

STATE OF TENNESSEE



The Budget

FISCAL YEAR 2008-2009



Phil Bredesen, Governor



Phil Bredesen,
Governor





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

State of Tennessee

For the Fiscal Year Beginning

July 1, 2007

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the State of Tennessee for the Annual Budget beginning July 1, 2007.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

Table of Contents

The Budget

(more detailed contents tables appear under each tab)

Introduction	xi
Transmittal Letter, Governor Bredesen to the General Assembly	xiii
Transmittal Letter, Commissioner of Finance and Administration to Governor Bredesen	xv
Budget Highlights	xvii
The Budget Document: Introduction	xxvii
Budget Overview: Summary Statements and Charts.....	A-1
State Tax Revenues	A-39
Financial Statements.....	A-93
Capital Outlay and Facilities Program.....	A-107
State Taxpayers Budget.....	A-125
Program Statements by Functional Area	B-1
Tennessee State Government Organizational Chart	B-3
Funds by Program Area (Pie Chart)	B-5
General Government.....	B-13
Introduction	B-15
Total Personnel and Funding.....	B-17
Improvements for Fiscal Year 2008-2009.....	B-18
Program Statements.....	B-23
Legislature	B-23
Fiscal Review Committee	B-26
Secretary of State	B-27
Comptroller of the Treasury.....	B-33
Treasury Department	B-41
Claims and Compensation	B-43
Executive Department.....	B-45
Human Rights Commission	B-46
Tennessee Regulatory Authority.....	B-47
Advisory Commission on Intergovernmental Relations	B-49
Department of Finance and Administration.....	B-50
Department of Human Resources	B-61
Department of General Services	B-64
Department of Veterans Affairs.....	B-72
Program Statements (cont'd)	
Department of Revenue	B-73
Miscellaneous Appropriations	B-79
Emergency and Contingency Fund.....	B-80

Table of Contents

The Budget

State Building Commission	B-81
Education	B-83
Introduction	B-85
Total Personnel and Funding	B-87
Improvements (K-12 Education and Higher Education) for Fiscal Year 2008-2009	B-88
Program Statements	B-96
Department of Education	B-96
Higher Education	B-114
Health and Social Services	B-145
Introduction	B-147
Total Personnel and Funding	B-149
Improvements for Fiscal Year 2008-2009	B-150
Program Statements	B-156
Commission on Children and Youth	B-156
Commission on Aging and Disability	B-157
Health Services and Development Agency	B-158
Department of Finance and Administration - TennCare Program	B-159
Department of Mental Health and Developmental Disabilities	B-163
Department of Health	B-170
Department of Finance and Administration, Division of Mental Retardation Services	B-183
Department of Human Services	B-191
Cover Tennessee Health Care Programs	B-200
Department of Children's Services	B-203
Law, Safety, and Correction	B-213
Introduction	B-215
Total Personnel and Funding	B-217
Improvements for Fiscal Year 2008-2009	B-218
Program Statements	B-224
Court System	B-224
Attorney General and Reporter	B-232
District Attorneys General Conference	B-234
District Public Defenders Conference	B-236
Office of the Post-Conviction Defender	B-238
Program Statements (cont'd)	
Alcoholic Beverage Commission	B-239
Tennessee Rehabilitative Initiative in Correction (TRICOR)	B-240
Tennessee Corrections Institute	B-242

Table of Contents

The Budget

Board of Probation and Parole.....	B-243
Department of Correction	B-245
Military Department.....	B-265
Tennessee Bureau of Investigation	B-270
Department of Safety	B-272
Resources and Regulation.....	B-281
Introduction	B-283
Total Personnel and Funding.....	B-285
Improvements for Fiscal Year 2008-2009.....	B-286
Program Statements.....	B-290
Tennessee Arts Commission	B-290
Tennessee State Museum	B-291
Department of Environment and Conservation.....	B-292
Tennessee Wildlife Resources Agency.....	B-313
Department of Commerce and Insurance.....	B-316
Department of Financial Institutions.....	B-326
Department of Labor and Workforce Development	B-328
Transportation, Business, and Economic Development	B-335
Introduction	B-337
Total Personnel and Funding.....	B-339
Improvements for Fiscal Year 2008-2009.....	B-340
Program Statements.....	B-343
Tennessee Housing Development Agency	B-343
Department of Agriculture	B-344
Department of Tourist Development	B-351
Department of Economic and Community Development	B-353
Department of Transportation	B-362
The Budget Process and Program History.....	B-377
The Budget Process	B-379
Performance-Based Budget	B-384
Basis of Budgeting and Accounting	B-387
Tennessee Program History	B-391
Glossary of Budget Terms.....	B-417
Index.....	B-425
Credits	B-435

Introduction

Table of Contents

Transmittal Letter, Governor Bredesen to the General Assembly.....	xiii
Transmittal Letter, Commissioner of Finance and Administration to Governor Bredesen	xv
Budget Highlights.....	xvii
The Budget Document: Introduction	xxvii



January 28, 2008

To the Members of the 105th General Assembly:

I am pleased to recommend to you the 2008-2009 Budget for the State of Tennessee.

State revenue collections are not fulfilling budgeted estimates in the current year, and the slowdown in the economy suggests that slow revenue growth will continue into next year. With careful financial management and the availability of surplus funds carried forward from last year, we are able to mitigate the effect of revenue undercollections in the current year and to fund a balanced budget for next year, with recurring program requirements funded by recurring revenue growth.

This has been a real challenge. But I am confident that our budget practices of the last five years and the responsibility we have exercised in significantly increasing the rainy day fund have positioned State Government to weather the economic slowdown without disruption of services to the people we serve. We now do not expect to draw funds from the rainy day fund in the current or next year; instead, I propose in this budget that we continue adding to this reserve, if economic circumstances permit. The 2008-2009 budget includes base budget reductions necessary to balance recurring expenses with recurring revenues and reflects necessary restraint in recurring program improvements and capital outlay.

From projected recurring revenue growth and available surplus funds, we can and should continue investing in improvements for education, economic development, health care, safe communities, and conservation of our natural resources.

I recommend that we take the next step in the K-12 basic education program (BEP) initiative by adding funds to continue the BEP 2.0 reform enacted last year, using all of the 2007 tobacco tax increase dedicated to education for this purpose, which will allow improvement in K-12 teacher salaries and other essential classroom support; by fully funding growth in the BEP formula; and by continuing to expand the voluntary pre-kindergarten program and the new science and math residential high school.

In higher education, I recommend that we use about half of the unobligated lottery reserve to establish an endowment for the need-based scholarships known as Tennessee student assistance awards (TSAA) and that, in addition, we use available recurring lottery revenues to further increase the appropriation for TSAA need-based scholarships. Interest earnings from the TSAA endowment and the commitment of the additional recurring lottery revenues to the TSAA need-

based scholarship program will result in financial assistance for 13,500 additional needy students in this budget, rising to 15,000 later. Also, we should improve lottery-funded HOPE scholarship retention by allowing scholarship retention at a grade-point average of 2.75, and the budget funds that idea from recurring lottery revenue. These proposals will help raise educational attainment by a broader segment of our population and will pay dividends in long-term economic and social welfare of the people of Tennessee.

From existing revenue sources, the budget includes other improvements in child welfare, public health and safety, land and water conservation, and salaries of state and higher education employees. The additional rainy day fund deposit will maintain the reserve at 7 percent of general fund revenues.

The economic outlook is slow and somewhat uncertain in the near-term. Should revenue growth in the current year fall below the conservative assumptions on which this budget is based, I will submit to you further budget adjustments before you enact the appropriations bill.

I look forward to working with the members of the General Assembly on this budget, on related legislation, and on other matters of interest to you.

Sincerely,

Phil Bredesen
Governor of the State of Tennessee



STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
STATE CAPITOL
NASHVILLE, TENNESSEE 37243-0285

DAVE GOETZ
COMMISSIONER

January 28, 2008

The Honorable Phil Bredesen
State Capitol
Nashville, Tennessee 37243

Dear Governor Bredesen:

I am pleased to present to you the fiscal year 2008-2009 Budget Document.

The budget was developed under your guidelines to maintain balance between recurring revenues and recurring appropriation requirements, to invest in education to the maximum extent possible; to invest in economic development, public health, safe communities, and environmental quality; and to maintain and supplement the record-high rainy day fund, if possible.

Mid-year review of state revenue collections results in a \$180 million reduction in the current-year revenue estimates, which also results in lowering the base for projecting 2008-2009 revenue growth. The revised estimates for the current year and the estimates for next year follow advice of economists and the State Funding Board. The revenue estimates reflect the assumption of continued slow economic growth through the 2008-2009 fiscal year.

In the current year, we are managing the revenue shortfall with careful agency management of spending. We estimate \$124.4 million in additional agency reversions of unspent current-year funds to the general fund. This can occur without denying services. An unappropriated budget surplus of \$280.5 million at the close of the last fiscal year will offset the remainder of the current-year gap. The remainder of the prior-year surplus is available to fund one-time spending needs recommended in this Budget Document, such as capital outlay.

In the budget for 2008-2009, we have reduced the general fund base budget requirements by a total of \$129.2 million through a combination of recommended line-item reductions (\$85.8 million) and a \$43.4 million increase in the recurring overappropriation, which is the estimate of the amount by which general fund programs will underspend the recommended appropriations. These recurring reductions can be achieved without adverse impact on essential services. Limitations on funding of program improvements and capital outlay also have been necessary in achieving balance between recurring revenues and recurring appropriations. The recommended line-item base reductions are presented in a chart in the budget overview section of the Budget Document.

Given these measures, the budget provides adequate funds for recurring increases for education priorities and salary improvement for employees. Non-recurring funds also are available for a limited capital outlay program and for one-time program investments.

The total state budget for 2008-2009 is \$27.9 billion, with \$13.8 billion from state appropriations, \$9.6 billion from federal funds, and \$4.5 billion from other departmental revenues, higher education student tuition and fees, and bonds for highway projects and facilities revolving fund capital outlay.

I recommend that you advise the General Assembly to remain conservative in estimating revenues and to retain the recommended increase for the revenue fluctuation reserve. If, in our monitoring of state revenue collections, we determine that we will undercollect the revised estimates for the current year, we will need to present further budget adjustments to the General Assembly before its action on the appropriations bill.

A detailed description of budget highlights follows. Staff and I will be pleased to assist you in working with the General Assembly on this budget.

Respectfully Submitted,

M. D. Goetz, Jr.
Commissioner of Finance and Administration

State of Tennessee

Budget Highlights

Recommended Budget, Fiscal Year 2008-2009

The total state budget for 2008-2009 is \$27.9 billion, with \$13.8 billion from state appropriations, \$9.6 billion from federal funds, and \$4.5 billion from other departmental revenues, higher education student tuition and fees, and bonds for highway projects and facilities revolving fund capital outlay.

Mid-year review of state tax collections and advice from economists and the State Funding Board suggest that current-year estimates of taxes collected by the Department of Revenue should be adjusted downward. In the general fund for 2007-2008, the revenue estimate is decreased by \$180 million from the originally budgeted estimate. The revised current-year growth rate in the general fund is 3.65 percent above the actual 2006-2007 Department of Revenue collections. For 2008-2009, before inter-fund reallocations, general fund taxes are expected to grow by \$163.7 million above the original current-year estimate, or \$343.7 million above the revised current-year estimate. This is a 3.58 percent general fund growth rate above the revised current-year estimate. Revenue growth rates are within the range of revenue growth recommended by the State Funding Board. After adjustments for inter-fund reallocations, the general fund revenue growth rate is 3.53 percent in 2008-2009 in the Budget Document. (Inter-fund reallocations are from the debt service fund to the general fund, resulting from a lower debt-service requirement; from the general fund to the highway fund, resulting from lower license plate production costs; and from Department of Revenue taxes to other state revenues, because of restoration of the earmarked real estate transfer tax to land conservation and agriculture programs.)

The revised revenue estimates for the current year and estimates for next year are based on continued slow economic growth through the budget period.

Plan for Balancing Fiscal Years 2007-2008 and 2008-2009

The fiscal year 2007-2008 revenue shortfall of \$180 million requires budget adjustments in both the current year and 2008-2009. In the current fiscal year, the overappropriation, or the amount by which general fund agencies must underspend, has been raised by \$124.4 million from the budgeted amount of \$76.6 million to \$201 million. The increased reversion to the general fund includes savings of \$45.3 million from the TennCare medically needy program resulting from the federal approval delay, \$20 million from other TennCare underspending, \$37 million from lower than budgeted enrollment in the Cover Tennessee program, \$10 million from fewer than budgeted state felons housed in local jails, and \$12.1 million in additional reversion from other state agencies. The remainder of the fiscal year 2007-2008 revenue shortfall is mitigated by

unappropriated surplus funds available in the reserve for future requirements at June 30, 2007, which resulted from state revenue overcollection and agency underspending in 2006-2007. The remainder of the June 30, 2007, surplus is available to fund supplemental appropriations recommended for the current year and non-recurring appropriations recommended in the 2008-2009 budget.

The 2008-2009 base appropriation requirements for general fund programs have been decreased by a recurring \$129.2 million, including \$85.8 million in line-item appropriation reductions and \$43.4 million in an overappropriation estimate increase. The \$85.8 million line-item appropriation reduction is comprised of a \$26.9 million reduction in the TennCare base and \$58.9 million in other state programs, including a reduction of \$23 million in the Cover Tennessee health-care programs. The savings in Cover Tennessee is available by adjusting the appropriation to current enrollment trends and does not involve new enrollment limits or benefit decreases. A slight reduction in the state's retirement contribution rate for state and higher education employees, as recommended by the Tennessee Consolidated Retirement System board of directors after actuarial study, results in a base appropriation reduction of \$12.1 million. This is the first in several biennial actuarial study periods that the retirement contribution has not been raised significantly. The base appropriation in the Department of Correction for the Sentencing Act of 1985 has been reduced by \$6.2 million to offset the operating increase for the additional prison beds in the expanded Morgan County state prison. In the Department of Human Services, a base reduction of \$4.3 million results from the caseload in the temporary assistance to needy families program, and the department is confident that the available funds are adequate to maintain services in the current slow economy. The remaining \$13.3 million in base reductions is in various programs, and all of the base reductions and adjustments are itemized in charts in the Budget Overview section of the Budget Document.

The overappropriation in the fiscal year 2008-2009 budget is set at \$120 million, an increase of \$43.4 million above the originally budgeted 2007-2008 amount of \$76.6 million. The budgeted \$76.6 million overappropriation estimate does not include a reversion from TennCare. The recurring \$43.4 million overappropriation increase is comprised of \$20 million reversion from TennCare and \$23.4 million from other state agencies. Thus, the recommended recurring overappropriation of \$120 million includes \$20 million from TennCare and \$100 million from other state agencies, excluding the higher education systems. TennCare's recent fiscal management suggests that TennCare will be able to revert \$20 million to the general fund without harming health-care services. As for other state agencies, long-term agency reversion performance and recent budget management suggest that a \$100 million reversion estimate also is reasonable, though aggressive, without denying services. Given that the rainy day reserve fund is in much better condition than five years ago, a margin for error on the overappropriation estimate can be slightly greater than in the past.

Another factor in reconciling expenditures with available revenues is restraint in funding of program improvements and capital outlay projects. The capital outlay budget is funded entirely with non-recurring current funds available after meeting current-year requirements. The recommendation of no bond authorization in the 2008-2009 budget, except for the highway program and the facilities revolving fund, which pays debt service from its recurring rent revenue, results in first-year debt service savings of \$16.6 million for the general fund, when

compared with the bond authorization for the current year. In addition, the budget reflects a normal recurring debt service fund reduction and a gain for general fund revenues of \$10 million, resulting mainly from the completion of debt service on old bond authorizations and cancellation of bond authorizations.

In addition to the recurring state revenue growth and the funds available from base reductions, the unappropriated budget surplus of \$280.5 million at the close of 2006-2007 is available to fund the current-year recommended supplemental appropriations and offset the remainder of the current-year revenue gap, after the recognition of the \$124.4 agency reversion increase, and to fund 2008-2009 non-recurring appropriation requirements.

Given these balancing measures, the Administration recommends continued funding of K-12 education priorities, including full-funding of the Basic Education Program (BEP) formula, second-year funding of the BEP 2.0 formula reform, and additional funds for the pre-kindergarten program; expanded home and community-based services in the TennCare program; a salary increase for state and higher education employees; and investment of non-recurring funds in economic development, land conservation, and capital maintenance of higher education institutions.

The recommended budget fulfills the commitment to restore the real estate transfer tax to the four land acquisition and soil conservation funds on July 1, 2008. The budget proposes to take this final step to fully restore, on a recurring basis, the real estate transfer tax to its intended land acquisition and agricultural conservation purposes. Along with the recurring funds in the base budget, an improvement of \$12 million recurring funds makes a total of \$30 million available to those funds in 2008-2009.

K-12 Education

For K-12 education, the improvement from the general fund is \$220 million, including \$86.5 million for the second-year of funding modifications to the Basic Education Program (BEP), a reform effort called BEP 2.0. All of the tobacco tax increase that was dedicated to education in the 2007 tobacco tax law is dedicated to the BEP 2.0 funding in this budget recommendation. In addition, full funding of BEP formula growth is provided with a separate \$83.9 million from general fund revenue. Pre-kindergarten is increased by 245 classrooms with a \$25 million appropriation from the general fund.

Other K-12 education improvements include \$2.7 million for the continued maintenance and support of a statewide student management system; \$1.3 million to expand achievement tests for grades three through eight as required by the federal No Child Left Behind Act; \$400,000 for the Governor's Institute for Science and Math, which will increase the number of students attending this residential high school from 24 to 48; \$13.3 million for the state BEP share of group health insurance premium increases; \$3.2 million to fund the state share of a retirement system contribution rate increase for local education agencies; \$2 million for a non-recurring grant to Save the Children for literacy programs; an additional \$500,000 for the Governor's Books from Birth Foundation, which is a state-and-local partnership providing a book each month from birth

to age 5, at no cost to the family; \$1 million for grants of \$500,000 each to Future Farmers of America and the 4-H Foundation; and \$187,300 for teacher training and experience salary costs at the special schools.

Higher Education

For higher education, the improvement is \$67 million, including \$43.8 million for program improvements and \$23.2 million for salary improvement. Program improvements include an appropriation of \$27 million to add 13,500 students to the Tennessee student assistance awards (TSAA) program, which provides financial assistance to students from low-income families. The \$27 million in new funding for TSAA need-based scholarships is comprised of two amounts: first, \$9 million from interest earnings on a proposed TSAA need-based scholarship endowment to be established by transfer of \$200 million from the projected \$406 million unobligated lottery for education reserve, and second, \$18 million funded directly from recurring net education lottery proceeds.

For HOPE scholarships, an appropriation increase of \$5.3 million from recurring lottery for education revenues will allow an estimated 3,000 students with a minimum cumulative GPA of 2.75 to retain their scholarships, and the Administration proposes that the law be modified to allow this.

Two charts in the overview section of the Budget Document illustrate the availability of lottery for education revenues and reserves to fund these need-based scholarship and retention ideas, with the goal of increasing the educational attainment of Tennesseans.

Other higher education program improvements include a recurring \$1 million for the mouse genome consortium at the University of Tennessee (UT), for research of multiple genetic diseases; and non-recurring state appropriations for the following: \$5.6 million for the second-year operating expenses of a biofuels center at UT, capable of producing five million gallons of biomass-based ethanol per year; \$3 million for regional biocontainment laboratory equipment at UT; \$1.4 million in matching funds for the graduate nurse loan forgiveness program, established by 2006 law to address a shortage of nursing faculty; and \$500,000 in the Board of Regents system for a teacher quality initiative that addresses the shortage of highly qualified K-12 teachers, particularly in science and math; and in the miscellaneous appropriations, \$500,000 for a one-time grant to Fisk University, matching other gifts.

The recurring 2 percent salary increase for higher education employees is funded through the higher education funding formula for academic units and fully by state funds in the other units.

The capital budget for higher education is \$53.6 million for capital maintenance, funded by non-recurring current funds, including \$32.3 for Board of Regents institutions and \$21.3 for the UT campuses.

Jobs, Economic Development, and Agriculture

For economic and community development, the budget includes \$30.5 million to support jobs initiatives. From this amount, \$29.3 million is for the next steps in the jobs package, including non-recurring appropriations of \$25.3 million for the FastTrack infrastructure development and job training program and \$4 million for business recruitment and retention activities outside the FastTrack funding criteria. A non-recurring second-year grant of \$1.25 million is proposed for the rural opportunity fund, which is a public-private partnership implementing loans that target small, minority, and women-owned rural businesses that are unable to access traditional loan capital.

In addition, the budget includes \$4,750,000 from non-recurring funds to continue the tourist development advertising and marketing program at the current level. The tourist development budget also includes an improvement of \$143,800, funded by departmental revenue from the Department of Transportation, for four welcome center positions and for temporary lease space needed during the renovation of the Jellico welcome center on Interstate 75 in East Tennessee.

The agriculture budget improvement is \$7.1 million, including \$2.25 million for soil conservation from the full recurring restoration of the real estate transfer tax to the agricultural resources conservation fund. The second year of a planned three-year upgrade of the Forestry Division fire-fighting communications equipment is funded with a \$4.8 million non-recurring appropriation.

Child Welfare and Juvenile Justice

The Department of Children's Services budget includes improvements totaling \$3.4 million in state appropriations, including \$1.4 million for a rate increase for residential providers of services such as counseling, psychiatric care, and medical care, \$769,700 for a 2.2 percent increase in foster care and adoption assistance rates, \$870,200 to address a 7.8 percent caseload increase in the adoption assistance program, and \$283,000 in non-recurring funds for a grant to Family and Children's Services, a non-profit organization, for the operation of the 211 program, a 24-hour telephone referral service for social services.

Public Health

The Department of Health budget includes improvements of \$22 million from general fund state appropriations, including second-year non-recurring appropriations of \$10 million for tobacco-cessation aids to assist smokers in quitting and \$6 million for grants to 43 faith-based, community-based, rural health, and federally-funded primary care clinics that provide services to an estimated 57,000 uninsured adults. A recurring \$3 million state increase is recommended for the existing Ryan White HIV/AIDS assistance program, which provides medical treatment, pharmaceuticals, and support services for uninsured and under-insured individuals; and a recurring \$1 million is for the medical examiners program, which will be used to increase the

reimbursement rates for autopsies and court appearances and to improve staffing. In addition, \$2 million is recommended for a non-recurring grant to Meharry Medical College for the community wellness and fitness initiative at historically black colleges and universities.

For the TennCare program, which is the state's Medicaid waiver program, \$19.7 million in program improvements from state appropriations include \$12.5 million for TennCare services and waiver programs, comprised of \$10.1 million to add 2,300 slots to the state's home and community-based services (HCBS) program, which provides home services as an alternative to nursing home entry; \$933,400 to implement a statewide electronic visit verification system for the HCBS program; \$944,000 to equalize payment rates between the TennCare's HCBS program and the Aging and Disability Commission's Options program, which provides home and community-based services to individuals not eligible for Medicaid; \$528,500 to increase rates paid for certain pediatric evaluations and office visits in the TennCare Select program, which serves enrollees with complex medical needs. The remaining TennCare amount is \$7.2 million from state funds for improvements in the departments of Children's Services and Human Services and the Division of Mental Retardation Services.

In the Mental Retardation Services Division, an improvement of \$4.7 million in state appropriations is recommended. This includes \$4.1 million to continue transitioning mentally-retarded clients from the Arlington Developmental Center into home and community-based services in compliance with a legal agreement and \$610,900 to provide funds for 600 new enrollees to receive home and community-based services through the main waiver and self-determination waiver programs.

Social Services

The budget includes improvements of \$4.4 million from state appropriations for programs of the Department of Human Services. This includes \$2.2 million to increase the standard of need in the Families First program (temporary assistance to needy families) by 7.4 percent to allow 720 families to qualify for or remain in the program; \$2.1 million recurring to continue the existing family assistance service center in Memphis that answers calls, makes case changes, and supports statewide programs; \$100,000 for a third-year non-recurring grant to the individual development accounts program managed by the Upper Cumberland Human Resources Agency to assist individuals with minimal assets in saving for first-home purchases, education expenses, and small-business capitalization; and \$35,300 to fund mandatory salary step increases for assistant district attorneys in the IV-D Child Support Enforcement program.

Conservation

The conservation budget, as discussed above, includes full restoration of recurring appropriations from the real estate transfer tax to the four land acquisition and soil conservation funds. The recurring improvement to these funds is \$12 million, bringing their total to \$30 million. This will benefit the local parks, state lands, and wetlands acquisition funds, as well as the agricultural resources conservation fund.

In the operating budget, the Governor recommends a \$10 million non-recurring appropriation from the general fund to the heritage conservation trust fund for protection or acquisition of land of critical, scenic, or ecological importance. A \$2 million non-recurring appropriation is recommended to improve water resources management and planning throughout the state in order to better meet water supply needs of communities. Non-recurring funds of \$1.5 million are recommended to create a watershed restoration fund and \$250,000 is recommended for a water-quality impact study of the New River watershed, which is affected by coal mining, oil and gas drilling, and logging in Scott, Campbell, and Anderson counties. An environmental assistance team to support the planning, design, and development of transportation projects is funded with \$491,000 in general fund appropriations, which, together with departmental revenues from the Transportation Department in the base budget and improvement, will allocate the cost evenly between the agencies. Maintenance of the Bicentennial Mall State Park is being transferred to the Department of Environment and Conservation, and \$333,200 is recommended for three positions and operating expenses to improve oversight and maintenance.

A second-year non-recurring appropriation of \$4 million is recommended to promote the awareness and availability of alternative fuels.

Safe Communities

The Department of Safety budget includes a \$2.8 million non-recurring appropriation to implement driver's license administrative revocation legislation which makes revocation of drivers' licenses for violations of state DUI laws an administrative law procedure. The program will be self-supporting from fees in 2010-2011. Also in the Safety Department budget is \$6.5 million from the general fund and \$20 million from excess funds in the titling and registration system development TRUST reserve to establish a reserve for development of a driver's license system complying with the federal REAL ID Act.

In the prison budget, \$6.2 million is provided for the opening of expanded prison facilities at the Morgan County Correctional Complex. This includes funds to annualize operating costs for the 300-bed minimum-security annex and the first six months of operational costs for 538 new beds at the prison. The state appropriation increase for the additional operating cost is offset by a recurring base reduction in the Sentencing Act of 1985 allotment, as authorized by law. Also in the budget is \$5.4 million for increased prison operating costs and \$3.2 million non-recurring for an increase in state felons housed in local jails. The \$3.2 million amount is non-recurring because of the additional beds at Morgan County state prison.

The Military Department budget includes \$1.2 million to establish the Youth ChalleNge program, a residential program for at-risk youth aged 16 to 18 years, which will operate in existing space at the military facility in Smyrna. The Administration proposes legislation to provide in-state tuition rates to out-of-state members of the Tennessee Air National Guard, and \$310,000 is provided for this. The statewide communications interoperability program is enhanced with the addition of four positions and \$201,400.

An appropriation of \$1.3 million and five positions will assist the Tennessee Bureau of Investigation in implementing the 2007 Johnia Berry Act, which requires that a biological specimen for DNA testing be taken from any person arrested on or after January 1, 2008, for the commission of a violent felony. In addition, the 2007-2008 supplemental appropriations include \$300,000 for that purpose. Also included in the TBI budget is \$1 million for the first six months of operating expenses at the new TBI lab in Knoxville.

The budget of the Department of Finance and Administration, criminal justice programs, includes \$400,000 to provide non-recurring grants for the Internet crimes against children task forces in Nashville, Knoxville, and Memphis. In the Miscellaneous Appropriations is an amount of \$845,000 non-recurring for a grant to Red Cross in Tennessee for 95-county disaster-preparedness capacity building.

General Government

In other areas of state government, a non-recurring appropriation of \$7.8 million will be used for cabling, servers, and consulting services needed at the new state data centers. An additional non-recurring amount of \$12 million is available in the systems development fund for this purpose. The purchase of imaging, bar coding, and cashiering equipment for Edison, the state's new enterprise resource planning system, is funded with a \$3.8 million non-recurring appropriation.

A non-recurring appropriation of \$600,000 is included for the replacement of existing predictive dialer and interactive response equipment in the Revenue Department. This equipment is used for automated dialing that notifies taxpayers of outstanding balances greater than \$25.

Operational support to the state veterans homes is provided with a \$1.5 million non-recurring appropriation. An additional recurring \$200,000 is recommended to fund annual inspections of state veterans homes.

Rent increases for state agencies resulting from federal A-87 rate adjustments and additional operating funds for the facilities revolving fund are provided from recurring state appropriations of \$1 million and \$1.6 million, respectively.

Salary Policy and Benefits

The budget includes funds for a recurring 2 percent salary increase on July 1, 2008, for state and higher education employees. In the higher education budget, the 2 percent raise is funded through the higher education funding formula for the academic units and fully by state funds in the other units. Funds to raise instructional salaries of K-12 teachers funded through the BEP formula are included in the second-year BEP 2.0 initiative in the Department of Education budget.

The total cost of the salary policy for state and higher education employees is \$53.8 million in state appropriation. This includes \$30.6 million for state employees and \$23.2 million for higher education employees.

Also funded are the statutory salary adjustments for judges, as well as the statutory salary step raises for assistant district attorneys, assistant public defenders, assistant post-conviction defenders, investigators, troopers, and wildlife officers. Funds also are recommended for the state share of employee group health insurance premium increases. For state and higher education employees, \$14.5 million is added to annualize the cost of the January 1, 2008, premium increase and \$20.3 million for the six-month cost of a premium increase on January 1, 2009. An additional \$13.3 million for the state share of group health insurance adjustments for local school districts is included in the K-12 education budget.

Capital Outlay

The capital outlay budget totals \$230.7 million, including \$163.5 million from non-recurring state current funds and \$67.2 million from other sources. No bond authorization is recommended for these projects. The state funds include the \$53.6 million for higher education capital maintenance and \$11.4 million for mental retardation facilities, mainly group homes. The budget also includes \$64 million additional funding from 1985 Sentencing Act funds for the prison expansion in Bledsoe County, \$12 million from a combination of current funds and Sentencing Act funds for an addition to the Women's Prison in Nashville, \$11.5 million from current funds for minimum security housing at Mark Luttrell prison in Shelby County; and \$32 million from current funds for prison maintenance; a \$500,000 grant for the construction of the American Indian Cultural Center and Museum in Nashville, \$2 million to continue planning of a new state museum in Nashville, and \$2.1 million to continue planning of a new state library and archives in Nashville.

The facilities revolving fund (FRF) capital budget provides an additional \$34.4 million for projects and maintenance of state office buildings and similar facilities maintained through agency rent payments. This is funded by \$10.4 million from FRF current funds and \$20 million from proposed bonds, with debt service provided from the facilities revolving fund through agency rent payments.

Revenue Fluctuation Reserve

The revenue fluctuation reserve was at \$542.9 million at June 30, 2007, and is budgeted to be at \$750 million at June 30, 2008. The 2008-2009 budget proposes that this reserve be raised by \$35 million to \$785 million at June 30, 2009. The reserve currently is at its highest level ever. The revenue fluctuation reserve allows services to be maintained when revenue growth is slower than estimated in the budget, mainly during economic downturns. The Governor recommends that the General Assembly continue making deposits to this reserve.

Conclusion

The Governor and the Commissioner of Finance and Administration recommend that the General Assembly remain conservative in estimating state revenues and retain the recommended increase for the rainy day fund.

Given current economic circumstances, the Administration is closely monitoring monthly state revenue collections and agency spending. If, upon further review, current-year tax collections are expected to fall below the revised estimates presented in this Budget Document, the Administration will present further budget adjustment plans to the General Assembly before final enactment of the budget, if necessary.

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 program improvements.

