u>Recommended</u> <u>2026-2027</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	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	5,500	240,900	240,900	0	240,900
TOTAL	<u>\$5,500</u>	<u>\$240,900</u>	<u>\$240,900</u>	<u>\$0</u>	<u>\$240,900</u>
State Appropriations	\$2,300	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	3,200	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	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	170,554,700	186,602,500	186,602,500	0	186,602,500
TOTAL	<u>\$170,554,700</u>	<u>\$186,602,500</u>	<u>\$186,602,500</u>	<u>\$0</u>	<u>\$186,602,500</u>
State Appropriations	\$42,475,500	\$46,388,700	\$46,388,700	\$1,006,700	\$47,395,400
Federal	127,050,000	139,351,900	139,351,900	(1,006,700)	138,345,200
Other	1,029,200	861,900	861,900	0	861,900

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	10,899,300	11,889,600	11,889,600	0	11,889,600
TOTAL	\$10,899,300	\$11,889,600	\$11,889,600	\$0	\$11,889,600
State Appropriations	\$7,335,600	\$8,889,600	\$8,889,600	\$0	\$8,889,600
Federal	0	0	0	0	0
Other	3,563,700	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	181,459,500	198,733,000	198,733,000	0	198,733,000
TOTAL	\$181,459,500	\$198,733,000	\$198,733,000	\$0	\$198,733,000
State Appropriations	\$49,813,400	\$55,278,300	\$55,278,300	\$1,006,700	\$56,285,000
Federal	127,050,000	139,351,900	139,351,900	(1,006,700)	138,345,200
Other	4,596,100	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 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	325	339	338	0	338
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	325	339	338	0	338
Payroll	\$41,700,600	\$44,248,800	\$44,188,200	\$0	\$44,188,200
Operational	45,432,100	68,768,000	58,811,300	8,150,000	66,961,300
TOTAL	\$87,132,700	\$113,016,800	\$102,999,500	\$8,150,000	\$111,149,500
State Appropriations	\$51,191,900	\$67,768,100	\$57,739,300	\$4,829,000	\$62,568,300
Federal	8,960,100	7,372,100	7,374,100	492,000	7,866,100
Other	26,980,700	37,876,600	37,886,100	2,829,000	40,715,100

Child Welfare

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

359.20 Family Support Services

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

Full-Time 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	94,160,200	93,107,700	81,688,600	134,200	81,822,800
TOTAL	\$94,160,200	\$93,107,700	\$81,688,600	\$134,200	\$81,822,800

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
State Appropriations	\$58,664,200	\$60,156,100	\$54,737,000	\$134,200	\$54,871,200
Federal	14,123,400	25,593,900	25,593,900	0	25,593,900
Other	21,372,600	7,357,700	1,357,700	0	1,357,700

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	677,157,600	709,003,200	660,783,600	72,254,300	733,037,900
TOTAL	\$677,157,600	\$709,018,200	\$660,798,600	\$72,254,300	\$733,052,900
State Appropriations	\$286,329,300	\$305,499,700	\$248,555,600	\$75,714,800	\$324,270,400
Federal	36,529,300	41,811,100	57,062,800	(14,695,800)	42,367,000
Other	354,299,000	361,707,400	355,180,200	11,235,300	366,415,500

359.35 Needs Assessment

The Needs Assessment program provides funding to assist in determining the need for new or different placement and service resources, and where those placements and services should be located.

Full-Time 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	26,606,300	34,171,000	34,171,000	0	34,171,000
TOTAL	\$26,606,300	\$34,171,000	\$34,171,000	\$0	\$34,171,000
State Appropriations	\$10,842,800	\$34,171,000	\$34,171,000	\$0	\$34,171,000
Federal	0	0	0	0	0
Other	15,763,500	0	0	0	0

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	156,954,600	161,933,600	161,933,600	387,600	162,321,200
TOTAL	\$156,954,600	\$161,948,600	\$161,948,600	\$387,600	\$162,336,200
State Appropriations	\$68,657,100	\$74,458,800	\$74,458,800	\$1,201,300	\$75,660,100
Federal	86,978,700	87,372,900	87,372,900	(813,700)	86,559,200
Other	1,318,800	116,900	116,900	0	116,900

359.50 Child and Family Management

The Child and Family Management program provides day-to-day delivery of case management services to children and their families to meet identified intervention, treatment, and placement needs. The program oversees and implements all case management services, including Child Protective Services (CPS), Child Programs, and Juvenile Justice. 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	2,265	2,241	2,238	0	2,238
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	2,265	2,241	2,238	0	2,238
Payroll	\$214,850,100	\$233,251,500	\$233,051,600	\$0	\$233,051,600
Operational	71,017,800	74,379,700	60,812,700	13,368,600	74,181,300
TOTAL	\$285,867,900	\$307,631,200	\$293,864,300	\$13,368,600	\$307,232,900
State Appropriations	\$83,605,900	\$120,938,900	\$114,769,700	\$6,154,400	\$120,924,100
Federal	20,846,100	33,296,900	31,943,400	1,068,800	33,012,200
Other	181,415,900	153,395,400	147,151,200	6,145,400	153,296,600

359.51 Statewide Child and Family Services

The Statewide Child and Family Services program delivers both standard and specialized programs, providing direct support to Child and Family Management. These functions include statewide coordination of training, transportation, prevention services, specialty teams, and specialized support services.

Full-Time Positions	1,138	1,172	1,171	0	1,171
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	1,138	1,172	1,171	0	1,171

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
Payroll	\$89,849,700	\$112,052,600	\$111,992,000	\$0	\$111,992,000
Operational	12,935,200	10,198,100	10,390,500	0	10,390,500
TOTAL	\$102,784,900	\$122,250,700	\$122,382,500	\$0	\$122,382,500
State Appropriations	\$46,899,800	\$56,667,100	\$56,723,900	\$0	\$56,723,900
Federal	9,963,500	11,692,800	11,707,200	0	11,707,200
Other	45,921,600	53,890,800	53,951,400	0	53,951,400

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
Seasonal Positions	0	0	0	0	0
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	18,071,300	13,737,200	13,737,200	0	13,737,200
TOTAL	\$18,071,300	\$13,737,200	\$13,737,200	\$0	\$13,737,200
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	10,522,800	7,637,200	7,637,200	0	7,637,200
Other	7,548,500	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	129	112	107	0	107
Part-Time Positions	1	1	1	0	1
Seasonal Positions	0	0	0	0	0
TOTAL	130	113	108	0	108

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
Payroll	\$7,682,900	\$11,904,400	\$11,570,300	\$0	\$11,570,300
Operational	7,635,500	5,031,500	5,052,000	0	5,052,000
TOTAL	\$15,318,400	\$16,935,900	\$16,622,300	\$0	\$16,622,300
State Appropriations	\$15,262,600	\$16,535,100	\$16,221,500	\$0	\$16,221,500
Federal	0	0	0	0	0
Other	55,800	400,800	400,800	0	400,800

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	565,800	515,000	515,000	0	515,000
TOTAL	\$565,800	\$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	65,800	15,000	15,000	0	15,000

359.00 Total Department of Children's Services

Full-Time Positions	3,857	3,864	3,854	0	3,854
Part-Time Positions	1	1	1	0	1
Seasonal Positions	0	0	0	0	0
TOTAL	3,858	3,865	3,855	0	3,855
Payroll	\$354,083,300	\$401,487,300	\$400,832,100	\$0	\$400,832,100
Operational	1,110,536,400	1,170,845,000	1,087,895,500	94,294,700	1,182,190,200
TOTAL	\$1,464,619,700	\$1,572,332,300	\$1,488,727,600	\$94,294,700	\$1,583,022,300
State Appropriations	\$621,953,600	\$736,694,800	\$657,876,800	\$88,033,700	\$745,910,500
Federal	187,923,900	214,776,900	228,691,500	(13,948,700)	214,742,800
Other	654,742,200	620,860,600	602,159,300	20,209,700	622,369,000

Statistical Data Youth Development Centers

	Wilder 359.60
Annual Admissions	
2019-2020	98
2020-2021	87
2021-2022	99
2022-2023	42
2023-2024	157
2024-2025	42
2025-2026	42
2026-2027	42
Annual Releases	
2019-2020	98
2020-2021	122
2021-2022	100
2022-2023	57
2023-2024	126
2024-2025	53
2025-2026	53
2026-2027	53
Average Daily Census	
2019-2020	99
2020-2021	94
2021-2022	52
2022-2023	37
2023-2024	34
2024-2025	30
2025-2026	30
2026-2027	30
Cost Per Occupancy Day	
2019-2020	\$427.78
2020-2021	\$406.36
2021-2022	\$644.40
2022-2023	\$1,037.06
2023-2024	\$1,362.79
2024-2025	\$1,398.94
2025-2026	\$1,546.66
2026-2027	\$1,518.02

Law, Safety, and Correction



Law, Safety, and Correction

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Law, Safety, and Correction

Recommended Budget, Fiscal Year 2026-2027

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 2024-2025	Estimated 2025-2026	Recommended 2026-2027
Full-Time Positions	13,177	13,451	13,522
Part-Time Positions	54	46	46
TOTAL	13,231	13,497	13,568
Payroll	\$1,398,407,600	\$1,598,967,700	\$1,635,666,900
Operational	2,122,943,800	1,750,656,200	1,842,087,900
TOTAL	\$3,521,351,400	\$3,349,623,900	\$3,477,754,800
State Appropriations	\$2,678,000,100	\$2,808,379,900	\$2,928,827,500
Federal	440,882,200	304,665,900	299,490,600
Other	402,469,100	236,578,100	249,436,700

Law, Safety, and Correction

Recommended Budget for Fiscal Year 2026-2027

By Funding Source

Department	State	Federal	Other	Total
302.00 Court System	\$259,167,700	\$980,000	\$6,734,200	\$266,881,900
303.00 Attorney General and Reporter	64,875,200	969,800	16,393,800	82,238,800
304.00 District Attorneys General Conference	165,694,800	1,547,300	53,534,800	220,776,900
306.00 District Public Defenders Conference	101,405,400	0	994,600	102,400,000
308.00 Office of the Post-Conviction Defender	4,458,500	0	0	4,458,500
316.03 Alcoholic Beverage Commission	4,860,400	27,000	13,524,500	18,411,900
316.08 TRICOR	0	0	63,665,500	63,665,500
316.09 Corrections Institute	7,836,700	0	95,500	7,932,200
316.16 Inmate Disciplinary Oversight Board	2,079,000	0	0	2,079,000
324.00 Board of Parole	12,939,300	0	1,000	12,940,300
329.00 Correction	1,479,901,800	353,300	26,458,300	1,506,713,400
341.00 Military Department	137,431,200	241,901,700	590,200	379,923,100
348.00 Tennessee Bureau of Investigation	129,743,500	14,339,200	24,726,800	168,809,500
349.00 Safety	558,434,000	39,372,300	42,717,500	640,523,800
TOTAL	\$2,928,827,500	\$299,490,600	\$249,436,700	\$3,477,754,800

Law, Safety, and Correction

Cost Increases for Fiscal Year 2026-2027

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Court System					
● Statewide Court Technology Solution					
To provide funding and to establish 18 positions for the implementation of a statewide court technology solution. Of this total cost, \$2,109,000 is recurring and \$39,625,000 is non-recurring.					
302.27 Administrative Office of the Courts	\$41,734,000	\$0	\$0	\$41,734,000	18
Subtotal	<u>\$41,734,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$41,734,000</u>	<u>18</u>
● 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, 2026. This represents a 2.7 percent increase in CPI.					
302.01 Appellate and Trial Courts	\$1,543,900	\$0	\$0	\$1,543,900	0
Subtotal	<u>\$1,543,900</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,543,900</u>	<u>0</u>
Total Court System	<u>\$43,277,900</u>	<u>\$0</u>	<u>\$0</u>	<u>\$43,277,900</u>	<u>18</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, 2026. Other funding is interdepartmental revenue from the Department of Safety and the Department of Human Services.					
304.01 District Attorneys General	\$2,234,500	\$0	\$333,900	\$2,568,400	0
304.10 Executive Director	0	0	6,200	6,200	0
304.15 IV-D Child Support Enforcement	0	0	528,500	528,500	0
Subtotal	<u>\$2,234,500</u>	<u>\$0</u>	<u>\$868,600</u>	<u>\$3,103,100</u>	<u>0</u>
● Software and Technology					
To provide recurring funding to support the conference's information technology needs by replacing equipment and acquiring software enhancements.					
304.01 District Attorneys General	\$1,247,800	\$0	\$0	\$1,247,800	0
Subtotal	<u>\$1,247,800</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,247,800</u>	<u>0</u>
● District Office Rent Increases					
To provide recurring funding for increased rent costs at district offices.					
304.01 District Attorneys General	\$403,500	\$0	\$0	\$403,500	0
Subtotal	<u>\$403,500</u>	<u>\$0</u>	<u>\$0</u>	<u>\$403,500</u>	<u>0</u>

Law, Safety, and Correction

Cost Increases for Fiscal Year 2026-2027

	State	Federal	Other	Total	Positions
● Sexual Assault Kit Initiative - Federal Grant					
To provide recurring funding for the processing and testing of sexual assault kits. This federal grant was administered by Shelby County but will now be administered by the District Attorneys General Conference.					
304.01 District Attorneys General	\$0	\$1,500,000	\$0	\$1,500,000	0
Subtotal	\$0	\$1,500,000	\$0	\$1,500,000	0
Total District Attorneys General Conference	\$3,885,800	\$1,500,000	\$868,600	\$6,254,400	0

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, 2026. These step increases are based on each employee's service anniversary dates.

306.01 District Public Defenders	\$1,363,400	\$0	\$0	\$1,363,400	0
Subtotal	\$1,363,400	\$0	\$0	\$1,363,400	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	\$185,700	\$0	\$0	\$185,700	0
306.12 Davidson County Public Defender	81,200	0	0	81,200	0
Subtotal	\$266,900	\$0	\$0	\$266,900	0

● District Office Rent Increases

To provide recurring funding for increased rent costs at district offices and the conference office.

306.01 District Public Defenders	\$268,300	\$0	\$0	\$268,300	0
306.03 Executive Director	14,100	0	0	14,100	0
Subtotal	\$282,400	\$0	\$0	\$282,400	0

● Enterprise Storage Solution

To provide non-recurring funding for an enterprise storage solution to support the conference's information technology needs.

306.01 District Public Defenders	\$558,000	\$0	\$0	\$558,000	0
Subtotal	\$558,000	\$0	\$0	\$558,000	0
Total District Public Defenders Conference	\$2,470,700	\$0	\$0	\$2,470,700	0

Law, Safety, and Correction

Cost Increases for Fiscal Year 2026-2027

	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, 2026.					
308.00 Office of the Post-Conviction Defender	\$67,800	\$0	\$0	\$67,800	0
Subtotal	<u>\$67,800</u>	<u>\$0</u>	<u>\$0</u>	<u>\$67,800</u>	<u>0</u>
• Litigation Support Specialist Position					
To provide recurring funding and to establish a litigation support specialist position for the office.					
308.00 Office of the Post-Conviction Defender	\$86,600	\$0	\$0	\$86,600	1
Subtotal	<u>\$86,600</u>	<u>\$0</u>	<u>\$0</u>	<u>\$86,600</u>	<u>1</u>
Total Office of the Post-Conviction Defender	<u>\$154,400</u>	<u>\$0</u>	<u>\$0</u>	<u>\$154,400</u>	<u>1</u>

Alcoholic Beverage Commission

• New Post of Duty					
To provide recurring dedicated funding for a new post of duty in Maury County to bolster the commission's regulation of alcohol, hemp, and vape products. The source of dedicated funding is from the commission's regulatory activities.					
316.03 Alcoholic Beverage Commission	\$57,600	\$0	\$0	\$57,600	0
Subtotal	<u>\$57,600</u>	<u>\$0</u>	<u>\$0</u>	<u>\$57,600</u>	<u>0</u>
• Vape and Hemp Product Regulation					
To provide recurring dedicated funding for increased regulation of vape and hemp products. The source of dedicated funding is from the commission's regulatory activities.					
316.03 Alcoholic Beverage Commission	\$21,200	\$0	\$0	\$21,200	0
Subtotal	<u>\$21,200</u>	<u>\$0</u>	<u>\$0</u>	<u>\$21,200</u>	<u>0</u>
Total Alcoholic Beverage Commission	<u>\$78,800</u>	<u>\$0</u>	<u>\$0</u>	<u>\$78,800</u>	<u>0</u>

TRICOR

• Commissary Operations					
To provide recurring funding to recognize the agency's administration of the commissary program for the Department of Correction. Other funding is from current services revenues.					
316.08 TRICOR	\$0	\$0	\$9,554,400	\$9,554,400	0
Subtotal	<u>\$0</u>	<u>\$0</u>	<u>\$9,554,400</u>	<u>\$9,554,400</u>	<u>0</u>
Total TRICOR	<u>\$0</u>	<u>\$0</u>	<u>\$9,554,400</u>	<u>\$9,554,400</u>	<u>0</u>

Law, Safety, and Correction

Cost Increases for Fiscal Year 2026-2027

	State	Federal	Other	Total	Positions
Correction					
● Private Prisons Contract Inflator					
To provide recurring funding for private prison annual contract inflators.					
329.21 Hardeman County Incarceration Agreement	\$1,752,600	\$0	\$0	\$1,752,600	0
329.22 Hardeman County Agreement - Whiteville	1,389,800	0	0	1,389,800	0
329.23 Trousdale County Incarceration Agreement	2,583,400	0	0	2,583,400	0
329.44 South Central Correctional Facility	7,335,400	0	0	7,335,400	0
Subtotal	<u>\$13,061,200</u>	<u>\$0</u>	<u>\$0</u>	<u>\$13,061,200</u>	<u>0</u>
● Behavioral Health Contract Inflator					
To provide recurring funding for the behavioral health contract inflator.					
329.13 Debra K. Johnson Rehabilitation Center	\$70,000	\$0	\$0	\$70,000	0
329.14 Turney Center Industrial Complex	199,700	0	0	199,700	0
329.16 Mark Luttrell Transition Center	53,500	0	0	53,500	0
329.18 Bledsoe County Correctional Complex	293,700	0	0	293,700	0
329.41 West Tennessee State Penitentiary	287,700	0	0	287,700	0
329.42 Riverbend Maximum Security Institution	80,200	0	0	80,200	0
329.43 Northeast Correctional Complex	192,100	0	0	192,100	0
329.45 Northwest Correctional Complex	294,800	0	0	294,800	0
329.46 Lois M. DeBerry Special Needs Facility	65,100	0	0	65,100	0
329.47 Morgan County Correctional Complex	233,600	0	0	233,600	0
Subtotal	<u>\$1,770,400</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,770,400</u>	<u>0</u>
● Food Services Contract Inflator					
To provide recurring funding for the food services contract inflator.					
329.14 Turney Center Industrial Complex	\$230,700	\$0	\$0	\$230,700	0
329.18 Bledsoe County Correctional Complex	193,000	0	0	193,000	0

Law, Safety, and Correction

Cost Increases for Fiscal Year 2026-2027

	State	Federal	Other	Total	Positions
329.41 West Tennessee State Penitentiary	726,600	0	0	726,600	0
329.42 Riverbend Maximum Security Institution	127,500	0	0	127,500	0
329.43 Northeast Correctional Complex	350,500	0	0	350,500	0
329.45 Northwest Correctional Complex	267,400	0	0	267,400	0
329.46 Lois M. DeBerry Special Needs Facility	51,000	0	0	51,000	0
329.47 Morgan County Correctional Complex	706,600	0	0	706,600	0
Subtotal	\$2,653,300	\$0	\$0	\$2,653,300	0

● Hepatitis C Treatment Standards

To provide non-recurring funding for the treatment of Hepatitis C in state and private prison facilities.

