

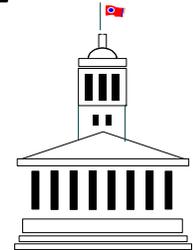
Budget Overview

Fiscal Year 2002-2003

**Beginning July 1, 2002
and Ending June 30, 2003**

State of Tennessee

Don Sundquist, Governor



Comparison of Tennessee Taxpayers' Budget and Total State Budget Fiscal Years 2001-2002 and 2002-2003

	Estimated 2001-2002	Recommended 2002-2003
Total State Budget - Budget Document	\$ 19,484,103,600	\$ 20,542,088,400
Less: Federal Revenues	7,056,580,900	7,470,160,800
Less: Other Departmental Revenues	2,393,256,600	2,344,472,500
Less: Tuition and Student Fees	609,289,200	609,289,200
Less: Bonds	162,600,000	256,400,000
Sub-total State Appropriations - Budget Document	\$ 9,262,376,900	\$ 9,861,765,900
Less: Appropriations from Dedicated State Sources	210,842,450	207,133,000
Total State Taxpayers' Budget	\$ 9,051,534,450	\$ 9,654,632,900

Comparison of Fiscal Years Appropriations from State Taxes General Fund

	<u>FY 2001-2002</u>	<u>FY 2002-2003</u>	<u>Change</u>
General Government	\$ 248,898,000	\$ 370,955,100	\$ 122,057,100
Education	3,717,291,950	4,013,199,300	295,907,350
Health and Social Services	2,503,498,200	2,600,969,200	97,471,000
Law, Safety, and Correction	832,771,250	852,931,600	20,160,350
Resources and Regulation	248,726,900	251,500,200	2,773,300
Business and Economic Development	<u>117,504,100</u>	<u>120,810,500</u>	<u>3,306,400</u>
Total	<u>\$ 7,668,690,400</u>	<u>\$ 8,210,365,900</u>	<u>\$ 541,675,500</u>

Comparison of Fiscal Years Appropriations from State Taxes All Programs

	<u>FY 2001-2002</u>	<u>FY 2002-2003</u>	<u>Change</u>
General Fund	\$ 7,668,690,400	\$ 8,210,365,900	\$ 541,675,500
Transportation	667,220,000	669,750,000	2,530,000
Debt Service	244,698,000	247,102,000	2,404,000
Capital Outlay	16,068,500	51,748,000	35,679,500
State Shared Taxes	<u>665,700,000</u>	<u>682,800,000</u>	<u>17,100,000</u>
Total	<u><u>\$ 9,262,376,900</u></u>	<u><u>\$ 9,861,765,900</u></u>	<u><u>\$ 599,389,000</u></u>

Fiscal Year 2002-2003 General Fund Overview

	<u>Total Budget</u>	<u>Net Budget</u>	<u>Net Budget Change</u>
Education Appropriation	\$ 4,013,199,300	\$ 4,013,199,300	\$ 295,907,350
Other Appropriations	4,197,166,600	4,197,166,600	245,768,150
Total State Appropriation	<u>\$ 8,210,365,900</u>	<u>\$ 8,210,365,900</u>	<u>\$ 541,675,500</u>
Federal Revenue	6,643,208,800	6,643,208,800	257,648,900
Other Revenue	2,201,000,500	916,388,800	(61,317,800)
Tuition and Student Fees	609,289,200	609,289,200	-
Total	<u><u>\$ 17,663,864,400</u></u>	<u><u>\$ 16,379,252,700</u></u>	<u><u>\$ 738,006,600</u></u>

Net Budget is the Total Budget less interdepartmental revenues. Net Budget Change compares the Net Budget for FY 2002-2003 to the current year estimates for FY 2001-2002.

Fiscal Year 2002-2003 Other Funds Overview

	<u>Total Budget</u>	<u>Net Budget</u>	<u>Net Budget Change</u>
State Appropriation	\$ 1,651,400,000	\$ 1,651,400,000	\$ 57,713,500
Federal	826,952,000	826,952,000	155,931,000
Other Revenue	143,472,000	35,644,000	377,000
Bonds	256,400,000	-	-
Total	<u><u>\$ 2,878,224,000</u></u>	<u><u>\$ 2,513,996,000</u></u>	<u><u>\$ 214,021,500</u></u>

Net Budget is the Total Budget less interdepartmental revenues and bonds. Net Budget Change compares the Net Budget for FY 2002-2003 to the current year estimates for FY 2001-2002.