The Budget Document

Introduction

Tennessee Code Annotated, Section 9-4-5106, requires that the financial plan of Tennessee's state government be presented in four 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. State Appropriations and Taxes, Excluding Dedicated Funds – Appropriations and tax estimates from general state tax sources, excluding appropriations from dedicated tax sources; this is the so-called "State Taxpayers Budget";

3. Detailed Budget Estimates – Estimates of expenditures and revenues, including all funding sources; program statements and performance measures; 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

4. 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 fund 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, two, and three are included in the Budget Document. The format of the Budget Document is reviewed annually for clarity and content. Part four, 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.

Following the transmittal letters and budget highlights is a statement of the Administration's priorities.

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 improvements proposed for the next fiscal year.

There are two charts that provide the total fund balance available, indicating the

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

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

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

Two charts in the overview summarize base budget reductions and base budget adjustments (increases). The charts reflect recurring 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 Budget Document also includes an historical analysis of the effect on the state budget of federal aid trends and federally mandated costs.

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 as of June 30 for the two prior years. This schedule 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 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.

The "State Taxpayers Budget" section is included to distinguish between state appropriations from general state taxes and appropriations from dedicated taxes and fees, which are narrowly levied and earmarked for specific purposes. The "State Taxpayers Budget" excludes the dedicated funds, federal revenues, and other departmental revenues; it reports only appropriations from general state tax sources, along with estimates of the general taxes.

Except for the "State Taxpayers Budget," all of the other summary charts and program statements in this Budget Document that deal

with appropriations include appropriations from all state sources, both general taxes and dedicated taxes and fees.

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

At the beginning of each functional presentation is an introduction to the associated agencies, followed by a list of the improvement items that are recommended for that area of state government. The improvement list is followed by tables that show the total expenditures, funding sources, and personnel of each functional area.

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 improvements, and the total recommended. Program performance measures also are provided for most executive branch programs. Budgets of agencies which are operating officially under the performance-based budget law are so designated with a sub-heading following the department name.

Following the "Program Statements by Functional Area," the next-to-last section of the Budget Document is "Budget Process and Program History." This section includes explanatory sections entitled "The Budget Process," "Performance-Based Budget," "Basis of Budgeting and Accounting," and "Tennessee Program History," which provides historical information on major programs.

The final section is the "Glossary and Index."

Budget Overview

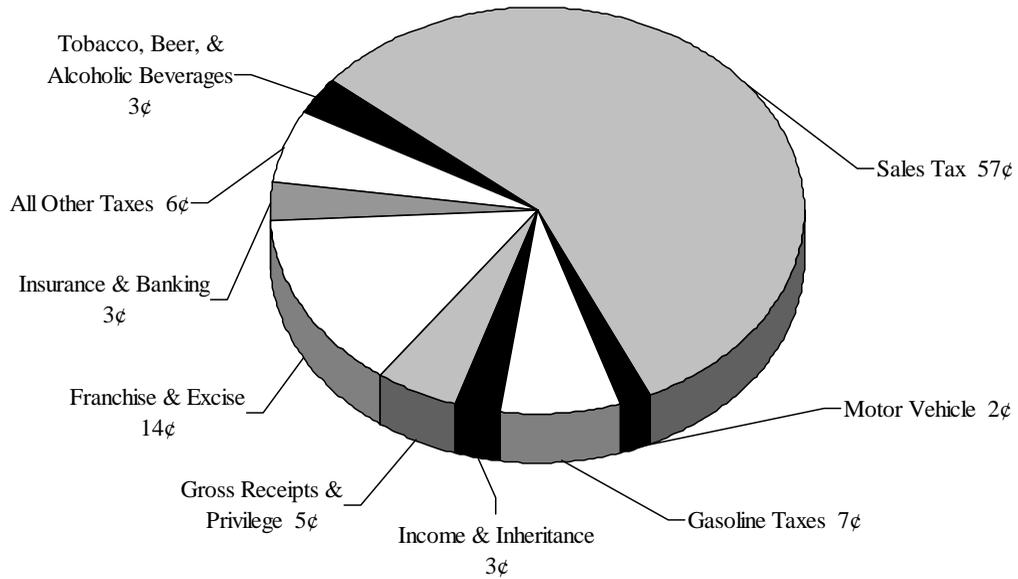
Summary Statements and Charts

Table of Contents

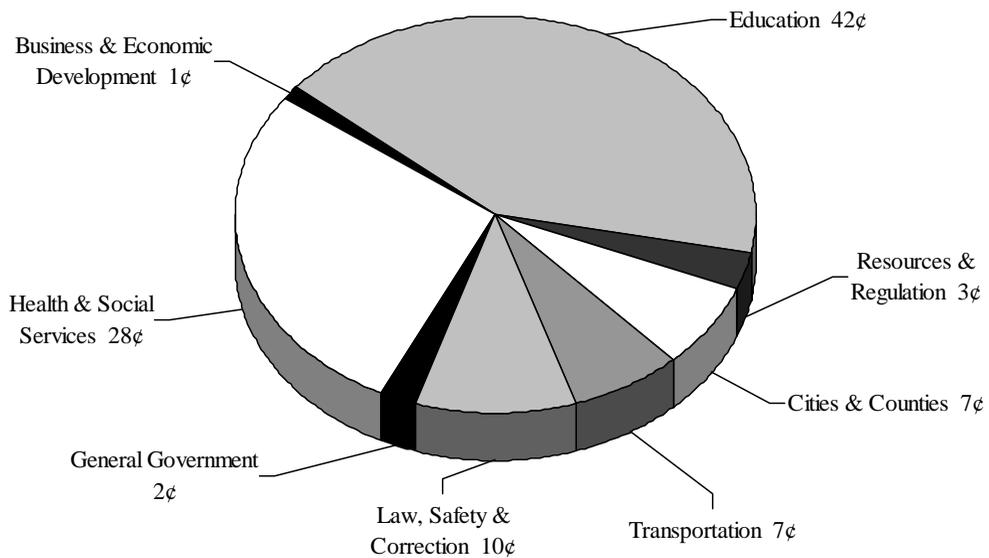
Total State Budget (Pie Charts).....	A-2
General Fund Budget (Pie Charts)	A-3
Total State Budget, Comparison of Programs and Revenue Sources.....	A-4
Total State Budget, Comparison of Programs by Revenue Sources	A-5
Departmental Summary of Continuation and Improvement Recommendations from State Tax Revenue	A-6
Departmental Summary of Improvements.....	A-8
General Fund and Education Fund, Comparison of Appropriation Requirements and State Revenues, Fiscal Year 2007-2008	A-10
General Fund and Education Fund, Comparison of Appropriation Requirements and State Revenues, Fiscal Year 2008-2009	A-11
Department of Transportation, Comparison of Appropriations and Funding Requirements	A-12
Department of Transportation, Comparison of Appropriations by Funding Sources	A-13
Lottery for Education Account, Summary of Appropriation Requirements, Revenues, and Reserves.....	A-14
Lottery – Funded Education Programs, Comparison of Appropriation Requirements and State Revenues.....	A-15
Comparison of Programs (by Department)	A-16
Summary Comparison of Tennessee Personal Income and Appropriations from State Tax Revenues.....	A-22
General Fund and Education Fund, Supplemental Appropriations	A-23
General Fund and Education Fund, Base Budget Reductions from State Appropriations Fiscal Year 2008-2009	A-24
General Fund and Education Fund, Base Budget Adjustments to State Appropriations Fiscal Year 2008-2009	A-26
Comparison of Authorized Positions, State Agencies and Higher Education	A-27
Personnel and Funding Summary, All Programs	A-28
Employees Overlapped Over 90 Days	A-30
Tennessee Economic Overview	A-31
Tennessee Characteristics.....	A-32
Federal Aid Trends and Federal Mandate Costs	A-35

Total State Budget

Where Your State Tax Dollar Comes From



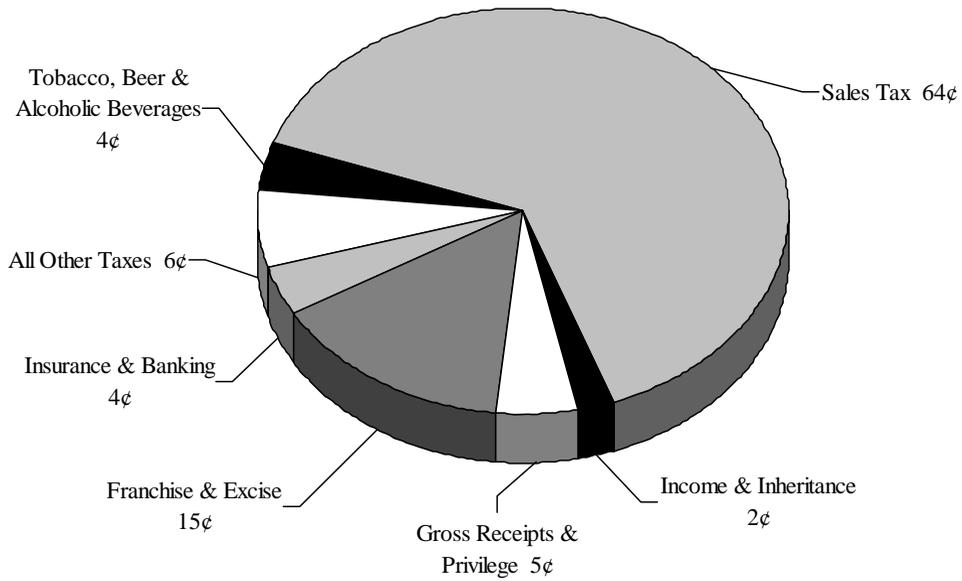
Where Your State Tax Dollar Goes



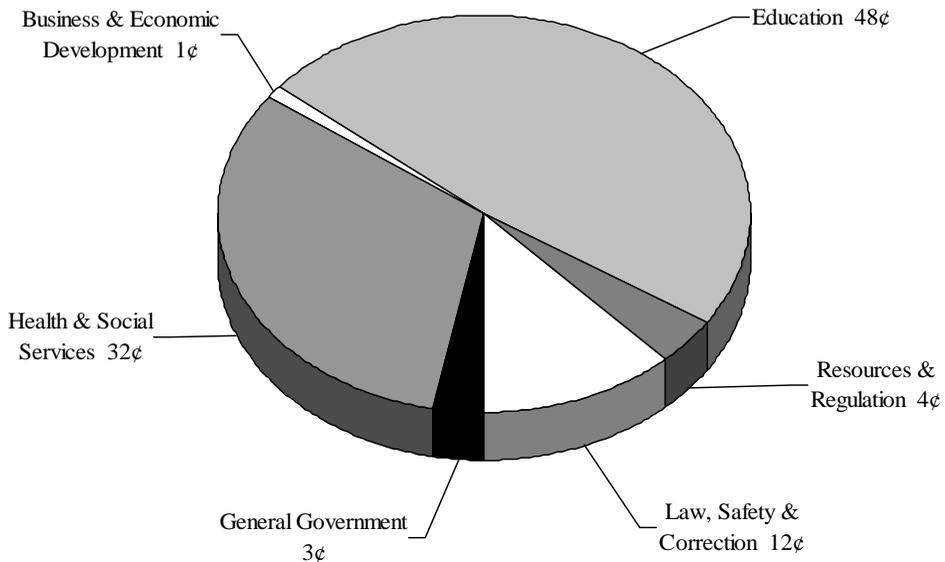
Fiscal Year 2008 - 2009

General Fund Budget

Where Your State Tax Dollar Comes From



Where Your State Tax Dollar Goes



Fiscal Year 2008 - 2009

**Total State Budget
Comparison of Programs and Revenue Sources
Fiscal Years 2006-2007, 2007-2008, and 2008-2009**

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Recommended 2008-2009</u>	<u>Act. vs. Est. Difference</u>	<u>Est. vs. Rec. Difference</u>
I. PROGRAMS					
ALL PROGRAMS	\$ 25,204,183,300	\$ 28,049,113,114	\$ 27,878,418,200	\$ 2,844,929,814	\$ (170,694,914)
General Fund ¹	22,045,199,100	24,481,912,914	24,492,473,200	2,436,713,814	10,560,286
Department of Transportation	1,524,763,700	1,747,240,200	1,802,425,000	222,476,500	55,184,800
Debt Service Requirements	325,166,000	329,342,000	321,189,000	4,176,000	(8,153,000)
Capital Outlay Program	345,190,000	453,514,200	230,666,000	108,324,200	(222,848,200)
Facilities Revolving Fund	148,031,800	197,103,800	167,965,000	49,072,000	(29,138,800)
Cities & Counties - State Shared Taxes	815,832,700	840,000,000	863,700,000	24,167,300	23,700,000
II. REVENUE SOURCES					
APPROPRIATION	\$ 11,953,013,500	\$ 13,792,630,592	\$ 13,844,863,400	\$ 1,839,617,092	\$ 52,232,808
General Fund ¹	9,775,517,700	11,589,048,392	11,680,009,600	1,813,530,692	90,961,208
Department of Transportation	814,102,500 ²	756,661,200	804,500,000	(57,441,300)	47,838,800
Debt Service Requirements	325,166,000	329,342,000	321,189,000	4,176,000	(8,153,000)
Capital Outlay Program	214,721,000 ²	264,114,200	163,500,000	49,393,200	(100,614,200)
Facilities Revolving Fund	7,673,600	13,464,800	11,964,800	5,791,200	(1,500,000)
Cities & Counties - State Shared Taxes	815,832,700	840,000,000	863,700,000	24,167,300	23,700,000
BONDS	\$ 0	\$ 295,000,000	\$ 111,700,000	\$ 295,000,000	\$ (183,300,000)
Department of Transportation	0	83,800,000	87,700,000	83,800,000	3,900,000
Capital Outlay Program	0	150,700,000	0	150,700,000	(150,700,000)
Facilities Revolving Fund	0	60,500,000	24,000,000	60,500,000	(36,500,000)
FEDERAL	\$ 8,968,505,500	\$ 9,562,351,111	\$ 9,564,530,400	\$ 593,845,611	\$ 2,179,289
General Fund	8,276,904,200	8,696,005,111	8,697,103,400	419,100,911	1,098,289
Department of Transportation	667,938,300	866,346,000	867,427,000	198,407,700	1,081,000
Capital Outlay Program	23,663,000	0	0	(23,663,000)	0
CURRENT SERVICES & OTHER	\$ 4,282,664,300	\$ 4,399,131,411	\$ 4,357,324,400	\$ 116,467,111	\$ (41,807,011)
General Fund ³	3,992,777,200	4,196,859,411	4,115,360,200	204,082,211	(81,499,211)
Department of Transportation	42,722,900	40,433,000	42,798,000	(2,289,900)	2,365,000
Capital Outlay Program	106,806,000	38,700,000	67,166,000	(68,106,000)	28,466,000
Facilities Revolving Fund	140,358,200 ⁴	123,139,000	132,000,200	(17,219,200)	8,861,200
TOTAL STATE BUDGET	\$ 25,204,183,300	\$ 28,049,113,114	\$ 27,878,418,200	\$ 2,844,929,814	\$ (170,694,914)

¹ General Fund includes Education Lottery-funded programs.

² Includes tax revenues and bonds.

³ Includes Lottery-funded early childhood education program and Higher Education tuition and student fees.

⁴ Includes departmental operating revenues and bonds.

**Total State Budget
Comparison of Programs by Revenue Sources
Fiscal Years 2006-2007, 2007-2008, and 2008-2009**

	Actual 2006-2007	Estimated 2007-2008	Recommended 2008-2009	Act. vs. Est. Difference	Est. vs. Rec. Difference
I. GENERAL FUND ¹	\$ 22,045,199,100	\$ 24,481,912,914	\$ 24,492,473,200	\$ 2,436,713,814	\$ 10,560,286
Appropriation	9,775,517,700	11,589,048,392	11,680,009,600	1,813,530,692	90,961,208
Federal	8,276,904,200	8,696,005,111	8,697,103,400	419,100,911	1,098,289
Current Services & Other Revenue ²	3,992,777,200	4,196,859,411	4,115,360,200	204,082,211	(81,499,211)
II. DEPARTMENT OF TRANSPORTATION	\$ 1,524,763,700	\$ 1,747,240,200	\$ 1,802,425,000	\$ 222,476,500	\$ 55,184,800
Appropriation	814,102,500 ³	756,661,200	804,500,000	(57,441,300)	47,838,800
Federal	667,938,300	866,346,000	867,427,000	198,407,700	1,081,000
Current Services & Other Revenue	42,722,900	40,433,000	42,798,000	(2,289,900)	2,365,000
Bonds	0	83,800,000	87,700,000	83,800,000	3,900,000
III. DEBT SERVICE REQUIREMENTS	\$ 325,166,000	\$ 329,342,000	\$ 321,189,000	\$ 4,176,000	\$ (8,153,000)
Appropriation	325,166,000	329,342,000	321,189,000	4,176,000	(8,153,000)
IV. CAPITAL OUTLAY PROGRAM	\$ 345,190,000	\$ 453,514,200	\$ 230,666,000	\$ 108,324,200	\$ (222,848,200)
Appropriation	214,721,000 ³	264,114,200	163,500,000	49,393,200	(100,614,200)
Federal	23,663,000	0	0	(23,663,000)	0
Current Services & Other Revenue	106,806,000	38,700,000	67,166,000	(68,106,000)	28,466,000
Bonds	0	150,700,000	0	150,700,000	(150,700,000)
V. FACILITIES REVOLVING FUND	\$ 148,031,800	\$ 197,103,800	\$ 167,965,000	\$ 49,072,000	\$ (29,138,800)
Appropriations	7,673,600	13,464,800	11,964,800	5,791,200	(1,500,000)
Current Services & Other Revenue	140,358,200 ⁴	123,139,000	132,000,200	(17,219,200)	8,861,200
Bonds	0	60,500,000	24,000,000	60,500,000	(36,500,000)
VI. CITIES & COUNTIES - STATE SHARED TAXES	\$ 815,832,700	\$ 840,000,000	\$ 863,700,000	\$ 24,167,300	\$ 23,700,000
Appropriation	815,832,700	840,000,000	863,700,000	24,167,300	23,700,000
VII. TOTAL STATE BUDGET	\$ 25,204,183,300	\$ 28,049,113,114	\$ 27,878,418,200	\$ 2,844,929,814	\$ (170,694,914)
Appropriation	11,953,013,500	13,792,630,592	13,844,863,400	1,839,617,092	52,232,808
Federal	8,968,505,500	9,562,351,111	9,564,530,400	593,845,611	2,179,289
Current Services & Other Revenue ²	4,282,664,300	4,399,131,411	4,357,324,400	116,467,111	(41,807,011)
Bonds	0	295,000,000	111,700,000	295,000,000	(183,300,000)

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 and bonds.

Departmental Summary of Continuation and Improvement Recommendations from State Tax Revenue for Fiscal Year 2008-2009

Department	2007-2008 Appropriations *		2008-2009 Recommended Appropriations				
	Recurring	Non-Recurring	Base	% Change	Improvements	Total	% Change
Legislature	\$ 39,197,800	\$ 721,900	\$ 39,197,800	0.00%	\$ 0	\$ 39,197,800	-1.81%
Fiscal Review Committee	1,340,700	4,500	1,340,700	0.00%	0	1,340,700	-0.33%
Court System	105,248,502	7,682,500	105,291,700	0.04%	5,972,800	111,264,500	-1.48%
Attorney General and Reporter	24,441,800	1,136,800	24,441,800	0.00%	5,600	24,447,400	-4.42%
District Attorneys General	67,930,300	233,100	67,930,300	0.00%	1,029,500	68,959,800	1.17%
Secretary of State	30,462,400	20,361,200	30,482,000	0.06%	300,000	30,782,000	-39.43%
District Public Defenders	39,091,200	431,300	39,091,200	0.00%	556,000	39,647,200	0.32%
Comptroller of the Treasury	90,180,500	465,000	86,820,500	-3.73%	40,500	86,861,000	-4.18%
Post-Conviction Defender	1,821,800	(2,600)	1,821,800	0.00%	133,300	1,955,100	7.47%
Treasury Department	674,700	(100)	625,500	-7.29%	0	625,500	-7.28%
Claims and Compensation	10,800,000	3,700,000	10,260,000	-5.00%	0	10,260,000	-29.24%
Executive Department	4,666,300	(1,200)	4,666,300	0.00%	0	4,666,300	0.03%
Commissions	34,429,000	3,352,700	34,784,300	1.03%	0	34,784,300	-7.93%
Finance and Administration (F&A)	37,009,300	19,536,900	37,009,300	0.00%	434,200	37,443,500	-33.78%
State Health Planning **	1,456,000	16,431,700	1,456,000	0.00%	0	1,456,000	-91.86%
Criminal Justice Programs **	8,100,300	897,400	8,100,300	0.00%	400,000	8,500,300	-5.53%
Other F&A Programs **	27,453,000	2,207,800	27,453,000	0.00%	34,200	27,487,200	-7.33%
F&A - TennCare	2,686,864,200	9,324,100	2,659,833,500	-1.01%	19,730,400	2,679,563,900	-0.62%
Human Resources	5,772,400	(2,700)	5,772,400	0.00%	0	5,772,400	0.05%
General Services	2,410,000	966,600	2,410,000	0.00%	0	2,410,000	-28.63%
Veterans Affairs	4,740,200	115,166	4,740,200	0.00%	0	4,740,200	-2.37%
Board of Probation and Parole	82,302,000	(16,800)	82,302,000	0.00%	0	82,302,000	0.02%
Agriculture	87,548,600	6,536,500	87,392,800	-0.18%	7,072,000	94,464,800	0.40%
Tourist Development	9,026,700	4,745,000	9,026,700	0.00%	4,750,000	13,776,700	0.04%
Environment and Conservation	183,591,100	97,525,700	183,185,000	-0.22%	19,448,600	202,633,600	-27.92%
Wildlife Resources Agency	49,396,300	6,293,800	49,431,800	0.07%	5,409,400	54,841,200	-1.52%
Correction	665,197,200	6,791,200	659,008,700	-0.93%	14,843,400	673,852,100	0.28%
Economic and Community Development	35,208,400	66,692,600	35,208,400	0.00%	30,550,000	65,758,400	-35.47%
Education (K-12)	3,795,508,000	21,032,250	3,799,108,000	0.09%	220,037,300	4,019,145,300	5.31%
Lottery-Funded Programs **	8,800,000	0	12,900,000	46.59%	0	12,900,000	46.59%
Other K-12 Education Programs **	3,786,708,000	21,032,250	3,786,208,000	-0.01%	220,037,300	4,006,245,300	5.21%
Higher Education	1,598,676,300	40,785,100	1,613,376,300	0.92%	67,015,800	1,680,392,100	2.50%
Lottery for Education Account **	252,400,000	10,000,000	267,100,000	5.82%	23,300,000	290,400,000	10.67%
Other Higher Education Programs **	1,346,276,300	30,785,100	1,346,276,300	0.00%	43,715,800	1,389,992,100	0.94%
Commerce and Insurance	87,537,300	62,300	87,537,300	0.00%	405,600	87,942,900	0.39%
Financial Institutions	8,199,200	(5,700)	8,203,700	0.05%	0	8,203,700	0.12%
Labor and Workforce Development	43,123,600	2,519,000	43,123,600	0.00%	0	43,123,600	-5.52%
Mental Health and Developmental Disabilities	179,998,400	284,000	179,099,200	-0.50%	0	179,099,200	-0.66%
Military	13,884,900	4,768,500	13,884,900	0.00%	1,711,400	15,596,300	-16.39%
Health	182,257,000	33,632,200	182,480,100	0.12%	22,540,100	205,020,200	-5.03%
F&A - Division of Mental Retardation	75,698,400	(51,700)	75,819,100	0.16%	4,694,400	80,513,500	6.43%
Human Services	183,351,400	9,307,674	179,076,400	-2.33%	4,410,300	183,486,700	-4.76%
Temporary Cash Assistance **	28,916,800	4,359,000	17,288,200	-40.21%	2,170,900	19,459,100	-41.52%
Other Human Services Programs **	154,434,600	4,948,674	161,788,200	4.76%	2,239,400	164,027,600	2.91%

Departmental Summary of Continuation and Improvement Recommendations from State Tax Revenue for Fiscal Year 2008-2009

Department	2007-2008 Appropriations *		2008-2009 Recommended Appropriations				
	Recurring	Non-Recurring	Base	% Change	Improvements	Total	% Change
Revenue	89,791,600	304,800	86,376,600	-3.80%	600,000	86,976,600	-3.46%
Tennessee Bureau of Investigation	37,878,800	626,800	37,878,800	0.00%	2,318,600	40,197,400	4.39%
Safety	113,576,400	2,851,300	113,602,000	0.02%	10,088,800	123,690,800	6.24%
F&A - Cover Tennessee Health Care Programs	96,031,500	0	73,063,600	-23.92%	0	73,063,600	-23.92%
Miscellaneous Appropriations	54,430,500	16,754,000	51,967,500	-4.53%	86,880,000	138,847,500	95.05%
Emergency and Contingency Fund	819,300	0	819,300	0.00%	0	819,300	0.00%
State Building Commission	250,000	0	250,000	0.00%	0	250,000	0.00%
Children's Services	339,557,200	(336,500)	337,921,900	-0.48%	3,368,600	341,290,500	0.61%
Total General Fund	\$11,199,921,202	\$389,127,190	\$11,145,663,000	-0.48%	\$ 534,346,600	\$11,680,009,600	0.78%

* Includes recommended supplemental appropriations in the amount of \$19,565,100. For a list of supplemental appropriations, see page A-23.

** These items are included in the departmental totals.

**Departmental Summary of Improvements
Fiscal Year 2008-2009**

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	5,972,800	5,972,800	0	0
303	Attorney General and Reporter	5,600	5,600	0	0
304	District Attorneys General	1,163,200	1,029,500	0	133,700
305	Secretary of State	300,000	300,000	0	0
306	District Public Defenders	556,000	556,000	0	0
307	Comptroller of the Treasury	40,500	40,500	0	0
308	Post-Conviction Defender	133,300	133,300	0	0
309	Treasury Department	3,224,300	0	0	3,224,300
313	Claims and Compensation	0	0	0	0
315	Executive Department	0	0	0	0
316	Commissions	363,200	0	53,600	309,600
317	Finance and Administration (F&A)	<u>434,200</u>	<u>434,200</u>	<u>0</u>	<u>0</u>
317.15	State Health Planning *	0	0	0	0
317.06	Criminal Justice Programs *	400,000	400,000	0	0
	Other F&A Programs *	34,200	34,200	0	0
318	F&A - TennCare	53,286,100	19,730,400	33,555,700	0
319	Human Resources	0	0	0	0
321	General Services	0	0	0	0
323	Veterans Affairs	0	0	0	0
324	Board of Probation and Parole	433,700	0	0	433,700
325	Agriculture	7,072,000	7,072,000	0	0
326	Tourist Development	4,893,800	4,750,000	0	143,800
327	Environment and Conservation	20,057,600	19,448,600	0	609,000
328	Wildlife Resources Agency	5,409,400	5,409,400	0	0
329	Correction	14,998,400	14,843,400	0	155,000
330	Economic and Community Development	30,550,000	30,550,000	0	0
331	Education (K-12)	<u>220,037,300</u>	<u>220,037,300</u>	<u>0</u>	<u>0</u>
	Lottery-Funded Programs *	0	0	0	0
	Other K-12 Education Programs *	220,037,300	220,037,300	0	0
332	Higher Education	<u>95,091,200</u>	<u>67,015,800</u>	<u>205,600</u>	<u>27,869,800</u>
	Lottery for Education Account *	23,300,000	23,300,000	0	0
	Other Higher Education Programs *	71,791,200	43,715,800	205,600	27,869,800
335	Commerce and Insurance	980,000	405,600	0	574,400
336	Financial Institutions	0	0	0	0
337	Labor and Workforce Development	0	0	0	0
339	Mental Health and Developmental Disabilities	0	0	0	0
341	Military	3,511,400	1,711,400	1,800,000	0
343	Health	22,540,100	22,540,100	0	0
344	F&A - Division of Mental Retardation	19,608,700	4,694,400	0	14,914,300
345	Human Services	<u>8,334,200</u>	<u>4,410,300</u>	<u>1,399,600</u>	<u>2,524,300</u>
345.23	Temporary Cash Assistance *	2,170,900	2,170,900	0	0
	Other Human Services Programs *	6,163,300	2,239,400	1,399,600	2,524,300
347	Revenue	600,000	600,000	0	0
348	Tennessee Bureau of Investigation	2,318,600	2,318,600	0	0
349	Safety	30,088,800	10,088,800	0	20,000,000
350	F&A - Cover Tennessee Health Care Programs	0	0	0	0

**Departmental Summary of Improvements
Fiscal Year 2008-2009**

<u>Code</u>	<u>Department</u>	<u>Total</u>	<u>Funding</u>		
			<u>Appropriation</u>	<u>Federal</u>	<u>Other</u>
351	Miscellaneous Appropriations	86,905,000	86,880,000	0	25,000
359	Children's Services	6,711,400	3,368,600	1,709,300	1,633,500
Sub-total General Fund		\$ 645,620,800	\$ 534,346,600	\$ 38,723,800	\$ 72,550,400
400	Transportation	0	0	0	0
Total All Funds		\$ 645,620,800	\$ 534,346,600	\$ 38,723,800	\$ 72,550,400

* These items are included in the departmental totals.