329.13 Debra K. Johnson Rehabilitation Center	\$685,900	\$0	\$0	\$685,900	0
329.14 Turney Center Industrial Complex	818,700	0	0	818,700	0
329.18 Bledsoe County Correctional Complex	1,691,200	0	0	1,691,200	0
329.22 Hardeman County Agreement - Whiteville	888,600	0	0	888,600	0
329.23 Trousdale County Incarceration Agreement	2,983,900	0	0	2,983,900	0
329.41 West Tennessee State Penitentiary	257,600	0	0	257,600	0
329.42 Riverbend Maximum Security Institution	1,573,700	0	0	1,573,700	0
329.43 Northeast Correctional Complex	38,600	0	0	38,600	0
329.44 South Central Correctional Facility	1,252,300	0	0	1,252,300	0
329.47 Morgan County Correctional Complex	219,500	0	0	219,500	0
Subtotal	\$10,410,000	\$0	\$0	\$10,410,000	0

● Drone Detection at Facilities

To provide recurring funding for enhanced drone detection technology at state-operated facilities.

329.13 Debra K. Johnson Rehabilitation Center	\$175,700	\$0	\$0	\$175,700	0
329.14 Turney Center Industrial Complex	175,700	0	0	175,700	0
329.16 Mark Luttrell Transition Center	175,700	0	0	175,700	0

Law, Safety, and Correction

Cost Increases for Fiscal Year 2026-2027

	State	Federal	Other	Total	Positions
329.18 Bledsoe County Correctional Complex	175,700	0	0	175,700	0
329.41 West Tennessee State Penitentiary	175,700	0	0	175,700	0
329.42 Riverbend Maximum Security Institution	175,700	0	0	175,700	0
329.43 Northeast Correctional Complex	175,700	0	0	175,700	0
329.45 Northwest Correctional Complex	175,700	0	0	175,700	0
329.46 Lois M. DeBerry Special Needs Facility	175,700	0	0	175,700	0
329.47 Morgan County Correctional Complex	175,700	0	0	175,700	0
Subtotal	\$1,757,000	\$0	\$0	\$1,757,000	0
● Multi-Agency Law Enforcement Training Academy (MALETA) Realignment					
To operationalize the fiscal year 2027-2028 transition and opening of the MALETA campus. Recurring funding of \$838,800 is recommended for Department of Correction rent costs at the MALETA campus but is reduced on a non-recurring basis by \$838,800 to reflect the fiscal year 2027-2028 opening date.					
Subtotal	\$0	\$0	\$0	\$0	0
● Men of Valor Grant					
To provide recurring funding for a grant to Men of Valor.					
329.01 Administration	\$1,000,000	\$0	\$0	\$1,000,000	0
Subtotal	\$1,000,000	\$0	\$0	\$1,000,000	0
● Lipscomb University LIFE Program Grant					
To provide recurring funding for a grant to Lipscomb University's LIFE Program.					
329.01 Administration	\$250,000	\$0	\$0	\$250,000	0
Subtotal	\$250,000	\$0	\$0	\$250,000	0
● Tennessee Prison Outreach Ministry Grant					
To provide recurring funding for a grant to the Tennessee Prison Outreach Ministry.					
329.01 Administration	\$500,000	\$0	\$0	\$500,000	0
Subtotal	\$500,000	\$0	\$0	\$500,000	0
Total Correction	\$31,401,900	\$0	\$0	\$31,401,900	0

Law, Safety, and Correction

Cost Increases for Fiscal Year 2026-2027

	State	Federal	Other	Total	Positions
Military Department					
● Administration Legislation - Disaster Relief					
To provide funding and to establish four positions for administration legislation relative to disaster relief. Of this total cost, \$356,400 is recurring and \$12,000 is non-recurring.					
341.04 Tennessee Emergency Management Agency	\$368,400	\$0	\$0	\$368,400	4
Subtotal	\$368,400	\$0	\$0	\$368,400	4
● Governor's Response and Recovery Fund - General Fund Deposit					
To provide non-recurring funding for the Governor's Response and Recovery Fund. The fund provides disaster relief assistance for agricultural, unemployment, and business recovery.					
341.16 Governor's Response and Recovery Fund	\$100,000,000	\$0	\$0	\$100,000,000	0
Subtotal	\$100,000,000	\$0	\$0	\$100,000,000	0
Total Military Department	\$100,368,400	\$0	\$0	\$100,368,400	4

Tennessee Bureau of Investigation

● Operational Support Positions					
To provide funding and to establish seven positions to support operations. These positions will assist the bureau with training, administration, and information technology. Of this total cost, \$1,036,800 is recurring and \$287,300 is non-recurring.					
348.00 Tennessee Bureau of Investigation	\$1,324,100	\$0	\$0	\$1,324,100	7
Subtotal	\$1,324,100	\$0	\$0	\$1,324,100	7
● Technology and Equipment					
To provide funding for technology upgrades and replacements. Of this total cost, \$2,229,900 is recurring and \$3,555,000 is non-recurring.					
348.00 Tennessee Bureau of Investigation	\$5,784,900	\$0	\$0	\$5,784,900	0
Subtotal	\$5,784,900	\$0	\$0	\$5,784,900	0
● Rapid DNA Unit					
To provide funding and to establish three positions to stand up a Rapid DNA program. This program will provide support and testing capability to local law enforcement agencies that wish to utilize Rapid DNA but may not be able to financially undertake such a project independently. Of this total cost, \$1,317,600 is recurring and \$2,291,700 is non-recurring.					
348.00 Tennessee Bureau of Investigation	\$3,609,300	\$0	\$0	\$3,609,300	3
Subtotal	\$3,609,300	\$0	\$0	\$3,609,300	3

Law, Safety, and Correction

Cost Increases for Fiscal Year 2026-2027

	State	Federal	Other	Total	Positions
Multi-Agency Law Enforcement Training Academy (MALETA) Realignment To operationalize the fiscal year 2027-2028 transition and opening of the MALETA campus. Recurring funding of \$83,900 is recommended for bureau rent costs at the MALETA campus but is reduced on a non-recurring basis by \$83,900 to reflect the fiscal year 2027-2028 opening date.					
Subtotal	\$0	\$0	\$0	\$0	0
Total Tennessee Bureau of Investigation	\$10,718,300	\$0	\$0	\$10,718,300	10

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, 2026.

349.03 Highway Patrol	\$3,297,500	\$0	\$0	\$3,297,500	0
Subtotal	\$3,297,500	\$0	\$0	\$3,297,500	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, 2026. The survey averages the current compensation levels of commissioned officers in the eight adjacent states.

349.03 Highway Patrol	\$19,749,500	\$0	\$0	\$19,749,500	0
Subtotal	\$19,749,500	\$0	\$0	\$19,749,500	0

- Trooper Positions**

To provide funding and to establish 50 trooper positions. Of this total cost, \$10,270,000 is recurring and \$7,390,000 is non-recurring.

349.03 Highway Patrol	\$17,660,000	\$0	\$0	\$17,660,000	50
Subtotal	\$17,660,000	\$0	\$0	\$17,660,000	50

- Administration Legislation - Insurance Minimum Requirement**

To provide non-recurring funding for administration legislation relative to the length of time insurance must be carried for an accident claim and judgement.

349.02 Driver License Issuance	\$38,000	\$0	\$0	\$38,000	0
Subtotal	\$38,000	\$0	\$0	\$38,000	0

- Driver Services Additional Staff at Current Locations**

To provide funding and to establish 34 positions at existing driver services centers to increase operational efficiency and reduce wait times for Tennessee residents. Of this total cost, \$2,468,400 is recurring and \$190,400 is non-recurring.

349.02 Driver License Issuance	\$2,658,800	\$0	\$0	\$2,658,800	34
Subtotal	\$2,658,800	\$0	\$0	\$2,658,800	34

Law, Safety, and Correction

Cost Increases for Fiscal Year 2026-2027

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Multi-Agency Law Enforcement Training Academy (MALETA) Realignment To operationalize the fiscal year 2027-2028 transition and opening of the MALETA campus. Recurring funding of \$1,073,300 is recommended for Safety rent costs at the MALETA campus but is reduced on a non-recurring basis by \$1,073,300 to reflect the fiscal year 2027-2028 opening date.					
Subtotal	\$0	\$0	\$0	\$0	0
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
Subtotal	\$1,500,000	\$0	\$0	\$1,500,000	0
Total Safety	\$44,903,800	\$0	\$0	\$44,903,800	84
Total Law, Safety, and Correction	\$237,260,000	\$1,500,000	\$10,423,000	\$249,183,000	117

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	Estimated	Base	Cost Increase	Recommended
2024-2025	2025-2026	2026-2027	2026-2027	2026-2027

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	454	454	454	0	454
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	454	454	454	0	454
Payroll	\$84,714,300	\$88,460,600	\$88,460,600	\$1,543,900	\$90,004,500
Operational	5,495,400	3,589,000	3,608,300	0	3,608,300
TOTAL	\$90,209,700	\$92,049,600	\$92,068,900	\$1,543,900	\$93,612,800

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
State Appropriations	\$88,485,400	\$92,022,300	\$92,041,600	\$1,543,900	\$93,585,500
Federal	0	0	0	0	0
Other	1,724,300	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	\$3,315,500	\$3,507,700	\$3,507,700	\$0	\$3,507,700
Operational	251,800	327,600	328,300	0	328,300
TOTAL	\$3,567,300	\$3,835,300	\$3,836,000	\$0	\$3,836,000
State Appropriations	\$1,212,900	\$1,262,900	\$1,263,100	\$0	\$1,263,100
Federal	0	0	0	0	0
Other	2,354,400	2,572,400	2,572,900	0	2,572,900

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	8,835,300	11,047,500	11,047,500	0	11,047,500
TOTAL	\$8,835,300	\$11,047,500	\$11,047,500	\$0	\$11,047,500
State Appropriations	\$8,835,300	\$11,047,500	\$11,047,500	\$0	\$11,047,500
Federal	0	0	0	0	0
Other	0	0	0	0	0

302.10 Indigent Defendants' Counsel

The Indigent Defendants' Counsel program provides funding for court-appointed counsel, experts, investigators, and other support services for indigents in criminal cases.

Full-Time Positions	0	14	14	0	14
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	14	14	0	14

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
Payroll	\$0	\$2,812,000	\$2,812,000	\$0	\$2,812,000
Operational	39,858,700	67,587,700	63,587,700	0	63,587,700
TOTAL	\$39,858,700	\$70,399,700	\$66,399,700	\$0	\$66,399,700
State Appropriations	\$39,750,300	\$70,394,700	\$66,394,700	\$0	\$66,394,700
Federal	0	0	0	0	0
Other	108,400	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	2,513,500	3,327,900	3,327,900	0	3,327,900
TOTAL	\$2,513,500	\$3,327,900	\$3,327,900	\$0	\$3,327,900
State Appropriations	\$2,513,500	\$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	\$837,900	\$3,177,900	\$3,177,900	\$0	\$3,177,900
Operational	3,201,600	2,290,400	2,290,500	0	2,290,500
TOTAL	\$4,039,500	\$5,468,300	\$5,468,400	\$0	\$5,468,400
State Appropriations	\$4,039,500	\$5,468,300	\$5,468,400	\$0	\$5,468,400
Federal	0	0	0	0	0
Other	0	0	0	0	0

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	\$118,600	\$127,800	\$127,800	\$0	\$127,800
Operational	3,440,500	2,372,900	2,372,900	0	2,372,900
TOTAL	\$3,559,100	\$2,500,700	\$2,500,700	\$0	\$2,500,700
State Appropriations	\$3,559,100	\$2,500,700	\$2,500,700	\$0	\$2,500,700
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	106,300	127,300	127,300	0	127,300
TOTAL	\$106,300	\$127,300	\$127,300	\$0	\$127,300
State Appropriations	\$60,300	\$60,300	\$60,300	\$0	\$60,300
Federal	0	0	0	0	0
Other	46,000	67,000	67,000	0	67,000

Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	18	102
Part-Time Positions	1	1	1	0	1
Seasonal Positions	0	0	0	0	0
TOTAL	85	85	85	18	103
Payroll	\$12,151,800	\$13,627,400	\$13,627,400	\$2,109,000	\$15,736,400
Operational	14,631,500	7,825,200	7,827,900	39,625,000	47,452,900
TOTAL	\$26,783,300	\$21,452,600	\$21,455,300	\$41,734,000	\$63,189,300
State Appropriations	\$18,472,200	\$19,188,900	\$19,191,600	\$41,734,000	\$60,925,600
Federal	640,800	980,000	980,000	0	980,000
Other	7,670,300	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	\$517,100	\$900,900	\$900,900	\$0	\$900,900
Operational	3,124,700	3,170,000	3,170,400	0	3,170,400
TOTAL	\$3,641,800	\$4,070,900	\$4,071,300	\$0	\$4,071,300
State Appropriations	\$2,949,800	\$3,457,900	\$3,458,300	\$0	\$3,458,300
Federal	0	0	0	0	0
Other	692,000	613,000	613,000	0	613,000

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

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	4,400	74,500	74,500	0	74,500
TOTAL	\$4,400	\$74,500	\$74,500	\$0	\$74,500
State Appropriations	\$4,400	\$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	452,600	413,700	413,700	0	413,700
TOTAL	\$452,600	\$413,700	\$413,700	\$0	\$413,700
State Appropriations	\$452,600	\$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	4	4	0	4
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	3	4	4	0	4
Payroll	\$523,100	\$642,300	\$642,300	\$0	\$642,300
Operational	394,500	802,600	802,700	0	802,700
TOTAL	\$917,600	\$1,444,900	\$1,445,000	\$0	\$1,445,000
State Appropriations	\$687,200	\$946,700	\$946,800	\$0	\$946,800
Federal	0	0	0	0	0
Other	230,400	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

Court System

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	297,700	260,100	260,100	0	260,100
TOTAL	\$297,700	\$260,100	\$260,100	\$0	\$260,100
State Appropriations	\$297,700	\$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	\$2,523,900	\$3,019,500	\$3,019,500	\$0	\$3,019,500
Operational	252,300	357,400	357,900	0	357,900
TOTAL	\$2,776,200	\$3,376,900	\$3,377,400	\$0	\$3,377,400
State Appropriations	\$1,680,700	\$1,749,800	\$1,750,300	\$0	\$1,750,300
Federal	0	0	0	0	0
Other	1,095,500	1,627,100	1,627,100	0	1,627,100

Professional Standards

The Professional Standards functional area is responsible for maintaining professional standards of licensed attorneys; it includes the Board of Law Examiners, Board of Professional Responsibility, Tennessee Lawyers Assistance Program, Continuing Legal Education, and Client Protection Fund.

302.35 Board of Law Examiners

The Board of Law Examiners governs the examination and admission of attorneys applying to practice law in Tennessee.

Full-Time 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	\$818,200	\$787,500	\$787,500	\$0	\$787,500
Operational	573,600	412,100	412,300	0	412,300
TOTAL	\$1,391,800	\$1,199,600	\$1,199,800	\$0	\$1,199,800
State Appropriations	\$1,366,600	\$1,199,600	\$1,199,800	\$0	\$1,199,800
Federal	0	0	0	0	0
Other	25,200	0	0	0	0

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	\$4,619,300	\$3,464,600	\$3,464,600	\$0	\$3,464,600
Operational	1,271,200	1,142,200	1,143,200	0	1,143,200
TOTAL	\$5,890,500	\$4,606,800	\$4,607,800	\$0	\$4,607,800
State Appropriations	\$4,496,800	\$4,606,800	\$4,607,800	\$0	\$4,607,800
Federal	0	0	0	0	0
Other	1,393,700	0	0	0	0

302.50 Tennessee Lawyers Assistance Program

The Tennessee Lawyers Assistance Program provides education and assistance to members of the bench and bar suffering from physical or mental disabilities that impair their ability to practice or to serve. The program is funded from a dedicated annual registration fee set by Supreme Court Rule 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	\$575,200	\$485,700	\$485,700	\$0	\$485,700
Operational	202,300	126,700	126,800	0	126,800
TOTAL	\$777,500	\$612,400	\$612,500	\$0	\$612,500
State Appropriations	\$596,900	\$612,400	\$612,500	\$0	\$612,500
Federal	0	0	0	0	0
Other	180,600	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	\$809,500	\$684,700	\$684,700	\$0	\$684,700
Operational	665,200	416,800	417,000	0	417,000
TOTAL	\$1,474,700	\$1,101,500	\$1,101,700	\$0	\$1,101,700

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
State Appropriations	\$1,080,200	\$1,101,500	\$1,101,700	\$0	\$1,101,700
Federal	0	0	0	0	0
Other	394,500	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
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	142,900	208,500	208,500	0	208,500
TOTAL	\$142,900	\$208,500	\$208,500	\$0	\$208,500
State Appropriations	\$32,700	\$208,500	\$208,500	\$0	\$208,500
Federal	0	0	0	0	0
Other	110,200	0	0	0	0

302.00 Total Court System

Full-Time Positions	672	687	687	18	705
Part-Time Positions	8	8	8	0	8
Seasonal Positions	0	0	0	0	0
TOTAL	680	695	695	18	713
Payroll	\$111,524,400	\$121,698,600	\$121,698,600	\$3,652,900	\$125,351,500
Operational	85,716,000	105,880,100	101,905,400	39,625,000	141,530,400
TOTAL	\$197,240,400	\$227,578,700	\$223,604,000	\$43,277,900	\$266,881,900
State Appropriations	\$180,574,100	\$219,865,000	\$215,889,800	\$43,277,900	\$259,167,700
Federal	640,800	980,000	980,000	0	980,000
Other	16,025,500	6,733,700	6,734,200	0	6,734,200

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>2024-2025</u>	<u>Estimated</u> <u>2025-2026</u>	<u>Base</u> <u>2026-2027</u>	<u>Cost Increase</u> <u>2026-2027</u>	<u>Recommended</u> <u>2026-2027</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. In the 2025 regular legislative session, Public Chapter 471 reconstituted the Human Rights Commission and transferred its duties to the Attorney General and Reporter and the Department of Human Resources.

Full-Time Positions	361	401	401	0	401
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	361	401	401	0	401
Payroll	\$52,322,700	\$65,510,100	\$64,991,500	\$0	\$64,991,500
Operational	12,052,300	10,741,600	10,755,200	0	10,755,200
TOTAL	\$64,375,000	\$76,251,700	\$75,746,700	\$0	\$75,746,700
State Appropriations	\$52,776,300	\$59,679,400	\$59,171,900	\$0	\$59,171,900
Federal	0	969,800	969,800	0	969,800
Other	11,598,700	15,602,500	15,605,000	0	15,605,000

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	\$338,900	\$347,100	\$347,100	\$0	\$347,100
Operational	52,900	66,400	66,500	0	66,500
TOTAL	\$391,800	\$413,500	\$413,600	\$0	\$413,600
State Appropriations	\$391,800	\$413,500	\$413,600	\$0	\$413,600
Federal	0	0	0	0	0
Other	0	0	0	0	0

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	7,507,200	6,078,500	6,078,500	0	6,078,500
TOTAL	\$7,507,200	\$6,078,500	\$6,078,500	\$0	\$6,078,500
State Appropriations	\$4,289,700	\$5,289,700	\$5,289,700	\$0	\$5,289,700
Federal	0	0	0	0	0
Other	3,217,500	788,800	788,800	0	788,800

303.00 Total Attorney General and Reporter

Full-Time Positions	363	403	403	0	403
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	363	403	403	0	403
Payroll	\$52,661,600	\$65,857,200	\$65,338,600	\$0	\$65,338,600
Operational	19,612,400	16,886,500	16,900,200	0	16,900,200
TOTAL	\$72,274,000	\$82,743,700	\$82,238,800	\$0	\$82,238,800
State Appropriations	\$57,457,800	\$65,382,600	\$64,875,200	\$0	\$64,875,200
Federal	0	969,800	969,800	0	969,800
Other	14,816,200	16,391,300	16,393,800	0	16,393,800

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.

Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	961	968	948	0	948
Part-Time Positions	13	8	7	0	7
Seasonal Positions	0	0	0	0	0
TOTAL	974	976	955	0	955
Payroll	\$140,922,100	\$150,811,700	\$148,643,700	\$2,568,400	\$151,212,100
Operational	19,445,600	19,305,100	17,483,000	3,151,300	20,634,300
TOTAL	\$160,367,700	\$170,116,800	\$166,126,700	\$5,719,700	\$171,846,400
State Appropriations	\$149,078,800	\$158,608,100	\$156,151,600	\$3,885,800	\$160,037,400
Federal	100	47,300	47,300	1,500,000	1,547,300
Other	11,288,800	11,461,400	9,927,800	333,900	10,261,700

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	39	38	37	0	37
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	39	38	37	0	37
Payroll	\$5,078,700	\$6,642,800	\$6,642,800	\$6,200	\$6,649,000
Operational	1,274,400	1,176,500	1,092,900	0	1,092,900
TOTAL	\$6,353,100	\$7,819,300	\$7,735,700	\$6,200	\$7,741,900
State Appropriations	\$5,398,300	\$5,655,500	\$5,657,400	\$0	\$5,657,400
Federal	0	0	0	0	0
Other	954,800	2,163,800	2,078,300	6,200	2,084,500

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	\$33,799,400	\$35,902,000	\$35,902,000	\$528,500	\$36,430,500
Operational	4,108,000	4,746,400	4,758,100	0	4,758,100
TOTAL	\$37,907,400	\$40,648,400	\$40,660,100	\$528,500	\$41,188,600
State Appropriations	\$13,600	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	37,893,800	40,648,400	40,660,100	528,500	41,188,600

304.00 Total District Attorneys General Conference

Full-Time Positions	1,383	1,389	1,368	0	1,368
Part-Time Positions	14	9	8	0	8
Seasonal Positions	0	0	0	0	0
TOTAL	1,397	1,398	1,376	0	1,376
Payroll	\$179,800,200	\$193,356,500	\$191,188,500	\$3,103,100	\$194,291,600
Operational	24,828,000	25,228,000	23,334,000	3,151,300	26,485,300
TOTAL	\$204,628,200	\$218,584,500	\$214,522,500	\$6,254,400	\$220,776,900
State Appropriations	\$154,490,700	\$164,263,600	\$161,809,000	\$3,885,800	\$165,694,800
Federal	100	47,300	47,300	1,500,000	1,547,300
Other	50,137,400	54,273,600	52,666,200	868,600	53,534,800

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.

Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	467	483	481	0	481
Part-Time Positions	21	17	18	0	18
Seasonal Positions	0	0	0	0	0
TOTAL	488	500	499	0	499
Payroll	\$73,849,700	\$79,772,800	\$78,788,200	\$1,363,400	\$80,151,600
Operational	7,434,200	7,397,900	7,361,200	826,300	8,187,500
TOTAL	\$81,283,900	\$87,170,700	\$86,149,400	\$2,189,700	\$88,339,100
State Appropriations	\$80,606,700	\$86,015,900	\$85,154,800	\$2,189,700	\$87,344,500
Federal	0	0	0	0	0
Other	677,200	1,154,800	994,600	0	994,600

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	\$3,501,800	\$3,746,100	\$3,746,100	\$0	\$3,746,100
Operational	286,300	310,400	311,200	14,100	325,300
TOTAL	\$3,788,100	\$4,056,500	\$4,057,300	\$14,100	\$4,071,400
State Appropriations	\$3,788,100	\$4,056,500	\$4,057,300	\$14,100	\$4,071,400
Federal	0	0	0	0	0
Other	0	0	0	0	0

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
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	6,575,000	6,765,700	6,765,700	185,700	6,951,400
TOTAL	\$6,575,000	\$6,765,700	\$6,765,700	\$185,700	\$6,951,400
State Appropriations	\$6,575,000	\$6,765,700	\$6,765,700	\$185,700	\$6,951,400
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	2,873,500	2,956,900	2,956,900	81,200	3,038,100
TOTAL	\$2,873,500	\$2,956,900	\$2,956,900	\$81,200	\$3,038,100
State Appropriations	\$2,873,500	\$2,956,900	\$2,956,900	\$81,200	\$3,038,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

306.00 Total District Public Defenders Conference

Full-Time Positions	486	502	500	0	500
Part-Time Positions	21	17	18	0	18
Seasonal Positions	0	0	0	0	0
TOTAL	507	519	518	0	518
Payroll	\$77,351,500	\$83,518,900	\$82,534,300	\$1,363,400	\$83,897,700
Operational	17,169,000	17,430,900	17,395,000	1,107,300	18,502,300
TOTAL	\$94,520,500	\$100,949,800	\$99,929,300	\$2,470,700	\$102,400,000
State Appropriations	\$93,843,300	\$99,795,000	\$98,934,700	\$2,470,700	\$101,405,400
Federal	0	0	0	0	0
Other	677,200	1,154,800	994,600	0	994,600

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.

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
308.00 Office of the Post-Conviction Defender					
Full-Time Positions	20	20	20	1	21
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	20	20	20	1	21
Payroll	\$2,983,200	\$3,325,600	\$3,325,600	\$154,400	\$3,480,000
Operational	663,600	977,400	978,500	0	978,500
TOTAL	\$3,646,800	\$4,303,000	\$4,304,100	\$154,400	\$4,458,500
State Appropriations	\$3,503,800	\$4,303,000	\$4,304,100	\$154,400	\$4,458,500
Federal	0	0	0	0	0
Other	143,000	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 2024-2025</u>	<u>Estimated 2025-2026</u>	<u>Base 2026-2027</u>	<u>Cost Increase 2026-2027</u>	<u>Recommended 2026-2027</u>
Full-Time Positions	87	127	127	0	127
Part-Time Positions	3	3	3	0	3
Seasonal Positions	0	0	0	0	0
TOTAL	<u>90</u>	<u>130</u>	<u>130</u>	<u>0</u>	<u>130</u>
Payroll	\$8,827,800	\$12,893,000	\$12,893,000	\$0	\$12,893,000
Operational	4,375,000	7,636,800	5,440,100	78,800	5,518,900
TOTAL	<u>\$13,202,800</u>	<u>\$20,529,800</u>	<u>\$18,333,100</u>	<u>\$78,800</u>	<u>\$18,411,900</u>
State Appropriations	\$0	\$6,988,500	\$4,781,600	\$78,800	\$4,860,400
Federal	7,700	27,000	27,000	0	27,000
Other	13,195,100	13,514,300	13,524,500	0	13,524,500

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 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
Full-Time Positions	100	100	97	0	97
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	100	100	97	0	97
Payroll	\$8,851,400	\$9,304,200	\$9,081,800	\$0	\$9,081,800
Operational	35,128,000	45,022,900	45,029,300	9,554,400	54,583,700
TOTAL	\$43,979,400	\$54,327,100	\$54,111,100	\$9,554,400	\$63,665,500
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	43,979,400	54,327,100	54,111,100	9,554,400	63,665,500

316.08 TRICOR

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.

	<u>Actual</u> <u>2024-2025</u>	<u>Estimated</u> <u>2025-2026</u>	<u>Base</u> <u>2026-2027</u>	<u>Cost Increase</u> <u>2026-2027</u>	<u>Recommended</u> <u>2026-2027</u>
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	\$2,832,700	\$3,032,200	\$3,032,200	\$0	\$3,032,200
Operational	3,562,600	4,966,800	4,900,000	0	4,900,000
TOTAL	\$6,395,300	\$7,999,000	\$7,932,200	\$0	\$7,932,200
State Appropriations	\$6,319,300	\$7,903,500	\$7,836,700	\$0	\$7,836,700
Federal	0	0	0	0	0
Other	76,000	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 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
316.16 Inmate Disciplinary Oversight Board					
Full-Time Positions	12	13	13	0	13
Part-Time Positions	0	1	1	0	1
Seasonal Positions	0	0	0	0	0
TOTAL	12	14	14	0	14
Payroll	\$1,579,400	\$1,959,600	\$1,939,200	\$0	\$1,939,200
Operational	153,700	139,800	139,800	0	139,800
TOTAL	\$1,733,100	\$2,099,400	\$2,079,000	\$0	\$2,079,000
State Appropriations	\$1,733,100	\$2,099,400	\$2,079,000	\$0	\$2,079,000
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 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
Full-Time Positions	84	84	83	0	83
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	84	84	83	0	83
Payroll	\$9,872,100	\$10,213,500	\$10,149,000	\$0	\$10,149,000
Operational	2,322,300	2,789,600	2,791,300	0	2,791,300
TOTAL	\$12,194,400	\$13,003,100	\$12,940,300	\$0	\$12,940,300
State Appropriations	\$12,191,900	\$13,002,100	\$12,939,300	\$0	\$12,939,300
Federal	0	0	0	0	0
Other	2,500	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 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	301	356	355	0	355
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	301	356	355	0	355
Payroll	\$35,458,900	\$45,477,000	\$45,422,800	\$0	\$45,422,800
Operational	52,283,800	41,427,700	25,806,500	1,750,000	27,556,500
TOTAL	\$87,742,700	\$86,904,700	\$71,229,300	\$1,750,000	\$72,979,300
State Appropriations	\$60,974,100	\$75,071,800	\$66,741,600	\$1,750,000	\$68,491,600
Federal	6,525,200	6,890,800	353,300	0	353,300
Other	20,243,400	4,942,100	4,134,400	0	4,134,400

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	143,739,300	153,100,400	153,100,400	0	153,100,400
TOTAL	\$143,739,300	\$153,100,400	\$153,100,400	\$0	\$153,100,400
State Appropriations	\$142,115,000	\$151,300,400	\$151,300,400	\$0	\$151,300,400
Federal	0	0	0	0	0
Other	1,624,300	1,800,000	1,800,000	0	1,800,000

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	70	70	70	0	70
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	70	70	70	0	70
Payroll	\$5,961,100	\$6,616,000	\$6,616,000	\$0	\$6,616,000
Operational	2,760,100	2,141,500	2,159,700	0	2,159,700
TOTAL	\$8,721,200	\$8,757,500	\$8,775,700	\$0	\$8,775,700
State Appropriations	\$8,655,700	\$8,692,600	\$8,710,800	\$0	\$8,710,800
Federal	0	0	0	0	0
Other	65,500	64,900	64,900	0	64,900

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

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	646,000	650,000	650,000	0	650,000
TOTAL	\$646,000	\$650,000	\$650,000	\$0	\$650,000
State Appropriations	\$646,000	\$650,000	\$650,000	\$0	\$650,000
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	10,618,000	9,842,900	9,861,500	0	9,861,500
TOTAL	\$10,618,000	\$9,842,900	\$9,861,500	\$0	\$9,861,500
State Appropriations	\$6,460,000	\$9,842,900	\$9,861,500	\$0	\$9,861,500
Federal	0	0	0	0	0
Other	4,158,000	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	96	101	101	0	101
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	96	101	101	0	101
Payroll	\$11,354,800	\$12,381,300	\$12,381,300	\$0	\$12,381,300
Operational	3,873,400	2,594,800	2,629,500	0	2,629,500
TOTAL	\$15,228,200	\$14,976,100	\$15,010,800	\$0	\$15,010,800
State Appropriations	\$13,959,700	\$14,976,100	\$15,010,800	\$0	\$15,010,800
Federal	14,000	0	0	0	0
Other	1,254,500	0	0	0	0

Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	1,236,000	3,030,200	2,030,200	0	2,030,200
TOTAL	\$1,236,000	\$3,030,200	\$2,030,200	\$0	\$2,030,200
State Appropriations	\$1,236,000	\$3,030,200	\$2,030,200	\$0	\$2,030,200
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	1,194	1,194	0	1,194
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	1,190	1,194	1,194	0	1,194
Payroll	\$102,057,000	\$108,024,300	\$108,024,300	\$0	\$108,024,300
Operational	28,297,500	31,181,100	31,309,900	0	31,309,900
TOTAL	\$130,354,500	\$139,205,400	\$139,334,200	\$0	\$139,334,200
State Appropriations	\$128,598,000	\$138,135,900	\$138,264,700	\$0	\$138,264,700
Federal	0	0	0	0	0
Other	1,756,500	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

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	12,843,300	14,795,500	14,795,500	0	14,795,500
TOTAL	\$12,843,300	\$14,795,500	\$14,795,500	\$0	\$14,795,500
State Appropriations	\$12,814,800	\$14,795,500	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	28,500	0	14,795,500	0	14,795,500

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	218	162	161	0	161
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	218	162	161	0	161
Payroll	\$17,316,600	\$14,532,200	\$14,497,100	\$0	\$14,497,100
Operational	5,675,200	6,414,800	6,467,900	0	6,467,900
TOTAL	\$22,991,800	\$20,947,000	\$20,965,000	\$0	\$20,965,000
State Appropriations	\$22,983,800	\$20,947,000	\$20,965,000	\$0	\$20,965,000
Federal	0	0	0	0	0
Other	8,000	0	0	0	0

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	3,418,900	0	0	0
TOTAL	\$0	\$3,418,900	\$0	\$0	\$0
State Appropriations	\$0	\$3,418,900	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	0	0	0	0	0

Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	236	236	0	236
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	235	236	236	0	236
Payroll	\$18,470,800	\$22,797,700	\$22,797,700	\$0	\$22,797,700
Operational	25,864,500	25,554,800	25,603,700	931,600	26,535,300
TOTAL	\$44,335,300	\$48,352,500	\$48,401,400	\$931,600	\$49,333,000
State Appropriations	\$43,905,700	\$47,957,800	\$48,006,700	\$931,600	\$48,938,300
Federal	0	0	0	0	0
Other	429,600	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	411	410	0	410
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	410	411	410	0	410
Payroll	\$35,522,600	\$40,077,900	\$40,025,000	\$0	\$40,025,000
Operational	33,001,700	30,536,400	29,765,800	1,424,800	31,190,600
TOTAL	\$68,524,300	\$70,614,300	\$69,790,800	\$1,424,800	\$71,215,600
State Appropriations	\$68,100,900	\$69,998,400	\$69,174,900	\$1,424,800	\$70,599,700
Federal	0	0	0	0	0
Other	423,400	615,900	615,900	0	615,900

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	155	155	0	155
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	154	155	155	0	155
Payroll	\$13,848,100	\$14,975,300	\$14,975,300	\$0	\$14,975,300
Operational	8,811,700	10,268,900	10,200,900	229,200	10,430,100
TOTAL	\$22,659,800	\$25,244,200	\$25,176,200	\$229,200	\$25,405,400
State Appropriations	\$22,049,900	\$24,917,700	\$24,849,700	\$229,200	\$25,078,900
Federal	0	0	0	0	0
Other	609,900	326,500	326,500	0	326,500

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	680	684	684	0	684
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	680	684	684	0	684
Payroll	\$60,122,800	\$66,926,400	\$66,926,400	\$0	\$66,926,400
Operational	53,945,500	51,000,100	49,777,300	2,353,600	52,130,900
TOTAL	\$114,068,300	\$117,926,500	\$116,703,700	\$2,353,600	\$119,057,300
State Appropriations	\$113,604,300	\$117,301,800	\$116,079,000	\$2,353,600	\$118,432,600
Federal	0	0	0	0	0
Other	464,000	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	638	635	0	635
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	643	638	635	0	635
Payroll	\$52,267,900	\$62,263,900	\$62,065,200	\$0	\$62,065,200
Operational	58,652,800	60,288,800	57,617,400	1,447,600	59,065,000
TOTAL	\$110,920,700	\$122,552,700	\$119,682,600	\$1,447,600	\$121,130,200

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
State Appropriations	\$110,422,300	\$122,045,100	\$119,175,000	\$1,447,600	\$120,622,600
Federal	0	0	0	0	0
Other	498,400	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	340	341	339	0	339
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	340	341	339	0	339
Payroll	\$24,858,300	\$32,304,500	\$32,192,200	\$0	\$32,192,200
Operational	23,785,400	20,645,700	19,624,700	1,957,100	21,581,800
TOTAL	\$48,643,700	\$52,950,200	\$51,816,900	\$1,957,100	\$53,774,000
State Appropriations	\$48,521,400	\$52,843,600	\$51,710,300	\$1,957,100	\$53,667,400
Federal	0	0	0	0	0
Other	122,300	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	422	425	425	0	425
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	422	425	425	0	425
Payroll	\$37,331,100	\$41,644,200	\$41,644,200	\$0	\$41,644,200
Operational	33,494,000	30,797,800	29,180,700	756,900	29,937,600
TOTAL	\$70,825,100	\$72,442,000	\$70,824,900	\$756,900	\$71,581,800
State Appropriations	\$70,474,200	\$72,127,800	\$70,510,700	\$756,900	\$71,267,600
Federal	0	0	0	0	0
Other	350,900	314,200	314,200	0	314,200

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	603	585	583	0	583
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	603	585	583	0	583
Payroll	\$39,327,800	\$56,976,100	\$56,837,900	\$0	\$56,837,900
Operational	36,436,400	41,114,300	39,257,500	737,900	39,995,400
TOTAL	\$75,764,200	\$98,090,400	\$96,095,400	\$737,900	\$96,833,300
State Appropriations	\$75,473,400	\$97,130,800	\$95,135,800	\$737,900	\$95,873,700
Federal	0	0	0	0	0
Other	290,800	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	660	660	0	660
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	656	660	660	0	660
Payroll	\$49,196,500	\$63,240,900	\$63,240,900	\$0	\$63,240,900
Operational	46,996,000	47,801,000	46,754,800	1,335,400	48,090,200
TOTAL	\$96,192,500	\$111,041,900	\$109,995,700	\$1,335,400	\$111,331,100
State Appropriations	\$95,918,200	\$110,529,000	\$109,482,800	\$1,335,400	\$110,818,200
Federal	0	0	0	0	0
Other	274,300	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	404	404	397	0	397
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	404	404	397	0	397

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
Payroll	\$33,589,700	\$41,221,900	\$40,716,500	\$0	\$40,716,500
Operational	46,820,100	50,011,900	50,102,500	291,800	50,394,300
TOTAL	\$80,409,800	\$91,233,800	\$90,819,000	\$291,800	\$91,110,800
State Appropriations	\$80,249,300	\$91,072,000	\$90,657,200	\$291,800	\$90,949,000
Federal	0	0	0	0	0
Other	160,500	161,800	161,800	0	161,800

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	\$212,600	\$275,200	\$275,200	\$0	\$275,200
Operational	51,530,300	57,595,900	54,188,000	1,752,600	55,940,600
TOTAL	\$51,742,900	\$57,871,100	\$54,463,200	\$1,752,600	\$56,215,800
State Appropriations	\$51,734,100	\$57,852,200	\$54,444,300	\$1,752,600	\$56,196,900
Federal	0	0	0	0	0
Other	8,800	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	\$74,800	\$269,000	\$269,000	\$0	\$269,000
Operational	46,933,800	51,229,200	49,173,900	2,278,400	51,452,300
TOTAL	\$47,008,600	\$51,498,200	\$49,442,900	\$2,278,400	\$51,721,300
State Appropriations	\$46,990,900	\$51,479,500	\$49,424,200	\$2,278,400	\$51,702,600
Federal	0	0	0	0	0
Other	17,700	18,700	18,700	0	18,700

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	\$152,900	\$270,100	\$270,100	\$0	\$270,100
Operational	76,995,600	85,455,300	82,454,100	5,567,300	88,021,400
TOTAL	\$77,148,500	\$85,725,400	\$82,724,200	\$5,567,300	\$88,291,500
State Appropriations	\$77,129,000	\$85,712,200	\$82,711,000	\$5,567,300	\$88,278,300
Federal	0	0	0	0	0
Other	19,500	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	\$178,400	\$281,200	\$281,200	\$0	\$281,200
Operational	53,100,300	55,472,100	53,340,800	8,587,700	61,928,500
TOTAL	\$53,278,700	\$55,753,300	\$53,622,000	\$8,587,700	\$62,209,700
State Appropriations	\$53,265,800	\$55,734,600	\$53,603,300	\$8,587,700	\$62,191,000
Federal	0	0	0	0	0
Other	12,900	18,700	18,700	0	18,700