Fiscal Year 2002-2003 Budget by Source

	<u>Total Budget</u>	<u>Net Budget</u>	<u>Net Budget Change</u>
State Appropriation	\$ 9,861,765,900	\$ 9,861,765,900	\$ 599,389,000
Federal	7,470,160,800	7,470,160,800	413,579,900
Other Revenue	2,344,472,500	952,032,800	(60,940,800)
Tuition and Student Fees	609,289,200	609,289,200	-
Bonds	256,400,000	-	-
Total	<u>\$ 20,542,088,400</u>	<u>\$ 18,893,248,700</u>	<u>\$ 952,028,100</u>

Net Budget is the Total Budget less interdepartmental revenues and bonds. Net Budget Change compares the Net Budget for FY 2002-2003 to the current year estimates for FY 2001-2002.

Fiscal Year 2002-2003 Budget by Fund

	<u>Total Budget</u>	<u>Net Budget</u>	<u>Net Budget Change</u>
General Fund	\$ 17,663,864,400	\$ 16,379,252,700	\$ 738,006,600
Transportation	1,555,050,000	1,478,050,000	111,438,000
Debt Service	247,102,000	247,102,000	2,404,000
Capital Outlay	293,456,000	106,044,000	83,079,500
Facilities Revolving Fund	99,816,000	-	-
State Shared Taxes	682,800,000	682,800,000	17,100,000
Total State Budget	<u><u>\$ 20,542,088,400</u></u>	<u><u>\$ 18,893,248,700</u></u>	<u><u>\$ 952,028,100</u></u>

Net Budget is the Total Budget less interdepartmental revenues and bonds. Net Budget Change compares the Net Budget for FY 2002-2003 to the current year estimates for FY 2001-2002.

Additional Revenue Required **\$1,167,000,000**

Appropriation Requirements **1,064,100,000**

**Revenue Fluctuation Reserve
Increase** **102,900,000**

Recommended Improvements

General Government	\$ 163,149,800
Education	315,600,800
Health and Social Services	152,897,700
Law, Safety, and Correction	28,819,500
Resources and Regulation	12,877,200
Transportation, Business, and Economic Development	<u>18,581,500</u>
Total Recommended Improvements	<u>\$ 691,926,500</u>

General Government Improvements

State Employees' Salary Increase (5%)	\$ 49,150,000
Group Health Insurance Rate Increase (25%)	47,600,000
Classification - Compensation Adjustments	20,000,000
Consolidated Retirement System Rate Increase	11,100,000
Homeland Security Initiative	8,910,700
Mileage, Rent, and Postal Rate Adjustments	4,647,700
Board of Claims Premiums Adjustment	3,500,000
Revenue Processing, Audit, and Compliance	2,726,000
Juvenile Justice Reform	2,500,000
Geographic Information System	2,500,000
Retired Teachers Insurance	1,800,000
State Board of Equalization Reappraisal Grants	1,790,000
Public Library Grants	1,532,000
Other General Government Improvements	5,393,400
Total General Government	<u><u>\$ 163,149,800</u></u>

K-12 Reading Initiative

Reading Coaches	\$ 10,040,000
Early Childhood Education	40,300,000
Catching Up	11,100,000
Teaching Resources - Quality Teaching	2,960,000
Teaching Resources - Classroom Materials	<u>5,600,000</u>
Total Reading Initiative	<u><u>\$ 70,000,000</u></u>

K-12 Other Improvements

BEP - Maintain Full Funding	\$ 45,553,000
Other K-12 Program Improvements	22,847,800
Teachers Salary Increase (2.5%)	<u>40,700,000</u>
Total K-12 Other Improvements	<u>\$ 109,100,800</u>

Higher Education Improvements

Excellence Initiatives

Faculty Retention and Recruiting	\$ 10,000,000
Operating Increase (from 85.3% to 88.7% of formula)	40,000,000
Student Assistance Awards	14,400,000
Special Equipment	10,000,000
Research Initiatives - University of Tennessee	7,500,000
Research Initiatives - Board of Regents System	5,000,000
Technology Initiatives (Debt Service on \$9 Million G.O. Notes)	2,000,000

Subtotal Excellence Initiatives **\$ 88,900,000**

Geier Desegregation Settlement	6,000,000
Joe L. Evins Appalachian Center for Crafts	250,000

Subtotal Higher Education Programs **\$ 95,150,000**

Higher Education Employees' Salary Increase (3.5%)	41,350,000
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Total Higher Education **\$ 136,500,000**