**General Fund and Education Fund
Comparison of Appropriation Requirements and State Revenues
Fiscal Year 2007-2008**

I. APPROPRIATION REQUIREMENTS

General Fund Programs:

2007 Appropriations Act - Work Program	\$ 11,571,949,300
Reductions - Dedicated Revenue	(2,600,000)
Sum Sufficientials - Dedicated Revenue	134,000
2008 Supplemental Appropriation	19,565,100

Total General Fund Requirements **\$ 11,589,048,400**

Less: Overappropriation	\$ (76,600,000)
Less: TennCare Reversion - Medically Needy	(45,300,000)
Less: TennCare Reversion - Other	(20,000,000)
Less: Cover Tennessee Reversion	(37,000,000)
Less: State Prosecutions Reversion	(10,000,000)
Less: Other Agencies Reversion	(12,100,000)
Sub-Total Reversions	\$ (201,000,000)

Net General Fund Requirements **\$ 11,388,048,400**

Other Programs:

Capital Outlay Program	\$ 264,114,200
Metro Sports Authority Debt Service	3,946,000
Personal License Plates Fund Reserves	1,000,000
Facilities Revolving Fund	13,464,800
Highway Fund (3 Amendments)	15,061,200
Help America Vote Act	800,000
Education - Special Schools	238,000
Trauma Center Fund	297,500
Revenue Fluctuation Reserve - Increase	207,100,000

Total Other Requirements **\$ 506,021,700**

Total Appropriation Requirements **\$ 11,894,070,100**

II. GENERAL FUND REVENUES AND RESERVES

State Tax Revenue - Department of Revenue	\$ 9,598,900,000
State Tax Revenue - Other State Revenue	954,000,000
Telecommunications Ad Valorem Tax Adjustment	3,000,000
Miscellaneous Revenue	109,500,000
Tobacco Funds	162,000,000
Lottery for Education Account	271,200,000
Highway Fund Transfer - Gas Inspection Act	1,100,000
Reserve for Appropriations 2007-2008	725,800,000
Debt Service Fund Transfer at June 30, 2008	106,000,000
Reserve for Future Requirements at June 30, 2007	280,500,000
Undesignated Fund Balance at June 30, 2007	199,000

Total General Fund Revenues and Reserves **\$ 12,212,199,000**

III. AVAILABLE FUNDS AT JUNE 30, 2008

Reserve for Appropriations 2008-2009	\$ 318,000,000
Undesignated Fund Balance	128,900

Total Available Funds **\$ 318,128,900**

Revenue Fluctuation Reserve at June 30, 2007	\$ 542,900,000
Revenue Fluctuation Reserve at June 30, 2008	\$ 750,000,000

**General Fund and Education Fund
Comparison of Appropriation Requirements and State Revenues
Fiscal Year 2008-2009**

I. APPROPRIATION REQUIREMENTS

General Fund Programs:

Base Budget Requirements	\$ 11,202,387,200
Reductions - General Fund	(73,490,900)
Reductions - Dedicated Revenue	(655,000)
Adjustments - General Fund	354,300
Adjustments - Dedicated Revenue	17,067,400
Base Budget Recommended	\$ 11,145,663,000

Improvement Budget Recommendations:

K-12 BEP:	
BEP Formula	\$ 83,900,000
BEP 2.0 - Year 2	86,500,000
Group Health Insurance and Retirement	16,500,000
Pre-K Program - Year 4 - State Revenue	25,000,000
K-12 - Other Programs	8,137,300
Higher Education - Salary Increase	23,215,800
Higher Education - State Revenue	11,500,000
Higher Education - Lottery Revenue	32,300,000
Economic and Community Development - Jobs Package	29,300,000
State Employees' Salary Increase	30,600,000
Employees' Group Health Insurance	34,800,000
Other Improvements	152,593,500
Total Improvements	\$ 534,346,600

Total General Fund Requirements **\$ 11,680,009,600**

Less: Overappropriation	(100,000,000)
Less: TennCare Reversion	(20,000,000)
Less: TCRS Rate Reduction	(12,100,000)
Less: Pay Check Stubs Savings	(180,000)

Net General Fund Requirements **\$ 11,547,729,600**

Other Programs:

Capital Outlay Program	\$ 163,500,000
Metro Sports Authority Debt Service	3,704,000
Personal License Plates Fund Reserves	1,000,000
Facilities Revolving Fund	11,964,800
Revenue Fluctuation Reserve - Increase	35,000,000

Total Other Requirements **\$ 215,168,800**

Total Appropriation Requirements **\$ 11,762,898,400**

II. GENERAL FUND REVENUES AND RESERVES

State Tax Revenue - Department of Revenue	\$ 9,938,200,000
State Tax Revenue - Other State Revenue	921,600,000
Miscellaneous Revenue	107,500,000
Tobacco Funds	164,500,000
Lottery for Education Account	303,300,000
TSAA Lottery Endowment Earnings	9,000,000
Highway Fund Transfer - Gas Inspection Act	1,100,000
Reserve for Appropriations 2008-2009	318,000,000
Undesignated Fund Balance at June 30, 2008	128,900

Total General Fund Revenues and Reserves **\$ 11,763,328,900**

III. AVAILABLE FUNDS AT JUNE 30, 2008

Undesignated Fund Balance	\$ 430,500
---------------------------	------------

Total Available Funds **\$ 430,500**

Revenue Fluctuation Reserve at June 30, 2008	\$ 750,000,000
Revenue Fluctuation Reserve at June 30, 2009	\$ 785,000,000

Department of Transportation
Comparison of Appropriations and Funding Requirements
Fiscal Years 2007-2008 and 2008-2009

	<u>2007-2008</u>	<u>2008-2009</u>	<u>Difference</u>
I. APPROPRIATION REQUIREMENTS			
ADMINISTRATION			
D.O.T. Headquarters	\$ 15,854,000	\$ 16,953,000	\$ 1,099,000
Bureau of Engineering	22,953,000	24,790,000	1,837,000
Bureau of Administration	41,316,000	44,946,000	3,630,000
Bureau of Environment and Planning	9,343,000	9,976,000	633,000
Field Engineering	46,159,000	49,091,000	2,932,000
Insurance Premiums	10,000,000	10,000,000	-
Sub-Total Administration	\$ 145,625,000	\$ 155,756,000	\$ 10,131,000
EQUIPMENT PURCHASES & OPERATIONS	\$ 29,177,000	\$ 35,806,000	\$ 6,629,000
HIGHWAY MAINTENANCE	\$ 286,459,000	\$ 316,723,000	\$ 30,264,000
STATE CONSTRUCTION			
Highway Betterments	\$ 9,700,000	\$ 10,000,000	\$ 300,000
State Aid	31,022,000	31,622,000	600,000
State Industrial Access	24,000,000	24,000,000	-
Local Interstate Connectors	4,000,000	5,000,000	1,000,000
Capital Improvements	5,193,000	7,200,000	2,007,000
Sub-Total State Construction	\$ 73,915,000	\$ 77,822,000	\$ 3,907,000
FEDERAL CONSTRUCTION			
Mass Transit	\$ 42,044,000	\$ 42,813,000	\$ 769,000
Planning & Research	5,200,000	5,500,000	300,000
Interstate Construction	17,200,000	14,800,000	(2,400,000)
Forest Highways	200,000	200,000	-
State Highway Construction	188,391,200	170,280,000	(18,111,200)
Bridge Replacement	5,200,000	19,500,000	14,300,000
Air, Water, and Rail	47,050,000	53,000,000	5,950,000
Sub-Total Federal Construction	\$ 305,285,200	\$ 306,093,000	\$ 807,800
TOTAL APPROPRIATION REQUIREMENTS	\$ 840,461,200	\$ 892,200,000	\$ 51,738,800
II. FUNDING REQUIREMENTS			
Highway User Taxes	\$ 662,800,000	\$ 669,300,000	\$ 6,500,000
Miscellaneous Revenue	19,800,000	21,200,000	1,400,000
Bonds	83,800,000	87,700,000	3,900,000
Highway Fund Balance/Reserves	12,000,000	12,000,000	-
Transportation Equity Fund	47,000,000	52,000,000	5,000,000
Funds Not Required For Federal Match	0	50,000,000	50,000,000
Sub-Total Revenues and Reserves	\$ 825,400,000	\$ 892,200,000	\$ 66,800,000
Transfer from General Fund	\$ 15,061,200	\$ -	\$ (15,061,200)
TOTAL FUNDING REQUIREMENTS	\$ 840,461,200	\$ 892,200,000	\$ 51,738,800

Department of Transportation
Comparison of Appropriations by Funding Sources
Fiscal Years 2007-2008 and 2008-2009

	<u>2007-2008</u>	<u>2008-2009</u>	<u>Difference</u>
I. STATE FUNDS			
Administration	\$ 145,625,000	\$ 155,756,000	\$ 10,131,000
Equipment Purchases	29,177,000	35,806,000	6,629,000
Highway Maintenance	286,459,000	316,723,000	30,264,000
State Construction	73,915,000	77,822,000	3,907,000
Federal Aid Construction	221,485,200	218,393,000	(3,092,200)
Total State Funds	<u>\$ 756,661,200</u>	<u>\$ 804,500,000</u>	<u>\$ 47,838,800</u>
II. BOND AUTHORIZATIONS			
State Construction	\$ 0	\$ 0	\$ 0
Federal Aid Construction	83,800,000	87,700,000	3,900,000
Total Bond Authorizations	<u>\$ 83,800,000</u>	<u>\$ 87,700,000</u>	<u>\$ 3,900,000</u>
III. FEDERAL AID			
Federal Aid Construction	\$ 866,346,000	\$ 867,427,000	\$ 1,081,000
IV. LOCAL GOVERNMENTS			
Highway Maintenance	\$ 1,100,000	\$ 1,100,000	\$ 0
State Construction	13,848,000	15,048,000	1,200,000
Federal Aid Construction	25,485,000	26,650,000	1,165,000
Total Local Governments	<u>\$ 40,433,000</u>	<u>\$ 42,798,000</u>	<u>\$ 2,365,000</u>
V. GRAND TOTAL			
Administration	\$ 145,625,000	\$ 155,756,000	\$ 10,131,000
Equipment Purchases	29,177,000	35,806,000	6,629,000
Highway Maintenance	287,559,000	317,823,000	30,264,000
State Construction	87,763,000	92,870,000	5,107,000
Federal Aid Construction	1,197,116,200	1,200,170,000	3,053,800
Grand Total	<u>\$ 1,747,240,200</u>	<u>\$ 1,802,425,000</u>	<u>\$ 55,184,800</u>

Lottery for Education Account
Summary of Appropriation Requirements, Revenues, and Reserves
Fiscal Years 2006-2007 Through 2010-2011
(Millions)

	Actual	Revised *	Recomm.	Projected	
	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
1. Appropriation Requirements:					
Higher Education Scholarships Base	\$ 191.7	\$ 233.0	\$ 238.0	\$ 238.0	\$ 238.0
Scholarships Retention 2.75 GPA	-	-	5.3	11.4	13.3
TSAA Need-Based Scholarships	-	10.0	18.0	18.0	24.0
Pre-Kindergarten Program	24.0	25.0	25.0	25.0	25.0
Administration and Other	2.6	4.1	4.1	4.1	4.1
Local Government Account	3.1	3.2	3.3	3.3	3.5
Total Appropriation Requirements	\$ 221.4	\$ 275.3	\$ 293.7	\$ 299.8	\$ 307.9
2. Current Revenue:					
Net Education Lottery Proceeds	\$ 272.0	\$ 279.0	\$ 285.5	\$ 291.2	\$ 297.0
Lottery for Education Account - Interest	18.5	17.0	10.7	8.3	10.5
Local Government 1% Reserve - Interest	0.4	0.4	0.4	0.4	0.5
Total Current Revenue	\$ 290.9	\$ 296.4	\$ 296.6	\$ 299.9	\$ 308.0
3. Net Available Current Revenue	\$ 69.5	\$ 21.1	\$ 2.9	\$ 0.1	\$ 0.1
4. Lottery for Education Reserve at June 30:					
General Shortfall Reserve	\$ 50.0	\$ 50.0	\$ 50.0	\$ 50.0	\$ 50.0
Unobligated Reserve	384.6	405.7	208.6	208.7	208.8
Local Government Reserve	9.6	12.7	16.0	19.3	22.8
Total Reserve at June 30	\$ 444.2	\$ 468.4	\$ 274.6	\$ 278.0	\$ 281.6
5. TSAA \$200 M Lottery-Endowment Scholarships (Need-Based Scholarships; not included above)	\$ -	\$ -	\$ 9.0	\$ 12.0	\$ 12.0

(Dollars)

6. Scholarship Award Levels:					
HOPE 4-Year Colleges	\$ 3,800	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000
HOPE 2-Year Colleges	1,900	2,000	2,000	2,000	2,000
Wilder-Naifeh Technical Skills Grants	1,500	2,000	2,000	2,000	2,000

HOPE Scholarship Base Awards - 2006-2007 actual - 67,000; 2007-2008 revised estimate - 78,000; and 2008-2009 recommended estimate - 80,000.

7. 2008-2009 Program Improvements:

- a. Scholarship Retention 2.75 GPA - 3,000 students.
- b. TSAA Need-Based Scholarships - 9,000 students in 2008-2009.
- c. TSAA Endowment Scholarships - 4,500 students in 2008-2009 and 6,000 in 2009-2010 and 2010-2011.

8. Interest Earnings:

- a. Lottery for Education Account - Assumes 3.8% interest earnings in 2007-2008, 3.0% in 2008-2009 and 2009-2010, and 3.5% in 2010-2011.
- b. TSAA Endowment - Assumes 4.5% interest earnings in 2008-2009 and 6.0% in 2009-2010, and 2010-2011.

* Revised 2007-2008 column reflects mid-year revised scholarship expenditure estimate and mid-year revised revenue estimate.

Lottery-Funded Education Programs
Comparison of Appropriation Requirements and State Revenues
Fiscal Years 2006-2007 Through 2010-2011

	Actual	2007-2008 *		Recommended	Projected	
	2006-2007	Budgeted	Revised	2008-2009	2009-2010	2010-2011
I. Appropriation Requirements						
Higher Education Scholarships Base	\$ 191,673,823	\$ 223,300,000	\$ 233,000,000	\$ 238,000,000	\$ 238,000,000	\$ 238,000,000
Scholarships Retention 2.75 GPA	-	-	-	5,300,000	11,400,000	13,300,000
TSAA Need-Based Scholarships	-	10,000,000	10,000,000	18,000,000	18,000,000	24,000,000
Pre-Kindergarten Program **	24,037,454	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000
Tenn. Higher Education Commission **	465,071	521,400	521,400	521,400	521,400	521,400
Tenn. Student Assistance Corp. **	2,079,751	2,438,800	2,438,800	2,438,800	2,438,800	2,438,800
Education - E-Transcripts for THEC **	-	800,100	800,100	808,100	808,100	808,100
Education - Lottery Scholarship Day **	-	23,000	23,000	23,000	23,000	23,000
Comptroller - Pre-K Longitudinal Study **	-	250,000	250,000	250,000	250,000	250,000
Rounding	-	66,700	66,700	58,700	58,700	58,700
Sub-Total Lottery for Education Acct.	\$ 218,256,099	\$ 262,400,000	\$ 272,100,000	\$ 290,400,000	\$ 296,500,000	\$ 304,400,000
After-School Programs	14,733,805	8,800,000	8,800,000	12,900,000	12,900,000	12,900,000
Total Appropriation Requirements	\$ 232,989,904	\$ 271,200,000	\$ 280,900,000	\$ 303,300,000	\$ 309,400,000	\$ 317,300,000
II. Available Revenues and Reserves						
Net Education Lottery Proceeds	\$ 271,968,000	\$ 272,100,000	\$ 279,000,000	\$ 285,500,000	\$ 291,200,000	\$ 297,000,000
Lottery for Education Account - Interest	18,539,540	21,000,000	17,000,000	10,700,000	8,300,000	10,500,000
Local Government 1% Reserve - Interest	392,679	400,000	400,000	400,000	400,000	500,000
Unclaimed Prizes (After-School Programs)	10,436,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000
After-School Programs - Interest Earnings	509,121	400,000	400,000	400,000	400,000	400,000
General Shortfall Reserve @ prior 6-30	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000
Local Government 1% Reserve @ prior 6-30	6,438,215	9,550,574	9,550,574	12,740,574	15,995,574	19,307,574
Lottery for Education Account @ prior 6-30	315,042,015	384,573,776	384,573,776	405,683,776	208,628,776	208,716,776
Transfer to TSAA Need-Based Endowment	-	-	-	(200,000,000)	-	-
Unclaimed Prizes @ prior 6-30	12,591,801	8,803,117	8,803,117	12,903,117	12,903,117	12,903,117
Total Available Revenues and Reserves	\$ 685,917,371	\$ 759,327,467	\$ 762,227,467	\$ 590,827,467	\$ 600,327,467	\$ 611,827,467
III. Available Funds at June 30						
General Shortfall Reserve	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000
Lottery for Education Account	384,573,776	412,552,776	405,683,776	208,628,776	208,716,776	208,846,776
Local Government 1% Reserve	9,550,574	12,671,574	12,740,574	15,995,574	19,307,574	22,777,574
After-School Programs Reserve	8,803,117	12,903,117	12,903,117	12,903,117	12,903,117	12,903,117
Total Available Funds @ June 30	\$ 452,927,467	\$ 488,127,467	\$ 481,327,467	\$ 287,527,467	\$ 290,927,467	\$ 294,527,467
TSAA \$200 M Lottery-Endowment Scholarships (Need-Based Scholarships; not included above)				\$ 9,000,000	\$ 12,000,000	\$ 12,000,000

* 2007-2008 - Budgeted column reflects budgeted appropriations and revenue estimate. Revised column reflects mid-year revised scholarship expenditure estimate and mid-year revised revenue estimate.

** Estimated in departmental revenues of affected agencies.

Comparison of Programs

Fiscal Years 2006-2007, 2007-2008, and 2008-2009

Allot. Code	Department	Actual 2006-2007	Estimated 2007-2008	Recommended 2008-2009	Act. vs Est. Difference	Est. vs Rec. Difference
301	Legislature	\$ 33,791,700	\$ 40,057,200	\$ 39,335,300	\$ 6,265,500	\$ (721,900)
	Appropriation	33,388,300	39,919,700	39,197,800	6,531,400	(721,900)
	Current Services and Other Revenue	403,400	137,500	137,500	(265,900)	0
301.50	Fiscal Review Committee	\$ 1,020,900	\$ 1,345,200	\$ 1,340,700	\$ 324,300	\$ (4,500)
	Appropriation	1,020,900	1,345,200	1,340,700	324,300	(4,500)
302	Court System	\$ 108,461,500	\$ 117,998,813	\$ 115,979,800	\$ 9,537,313	\$ (2,019,013)
	Appropriation	102,203,100	112,931,002	111,264,500	10,727,902	(1,666,502)
	Federal	406,400	200,000	200,000	(206,400)	0
	Current Services and Other Revenue	5,852,000	4,867,811	4,515,300	(984,189)	(352,511)
303	Attorney General and Reporter	\$ 29,515,300	\$ 38,186,600	\$ 37,059,100	\$ 8,671,300	\$ (1,127,500)
	Appropriation	20,280,400	25,578,600	24,447,400	5,298,200	(1,131,200)
	Current Services and Other Revenue	9,234,900	12,608,000	12,611,700	3,373,100	3,700
304	District Attorneys General	\$ 80,703,900	\$ 91,897,000	\$ 92,074,500	\$ 11,193,100	\$ 177,500
	Appropriation	58,567,000	68,163,400	68,959,800	9,596,400	796,400
	Current Services and Other Revenue	22,136,900	23,733,600	23,114,700	1,596,700	(618,900)
305	Secretary of State	\$ 51,942,300	\$ 85,913,900	\$ 64,846,600	\$ 33,971,600	\$ (21,067,300)
	Appropriation	23,686,900	50,823,600	30,782,000	27,136,700	(20,041,600)
	Federal	14,697,700	23,806,700	23,406,700	9,109,000	(400,000)
	Current Services and Other Revenue	13,557,700	11,283,600	10,657,900	(2,274,100)	(625,700)
306	District Public Defenders	\$ 35,110,500	\$ 40,840,700	\$ 40,965,400	\$ 5,730,200	\$ 124,700
	Appropriation	33,743,800	39,522,500	39,647,200	5,778,700	124,700
	Current Services and Other Revenue	1,366,700	1,318,200	1,318,200	(48,500)	0
307	Comptroller of the Treasury	\$ 77,749,600	\$ 101,306,200	\$ 97,481,900	\$ 23,556,600	\$ (3,824,300)
	Appropriation	67,234,700	90,645,500	86,861,000	23,410,800	(3,784,500)
	Current Services and Other Revenue	10,514,900	10,660,700	10,620,900	145,800	(39,800)
308	Post-Conviction Defender	\$ 1,354,700	\$ 1,819,200	\$ 1,955,100	\$ 464,500	\$ 135,900
	Appropriation	1,354,500	1,819,200	1,955,100	464,700	135,900
	Current Services and Other Revenue	200	0	0	(200)	0
309	Treasury Department	\$ 18,999,800	\$ 27,196,800	\$ 26,897,300	\$ 8,197,000	\$ (299,500)
	Appropriation	426,500	674,600	625,500	248,100	(49,100)
	Current Services and Other Revenue	18,573,300	26,522,200	26,271,800	7,948,900	(250,400)
313	Claims and Compensation	\$ 80,682,900	\$ 100,488,200	\$ 98,830,000	\$ 19,805,300	\$ (1,658,200)
	Appropriation	10,149,100	14,500,000	10,260,000	4,350,900	(4,240,000)
	Federal	6,743,700	5,055,000	5,595,000	(1,688,700)	540,000
	Current Services and Other Revenue	63,790,100	80,933,200	82,975,000	17,143,100	2,041,800
315	Executive Department	\$ 3,493,600	\$ 4,665,100	\$ 4,666,300	\$ 1,171,500	\$ 1,200
	Appropriation	3,493,600	4,665,100	4,666,300	1,171,500	1,200

Comparison of Programs

Fiscal Years 2006-2007, 2007-2008, and 2008-2009

Allot. Code	Department	Actual 2006-2007	Estimated 2007-2008	Recommended 2008-2009	Act. vs Est. Difference	Est. vs Rec. Difference
316	Commissions	\$ 281,855,400	\$ 389,128,000	\$ 384,048,400	\$ 107,272,600	\$ (5,079,600)
	Appropriation	31,693,100	37,781,700	34,784,300	6,088,600	(2,997,400)
	Federal	200,375,100	282,406,800	279,958,500	82,031,700	(2,448,300)
	Current Services and Other Revenue	49,787,200	68,939,500	69,305,600	19,152,300	366,100
317	Finance and Administration (F&A)	\$ 243,349,800	\$ 345,832,900	\$ 284,013,500	\$ 102,483,100	\$ (61,819,400)
	Appropriation	26,050,700	56,546,200	37,443,500	30,495,500	(19,102,700)
	Federal	22,576,800	32,766,700	27,029,300	10,189,900	(5,737,400)
	Current Services and Other Revenue	194,722,300	256,520,000	219,540,700	61,797,700	(36,979,300)
	State Health Planning	¹ \$ 2,951,400	\$ 37,419,600	\$ 1,456,000	\$ 34,468,200	\$ (35,963,600)
	Appropriation	112,800	17,887,700	1,456,000	17,774,900	(16,431,700)
	Federal	1,060,400	972,200	0	(88,200)	(972,200)
	Current Services and Other Revenue	1,778,200	18,559,700	0	16,781,500	(18,559,700)
	Criminal Justice Programs	¹ \$ 28,279,900	\$ 38,337,000	\$ 31,370,200	\$ 10,057,100	\$ (6,966,800)
	Appropriation	7,446,800	8,997,700	8,500,300	1,550,900	(497,400)
	Federal	18,029,700	27,628,400	22,863,100	9,598,700	(4,765,300)
	Current Services and Other Revenue	2,803,400	1,710,900	6,800	(1,092,500)	(1,704,100)
	Other F&A Programs	¹ \$ 212,118,500	\$ 270,076,300	\$ 251,187,300	\$ 57,957,800	\$ (18,889,000)
	Appropriation	18,491,100	29,660,800	27,487,200	11,169,700	(2,173,600)
	Federal	3,486,700	4,166,100	4,166,200	679,400	100
	Current Services and Other Revenue	190,140,700	236,249,400	219,533,900	46,108,700	(16,715,500)
318	F&A - TennCare	\$ 7,092,733,800	\$ 7,611,304,700	\$ 7,570,991,600	\$ 518,570,900	\$ (40,313,100)
	Appropriation	2,259,005,900	2,696,188,300	2,679,563,900	437,182,400	(16,624,400)
	Federal	4,566,651,200	4,648,245,100	4,671,699,900	81,593,900	23,454,800
	Current Services and Other Revenue	267,076,700	266,871,300	219,727,800	(205,400)	(47,143,500)
319	Human Resources	\$ 10,052,200	\$ 12,577,000	\$ 12,638,500	\$ 2,524,800	\$ 61,500
	Appropriation	4,103,000	5,769,700	5,772,400	1,666,700	2,700
	Current Services and Other Revenue	5,949,200	6,807,300	6,866,100	858,100	58,800
321	General Services	\$ 99,206,700	\$ 114,477,700	\$ 111,590,100	\$ 15,271,000	\$ (2,887,600)
	Appropriation	7,612,300	3,376,600	2,410,000	(4,235,700)	(966,600)
	Current Services and Other Revenue	91,594,400	111,101,100	109,180,100	19,506,700	(1,921,000)
323	Veterans Affairs	\$ 4,052,400	\$ 5,370,966	\$ 5,226,100	\$ 1,318,566	\$ (144,866)
	Appropriation	3,403,500	4,855,366	4,740,200	1,451,866	(115,166)
	Federal	363,600	360,000	360,300	(3,600)	300
	Current Services and Other Revenue	285,300	155,600	125,600	(129,700)	(30,000)

Comparison of Programs

Fiscal Years 2006-2007, 2007-2008, and 2008-2009

Allot. Code	Department	Actual 2006-2007	Estimated 2007-2008	Recommended 2008-2009	Act. vs Est. Difference	Est. vs Rec. Difference
324	Board of Probation and Parole	\$ 71,465,800	\$ 84,314,900	\$ 83,436,700	\$ 12,849,100	\$ (878,200)
	Appropriation	69,614,400	82,285,200	82,302,000	12,670,800	16,800
	Current Services and Other Revenue	1,851,400	2,029,700	1,134,700	178,300	(895,000)
325	Agriculture	\$ 79,871,400	\$ 114,232,900	\$ 113,207,300	\$ 34,361,500	\$ (1,025,600)
	Appropriation	54,636,000	94,085,100	94,464,800	39,449,100	379,700
	Federal	12,217,900	11,292,500	9,888,900	(925,400)	(1,403,600)
	Current Services and Other Revenue	13,017,500	8,853,300	8,853,600	(4,162,200)	(1,700)
326	Tourist Development	\$ 16,903,100	\$ 20,782,300	\$ 20,944,600	\$ 3,879,200	\$ 162,300
	Appropriation	11,244,100	13,771,700	13,776,700	2,527,600	5,000
	Current Services and Other Revenue	5,659,000	7,010,600	7,167,900	1,351,600	157,300
327	Environment and Conservation	\$ 287,178,100	\$ 457,306,000	\$ 378,771,000	\$ 170,127,900	\$ (78,535,000)
	Appropriation	147,854,200	281,116,800	202,633,600	133,262,600	(78,483,200)
	Federal	45,832,100	72,154,500	72,105,200	26,322,400	(49,300)
	Current Services and Other Revenue	93,491,800	104,034,700	104,032,200	10,542,900	(2,500)
328	Wildlife Resources Agency	\$ 73,306,000	\$ 94,756,500	\$ 85,379,700	\$ 21,450,500	\$ (9,376,800)
	Appropriation	43,748,000	55,690,100	54,841,200	11,942,100	(848,900)
	Federal	19,282,600	21,907,800	19,135,100	2,625,200	(2,772,700)
	Current Services and Other Revenue	10,275,400	17,158,600	11,403,400	6,883,200	(5,755,200)
329	Correction	\$ 646,967,100	\$ 691,968,600	\$ 690,192,900	\$ 45,001,500	\$ (1,775,700)
	Appropriation	568,750,700	671,988,400	673,852,100	103,237,700	1,863,700
	Federal	61,817,100	677,100	631,800	(61,140,000)	(45,300)
	Current Services and Other Revenue	16,399,300	19,303,100	15,709,000	2,903,800	(3,594,100)
330	Economic and Community Development	\$ 76,106,600	\$ 155,956,000	\$ 117,765,700	\$ 79,849,400	\$ (38,190,300)
	Appropriation	41,219,300	101,901,000	65,758,400	60,681,700	(36,142,600)
	Federal	27,706,600	38,382,100	38,207,400	10,675,500	(174,700)
	Current Services and Other Revenue	7,180,700	15,672,900	13,799,900	8,492,200	(1,873,000)
331	Education (K-12)	\$ 4,279,183,200	\$ 4,772,258,750	\$ 4,970,520,400	\$ 493,075,550	\$ 198,261,650
	Appropriation	3,378,725,500	3,816,540,250	4,019,145,300	437,814,750	202,605,050
	Federal	839,163,100	905,891,700	905,894,500	66,728,600	2,800
	Current Services and Other Revenue	61,294,600	49,826,800	45,480,600	(11,467,800)	(4,346,200)
	Lottery-Funded Programs	¹ \$ 39,742,000	\$ 33,800,000	\$ 37,900,000	\$ (5,942,000)	\$ 4,100,000
	Appropriation	14,733,800	8,800,000	12,900,000	(5,933,800)	4,100,000
	Current Services and Other Revenue	25,008,200	25,000,000	25,000,000	(8,200)	0
	Other Education (K-12) Programs	¹ \$ 4,239,441,200	\$ 4,738,458,750	\$ 4,932,620,400	\$ 499,017,550	\$ 194,161,650
	Appropriation	3,363,991,700	3,807,740,250	4,006,245,300	443,748,550	198,505,050
	Federal	839,163,100	905,891,700	905,894,500	66,728,600	2,800
	Current Services and Other Revenue	36,286,400	24,826,800	20,480,600	(11,459,600)	(4,346,200)

Comparison of Programs

Fiscal Years 2006-2007, 2007-2008, and 2008-2009

Allot. Code	Department	Actual 2006-2007	Estimated 2007-2008	Recommended 2008-2009	Act. vs Est. Difference	Est. vs Rec. Difference
332	Higher Education	\$ 3,154,647,300	\$ 3,384,290,900	\$ 3,441,337,300	\$ 229,643,600	\$ 57,046,400
	Appropriation	1,476,170,300	1,639,461,400	1,680,392,100	163,291,100	40,930,700
	Federal	191,307,500	211,931,300	212,137,200	20,623,800	205,900
	Current Services and Other Revenue	541,971,600	522,972,000	529,012,000	(18,999,600)	6,040,000
	Tuition and Student Fees	945,197,900	1,009,926,200	1,019,796,000	64,728,300	9,869,800
	Lottery for Education Account ¹	\$ 218,256,100	\$ 262,400,000	\$ 290,400,000	\$ 44,143,900	\$ 28,000,000
	Appropriation	218,256,100	262,400,000	290,400,000	44,143,900	28,000,000
	Other Higher Education Programs ¹	\$ 2,936,391,200	\$ 3,121,890,900	\$ 3,150,937,300	\$ 185,499,700	\$ 29,046,400
	Appropriation	1,257,914,200	1,377,061,400	1,389,992,100	119,147,200	12,930,700
	Federal	191,307,500	211,931,300	212,137,200	20,623,800	205,900
	Current Services and Other Revenue	541,971,600	522,972,000	529,012,000	(18,999,600)	6,040,000
	Tuition and Student Fees	945,197,900	1,009,926,200	1,019,796,000	64,728,300	9,869,800
335	Commerce and Insurance	\$ 121,269,300	\$ 143,436,200	\$ 138,550,500	\$ 22,166,900	\$ (4,885,700)
	Appropriation	77,893,400	87,599,600	87,942,900	9,706,200	343,300
	Federal	873,300	316,200	235,000	(557,100)	(81,200)
	Current Services and Other Revenue	42,502,600	55,520,400	50,372,600	13,017,800	(5,147,800)
336	Financial Institutions	\$ 12,662,200	\$ 16,254,400	\$ 16,268,500	\$ 3,592,200	\$ 14,100
	Appropriation	3,140,700	8,193,500	8,203,700	5,052,800	10,200
	Current Services and Other Revenue	9,521,500	8,060,900	8,064,800	(1,460,600)	3,900
337	Labor and Workforce Development	\$ 191,787,400	\$ 233,718,700	\$ 227,481,700	\$ 41,931,300	\$ (6,237,000)
	Appropriation	34,288,800	45,642,600	43,123,600	11,353,800	(2,519,000)
	Federal	129,744,900	158,198,500	145,096,200	28,453,600	(13,102,300)
	Current Services and Other Revenue	27,753,700	29,877,600	39,261,900	2,123,900	9,384,300
339	Mental Health and Developmental Disabilities	\$ 309,916,900	\$ 337,596,800	\$ 333,387,900	\$ 27,679,900	\$ (4,208,900)
	Appropriation	170,319,400	180,282,400	179,099,200	9,963,000	(1,183,200)
	Federal	61,835,500	64,434,400	63,586,300	2,598,900	(848,100)
	Current Services and Other Revenue	77,762,000	92,880,000	90,702,400	15,118,000	(2,177,600)
341	Military	\$ 99,805,500	\$ 132,337,900	\$ 112,499,400	\$ 32,532,400	\$ (19,838,500)
	Appropriation	13,592,200	18,653,400	15,596,300	5,061,200	(3,057,100)
	Federal	81,202,000	111,588,300	94,886,900	30,386,300	(16,701,400)
	Current Services and Other Revenue	5,011,300	2,096,200	2,016,200	(2,915,100)	(80,000)
343	Health	\$ 519,785,400	\$ 583,466,900	\$ 556,588,400	\$ 63,681,500	\$ (26,878,500)
	Appropriation	161,171,200	215,889,200	205,020,200	54,718,000	(10,869,000)
	Federal	225,566,100	236,080,700	224,521,800	10,514,600	(11,558,900)
	Current Services and Other Revenue	133,048,100	131,497,000	127,046,400	(1,551,100)	(4,450,600)
344	F&A - Mental Retardation Services	\$ 840,703,000	\$ 857,748,300	\$ 849,544,700	\$ 17,045,300	\$ (8,203,600)
	Appropriation	92,827,800	75,646,700	80,513,500	(17,181,100)	4,866,800
	Federal	1,250,500	2,168,600	2,170,200	918,100	1,600
	Current Services and Other Revenue	746,624,700	779,933,000	766,861,000	33,308,300	(13,072,000)