329.00 Total Department of Correction

Full-Time Positions	6,430	6,430	6,413	0	6,413
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	6,430	6,430	6,413	0	6,413
Payroll	\$537,302,700	\$630,555,100	\$629,458,300	\$0	\$629,458,300
Operational	858,340,700	886,370,000	845,853,200	31,401,900	877,255,100
TOTAL	\$1,395,643,400	\$1,516,925,100	\$1,475,311,500	\$31,401,900	\$1,506,713,400
State Appropriations	\$1,356,282,500	\$1,497,563,800	\$1,448,499,900	\$31,401,900	\$1,479,901,800
Federal	6,539,200	6,890,800	353,300	0	353,300
Other	32,821,700	12,470,500	26,458,300	0	26,458,300

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					
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	980	743	160	4,355	719
2025-2026	970	630	160	4,650	1,000
2026-2027	970	630	160	4,650	1,000
Annual Releases					
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	911	498	139	3,980	585
2025-2026	970	630	160	4,650	1,000
2026-2027	970	630	160	4,650	1,000
Average Daily Census					
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	579	1,465	198	2,267	1,961
2025-2026	805	1,772	440	2,521	2,582
2026-2027	805	1,772	440	2,521	2,582
Cost Per Occupancy Day (Total Expenditures)*					
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	\$209.79	\$128.15	\$313.54	\$137.85	\$154.97
2025-2026	\$164.56	\$109.18	\$157.19	\$128.16	\$130.04
2026-2027	\$167.90	\$110.11	\$158.19	\$129.39	\$128.53

*Fiscal years 2019-2020 to 2024-2025 are actual expenditures from all sources; 2025-2026 to 2026-2027 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					
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	113	612	542	118	587
2025-2026	270	700	580	260	800
2026-2027	270	700	580	260	800
Annual Releases					
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	296	391	390	213	550
2025-2026	270	700	580	260	800
2026-2027	270	700	580	260	800
Average Daily Census					
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	717	1,460	1,507	641	1,917
2025-2026	832	1,678	2,425	800	2,291
2026-2027	832	1,678	2,425	800	2,291
Cost Per Occupancy Day (Total Expenditures)*					
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	\$185.87	\$132.91	\$137.74	\$343.68	\$137.48
2025-2026	\$174.36	\$118.28	\$110.82	\$312.44	\$132.79
2026-2027	\$177.07	\$116.87	\$109.40	\$312.02	\$133.14

*Fiscal years 2019-2020 to 2024-2025 are actual expenditures from all sources; 2025-2026 to 2026-2027 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					
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	477	325	669	594	7,161
2025-2026	750	510	990	560	7,500
2026-2027	750	510	990	560	7,500
Annual Releases					
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	554	304	929	261	6,482
2025-2026	750	510	990	560	7,500
2026-2027	750	510	990	560	7,500
Average Daily Census					
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	1,936	1,501	2,317	1,220	19,686
2025-2026	2,016	1,536	2,552	1,676	23,926
2026-2027	2,016	1,536	2,552	1,676	23,926
Cost Per Occupancy Day (Total Expenditures)*					
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	\$73.22	\$85.80	\$91.22	\$119.65	\$133.82
2025-2026	\$78.65	\$91.86	\$92.03	\$91.14	\$121.53
2026-2027	\$76.40	\$92.25	\$94.79	\$101.69	\$122.43

*Fiscal years 2019-2020 to 2024-2025 are actual expenditures from all sources; 2025-2026 to 2026-2027 are estimates.

Note: 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 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	36	36	0	36
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	35	36	36	0	36
Payroll	\$5,044,300	\$5,020,800	\$5,020,800	\$0	\$5,020,800
Operational	3,104,300	2,630,400	2,573,300	0	2,573,300
TOTAL	\$8,148,600	\$7,651,200	\$7,594,100	\$0	\$7,594,100
State Appropriations	\$6,609,700	\$6,763,400	\$6,706,300	\$0	\$6,706,300
Federal	1,523,400	884,800	884,800	0	884,800
Other	15,500	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	\$8,216,400	\$11,667,100	\$11,667,100	\$0	\$11,667,100
Operational	4,685,900	4,969,300	4,497,600	0	4,497,600
TOTAL	\$12,902,300	\$16,636,400	\$16,164,700	\$0	\$16,164,700
State Appropriations	\$3,069,900	\$4,314,200	\$3,832,500	\$0	\$3,832,500
Federal	9,809,800	12,299,700	12,309,700	0	12,309,700
Other	22,600	22,500	22,500	0	22,500

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	\$10,585,200	\$11,716,500	\$11,716,500	\$0	\$11,716,500
Operational	9,028,300	7,520,500	7,469,500	0	7,469,500
TOTAL	\$19,613,500	\$19,237,000	\$19,186,000	\$0	\$19,186,000
State Appropriations	\$2,783,900	\$3,571,800	\$3,510,300	\$0	\$3,510,300
Federal	16,829,600	15,665,200	15,675,700	0	15,675,700
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	7,528,800	7,707,100	7,694,600	0	7,694,600
TOTAL	\$7,528,800	\$7,707,100	\$7,694,600	\$0	\$7,694,600
State Appropriations	\$1,240,500	\$1,512,500	\$1,500,000	\$0	\$1,500,000
Federal	6,062,500	6,000,000	6,000,000	0	6,000,000
Other	225,800	194,600	194,600	0	194,600

341.10 Armories Utilities

Armories Utilities provides funding for the cost of utilities at Army National Guard armories, training sites, and aircraft maintenance facilities.

Full-Time 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	5,163,600	5,441,800	5,441,800	0	5,441,800
TOTAL	\$5,163,600	\$5,441,800	\$5,441,800	\$0	\$5,441,800

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
State Appropriations	\$1,284,500	\$1,400,600	\$1,400,600	\$0	\$1,400,600
Federal	3,879,100	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	314,900	400,000	400,000	0	400,000
TOTAL	\$314,900	\$400,000	\$400,000	\$0	\$400,000
State Appropriations	\$150,000	\$150,000	\$150,000	\$0	\$150,000
Federal	164,900	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
Operational	2,962,200	4,141,500	4,141,500	0	4,141,500
TOTAL	\$2,962,200	\$4,141,500	\$4,141,500	\$0	\$4,141,500
State Appropriations	\$2,962,200	\$4,141,500	\$4,141,500	\$0	\$4,141,500
Federal	0	0	0	0	0
Other	0	0	0	0	0

<u>Actual 2024-2025</u>	<u>Estimated 2025-2026</u>	<u>Base 2026-2027</u>	<u>Cost Increase 2026-2027</u>	<u>Recommended 2026-2027</u>

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	143	143	143	4	147
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	143	143	143	4	147
Payroll	\$13,116,700	\$15,886,400	\$15,886,400	\$356,400	\$16,242,800
Operational	15,794,600	14,926,500	8,425,400	12,000	8,437,400
TOTAL	\$28,911,300	\$30,812,900	\$24,311,800	\$368,400	\$24,680,200
State Appropriations	\$8,840,800	\$17,723,000	\$11,206,900	\$368,400	\$11,575,300
Federal	18,109,800	12,719,800	12,734,800	0	12,734,800
Other	1,960,700	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	\$250,000	\$260,300	\$260,300	\$0	\$260,300
Operational	10,558,500	9,745,000	9,745,100	0	9,745,100
TOTAL	\$10,808,500	\$10,005,300	\$10,005,400	\$0	\$10,005,400
State Appropriations	\$1,486,400	\$0	\$0	\$0	\$0
Federal	9,322,100	10,005,300	10,005,400	0	10,005,400
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

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
Payroll	\$1,265,200	\$0	\$0	\$0	\$0
Operational	602,253,100	184,000,000	184,000,000	0	184,000,000
TOTAL	\$603,518,300	\$184,000,000	\$184,000,000	\$0	\$184,000,000
State Appropriations	\$244,000,000	\$4,000,000	\$4,000,000	\$0	\$4,000,000
Federal	305,202,400	180,000,000	180,000,000	0	180,000,000
Other	54,315,900	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	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	\$539,000	\$547,700	\$547,700	\$0	\$547,700
Operational	0	100	100	0	100
TOTAL	\$539,000	\$547,800	\$547,800	\$0	\$547,800
State Appropriations	\$539,000	\$547,700	\$547,700	\$0	\$547,700
Federal	0	100	100	0	100
Other	0	0	0	0	0

341.16 Governor's Response and Recovery Fund

The Governor's Response and Recovery Fund provides disaster relief assistance for agricultural, unemployment, and business recovery.

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	25,000,000	0	100,000,000	100,000,000
TOTAL	\$0	\$25,000,000	\$0	\$100,000,000	\$100,000,000
State Appropriations	\$0	\$25,000,000	\$0	\$100,000,000	\$100,000,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

341.17 State Guard

The State Guard is responsible for augmenting National Guard capabilities with trained volunteers to address emergencies, disasters, and community missions.

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	67,000	67,000	0	67,000
TOTAL	\$0	\$67,000	\$67,000	\$0	\$67,000
State Appropriations	\$0	\$67,000	\$67,000	\$0	\$67,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

341.00 Total Military Department

Full-Time Positions	428	429	429	4	433
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	428	429	429	4	433
Payroll	\$39,016,800	\$45,098,800	\$45,098,800	\$356,400	\$45,455,200
Operational	661,394,200	266,549,200	234,455,900	100,012,000	334,467,900
TOTAL	\$700,411,000	\$311,648,000	\$279,554,700	\$100,368,400	\$379,923,100
State Appropriations	\$272,966,900	\$69,191,700	\$37,062,800	\$100,368,400	\$137,431,200
Federal	370,903,600	241,866,100	241,901,700	0	241,901,700
Other	56,540,500	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 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
348.00 Tennessee Bureau of Investigation					
Full-Time Positions	761	789	787	10	797
Part-Time Positions	5	5	5	0	5
Seasonal Positions	0	0	0	0	0
TOTAL	766	794	792	10	802
Payroll	\$105,461,200	\$113,794,800	\$113,147,100	\$1,127,100	\$114,274,200
Operational	56,958,900	56,297,800	44,944,100	9,591,200	54,535,300
TOTAL	\$162,420,100	\$170,092,600	\$158,091,200	\$10,718,300	\$168,809,500
State Appropriations	\$111,000,200	\$121,366,700	\$119,025,200	\$10,718,300	\$129,743,500
Federal	16,797,900	14,516,300	14,339,200	0	14,339,200
Other	34,622,000	34,209,600	24,726,800	0	24,726,800

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 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	151	152	155	0	155
Part-Time Positions	2	2	2	0	2
Seasonal Positions	0	0	0	0	0
TOTAL	153	154	157	0	157
Payroll	\$13,816,200	\$17,935,500	\$18,665,800	\$0	\$18,665,800
Operational	10,102,300	4,828,500	8,244,700	0	8,244,700
TOTAL	\$23,918,500	\$22,764,000	\$26,910,500	\$0	\$26,910,500
State Appropriations	\$22,797,700	\$22,631,700	\$23,178,200	\$0	\$23,178,200
Federal	0	0	0	0	0
Other	1,120,800	132,300	3,732,300	0	3,732,300

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	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	\$2,583,600	\$3,865,200	\$3,865,200	\$0	\$3,865,200
Operational	69,057,700	20,205,200	19,754,500	1,500,000	21,254,500
TOTAL	\$71,641,300	\$24,070,400	\$23,619,700	\$1,500,000	\$25,119,700
State Appropriations	\$19,551,000	\$23,144,800	\$22,693,900	\$1,500,000	\$24,193,900
Federal	0	0	0	0	0
Other	52,090,300	925,600	925,800	0	925,800

<u>Actual 2024-2025</u>	<u>Estimated 2025-2026</u>	<u>Base 2026-2027</u>	<u>Cost Increase 2026-2027</u>	<u>Recommended 2026-2027</u>

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	569	568	34	602
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	563	569	568	34	602
Payroll	\$37,514,100	\$41,446,200	\$41,364,800	\$2,230,400	\$43,595,200
Operational	41,106,800	30,184,400	26,576,500	466,400	27,042,900
TOTAL	\$78,620,900	\$71,630,600	\$67,941,300	\$2,696,800	\$70,638,100
State Appropriations	\$35,818,400	\$37,748,500	\$37,654,500	\$2,696,800	\$40,351,300
Federal	165,700	388,100	388,900	0	388,900
Other	42,636,800	33,494,000	29,897,900	0	29,897,900

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	9	9	9	0	9
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	9	9	9	0	9
Payroll	\$1,637,900	\$2,155,700	\$2,155,700	\$0	\$2,155,700
Operational	33,930,900	26,518,900	26,521,800	0	26,521,800
TOTAL	\$35,568,800	\$28,674,600	\$28,677,500	\$0	\$28,677,500
State Appropriations	\$538,900	\$255,300	\$255,300	\$0	\$255,300
Federal	34,969,900	28,239,300	28,242,200	0	28,242,200
Other	60,000	180,000	180,000	0	180,000

Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	1,405	1,521	1,519	50	1,569
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	1,405	1,521	1,519	50	1,569
Payroll	\$189,909,400	\$220,961,700	\$220,312,800	\$30,404,500	\$250,717,300
Operational	92,592,600	75,952,700	59,976,400	10,302,500	70,278,900
TOTAL	\$282,502,000	\$296,914,400	\$280,289,200	\$40,707,000	\$320,996,200
State Appropriations	\$234,243,600	\$279,107,100	\$262,481,900	\$40,707,000	\$303,188,900
Federal	10,857,300	10,741,200	10,741,200	0	10,741,200
Other	37,401,100	7,066,100	7,066,100	0	7,066,100

349.05 Immigration Enforcement Section

The Immigration Enforcement Section is responsible for overseeing state and local collaboration with federal immigration authorities to ensure effective and efficient communication, resource allocation, and enforcement of established immigration laws.

Full-Time Positions	0	4	4	0	4
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	0	4	4	0	4
Payroll	\$0	\$498,900	\$498,900	\$0	\$498,900
Operational	0	5,066,000	48,000	0	48,000
TOTAL	\$0	\$5,564,900	\$546,900	\$0	\$546,900
State Appropriations	\$0	\$5,564,900	\$546,900	\$0	\$546,900
Federal	0	0	0	0	0
Other	0	0	0	0	0

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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
Operational	0	349,800	349,800	0	349,800
TOTAL	\$0	\$349,800	\$349,800	\$0	\$349,800
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	0	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	156	156	156	0	156
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	156	156	156	0	156
Payroll	\$14,497,300	\$16,974,500	\$16,974,500	\$0	\$16,974,500
Operational	105,563,000	150,988,400	149,400,400	0	149,400,400
TOTAL	\$120,060,300	\$167,962,900	\$166,374,900	\$0	\$166,374,900
State Appropriations	\$113,980,300	\$167,294,200	\$165,809,300	\$0	\$165,809,300
Federal	0	0	0	0	0
Other	6,080,000	668,700	565,600	0	565,600

<u>Actual 2024-2025</u>	<u>Estimated 2025-2026</u>	<u>Base 2026-2027</u>	<u>Cost Increase 2026-2027</u>	<u>Recommended 2026-2027</u>

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	\$292,200	\$235,600	\$265,600	\$0	\$265,600
Operational	309,200	330,500	301,300	0	301,300
TOTAL	\$601,400	\$566,100	\$566,900	\$0	\$566,900
State Appropriations	\$557,800	\$566,100	\$566,900	\$0	\$566,900
Federal	0	0	0	0	0
Other	43,600	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	\$91,900	\$286,400	\$286,400	\$0	\$286,400
Operational	56,900	56,000	56,900	0	56,900
TOTAL	\$148,800	\$342,400	\$343,300	\$0	\$343,300
State Appropriations	\$148,800	\$342,400	\$343,300	\$0	\$343,300
Federal	0	0	0	0	0
Other	0	0	0	0	0

349.00 Total Department of Safety

Full-Time Positions	2,328	2,455	2,455	84	2,539
Part-Time Positions	2	2	2	0	2
Seasonal Positions	0	0	0	0	0
TOTAL	2,330	2,457	2,457	84	2,541
Payroll	\$260,342,600	\$304,359,700	\$304,389,700	\$32,634,900	\$337,024,600
Operational	352,719,400	314,480,400	291,230,300	12,268,900	303,499,200
TOTAL	\$613,062,000	\$618,840,100	\$595,620,000	\$44,903,800	\$640,523,800

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
State Appropriations	\$427,636,500	\$536,655,000	\$513,530,200	\$44,903,800	\$558,434,000
Federal	45,992,900	39,368,600	39,372,300	0	39,372,300
Other	139,432,600	42,816,500	42,717,500	0	42,717,500

Resources and Regulation



Resources and Regulation

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Resources and Regulation

Recommended Budget, Fiscal Year 2026-2027

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 2024-2025	Estimated 2025-2026	Recommended 2026-2027
Full-Time Positions	5,339	5,398	5,444
Part-Time Positions	329	319	319
Seasonal Positions	159	159	159
TOTAL	5,827	5,876	5,922
Payroll	\$481,481,800	\$560,089,700	\$566,109,600
Operational	1,242,418,100	2,209,201,000	832,967,900
TOTAL	\$1,723,899,900	\$2,769,290,700	\$1,399,077,500
State Appropriations	\$682,420,300	\$894,360,000	\$784,107,400
Federal	645,147,500	1,461,666,900	292,391,200
Other	396,332,100	413,263,800	322,578,900

Resources and Regulation

Recommended Budget for Fiscal Year 2026-2027

By Funding Source

Department	State	Federal	Other	Total
316.25 Arts Commission	\$15,711,300	\$1,010,600	\$1,237,800	\$17,959,700
316.27 State Museum	15,126,000	0	415,000	15,541,000
327.00 Environment and Conservation	296,054,700	120,333,000	165,758,600	582,146,300
328.00 Tennessee Wildlife Resources Agency	98,953,900	38,399,900	40,349,000	177,702,800
335.00 Commerce and Insurance	228,331,100	324,800	82,586,900	311,242,800
336.00 Financial Institutions	37,987,100	0	2,400	37,989,500
337.00 Labor and Workforce Development	91,943,300	132,322,900	32,229,200	256,495,400
TOTAL	\$784,107,400	\$292,391,200	\$322,578,900	\$1,399,077,500

Resources and Regulation

Cost Increases for Fiscal Year 2026-2027

<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, \$1,100,000 is recurring and \$2,100,000 is non-recurring.

316.25 Arts Commission	\$3,200,000	\$0	\$1,000,000	\$4,200,000	0
Subtotal	<u>\$3,200,000</u>	<u>\$0</u>	<u>\$1,000,000</u>	<u>\$4,200,000</u>	<u>0</u>
Total Arts Commission	<u>\$3,200,000</u>	<u>\$0</u>	<u>\$1,000,000</u>	<u>\$4,200,000</u>	<u>0</u>

State Museum

- New Capitol Visitor Center Operations

To provide funding and to establish five positions to operate the new Capitol Visitor Center. Of this total cost, \$312,000 is recurring and \$200,000 is non-recurring. The Capitol Visitor Center is scheduled to open in January 2027.

316.27 State Museum	\$512,000	\$0	\$0	\$512,000	5
Subtotal	<u>\$512,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$512,000</u>	<u>5</u>

- Semiquincentennial Celebration - Year Three 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
Subtotal	<u>\$2,145,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,145,000</u>	<u>0</u>
Total State Museum	<u>\$2,657,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,657,000</u>	<u>5</u>

Environment and Conservation

- Preserving Tennessee's Outdoor Heritage - State Parks

To provide recurring funding and to establish 23 positions to enhance Tennessee's state parks and recreation areas. Other funding is from state park revenues.

327.12 Tennessee State Parks	\$0	\$0	\$2,272,400	\$2,272,400	23
Subtotal	<u>\$0</u>	<u>\$0</u>	<u>\$2,272,400</u>	<u>\$2,272,400</u>	<u>23</u>

- New Visitor Centers Positions

To provide recurring funding and to establish six positions to operate and administer three new state park visitor centers. Other funding is from state park revenues.