Health and Social Services Improvements

TennCare Services	\$ 114,479,400
Children's Services	10,310,500
Mental Retardation Services	4,166,400
Mental Health Services	6,385,500
Health Services	3,911,800
Human Services	6,144,100
Commission on Aging and Disability - Long Term Care Alternative	2,500,000
Office of Health Services - Title 33 Reform - Developmental Disabilities	5,000,000
Total Health and Social Services	<u><u>\$ 152,897,700</u></u>

TennCare Improvements

Managed Care	\$ 88,864,800
Open Enrollment	10,000,000
Mental Retardation Services	8,497,600
Elderly and Disabled Services	5,539,300
Children's Services Improvements	<u>1,577,700</u>
Total TennCare	<u><u>\$ 114,479,400</u></u>

Children's Services Improvements

Child Welfare Services	\$ 6,470,400
Brian A. Settlement	1,382,800
Juvenile Court Supplement	950,000
Juvenile Treatment	756,300
Child Advocacy Centers	550,000
Teacher Training and Experience	111,800
Child Care Rate Increase	89,200
Total Children's Services	<u><u>\$ 10,310,500</u></u>

Mental Retardation Services

Community Services	\$ 3,080,000
Respite Services	880,000
Support and Services	<u>206,400</u>
Total Mental Retardation Services	<u><u>\$ 4,166,400</u></u>

Mental Health Services

TennCare Partners	\$ 6,000,000
Forensic Services	236,300
Conservatorships	<u>149,200</u>
Total Mental Health Services	<u><u>\$ 6,385,500</u></u>

Health Services Improvements

Alcohol and Drug Addiction Treatment	\$ 2,000,000
Epidemiological Outbreaks	759,600
Facility Inspections	141,200
Hotel and Restaurant Inspections	646,000
Health Information Systems	240,000
St. Jude Children's Research Hospital Grant	<u>125,000</u>
Total Health Services	<u><u>\$ 3,911,800</u></u>

Human Services Improvements

Child Care Rate Increase	\$ 1,572,500
Child Support 5% Fee Replacement	2,040,000
Child Support Checks - Non-Sufficient Funds	409,100
Child Support - Knox County	398,400
Child Support - Mandated DA Salary Increase	20,100
Vocational Rehabilitation	<u>1,704,000</u>
Total Human Services	<u><u>\$ 6,144,100</u></u>

Law, Safety, and Correction Improvements

Law, Safety, and Correction - Mandated Salary Increases	\$ 2,033,100
Safety - Police Pay Supplement	7,012,200
Safety - Troopers' Salary Survey	1,580,900
Safety - Data Processing and Highway Patrol Equipment	2,937,500
TBI - Forensic Services	1,288,200
TBI - Methamphetamine Labs	1,070,700
Correction - Local Jails	2,055,600
Correction - Operating Increase	1,315,900
Probation and Parole - Caseload Management	2,660,600
Military - Facilities	1,090,500
Other Law, Safety, and Correction Improvements	<u>5,774,300</u>
Total Law, Safety, and Correction	<u>\$ 28,819,500</u>

Resources and Regulation Improvements

State Parks Operations	\$ 2,500,000
State Parks Maintenance	3,000,000
Other Environment and Conservation Programs	1,132,500
TWRA - Mandated Salary Increases	1,499,900
TWRA - Tapoco Properties	50,700
Fire and Codes Enforcement Academy	1,213,000
Fire Fighter Pay Supplement	2,324,300
Other Commerce and Insurance Programs	156,800
Arts Commission Grants	<u>1,000,000</u>
Total Resources and Regulation	<u><u>\$ 12,877,200</u></u>

Business and Economic Development Improvements

Economic and Community Development

Tennessee Industrial Infrastructure Program	\$ 13,574,300
Development District Grants	1,050,000
High Technology Industry	400,000
Black Enterprise Conference	400,000
Appalachian Regional Commission Membership	56,700