Comparison of Programs

Fiscal Years 2006-2007, 2007-2008, and 2008-2009

Allot. Code	Department	Actual 2006-2007	Estimated 2007-2008	Recommended 2008-2009	Act. vs Est. Difference	Est. vs Rec. Difference
345	Human Services	\$ 1,952,428,600	\$ 2,005,648,485	\$ 2,004,406,800	\$ 53,219,885	\$ (1,241,685)
	Appropriation	156,250,200	192,659,074	183,486,700	36,408,874	(9,172,374)
	Federal	1,638,723,600	1,668,245,811	1,677,122,400	29,522,211	8,876,589
	Current Services and Other Revenue	157,454,800	144,743,600	143,797,700	(12,711,200)	(945,900)
	Temporary Cash Assistance ¹	\$ 132,199,400	\$ 143,312,500	\$ 125,255,300	\$ 11,113,100	\$ (18,057,200)
	Appropriation	31,744,800	33,275,800	19,459,100	1,531,000	(13,816,700)
	Federal	98,381,900	106,419,300	102,179,000	8,037,400	(4,240,300)
	Current Services and Other Revenue	2,072,700	3,617,400	3,617,200	1,544,700	(200)
	Food Stamp Benefits ¹	\$ 988,324,800	\$ 1,025,597,100	\$ 1,028,891,500	\$ 37,272,300	\$ 3,294,400
	Federal	988,324,800	1,025,597,100	1,028,891,500	37,272,300	3,294,400
	Other Human Services Programs ¹	\$ 831,904,400	\$ 836,738,885	\$ 850,260,000	\$ 4,834,485	\$ 13,521,115
	Appropriation	124,505,400	159,383,274	164,027,600	34,877,874	4,644,326
	Federal	552,016,900	536,229,411	546,051,900	(15,787,489)	9,822,489
	Current Services and Other Revenue	155,382,100	141,126,200	140,180,500	(14,255,900)	(945,700)
347	Revenue	\$ 100,530,200	\$ 113,523,300	\$ 111,618,500	\$ 12,993,100	\$ (1,904,800)
	Appropriation	76,373,100	90,096,400	86,976,600	13,723,300	(3,119,800)
	Federal	1,300	22,000	22,000	20,700	0
	Current Services and Other Revenue	24,155,800	23,404,900	24,619,900	(750,900)	1,215,000
348	Tennessee Bureau of Investigation	\$ 59,583,300	\$ 61,843,800	\$ 62,607,900	\$ 2,260,500	\$ 764,100
	Appropriation	33,956,600	38,505,600	40,197,400	4,549,000	1,691,800
	Federal	10,737,200	9,693,400	9,715,600	(1,043,800)	22,200
	Current Services and Other Revenue	14,889,500	13,644,800	12,694,900	(1,244,700)	(949,900)
349	Safety	\$ 147,190,400	\$ 171,333,000	\$ 198,271,000	\$ 24,142,600	\$ 26,938,000
	Appropriation	96,974,100	116,427,700	123,690,800	19,453,600	7,263,100
	Federal	5,467,500	8,162,300	8,841,800	2,694,800	679,500
	Current Services and Other Revenue	44,748,800	46,743,000	65,738,400	1,994,200	18,995,400
350	Cover Tennessee Health Care Programs	\$ 59,617,700	\$ 162,639,600	\$ 160,018,200	\$ 103,021,900	\$ (2,621,400)
	Appropriation	23,824,200	96,031,500	73,063,600	72,207,300	(22,967,900)
	Federal	793,500	66,408,100	86,754,600	65,614,600	20,346,500
	Current Services and Other Revenue	35,000,000	200,000	200,000	(34,800,000)	0
351	Miscellaneous Appropriations	\$ 29,863,900	\$ 71,184,500	\$ 138,872,500	\$ 41,320,600	\$ 67,688,000
	Appropriation	29,863,900	71,184,500	138,847,500	41,320,600	67,663,000
	Current Services and Other Revenue	0	0	25,000	0	25,000
353	Emergency and Contingency Fund	\$ 0	\$ 819,300	\$ 819,300	\$ 819,300	\$ 0
	Appropriation	0	819,300	819,300	819,300	0
355	State Building Commission	\$ 174,500	\$ 400,000	\$ 400,000	\$ 225,500	\$ 0
	Appropriation	133,000	250,000	250,000	117,000	0
	Current Services and Other Revenue	41,500	150,000	150,000	108,500	0

Comparison of Programs

Fiscal Years 2006-2007, 2007-2008, and 2008-2009

Allot. Code	Department	Actual 2006-2007	Estimated 2007-2008	Recommended 2008-2009	Act. vs Est. Difference	Est. vs Rec. Difference
359	Children's Services	\$ 660,175,200	\$ 683,688,700	\$ 689,642,100	\$ 23,513,500	\$ 5,953,400
	Appropriation	325,529,300	339,220,700	341,290,500	13,691,400	2,069,800
	Federal	111,567,400	115,609,500	117,900,800	4,042,100	2,291,300
	Current Services and Other Revenue	223,078,500	228,858,500	230,450,800	5,780,000	1,592,300
	Grand Total - General Fund	\$ 22,045,199,100	\$ 24,481,912,914	\$ 24,492,473,200	\$ 2,436,713,814	\$ 10,560,286
	Appropriation	9,775,517,700	11,589,048,392	11,680,009,600	1,813,530,692	90,961,208
	Federal	8,276,904,200	8,696,005,111	8,697,103,400	419,100,911	1,098,289
	Current Services and Other Revenue	3,047,579,300	3,186,933,211	3,095,564,200	139,353,911	(91,369,011)
	Tuition and Student Fees	945,197,900	1,009,926,200	1,019,796,000	64,728,300	9,869,800
400	Transportation	\$ 1,524,763,700	\$ 1,747,240,200	\$ 1,802,425,000	\$ 222,476,500	\$ 55,184,800
	Appropriation	814,102,500 ²	756,661,200	804,500,000	(57,441,300)	47,838,800
	Federal	667,938,300	866,346,000	867,427,000	198,407,700	1,081,000
	Current Services and Other Revenue	42,722,900	40,433,000	42,798,000	(2,289,900)	2,365,000
	Bonds	0	83,800,000	87,700,000	83,800,000	3,900,000
	Debt Service Requirements	\$ 325,166,000	\$ 329,342,000	\$ 321,189,000	\$ 4,176,000	\$ (8,153,000)
	Appropriation	325,166,000	329,342,000	321,189,000	4,176,000	(8,153,000)
	Capital Outlay Program	\$ 345,190,000	\$ 453,514,200	\$ 230,666,000	\$ 108,324,200	\$(222,848,200)
	Appropriation	214,721,000 ²	264,114,200	163,500,000	49,393,200	(100,614,200)
	Federal	23,663,000	0	0	(23,663,000)	0
	Current Services and Other Revenue	106,806,000	38,700,000	67,166,000	(68,106,000)	28,466,000
	Bonds	0	150,700,000	0	150,700,000	(150,700,000)
	Facilities Revolving Fund	\$ 148,031,800	\$ 197,103,800	\$ 167,965,000	\$ 49,072,000	\$ (29,138,800)
	Appropriation	7,673,600	13,464,800	11,964,800	5,791,200	(1,500,000)
	Current Services and Other Revenue	140,358,200 ³	123,139,000	132,000,200	(17,219,200)	8,861,200
	Bonds	0	60,500,000	24,000,000	60,500,000	(36,500,000)
	Cities & Counties - State Shared Taxes	\$ 815,832,700	\$ 840,000,000	\$ 863,700,000	\$ 24,167,300	\$ 23,700,000
	Appropriation	815,832,700	840,000,000	863,700,000	24,167,300	23,700,000
	Total State Budget - All Programs	\$ 25,204,183,300	\$ 28,049,113,114	\$ 27,878,418,200	\$ 2,844,929,814	\$(170,694,914)
	Appropriation	11,953,013,500	13,792,630,592	13,844,863,400	1,839,617,092	52,232,808
	Federal	8,968,505,500	9,562,351,111	9,564,530,400	593,845,611	2,179,289
	Current Services and Other Revenue	3,337,466,400	3,389,205,211	3,337,528,400	51,738,811	(51,676,811)
	Tuition and Student Fees	945,197,900	1,009,926,200	1,019,796,000	64,728,300	9,869,800
	Bonds	0	295,000,000	111,700,000	295,000,000	(183,300,000)

¹ Included in departmental total.

² Includes tax revenues and bonds in Actual 2006-2007.

³ Includes departmental revenues and bonds in Actual 2006-2007.

**Summary Comparison of Tennessee Personal Income
and Appropriations from State Tax Revenues
Fiscal Years 1977-1978, 2007-2008, and 2008-2009**

TABLE 1

**Tennessee Personal Income
Calendar Years 1977, 2007, and 2008
(Dollars in Millions)**

<u>Year</u>	<u>Personal Income</u>	<u>Percentage Growth</u>
1977	\$ 26,795	-
2007	205,076	5.12
2008	214,477	4.58

TABLE 2

**Appropriations from State Tax Revenues
Fiscal Years 1977-78, 2007-2008, and 2008-2009
(Dollars in Millions)**

<u>Year</u>	<u>Appropriations</u>	<u>Percentage Growth</u>
1977-1978	\$ 1,747.3	-
2007-2008	12,157.1	3.53
2008-2009	12,628.7	3.88

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.

**General Fund and Education Fund
Supplemental Appropriations
Fiscal Year 2007-2008**

	2007-2008
Court System	
Guardian ad Litem	\$ 2,000,000
Indigent Defendants Counsel	3,000,000
Administrative Office of the Courts - General Sessions Judges Conference - Earmarked Privilege Tax	25,000
Sub-Total Court System	\$ 5,025,000
 Claims and Compensation	
Criminal Injuries Compensation Fund - General Fund Subsidy	1,800,000
 Economic and Community Development	
Fast Track Infrastructure and Job Training Assistance	6,900,000
 Military	
TEMA - Emergency Management - Federal Grant \$967,200 - State Match	\$ 967,200
Homeland Security Grants - Public Safety Interoperability - Federal Grant \$17,540,800 - State Match	3,508,100
Sub-Total Military	\$ 4,475,300
 Tennessee Bureau of Investigation	
DNA Analysis - 2007 Johnia Berry Act	300,000
 Miscellaneous Appropriations	
Former Governors and Widows of Former Governors Pensions	\$ 10,000
Rent - Human Services - Federal A-87 Rate - Existing space	363,500
Rent - Facilities Revolving Fund - Other Agencies	291,300
State Employees - Meal and Lodging Rates	400,000
Sub-Total Miscellaneous Appropriations	\$ 1,064,800
 Total Supplemental Appropriations	 \$ 19,565,100

**General Fund and Education Fund
Base Budget Reductions
from State Appropriations
Fiscal Year 2008-2009**

The recommended budget reflects the following recurring base budget reductions from the recurring current-year enacted state appropriations.

	<u>General Fund</u>	<u>Dedicated Funds</u>	<u>Total</u>
TennCare Program			
318.00 Federal Medicaid Match Rate from 63.695% to 64.138%	\$ 29,109,200	\$ -	\$ 29,109,200
318.66 Adult Home Health / Private Duty Nurse - Cap at Nursing Home Cost	31,501,100	-	31,501,100
318.67 Medicare Crossover Reimbursement Methodology - Ambulance	4,090,500	-	4,090,500
318.67 Medicare Crossover Reimbursement Methodology - Durable Medical Equipment	8,566,800	-	8,566,800
318.66 Reimbursement Method - Eliminate Percent of Billed Charges in MCOs	1,793,100	-	1,793,100
318.66 Less: Base Increase - Pharmacy Trends - 3.05%	(6,488,000)	-	(6,488,000)
318.66 Less: Base Increase - Medical Trends	(25,924,900)	-	(25,924,900)
318.67 Less: Base Increase - Medicare Parts A and B Cost Sharing Increases - 3.1%	(1,961,300)	-	(1,961,300)
318.67 Less: Base Increase - PACE in Hamilton Co.	(223,400)	-	(223,400)
318.66 Less: Base Increase - Loss of Premiums	(15,000,000)	-	(15,000,000)
Sub-Total TennCare	\$ 25,463,100	\$ -	\$ 25,463,100
318.67 TennCare for MR - Main Waiver - FY 08 Normal Growth (65 less 100 Clients)	319,900	-	319,900
318.67 TennCare for MR - Main Waiver - FY 09 Normal Growth (79 less 100 Clients)	660,800	-	660,800
318.68 TennCare for MR - ICF-MR Tax Reduction	466,200	-	466,200
Total TennCare	\$ 26,910,000	\$ -	\$ 26,910,000
Cover Tennessee Health Care Programs			
350.30 Cover Tennessee - Enrollment Adjustment - Base @ \$12,369,800	\$ 21,630,200	\$ -	\$ 21,630,200
350.60 CoverRX - Enrollment Adjustment - Base @ \$8,688,500	8,273,700	-	8,273,700
350.50 Less: Base Increase - CoverKids - Enrollment Adjust. - Base @ \$28,956,100	(6,936,000)	-	(6,936,000)
Sub-Total Cover Tennessee Health Care Programs	\$ 22,967,900	\$ -	\$ 22,967,900
329.99 Correction - Sentencing Act Reduction - Offsets \$6,188,500 Morgan Co. Prison Operational Improvement 2008-2009	6,188,500	-	6,188,500
345.00 Human Services - TANF Caseload Decline - Base Request	4,275,000	-	4,275,000
Children's Services Department			
359.20 Children's Services - Family Support Services - Grant Efficiencies	\$ 138,000	\$ -	\$ 138,000
359.35 Children's Services - Needs Assessment - Redirect Funds	1,089,000	-	1,089,000
359.65 Children's Services - Group Homes Case Management (-8 FT)	408,300	-	408,300
Sub-Total Children's Services	\$ 1,635,300	\$ -	\$ 1,635,300
307.50 Comptroller - Telecomm. Ad Valorem Tax Equity Fund - Base Request - Sales Tax Reconciliation	3,482,100	-	3,482,100
309.01 Treasurer's Office - Departmental Revenue - Base Request	49,200	-	49,200
313.03 Criminal Injuries Fund - Federal Revenue Growth - Base Request	-	540,000	540,000
325.01 Agriculture - Departmental Revenue Growth - Base Request	155,800	-	155,800
327.00 Environment and Conservation - Environmental Field Office - To Fund Rent (-1 FT)	48,400	115,000	163,400
327.12 Environment and Conservation - State Parks Housing Policy	501,500	-	501,500
331.10 Career Ladder - Estimated Excess	500,000	-	500,000

**General Fund and Education Fund
Base Budget Reductions
from State Appropriations
Fiscal Year 2008-2009**

	<u>General Fund</u>	<u>Dedicated Funds</u>	<u>Total</u>
339.03 Mental Health - ADAT Funds - Revenue Reconciliation - Base Request	899,200	-	899,200
347.13 Revenue Dept. - License Plate Production - Highway Fund Savings	2,400,000	-	2,400,000
347.00 Revenue Dept. - Local Option Sales Tax Growth - Base Request	1,015,000	-	1,015,000
351.00 MTA Downtown Parking Alternative @ \$500,000 (\$700,000 Excess)	700,000	-	700,000
351.00 Miscellaneous Appropriations - Net Reduction	1,763,000	-	1,763,000
Total Budget File	<u>\$ 73,490,900</u>	<u>\$ 655,000</u>	<u>\$ 74,145,900</u>
Budget Overview			
300.00 TCRS Retirement Rate Reduction - State Agencies and Higher Education	12,100,000	-	12,100,000
300.00 Edison - Paycheck Stub Discontinuation Savings	180,000	-	180,000
Grand Total Base Budget Reductions	<u>\$ 85,770,900</u>	<u>\$ 655,000</u>	<u>\$ 86,425,900</u>

**General Fund and Education Fund
Base Budget Adjustments
to State Appropriations
2008-2009 Fiscal Year**

The recommended budget reflects the following recurring base budget increases from the recurring current-year enacted state appropriations.

	<u>General Fund</u>	<u>Dedicated Funds</u>	<u>Total</u>
302.08 Court System - Child Support Referees - Benefits Costs	\$ 18,198	\$ -	\$ 18,198
302.27 Court System - General Sessions Judges Conference - Earmarked Privilege Tax	25,000	-	25,000
316.11 Tennessee Regulatory Authority - Indirect Costs	-	355,300	355,300
327.00 Environment and Conservation - Environmental Field Office - Rent / Space	48,400	115,000	163,400
328.00 Tennessee Wildlife Resources Agency - Base Request	-	85,500	85,500
328.01 Tennessee Wildlife Resources Agency - License Agent Accounting Change	-	84,000	84,000
331.19 Education - After School Programs @ 12.9 M	-	1,500,000	1,500,000
332.19 Higher Education - Lottery for Education - Base Scholarship Estimate @ \$238 M	-	14,700,000	14,700,000
336.00 Financial Institutions - Disaster Recovery	-	4,500	4,500
343.10 Health-Related Boards - Pharmacy Board Reorganization	-	223,100	223,100
300.00 Various Agencies - Rent Adjustments:			
a. Economic Council on Women	\$ 19,600	\$ -	\$ 19,600
b. Comptroller - Municipal Audit	122,100	-	122,100
c. Environment and Conservation - Existing Office Storage Space	95,400	-	95,400
d. Safety - Drivers License Office - W. R. Snodgrass TN Tower	25,600	-	25,600
Sub-Total Rent Adjustments	\$ 262,700	\$ -	\$ 262,700
 Total Base Budget Adjustments	 \$ 354,298	 \$ 17,067,400	 \$ 17,421,698

**Comparison of Authorized Positions
State Agencies and Higher Education
Fiscal Years 2007-2008 and 2008-2009**

	<u>2007-2008</u>	<u>2008-2009</u>	<u>Difference</u>
I. STATE AGENCIES *			
General Fund	<u>49,730</u>	<u>49,837</u>	<u>107</u>
Full-time	47,079	47,186	107
Part-time	2,033	2,033	0
Seasonal	618	618	0
Department of Transportation	<u>4,944</u>	<u>4,947</u>	<u>3</u>
Full-time	4,944	4,947	3
Part-time	0	0	0
Seasonal	0	0	0
Total State Agencies	<u>54,674</u>	<u>54,784</u>	<u>110</u>
Full-time	52,023	52,133	110
Part-time	2,033	2,033	0
Seasonal	618	618	0
II. HIGHER EDUCATION			
Total Positions	<u>24,714</u>	<u>24,716</u>	<u>2</u>
Full-time Equivalent:			
Administrative	1,436	1,438	2
Professional	5,141	5,141	0
Faculty	9,227	9,227	0
Clerical and Support	8,908	8,908	0
Part-time	2	2	0
III. STATE AGENCIES & HIGHER EDUCATION			
Total Positions	<u>79,388</u>	<u>79,500</u>	<u>112</u>
Full-time **	76,735	76,847	112
Part-time	2,035	2,035	0
Seasonal	618	618	0

* State Agencies, excluding Tennessee Higher Education Commission (THEC), Tennessee Student Assistance Corporation (TSAC), and Foreign Language Institute.

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

Personnel and Funding Summary All Programs

	Actual 2006-2007	Estimated 2007-2008	Recommended 2008-2009
STATE AGENCIES - GENERAL FUND *			
Full-time Personnel	45,871	47,079	47,186
Part-time	2,225	2,033	2,033
Seasonal	677	618	618
TOTAL	48,773	49,730	49,837
Expenditures			
Payroll	\$ 2,384,933,800	\$ 2,708,225,948	\$ 2,721,202,500
Operational	16,465,876,000	18,355,596,066	18,292,033,400
TOTAL	\$ 18,850,809,800	\$ 21,063,822,014	\$ 21,013,235,900
Funding			
State	\$ 8,284,613,600	\$ 9,940,786,992	\$ 9,986,717,500
Federal	8,085,596,700	8,484,073,811	8,484,966,200
Other	2,480,599,500	2,638,961,211	2,541,552,200
HIGHER EDUCATION **			
Full-time Equivalent Personnel:			
Administrative	1,415	1,436	1,438
Professional	4,821	5,141	5,141
Faculty	8,981	9,227	9,227
Clerical and Support	8,683	8,908	8,908
Part-time	2	2	2
TOTAL	23,902	24,714	24,716
Funding			
State	\$ 1,257,914,200	\$ 1,377,061,400	\$ 1,389,992,100
Federal	191,307,500	211,931,300	212,137,200
Other	541,971,600	522,972,000	529,012,000
Tuition/Fees	945,197,900	1,009,926,200	1,019,796,000
TOTAL	\$ 2,936,391,200	\$ 3,121,890,900	\$ 3,150,937,300
EDUCATION LOTTERY-FUNDED PROGRAMS			
Funding			
State	\$ 232,989,900	\$ 271,200,000	\$ 303,300,000
Other	25,008,200	25,000,000	25,000,000
TOTAL	\$ 257,998,100	\$ 296,200,000	\$ 328,300,000
GRAND TOTAL - GENERAL FUND			
Full-time Personnel ***	69,771	71,791	71,900
Part-time	2,227	2,035	2,035
Seasonal	677	618	618
TOTAL	72,675	74,444	74,553
Expenditures			
Payroll	\$ 2,384,933,800	\$ 2,708,225,948	\$ 2,721,202,500
Operational	16,465,876,000	18,355,596,066	18,292,033,400
Higher Education	2,936,391,200	3,121,890,900	3,150,937,300
Lottery-Funded Programs	257,998,100	296,200,000	328,300,000
TOTAL	\$ 22,045,199,100	\$ 24,481,912,914	\$ 24,492,473,200

* State Agencies, excluding Tennessee Higher Education Commission (THEC), Tennessee Student Assistance Corporation (TSAC), and Foreign Language Institute.

** Higher Education, excluding Education Lottery-funded programs.

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

Personnel and Funding Summary All Programs

	Actual 2006-2007	Estimated 2007-2008	Recommended 2008-2009
Funding			
State	\$ 9,775,517,700	\$ 11,589,048,392	\$ 11,680,009,600
Federal	8,276,904,200	8,696,005,111	8,697,103,400
Other *	3,992,777,200	4,196,859,411	4,115,360,200
 DEPARTMENT OF TRANSPORTATION			
Full-time Personnel	4,944	4,944	4,947
Part-time	0	0	0
Seasonal	0	0	0
TOTAL	4,944	4,944	4,947
Expenditures			
Payroll	\$ 219,207,000	\$ 255,672,800	\$ 268,396,900
Operational	1,305,556,700	1,491,567,400	1,534,028,100
TOTAL	\$ 1,524,763,700	\$ 1,747,240,200	\$ 1,802,425,000
Funding			
State	\$ 814,102,500	\$ 840,461,200	\$ 892,200,000
Federal	667,938,300	866,346,000	867,427,000
Other	42,722,900	40,433,000	42,798,000
 GRAND TOTAL - ALL PROGRAMS			
Full-time Personnel **	74,715	76,735	76,847
Part-time	2,227	2,035	2,035
Seasonal	677	618	618
TOTAL	77,619	79,388	79,500
Expenditures			
Payroll	\$ 2,604,140,800	\$ 2,963,898,748	\$ 2,989,599,400
Operational	17,771,432,700	19,847,163,466	19,826,061,500
Higher Education	2,936,391,200	3,121,890,900	3,150,937,300
Lottery-Funded Programs	257,998,100	296,200,000	328,300,000
TOTAL	\$ 23,569,962,800	\$ 26,229,153,114	\$ 26,294,898,200
Funding			
State	\$ 10,589,620,200	\$ 12,429,509,592	\$ 12,572,209,600
Federal	8,944,842,500	9,562,351,111	9,564,530,400
Other *	4,035,500,100	4,237,292,411	4,158,158,200

* Other funding includes Higher Education tuition and fees.

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

Employees Overlapped Over 90 Days

	<u>Number</u>
301.00 Legislature	21
302.00 Court System	26
304.00 District Attorneys General Conference	15
305.00 Secretary of State	6
306.00 District Public Defenders Conference	1
316.00 Commissions	10
317.00 Finance and Administration	6
318.00 TennCare	7
319.00 Human Resources	1
321.00 General Services	1
324.00 Board of Probation and Parole	3
325.00 Agriculture	10
327.00 Environment and Conservation	16
329.00 Correction	34
330.00 Economic and Community Development	2
331.00 Education	9
337.00 Labor and Workforce Development	7
339.00 Mental Health and Developmental Disabilities	8
343.00 Health	8
344.00 Mental Retardation Services Division	68
345.00 Human Services	86
349.00 Safety	27
359.00 Children's Services	66
400.00 Transportation	<u>7</u>
Total	<u><u>445</u></u>

Tennessee Economic Overview

Recommended Budget, Fiscal Year 2008 - 2009

Tennessee's fiscal environment depends on economic conditions that influence both the expenditure and revenue sides of the state budget. The 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."

Both the national and state economies are showing broad-based signs of weakness, and the risk of recession is as high as it has been in many years. A weakening economy will translate into slower revenue growth for the state and for local governments in Tennessee through the next fiscal year. The discussion that follows provides an overview of current economic conditions and the economic outlook for the state and nation to help frame the state's fiscal outlook. For more information on the economic outlook for the U. S. and Tennessee, see *An Annual Report to the Governor of the State of Tennessee*.

Recent Economic Conditions - The economy has slowed appreciably in recent quarters largely due to the ripple effects of the housing slump which have spilled over to other segments of the economy. Nationwide, housing starts in 2007 were only 75 percent of the starts in 2006 and the value of residential investment fell by more than 17 percent. The large inventory of unsold homes, along with the increasingly bleak economic outlook, has put downward pressure on home prices. The fourth quarter of 2007 saw year-over-year home prices fall 2.7 percent. Building permit data and other indicators (including realty mortgage and transfer tax collections) indicate contraction in Tennessee's housing sector. Energy prices have offered the economy no relief with the barrel price of oil peaking above \$100 just after the New Year.

The U.S. enjoyed strong job growth of 1.5 percent in the first quarter of 2007, but the final

quarter of the year saw jobs grow only 0.9 percent. Tennessee also experienced 1.5 percent job growth in the first quarter of last year, but the final quarter produced growth of only 0.2 percent. Weaker job growth has taken place in tandem with a rising unemployment rate. The nation's unemployment rose to 5.0 percent in December, up from 4.6 percent in January of 2007. Tennessee's unemployment rate drifted down into the third quarter, reaching a low of 4.0 percent in August. But by November the state's unemployment rate had jumped to 4.9 percent. Nominal personal income in Tennessee grew 5.7 percent in 2006, but each quarter of 2007 has yielded growth below this level.

Short-term Economic Outlook - Many analysts now place the odds of a national recession at 50:50 or better for 2008. Should the nation slip into outright contraction, the state would likely follow suit. Consumer spending is expected to slow in the face of weakening home prices, slower job growth and a rising unemployment rate. Growth in business fixed investment in 2008 will be one-half of the growth registered last year. The housing market is not expected to see a turnaround until the fourth quarter of 2008. And energy prices are not expected to retreat significantly in the quarters ahead. The only real bright spot for the national economy moving into 2008 is strong growth in exports as a result of a falling dollar in international currency markets. Inflation-adjusted gross domestic product will be up only 1.9 percent in 2008, improving to 2.7 percent growth in 2009.

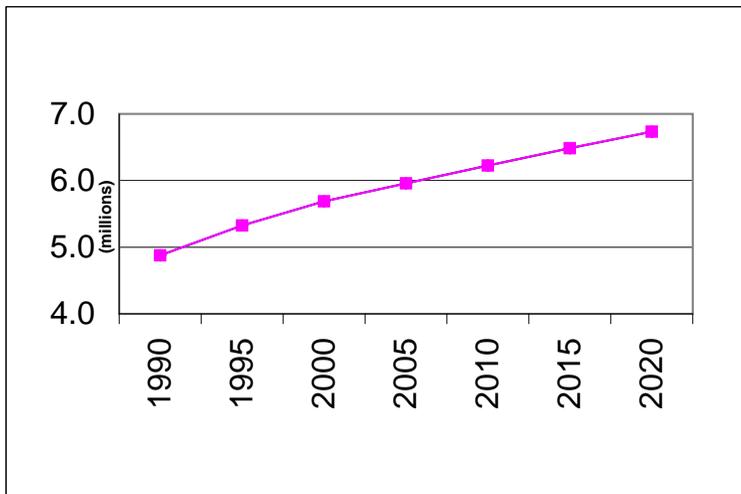
Tennessee job growth for 2008 is projected to tally only 0.6 percent, while the U.S. is expected to have slightly stronger growth of 0.8 percent. The nation's unemployment rate will drift up to 5.2 percent by the fourth quarter of the year, yielding an annual average of 5.1 percent for 2008. The state's unemployment rate is expected to average 5.1 percent for the year. Nominal personal income in Tennessee will advance 4.6 percent in 2008, below the 5.1 percent rate of growth recorded last year. On a fiscal year basis, personal income should be up 4.9 percent in 2007-08 and 4.7 percent in 2008-09.