327.12 Tennessee State Parks	\$0	\$0	\$383,800	\$383,800	6
Subtotal	<u>\$0</u>	<u>\$0</u>	<u>\$383,800</u>	<u>\$383,800</u>	<u>6</u>

Resources and Regulation

Cost Increases for Fiscal Year 2026-2027

	State	Federal	Other	Total	Positions
• Administration Legislation - State Energy Policy Council					
To provide funding and to establish two positions for administration legislation relative to the transfer of administrative responsibilities of the State Energy Policy Council from the Comptroller of the Treasury to the Department of Environment and Conservation. Of this total cost, \$246,200 is recurring and \$4,000 is non-recurring.					
327.52 Office of Energy Programs	\$250,200	\$0	\$0	\$250,200	2
Subtotal	\$250,200	\$0	\$0	\$250,200	2
• Water Resources Enforcement					
To provide funding and to establish 14 positions for the Subsurface Sewage Disposal program, which is experiencing significant workload increases due to construction services, compliance assistance, oversight duties, and customer complaints. Of this total cost, \$1,535,100 is recurring and \$49,000 is non-recurring. Other funding is from the department's Environmental Protection Fund.					
327.34 Division of Water Resources	\$0	\$0	\$1,584,100	\$1,584,100	14
Subtotal	\$0	\$0	\$1,584,100	\$1,584,100	14
• Preventing Outages and Enhancing the Resilience of the Electric Grid Formula Grant - Year Five					
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	\$1,096,400	\$7,309,400	\$0	\$8,405,800	2
Subtotal	\$1,096,400	\$7,309,400	\$0	\$8,405,800	2
• Water Education Training (WET) Center Positions					
To provide non-recurring funding and to continue 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	\$274,400	\$0	\$0	\$274,400	2
Subtotal	\$274,400	\$0	\$0	\$274,400	2
Total Environment and Conservation	\$1,621,000	\$7,309,400	\$4,240,300	\$13,170,700	49

Tennessee Wildlife Resources Agency

• General Fund Subsidy - Projects and Maintenance

To provide a non-recurring general fund subsidy for capital and operational projects and ongoing maintenance needs on properties managed by the agency.

328.01 Wildlife Resources Agency	\$10,000,000	\$0	\$0	\$10,000,000	0
Subtotal	\$10,000,000	\$0	\$0	\$10,000,000	0

Resources and Regulation

Cost Increases for Fiscal Year 2026-2027

	State	Federal	Other	Total	Positions
● Administration Legislation - National Guard Sportsman Licenses					
To provide a recurring general fund subsidy for administration legislation relative to providing members of the Tennessee National Guard a free annual sportsman license.					
328.01 Wildlife Resources Agency	\$2,500,000	\$0	\$0	\$2,500,000	0
Subtotal	\$2,500,000	\$0	\$0	\$2,500,000	0
● Statutory 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, 2026, and affect the agency's officers, biologists, and other unique positions.					
328.01 Wildlife Resources Agency	\$2,241,200	\$0	\$0	\$2,241,200	0
328.02 Boating Safety	305,600	0	0	305,600	0
Subtotal	\$2,546,800	\$0	\$0	\$2,546,800	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, 2026.					
328.01 Wildlife Resources Agency	\$807,200	\$0	\$0	\$807,200	0
328.02 Boating Safety	110,100	0	0	110,100	0
Subtotal	\$917,300	\$0	\$0	\$917,300	0
● General Fund Subsidy - Hunters for the Hungry Grant					
To provide a recurring general fund subsidy for a grant to Hunters for the Hungry. Hunters for the Hungry is a nonprofit initiative that aims to feed those in need by connecting hunters with hunger relief organizations.					
328.01 Wildlife Resources Agency	\$100,000	\$0	\$0	\$100,000	0
Subtotal	\$100,000	\$0	\$0	\$100,000	0
Total Tennessee Wildlife Resources Agency	\$16,064,100	\$0	\$0	\$16,064,100	0

Commerce and Insurance

● **Bondsmen Regulatory Board Members**

To establish seven board member positions for the Tennessee Board of Professional Bondsmen pursuant to 2025 Public Chapter 491.

335.10 Regulatory Boards	\$0	\$0	\$0	\$0	7
Subtotal	\$0	\$0	\$0	\$0	7

Resources and Regulation

Cost Increases for Fiscal Year 2026-2027

	State	Federal	Other	Total	Positions
• 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, 2026.					
335.11 Tennessee Law Enforcement Training Academy	\$210,600	\$0	\$0	\$210,600	0
Subtotal	\$210,600	\$0	\$0	\$210,600	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, 2026. The survey averages the current compensation levels of commissioned officers in the eight adjacent states.					
335.11 Tennessee Law Enforcement Training Academy	\$39,000	\$0	\$0	\$39,000	0
335.12 POST Commission	1,800	0	0	1,800	0
Subtotal	\$40,800	\$0	\$0	\$40,800	0
• Multi-Agency Law Enforcement Training Academy (MALETA) Realignment					
To operationalize the fiscal year 2027-2028 transition and opening of the MALETA campus. A recurring reduction of \$3,564,500 is recommended to move a portion of TLETA (\$3,399,100) and POST Commission (\$165,400) to the MALETA campus. A non-recurring appropriation of \$3,564,500 is recommended to reflect the fiscal year 2027-2028 opening date.					
Subtotal	\$0	\$0	\$0	\$0	0
Total Commerce and Insurance	\$251,400	\$0	\$0	\$251,400	7

Financial Institutions

• Large Bank Examiner Position

To provide recurring dedicated funding and to establish one large bank examiner position to meet increased regulatory demands.

336.00 Financial Institutions	\$270,300	\$0	\$0	\$270,300	1
Subtotal	\$270,300	\$0	\$0	\$270,300	1
Total Financial Institutions	\$270,300	\$0	\$0	\$270,300	1

Labor and Workforce Development

• TN Works Hub Team

To provide funding and to establish three positions for the TN Works Hub Team, which serves as a single point of contact for workforce development services for employers looking to move to or expand within Tennessee. Of this total cost, \$699,100 is recurring and \$6,000 is non-recurring.

337.10 Workforce Services	\$705,100	\$0	\$0	\$705,100	3
Subtotal	\$705,100	\$0	\$0	\$705,100	3

Resources and Regulation

Cost Increases for Fiscal Year 2026-2027

	State	Federal	Other	Total	Positions
● Re-Entry Employment Program					
To provide recurring funding to establish a wage-subsidized employment program for justice-involved individuals, offering transitional work experience and employer support.					
337.10 Workforce Services	\$1,500,000	\$0	\$0	\$1,500,000	0
Subtotal	\$1,500,000	\$0	\$0	\$1,500,000	0
● Youth Employment Program					
To provide non-recurring funding to support the summer youth employment program. The program connects youth and young adults with paid employment opportunities that support educational development and career exploration.					
337.10 Workforce Services	\$8,000,000	\$0	\$0	\$8,000,000	0
Subtotal	\$8,000,000	\$0	\$0	\$8,000,000	0
● Workers' Compensation Court Recording Systems					
To provide funding for the purchase of new microphones and recording systems for eight hearing rooms of the Courts of Workers' Compensation Claims. Of this total cost, \$24,300 is recurring and \$81,600 is non-recurring.					
337.03 Workers' Compensation	\$105,900	\$0	\$0	\$105,900	0
Subtotal	\$105,900	\$0	\$0	\$105,900	0
● 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
Subtotal	\$0	\$0	\$8,259,700	\$8,259,700	0
Total Labor and Workforce Development	\$10,311,000	\$0	\$8,259,700	\$18,570,700	3
Total Resources and Regulation	\$34,374,800	\$7,309,400	\$13,500,000	\$55,184,200	65

Arts Commission

The Tennessee Arts Commission promotes interest and participation in the performing, visual, musical, and literary arts by developing cultural resources across the state. The commission provides financial support to artists, arts organizations, and arts supporters through various grant programs and by matching private contributions with federal funds to provide technical assistance and other services.

The commission and its professional staff provide opportunities in the arts for all Tennesseans, especially children. These opportunities include workshops, competitions, and student ticket subsidies for productions across the state. Newsletters and special publications are used to increase public awareness.

	<u>Actual 2024-2025</u>	<u>Estimated 2025-2026</u>	<u>Base 2026-2027</u>	<u>Cost Increase 2026-2027</u>	<u>Recommended 2026-2027</u>
Full-Time Positions	20	20	20	0	20
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	<u>20</u>	<u>20</u>	<u>20</u>	<u>0</u>	<u>20</u>
Payroll	\$2,579,000	\$2,766,400	\$2,766,400	\$0	\$2,766,400
Operational	12,522,700	14,919,000	10,993,300	4,200,000	15,193,300
TOTAL	\$15,101,700	\$17,685,400	\$13,759,700	\$4,200,000	\$17,959,700
State Appropriations	\$11,715,200	\$13,637,000	\$12,511,300	\$3,200,000	\$15,711,300
Federal	1,021,500	1,010,600	1,010,600	0	1,010,600
Other	2,365,000	3,037,800	237,800	1,000,000	1,237,800

State Museum

The Tennessee State Museum was created by public law in 1937 to bring together all the collections already owned or managed by the state. The State Museum's mandate is to "procure, preserve, exhibit and interpret objects, which relate to the social, political, economic, and cultural history of Tennessee and Tennesseans, and to provide exhibitions and programs for the educational and cultural enrichment of the citizens of the state."

The State Museum, located in Nashville, collects, preserves, interprets, and exhibits artifacts that are significant to the natural and cultural history of the state. Through the acquisition, restoration, and stewardship of the collection, the museum's professional staff provides Tennesseans with numerous educational and cultural experiences. Many of the programs reach school-aged children across the state.

The museum secures and sponsors exhibits of distinction from renowned artists and collections to further enrich the citizens of the state. The museum provides technical assistance in conserving and restoring artifacts for historical sites and other museums and organizations in the state. The State Museum maintains administrative oversight of the National Civil Rights Museum in Memphis.

<u>Actual 2024-2025</u>	<u>Estimated 2025-2026</u>	<u>Base 2026-2027</u>	<u>Cost Increase 2026-2027</u>	<u>Recommended 2026-2027</u>

316.27 State Museum

Full-Time Positions	62	62	62	5	67
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	<u>62</u>	<u>62</u>	<u>62</u>	<u>5</u>	<u>67</u>
Payroll	\$4,813,400	\$5,472,400	\$5,472,400	\$267,000	\$5,739,400
Operational	10,609,500	16,679,100	7,411,600	2,390,000	9,801,600
TOTAL	<u>\$15,422,900</u>	<u>\$22,151,500</u>	<u>\$12,884,000</u>	<u>\$2,657,000</u>	<u>\$15,541,000</u>
State Appropriations	\$14,526,400	\$21,736,500	\$12,469,000	\$2,657,000	\$15,126,000
Federal	0	0	0	0	0
Other	896,500	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 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	139	140	140	0	140
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	139	140	140	0	140
Payroll	\$18,343,700	\$19,982,700	\$19,982,700	\$0	\$19,982,700
Operational	17,545,600	19,157,800	14,026,700	0	14,026,700
TOTAL	\$35,889,300	\$39,140,500	\$34,009,400	\$0	\$34,009,400
State Appropriations	\$15,437,400	\$21,537,900	\$16,396,700	\$0	\$16,396,700
Federal	3,821,000	3,012,600	3,012,600	0	3,012,600
Other	16,630,900	14,590,000	14,600,100	0	14,600,100

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	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	\$993,600	\$1,314,000	\$1,314,000	\$0	\$1,314,000
Operational	6,955,000	11,775,200	6,717,600	0	6,717,600
TOTAL	\$7,948,600	\$13,089,200	\$8,031,600	\$0	\$8,031,600
State Appropriations	\$3,488,500	\$5,988,400	\$930,800	\$0	\$930,800
Federal	2,778,300	4,791,300	4,791,300	0	4,791,300
Other	1,681,800	2,309,500	2,309,500	0	2,309,500

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	\$2,076,700	\$2,177,600	\$2,177,600	\$0	\$2,177,600
Operational	10,146,800	15,307,600	2,861,500	0	2,861,500
TOTAL	\$12,223,500	\$17,485,200	\$5,039,100	\$0	\$5,039,100
State Appropriations	\$3,198,100	\$16,905,600	\$4,459,500	\$0	\$4,459,500
Federal	562,800	529,600	529,600	0	529,600
Other	8,462,600	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	\$1,399,500	\$1,538,800	\$1,538,800	\$0	\$1,538,800
Operational	215,700	248,900	234,500	0	234,500
TOTAL	\$1,615,200	\$1,787,700	\$1,773,300	\$0	\$1,773,300
State Appropriations	\$1,579,900	\$1,727,200	\$1,712,800	\$0	\$1,712,800
Federal	0	0	0	0	0
Other	35,300	60,500	60,500	0	60,500

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

327.12 Tennessee State Parks

The Tennessee State Parks program protects, conserves, and manages natural, cultural, and historic resources in 62 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	1,302	1,334	1,334	29	1,363
Part-Time Positions	0	0	0	0	0
Seasonal Positions	159	159	159	0	159
TOTAL	1,461	1,493	1,493	29	1,522
Payroll	\$93,069,800	\$97,594,000	\$97,594,000	\$2,006,900	\$99,600,900
Operational	73,973,900	42,759,100	38,969,000	649,300	39,618,300
TOTAL	\$167,043,700	\$140,353,100	\$136,563,000	\$2,656,200	\$139,219,200
State Appropriations	\$91,088,800	\$88,946,400	\$79,004,700	\$0	\$79,004,700
Federal	21,300	131,100	131,100	0	131,100
Other	75,933,600	51,275,600	57,427,200	2,656,200	60,083,400

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	\$2,051,200	\$2,383,300	\$2,383,300	\$0	\$2,383,300
Operational	315,700	359,100	335,200	0	335,200
TOTAL	\$2,366,900	\$2,742,400	\$2,718,500	\$0	\$2,718,500
State Appropriations	\$2,065,800	\$2,582,300	\$2,558,400	\$0	\$2,558,400
Federal	204,600	90,000	90,000	0	90,000
Other	96,500	70,100	70,100	0	70,100

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	22,382,200	13,329,100	12,829,100	0	12,829,100
TOTAL	\$22,382,200	\$13,329,100	\$12,829,100	\$0	\$12,829,100
State Appropriations	\$6,529,100	\$12,729,100	\$12,729,100	\$0	\$12,729,100
Federal	0	0	0	0	0
Other	15,853,100	600,000	100,000	0	100,000

327.18 Maintenance of Historic Sites

The Maintenance of Historic Sites program ensures that state-owned historical sites are properly maintained according to historic preservation standards and for visitation by the public. Sites are maintained through contractual agreements between the Tennessee Historical Commission and 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
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	242,700	455,300	411,500	0	411,500
TOTAL	\$242,700	\$455,300	\$411,500	\$0	\$411,500
State Appropriations	\$242,700	\$455,300	\$411,500	\$0	\$411,500
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	19,244,800	3,900,300	3,900,300	0	3,900,300
TOTAL	\$19,244,800	\$3,900,300	\$3,900,300	\$0	\$3,900,300

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
State Appropriations	\$3,718,700	\$3,900,300	\$3,900,300	\$0	\$3,900,300
Federal	0	0	0	0	0
Other	15,526,100	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	11,972,300	3,067,500	3,067,500	0	3,067,500
TOTAL	\$11,972,300	\$3,067,500	\$3,067,500	\$0	\$3,067,500
State Appropriations	\$3,067,500	\$3,067,500	\$3,067,500	\$0	\$3,067,500
Federal	2,105,000	0	0	0	0
Other	6,799,800	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	256,500	345,000	345,000	0	345,000
TOTAL	\$256,500	\$345,000	\$345,000	\$0	\$345,000
State Appropriations	\$256,500	\$345,000	\$345,000	\$0	\$345,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

<u>Actual 2024-2025</u>	<u>Estimated 2025-2026</u>	<u>Base 2026-2027</u>	<u>Cost Increase 2026-2027</u>	<u>Recommended 2026-2027</u>

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	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	10,400,100	36,600,000	1,000,000	0	1,000,000
TOTAL	<u>\$10,400,100</u>	<u>\$36,600,000</u>	<u>\$1,000,000</u>	<u>\$0</u>	<u>\$1,000,000</u>
State Appropriations	\$8,097,400	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	2,302,700	36,600,000	1,000,000	0	1,000,000

327.51 Conservation Compensation Fund

The Conservation Compensation Fund provides in-lieu-of-tax payments to local governments to offset the loss of local property taxes on land acquired by the state through the Tennessee Heritage Conservation Trust Fund.

Full-Time Positions	0	0	0	0	0
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	15,600	12,000	12,000	0	12,000
TOTAL	<u>\$15,600</u>	<u>\$12,000</u>	<u>\$12,000</u>	<u>\$0</u>	<u>\$12,000</u>
State Appropriations	\$0	\$12,000	\$12,000	\$0	\$12,000
Federal	0	0	0	0	0
Other	15,600	0	0	0	0

Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	\$715,500	\$831,100	\$831,100	\$0	\$831,100
Operational	274,700	658,900	659,800	0	659,800
TOTAL	\$990,200	\$1,490,000	\$1,490,900	\$0	\$1,490,900
State Appropriations	\$739,500	\$860,600	\$861,500	\$0	\$861,500
Federal	229,500	192,500	192,500	0	192,500
Other	21,200	436,900	436,900	0	436,900

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	39	35	35	0	35
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	39	35	35	0	35
Payroll	\$3,299,600	\$4,682,100	\$4,682,100	\$0	\$4,682,100
Operational	3,208,000	11,679,300	11,686,200	0	11,686,200
TOTAL	\$6,507,600	\$16,361,400	\$16,368,300	\$0	\$16,368,300
State Appropriations	\$1,700,700	\$1,397,400	\$1,398,000	\$0	\$1,398,000
Federal	3,363,500	13,212,000	13,215,300	0	13,215,300
Other	1,443,400	1,752,000	1,755,000	0	1,755,000

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	\$177,100	\$374,300	\$374,300	\$0	\$374,300
Operational	640,900	1,016,900	1,017,200	0	1,017,200
TOTAL	\$818,000	\$1,391,200	\$1,391,500	\$0	\$1,391,500
State Appropriations	\$739,500	\$1,390,200	\$1,390,500	\$0	\$1,390,500
Federal	0	0	0	0	0
Other	78,500	1,000	1,000	0	1,000

327.26 West Tennessee River Basin Authority

The West Tennessee River Basin Authority (WTRBA), administratively attached to the Department of Environment and Conservation and governed by a board of directors, works to preserve the natural flow and function of the Hatchie, Obion, and Forked Deer Rivers. Services include environmentally sensitive stream maintenance in the river basins; maintenance of flood control sediment retention structures; collection of timber easements; and restoration, in a self-sustaining manner, of natural streams and floodplains.