Agriculture

Boll Weevil Eradication	2,500,000
Soil Conservation District Grants	285,500

Tourism

Regional Tourism Grants	<u>315,000</u>
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Total Business and Economic Development	<u><u>\$ 18,581,500</u></u>
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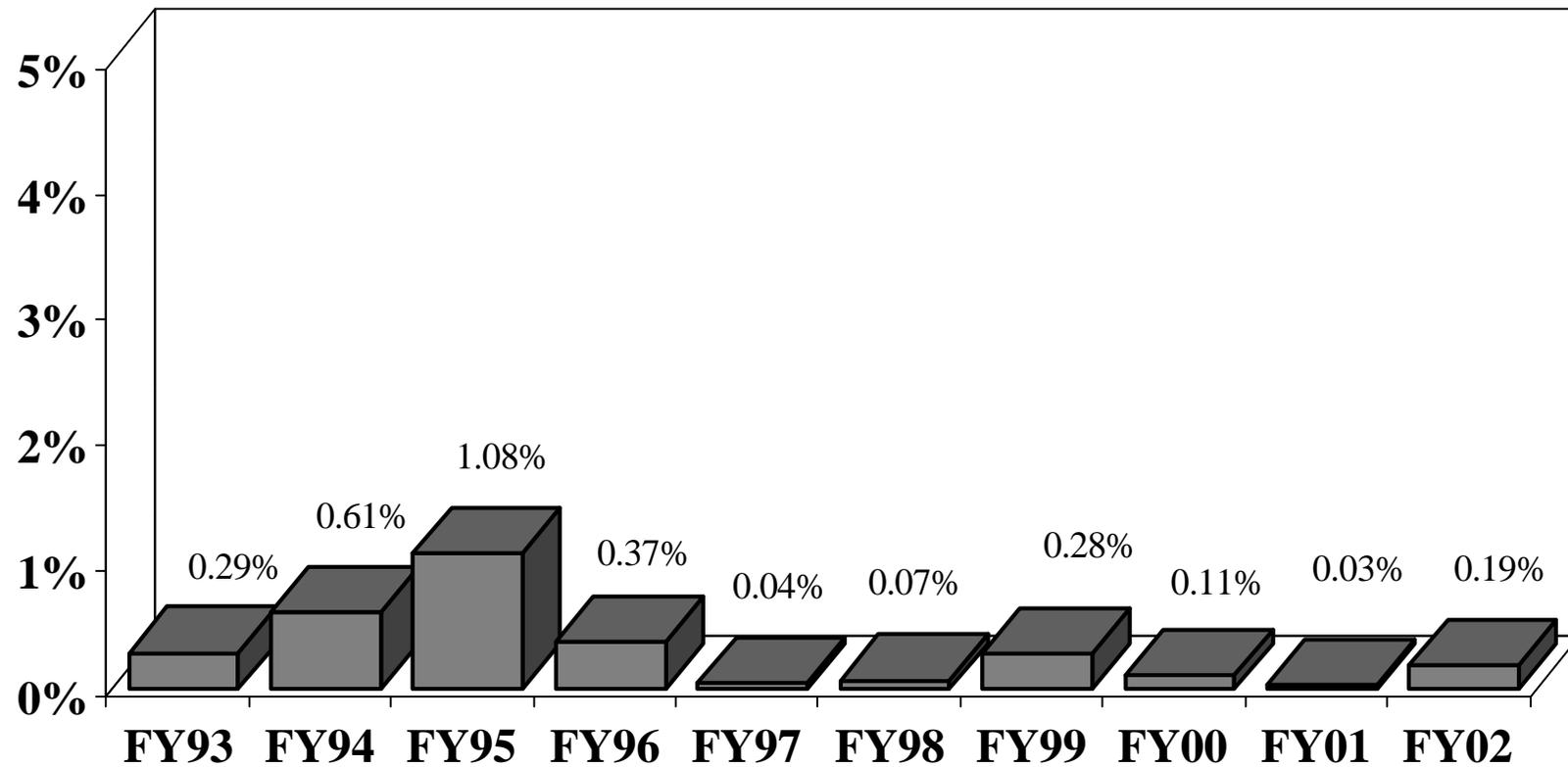
Supplemental Appropriations

Fiscal Year 2001-2002

General Services		
Printing	\$ 200,000	
Property Utilization - Surplus Property	300,000	*
Sub-total	\$ 500,000	
Environment and Conservation		
State Parks	\$ 2,500,000	
Education		
Improving Schools Program - Comprehensive School Health	\$ 602,600	*
Finance and Administration - Mental Retardation		
Middle Tennessee Region (Medicaid funds disallowed)	\$ 643,500	
East Tennessee Region (Medicaid funds disallowed)	236,500	
Sub-total	\$ 880,000	
Miscellaneous Appropriations		
Group Health Insurance Premium (effective 1/1/02)	\$ 23,800,000	
Retired Teachers Insurance	1,800,000	
Homeland Security	5,931,300	
Rent Adjustments	1,403,200	
Sub-total	\$ 32,934,500	
Total Supplemental Appropriations	\$ 37,417,100	

* One-time expenditure in FY 2001-2002 only.

Recommended Supplemental Appropriations As a Percent of Total Budget



Revenue Fluctuation Reserve