Tennessee Characteristics

Demographic Characteristics¹

	1990	2000	2006
Total Population (April 1, April 1, July 1)	4,877,203	5,689,283	6,038,803
Percent of Population by Age Group			
Under Age 5	7.0%	6.6%	6.6%
Age 5 to 17	18.1%	18.0%	17.4%
Age 18 to 24	10.9%	9.6%	9.2%
Age 25 to 64	51.4%	53.4%	54.1%
Age 65 and Older	12.6%	12.4%	12.7%
Percent of Population by Race			
White	83.0%	80.2%	79.2%
Black or African American	16.0%	16.4%	16.8%
American Indian and Alaska Native	0.2%	0.3%	0.3%
Asian and Pacific Islander	0.6%	1.0%	1.3%
Other	0.2%	2.1%	2.5%
Hispanic Population (Percent of Total Population)	0.7%	2.2%	3.1%
Place of Birth of Tennessee Residents			
Born in Tennessee	69.2%	64.7%	62.6%
Born in Another State	29.1%	31.9%	32.8%
Born Outside the United States	0.5%	0.6%	0.7%
Born in a Foreign Country	1.2%	2.8%	3.9%
Naturalized Citizen	0.5%	0.9%	1.2%
Not a Citizen	0.7%	1.9%	2.7%

Tennessee Population 1990 to 2020²



Year	Population
1990	4,877,203
1995	5,326,936
2000	5,689,283
2005	5,962,959
2010	6,225,051
2015	6,484,281
2020	6,733,120

Education Characteristics

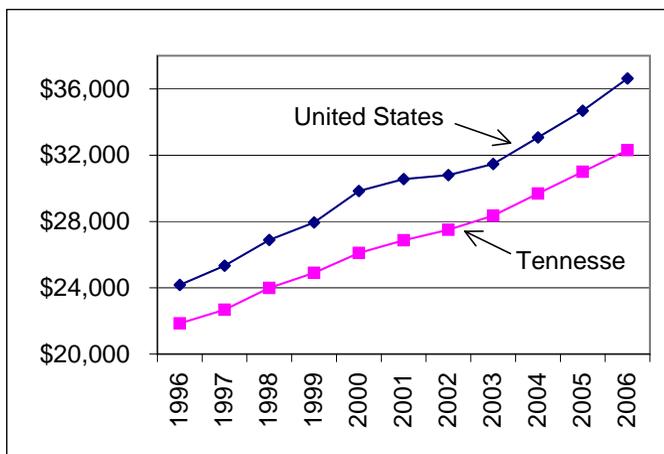
	<u>1999-2000</u>	<u>2002-2003</u>	<u>2005-2006</u>
Public School Enrollment and Expenditures³			
Total Number of K-12 Public Schools	1,611	1,659	1,699
Total K-12 Public School Average Daily Attendance (ADA)	842,733	849,354	880,937
Total Operating Expenditures (in thousands)	\$ 4,885,072	\$ 5,643,667	\$ 6,579,518
Public School Per Pupil Expenditures (based on ADA)	\$ 5,794	\$ 6,645	\$ 7,469

	<u>1990</u>	<u>2000</u>	<u>2006</u>
Educational Attainment⁴			
Less than 9th grade	16.0%	9.6%	7.6%
9th to 12th grade, no diploma	17.0%	14.5%	11.5%
High school graduate (includes equivalency)	30.0%	31.6%	34.4%
Some college, no degree	16.9%	20.0%	19.2%
Associate degree	4.2%	4.7%	5.7%
Bachelor's degree	10.5%	12.8%	14.1%
Graduate or professional degree	5.4%	6.8%	7.5%
Percent high school graduate or higher			
United States	75.2%	80.4%	84.1%
Tennessee	67.1%	75.9%	80.9%
Percent bachelor's degree or higher			
United States	20.3%	24.4%	27.0%
Tennessee	15.9%	19.6%	21.7%

Income and Poverty⁵

	<u>2000</u>	<u>2003</u>	<u>2006</u>
Tennessee's Per Capita Income as a Percent of the U. S.	87.9%	90.1%	88.2%
Tennessee's Rank in U. S. by Per Capita Income	34	36	35

Tennessee and United States Per Capita Income⁵



<u>Year</u>	<u>United States</u>	<u>Tennessee</u>
1996	\$ 24,175	\$ 21,854
1997	25,334	22,676
1998	26,883	23,989
1999	27,939	24,898
2000	29,843	26,096
2001	30,562	26,871
2002	30,795	27,499
2003	31,466	28,350
2004	33,072	29,690
2005	34,685	31,001
2006	36,629	32,305

Percent Change		
1996-2006	51.5%	47.8%

	<u>1989</u>	<u>1999</u>	<u>2006</u>
Percent of Population Below Poverty ⁶			
United States	13.1%	12.4%	13.3%
Tennessee	15.7%	13.5%	16.2%

Employment ⁷

	<u>2000</u>	<u>2003</u>	<u>2006</u>
Civilian Labor Force	2,864,000	2,903,000	2,990,100
Employment	2,749,700	2,742,200	2,835,500
Unemployment	114,300	160,800	154,600
Unemployment Rate	4.0%	5.5%	5.2%

Non-Farm Employment - Percent by Industry

Goods Producing	22.7%	20.0%	19.2%
Natural Resources & Mining	0.2%	0.2%	0.1%
Construction	4.6%	4.3%	4.7%
Manufacturing	17.9%	15.5%	14.4%
Durable Goods	11.0%	9.4%	9.0%
Non-Durable Goods	6.9%	6.1%	5.3%
Service Providing	77.3%	80.0%	80.8%
Trade, Transportation, & Utilities	21.5%	21.8%	21.8%
Wholesale Trade	4.8%	4.8%	4.8%
Retail Trade	11.6%	11.8%	11.7%
Transportation, Warehousing, & Utilities	5.1%	5.2%	5.3%
Information	2.0%	1.9%	1.8%
Financial Activities	5.1%	5.2%	5.2%
Professional & Business Services	11.0%	10.8%	11.5%
Educational & Health Services	10.2%	11.7%	12.3%
Leisure & Hospitality	8.6%	9.3%	9.7%
Other Services	4.3%	3.9%	3.6%
Government	14.6%	15.4%	14.9%
Federal	2.0%	1.9%	1.7%
State & Local	12.6%	13.5%	13.2%

Physical Characteristics⁸

Land Area	41,217 Square Miles
Highest Elevation (Clingmans Dome)	6,643 Feet

¹ Source: U. S. Bureau of the Census.

² Source: U. S. Bureau of the Census for 1990, 1995, 2000 and 2005; Tennessee Department of Health for 2010 through 2020.

³ Source: Tennessee Department of Education.

⁴ Source: U. S. Bureau of the Census, American Community Survey.

⁵ Source: U. S. Bureau of Economic Analysis.

⁶ Source: U. S. Bureau of the Census, American Community Survey.

⁷ Source: Tennessee Department of Labor and Work Force Development.

⁸ Source: Tennessee Statistical Abstract.

Federal Aid Trends and Federal Mandate Costs

Recommended Budget, Fiscal Year 2008 – 2009

Since fiscal year 1979-80, federal aid to Tennessee excluding Food Stamps, Medicaid, and Temporary Assistance to Needy Families (TANF) grants, formerly Aid to Families with Dependent Children (AFDC), has declined from 27 cents of every dollar in the state budget to 20 cents in 2008-2009. If the state were still receiving 27 cents of every budgeted dollar as federal aid, an additional \$1.3 billion would be available in federal funds.

In constant (2008-2009) dollars, federal aid has increased by 86.6 percent, or \$1.7 billion, from 1979-80 to 2008-2009 for state programs other than Food Stamps, Medicaid, and TANF/AFDC grants.

Figure 1 and Table 1 show the constant (2008-2009) dollar trend in federal aid in the state budget since 1979-80 for all programs,

including transportation. Amounts for fiscal years 1979-80 through 2006-2007 are based on actual federal aid collections; amounts for 2007-2008 and 2008-2009 are based on estimates included in the recommended state budget.

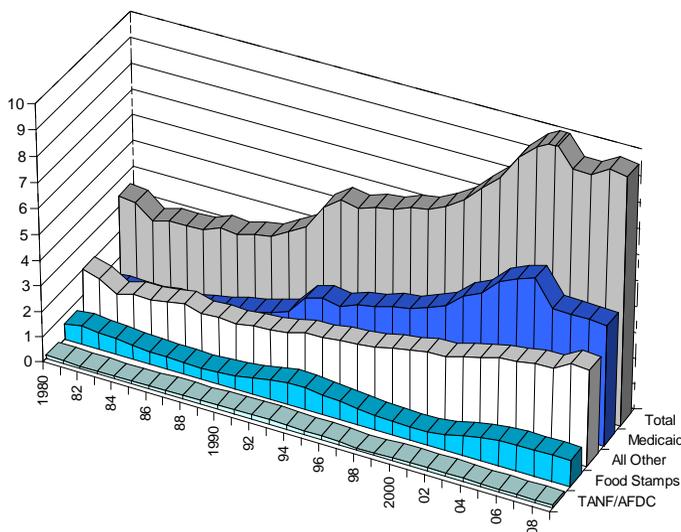
Current dollars have been converted to real (constant) dollars using the gross domestic product implicit price deflator, as reported by the University of Tennessee, Center for Business and Economic Research.

The decline in federal aid in the early 1980s (Figure 1) reflects the elimination of federal revenue sharing for states, new federal restrictions on eligibility for the TANF/AFDC program, and the consolidation of several federal grant programs into block grants at reduced levels.

From 1988-89 to 2008-2009, all the programs other than TANF/AFDC have had real growth. This reflects congressional decisions in the late 1980s to relax the earlier federal deficit-control statutes, which had restrained the growth of domestic discretionary programs during the 1980s.

As shown in Figure 1, not until 1992-93 does "all other" federal aid, excluding Medicaid, TANF/AFDC grants, and Food Stamps, return to the real-dollar level available to the state in 1979-80. Reflecting recent domestic initiatives, the growth rate for this federal aid category had steadily increased through 2007-2008, in spite of federal budget-

Figure 1
Federal Aid Trend in State Programs
FY 1980 through FY 2009
in Billions of Constant (2008-2009) Dollars



balancing efforts. In 2008-2009, “all other” federal aid, excluding Food Stamps, Medicaid, and TANF/AFDC, shows a 2.1

program is accompanied by real growth of only 86.6 percent in federal aid for all other state programs, excluding Food Stamps and TANF/AFDC. A constant dollar increase of 65.7 percent in federal aid for the Food Stamps program since 1979-80 is related to recent trends in caseload and inflation. TANF/AFDC had a constant dollar decrease of 30.5 percent.

Table 1
Comparison of Federal Aid in State Budget,
Actual 1979-80 through Estimated 2008-2009
In Millions of Constant (2008-2009) Dollars

	1979-80	1988-89	2008-2009	% Increase		
				1980-2009	Annual Average	
					1980-2009	1989-2009
Total Aid	\$ 3,404.7	\$ 3,537.6	\$ 9,564.6	180.9%	3.6%	5.1%
Medicaid	621.2	1,298.1	4,671.7	652.0%	7.2%	6.6%
Food Stamp Coupons	620.9	484.4	1,028.9	65.7%	1.8%	3.8%
TANF/AFDC	147.1	141.6	102.2	-30.5%	-1.2%	-1.6%
All Other	2,015.5	1,613.5	3,761.8	86.6%	2.2%	4.3%

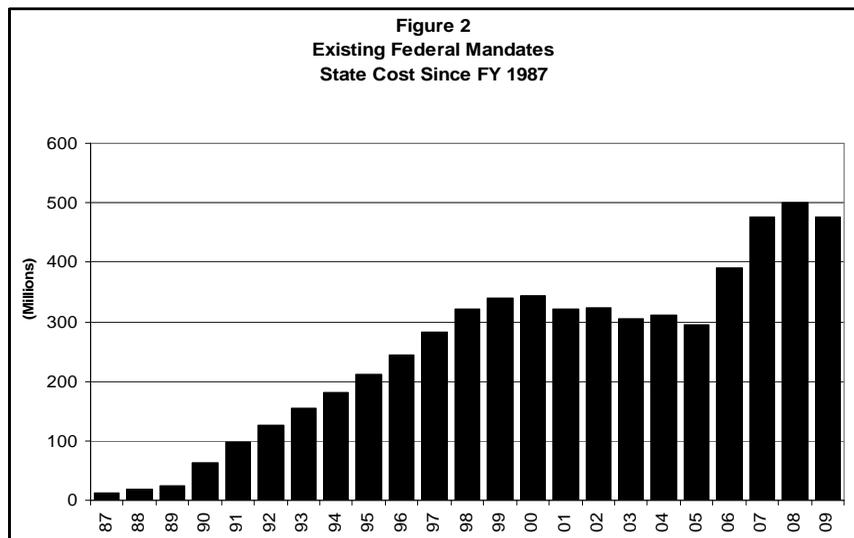
Over the 30-years, as shown in Table 1, real

percent constant-dollar decrease compared with 2007-2008. This is mainly because of a decrease in a current-year non-recurring homeland security grant for public safety communications interoperability; a base correction of Health Department and employment security program federal funds estimates; and a decrease in federal funds for criminal justice (victims of crime, stop violence against women, and Byrne drug enforcement), forestry, and aging programs, offset by increased federal funds available for the Cover Kids health-care program.

growth for all federal aid to state programs has averaged 3.6 percent per year. This growth above the rate of inflation has been led by the 7.2 percent annual-average real growth in the Medicaid program. TANF/AFDC decreased by 1.2 percent, while Food Stamps increased by 1.8 percent and all other federal aid increased by 2.2 percent on an annual-average basis.

Over the 29-year period, Medicaid, the major federal entitlement program in the state budget, has had real growth well above the rate of inflation. However, since fiscal year 2004-2005, federal Medicaid funds have declined by nearly \$1.1 billion. This is because of state cost-containment reforms, federal actions on the Medicare drug program, and a decrease in the Medicaid match rate resulting from national and state personal income growth. Although total federal aid has increased in constant dollars by 180.9 percent from 1979-80 to 2008-2009, the 652.0 percent real growth in the Medicaid

Over the last 20 years of the period, from 1988-89 through 2008-2009, real growth in total federal aid has increased above the longer-term growth rates. Total federal aid to state programs has grown at a 20-year annual-average rate of 5.1 percent. Real growth in this period has averaged 6.6 percent per year for Medicaid and 3.8 percent per year in Food Stamps, while TANF/AFDC decreased by 1.6%. All other



federal aid has grown at a real-dollar rate of 4.3 percent per year.

The 2008-2009 increase in the Medicaid match rate will result in decreased state costs for federal mandates (Figure 2). Medicaid accounts for 79 percent of the \$476.9 million state mandate cost in the 2008-2009 fiscal year. The longer-term federal funding for mandated Medicaid expansions is accompanied by significant state costs, which are identified in detail below.

While federal aid as a percentage of discretionary program funding has declined in the state budget since 1979-80, federal legislation in the late 1980s, early 1990s, and mid-2000s has imposed increasingly costly mandates on state government.

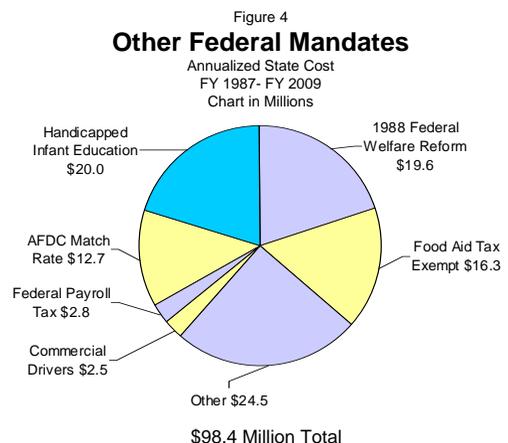
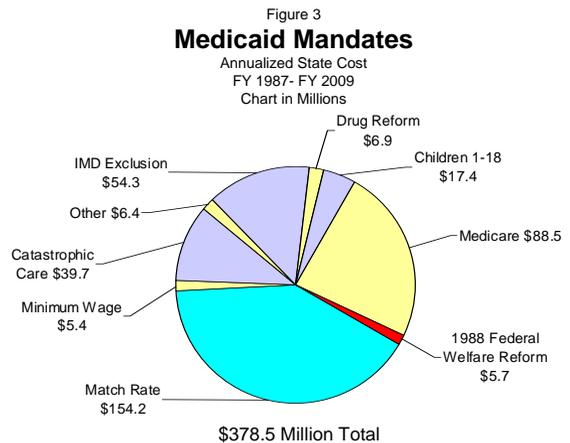
By fiscal year 2008-2009, provisions imposed since 1986-87 will cost \$476.9 million per year in recurring state appropriations from general fund tax sources. The cumulative state cost in 2007-2008 is \$501.1 million and in 2008-2009 is \$476.9 million. Figure 2 illustrates the annual recurring state cost, from general fund tax sources, of new federal mandates beginning in fiscal year 1986-87.

Costly major Medicaid mandates imposed since 1986-87 (Figure 3) are expanded services under the 1988 catastrophic health care law; coverage of children aged one through 18 under 1989 and 1990 laws; payment of premiums and deductibles for poor Medicare clients under a 1990 law; Medicare premium increases beginning in 2002-2003; Medicare cost sharing affecting the state beginning in 2005-2006; Medicare drug formulary changes affecting state mental retardation facilities; increase in the minimum wage for the nursing home program under a 1989 law; increases in the state Medicaid match rate as personal income increases; expansion of Medicaid eligibility under the 1988 federal welfare reform law; drug purchasing reform under a 1990 law; and the loss of federal funds matching institute for the mentally diseased (IMD) expenditures for acute inpatients aged 21 to 64. Other Medicaid mandates include the 1988 nursing

home reform initiative and the expansion of the child disability standard under the 1990 "Zebley" court ruling on supplemental security income regulations.

Major federal mandates imposed in other programs since fiscal year 1986-87 (Figure 4) include expansion of AFDC eligibility and support services under the 1988 federal welfare reform law; exemption from the sales tax of food stamps and supplemental foods for women, infants, and children; increases in the state match rate for the former AFDC program; intervention services for handicapped infants and toddlers in the K-12 education system; extensions of federal social security and Medicare payroll taxes under the 1990 federal budget act; national standards under the commercial drivers license law; and other items of lesser fiscal impact affecting several state agencies.

For purposes of this analysis, the term "federal mandates" is limited to provisions



of federal law or regulation which require state government implementation, without option to the state. This includes mandatory new programs, changes in existing federal

programs, and increases in state financial participation in jointly funded federal programs resulting from decreases in federal match rates.

State Tax Revenues

Table of Contents

State Tax Revenues: Introduction	A-41
Comparison Statement of State Revenues, Actual and Estimated July 1, 2006 – June 30, 2009.....	A-43
Distribution of Actual Revenue by Fund, Fiscal Year 2006-2007	A-45
Distribution of Revised Estimated Revenue by Fund, Fiscal Year 2007-2008	A-46
Distribution of Estimated Revenue by Fund, Fiscal Year 2008-2009	A-47
Comparative Statement of Revenues of Regulatory Boards, Actual and Estimated July 1, 2006, through June 30, 2009, To Support Statement of State Revenues	A-48
Tax Expenditures	A-49
Major Tax Exemptions from the Sales and Use Tax, Currently Untaxed Services: Table 1-A.....	A-50
Major Tax Exemptions from Current Tax Base: Table 1-B	A-51
Revenue Sources and Basis of Apportionment	A-53
State Funding Board, Range of Tax Revenue Estimates.....	A-83
State Funding Board Letter.....	A-85

State Tax Revenues

Introduction

Recommended Budget, Fiscal Year 2008-2009

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 Center for Business and Economic Research. Tax estimates are recalculated in October and November and refined in December and January for inclusion in the Governor's Budget Document.

Sales tax estimates are based on estimated retail sales activity, which is provided by the Center for Business and Economic Research. Corporate excise tax estimates are made as late as possible in the year to take advantage of the latest available corporate profit forecasts for the nation and the October state tax returns filed with the Department of Revenue, which provide information useful in projecting quarterly estimated corporate tax payments through the next year.

Estimates for selective excise taxes are commonly based on long-run consumption trends for the selectively-taxed items: cigarettes, gasoline, beer, and alcoholic beverages. Long-run trend analysis is also used as a basis for projecting corporate excise and franchise tax collections and Tennessee Valley Authority in lieu of tax payments.

Motor vehicle fuel (primarily diesel fuel)

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

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

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

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

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

and Commissioner of Finance and Administration.

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

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

Following the chart comparing taxes for the three fiscal years, three charts are included to show the collections distributed by fund. The funds on the distribution charts, for 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 Overview" subsection entitled "Basis of Budgeting and Accounting.")

Following the four tax revenue estimate charts is a chart detailing the revenues of regulatory boards, with the collections and estimates listed by board. This is a supporting schedule to the "Comparison Statement of State Revenues" charts, on which single lines for regulatory board fees appear.

In addition to the general revenues detailed in

this section, other revenues are collected by departments, institutions, and agencies and are appropriated directly to them. These are called departmental revenues. In the Budget Document, these departmental revenues are estimated by program and are shown as federal revenue, other revenue (or, sometimes, current services and other revenue), and tuition and fees. The term "other revenue" includes interdepartmental revenue, current services revenue, non-governmental revenue, and revenue from cities and counties. These various departmental revenues consist of earnings and charges for goods and services; student tuition and fees in the higher education system; and donations, contributions, and grants-in-aid from the federal government, political subdivisions, foundations, corporations, and individuals. In a few cases, the other departmental revenues also include reserves from revolving funds or from the unencumbered balance and capital outlay (major maintenance) reserves, in instances in which specific legal authority to carry such funds forward exists. The departmental revenues are reflected in each department's budget as operating revenue.

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.

The tax revenue estimates proposed in this Budget are provided in the following subsection entitled "Comparison Statement of State Revenues." The distribution of taxes among the funds on these charts is as provided by law as it existed last year for 2006-2007 actual revenue and as it exists currently for 2007-2008 and 2008-2009 estimates.

Following that subsection is a subsection detailing so-called tax expenditures, which reports on major tax exemptions provided by law.

Comparison Statement of State Revenues

**Actual and Estimated
July 1, 2006 – June 30, 2009**

Comparison Statement of State Revenues
Actual and Estimated July 1, 2006 - June 30, 2009

SOURCE OF REVENUE

Department of Revenue	Actual 2006-2007	Estimated 2007-2008	Estimated 2008-2009	Percent Required
Sales and Use Tax	\$ 6,815,407,300	\$ 7,030,500,000	\$ 7,306,600,000	3.93%
Gasoline Tax	612,263,500	606,000,000	609,100,000	0.51%
Motor Fuel Tax	185,879,400	186,000,000	188,300,000	1.24%
Gasoline Inspection Tax	65,312,200	65,500,000	66,200,000	1.07%
Motor Vehicle Registration Tax	257,367,700	259,100,000	263,000,000	1.51%
Income Tax	247,567,500	257,500,000	262,600,000	1.98%
Privilege Tax	313,793,300	317,300,000	305,300,000	-3.78%
Gross Receipts Tax - TVA	250,247,600	270,300,000	283,800,000	4.99%
Gross Receipts Tax - Other	27,370,100	23,300,000	23,800,000	2.15%
Beer Tax	17,979,100	18,500,000	19,100,000	3.24%
Alcoholic Beverage Tax	40,998,300	42,600,000	44,300,000	3.99%
Franchise Tax	636,972,300	635,800,000	648,500,000	2.00%
Excise Tax	1,129,107,500	1,130,300,000	1,152,800,000	2.00%
Inheritance and Estate Tax	112,393,000	93,700,000	93,700,000	0.00%
Tobacco Tax	137,993,500	329,300,000	345,800,000	5.01%
Motor Vehicle Title Fees	11,105,200	11,500,000	11,600,000	0.87%
Mixed Drink Tax	53,656,700	57,400,000	61,400,000	6.97%
Business Tax	133,773,300	139,100,000	147,500,000	6.04%
Severance Tax	1,549,400	1,700,000	1,800,000	5.88%
Coin-operated Amusement Tax	340,700	300,000	300,000	0.00%
Unauthorized Substance Tax	1,602,700	2,000,000	2,000,000	0.00%
Total Department of Revenue	\$ 11,052,680,300	\$ 11,477,700,000	\$ 11,837,500,000	3.13%
Other State Revenue				
Department of Commerce and Insurance	\$ 415,385,300	\$ 423,700,000	\$ 423,700,000	0.00%
Department of Financial Institutions	5,864,900	8,200,000	8,200,000	0.00%
Wildlife Resources Agency	49,121,400	49,300,000	53,300,000	8.11%
Department of Agriculture	15,835,500	14,000,000	16,300,000	16.43%
Regulatory Board Fees	34,492,500	35,900,000	36,400,000	1.39%
Tennessee Regulatory Authority	6,271,800	8,400,000	8,800,000	4.76%
Secretary of State	26,946,600	28,000,000	28,000,000	0.00%
Department of Safety	36,082,500	36,400,000	36,900,000	1.37%
Department of Revenue	1,859,600	5,800,000	5,800,000	0.00%
State Treasurer	113,939,900	120,000,000	80,000,000	-33.33%
Department of Education	1,623,100	1,700,000	1,700,000	0.00%
Department of Health	13,952,200	11,400,000	12,000,000	5.26%
Dept. of Environment and Conservation	64,816,600	73,800,000	78,700,000	6.64%
Miscellaneous Revenue	46,275,200	37,100,000	32,100,000	-13.48%
Nursing Home Tax	100,936,800	100,300,000	99,700,000	-0.60%
Total Other State Revenue	\$ 933,403,900	\$ 954,000,000	\$ 921,600,000	-3.40%
Total State Revenue	\$ 11,986,084,200	\$ 12,431,700,000	\$ 12,759,100,000	2.63%

**Distribution of Actual Revenue by Fund
Fiscal Year 2006-2007**

SOURCE OF REVENUE

Department of Revenue	Total Revenue	General Fund	Education Fund	Highway Fund	Debt Service Fund	Cities & Counties
Sales and Use Tax	\$ 6,815,407,300	\$ 2,572,524,100	\$ 3,927,220,200	\$ 0	\$ 48,531,900	\$ 267,131,100
Gasoline Tax	612,263,500	9,291,200	0	284,557,600	84,500,000	233,914,700
Motor Fuel Tax	185,879,400	3,524,300	0	133,625,500	0	48,729,600
Gasoline Inspection Tax	65,312,200	18,935,500	0	34,359,700	0	12,017,000
Motor Vehicle Registration Tax	257,367,700	51,333,000	141,800	205,892,900	0	0
Income Tax	247,567,500	163,346,700	0	0	0	84,220,800
Privilege Tax	313,793,300	313,659,700	133,600	0	0	0
Gross Receipts Tax - TVA	250,247,600	146,459,000	0	0	0	103,788,600
Gross Receipts Tax - Other	27,370,100	23,067,700	0	4,302,400	0	0
Beer Tax	17,979,100	12,027,900	0	2,260,700	0	3,690,500
Alcoholic Beverage Tax	40,998,300	33,862,700	0	0	0	7,135,600
Franchise Tax	636,972,300	618,972,300	0	0	18,000,000	0
Excise Tax	1,129,107,500	945,921,500	0	0	156,868,100	26,317,900
Inheritance and Estate Tax	112,393,000	112,393,000	0	0	0	0
Tobacco Tax	137,993,500	1,040,400	136,953,100	0	0	0
Motor Vehicle Title Fees	11,105,200	8,405,200	0	0	2,700,000	0
Mixed Drink Tax	53,656,700	0	26,828,400	0	0	26,828,300
Business Tax	133,773,300	133,773,300	0	0	0	0
Severance Tax	1,549,400	669,700	0	0	0	879,700
Coin-operated Amusement Tax	340,700	340,700	0	0	0	0
Unauthorized Substance Tax	1,602,700	423,800	0	0	0	1,178,900
Total Department of Revenue	\$ 11,052,680,300	\$ 5,169,971,700	\$ 4,091,277,100	\$ 664,998,800	\$ 310,600,000	\$ 815,832,700
Other State Revenue						
Department of Commerce and Insurance	\$ 415,385,300	\$ 415,385,300	\$ 0	\$ 0	\$ 0	\$ 0
Department of Financial Institutions	5,864,900	5,864,900	0	0	0	0
Wildlife Resources Agency	49,121,400	49,121,400	0	0	0	0
Department of Agriculture	15,835,500	15,835,500	0	0	0	0
Regulatory Board Fees	34,492,500	34,492,500	0	0	0	0
Tennessee Regulatory Authority	6,271,800	6,271,800	0	0	0	0
Secretary of State	26,946,600	26,946,600	0	0	0	0
Department of Safety	36,082,500	36,082,500	0	0	0	0
Department of Revenue	1,859,600	1,859,600	0	0	0	0
State Treasurer	113,939,900	113,939,900	0	0	0	0
Department of Education	1,623,100	0	1,623,100	0	0	0
Department of Health	13,952,200	13,952,200	0	0	0	0
Dept. of Environment and Conservation	64,816,600	64,816,600	0	0	0	0
Miscellaneous Revenue	46,275,200	46,275,200	0	0	0	0
Nursing Home Tax	100,936,800	100,936,800	0	0	0	0
Total Other State Revenue	\$ 933,403,900	\$ 931,780,800	\$ 1,623,100	\$ 0	\$ 0	\$ 0
Total State Revenue	\$ 11,986,084,200	\$ 6,101,752,500	\$ 4,092,900,200	\$ 664,998,800	\$ 310,600,000	\$ 815,832,700

**Distribution of Revised Estimated Revenue by Fund
Fiscal Year 2007-2008**

SOURCE OF REVENUE

Department of Revenue	Total Revenue	General Fund	Education Fund	Highway Fund	Debt Service Fund	Cities & Counties
Sales and Use Tax	\$ 7,030,500,000	\$ 2,599,100,000	\$ 4,051,200,000	\$ 55,000,000	\$ 49,900,000	\$ 275,300,000
Gasoline Tax	606,000,000	9,300,000	0	280,400,000	84,800,000	231,500,000
Motor Fuel Tax	186,000,000	3,500,000	0	133,700,000	0	48,800,000
Gasoline Inspection Tax	65,500,000	19,000,000	0	34,500,000	0	12,000,000
Motor Vehicle Registration Tax	259,100,000	50,100,000	200,000	208,800,000	0	0
Income Tax	257,500,000	171,000,000	0	0	0	86,500,000
Privilege Tax	317,300,000	317,200,000	100,000	0	0	0
Gross Receipts Tax - TVA	270,300,000	155,300,000	0	0	0	115,000,000
Gross Receipts Tax - Other	23,300,000	19,600,000	0	3,700,000	0	0
Beer Tax	18,500,000	12,400,000	0	2,300,000	0	3,800,000
Alcoholic Beverage Tax	42,600,000	35,200,000	0	0	0	7,400,000
Franchise Tax	635,800,000	617,800,000	0	0	18,000,000	0
Excise Tax	1,130,300,000	936,900,000	0	0	165,000,000	28,400,000
Inheritance and Estate Tax	93,700,000	93,700,000	0	0	0	0
Tobacco Tax	329,300,000	32,100,000	297,200,000	0	0	0
Motor Vehicle Title Fees	11,500,000	8,800,000	0	0	2,700,000	0
Mixed Drink Tax	57,400,000	0	28,700,000	0	0	28,700,000
Business Tax	139,100,000	139,100,000	0	0	0	0
Severance Tax	1,700,000	500,000	0	0	0	1,200,000
Coin-operated Amusement Tax	300,000	300,000	0	0	0	0
Unauthorized Substance Tax	2,000,000	600,000	0	0	0	1,400,000
Total Department of Revenue	<u>\$ 11,477,700,000</u>	<u>\$ 5,221,500,000</u>	<u>\$ 4,377,400,000</u>	<u>\$ 718,400,000</u>	<u>\$ 320,400,000</u>	<u>\$ 840,000,000</u>
Other State Revenue						
Department of Commerce and Insurance	\$ 423,700,000	\$ 423,700,000	\$ 0	\$ 0	\$ 0	\$ 0
Department of Financial Institutions	8,200,000	8,200,000	0	0	0	0
Wildlife Resources Agency	49,300,000	49,300,000	0	0	0	0
Department of Agriculture	14,000,000	14,000,000	0	0	0	0
Regulatory Board Fees	35,900,000	35,900,000	0	0	0	0
Tennessee Regulatory Authority	8,400,000	8,400,000	0	0	0	0
Secretary of State	28,000,000	28,000,000	0	0	0	0
Department of Safety	36,400,000	36,400,000	0	0	0	0
Department of Revenue	5,800,000	5,800,000	0	0	0	0
State Treasurer	120,000,000	120,000,000	0	0	0	0
Department of Education	1,700,000	0	1,700,000	0	0	0
Department of Health	11,400,000	11,400,000	0	0	0	0
Dept. of Environment and Conservation	73,800,000	73,800,000	0	0	0	0
Miscellaneous Revenue	37,100,000	37,100,000	0	0	0	0
Nursing Home Tax	100,300,000	100,300,000	0	0	0	0
Total Other State Revenue	<u>\$ 954,000,000</u>	<u>\$ 952,300,000</u>	<u>\$ 1,700,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total State Revenue	<u>\$ 12,431,700,000</u>	<u>\$ 6,173,800,000</u>	<u>\$ 4,379,100,000</u>	<u>\$ 718,400,000</u>	<u>\$ 320,400,000</u>	<u>\$ 840,000,000</u>