Full-Time Positions	23	25	23	2	25
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	23	25	23	2	25
Payroll	\$2,725,700	\$2,950,200	\$2,692,400	\$257,800	\$2,950,200
Operational	3,204,200	10,944,500	9,709,400	16,600	9,726,000
TOTAL	\$5,929,900	\$13,894,700	\$12,401,800	\$274,400	\$12,676,200
State Appropriations	\$2,679,200	\$2,408,300	\$2,113,300	\$274,400	\$2,387,700
Federal	0	0	0	0	0
Other	3,250,700	11,486,400	10,288,500	0	10,288,500

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

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	1,701,100	1,615,500	1,615,500	0	1,615,500
TOTAL	\$1,701,100	\$1,615,500	\$1,615,500	\$0	\$1,615,500
State Appropriations	\$1,022,900	\$1,615,500	\$1,615,500	\$0	\$1,615,500
Federal	0	0	0	0	0
Other	678,200	0	0	0	0

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	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	\$178,200	\$576,500	\$576,500	\$0	\$576,500
Operational	519,400	1,427,700	1,428,000	0	1,428,000
TOTAL	\$697,600	\$2,004,200	\$2,004,500	\$0	\$2,004,500
State Appropriations	\$413,700	\$2,004,200	\$2,004,500	\$0	\$2,004,500
Federal	0	0	0	0	0
Other	283,900	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	61	61	61	0	61
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	61	61	61	0	61
Payroll	\$5,338,700	\$5,709,800	\$5,709,800	\$0	\$5,709,800
Operational	1,003,200	1,082,600	1,082,700	0	1,082,700
TOTAL	\$6,341,900	\$6,792,400	\$6,792,500	\$0	\$6,792,500
State Appropriations	\$1,310,500	\$1,348,900	\$1,341,800	\$0	\$1,341,800
Federal	0	86,200	86,200	0	86,200
Other	5,031,400	5,357,300	5,364,500	0	5,364,500

Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	\$14,001,700	\$16,466,400	\$16,466,400	\$0	\$16,466,400
Operational	3,429,800	3,714,400	3,739,300	0	3,739,300
TOTAL	\$17,431,500	\$20,180,800	\$20,205,700	\$0	\$20,205,700
State Appropriations	\$4,350,900	\$4,390,800	\$4,397,000	\$0	\$4,397,000
Federal	2,492,700	1,777,500	1,777,500	0	1,777,500
Other	10,587,900	14,012,500	14,031,200	0	14,031,200

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	64	64	0	64
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	59	64	64	0	64
Payroll	\$5,300,800	\$7,383,500	\$7,383,500	\$0	\$7,383,500
Operational	1,231,500	3,679,000	3,031,600	0	3,031,600
TOTAL	\$6,532,300	\$11,062,500	\$10,415,100	\$0	\$10,415,100
State Appropriations	\$650,800	\$3,458,800	\$2,803,700	\$0	\$2,803,700
Federal	413,400	152,500	152,500	0	152,500
Other	5,468,100	7,451,200	7,458,900	0	7,458,900

Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	\$1,789,700	\$2,349,500	\$2,349,500	\$0	\$2,349,500
Operational	81,089,800	147,025,600	60,685,600	0	60,685,600
TOTAL	\$82,879,500	\$149,375,100	\$63,035,100	\$0	\$63,035,100
State Appropriations	\$19,812,900	\$20,829,900	\$6,357,400	\$0	\$6,357,400
Federal	62,001,100	127,045,200	55,177,700	0	55,177,700
Other	1,065,500	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	355	359	359	14	373
Part-Time Positions	9	9	9	0	9
Seasonal Positions	0	0	0	0	0
TOTAL	364	368	368	14	382
Payroll	\$35,694,100	\$40,791,300	\$40,791,300	\$1,182,600	\$41,973,900
Operational	356,674,000	1,114,933,800	12,453,700	401,500	12,855,200
TOTAL	\$392,368,100	\$1,155,725,100	\$53,245,000	\$1,584,100	\$54,829,100
State Appropriations	\$36,797,200	\$70,095,400	\$29,053,900	\$0	\$29,053,900
Federal	347,024,400	1,068,076,700	6,652,500	0	6,652,500
Other	8,546,500	17,553,000	17,538,600	1,584,100	19,122,700

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	117	117	0	117
Part-Time Positions	12	12	12	0	12
Seasonal Positions	0	0	0	0	0
TOTAL	132	129	129	0	129
Payroll	\$12,858,700	\$14,759,700	\$14,759,700	\$0	\$14,759,700
Operational	6,993,900	2,418,700	5,941,900	0	5,941,900
TOTAL	\$19,852,600	\$17,178,400	\$20,701,600	\$0	\$20,701,600
State Appropriations	\$3,216,900	\$3,242,200	\$3,249,200	\$0	\$3,249,200
Federal	1,525,500	2,876,500	6,376,500	0	6,376,500
Other	15,110,200	11,059,700	11,075,900	0	11,075,900

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	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	\$3,755,000	\$5,254,400	\$5,254,400	\$0	\$5,254,400
Operational	1,272,100	2,677,900	2,685,300	0	2,685,300
TOTAL	\$5,027,100	\$7,932,300	\$7,939,700	\$0	\$7,939,700
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	4,087,700	7,832,300	7,839,700	0	7,839,700
Other	939,400	100,000	100,000	0	100,000

Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	\$50,900	\$0	\$0	\$0	\$0
Operational	102,600	1,692,300	1,692,300	0	1,692,300
TOTAL	\$153,500	\$1,692,300	\$1,692,300	\$0	\$1,692,300
State Appropriations	\$0	\$580,900	\$580,900	\$0	\$580,900
Federal	147,800	1,111,400	1,111,400	0	1,111,400
Other	5,700	0	0	0	0

327.38 Hazardous Waste Remedial Action Fund

The Hazardous Waste Remedial Action Fund supports activities to identify, investigate, and remedy properties contaminated by hazardous substances. Without this program, contaminated properties would remain abandoned and pose a threat to the health of Tennesseans and the environment. In addition to monetary support from the federal government, funds are derived from state appropriations and fees paid by generators and transporters of hazardous waste.

Full-Time Positions	52	52	53	0	53
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	52	52	53	0	53
Payroll	\$5,222,400	\$7,047,400	\$7,047,400	\$0	\$7,047,400
Operational	8,815,200	36,324,500	11,335,100	0	11,335,100
TOTAL	\$14,037,600	\$43,371,900	\$18,382,500	\$0	\$18,382,500
State Appropriations	\$0	\$6,762,500	\$6,762,500	\$0	\$6,762,500
Federal	2,202,200	2,690,400	2,690,400	0	2,690,400
Other	11,835,400	33,919,000	8,929,600	0	8,929,600

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	84	84	0	84
Part-Time Positions	1	1	1	0	1
Seasonal Positions	0	0	0	0	0
TOTAL	82	85	85	0	85
Payroll	\$8,838,200	\$10,321,300	\$10,321,300	\$0	\$10,321,300
Operational	14,886,900	19,048,800	19,061,200	0	19,061,200
TOTAL	\$23,725,100	\$29,370,100	\$29,382,500	\$0	\$29,382,500
State Appropriations	\$18,877,400	\$27,396,700	\$27,409,100	\$0	\$27,409,100
Federal	1,692,700	1,973,400	1,973,400	0	1,973,400
Other	3,155,000	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	21	21	0	21
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	18	21	21	0	21
Payroll	\$1,465,000	\$2,257,800	\$2,257,800	\$0	\$2,257,800
Operational	12,917,300	5,573,700	5,571,400	0	5,571,400
TOTAL	\$14,382,300	\$7,831,500	\$7,829,200	\$0	\$7,829,200
State Appropriations	\$7,377,700	\$7,831,500	\$7,829,200	\$0	\$7,829,200
Federal	196,400	0	0	0	0
Other	6,808,200	0	0	0	0

327.43 Environmental Protection Fund

The Environmental Protection Fund (EPF) collects fees from environmental permits, inspections, and fines. Funds are dispersed from the EPF to other divisions of the department to reimburse expenses of permitting, monitoring, compliance investigating, enforcement, and administration. The divisions of Air Pollution Control, Radiological Health, Water Pollution Control, Ground Water Protection, Solid Waste Management, Administrative Services, and Environment Administration receive funding from the EPF.

Full-Time 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 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	44,907,300	66,753,000	66,831,000	0	66,831,000
TOTAL	\$44,907,300	\$66,753,000	\$66,831,000	\$0	\$66,831,000
State Appropriations	\$41,180,500	\$66,753,000	\$66,831,000	\$0	\$66,831,000
Federal	0	0	0	0	0
Other	3,726,800	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	\$1,035,300	\$1,168,900	\$1,168,900	\$0	\$1,168,900
Operational	1,073,400	635,100	637,000	0	637,000
TOTAL	\$2,108,700	\$1,804,000	\$1,805,900	\$0	\$1,805,900
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	1,149,700	804,500	804,500	0	804,500
Other	959,000	999,500	1,001,400	0	1,001,400

327.45 Office of Sustainable Practices

The Office of Sustainable Practices provides non-regulatory assistance to businesses, schools, government agencies, industries, organizations, and individuals. Program staff inform and advise these groups to minimize potentially adverse effects on the environment, encourage business compliance efforts, notify affected industries of regulatory requirements, publish information, provide training, conduct inspections, and promote outreach activities.

Full-Time 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	\$955,300	\$1,113,500	\$1,113,500	\$0	\$1,113,500
Operational	666,500	1,792,700	1,794,100	0	1,794,100
TOTAL	\$1,621,800	\$2,906,200	\$2,907,600	\$0	\$2,907,600
State Appropriations	\$1,168,800	\$2,019,900	\$2,021,300	\$0	\$2,021,300
Federal	236,400	336,300	336,300	0	336,300
Other	216,600	550,000	550,000	0	550,000

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	21	21	17	4	21
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	21	21	17	4	21
Payroll	\$1,815,700	\$2,971,800	\$2,091,900	\$746,200	\$2,838,100
Operational	5,515,300	48,427,500	9,894,900	7,909,800	17,804,700
TOTAL	\$7,331,000	\$51,399,300	\$11,986,800	\$8,656,000	\$20,642,800
State Appropriations	\$1,175,300	\$1,103,300	\$34,800	\$1,346,600	\$1,381,400
Federal	2,315,100	44,426,600	6,082,600	7,309,400	13,392,000
Other	3,840,600	5,869,400	5,869,400	0	5,869,400

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	\$337,800	\$319,200	\$319,200	\$0	\$319,200
Operational	14,500	530,800	531,100	0	531,100
TOTAL	\$352,300	\$850,000	\$850,300	\$0	\$850,300
State Appropriations	\$352,300	\$850,000	\$850,300	\$0	\$850,300
Federal	0	0	0	0	0
Other	0	0	0	0	0

327.00 Total Department of Environment and Conservation

Full-Time Positions	2,548	2,591	2,585	49	2,634
Part-Time Positions	38	38	38	0	38
Seasonal Positions	159	159	159	0	159
TOTAL	2,745	2,788	2,782	49	2,831
Payroll	\$223,489,900	\$252,319,100	\$251,181,400	\$4,193,500	\$255,374,900
Operational	723,808,500	1,630,970,100	317,794,200	8,977,200	326,771,400
TOTAL	\$947,298,400	\$1,883,289,200	\$568,975,600	\$13,170,700	\$582,146,300

Department of Environment and Conservation

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
State Appropriations	\$282,337,100	\$384,537,000	\$294,433,700	\$1,621,000	\$296,054,700
Federal	438,571,100	1,281,148,600	113,023,600	7,309,400	120,333,000
Other	226,390,200	217,603,600	161,518,300	4,240,300	165,758,600

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	Estimated	Base	Cost Increase	Recommended
2024-2025	2025-2026	2026-2027	2026-2027	2026-2027

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	670	669	0	669
Part-Time Positions	9	9	9	0	9
Seasonal Positions	0	0	0	0	0
TOTAL	661	679	678	0	678
Payroll	\$66,037,400	\$73,750,900	\$73,672,400	\$3,048,400	\$76,720,800
Operational	53,001,300	64,636,200	45,353,900	12,600,000	57,953,900
TOTAL	\$119,038,700	\$138,387,100	\$119,026,300	\$15,648,400	\$134,674,700
State Appropriations	\$46,503,700	\$53,612,000	\$48,326,200	\$15,648,400	\$63,974,600
Federal	44,970,800	35,899,900	35,899,900	0	35,899,900
Other	27,564,200	48,875,200	34,800,200	0	34,800,200

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	34	34	0	34
Part-Time Positions	44	34	34	0	34
Seasonal Positions	0	0	0	0	0
TOTAL	86	68	68	0	68
Payroll	\$6,890,600	\$9,646,500	\$9,646,500	\$415,700	\$10,062,200
Operational	6,482,900	8,891,900	8,910,000	0	8,910,000
TOTAL	\$13,373,500	\$18,538,400	\$18,556,500	\$415,700	\$18,972,200
State Appropriations	\$8,322,700	\$12,151,600	\$12,169,700	\$415,700	\$12,585,400
Federal	3,820,800	2,500,000	2,500,000	0	2,500,000
Other	1,230,000	3,886,800	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	23,306,900	39,475,000	23,500,000	0	23,500,000
TOTAL	\$23,306,900	\$39,475,000	\$23,500,000	\$0	\$23,500,000
State Appropriations	\$15,838,000	\$21,838,000	\$21,838,000	\$0	\$21,838,000
Federal	0	0	0	0	0
Other	7,468,900	17,637,000	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
TOTAL	0	0	0	0	0
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	532,900	555,900	555,900	0	555,900
TOTAL	\$532,900	\$555,900	\$555,900	\$0	\$555,900

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
State Appropriations	\$486,000	\$555,900	\$555,900	\$0	\$555,900
Federal	0	0	0	0	0
Other	46,900	0	0	0	0

328.00 Total Tennessee Wildlife Resources Agency

Full-Time Positions	694	704	703	0	703
Part-Time Positions	53	43	43	0	43
Seasonal Positions	0	0	0	0	0
TOTAL	747	747	746	0	746
Payroll	\$72,928,000	\$83,397,400	\$83,318,900	\$3,464,100	\$86,783,000
Operational	83,324,000	113,559,000	78,319,800	12,600,000	90,919,800
TOTAL	\$156,252,000	\$196,956,400	\$161,638,700	\$16,064,100	\$177,702,800
State Appropriations	\$71,150,400	\$88,157,500	\$82,889,800	\$16,064,100	\$98,953,900
Federal	48,791,600	38,399,900	38,399,900	0	38,399,900
Other	36,310,000	70,399,000	40,349,000	0	40,349,000

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 2024-2025</u>	<u>Estimated 2025-2026</u>	<u>Base 2026-2027</u>	<u>Cost Increase 2026-2027</u>	<u>Recommended 2026-2027</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	72	79	79	0	79
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	72	79	79	0	79
Payroll	\$10,048,100	\$11,195,200	\$11,195,200	\$0	\$11,195,200
Operational	2,085,700	5,413,800	5,417,500	0	5,417,500
TOTAL	\$12,133,800	\$16,609,000	\$16,612,700	\$0	\$16,612,700
State Appropriations	\$2,493,400	\$2,535,400	\$2,536,000	\$0	\$2,536,000
Federal	0	0	0	0	0
Other	9,640,400	14,073,600	14,076,700	0	14,076,700

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	128	128	126	0	126
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	128	128	126	0	126
Payroll	\$11,764,600	\$13,613,300	\$13,613,300	\$0	\$13,613,300
Operational	8,662,700	14,355,600	14,218,200	0	14,218,200
TOTAL	\$20,427,300	\$27,968,900	\$27,831,500	\$0	\$27,831,500
State Appropriations	\$0	\$2,999,900	\$2,857,900	\$0	\$2,857,900
Federal	0	0	0	0	0
Other	20,427,300	24,969,000	24,973,600	0	24,973,600

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	\$2,299,700	\$2,479,000	\$2,479,000	\$0	\$2,479,000
Operational	456,100	711,900	712,800	0	712,800
TOTAL	\$2,755,800	\$3,190,900	\$3,191,800	\$0	\$3,191,800
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	2,755,800	3,190,900	3,191,800	0	3,191,800

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	\$2,505,300	\$2,930,700	\$2,930,700	\$0	\$2,930,700
Operational	1,959,000	1,592,000	1,593,200	0	1,593,200
TOTAL	\$4,464,300	\$4,522,700	\$4,523,900	\$0	\$4,523,900
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	4,464,300	4,522,700	4,523,900	0	4,523,900

Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	178	178	7	185
Part-Time Positions	122	122	122	0	122
Seasonal Positions	0	0	0	0	0
TOTAL	305	300	300	7	307
Payroll	\$15,699,300	\$17,478,800	\$17,478,800	\$0	\$17,478,800
Operational	5,743,000	9,838,500	9,810,500	0	9,810,500
TOTAL	\$21,442,300	\$27,317,300	\$27,289,300	\$0	\$27,289,300
State Appropriations	\$20,811,400	\$26,385,400	\$26,357,400	\$0	\$26,357,400
Federal	4,000	0	0	0	0
Other	626,900	931,900	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	53,600	297,500	297,500	0	297,500
TOTAL	\$53,600	\$297,500	\$297,500	\$0	\$297,500
State Appropriations	\$0	\$297,500	\$297,500	\$0	\$297,500
Federal	0	0	0	0	0
Other	53,600	0	0	0	0

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	45,200	82,800	82,800	0	82,800
TOTAL	\$45,200	\$82,800	\$82,800	\$0	\$82,800
State Appropriations	\$36,900	\$82,800	\$82,800	\$0	\$82,800
Federal	0	0	0	0	0
Other	8,300	0	0	0	0

335.19 Cemetery Consumer Protection Fund

The Cemetery Consumer Protection Fund was established in 2006 by the General Assembly to provide additional funding to the cemetery registration program within the division of Regulatory Boards. Additionally, the commissioner is authorized to utilize this fund for costs associated with receivership actions against private cemeteries.

Full-Time 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
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

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
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	\$1,134,900	\$1,355,200	\$1,355,200	\$0	\$1,355,200
Operational	161,071,700	163,714,100	163,715,000	0	163,715,000
TOTAL	\$162,206,600	\$165,069,300	\$165,070,200	\$0	\$165,070,200
State Appropriations	\$159,195,300	\$159,247,500	\$159,248,400	\$0	\$159,248,400
Federal	0	0	0	0	0
Other	3,011,300	5,821,800	5,821,800	0	5,821,800

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	\$12,886,200	\$13,431,800	\$13,431,800	\$0	\$13,431,800
Operational	35,706,900	38,935,100	13,091,200	0	13,091,200
TOTAL	\$48,593,100	\$52,366,900	\$26,523,000	\$0	\$26,523,000

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
State Appropriations	\$0	\$26,403,400	\$553,400	\$0	\$553,400
Federal	732,400	271,300	271,300	0	271,300
Other	47,860,700	25,692,200	25,698,300	0	25,698,300

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	26	0	26
Part-Time Positions	80	80	80	0	80
Seasonal Positions	0	0	0	0	0
TOTAL	107	107	106	0	106
Payroll	\$2,722,600	\$3,459,100	\$3,398,600	\$0	\$3,398,600
Operational	3,199,100	3,093,600	3,097,200	0	3,097,200
TOTAL	\$5,921,700	\$6,552,700	\$6,495,800	\$0	\$6,495,800
State Appropriations	\$4,472,900	\$4,904,300	\$4,859,900	\$0	\$4,859,900
Federal	100	53,500	53,500	0	53,500
Other	1,448,700	1,594,900	1,582,400	0	1,582,400

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	6,538,000	9,960,900	9,960,900	0	9,960,900
TOTAL	\$6,538,000	\$9,960,900	\$9,960,900	\$0	\$9,960,900
State Appropriations	\$6,538,000	\$9,960,900	\$9,960,900	\$0	\$9,960,900
Federal	0	0	0	0	0
Other	0	0	0	0	0

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	35	36	36	0	36
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	35	36	36	0	36
Payroll	\$3,577,000	\$3,839,200	\$3,839,200	\$249,600	\$4,088,800
Operational	8,323,800	3,516,300	3,347,100	0	3,347,100
TOTAL	\$11,900,800	\$7,355,500	\$7,186,300	\$249,600	\$7,435,900
State Appropriations	\$5,272,500	\$5,617,300	\$5,448,100	\$249,600	\$5,697,700
Federal	0	0	0	0	0
Other	6,628,300	1,738,200	1,738,200	0	1,738,200

335.12 POST Commission

The Tennessee Law Enforcement Training Academy staffs the Tennessee Peace Officers Standards and Training (POST) Commission, which is responsible for enforcing standards and training for all local police officers. This commission also administers the salary supplement to police officers who complete required training annually.