**Distribution of Estimated Revenue by Fund
Fiscal Year 2008-2009**

SOURCE OF REVENUE

Department of Revenue	Total Revenue	General Fund	Education Fund	Highway Fund	Debt Service Fund	Cities & Counties
Sales and Use Tax	\$ 7,306,600,000	\$ 2,706,400,000	\$ 4,210,300,000	\$ 52,000,000	\$ 51,800,000	\$ 286,100,000
Gasoline Tax	609,100,000	9,300,000	0	278,400,000	88,700,000	232,700,000
Motor Fuel Tax	188,300,000	3,500,000	0	135,400,000	0	49,400,000
Gasoline Inspection Tax	66,200,000	19,200,000	0	35,000,000	0	12,000,000
Motor Vehicle Registration Tax	263,000,000	48,400,000	200,000	214,400,000	0	0
Income Tax	262,600,000	174,400,000	0	0	0	88,200,000
Privilege Tax	305,300,000	305,200,000	100,000	0	0	0
Gross Receipts Tax - TVA	283,800,000	161,900,000	0	0	0	121,900,000
Gross Receipts Tax - Other	23,800,000	20,100,000	0	3,700,000	0	0
Beer Tax	19,100,000	12,800,000	0	2,400,000	0	3,900,000
Alcoholic Beverage Tax	44,300,000	36,600,000	0	0	0	7,700,000
Franchise Tax	648,500,000	630,500,000	0	0	18,000,000	0
Excise Tax	1,152,800,000	971,300,000	0	0	153,100,000	28,400,000
Inheritance and Estate Tax	93,700,000	93,700,000	0	0	0	0
Tobacco Tax	345,800,000	32,700,000	313,100,000	0	0	0
Motor Vehicle Title Fees	11,600,000	8,900,000	0	0	2,700,000	0
Mixed Drink Tax	61,400,000	0	30,700,000	0	0	30,700,000
Business Tax	147,500,000	147,500,000	0	0	0	0
Severance Tax	1,800,000	500,000	0	0	0	1,300,000
Coin-operated Amusement Tax	300,000	300,000	0	0	0	0
Unauthorized Substance Tax	2,000,000	600,000	0	0	0	1,400,000
Total Department of Revenue	<u>\$ 11,837,500,000</u>	<u>\$ 5,383,800,000</u>	<u>\$ 4,554,400,000</u>	<u>\$ 721,300,000</u>	<u>\$ 314,300,000</u>	<u>\$ 863,700,000</u>
Other State Revenue						
Department of Commerce and Insurance	\$ 423,700,000	\$ 423,700,000	\$ 0	\$ 0	\$ 0	\$ 0
Department of Financial Institutions	8,200,000	8,200,000	0	0	0	0
Wildlife Resources Agency	53,300,000	53,300,000	0	0	0	0
Department of Agriculture	16,300,000	16,300,000	0	0	0	0
Regulatory Board Fees	36,400,000	36,400,000	0	0	0	0
Tennessee Regulatory Authority	8,800,000	8,800,000	0	0	0	0
Secretary of State	28,000,000	28,000,000	0	0	0	0
Department of Safety	36,900,000	36,900,000	0	0	0	0
Department of Revenue	5,800,000	5,800,000	0	0	0	0
State Treasurer	80,000,000	80,000,000	0	0	0	0
Department of Education	1,700,000	0	1,700,000	0	0	0
Department of Health	12,000,000	12,000,000	0	0	0	0
Dept. of Environment and Conservation	78,700,000	78,700,000	0	0	0	0
Miscellaneous Revenue	32,100,000	32,100,000	0	0	0	0
Nursing Home Tax	99,700,000	99,700,000	0	0	0	0
Total Other State Revenue	<u>\$ 921,600,000</u>	<u>\$ 919,900,000</u>	<u>\$ 1,700,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total State Revenue	<u>\$ 12,759,100,000</u>	<u>\$ 6,303,700,000</u>	<u>\$ 4,556,100,000</u>	<u>\$ 721,300,000</u>	<u>\$ 314,300,000</u>	<u>\$ 863,700,000</u>

**Comparative Statement of Revenues of Regulatory Boards
Actual and Estimated July 1, 2006 - June 30, 2009
To Support Statement of State Revenues**

SOURCE OF REVENUE	Actual 2006-2007	Estimated 2007-2008	Estimated 2008-2009
State Board of Accountancy	\$ 1,046,400	\$ 956,100	\$ 739,200
State Board of Examiners for Architects and Engineers	1,389,900	1,126,400	1,121,200
Advisory Board on Professional Boxing and Racing	8,900	7,000	7,000
Athletic Commission	62,800	50,600	51,000
Tennessee Auctioneer Commission	247,400	151,700	151,100
Board of Barber Examiners	376,200	263,800	265,300
Tennessee Collection Service Board	319,000	132,400	133,000
Licensing Contractors, Home Improvement and Interior Designers	3,274,300	2,009,100	2,069,900
State Board of Cosmetology	1,362,700	906,300	902,100
Board of Funeral Directors and Embalmers	410,400	432,800	435,900
Board of Examiners for Land Surveyors	38,000	81,400	78,400
Board of Alarm Contractors	403,600	358,700	358,700
Private Investigators Licensing and Regulation	239,800	131,300	131,300
Private Protective Services Licensing and Regulation	1,176,400	487,800	487,800
Board of Polygraph Examiners	7,400	8,000	8,000
Real Estate Appraiser Commission	471,600	257,600	249,600
Registration of Geologists	74,100	49,200	50,900
Tennessee Real Estate Commission	3,012,800	1,834,200	1,856,200
Tennessee Motor Vehicle Commission	1,427,000	598,200	598,200
Employee Leasing	113,100	18,800	19,400
Locksmith Licensing Board	0	121,200	119,900
Private Probation Registration	122,800	11,500	11,600
Home Inspectors License	124,900	93,800	93,800
Administrative Allocation	0	8,183,300	8,538,900
Sub-Total: Commerce and Insurance	\$ 15,709,500	\$ 18,271,200	\$ 18,478,400
Board of Chiropractic Examiners	\$ 206,200	\$ 182,500	\$ 182,500
Board of Dentistry	1,374,800	1,200,000	1,273,400
Board of Dietitian / Nutritionist Examiners	64,400	62,500	62,500
Board of Dispensing Opticians	98,300	102,500	102,500
State Board of Electrolysis Examiners	23,900	20,500	20,500
Council for Licensing Hearing Instrument Specialists	44,100	48,200	48,200
Board of Social Worker Certification and Licensure	240,200	240,000	240,000
Board of Medical Examiners	2,801,000	2,590,500	2,590,500
Tennessee Medical Laboratory Board	666,800	665,000	685,000
Board of Nursing	4,356,100	4,000,000	4,050,000
Board of Examiners for Nursing Home Administrators	78,600	79,100	99,800
Board of Occupational and Physical Therapy Examiners	438,100	433,800	433,800
State Board of Athletic Trainers	46,300	45,500	45,500
Board of Respiratory Care	156,700	157,200	157,200
State Board of Optometry	194,100	190,000	190,000
Board of Osteopathic Examination	167,800	163,500	163,500
Board of Pharmacy	1,418,200	1,400,000	1,425,000
Board of Registration for Podiatry	128,700	58,900	58,900
Board of Cert. for Prof. Counselors, and Marital and Family Therapists	189,700	161,900	161,900
Board of Examiners in Psychology	300,500	300,000	315,200
Board for Communication Disorders and Sciences	96,000	96,300	96,300
Committee on Physician Assistants	157,900	142,300	142,300
Massage Licensure Board	300,400	300,000	325,000
Board of Veterinary Medical Examiners	507,300	468,500	468,500
Alcohol and Drug Abuse Counselors	84,900	90,600	90,600
Board of Midwifery	10,000	10,000	10,000
Board of Acupuncture	29,200	28,200	28,200
Board of Clinical Perfusionists	18,200	12,900	12,900
Reflexologist License	10,900	6,200	6,200
Polysomnographic Professional Standards Board	0	48,700	48,700
Sub-Total: Health	\$ 14,209,300	\$ 13,305,300	\$ 13,534,600
State Regulatory Fee	\$ 2,358,500	\$ 2,400,000	\$ 2,400,000
State Board of Law Examiners	713,200	706,200	706,200
Health Services Development Agency	1,502,000	1,245,200	1,246,400
Adjustment	7,500	(27,900)	34,400
Total Regulatory Boards	\$ 34,500,000	\$ 35,900,000	\$ 36,400,000

Tax Expenditures

Recommended Budget, Fiscal Year 2008-2009

Tennessee Code Annotated 9-4-5115 requires the Department of Finance and Administration to report annually to the Finance, Ways and Means Committees of the House and the Senate on two areas of government finance: 1) tax exemptions; and 2) vendor compensation for the collection of the sales tax. This section of the Budget Document is intended to fulfill that statutory obligation.

Under the law, the tax expenditure report is required to "...identify all exemptions, to the extent that it is practical, and estimate the amount of revenue which would have been collected by the state in the fiscal year commencing on July 1 next succeeding such report had each exemption not existed." The report on vendor compensation is required to show the amount paid to vendors for the collection of the sales tax. No format or reporting period is specified. Both reports are to be made no later than February 1 of each year.

Vendors' compensation for collection of the sales tax was repealed, effective July 1, 2000, by Public Acts of 2000, chapter 983. Thus, no report is made on vendors compensation.

Tax Exemptions

It is not possible to estimate the amount of revenue lost for each of the tax exemptions found in the Tennessee code. For example, since 1947, the list of non-profit institutions that are exempt from the sales tax has grown dramatically. Such institutions are allowed to

buy tangible goods and certain services tax-free. Retailers and sellers require proof of exemption and keep records of exempt sales, but tax returns filed with the Department of Revenue do not show detailed statistics on exempt sales by type of exempt entity. Such data is only available in the records of the thousands of individual retailers and vendors who sell directly to the public. Therefore, the tax exemptions listed in the present report consist only of those that can be estimated with a reasonable degree of accuracy.

The fiscal impact of Tennessee's major tax exemptions is presented in tabular form in Tables 1-A and 1-B. Estimates of revenue loss are provided for FY 2008-2009. 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. Secondly, 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 which impacts other taxes (the estimates do not reflect secondary or feedback effects).

Major Tax Exemptions from the Sales and Use Tax
Currently Untaxed Services: Table 1-A

<u>Service/Product Area Exempted</u>	<u>FY 2008-2009 Estimated Loss</u>	
	<u>State</u>	<u>Local*</u>
Administrative & Support Services	\$ 363,000,000	\$ 124,500,000
Collection Agencies & Credit Bureaus	22,600,000	7,800,000
Employment Services	205,200,000	70,400,000
Investigation & Security Services	44,100,000	15,100,000
Mail, Document Reproduction, & Call Centers	16,200,000	5,500,000
Services to Buildings & Dwellings	74,900,000	25,700,000
Construction Services	\$ 735,700,000	\$ 252,200,000
Building, Developing, & General Contracting	243,000,000	83,300,000
Heavy Construction	102,500,000	35,100,000
Special Trade Contractors	390,200,000	133,800,000
Educational Services	\$ 44,500,000	\$ 15,200,000
Educational Services (for-profit)	40,000,000	13,700,000
Educational Services (non-profit)	4,500,000	1,500,000
Finance, Insurance, & Real Estate	\$ 270,700,000	\$ 92,900,000
Investment Banking, Securities Brokerage, & Related Services	90,000,000	30,900,000
Insurance Agents & Related Services	69,900,000	24,000,000
Real Estate Agents & Brokers	110,800,000	38,000,000
Health Care & Social Services (For-profit)	\$ 760,500,000	\$ 260,700,000
Physicians & Dentists	440,200,000	150,900,000
Other Health Practitioners	52,200,000	17,900,000
Hospitals	87,500,000	30,000,000
Nursing & Residential Care Facilities	83,400,000	28,600,000
Outpatient Care Centers	31,800,000	10,900,000
Medical and Diagnostic Laboratories	25,000,000	8,600,000
Other Selected Health Services	10,600,000	3,600,000
Social & Community Services	29,800,000	10,200,000
Health Care & Social Services (Non-profit)	\$ 472,100,000	\$ 161,900,000
Hospitals	392,000,000	134,400,000
Nursing & Residential Care Facilities	27,100,000	9,300,000
Outpatient Care Centers	26,300,000	9,000,000
Other Selected Health Services	6,600,000	2,300,000
Social & Community Services	20,100,000	6,900,000
Information Services	\$ 63,100,000	\$ 26,900,000
Data Processing Services	23,900,000	8,200,000
Movie Production & Sound Recording Studios	6,800,000	2,300,000
Cable T.V. Subscriptions (exempt amt.)	18,600,000	11,700,000
Newspaper Subscriptions & Sales	13,800,000	4,700,000
Media Advertising Sales	\$ 133,600,000	\$ 45,800,000
Newspaper Advertising	39,600,000	13,600,000
Radio Advertising	20,500,000	7,000,000
Television Advertising (Broadcast & Cable)	73,500,000	25,200,000
Personal Services	\$ 86,200,000	\$ 29,700,000
Coin-operated Laundry	2,800,000	1,000,000
Death Care Services	15,600,000	5,400,000
Diet & Weight Loss	1,700,000	600,000
Hair, Nail, & Skin Care Services	38,600,000	13,200,000
Non-Profit Amusement & Membership Organizations	27,500,000	9,500,000
Professional & Technical Services	\$ 710,500,000	\$ 243,700,000
Accounting, Tax Return Prep., & Payroll	92,700,000	31,800,000
Advertising & Public Relations	32,100,000	11,000,000
Architectural Services	24,600,000	8,400,000
Engineering Services	149,400,000	51,200,000
All Other Architectural, Engineering, & Related Services	14,300,000	4,900,000
Specialized Design Services	17,100,000	5,900,000
Computer Systems Design & Related Services	46,600,000	16,000,000
Legal Services (profit & non-profit)	163,900,000	56,200,000
Management, Scientific, & Technical Consulting	149,500,000	51,300,000
Scientific Research & Development (profit & non-profit)	20,300,000	7,000,000
Transportation Services (Local Trucking only)	\$ 59,500,000	\$ 20,400,000
Truck Transportation (Local)	59,500,000	20,400,000
Total Revenue Loss	\$ 3,699,400,000	\$ 1,273,900,000

*Local revenue loss calculated based on an average local sales tax rate of 2.40%.

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 2008-2009 Estimated Loss	
		State	Local
	Sales and Use Tax	\$ 2,682,399,000	\$ 831,024,000
67-6-329(a)(1)	Gasoline	600,295,000	205,815,000
67-6-329(a)(2)	Motor vehicle fuel (diesel fuel)	200,940,000	68,894,000
67-6-217	Aviation fuel (reduced rate)	28,456,000	27,318,000
67-6-207(a)(9)	Gasoline/diesel fuel for agriculture	11,370,000	3,898,000
67-6-314, 320	Prescription drugs, insulin, and related	353,134,000	121,075,000
67-6-319	Prescription drug samples	44,708,000	15,328,000
67-6-334	Energy fuels sold for residential use	292,197,000	100,182,000
67-6-206(b)(1-2), 702(b)	Energy and water sales to manufacturers (reduced rate)	195,294,000	85,219,000
67-6-206(b)(2-8)	Energy and water sales to manuf. for direct processing (exempt)	70,574,000	906,000
67-6-102(39), 206(a), 702(b)	Industrial machinery and equipment	187,687,000	38,208,000
67-6-207	Farm machinery and equipment	20,707,000	4,215,000
67-6-228(a)	Food sales (reduced rate)	132,750,000	-
67-6-329(a)(13)	Packaging sold for resale or use	102,822,000	35,253,000
67-6-329(a)(3), (18)	School books and lunches	20,725,000	7,106,000
67-6-330(a)(4-5)	Membership dues of civic organizations & business assoc.	20,419,000	7,001,000
67-6-103(f), 226, 714	Cable television (exempt portion)	18,642,000	11,718,000
67-6-316	Prescription eyewear and optical goods	16,422,000	5,631,000
67-6-329(a)(10)	Newspaper periodical sales	13,776,000	4,723,000
67-6-303	Motor vehicles sold to active-duty or non-resident military personnel	8,469,000	632,000
67-6-219, 702(e)	Sales to common carriers (reduced rate)	8,126,000	3,188,000
67-6-216	Non-material cost of manufactured homes (reduced rate)	7,178,000	-
67-6-336	Used factory-manufactured structures	1,670,000	38,000
67-6-313(g), 321	Railroad rolling stock, materials, and repairs	6,801,000	1,511,000
67-6-309(a)	Film and transcription rentals	5,146,000	1,764,000
67-6-330(a)(17)	Physical fitness facility fees	4,309,000	1,477,000
67-6-102(39)(H)(i)	Certain warehouse equipment	3,558,000	647,000
67-6-329(a)(6)	Magazines and books--printers' nexus	3,229,000	1,107,000
67-6-329(a)(10-17)	Fertilizers, pesticides, seeds, and related items to nurseries	2,995,000	1,027,000
	All other remaining exemptions	300,000,000	77,143,000
	Corporate Franchise and Excise Tax	\$ 96,800,000	\$ -
67-4-2109	Jobs credit (Fran. & Exc.)	24,000,000	NA
67-4-2108	Cap on value of inventories (Franchise)	21,600,000	NA
67-4-2009	Industrial machinery credit (Excise)	32,000,000	NA
67-4-2012, 2111	Double-weighted sales factor (Fran. & Exc.)	10,200,000	NA
67-4-2009, 2112	Hospital company tax credit (Fran. & Exc.)	9,000,000	NA
	Motor Vehicle Registration Fees	\$ 5,163,000	\$ -
55-4-223	Government vehicles	1,348,000	NA
55-4-228(d)(1)(a)	Enlisted members of the Tennessee National Guard	130,000	NA
55-4-235,236,237	Former POWS, Medal of Honor recipients, and disabled Veterans	343,000	NA
55-4-113(6)	Special zone tags - Class 1	772,000	NA
55-4-113(6), 124	Special zone tags - Class 2	2,400,000	NA
55-21-103(a)(1)	Disabled driver plate fee	67,000	NA
55-21-103(b)(2)	Disabled driver placard fees	103,000	NA
	Gross Receipts Taxes	\$ 224,960,000	\$ -
67-4-405(b)	Gas, Water, and Electric Companies - Govt. operations exempt	217,700,000	NA
67-4-405(d)	Gas, Water, and Electric Companies - Franchise and excise tax credit	3,960,000	NA
67-4-405(e)	Gas, Water, and Electric Companies - \$5,000 exemption	100,000	NA
67-4-402	Bottlers - Franchise and excise tax credit	3,200,000	NA
	Miscellaneous Taxes	\$ 248,000,000	\$ -
67-8-316(b)	Standard Exemption on the inheritance and gift tax	171,100,000	NA
67-8-315(a)(6)	Marital Deduction on the inheritance and gift tax	58,500,000	NA
67-2-104(a)	Standard Exemption on the income tax	17,800,000	NA
67-4-409(b)(4)	Mortgage Tax - \$2,000 exemption	600,000	NA
	Total Revenue Loss	\$ 3,257,322,000	\$ 831,024,000

Revenue Sources and Basis of Apportionment

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Department of Revenue

SALES AND

USE TAX.....7.0% is the general rate that applies to the gross proceeds derived from the retail sale or use of tangible personal property and specific services. A one-half of one percent portion of the gross tax is earmarked solely for the Education Fund and the remaining 6.5% portion is distributed to various funds (TCA 67-6-201 through 67-6-205, 67-6-212, 67-6-213, and 67-6-220). Also, rates varying from 1% to 8.25% apply to other items and services including the following: 6% for the retail sale of food and food ingredients for human consumption (effective January 1, 2008, the rate will be 5.5%) (TCA 67-6-228); 7% for merchandise purchased from any vending machine (TCA 67-6-102(a)(28)(I)); 1.5% for energy fuels used by manufacturers and nurserymen, and 1% for water used by manufacturers (TCA 67-6-206(b) and 67-6-218); 3.5% for manufactured homes (TCA 67-6-216); 4.5% for aviation fuel (TCA 67-6-217); 3.75% for common carriers (TCA 67-6-219); 7.5% for interstate telecommunication services sold to businesses (TCA 67-6-221); 8.25% for video programming services (between \$15 and \$27.50) and satellite TV services (TCA 67-6-226 and 67-6-227). An additional tax of 2.75% is imposed on the amount for single article sales of personal property in excess of \$1,600 but less than or equal to \$3,200 (TCA 67-6-202(a)).

General Fund.....100% of the 1.0% increase in the general rate enacted in 2002 and 100% of the additional tax imposed on single article sales. 29.0246% of the remaining 5.5% after the allocation to the Transportation Equity Trust Fund, less amounts paid to premier resorts (TCA 67-6-103). Also, amounts from video programming services in excess of \$15 but less than \$27.50 (TCA 67-6-103(f) and 67-6-226); and from

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

interstate telecommunication services sold to businesses (TCA 67-6-221(b)). In addition, amounts from the tax on interstate telecommunication services sold to businesses are earmarked to the Telecommunication Ad Valorem Tax Reduction Fund (TCA 67-6-103(a) and 67-6-221(b)).

Administration.....	0.3674% of the remaining 5.5% after the allocation to the Transportation Equity Trust Fund (TCA 67-6-103).
Education Fund	65.0970% of the remaining 5.5% after the allocation to the Transportation Equity Trust Fund, and 100% of one-half of one percent of the gross tax (TCA 67-6-103 and 49-3-357). Also, amounts from interstate telecommunication services sold to businesses (TCA 67-6-221(b)).
Highway Fund.....	An amount equivalent to tax collections from air, rail, and barge fuel sales is earmarked for the Transportation Equity Trust Fund (TCA 67-6-103(b)).
Debt Service Fund.....	0.9185% of the remaining 5.5% after the allocation to the Transportation Equity Trust Fund, or whatever amount is necessary to meet debt service requirements (TCA 67-6-103 and 9-9-106, and Section 1 of the general appropriations bill).
Municipalities.....	4.5925% of the remaining 5.5% after the allocation to the Transportation Equity Trust Fund, less the MTAS grant (0.95% of the amount from the preceding calculation during FY 1998-99 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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

counties and distributed based on population (TCA 67-6-221 (b)).

Counties.....A share of the tax on interstate telecommunication services sold to businesses is allocated to cities and counties and distributed based on population (TCA 67-6-221(b)).

GASOLINE TAX.....\$.20 on each gallon of gasoline sold, stored, or distributed in the state (TCA 67-3-201 and 60-4-102).

General Fund.....Approximately 1.8% (TCA 67-3-901).

Highway Fund.....Approximately 60.0%, less an amount to the Debt Service Fund (TCA 67-3-901).

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

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

Counties.....Approximately 25.5% based ¼ on population, ¼ on area, and ½ divided equally (TCA 54-4-103 and 67-3-901).

MOTOR FUEL TAX\$.17 on each gallon of diesel fuel and all fuel other than gasoline, except dyed fuel under IRS rules (TCA 67-3-202); a prepaid annual agricultural diesel tax ranging from \$56 to \$159, based on registered gross weight (TCA 67-3-1309); \$.13 on each gallon of compressed natural gas used for motor vehicles on public highways (TCA 67-3-1113); \$.14 on each gallon of liquefied gas used for motor vehicles on public highways (TCA 67-3-1102); and an annual vehicle tax on liquefied gas users ranging from \$70 to \$114, based on registered gross vehicle weight (TCA 67-3-1106).

General Fund.....Approximately 1.9% (TCA 67-3-905, 67-3-908, and 67-3-901(k)).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Highway Fund.....		Approximately 71.9%, 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).
Cities		Approximately 8.7% based on population (TCA 54-4-203, 67-3-905, and 67-3-908).
Counties.....		Approximately 17.5% 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)**

\$.01 for each gallon of gasoline and most other volatile fuels sold, used, or stored (TCA 67-3-203); an additional \$.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 \$.01 per gallon tax and the export fee (TCA 67-3-906). 100% of 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 \$.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).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Cities and Counties.....A local government fund of \$12,017,000, of which 38.1% is for county roads and the remainder for city roads (less a \$120,000 grant to the University of Tennessee Center for Government Training) (TCA 67-3-906).

MOTOR VEHICLE

REGISTRATION.....Fees received from registration and licensing of motor vehicles. Rates are based on classification of vehicles (TCA 55-4-103 and 55-4-111 through 55-4-113, 55-4-115, 55-4-132 and Title 55, Chapter 4, Part 2).

General Fund.....100% of the revenues from the 2002 increase in commercial vehicle registration fees. 2% of the balance of registration fee revenue (TCA 55-6-107) after the allocation of \$2.75 per vehicle plate to the General Fund (TCA 55-4-103), of which \$1 from non-freight registration is earmarked for police pay supplement (TCA 55-4-111); and after an additional \$2 per motorcycle plate to the General Fund, earmarked for the motorcycle rider safety fund (TCA 55-51-104); except for special license plates, for which all revenue above the expense incurred in designing, manufacturing and marketing such plates is allocated in the following manner: personalized plates – 100% to the Arts Commission (TCA 55-4-214); personalized trailer plates – 100% to the Trailer License Plate Fund (TCA 55-4-214); specialty earmarked plates – 50% to the nonprofit organization, state agency or fund earmarked and 40% to the Arts Commission (55-4-215); cultural plates – 80% to the Arts Commission (55-4-216). A \$1 registration and renewal fee is earmarked to the Dept. of Safety for funding the acquisition, updating, and operation of a computerized titling and registration system; this fee is effective from July 1, 1999 until June 30, 2008 (TCA 55-4-132). All penalties and fines, except only 20% of overweight-truck fines, earmarked for administration (TCA 55-6-107); less an amount required for debt service (TCA 55-6-107 and 9-9-103). Also, an amount is allocated

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

from the Highway Fund for motor vehicle registration plates in the annual appropriations bill (TCA 55-6-107(a)).

Highway Fund.....After allocation of 100% of the revenues from the 2002 commercial vehicle registration fee increase to the General Fund, 98% of the balance of registration fee revenue (TCA 55-6-107) after the allocation of \$2.75 per vehicle plate, an additional \$2 per motorcycle plate, and an amount sufficient to fund the cost of issuing motor vehicle registration plates to the General Fund; 10% of the revenue from specialty earmarked plates (55-4-215) and 20% of the revenue from cultural plates (55-4-216); and 80% of overweight-truck fines (TCA 55-6-107), and less an allocation to the General Fund for motor vehicle registration plates (TCA 55-6-107(a)).

Debt Service FundAmount required from General Fund and Highway Fund apportionment (TCA 55-6-107 and 9-9-103).

INCOME TAX.....6% on incomes from dividends on stocks or interest on certain bonds (TCA 67-2-102).

General Fund.....5/8 of revenue and an administrative expense of 10% of the first \$200,000 and 5% of the remainder of the tax (TCA 67-2-117 through 67-2-119).

Cities and Counties.....3/8 of revenue to the local governments by situs, less the General Fund administrative apportionment (TCA 67-2-117 and 67-2-119).

PRIVILEGE TAX.....Various taxes on litigation in the courts, domestic protection civil penalties (\$50), sex offender tax (maximum \$3,000), drug treatment offenders (\$75), realty transfer tax (37 cents per \$100 of consideration or property value), mortgage recordation tax (11.5 cents per \$100 of principal indebtedness), tire tax (\$1.35 per tire sold), occupational tax (\$400 on certain occupations), \$15 marriage

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

license fee, plus a \$60.00 state share of a \$62.50 marriage license fee for couples not completing a premarital preparation course, a packaged automotive oil fee (2 cents per quart), and a 3% surcharge tax on certain rental motor vehicles, blood alcohol testing fee (\$100 per conviction), \$12 per bail bond, and a maximum fine of \$200 for persons convicted of either assault, aggravated assault, or domestic assault. 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, 39-13-101, 39-13-102, 39-13-111, 39-13-709, 16-22-109, 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).

General Fund.....	100% less certain litigation taxes earmarked for various retirement funds. Portions of litigation taxes are earmarked for the Corrections Institute, driver education and highway safety, criminal injuries compensation, victims of crime assistance, State Court Clerks Conference, General Sessions Judges Conference staffing expenses of the state administrative director of the courts, indigent defense attorneys' compensation, civil legal representation of indigents, drug court treatment programs, and electronic fingerprint imaging systems for local law enforcement agencies. 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. Until June 30, 2008, the realty transfer tax designated for the 1986 Wetland Acquisition Fund, Local Parks Acquisition Fund, State Lands Acquisition Fund, and Agricultural Resources Conservation Fund is allocated to the General Fund unless allocated to the other funds in the annual appropriations act (TCA
-------------------	---

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

16-15-5007, 36-3-616, 39-13-709, 40-24-107, 67-4-409, 67-4-602, 67-4-606, 67-4-1701, and 67-4-1905). In addition, portions of the proceeds of the sale of various contraband items seized under alcoholic beverage laws are reported under the privilege tax and earmarked for criminal injuries compensation. These proceeds are explained below under the alcoholic beverage tax (TCA 40-24-107). From the automobile rental surcharge \$1.5 million is earmarked for the Department of Safety to train, equip, and pay members of the Tennessee highway patrol (TCA 67-4-1905). Of the bail bond tax 96% is earmarked for the civil legal representation of low-income persons as determined by the Tennessee Supreme Court and 4% is earmarked for development costs and continuing education for bail bonding agents (TCA 67-4-806). Revenue from the assault fines is directed to fund family violence shelters and services (TCA 39-13-101, 39-13-102, and 39-13-111). The \$60 marriage license fee is earmarked for various departments and organizations concerned with family and children's issues (TCA 36-6-413). Of the \$75 fee for violators of the 2003 Drug Court Treatment Act, \$5 is earmarked for the drug court treatment program resources fund, and \$70 is deposited into dedicated county funds for the creation and maintenance of drug court treatment programs (TCA 16-22-101 – 114). All of the \$100 blood alcohol testing fee is earmarked for the Tennessee Bureau of Investigation Toxicology Unit Testing Fund (TCA 55-10-419).

GROSS RECEIPTS

TAXTaxes 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%

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

on mixing bars and clubs, 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 FY 1977-78 payments and 48.5% of any TVA payments received by the state which exceed the amount paid in FY 1977-78, less approximately \$4.1 million distributed to local governments (TCA 67-9-101 through 67-9-103 and 67-4-402).
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 which exceed state receipts in FY 1977-78, of which approximately 65.9% is designated for counties based ½ on population and ½ on area, 28.3% for municipalities based on population, and 5.8% for impacted local areas affected by TVA construction, plus an amount equal to that received by local governments in FY 1977-78 (\$4.1 million). Portions of this share are earmarked for TACIR and, under some circumstances, for 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).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

BEER EXCISE

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

General Fund67.1% of privilege tax collections (4% of total tax earmarked for administration and 0.41% for alcohol and drug treatment programs); 100% of registration fees (earmarked 50% for the Department of Revenue and 50% for Highway Patrol) (TCA 57-5-102, 57-5-202, and 57-5-205).

Highway Fund12.8% of privilege tax collections for litter control (TCA 57-5-201).

Counties.....10.05% of privilege tax collections distributed to counties equally (TCA 57-5-205).

Municipalities10.05% of privilege tax collections 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 Fund82.5% of distilled spirit and wine gallonage taxes, calculated on the total collections less 4 cents 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 the privilege tax collections (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,

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

10% of proceeds of sale of liquor seized by local officers is retained for administration as departmental revenue by the Department of General Services (TCA 57-9-115, 12-2-207 and 12-2-209).

Counties.....\$.04 per liter of spirit tax, earmarked for any county in which a distillery is located, plus 17.5% of the balance of spirit and wine gallonage taxes, less \$192,000 earmarked for CTAS. In counties of 250,000 or more population, 30% of their allocation is paid by the county to cities of 150,000 or more population (TCA 57-3-306). Also, 50% of the proceeds of sale of contraband goods, less 15% retained as departmental revenue by the Department of General Services (TCA 57-9-205, 12-2-207, and 12-2-209).

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

FRANCHISE TAX.....\$.25 on each \$100 of stock surplus or undivided profits of entities for the privilege of doing business within the state. The tax applies to business entities that enjoy some form of limited liability protection. The minimum tax is \$100 (TCA 67-4-2105 through 67-4-2109).

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

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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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 and 67-4-2007).

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

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

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

**INHERITANCE,
ESTATE, AND
GIFT TAX**.....

The inheritance tax ranges from a rate of 5.5% on the value of net taxable estates of at least \$40,000 to a rate of \$30,200 plus 9.5% of the value in excess of \$850,000 for decedents dying in 2004. The exemption levels for beneficiaries increases to \$950,000 for those dying in 2005 and \$1,000,000 for those dying in 2006 and thereafter. Gifts made after 1983 are taxed at rates ranging from 5.5% on gifts up to \$40,000 to 9.5% on the excess over \$440,000 for Class A beneficiaries and from 6.5% on gifts up to \$50,000 to 16% on the excess over \$200,000 for Class B beneficiaries. Gift tax exemptions of \$10,000 for 1986 through 2001, \$11,000 for 2002 through 2005, and \$12,000 for 2006 are allowed for Class A donees. However, the Class A standard exemption allowable for gifts will increase each year by the same amount as the increase in the annual exclusion for the federal gift tax. Class B donees are allowed \$3,000 per donee. (TCA 67-8-101 through 67-8-106, 67-8-204, 67-8-303, 67-8-314, and 67-8-316).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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

TOBACCO TAX.....\$.031 per cigarette or \$.62 per package of 20; \$.0005 per cigarette pack enforcement fee; 6.6% of wholesale price on other tobacco products; license fees of \$10 to \$20 per location for sellers, distributors, and handlers; proceeds of 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, and 47-25-311).