Full-Time 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	\$582,500	\$626,400	\$626,400	\$1,800	\$628,200
Operational	22,131,800	15,609,000	14,583,000	0	14,583,000
TOTAL	\$22,714,300	\$16,235,400	\$15,209,400	\$1,800	\$15,211,200
State Appropriations	\$15,509,200	\$16,192,100	\$15,166,100	\$1,800	\$15,167,900
Federal	0	0	0	0	0
Other	7,205,100	43,300	43,300	0	43,300

335.00 Total Department of Commerce and Insurance

Full-Time Positions	660	663	660	7	667
Part-Time Positions	211	211	211	0	211
Seasonal Positions	0	0	0	0	0
TOTAL	871	874	871	7	878
Payroll	\$63,220,200	\$70,408,700	\$70,348,200	\$251,400	\$70,599,600
Operational	255,976,600	267,837,400	240,643,200	0	240,643,200
TOTAL	\$319,196,800	\$338,246,100	\$310,991,400	\$251,400	\$311,242,800

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
State Appropriations	\$214,329,600	\$255,337,800	\$228,079,700	\$251,400	\$228,331,100
Federal	736,500	324,800	324,800	0	324,800
Other	104,130,700	82,583,500	82,586,900	0	82,586,900

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 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
336.00 Financial Institutions					
Full-Time Positions	160	160	156	1	157
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	160	160	156	1	157
Payroll	\$22,100,800	\$29,806,200	\$29,325,400	\$253,200	\$29,578,600
Operational	3,393,000	8,381,400	8,393,800	17,100	8,410,900
TOTAL	\$25,493,800	\$38,187,600	\$37,719,200	\$270,300	\$37,989,500
State Appropriations	\$25,219,300	\$38,185,200	\$37,716,800	\$270,300	\$37,987,100
Federal	0	0	0	0	0
Other	274,500	2,400	2,400	0	2,400

Department of Labor and Workforce Development

The Department of Labor and Workforce Development is dedicated to promoting economic growth and workforce development across the state. Its mission is to foster a prosperous Tennessee by ensuring a safe, healthy, and fair workplace for all, while enhancing employment opportunities through effective training and support services. The department aims to connect Tennesseans with meaningful employment, facilitate workforce readiness, and uphold labor standards to improve the overall quality of life for workers and employers alike. The department has six functional areas: Administration, Safety and Health, Workers' Compensation, Labor Standards, Employment and Workforce Development, and Employment Security.

Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	\$6,543,100	\$7,813,600	\$7,813,600	\$0	\$7,813,600
Operational	8,211,800	7,500,800	7,505,100	0	7,505,100
TOTAL	\$14,754,900	\$15,314,400	\$15,318,700	\$0	\$15,318,700
State Appropriations	\$5,853,800	\$7,080,900	\$7,085,000	\$0	\$7,085,000
Federal	7,251,200	6,512,900	6,512,900	0	6,512,900
Other	1,649,900	1,720,600	1,720,800	0	1,720,800

Safety and Health

337.02 Tennessee Occupational Safety and Health Administration (TOSHA)

The Tennessee Occupational Safety and Health Administration (TOSHA) ensures the safety and health of Tennessee workers. TOSHA conducts workplace safety, health inspections, and accident investigations; 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	\$8,386,300	\$10,679,500	\$10,639,500	\$0	\$10,639,500
Operational	2,333,200	2,124,900	1,872,600	0	1,872,600
TOTAL	\$10,719,500	\$12,804,400	\$12,512,100	\$0	\$12,512,100
State Appropriations	\$6,344,600	\$7,618,800	\$7,621,100	\$0	\$7,621,100
Federal	4,371,400	5,178,600	4,884,000	0	4,884,000
Other	3,500	7,000	7,000	0	7,000

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

337.04 Mines

The Mine Safety unit focuses on promoting miner health and safety through federally required training programs. The unit also collaborates with state agencies, federal agencies, and local operators to enhance safety awareness and incident prevention.

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	\$327,600	\$420,400	\$375,400	\$0	\$375,400
Operational	182,300	153,600	179,900	0	179,900
TOTAL	\$509,900	\$574,000	\$555,300	\$0	\$555,300
State Appropriations	\$414,000	\$338,600	\$303,700	\$0	\$303,700
Federal	49,400	184,300	200,500	0	200,500
Other	46,500	51,100	51,100	0	51,100

337.05 Boilers, Elevators, and Amusement Devices

The Boilers, Elevators, and Amusement Devices unit is responsible for ensuring public safety through inspection, permitting, and enforcement activities for boilers and pressure vessels, elevators and similar conveyances, and amusement rides.

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	\$6,815,200	\$7,818,400	\$7,818,400	\$0	\$7,818,400
Operational	2,113,400	1,608,100	1,611,300	0	1,611,300
TOTAL	\$8,928,600	\$9,426,500	\$9,429,700	\$0	\$9,429,700
State Appropriations	\$8,828,100	\$9,310,700	\$9,313,900	\$0	\$9,313,900
Federal	0	0	0	0	0
Other	100,500	115,800	115,800	0	115,800

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

Workers' Compensation

337.03 Workers' Compensation

The Bureau of Workers' Compensation (BWC) administers the Tennessee Workers' Compensation Law and assists both employees and employers in minimizing the impact of work-related injuries. The BWC administers the drug-free workplace program, which discourages drug use and abuse in the workplace. BWC administers programs for medical case management and utilization review of claims requiring medical services. BWC adjudicates disputed claims through the Court of Workers' Compensation Claims and approves voluntary settlement agreements. BWC also provides assistance to employers and employees with questions through the ombudsman program and with dispute resolution through its mediation programs.

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	\$15,747,600	\$16,366,400	\$16,366,400	\$0	\$16,366,400
Operational	3,455,700	4,234,400	4,040,900	105,900	4,146,800
TOTAL	\$19,203,300	\$20,600,800	\$20,407,300	\$105,900	\$20,513,200
State Appropriations	\$17,518,600	\$20,390,400	\$20,196,800	\$105,900	\$20,302,700
Federal	0	0	0	0	0
Other	1,684,700	210,400	210,500	0	210,500

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 who suffer additional injury on the job, resulting in permanent and total disability. In addition, the fund may pay for the cost of college tuition for an injured worker who is not able to return to the pre-injury job, up to \$5,000 per year, and \$20,000 total. This 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	\$1,450,300	\$1,697,300	\$1,697,300	\$0	\$1,697,300
Operational	1,855,800	7,669,200	7,669,800	0	7,669,800
TOTAL	\$3,306,100	\$9,366,500	\$9,367,100	\$0	\$9,367,100
State Appropriations	\$3,040,500	\$9,165,800	\$9,166,400	\$0	\$9,166,400
Federal	0	0	0	0	0
Other	265,600	200,700	200,700	0	200,700

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

337.15 Workers' Compensation Employee Misclassification

Public Acts of 2010, Chapter 1149 created the Employee Misclassification Education and Enforcement Fund Program, which functions to identify and penalize employers when a worker who is actually an employee is treated as self-employed or an independent contractor. It also created 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	\$475,400	\$1,117,600	\$1,117,600	\$0	\$1,117,600
Operational	192,800	464,100	464,500	0	464,500
TOTAL	\$668,200	\$1,581,700	\$1,582,100	\$0	\$1,582,100
State Appropriations	\$0	\$1,581,700	\$1,582,100	\$0	\$1,582,100
Federal	0	0	0	0	0
Other	668,200	0	0	0	0

Labor Standards

337.06 Labor Standards

The Labor Standards unit enforces six labor laws: Child Labor Act, Wage Regulations Act, Prevailing Wage Act, Illegal Alien Act, Tennessee Lawful Employment Act, and the Non-Smoker Protection Act. The unit ensures compliance with labor laws by conducting inspections, investigating wage and hiring violations, and setting prevailing wage rates for public highway construction projects. It also supports employers through training sessions and personalized consultations to help them understand and follow relevant regulations.

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	\$1,307,200	\$1,529,000	\$1,517,000	\$0	\$1,517,000
Operational	305,100	342,300	315,000	0	315,000
TOTAL	\$1,612,300	\$1,871,300	\$1,832,000	\$0	\$1,832,000
State Appropriations	\$1,612,300	\$1,871,300	\$1,832,000	\$0	\$1,832,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	17	0	17
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	18	18	17	0	17
Payroll	\$1,568,800	\$2,066,100	\$1,998,000	\$0	\$1,998,000
Operational	24,554,800	29,981,900	29,011,800	0	29,011,800
TOTAL	\$26,123,600	\$32,048,000	\$31,009,800	\$0	\$31,009,800
State Appropriations	\$9,800,700	\$17,088,200	\$16,880,600	\$0	\$16,880,600
Federal	16,130,600	14,944,800	14,114,200	0	14,114,200
Other	192,300	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 demand for a skilled workforce while assisting job seekers in obtaining the training and support needed to succeed. Tennessee AJCs serve as a vital connection point for employers seeking qualified workers and for individuals pursuing job training, placement, and other employment and workforce development 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 holds administrative responsibility for providing a comprehensive labor exchange system, job placement, and development services to key applicant groups, including veterans, WIOA participants (adults, dislocated workers, and youth), and participants in the Supplemental Nutrition Assistance Program Employment and Training. The division works under the guidance of the State Workforce Board to implement a strategic and operational plan that drives alignment, efficiency, and strong partnerships with business and industry sectors to ensure workforce programs are responsive to employer needs. This approach coordinates numerous federal and state investments into the state's workforce system and includes administering the work of nine local Workforce Boards by monitoring compliance to ensure programs are implemented effectively, remain accountable, and operate with transparency.

Full-Time Positions	340	343	341	3	344
Part-Time Positions	1	1	1	0	1
Seasonal Positions	0	0	0	0	0
TOTAL	341	344	342	3	345
Payroll	\$20,293,500	\$29,361,500	\$28,264,900	\$699,100	\$28,964,000
Operational	70,277,500	87,306,400	55,203,700	17,765,700	72,969,400
TOTAL	\$90,571,000	\$116,667,900	\$83,468,600	\$18,464,800	\$101,933,400
State Appropriations	\$9,273,400	\$17,874,100	\$7,203,000	\$10,205,100	\$17,408,100
Federal	65,097,000	77,060,900	68,837,400	0	68,837,400
Other	16,200,600	21,732,900	7,428,200	8,259,700	15,687,900

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	457	457	455	0	455
Part-Time Positions	23	23	23	0	23
Seasonal Positions	0	0	0	0	0
TOTAL	480	480	478	0	478
Payroll	\$29,435,500	\$37,049,700	\$36,960,500	\$0	\$36,960,500
Operational	39,301,400	15,469,300	15,481,500	0	15,481,500
TOTAL	\$68,736,900	\$52,519,000	\$52,442,000	\$0	\$52,442,000
State Appropriations	\$456,300	\$448,500	\$447,700	\$0	\$447,700
Federal	63,127,200	36,901,500	37,773,900	0	37,773,900
Other	5,153,400	15,169,000	14,220,400	0	14,220,400

337.00 Total Department of Labor and Workforce Development

Full-Time Positions	1,195	1,198	1,193	3	1,196
Part-Time Positions	27	27	27	0	27
Seasonal Positions	0	0	0	0	0
TOTAL	1,222	1,225	1,220	3	1,223
Payroll	\$92,350,500	\$115,919,500	\$114,568,600	\$699,100	\$115,267,700
Operational	152,783,800	156,855,000	123,356,100	17,871,600	141,227,700
TOTAL	\$245,134,300	\$272,774,500	\$237,924,700	\$18,570,700	\$256,495,400
State Appropriations	\$63,142,300	\$92,769,000	\$81,632,300	\$10,311,000	\$91,943,300
Federal	156,026,800	140,783,000	132,322,900	0	132,322,900
Other	25,965,200	39,222,500	23,969,500	8,259,700	32,229,200

Transportation, Business, and Economic Development



Transportation, Business, and Economic Development



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Transportation, Business, and Economic Development

Recommended Budget, Fiscal Year 2026-2027

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 2024-2025	Estimated 2025-2026	Recommended 2026-2027
Full-Time Positions	5,365	5,056	5,054
Part-Time Positions	10	10	10
Seasonal Positions	66	56	56
TOTAL	5,441	5,122	5,120
Payroll	\$486,306,700	\$571,985,000	\$576,649,600
Operational	4,156,371,100	6,362,201,850	3,940,413,500
TOTAL	\$4,642,677,800	\$6,934,186,850	\$4,517,063,100
State Appropriations	\$1,823,891,100	\$2,912,200,650	\$2,300,502,400
Federal	2,588,519,100	3,782,853,000	2,103,770,500
Other	230,267,600	239,133,200	112,790,200

Transportation, Business, and Economic Development
Recommended Budget for Fiscal Year 2026-2027
By Funding Source

Department	State	Federal	Other	Total
316.20 Tennessee Housing Development Agency	\$30,000,000	\$477,363,400	\$27,921,500	\$535,284,900
325.00 Agriculture	140,392,700	69,932,900	21,681,400	232,007,000
326.00 Tourist Development	66,702,400	0	794,200	67,496,600
330.00 Economic and Community Development	175,582,500	40,894,900	3,379,200	219,856,600
400.00 Transportation	1,887,824,800	1,515,579,300	59,013,900	3,462,418,000
TOTAL	\$2,300,502,400	\$2,103,770,500	\$112,790,200	\$4,517,063,100

Transportation, Business, and Economic Development

Cost Increases for Fiscal Year 2026-2027

<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>

Tennessee Housing Development Agency

- General Fund Subsidy - Starter Home Revolving Loan Fund**

To provide a non-recurring general fund subsidy to establish a sustainable, self-replenishing mechanism to increase the availability of affordable starter homes and workforce housing across the state, with a particular focus on rural areas.

316.20 Tennessee Housing Development Agency	\$30,000,000	\$0	\$0	\$30,000,000	0
Subtotal	<u>\$30,000,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$30,000,000</u>	<u>0</u>

- Federal Funding Increase**

To provide recurring funding for various federal programs related to increased housing and rent costs, including the Section 8 Project-Based Contract Administration Program.

316.20 Tennessee Housing Development Agency	\$0	\$17,800,000	\$0	\$17,800,000	0
Subtotal	<u>\$0</u>	<u>\$17,800,000</u>	<u>\$0</u>	<u>\$17,800,000</u>	<u>0</u>
Total Tennessee Housing Development Agency	<u>\$30,000,000</u>	<u>\$17,800,000</u>	<u>\$0</u>	<u>\$47,800,000</u>	<u>0</u>

Agriculture

- Wildfire Resiliency Team**

To provide funding and to establish nine positions to improve wildfire responsiveness by investing in a team to help streamline wildfire preparedness, training, and education statewide. Of this total cost, \$845,600 is recurring and \$472,500 is non-recurring.

325.10 Forestry Operations	\$1,318,100	\$0	\$0	\$1,318,100	9
Subtotal	<u>\$1,318,100</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,318,100</u>	<u>9</u>

- Consumer and Industry Services Inspectors**

To provide recurring dedicated funding to continue nine positions for statewide inspectors in response to continued population growth, new development, and enterprise expansion. Other funding is from the Agricultural Regulatory Fund.

325.05 Consumer and Industry Services	\$0	\$0	\$620,300	\$620,300	9
325.16 Agricultural Regulatory Fund	620,300	0	0	620,300	0
Subtotal	<u>\$620,300</u>	<u>\$0</u>	<u>\$620,300</u>	<u>\$1,240,600</u>	<u>9</u>

- Cul2vate Grant**

To provide recurring funding for a grant to Cul2vate. Cul2vate feeds those who suffer from food insecurity by providing fresh produce grown locally on Cul2vate farms.

325.01 Administration and Grants	\$500,000	\$0	\$0	\$500,000	0
Subtotal	<u>\$500,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$500,000</u>	<u>0</u>

Transportation, Business, and Economic Development

Cost Increases for Fiscal Year 2026-2027

	State	Federal	Other	Total	Positions
Total Agriculture	\$2,438,400	\$0	\$620,300	\$3,058,700	18

Tourist Development

- **Direct Marketing Organizations and Regional Grant Funding**

To provide non-recurring funding for grants to direct marketing organizations and regional tourism offices. These grants will provide funding for communities to create new tourism programs.

326.01 Administration and Marketing	\$7,500,000	\$0	\$0	\$7,500,000	0

Subtotal	\$7,500,000	\$0	\$0	\$7,500,000	0

- **Marketing Funding**

To provide non-recurring funding to maintain current and establish new marketing initiatives.

326.01 Administration and Marketing	\$13,500,000	\$0	\$0	\$13,500,000	0

Subtotal	\$13,500,000	\$0	\$0	\$13,500,000	0

- **Welcome Center Security Contract**

To provide recurring funding for increased contract security costs for the 16 welcome centers in Tennessee.

326.03 Welcome Centers	\$268,900	\$0	\$0	\$268,900	0

Subtotal	\$268,900	\$0	\$0	\$268,900	0

- **Tennessee Sports Hall of Fame Operational Funding - Year Three 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

Subtotal	\$500,000	\$0	\$0	\$500,000	0

Total Tourist Development	\$21,768,900	\$0	\$0	\$21,768,900	0

Economic and Community Development

- **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.

330.05 Innovation Programs	\$25,000,000	\$0	\$0	\$25,000,000	0

Subtotal	\$25,000,000	\$0	\$0	\$25,000,000	0

Transportation, Business, and Economic Development

Cost Increases for Fiscal Year 2026-2027

	State	Federal	Other	Total	Positions
● Rural Development Fund Grants					
To provide non-recurring funding to the rural development fund for grants and services to enhance Tennessee's rural communities and distressed counties through programs related to site development, community asset improvements, marketing, strategic planning, downtown revitalization, and technical assistance.					
330.07 Community and Rural Development	\$25,000,000	\$0	\$0	\$25,000,000	0
Subtotal	\$25,000,000	\$0	\$0	\$25,000,000	0
● AgLaunch					
To provide funding for AgLaunch, an organization that aids in the expansion of agricultural technologies in rural communities in order to strengthen local and regional agricultural economies. Of this total cost, \$1,000,000 is recurring and \$1,000,000 is non-recurring.					
330.07 Community and Rural Development	\$2,000,000	\$0	\$0	\$2,000,000	0
Subtotal	\$2,000,000	\$0	\$0	\$2,000,000	0
● Quantum Infrastructure Initiative					
To provide non-recurring funding to accelerate quantum computing in Tennessee.					
330.05 Innovation Programs	\$20,000,000	\$0	\$0	\$20,000,000	0
Subtotal	\$20,000,000	\$0	\$0	\$20,000,000	0
● Direct International Flights					
To provide non-recurring funding to establish direct international flights at Tennessee airports.					
330.02 Business Development	\$1,500,000	\$0	\$0	\$1,500,000	0
Subtotal	\$1,500,000	\$0	\$0	\$1,500,000	0
● Tennessee Entertainment Commission					
To provide non-recurring funding for the Tennessee Entertainment Commission to fund film production and music incentive grants.					
330.17 Film and Television Incentive Fund	\$20,000,000	\$0	\$0	\$20,000,000	0
Subtotal	\$20,000,000	\$0	\$0	\$20,000,000	0
● Development District Grants					
To provide recurring funding pursuant to 2025 Public Chapter 332 effective July 1, 2025, to support the development districts as established in TCA 13-14-111.					
330.15 Economic Development District Grants	\$538,900	\$0	\$0	\$538,900	0
Subtotal	\$538,900	\$0	\$0	\$538,900	0

Transportation, Business, and Economic Development

Cost Increases for Fiscal Year 2026-2027

	State	Federal	Other	Total	Positions
East Tennessee State University (ETSU)/Eastman Valleybrook iLab - Grant					
To provide non-recurring funding for a grant to the ETSU/Eastman Valleybrook Innovation Lab.					
330.01 Administrative Services	\$2,500,000	\$0	\$0	\$2,500,000	0
Subtotal	\$2,500,000	\$0	\$0	\$2,500,000	0
Total Economic and Community Development	\$96,538,900	\$0	\$0	\$96,538,900	0

Transportation

General Fund Subsidy - Transportation Projects and Operations					
To provide a general fund subsidy for transportation projects across the state. Of this total cost, \$25,000,000 is recurring and \$400,000,000 is non-recurring.					
404.00 Bureau of Operations	\$425,000,000	\$0	\$0	\$425,000,000	0
Subtotal	\$425,000,000	\$0	\$0	\$425,000,000	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	\$48,000,000	\$0	\$0	\$48,000,000	0
Subtotal	\$48,000,000	\$0	\$0	\$48,000,000	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	\$8,200,000	\$0	\$0	\$8,200,000	0
Subtotal	\$8,200,000	\$0	\$0	\$8,200,000	0
Total Transportation	\$481,200,000	\$0	\$0	\$481,200,000	0
Total Transportation, Business, and Economic Development	\$631,946,200	\$17,800,000	\$620,300	\$650,366,500	18

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.

<u>Actual</u> <u>2024-2025</u>	<u>Estimated</u> <u>2025-2026</u>	<u>Base</u> <u>2026-2027</u>	<u>Cost Increase</u> <u>2026-2027</u>	<u>Recommended</u> <u>2026-2027</u>

316.20 Tennessee Housing Development Agency

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	\$34,935,000	\$38,605,300	\$38,605,300	\$0	\$38,605,300
Operational	573,722,000	448,864,500	448,879,600	47,800,000	496,679,600
TOTAL	\$608,657,000	\$487,469,800	\$487,484,900	\$47,800,000	\$535,284,900
State Appropriations	\$0	\$0	\$0	\$30,000,000	\$30,000,000
Federal	573,510,000	462,090,300	459,563,400	17,800,000	477,363,400
Other	35,147,000	25,379,500	27,921,500	0	27,921,500

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 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	71	73	73	0	73
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	71	73	73	0	73
Payroll	\$8,650,000	\$9,659,600	\$9,659,600	\$0	\$9,659,600
Operational	121,662,700	218,734,100	90,496,900	500,000	90,996,900
TOTAL	\$130,312,700	\$228,393,700	\$100,156,500	\$500,000	\$100,656,500
State Appropriations	\$39,699,400	\$179,167,400	\$62,030,200	\$500,000	\$62,530,200
Federal	90,405,200	48,470,100	37,370,100	0	37,370,100
Other	208,100	756,200	756,200	0	756,200

Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	9,195,800	7,187,500	7,187,500	0	7,187,500
TOTAL	\$9,195,800	\$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	2,008,300	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	169,000	126,700	126,700	0	126,700
TOTAL	\$169,000	\$126,700	\$126,700	\$0	\$126,700
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	169,000	126,700	126,700	0	126,700

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	225,000	250,000	250,000	0	250,000
TOTAL	\$225,000	\$250,000	\$250,000	\$0	\$250,000
State Appropriations	\$211,400	\$250,000	\$250,000	\$0	\$250,000
Federal	0	0	0	0	0
Other	13,600	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	28	28	0	28
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	24	28	28	0	28
Payroll	\$1,973,900	\$3,061,800	\$3,061,800	\$0	\$3,061,800
Operational	11,661,400	39,114,300	22,209,200	0	22,209,200
TOTAL	\$13,635,300	\$42,176,100	\$25,271,000	\$0	\$25,271,000
State Appropriations	\$2,754,500	\$3,874,100	\$3,876,400	\$0	\$3,876,400
Federal	10,771,400	38,224,500	21,317,100	0	21,317,100
Other	109,400	77,500	77,500	0	77,500

Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	199	184	175	9	184
Part-Time Positions	5	5	5	0	5
Seasonal Positions	3	1	1	0	1
TOTAL	207	190	181	9	190
Payroll	\$15,765,600	\$17,253,300	\$16,176,900	\$520,300	\$16,697,200
Operational	9,370,700	7,080,200	6,993,000	100,000	7,093,000
TOTAL	\$25,136,300	\$24,333,500	\$23,169,900	\$620,300	\$23,790,200
State Appropriations	\$8,035,400	\$7,520,300	\$7,459,800	\$0	\$7,459,800
Federal	3,952,200	2,656,200	2,656,200	0	2,656,200
Other	13,148,700	14,157,000	13,053,900	620,300	13,674,200

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	\$5,768,900	\$6,632,100	\$6,632,100	\$0	\$6,632,100
Operational	3,646,300	3,744,800	3,416,300	0	3,416,300
TOTAL	\$9,415,200	\$10,376,900	\$10,048,400	\$0	\$10,048,400
State Appropriations	\$6,854,600	\$7,181,500	\$7,186,300	\$0	\$7,186,300
Federal	931,900	851,800	851,800	0	851,800
Other	1,628,700	2,343,600	2,010,300	0	2,010,300

Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	14,244,100	12,690,100	11,587,000	620,300	12,207,300
TOTAL	\$14,244,100	\$12,690,100	\$11,587,000	\$620,300	\$12,207,300
State Appropriations	\$13,357,000	\$11,949,800	\$11,467,000	\$620,300	\$12,087,300
Federal	0	0	0	0	0
Other	887,100	740,300	120,000	0	120,000

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	42	42	0	42
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	44	42	42	0	42
Payroll	\$2,648,700	\$3,948,500	\$3,948,500	\$0	\$3,948,500
Operational	920,900	1,606,000	1,312,700	0	1,312,700
TOTAL	\$3,569,600	\$5,554,500	\$5,261,200	\$0	\$5,261,200
State Appropriations	\$2,452,200	\$4,497,300	\$4,204,000	\$0	\$4,204,000
Federal	458,800	751,200	751,200	0	751,200
Other	658,600	306,000	306,000	0	306,000

<u>Actual 2024-2025</u>	<u>Estimated 2025-2026</u>	<u>Base 2026-2027</u>	<u>Cost Increase 2026-2027</u>	<u>Recommended 2026-2027</u>

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	324	332	332	9	341
Part-Time Positions	0	0	0	0	0
Seasonal Positions	63	55	55	0	55
TOTAL	387	387	387	9	396
Payroll	\$27,720,700	\$29,292,400	\$29,042,400	\$636,200	\$29,678,600
Operational	43,605,000	15,777,500	15,847,700	681,900	16,529,600
TOTAL	\$71,325,700	\$45,069,900	\$44,890,100	\$1,318,100	\$46,208,200
State Appropriations	\$38,015,600	\$33,672,900	\$33,293,100	\$1,318,100	\$34,611,200
Federal	24,524,100	6,986,500	6,986,500	0	6,986,500
Other	8,786,000	4,410,500	4,610,500	0	4,610,500

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	889,800	1,000,000	1,000,000	0	1,000,000
TOTAL	\$889,800	\$1,000,000	\$1,000,000	\$0	\$1,000,000
State Appropriations	\$889,800	\$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	724	721	712	18	730
Part-Time Positions	5	5	5	0	5
Seasonal Positions	66	56	56	0	56
TOTAL	795	782	773	18	791
Payroll	\$62,527,800	\$69,847,700	\$68,521,300	\$1,156,500	\$69,677,800
Operational	215,590,700	307,311,200	160,427,000	1,902,200	162,329,200
TOTAL	\$278,118,500	\$377,158,900	\$228,948,300	\$3,058,700	\$232,007,000

Department of Agriculture

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
State Appropriations	\$119,457,400	\$256,300,800	\$137,954,300	\$2,438,400	\$140,392,700
Federal	131,043,600	97,940,300	69,932,900	0	69,932,900
Other	27,617,500	22,917,800	21,061,100	620,300	21,681,400

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 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	\$4,977,900	\$5,334,100	\$5,334,100	\$0	\$5,334,100
Operational	69,532,800	53,900,100	25,290,300	21,500,000	46,790,300
TOTAL	\$74,510,700	\$59,234,200	\$30,624,400	\$21,500,000	\$52,124,400
State Appropriations	\$30,678,500	\$55,732,800	\$29,835,200	\$21,500,000	\$51,335,200
Federal	33,821,300	2,712,200	0	0	0
Other	10,010,900	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
TOTAL	152	152	152	0	152

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
Payroll	\$8,651,800	\$10,155,100	\$10,155,100	\$0	\$10,155,100
Operational	5,910,200	4,941,300	4,948,200	268,900	5,217,100
TOTAL	\$14,562,000	\$15,096,400	\$15,103,300	\$268,900	\$15,372,200
State Appropriations	\$3,143,900	\$15,091,400	\$15,098,300	\$268,900	\$15,367,200
Federal	0	0	0	0	0
Other	11,418,100	5,000	5,000	0	5,000

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	\$13,629,700	\$15,489,200	\$15,489,200	\$0	\$15,489,200
Operational	75,443,000	58,841,400	30,238,500	21,768,900	52,007,400
TOTAL	\$89,072,700	\$74,330,600	\$45,727,700	\$21,768,900	\$67,496,600
State Appropriations	\$33,822,400	\$70,824,200	\$44,933,500	\$21,768,900	\$66,702,400
Federal	33,821,300	2,712,200	0	0	0
Other	21,429,000	794,200	794,200	0	794,200

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	Estimated	Base	Cost Increase	Recommended
2024-2025	2025-2026	2026-2027	2026-2027	2026-2027

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	41	40	40	0	40
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	41	40	40	0	40
Payroll	\$6,339,200	\$6,799,900	\$6,798,600	\$0	\$6,798,600
Operational	3,240,900	3,208,800	2,964,300	2,500,000	5,464,300
TOTAL	\$9,580,100	\$10,008,700	\$9,762,900	\$2,500,000	\$12,262,900
State Appropriations	\$8,852,700	\$8,974,900	\$8,989,100	\$2,500,000	\$11,489,100
Federal	139,800	425,200	165,200	0	165,200
Other	587,600	608,600	608,600	0	608,600

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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, as well as international trade.

Full-Time Positions	38	36	36	0	36
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	38	36	36	0	36
Payroll	\$5,691,700	\$5,657,600	\$5,657,900	\$0	\$5,657,900
Operational	4,327,600	12,645,600	2,007,400	1,500,000	3,507,400
TOTAL	\$10,019,300	\$18,303,200	\$7,665,300	\$1,500,000	\$9,165,300
State Appropriations	\$9,551,300	\$7,827,900	\$6,690,000	\$1,500,000	\$8,190,000
Federal	92,000	161,700	161,700	0	161,700
Other	376,000	10,313,600	813,600	0	813,600

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	80,202,500	25,346,900	25,346,900	0	25,346,900
TOTAL	\$80,202,500	\$25,346,900	\$25,346,900	\$0	\$25,346,900
State Appropriations	\$24,402,300	\$25,006,400	\$25,006,400	\$0	\$25,006,400
Federal	0	0	0	0	0
Other	55,800,200	340,500	340,500	0	340,500

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	\$503,800	\$515,700	\$516,200	\$0	\$516,200
Operational	8,019,500	10,219,400	8,219,500	20,000,000	28,219,500
TOTAL	\$8,523,300	\$10,735,100	\$8,735,700	\$20,000,000	\$28,735,700
State Appropriations	\$7,620,200	\$10,686,500	\$8,687,100	\$20,000,000	\$28,687,100
Federal	0	0	0	0	0
Other	903,100	48,600	48,600	0	48,600

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	5	5	0	5
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	4	5	5	0	5
Payroll	\$524,100	\$988,700	\$989,200	\$0	\$989,200
Operational	32,978,900	189,197,200	17,165,700	45,000,000	62,165,700
TOTAL	\$33,503,000	\$190,185,900	\$18,154,900	\$45,000,000	\$63,154,900
State Appropriations	\$17,200,000	\$57,853,500	\$6,894,000	\$45,000,000	\$51,894,000
Federal	16,303,000	59,332,400	11,260,900	0	11,260,900
Other	0	73,000,000	0	0	0

330.22 TNInvestco Tax Credits

The TNInvestco program was authorized by TCA 4-28-101 to increase the flow of capital to innovative new companies headquartered in Tennessee 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

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
Payroll	\$0	\$0	\$0	\$0	\$0
Operational	1,329,500	1,500,000	1,500,000	0	1,500,000
TOTAL	\$1,329,500	\$1,500,000	\$1,500,000	\$0	\$1,500,000
State Appropriations	\$0	\$0	\$0	\$0	\$0
Federal	0	0	0	0	0
Other	1,329,500	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	\$785,300	\$855,800	\$855,800	\$0	\$855,800
Operational	45,288,700	272,235,600	28,547,600	0	28,547,600
TOTAL	\$46,074,000	\$273,091,400	\$29,403,400	\$0	\$29,403,400
State Appropriations	\$641,500	\$740,200	\$740,400	\$0	\$740,400
Federal	45,423,700	272,283,300	28,595,100	0	28,595,100
Other	8,800	67,900	67,900	0	67,900

330.07 Community and Rural Development

The Community and Rural Development division is responsible for providing advice and technical assistance on community development, economic development, and other services to local governments, chambers of commerce and other agencies, groups, and individuals. Included within the division are the Main Street, Tennessee Downtowns, Three-Star, and Select Tennessee community preparedness programs.

Full-Time Positions	10	12	12	0	12
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	10	12	12	0	12
Payroll	\$1,669,100	\$1,978,600	\$1,978,600	\$0	\$1,978,600
Operational	47,601,100	63,849,800	16,762,200	27,000,000	43,762,200
TOTAL	\$49,270,200	\$65,828,400	\$18,740,800	\$27,000,000	\$45,740,800

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
State Appropriations	\$19,447,200	\$20,636,500	\$18,636,900	\$27,000,000	\$45,636,900
Federal	8,929,000	1,591,900	103,900	0	103,900
Other	20,894,000	43,600,000	0	0	0

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	2,080,000	3,613,900	3,075,000	538,900	3,613,900
TOTAL	\$2,080,000	\$3,613,900	\$3,075,000	\$538,900	\$3,613,900
State Appropriations	\$2,080,000	\$3,613,900	\$3,075,000	\$538,900	\$3,613,900
Federal	0	0	0	0	0
Other	0	0	0	0	0

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	\$802,700	\$931,800	\$931,800	\$0	\$931,800
Operational	206,910,300	1,388,109,100	1,000	0	1,000
TOTAL	\$207,713,000	\$1,389,040,900	\$932,800	\$0	\$932,800
State Appropriations	\$130,700	\$324,700	\$324,700	\$0	\$324,700
Federal	207,582,300	1,388,716,200	608,100	0	608,100
Other	0	0	0	0	0

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027
330.00 Total Department of Economic and Community Development					
Full-Time Positions	107	107	107	0	107
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	107	107	107	0	107
Payroll	\$16,315,900	\$17,728,100	\$17,728,100	\$0	\$17,728,100
Operational	431,979,000	1,969,926,300	105,589,600	96,538,900	202,128,500
TOTAL	\$448,294,900	\$1,987,654,400	\$123,317,700	\$96,538,900	\$219,856,600
State Appropriations	\$89,925,900	\$135,664,500	\$79,043,600	\$96,538,900	\$175,582,500
Federal	278,469,800	1,722,510,700	40,894,900	0	40,894,900
Other	79,899,200	129,479,200	3,379,200	0	3,379,200

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 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	37	39	39	0	39
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	37	39	39	0	39
Payroll	\$5,448,900	\$6,400,800	\$6,931,800	\$0	\$6,931,800
Operational	20,154,800	20,741,200	25,689,200	0	25,689,200
TOTAL	\$25,603,700	\$27,142,000	\$32,621,000	\$0	\$32,621,000
State Appropriations	\$25,603,700	\$27,142,000	\$32,621,000	\$0	\$32,621,000
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	251	233	227	0	227
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	251	233	227	0	227
Payroll	\$27,350,000	\$31,610,600	\$32,237,300	\$0	\$32,237,300
Operational	134,524,500	121,884,200	82,353,300	0	82,353,300
TOTAL	\$161,874,500	\$153,494,800	\$114,590,600	\$0	\$114,590,600
State Appropriations	\$125,053,900	\$153,020,900	\$113,981,600	\$0	\$113,981,600
Federal	24,107,700	472,200	592,300	0	592,300
Other	12,712,900	1,700	16,700	0	16,700

	Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	801	749	747	0	747
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	801	749	747	0	747
Payroll	\$82,675,800	\$97,879,900	\$96,574,300	\$0	\$96,574,300
Operational	479,236,800	562,728,600	372,062,400	0	372,062,400
TOTAL	\$561,912,600	\$660,608,500	\$468,636,700	\$0	\$468,636,700
State Appropriations	\$288,681,600	\$372,364,300	\$179,833,900	\$0	\$179,833,900
Federal	257,458,400	277,434,400	278,527,900	0	278,527,900
Other	15,772,600	10,809,800	10,274,900	0	10,274,900

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	2,728	2,503	2,501	0	2,501
Part-Time Positions	0	0	0	0	0
Seasonal Positions	0	0	0	0	0
TOTAL	2,728	2,503	2,501	0	2,501
Payroll	\$224,976,800	\$271,421,200	\$275,246,300	\$0	\$275,246,300
Operational	1,993,803,600	2,342,612,300	1,610,169,400	425,000,000	2,035,169,400
TOTAL	\$2,218,780,400	\$2,614,033,500	\$1,885,415,700	\$425,000,000	\$2,310,415,700
State Appropriations	\$980,955,200	\$1,572,403,900	\$845,297,000	\$425,000,000	\$1,270,297,000
Federal	1,206,530,600	1,001,676,800	1,001,722,200	0	1,001,722,200
Other	31,294,600	39,952,800	38,396,500	0	38,396,500

Actual 2024-2025	Estimated 2025-2026	Base 2026-2027	Cost Increase 2026-2027	Recommended 2026-2027

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	200	187	186	0	186
Part-Time Positions	5	5	5	0	5
Seasonal Positions	0	0	0	0	0
TOTAL	205	192	191	0	191
Payroll	\$18,446,800	\$23,002,200	\$24,159,500	\$0	\$24,159,500
Operational	231,916,700	529,292,150	455,794,500	56,200,000	511,994,500
TOTAL	\$250,363,500	\$552,294,350	\$479,954,000	\$56,200,000	\$536,154,000
State Appropriations	\$160,391,000	\$324,480,050	\$234,891,300	\$56,200,000	\$291,091,300
Federal	83,577,700	218,016,100	234,736,900	0	234,736,900
Other	6,394,800	9,798,200	10,325,800	0	10,325,800

400.00 Total Department of Transportation

Full-Time Positions	4,017	3,711	3,700	0	3,700
Part-Time Positions	5	5	5	0	5
Seasonal Positions	0	0	0	0	0
TOTAL	4,022	3,716	3,705	0	3,705
Payroll	\$358,898,300	\$430,314,700	\$435,149,200	\$0	\$435,149,200
Operational	2,859,636,400	3,577,258,450	2,546,068,800	481,200,000	3,027,268,800
TOTAL	\$3,218,534,700	\$4,007,573,150	\$2,981,218,000	\$481,200,000	\$3,462,418,000
State Appropriations	\$1,580,685,400	\$2,449,411,150	\$1,406,624,800	\$481,200,000	\$1,887,824,800
Federal	1,571,674,400	1,497,599,500	1,515,579,300	0	1,515,579,300
Other	66,174,900	60,562,500	59,013,900	0	59,013,900

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

Basis of Budgeting and Accounting

Agricultural Resources Conservation Fund
Certified Cotton Growers' Organization Fund
Agricultural Regulatory Fund
Local Parks Acquisition Fund
State Lands Acquisition Fund
State Lands Compensation Fund
Used Oil Collection Program
Tennessee Dry Cleaners Environmental
Response Fund
Abandoned Lands
Hazardous Waste Remedial Action Fund
Underground Storage Tanks
Solid Waste Assistance
Environmental Protection Fund
Criminal Injuries Compensation
911 Emergency Communications Fund
Motorcycle Rider Education
Driver Education
Anti-Theft Unit
Board of Professional Responsibility
Tennessee Lawyers Assistance Program
Continuing Legal Education
Help America Vote Act
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
Postal Services
Motor Vehicle Management
Printing and Media Services
Procurement Office
Warehousing and Distribution
Human Resources.

Enterprise Fund programs reflected in the general fund in the Budget Document are:

Tennessee Housing Development Agency
Grain Indemnity Fund

Client Protection Fund
Megasite Water and Wastewater.

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 percent 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 percent 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 2026-2027

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