General Fund Approximately .06% of the \$.01 tax per cigarette (\$.20 per package of 20) (4% of taxes from tobacco other than cigarettes and of proceeds of sale of confiscated tobacco products and 100% of the \$.0005 per pack enforcement fee, all earmarked for administration.). Of the \$.021 per cigarette tax increase (\$.42 package of 20), \$.001 per cigarette (\$.02 per package) is earmarked for the Trauma Center Fund plus \$21 million annually is earmarked for the Department of Agriculture (TCA 67-4-1025).

Education Fund Approximately 99.4% of the \$.01 tax per cigarette (\$.20 per package of 20) (includes 100% of cigarette taxes earmarked for grades 1-12); 100% of the 2007 \$.02 per cigarette tax increase (\$.40 per package of 20) less the allocation to the Department of Agriculture; 100% of license fees and penalties; and 96% of the 6% tax rate on other tobacco products and of proceeds from the sale of confiscated tobacco products (TCA 67-4-1025 and 49-3-357).

MOTOR VEHICLE

TITLE FEES.....\$5 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 76.1% (including 50 cents of the \$5 fee, earmarked for enforcement action against odometer

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

fraud; and a portion of \$1.50 of the \$5 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 23.9% (including a portion of \$1.50 of the \$5 fee, earmarked for debt service on a State Parks bond issue) (TCA 55-6-101).

MIXED DRINK

TAXA 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 Fund50% 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 TAXTax imposed principally by local units of government on certain businesses, vocations, and operations carried on within this state (TCA 67-4-701, 67-4-704, 67-4-705, 67-4-707 through 67-4-709, and 67-4-714 through 67-4-717). 15% of all taxes collected locally are remitted to the state by the collector of each county and incorporated municipality. In addition, all increased revenues directly attributable to the 2002 amendments to TCA 67-4-709(b) are remitted to the state (TCA 67-4-724).

General Fund 100% (TCA 67-4-725).

**CRUDE OIL AND
NATURAL GAS**

SEVERANCE TAX3% 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).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Counties..... 1/3 of tax distributed to county of severance (TCA 60-1-301).

COAL

SEVERANCE TAX\$.20 per ton of severed coal in the state (TCA 67-7-103 and 67-7-104).

General Fund 3.0% of \$.20 gross tax and all penalties and interest (collected as departmental current services revenue of the Department of Revenue) (TCA 67-7-110).

Counties..... 97.0% of \$.20 gross tax distributed to county of severance, of which 50% is earmarked for the county educational system and 50% is earmarked for highway and stream cleaning (TCA 67-7-110).

COIN-OPERATED

AMUSEMENT

MACHINE TAX.....\$10 per bona fide coin-operated amusement machine offered for commercial use and play by the public. Also, an annual master license tax is levied on machine owners ranging from \$500 to \$2,000 depending on the number of machines owned and offered for use (TCA 67-4-2204 and 67-4-2205).

General Fund 100%.

UNAUTHORIZED

SUBSTANCE TAX..... Tax imposed on various substances of any dealer who possesses unauthorized substances 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 (TCA 67-4-2803 and TCA 67-4-2805 through 67-4-2807).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

General Fund	100% of voluntarily paid amounts. For all other proceeds, 25% of the unencumbered tax proceeds. The remaining 75% is allocated to the state or local law enforcement agencies conducting the investigation that led to a tax assessment (TCA 67-4-2809).
Cities and Counties.....	That portion of the 75% of tax proceeds returned to city and county law enforcement agencies conducting investigations leading to a tax assessment (TCA 67-4-2809).

Department of Commerce and Insurance

INSURANCE

COMPANY

PREMIUM TAX.....Life, accident, and health companies are taxed at a rate of 1.75% on gross premiums received; health maintenance organizations and prepaid limited health service organizations are taxed 2% of the gross amount of all dollars collected from an enrollee or on an enrollee's behalf. 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. All other companies pay a tax rate of 2.5% on gross premiums paid by or for policyholders residing in this state or on property located in the state, except captive insurance companies, which are taxed 1% on gross premiums collected or contracted for on policies or contracts of insurance covering property or risks in this state. Companies writing workers' compensation insurance are taxed 4.0% on gross premiums collected for workers' compensation insurance, plus a surcharge of 0.4% on gross premiums. Other revenues collected include regulatory fees for Limited Capital Credit Reinsurers, renewal fees for Fraternal Benefit Societies, insurance agent fees, examination fees, certificates of qualifications, broker fees, certificates of authority fees, utilization review fees, and other

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

miscellaneous fees (TCA 56-4-101, 56-4-106, 56-4-203, 56-4-205, 56-4-206, 56-4-208, 56-4-218, and other provisions of Title 56, Chapter 4, Part 2; Title 56, Chapter 6, Part 1; 56-13-128; 56-21-111; 56-24-104; 56-25-1603; 56-32-224, and 56-51-152).

General Fund 100%.

WORKERS'

COMPENSATION4% on gross premiums collected plus a 0.4% surcharge on said premiums which is earmarked for administration of the Tennessee Occupational Safety and Health Act (TCA 50-6-401 and 56-4-207).

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

**HEALTH CLUBS'
CERTIFICATES OF**

REGISTRATION.....Fees for issuance of certificates of authority (TCA 47-18-302).

General Fund 100%.

**911 EMERGENCY
COMMUNICATIONS**

FUNDMonthly fee of \$1.00 charged to all users and subscribers of non-wireline services including but not limited to commercial mobile radio service (cellular phone) that is capable of connecting users to public safety answering points. Collected funds are used to support uniform statewide 911 service, to implement, and operate E-911 service through funding distributed to the State's emergency communications districts, and for deployment of 911 service for new communication technologies. Non-wireline service providers may retain 3% of the fees collected for administrative expenses (TCA 7-86-108, 7-86-303, and 7-86-306).

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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Department of Financial Institutions

FINANCIAL

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

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

Wildlife Resources Agency

WILDLIFE

RESOURCESFees received from the sale of hunting and fishing licenses, stamp tax on shells, permits, metallic cartridges, fines, private lake operations, and minnow dealers (TCA 70-2-201 through 70-2-222 and 70-3-101).

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

BOATING 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**

FUNDFees from plant and insect pest control industry license, registration, certification, and charter applications and from sample analyses, civil penalties, and damages (TCA 43-1-701, 703, and 704).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

General Fund 100% (earmarked for Regulatory Services programs) (TCA 43-1-701 and 43-1-703).

FERTILIZER

INSPECTION Fee based on \$.20 per ton for all commercial fertilizer (TCA 43-11-106).

General Fund 100%.

FEED

INSPECTION A \$50 license application fee for each commercial feed manufacturer, distributor, or guarantor. Also, fee based on \$.10 per ton for all commercial feeds manufactured in excess of 500 tons (TCA 44-6-104 and 44-6-109).

General Fund 100% (earmarked for administrative expenses) (TCA 43-1-109).

RETAIL FOOD

STORE

INSPECTION ACT

OF 1986 Fee based on types of food sold and seating capacity (TCA 53-8-214).

General Fund 100%.

TENNESSEE

STATE PUBLIC

LIVESTOCK

MARKET BOARD Flat fee of \$250 for each charter application (TCA 44-12-108).

General Fund 100% (earmarked for administrative expenses) (TCA 44-12-111).

DOG AND CAT

BREEDERS Fee based on type of facility and volume of animal transactions (TCA 44-17-104(b)).

General Fund 100%.

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Regulatory Board Fees

REGULATORY

BOARDSFees received from the issuance of licenses and permits to engage in certain professions, from licensing of health care facilities, and gross receipts taxes collected from professional boxing matches (TCA 4-3-1011, 4-3-1304, 4-29-121, Title 55, Chapter 17, Titles 46, 62, and 63, 68-11-216, 68-29-113, and other provisions of Title 68).

General Fund 100%.

Tennessee Regulatory Authority

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. The amount of fee is based on gross receipts of each public utility in excess of \$5,000 annually as follows: \$3 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 \$2 per \$1,000. Minimum fee, \$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 Regulatory Authority) (TCA 65-4-307).

UNIVERSAL

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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

General Fund 100% (earmarked for Tennessee
Regulatory Authority) (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. The
Authority may also impose a civil
penalty up to a maximum of \$2,000
for each violation of state laws
regulating telephone solicitation (65-4-
405).

General Fund 100% (earmarked for Tennessee
Regulatory Authority) (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
Regulatory Authority) (TCA 65-4-
504).

**TDAP
DISTRIBUTION
PROGRAM** Fees paid by telecommunication
service providers with annual
Tennessee intrastate gross receipts in
excess of \$5,000,000. Fees assessed
are not to exceed \$750,000 per year in
total for the establishment of a fund for
support of the telecommunications
assistive device distribution program
(TDAP). The reserve fund for the
program shall not exceed \$1 million.
(65-21-115).

General Fund 100% (earmarked for TDAP program
of Tennessee Regulatory Authority)
(TCA 65-21-115).

**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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

(\$.65 down to \$.35 per meter). Minimum fee, \$100 (TCA 65-28-110(c)). Also, any person who violates state laws or regulations issued by the Tennessee Regulatory Authority 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 Regulatory Authority) (TCA 65-4-307).

MISCELLANEOUS.....A \$25.00 fee per party for filing a petition with the TRA, and fees for copies of records (TCA 65-2-103 and 65-1-212). Penalties of \$50 for each day of any violation or failure by public utilities to comply with Tennessee Regulatory Authority orders, judgments, findings, rules or requirements (TCA 65-4-120).

General Fund.....100% (earmarked for Tennessee Regulatory Authority) (TCA 65-4-307).

Secretary of State

FEES AND TAXESAll fees and taxes received from notary certifications, foreign characters, trademarks, and miscellaneous (TCA 3-17-104, 47-25-517).

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

Department of Safety

CLASSIFIED

DRIVER'S

LICENSESFees received from 5-year driver's license: Class A (Commercial) - \$40; Classes B and C (Commercial) - \$35; Class D (Operator) - \$17.50; duplicate licenses - \$6 first duplication, \$10 for second and subsequent duplications during a regular renewal cycle (TCA 55-50-323).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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, 55-9-603).

LITIGATION

PRIVILEGE TAX A portion of the privilege taxes on litigation, derived from a 25% share of 4.4430% of the proceeds of litigation taxes which are not otherwise earmarked (TCA 67-4-602 and 67-4-606).

General Fund 100% (earmarked for driver education in public schools and for highway safety promotion) (TCA 67-4-606).

Department of Revenue

MOTOR

CARRIERS Annual fees for inspection, control, supervision, and safety of motor carriers. A fee of 2.5% of vehicle registration fees paid by motor vehicles (TCA 55-4-113 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 and 65-15-116).

State Treasurer

INTEREST

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

General Fund 100%.

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Department of Education

LITIGATION

PRIVILEGE TAX.....A portion of the privilege taxes on litigation, based on the first \$2 derived from criminal cases and from a 75% share of 4.4430% of the proceeds of litigation taxes which are not otherwise earmarked (TCA 67-4-602 and 67-4-606).

Education Fund 100% (earmarked for driver education in public schools) (TCA 67-4-602 and 67-4-606).

Department of Health

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

INSPECTIONFees from annual permits. Rates for hotels and restaurants, based on maximum occupancy, are a maximum fee of \$650 for hotels and \$360 for food service establishments. Other fees include: \$100 for auxiliary food service operations; \$30 for temporary food service establishments; a maximum fee of \$80 for child care center food service establishments based on the number of seats; a flat fee of \$140 is assessed for each bed and breakfast establishment; \$340 for each public swimming pool; a flat fee of \$80 for day and primitive camps, a maximum fee of \$150 for resident camps based on the number of sleepers; a maximum fee of \$310 for travel camps based on the number of sites; and \$80 for school service establishments (TCA 68-14-312 through 68-14-316, 68-14-511, 68-14-512, 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 and from the issuance of licenses to engage in the practice of tattooing (TCA 62-38-202, 204, and 205).

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 5 feet in height; fines up to \$50 imposed for violation of mandatory use of a passenger restraint system for children between 9 and 12 years of age or any child through 12 years of age measuring 5 feet or more in height, or any child 13 through 15 years of age (TCA 55-9-602 and 40-35-111).

General Fund.....For violations involving children under 4 years of age or between 4 and 8 years of age and measuring less than 5 feet in height, 100% of the \$50 fine for any offense (earmarked to Child Safety Fund for formula distribution to those entities best suited for child passenger safety system distribution). For violations involving children between 9 and 15 years of age, \$10 of the \$50 fine for a first offense. The remaining \$40 is earmarked to the Child Safety Fund. For second and subsequent violations, 100% of the \$50 fine is earmarked to the Child Safety Fund. (TCA 55-9-602).

NURSING HOME

CIVIL PENALTIESFees from civil penalties assessed on nursing homes, based upon the type of violation (TCA 68-11-811).

General Fund..... 100% (earmarked for resident protection activities) (TCA 68-11-827).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

**TRAUMATIC
BRAIN INJURY**

FUNDFines and penalties levied for motor vehicle violations in addition to those fines and penalties levied in Title 55 Chapters 8, 10, and 50 for speeding, reckless driving, driving with an invalid license, driving under the influence, and accidents involving death or personal injury. (TCA 68-55-301 through 68-55-305).

General Fund100% (earmarked for the Traumatic Brain Injury Fund) (TCA 68-55-301 through 68-55-305).

Department of Environment and Conservation

**TENNESSEE
ENVIRONMENTAL
PROTECTION**

FUNDFees 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 211, Part 1; Chapter 212, Part 1; and Chapter 221, Parts 4, 7, 9 and 10; and Title 69, Chapters 3 and 11).

General Fund100% (earmarked for the programs generating the fees) (TCA 68-203-101 and citations above).

**SOLID WASTE
MANAGEMENT**

FUNDFees from a surcharge on each ton of municipal solid waste received at all Class 1 solid waste disposal facilities or incinerators of \$.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 Fund100% (earmarked for the Solid Waste Assistance Program) (TCA 68-211-835).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

DRYCLEANER

ENVIRONMENTAL

RESPONSE FUND..... Various fees from drycleaning facilities, including annual site registration fees of up to \$1,500, annual wholesale distributor registration fees of \$5,500 per in-state facility, and drycleaning solvent surcharges of \$10 per gallon of non-aqueous solvent and \$1 per gallon of light non-aqueous solvent purchased by a drycleaner (TCA 68-217-105 through 68-217-106).

General Fund..... 100% (earmarked for the Drycleaners Environmental Response Program) (TCA 68-217-103).

OIL AND GAS

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

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

AUTOMOTIVE

OIL FEE..... Two cents 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 and 1005).

Nursing Home Tax

NURSING HOME

TAX Annual tax assessed at \$2,225 per licensed nursing home bed excluding those certified as ICF/MR beds (TCA 68-11-216(c)(1) through (12)).

General Fund..... 100%.

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

**INTERMEDIATE
CARE FACILITIES
FOR THE
MENTALLY
RETARDED
(ICF/MR) GROSS
RECEIPTS TAX.....**

A six percent (6%) monthly gross receipts tax on revenue generated from ICF/MR certified beds (TCA 68-11-830(d)(2)).

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

Department of Transportation

RAILROADS.....Annual fees for inspection, control, and supervision of the business, service, and safety of railroads. Fees figured at \$.04 per 1,000 ton miles. Minimum fee, \$100 (TCA 65-3-201). DOT 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



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY

State Capitol
Nashville, Tennessee 37243-0260
(615) 741-2501

John G. Morgan
Comptroller

December 14, 2007

Memorandum

TO: Governor Phil Bredesen

Chairman Randy McNally
Senate Finance, Ways, & Means Committee

Chairman Craig Fitzhugh
House Finance, Ways, & Means Committee

FROM: John Morgan, Comptroller of the Treasury *JM/gw*
Riley Darnell, Secretary of State *RD*
Dale Sims, State Treasurer *Dale Sims (N.B.)*
M.D. Goetz, Jr., Commissioner
Department of Finance & Administration *MDG*

SUBJECT: Revenue Estimates for FY 2007-08 and FY 2008-09

The State Funding Board met on December 12 and December 14, 2007, to hear presentations on, and to engage in discussions about, the State's near-term economic outlook for the fiscal years 2007-08 and 2008-09.

The Board is charged, in Tennessee Code Annotated Section 9-4-5202(e), with the responsibility of developing consensus ranges 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 and 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 the consensus ranges. 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.

During this meeting, the Board heard economic testimony from Dr. William Fox of The University of Tennessee; Dr. Albert DePrince of Middle Tennessee State University; Dr. Jeff Wallace of the University of Memphis; Mr. Jim White, Mr. Dan Cooper, and Mr. Robert Currey of the Fiscal Review Committee; and Mr. Reid Linn of the State Department of Revenue. The state tax revenue estimates provided by each of the presenters are summarized in two attachments to this memorandum.

The consensus of the presenters is that growth in the economy continues to be slow. None of the presenters is anticipating a recession; however they are anticipating slow growth in adjusted total tax collections for fiscal years 2007-08 and 2008-09. With respect to their forecasts, several of the presenters cautioned that there was a higher risk of undercollecting the estimate versus overcollecting the estimate.

Tennessee's growth in non-agricultural employment remains below the national average. There continues to be negative employment growth in the sectors of durable goods, non-durable goods, government and professional and business services. There has been positive growth in construction employment attributed to the construction of churches, schools, and hotel projects.

Presenters acknowledged that credit is currently difficult to obtain due in part to the subprime lending problem. In addition, household debt has risen as personal savings have fallen.

Tennessee is experiencing a slowdown in big ticket sales for light vehicles and homes, negatively impacting sales tax and privilege tax collections. Although internet and catalogue sellers are more compliant with sales tax collections than originally anticipated, Tennessee continues to lose \$500-600 million annually in uncollected state and local sales tax. Furthermore, Tennesseans consume or purchase many services which are not subject to sales and use tax.

Although franchise and excise tax compliance has improved, the legislature is likely to again face the need to make changes in the law in order to close loopholes discovered or created by corporate taxpayers. Additionally, the level of corporate refund requests filed in October may indicate both economic and revenue concerns with respect to the state's business community.

Underperformance of tobacco tax revenues was attributed to the early purchases of tobacco tax stamps in anticipation of the tax increase. The combination of the tax increase coupled with smoking restrictions may have impacted consumption of cigarettes.

In terms of state revenue forecasts, all presenters believed the state would undercollect the original budget estimates for fiscal year 2007-08.

Based on the testimony received and the Board discussions, the Board developed the following summarized consensus estimates expressed in ranges of growth rates in State tax revenue collections:

	FY 2007-08		FY 2008-09	
	Low	High	Low	High
Total State Taxes	3.25%	4.25%	2.75%	3.25%
General Fund Only	3.00%	4.00%	3.10%	3.60%

Historically, the estimated growth rate range for the General Fund has been higher than that for Total State Taxes. However, for fiscal year 2007-08, the estimated growth rate range for the General Fund is lower than the estimated growth rate range for Total State Taxes. This shift is attributed to the projected decline in revenues which, by statute, are allocated primarily to the General Fund (Franchise and Excise, Sales and Use, Tobacco, and Privilege taxes).

The Board believes that while it is difficult to predict with absolute certainty revenue growth rate ranges when the economy is at a turning point, these ranges are reasonable and appropriate for use in state budgeting and are based on statutory provisions enacted through the 2007 session of the General Assembly. As in past years, the Board intends to revisit these estimates prior to the General Assembly's final budget deliberations. Each of you will be advised of any revisions made by the Board at that time.

Additionally, the State Funding Board 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 succeeding fiscal year. Ms. Rebecca Paul Hargrove, the Chief Executive Officer and Mr. Andy Davis, Chief Financial and Technology Officer of the TELC presented their estimation of total and Net Lottery Proceeds for fiscal years 2007-08 and 2008-09. The TELC estimates Net Lottery Proceeds for both fiscal years to be 27% of net revenues. Additionally, TELC estimates the amount for unclaimed prizes to be approximately 2% of prizes (excluding jackpot prizes), all of which is to be deposited into the "after school programs special account" at the end of each fiscal year.

Ms. Hargrove reviewed significant factors impacting TELC estimates. TELC introduced the "Play it Again" second chance program, extending the sale period for new

Instant Tickets. Powerball sales are impacted by the size of the jackpots. As of November 30th of the current fiscal year, only one jackpot cycle has exceeded \$300 million compared with 2 cycles of over \$200 million during fiscal year 2006-07. Lotto 5 sales are trending lower compared with the prior year. Sales from HotTrax Champions, a monitor-based online game, have been hindered because of limited availability at the retail outlet level. TELC will offer an additional Million \$ Madness Game and will add Lotto Plus, an instant online game, by mid February 2008. The number of vendors continues to remain at approximately 4700.

Ms. Hargrove discussed the decision to change from manual drawings to computer generated drawings for the Cash 3, Cash 4, and Lotto 5 Games. The change was precipitated by the end of the initial contract with television stations across the State that broadcast the drawings. The cost to continue manual drawings is estimated to be \$5 million, which is slightly more than the Net Lottery Proceeds attributed to those particular games.

The Board additionally heard from Mr. Robert Currey, Chief Economist with the Fiscal Review Committee (FRC), who presented to the Board the FRC's projections. Mr. Currey reviewed the fiscal year 2006-07 performance of the TELC and reported \$271,968,491 in Net Lottery Proceeds. In looking at fiscal year 2007-08, Mr. Currey noted moderate growth for the instant games, assuming a continuation of a prize payout ratio of 65%. Lotto 5 continues to experience negative growth. He additionally forecasted flat growth for HotTrax Champions. His assumptions include one new on-line game (Lotto Plus) and total expenses at 73% of total net revenues. The Net Lottery Proceeds available for deposit into the Education Account for fiscal years 2007-08 and 2008-09 are anticipated to be 27% and 26.75%, respectively. The projections for fiscal years 2007-08 and 2008-09 do not factor in the continuation of the allotment of \$25,000,000 for Pre-K and Early Childhood Education Programs.

The Board then heard from Mr. David Wright, Assistant Director for Policy Planning and Research, of the Tennessee Higher Education Commission, and from Mr. Tim Phelps, Associate Executive Director for Grants and Scholarship Programs, of the Tennessee Student Assistance Corporation. In fiscal year 2006-07, there were 67,000 awards in the TEL Scholarship program, with an actual cost of \$191,404,484. Mr. Phelps increased the fiscal year 2007-08 projections to 78,000 awards, with a projected cost of \$233,000,000 (representing a fully mature program with no growth in first time freshmen). Mr. Wright presented estimates for fiscal year 2008-09 of 80,000 awards, with a projected cost of \$238,000,000. These awards include all lottery-funded scholarship programs as authorized through the 2007 session of the General Assembly, including Hope Scholarship, General Assembly Merit Scholarship, ASPIRE Award, HOPE Access Grant, Wilder-Naifeh Technical Skills Grant, Foster Child Tuition Grant, Dual Enrollment Grant, and Math & Science Teacher Loan Forgiveness Program.

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:

	FY 2007-08		FY 2008-09	
	Low	High	Low	High
Net Lottery Proceeds	\$274,000,000	\$284,000,000	\$280,000,000	\$290,000,000

These estimates assume no legislative changes regarding the TELC and its authority. Although the volatility of lottery sales contrasts with the recurring nature of scholarships, the Board noted that estimates of Net Lottery Proceeds for both fiscal years exceed the current estimate of the scholarship program.

The estimates of the Net Lottery Proceeds will be revisited at the time the State Funding Board considers revisions to the ranges of State revenue estimates prior to the adoption of the State's Appropriations Act. As indicated previously, each of you will be advised of any revisions made by the Board at that time.

Attached are copies of the letters received pursuant to Tennessee Code Annotated Section 4-51-111(c)(2)(B) which states:

Before December 15, 2003, and before December 15 in each succeeding year, appropriate state agencies shall submit to the funding board and to the governor their recommendations for other educational programs and purposes consistent with article XI, § 5 of the Tennessee Constitution based on the difference between the funding board's projections and recommendations for the lottery scholarship program based on the report submitted pursuant to subdivision (c)(2)(A). In no event shall such recommendations exceed the projections of the funding board for a specific fiscal year.

Each of us stands ready to discuss this further at your convenience.

Attachments

- Revenue Estimates (2)
- Lottery Estimates
- TSAC/THEC Report
- Funding Request Letters (2)

cc. The Honorable Ron Ramsey
The Honorable Jimmy Naifeh

COMPARISON OF ESTIMATED STATE TAX REVENUE FOR FISCAL YEAR 2007-2008

(Accrual - Basis Estimates)

2007-2008

DEPARTMENT OF REVENUE SOURCE OF REVENUE	2006-2007	% CHANGE		% CHANGE		% CHANGE		% CHANGE		% CHANGE		% CHANGE	
	ACTUAL ACCRUAL	BUDGETED ESTIMATE	OVER 06-07 ACTUAL	DR. FOX ESTIMATE	OVER 06-07 ACTUAL	FISCAL REVIEW ESTIMATE	OVER 06-07 ACTUAL	REVENUE DEPT. ESTIMATE	OVER 06-07 ACTUAL	DR. DePRINCE ESTIMATE	OVER 06-07 ACTUAL	DR. WALLACE ESTIMATE	OVER 06-07 ACTUAL
Sales and use Tax	\$ 6,815,407,300	\$ 7,093,300,000	4.08%	\$ 6,999,900,000	2.71%	\$ 7,040,316,000	3.30%	\$ 7,004,400,000	2.77%	\$ 6,912,800,000	1.43%	\$ 7,035,700,000	3.23%
Gasoline Tax	612,263,500	602,000,000	-1.68%	614,100,000	0.30%	620,911,000	1.41%	616,500,000	0.69%	622,100,000	1.61%	635,900,000	3.86%
Motor Fuel Tax	185,879,400	189,000,000	1.68%	184,000,000	-1.01%	186,612,000	0.39%	186,200,000	0.17%	184,800,000	-0.58%	189,500,000	1.95%
Gasoline Inspection Tax	65,312,200	65,500,000 *	0.29%	66,300,000	1.51%	66,444,000	1.73%	65,000,000	-0.48%	58,600,000 *	-10.28%	66,000,000	1.05%
Motor Vehicle Registration Tax	257,367,700	260,000,000	1.02%	260,000,000	1.02%	258,214,000	0.33%	258,500,000	0.44%	266,700,000	3.63%	266,000,000	3.35%
Income Tax	247,567,500	263,200,000	6.31%	257,500,000	4.01%	255,408,000	3.17%	265,500,000	7.24%	263,500,000	6.44%	253,100,000	2.23%
Privilege Tax - Less Earmarked Portion	313,793,300	344,900,000	9.91%	316,800,000	0.96%	321,638,000	2.50%	323,200,000	3.00%	312,300,000 (1)	-0.48%	307,800,000	-1.91%
Gross Receipts Tax - TVA	250,247,600	261,100,000	4.34%	270,300,000	8.01%	270,333,000	8.03%	270,300,000	8.01%	261,100,000 **	4.34%	261,100,000 **	4.34%
Gross Receipts Tax - Other	27,370,100	23,300,000	-14.87%	23,300,000	-14.87%	27,644,000	1.00%	27,800,000	1.57%	25,400,000	-7.20%	19,600,000	-28.39%
Beer Tax	17,979,100	18,500,000 *	2.90%	18,500,000	2.90%	19,072,000	6.08%	18,400,000	2.34%	16,500,000 *	-8.23%	18,800,000	4.57%
Alcoholic Beverage Tax	40,998,300	42,400,000 *	3.42%	42,600,000	3.91%	42,898,000	4.63%	42,700,000	4.15%	37,900,000 *	-7.56%	43,100,000	5.13%
Franchise & Excise Taxes	1,766,079,800	1,820,900,000	3.10%	1,820,900,000	3.10%	1,713,728,000	-2.96%	1,856,800,000	5.14%	1,758,700,000	-0.42%	1,871,500,000	5.97%
Inheritance and Estate Tax	112,393,000	93,700,000 *	-16.63%	93,700,000	-16.63%	90,856,000	-19.16%	107,600,000	-4.26%	83,800,000 *	-25.44%	77,900,000	-30.69%
Tobacco Tax	137,993,500	359,300,000 *	160.37%	329,300,000	138.63%	307,628,000	122.93%	329,300,000	138.63%	321,400,000 *	132.91%	321,400,000 ***	132.91%
Motor Vehicle Title Fees	11,105,200	12,000,000 *	8.06%	11,500,000	3.56%	11,436,000	2.98%	11,000,000	-0.95%	10,700,000 *	-3.65%	10,900,000	-1.85%
Mixed Drink Tax	53,656,700	55,800,000 *	3.99%	57,400,000	6.98%	56,608,000	5.50%	56,100,000	4.55%	49,900,000 *	-7.00%	56,400,000	5.11%
Business Tax	133,773,300	134,200,000 *	0.32%	139,100,000	3.98%	137,786,000	3.00%	139,300,000	4.13%	120,100,000 *	-10.22%	135,800,000	1.52%
Severance Tax	1,549,400	1,700,000 *	9.72%	1,700,000	9.72%	1,900,000	22.63%	1,900,000	22.63%	1,500,000 *	-3.19%	2,000,000	29.08%
Coin Operated Amusement Tax	340,700	300,000 *	-11.95%	300,000	-11.95%	300,000	-11.95%	300,000	-11.95%	300,000 *	-11.95%	300,000 ****	-11.95%
Unauthorized Substance Tax	1,602,700	2,000,000 *	24.79%	2,000,000	24.79%	2,200,000	37.27%	2,000,000	24.79%	1,800,000 *	12.31%	700,000	-56.32%
TOTAL DEPARTMENT OF REVENUE	\$ 11,052,680,300	\$ 11,643,100,000	5.34%	\$ 11,509,200,000	4.13%	\$ 11,431,932,000	3.43%	\$ 11,582,800,000	4.80%	\$ 11,309,900,000	2.33%	\$ 11,573,500,000	4.71%

GENERAL FUND ONLY (2)	\$ 9,261,248,800	\$ 9,778,900,000	5.59%	\$ 9,632,000,000	4.00%	\$ 9,545,032,000	3.06%	\$ 9,699,900,000	4.74%	\$ 9,434,800,000	1.87%	\$ 9,670,900,000	4.42%
------------------------------	-------------------------	-------------------------	--------------	-------------------------	--------------	-------------------------	--------------	-------------------------	--------------	-------------------------	--------------	-------------------------	--------------

Budgeted Est. Compared to New Est. - Total -\$133,900,000 -\$211,168,000 -\$60,300,000 -\$333,200,000 -\$69,600,000

Budgeted Est. Compared to New Est. - Gen. Fund -\$146,900,000 -\$233,868,000 -\$79,000,000 -\$344,100,000 -\$108,000,000

SELECTED TAXES	ACTUAL	BUDGETED	%	DR. FOX	%	FISCAL REVIEW	%	REVENUE DEPT.	%	DR. DePRINCE	%	DR. WALLACE	%
SALES AND USE TAX	\$ 6,815,407,300	\$ 7,093,300,000	4.08%	\$ 6,999,900,000	2.71%	\$ 7,040,316,000	3.30%	\$ 7,004,400,000	2.77%	\$ 6,912,800,000	1.43%	\$ 7,035,700,000	3.23%
FRANCHISE AND EXCISE TAXES	1,766,079,800	1,820,900,000	3.10%	1,820,900,000	3.10%	1,713,728,000	-2.96%	1,856,800,000	5.14%	1,758,700,000	-0.42%	1,871,500,000	5.97%
INCOME TAX	247,567,500	263,200,000	6.31%	257,500,000	4.01%	255,408,000	3.17%	265,500,000	7.24%	263,500,000	6.44%	253,100,000	2.23%
ROAD USER TAXES	1,120,822,800	1,116,500,000	-0.39%	1,124,400,000	0.32%	1,132,181,000	1.01%	1,126,200,000	0.48%	1,132,200,000	1.02%	1,157,400,000	3.26%
ALL OTHER TAXES	1,102,802,900	1,349,200,000	22.34%	1,306,500,000	18.47%	1,290,299,000	17.00%	1,329,900,000	20.59%	1,242,700,000	12.69%	1,255,800,000	13.87%

(1) Privilege Tax estimates are reduced by \$34.6 million for the earmarked portion of the tax.

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

* F&A distributed taxes for Dr. DePrince based on ratios for budgeted collections for 2007-2008.

** F&A distributed the Gross Receipts Taxes for Dr. DePrince and Dr. Gnuschke based on anticipated TVA collections in 2007-2008.

*** F&A substituted the Tobacco Tax estimate provided by Dr. DePrince for the estimate submitted by Dr. Wallace

**** F&A distributed the Coin Amusement Tax for Dr. Gnuschke based on anticipated collections in 2007-2008.

**COMPARISON OF ESTIMATED STATE TAX REVENUE FOR
FISCAL YEAR 2008-2009**

(Accrual - Basis Estimates)

DEPARTMENT OF REVENUE	% CHANGE		% CHANGE		% CHANGE		% CHANGE		% CHANGE	
	DR. FOX ESTIMATE	OVER 07-08 ESTIMATE	FISCAL REVIEW ESTIMATE	OVER 07-08 ESTIMATE	REVENUE DEPT. ESTIMATE	OVER 07-08 ESTIMATE	DR. DePRINCE ESTIMATE	OVER 07-08 ESTIMATE	DR. WALLACE ESTIMATE	OVER 07-08 ESTIMATE
Sales and use Tax	\$ 7,279,900,000	4.00%	\$ 7,300,808,000	3.70%	\$ 7,213,700,000	2.99%	\$ 7,242,600,000	4.77%	\$ 7,285,000,000	3.54%
Gasoline Tax	614,100,000	0.00%	627,120,000	1.00%	610,400,000	-0.99%	629,700,000	1.22%	643,600,000	1.21%
Motor Fuel Tax	190,400,000	3.48%	190,344,000	2.00%	188,500,000	1.24%	190,100,000	2.87%	193,200,000	1.95%
Gasoline Inspection Tax	68,300,000	3.02%	67,773,000	2.00%	64,200,000	-1.23%	60,500,000 *	3.24%	66,300,000	0.45%
Motor Vehicle Registration Tax	269,100,000	3.50%	263,378,000	2.00%	258,500,000	0.00%	274,900,000	3.07%	275,100,000	3.42%
Income Tax	262,600,000	1.98%	250,300,000	-2.00%	291,700,000	9.87%	279,200,000	5.96%	254,000,000	0.36%
Privilege Tax - Less Earmarked Portion	313,900,000	-0.92%	331,287,000	3.00%	347,400,000	7.49%	326,900,000 (1)	4.67%	363,700,000	18.16%
Gross Receipts Tax - TVA	283,800,000	4.99%	283,850,000	5.00%	274,400,000	1.52%	261,100,000 **	0.00%	261,100,000 **	0.00%
Gross Receipts Tax - Other	23,800,000	2.15%	28,197,000	2.00%	28,200,000	1.44%	28,400,000	11.81%	22,700,000	15.82%
Beer Tax	19,100,000	3.24%	19,930,000	4.50%	19,400,000	5.43%	17,100,000 *	3.64%	18,800,000	0.00%
Alcoholic Beverage Tax	44,300,000	3.99%	44,828,000	4.50%	45,500,000	6.56%	39,200,000 *	3.43%	44,200,000	2.55%
Franchise & Excise Taxes	1,857,300,000	2.00%	1,748,003,000	2.00%	1,981,300,000	6.71%	1,842,700,000	4.78%	1,896,200,000	1.32%
Inheritance and Estate Tax	93,700,000	0.00%	92,673,000	2.00%	117,700,000	9.39%	86,600,000 *	3.34%	78,800,000	1.16%
Tobacco Tax	345,800,000	5.01%	338,391,000	10.00%	332,600,000	1.00%	332,100,000 *	3.33%	332,100,000 ***	3.33%
Motor Vehicle Title Fees	11,600,000	0.87%	11,722,000	2.50%	11,100,000	0.91%	11,100,000 *	3.74%	11,300,000	3.67%
Mixed Drink Tax	61,400,000	6.97%	58,872,000	4.00%	58,900,000	4.99%	51,600,000 *	3.41%	57,800,000	2.48%
Business Tax	147,500,000	6.04%	141,920,000	3.00%	142,400,000	2.23%	124,100,000 *	3.33%	148,900,000	9.65%
Severance Tax	1,800,000	5.88%	2,000,000	5.26%	2,100,000	10.53%	1,600,000 *	6.67%	1,900,000	-5.00%
Coin Operated Amusement Tax	300,000	0.00%	300,000	0.00%	300,000	0.00%	300,000 *	0.00%	300,000 ****	0.00%
Unauthorized Substance Tax	2,000,000	0.00%	-	-100.00%	2,100,000	5.00%	1,800,000 *	0.00%	800,000	14.29%
TOTAL DEPARTMENT OF REVENUE	\$11,890,700,000	3.31%	\$11,801,696,000	3.23%	\$11,990,400,000	3.52%	\$ 11,801,600,000	4.35%	\$11,955,800,000	3.30%
GENERAL FUND ONLY (2)	\$ 9,976,300,000	3.57%	\$ 9,884,096,000	3.55%	\$10,090,300,000	4.02%	\$ 9,885,800,000	4.78%	\$10,022,900,000	3.64%
Growth over FY 07 Budgeted Est. - Total	\$247,600,000		\$158,596,000		\$347,300,000		\$158,500,000		\$312,700,000	
Growth over FY 07 Budgeted Est. - Gen. Fund	\$197,400,000		\$105,196,000		\$311,400,000		\$106,900,000		\$244,000,000	

SELECTED TAXES	DR. FOX	%	FISCAL REVIEW	%	REVENUE DEPT.	%	DR. DePRINCE	%	DR. WALLACE	%
SALES AND USE TAX	\$ 7,279,900,000	4.00%	\$ 7,300,808,000	3.70%	\$ 7,213,700,000	2.99%	\$ 7,242,600,000	4.77%	\$ 7,285,000,000	3.54%
FRANCHISE AND EXCISE TAXES	1,857,300,000	2.00%	1,748,003,000	2.00%	1,981,300,000	6.71%	1,842,700,000	4.78%	1,896,200,000	1.32%
INCOME TAX	262,600,000	1.98%	250,300,000	-2.00%	291,700,000	9.87%	279,200,000	5.96%	254,000,000	0.36%
ROAD USER TAXES	1,141,900,000	1.56%	1,148,615,000	1.45%	1,121,600,000	-0.41%	1,155,200,000	2.03%	1,178,200,000	1.80%
ALL OTHER TAXES	1,349,000,000	3.25%	1,353,970,000	4.93%	1,382,100,000	3.93%	1,281,900,000	3.15%	1,342,400,000	6.90%

(1) Privilege Tax estimates are reduced by \$34.6 million for the earmarked portion of the tax.

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

* F&A distributed taxes for Dr. DePrince based on ratios for budgeted collections for 2007-2008.

** F&A distributed the Gross Receipts Taxes for Dr. DePrince and Dr. Gnuschke based on anticipated TVA collections in 2007-2008.

*** F&A substituted the Tobacco Tax estimate provided by Dr. DePrince for the estimate submitted by Dr. Wallace

**** F&A distributed the Coin Amusement Tax for Dr. Gnuschke based on anticipated collections in 2007-2008.

State Funding Board
Net Lottery Proceeds Estimates
Actual 2006-2007 and Estimated 2007-2008 and 2008-2009
December 14, 2007

	2006-2007	2007-2008		2008-2009	
	Actual	Revised	%	Estimated	%
Lottery Corporation					
Low	271,968,000	277,400,000	2.00%	288,600,000	4.04%
High	271,968,000	283,000,000	4.06%	288,600,000	1.98%
Mid-Range Estimate	271,968,000	280,100,000	2.99%	288,600,000	3.03%
Fiscal Review Staff					
Low	271,968,000	271,050,000	-0.34%	275,600,000	1.68%
Median	271,968,000	279,100,000	2.62%	284,600,000	1.97%
High	271,968,000	286,040,000	5.17%	292,600,000	2.29%
Recommended Range					
Low	271,968,000	274,000,000	0.75%	280,000,000	2.19%
High	271,968,000	284,000,000	4.42%	290,000,000	2.11%

Financial Statements

Table of Contents

General Fund, Comparative Balance Sheet.....	A-95
Education Fund, Comparative Balance Sheet	A-96
Highway Fund, Comparative Balance Sheet.....	A-97
Debt Management	A-99
Debt Service Fund, Statement of Revenues, Expenditures, and Requirements.....	A-100
Debt Service Fund, Comparative Balance Sheet	A-101
Bond Fund, Statement of Bonds Authorized and Unissued	A-102
Bond Fund, Statement of Bonds Sold.....	A-103
Bond Fund, Statement of Appropriations in Lieu of Issuing Bonds.....	A-104
Bond Fund, Statement of Bonded Indebtedness, Principal and Interest on Bonded Debt	A-105

**General Fund
Comparative Balance Sheet
June 30, 2006, and June 30, 2007**

	<u>June 30, 2006</u>	<u>June 30, 2007</u>
Assets		
Cash and Cash Equivalents	\$ 1,784,360,000	\$ 2,440,036,000
Receivables	1,469,899,000	1,507,279,000
Due from Other Funds	8,169,000	18,208,000
Due from Component Units	5,391,000	5,155,000
Inventories	14,427,000	11,263,000
Prepayments	9,000	47,000
Deferred Charges	2,488,000	2,477,000
Loans Receivable	120,000	100,000
Leases Receivable	2,577,000	2,060,000
	<hr/>	<hr/>
Total Assets	<u>\$ 3,287,440,000</u>	<u>\$ 3,986,625,000</u>
 Liabilities and Fund Balance		
Liabilities:		
Accounts Payable and Accruals	\$ 919,813,000	\$ 961,489,000
Due to Other Funds	18,398,000	21,248,000
Due to Component Units	4,230,000	3,650,000
Unearned Revenue	314,328,000	307,278,000
Other	318,000	398,000
	<hr/>	<hr/>
Total Liabilities	<u>\$ 1,257,087,000</u>	<u>\$ 1,294,063,000</u>
 Fund Balance:		
Reserved for Related Assets	\$ 19,290,000	\$ 16,052,000
Reserved for Encumbrances and Contracts	8,642,000	10,478,000
Reserved for Continuing Appropriations	751,887,000	917,646,000
Reserved for Other Specific Purposes	180,410,000	198,987,000
Unreserved:		
Designated for Revenue Fluctuations	324,700,000	542,900,000
Designated for Future Requirements	330,000,000	280,500,000
Designated for Future Appropriations	415,268,000	725,800,000
Undesignated	156,000	199,000
	<hr/>	<hr/>
Total Fund Balance	<u>\$ 2,030,353,000</u>	<u>\$ 2,692,562,000</u>
Total Liabilities and Fund Balance	<u><u>\$ 3,287,440,000</u></u>	<u><u>\$ 3,986,625,000</u></u>

Education Fund
Comparative Balance Sheet
June 30, 2006, and June 30, 2007

	June 30, 2006	June 30, 2007
Assets		
Cash and Cash Equivalents	\$ 56,057,000	\$ 98,456,000
Receivables	535,725,000	583,050,000
Due from Other Funds	121,000	353,000
Due from Component Units	72,316,000	76,644,000
Total Assets	\$ 664,219,000	\$ 758,503,000
Liabilities and Fund Balance		
Liabilities:		
Accounts Payable and Accruals	\$ 156,899,000	\$ 181,757,000
Due to Other Funds	820,000	632,000
Due to Component Units	0	444,000
Unearned Revenue	77,268,000	87,216,000
Total Liabilities	\$ 234,987,000	\$ 270,049,000
Fund Balance:		
Reserved for Encumbrances and Contracts	\$ 796,000	\$ 1,243,000
Reserved for Continuing Appropriations	43,951,000	33,720,000
Reserved for Lottery Scholarships	365,042,000	453,250,000
Reserved for Other Specific Purposes	19,202,000	0
Unreserved Special Revenue Funds	241,000	241,000
Total Fund Balance	\$ 429,232,000	\$ 488,454,000
Total Liabilities and Fund Balance	\$ 664,219,000	\$ 758,503,000

**Highway Fund
Comparative Balance Sheet
June 30, 2006, and June 30, 2007**

	<u>June 30, 2006</u>	<u>June 30, 2007</u>
Assets		
Cash and Cash Equivalents	\$ 243,887,000	\$ 254,116,000
Receivables	248,882,000	296,590,000
Due from Other Funds	1,741,000	920,000
Inventories, at Cost	7,040,000	7,325,000
Deferred Charges and Other	3,442,000	0
Loans Receivable	759,000	506,000
	<hr/>	<hr/>
Total Assets	\$ 505,751,000	\$ 559,457,000
Liabilities and Fund Balance		
Liabilities:		
Accounts Payable and Accruals	\$ 93,259,000	\$ 63,152,000
Due to Other Funds	1,495,000	1,758,000
Unearned Revenue	10,881,000	13,984,000
Deposits Payable	1,877,000	1,912,000
Other	20,014,000	16,000
	<hr/>	<hr/>
Total Liabilities	\$ 127,526,000	\$ 80,822,000
Fund Balances:		
Reserved for Related Assets	\$ 7,040,000	\$ 7,325,000
Reserved for Encumbrances and Contracts	244,124,000	147,990,000
Reserved for Other Specific Purposes	3,051,000	2,726,000
Designated for Highway Construction	124,010,000	320,594,000
	<hr/>	<hr/>
Total Fund Balance	\$ 378,225,000	\$ 478,635,000
	<hr/>	<hr/>
Total Liabilities and Fund Balance	\$ 505,751,000	\$ 559,457,000

Debt Management

Recommended Budget, Fiscal Year 2008-2009

The State Funding Board is empowered as the sole governing body over the issuance of general obligation debt for Tennessee. It was created by the 45th General Assembly through passage of Public Chapter 126, Public Acts of 1887, codified as Title 9, Chapter 9, Section 101 of the Tennessee Code.

By statute, the state's full faith and credit, as well as specific tax revenues are pledged for the payment of principal and interest on state bonds. Additionally, the law covenants that such pledged revenues shall not be less than 150 percent of the amount necessary to service the state's outstanding debt and any debt proposed to be issued.

For the fiscal year ending June 30, 2007 the debt limit calculation produced a maximum annual debt service debt limit of \$611,282,132. The annual debt service requirement on the state's outstanding debt, authorized but unissued debt, and proposed bond authorizations in the fiscal year 2008-2009 budget total \$232,489,000, well below the maximum legal limit. The statutory debt limitation, therefore, provides for a substantial amount of additional debt capacity.

Over the years, Tennessee has consistently maintained a relatively low debt burden. This has been accomplished through the use of sound, prudent, and conservative debt management practices adopted by the executive and legislative branches of government, with concurrence of the State Funding Board. Such practices include funding a portion of the state's capital program with surplus cash, cancellation of bond authorizations in lieu of issuing debt, creating and maintaining a "Rainy Day Fund" to offset unanticipated revenue shortfalls, and the adoption of state statutes designed to control the issuance of excessive debt. The state continues to maintain a relative low debt burden, and access to the capital markets remains strong.

Tennessee's commitment to conservative and prudent debt management is widely

recognized by the nation's leading debt-rating agencies. Current ratings on the state's general obligation long-term debt are: Fitch AA+, Standard and Poor's AA+, and Moody's Investor Service Aa1.

The state sold \$150,000,000 in general obligation bonds in the second quarter of this fiscal year. No additional general obligation bond sales are anticipated prior to the close of this fiscal period. As of June 30, 2007, Tennessee's total general obligation bonded indebtedness was \$947,046,000, excluding the Facilities Revolving Fund. This debt was issued entirely for institutional and building construction.

The first session of the 105th General Assembly approved new G.O. authorizations in the amount of \$234,500,000. Of this amount, institutional and building bonds accounted for \$150,700,000, and highway bonds \$83,800,000.

The state's practice of using cash flow 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 Funding Board cancelled \$84.8 million in highway bond authorizations and \$4.8 million in institutional and building construction bonds during the first six months of this fiscal period.

The increase in bond authorization coupled with the Funding Board's action on bond cancellations reduced the category of authorized but unissued bonds to \$1,998,450,000, which includes \$934,408,000 in capital construction bonds, and \$798,000,000 in highway fund authorizations.

No additional bond authorizations are recommended in the 2008-2009 budget. The capital budget is funded entirely with surplus cash: \$53.8 million for higher education, \$87.5 million for new prison construction, and \$89.4 million for statewide facility maintenance and other capital projects.

Debt Service Fund
Statement of Revenues, Expenditures, and Requirements
July 1, 2006 - June 30, 2009

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Estimated 2008-2009</u>
Unreserved Fund Balance, July 1	\$ 5,377,000.00	\$ 5,398,000.00	\$ 5,893,000.00
Tax Revenues:			
Sales Tax	\$ 48,532,000.00	\$ 49,900,000.00	\$ 51,800,000.00
Gasoline Tax	84,500,000.00	84,800,000.00	88,700,000.00
Franchise Tax	18,000,000.00	18,000,000.00	18,000,000.00
Excise Tax	156,868,000.00	165,000,000.00	153,100,000.00
Motor Vehicle Title Fees	2,700,000.00	2,700,000.00	2,700,000.00
Total Tax Revenues	\$ 310,600,000.00	\$ 320,400,000.00	\$ 314,300,000.00
Other Revenues:			
Sports Authority	\$ 3,716,000.00	\$ 3,946,000.00	\$ 3,704,000.00
Motlow State - Smyrna Center	190,000.00	138,000.00	137,000.00
Motlow State - Smyrna Center - Prepayment	0.00	929,000.00	0.00
University of Memphis - Land Bank	0.00	770,000.00	770,000.00
Middle Tennessee State University - Farm Project	0.00	407,000.00	407,000.00
Mental Retardation - Group Homes	0.00	330,000.00	330,000.00
State Veterans' Homes - Refinancing	501,000.00	337,000.00	335,000.00
Community Provider Pooled Loans	812,000.00	0.00	0.00
Community Provider Pooled Loans - General Fund Transfer	878,000.00	0.00	0.00
Premium on Bond Sales	2,049,000.00	2,580,000.00	0.00
2004 Refunding Issue - Excess Funds	980,000.00	0.00	0.00
Geier Desegregation Settlement - Reserves	5,461,000.00	0.00	0.00
Total Other Revenues	\$ 14,587,000.00	\$ 9,437,000.00	\$ 5,683,000.00
Total Available Funds	\$ 330,564,000.00	\$ 335,235,000.00	\$ 325,876,000.00
Appropriations, Transfers, and Fund Balance			
Debt Service Appropriations for:			
Outstanding Bonds @ July 1	\$ 124,737,000.00	\$ 124,023,000.00	\$ 119,509,000.00
Bond Sale - November 2007	0.00	2,800,000.00	11,800,000.00
TLDA Community Provider Pooled Loans - Repaid	1,600,000.00	0.00	0.00
Capital Outlay Projects - Unissued Bonds (\$910,731,000)	0.00	0.00	100,180,000.00
Short Term Interest	4,338,000.00	5,900,000.00	0.00
Debt Issuance Expense	1,173,000.00	1,000,000.00	1,000,000.00
Total Debt Service Appropriations	\$ 131,848,000.00	\$ 133,723,000.00	\$ 232,489,000.00
Transfers to Other Funds:			
Highway Fund	\$ 84,500,000.00	\$ 84,800,000.00	\$ 88,700,000.00
General Fund	100,000,000.00	106,000,000.00	0.00
Capital Projects Fund - Technology Centers	1,478,000.00	0.00	0.00
Capital Projects Fund - Geier Desegregation Settlement	5,461,000.00	2,239,000.00	0.00
Capital Projects Fund - Other	1,879,000.00	2,580,000.00	0.00
Total Transfers to Other Funds	\$ 193,318,000.00	\$ 195,619,000.00	\$ 88,700,000.00
Total Appropriations and Transfers	\$ 325,166,000.00	\$ 329,342,000.00	\$ 321,189,000.00
Unreserved Fund Balance, June 30			
Taxes Receivable	\$ 4,116,000.00	\$ 4,200,000.00	\$ 4,300,000.00
Cash	1,282,000.00	1,693,000.00	387,000.00
Total Unreserved Fund Balance, June 30	\$ 5,398,000.00	\$ 5,893,000.00	\$ 4,687,000.00

**Debt Service Fund
Comparative Balance Sheet
June 30, 2006, and June 30, 2007**

	June 30, 2006	June 30, 2007
Assets		
Cash and Cash Equivalents	\$ 1,454,000	\$ 1,282,000
Taxes Receivable	5,170,000	5,440,000
Loans Receivable	8,165,000	6,334,000
Interest Receivable	0	22,000
Prepayments	5,000	6,000
	\$ 14,794,000	\$ 13,084,000
 Liabilities and Fund Balance 		
Liabilities:		
Payables and Accruals	\$ 345,000	\$ 327,000
Deferred Revenue	9,072,000	7,359,000
	\$ 9,417,000	\$ 7,686,000
 Fund Balance:		
Unreserved	\$ 5,377,000	\$ 5,398,000
	\$ 5,377,000	\$ 5,398,000
 Total Liabilities and Fund Balance	\$ 14,794,000	\$ 13,084,000

Bond Fund
Statement of Bonds Authorized and Unissued
June 30, 2006 - June 30, 2008

<u>Year</u>	<u>Authority</u>	<u>Description</u>	<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>June 30, 2008*</u>
1993	Chapter 533	Capital Outlay	\$ 172,307.89	\$ 0.00	\$ 0.00
1994	Chapter 850	Data Processing Equipment	13,800,000.00	13,800,000.00	13,800,000.00
1994	Chapter 1010	Facilities Revolving Fund	516,085.86	516,085.86	516,085.86
1995	Chapter 461	Capital Outlay	669,996.93	459,327.18	75,000.00
1996	Chapter 908	Higher Education - Technology Centers	1,478,015.32	0.00	0.00
1996	Chapter 945	State Parks	77,365.99	77,365.99	77,365.99
1996	Chapter 952	Capital Outlay	3,339,194.00	1,506,625.28	1,035,416.63
1996	Chapter 952	Data Processing Equipment	20,000,000.00	20,000,000.00	20,000,000.00
1996	Chapter 990	Ross Creek Landing State Park	10,935,000.00	10,935,000.00	10,935,000.00
1997	Chapter 535	Capital Outlay	3,611,351.42	1,696,791.87	1,434,717.23
1998	Chapter 831	Refund TLDA Community Provider Pooled Loans	13,400,000.00	11,800,000.00	11,800,000.00
1998	Chapter 1103	Capital Outlay	3,313,160.17	740,987.42	654,701.25
1998	Chapter 1103	Facilities Revolving Fund	179,961.80	132,591.16	42,660.07
1998	Chapter 1103	Highway Construction	83,500,000.00	0.00	0.00
1999	Chapter 401	Capital Outlay	2,561,811.10	1,883,788.05	1,693,319.28
1999	Chapter 401	Facilities Revolving Fund	3,980,501.13	3,371,711.56	1,140,345.46
1999	Chapter 401	Highway Construction	83,800,000.00	83,800,000.00	0.00
2000	Chapter 984	Capital Outlay	4,542,317.77	3,863,352.80	3,243,535.21
2000	Chapter 984	Facilities Revolving Fund	1,367,454.69	1,244,645.09	0.00
2000	Chapter 984	Highway Construction	87,700,000.00	87,700,000.00	87,700,000.00
2001	Chapter 462	Capital Outlay	7,862,566.76	5,563,533.16	3,753,835.64
2001	Chapter 462	Facilities Revolving Fund	42,057,815.27	41,650,000.00	39,997,991.05
2001	Chapter 462	Highway Construction	80,000,000.00	80,000,000.00	80,000,000.00
2002	Chapter 852	Higher Education - Geier Settlement	11,600,000.00	6,139,000.00	3,900,000.00
2002	Chapter 852	Capital Outlay	10,051,695.70	4,478,211.96	2,277,270.19
2002	Chapter 852	Facilities Revolving Fund	3,100,000.00	3,100,000.00	3,100,000.00
2002	Chapter 852	Highway Construction	77,000,000.00	77,000,000.00	77,000,000.00
2003	Chapter 296	Capital Outlay	10,983,645.72	6,901,556.44	5,479,521.88
2003	Chapter 296	Highway Construction	74,000,000.00	74,000,000.00	74,000,000.00
2003	Chapter 313	Motlow State - Smyrna Facility	584,832.13	0.00	0.00
2003	Chapter 313	State Veterans' Homes - Refinancing	13,930,000.00	13,930,000.00	12,742,786.20
2003	Chapter 338	Capital Outlay	99,400,000.00	19,100,000.00	15,637,563.09
2003	Chapter 338	Facilities Revolving Fund	600,000.00	600,000.00	600,000.00
2004	Chapter 941	Higher Education	30,154,706.60	19,238,968.03	13,651,474.93
2004	Chapter 958	Capital Outlay	257,334,371.58	217,276,826.84	147,674,424.77
2004	Chapter 958	Facilities Revolving Fund	23,800,000.00	12,689,412.66	9,736,166.30
2004	Chapter 958	Equipment Revolving Fund	13,680,000.00	10,568,015.32	7,367,015.32
2004	Chapter 958	Highway Construction	78,000,000.00	77,000,000.00	76,000,000.00
2004	Chapter 958	Highway Construction - Pre-financing	80,000,000.00	80,000,000.00	80,000,000.00
2005	Chapter 501	Capital Outlay	180,744,422.92	173,291,329.37	144,856,638.07
2005	Chapter 501	Facilities Revolving Fund	16,500,000.00	14,683,938.47	10,731,190.05
2005	Chapter 501	Highway Construction	76,000,000.00	76,000,000.00	76,000,000.00
2005	Chapter 501	Highway Construction - Pre-financing	80,000,000.00	80,000,000.00	80,000,000.00
2005	Chapter 502	Capital Outlay	1,600,000.00	1,600,000.00	1,600,000.00
2005	Chapter 502	Higher Education	65,070,000.00	63,374,901.24	63,374,901.24
2006	Chapter 962	Capital Outlay	378,300,000.00	360,983,615.00	349,610,911.20
2006	Chapter 962	Facilities Revolving Fund	43,800,000.00	43,800,000.00	30,100,000.00
2006	Chapter 962	ERP Software	81,300,000.00	68,300,000.00	56,800,000.00
2006	Chapter 962	Highway Construction	83,500,000.00	83,500,000.00	83,500,000.00
2007	Chapter 591	Capital Outlay	0.00	140,000,000.00	140,000,000.00
2007	Chapter 591	Higher Education - Board of Regents	0.00	10,700,000.00	10,700,000.00
2007	Chapter 591	Facilities Revolving Fund	0.00	60,500,000.00	60,309,743.84
2007	Chapter 591	Highway Construction	0.00	83,800,000.00	83,800,000.00
Total Bonds Authorized and Unissued			\$ 2,259,898,580.75	\$ 2,253,297,580.75	\$ 1,998,449,580.75
Summary by Purpose:					
		Capital Outlay	\$1,098,316,762.00	\$1,063,741,180.63	\$934,408,382.80
		Facilities Revolving Fund	135,901,818.75	182,288,384.80	156,274,182.63
		Highway Construction	723,500,000.00	722,800,000.00	638,000,000.00
		Highway Construction - Pre-financing	160,000,000.00	160,000,000.00	160,000,000.00
		Data Processing Equipment	33,800,000.00	33,800,000.00	33,800,000.00
		ERP Software	81,300,000.00	68,300,000.00	56,800,000.00
		Equipment Revolving Fund	13,680,000.00	10,568,015.32	7,367,015.32
		Refund TLDA Loans	13,400,000.00	11,800,000.00	11,800,000.00
Total Bonds Authorized and Unissued			\$ 2,259,898,580.75	\$ 2,253,297,580.75	\$ 1,998,449,580.75

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

Bond Fund
Statement of Bonds Sold
July 1, 2005 - June 30, 2008

<u>Year</u>	<u>Authority</u>	<u>Description</u>	<u>July 1, 2005 - June 30, 2006</u>	<u>July 1, 2006 - June 30, 2007</u>	<u>July 1, 2007 - June 30, 2008 *</u>
1993	Chapter 533	Capital Outlay	\$ 162,901.98	\$ 172,307.89	\$ 0.00
1994	Chapter 1010	Capital Outlay	1.00	0.00	0.00
1994	Chapter 1010	Facilities Revolving Fund	74,678.11	0.00	0.00
1995	Chapter 461	Capital Outlay	235,521.11	210,669.75	384,327.18
1996	Chapter 952	Capital Outlay	2,589,453.73	1,452,568.72	471,208.65
1997	Chapter 535	Capital Outlay	3,828,534.72	1,914,559.55	262,074.64
1998	Chapter 1103	Capital Outlay	20,363,444.53	2,572,172.75	86,286.17
1998	Chapter 1103	Facilities Revolving Fund	550,408.76	47,370.64	89,931.09
1999	Chapter 401	Capital Outlay	2,462,348.17	678,023.05	190,468.77
1999	Chapter 401	Facilities Revolving Fund	6,252,991.08	608,789.57	2,231,366.10
2000	Chapter 984	Capital Outlay	13,582,884.89	678,964.97	619,817.59
2000	Chapter 984	Facilities Revolving Fund	11,425,649.85	122,809.60	1,244,645.09
2001	Chapter 462	Capital Outlay	4,111,211.20	1,481,042.32	1,809,697.52
2001	Chapter 462	Facilities Revolving Fund	16,703,147.21	407,815.27	1,652,008.95
2002	Chapter 852	Capital Outlay	22,645,802.61	5,573,483.74	2,200,941.77
2003	Chapter 296	Capital Outlay	5,519,354.28	3,400,645.72	1,422,034.56
2003	Chapter 313	Motlow State - Smyrna Facility	1,415,167.87	584,832.13	0.00
2003	Chapter 313	State Veterans' Homes - Refinancing	0.00	0.00	1,187,213.80
2003	Chapter 338	Capital Outlay	0.00	0.00	882,509.51
2004	Chapter 941	Higher Education	10,025,293.40	10,915,738.57	5,587,493.10
2004	Chapter 958	Capital Outlay	12,065,628.42	40,057,544.74	69,602,402.07
2004	Chapter 958	Facilities Revolving Fund	1,500,000.00	10,840,022.18	2,953,246.36
2005	Chapter 501	Capital Outlay	5,055,577.08	7,453,093.55	28,434,691.30
2005	Chapter 501	Facilities Revolving Fund	0.00	1,816,061.53	3,424,675.82
2005	Chapter 502	Higher Education	4,430,000.00	1,695,098.76	0.00
2006	Chapter 962	Capital Outlay	0.00	17,316,385.00	11,372,703.80
2006	Chapter 962	Facilities Revolving Fund	0.00	0.00	13,700,000.00
2007	Chapter 591	Facilities Revolving Fund	0.00	0.00	190,256.16
Total Bonds Sold			<u>\$ 145,000,000.00</u>	<u>\$ 110,000,000.00</u>	<u>\$ 150,000,000.00</u>
Summary by Purpose:					
		Capital Outlay	\$ 108,493,124.99	\$ 96,157,131.21	\$ 124,513,870.43
		Facilities Revolving Fund	<u>36,506,875.01</u>	<u>13,842,868.79</u>	<u>25,486,129.57</u>
		Total Bonds Sold	<u>\$ 145,000,000.00</u>	<u>\$ 110,000,000.00</u>	<u>\$ 150,000,000.00</u>

* This column reflects bonds sold in the current fiscal year.

Bond Fund
Statement of Appropriations in Lieu of Issuing Bonds
July 1, 2005 - June 30, 2008

<u>Year</u>	<u>Authority</u>	<u>Description</u>	<u>July 1, 2005 - June 30, 2006</u>	<u>July 1, 2006 - June 30, 2007</u>	<u>July 1, 2007 - June 30, 2008 *</u>
1995	Chapter 457	Higher Education-Technology Centers	\$ 526,625.00	\$ 0.00	\$ 0.00
1996	Chapter 908	Higher Education-Technology Centers	3,373,375.00	1,478,015.32	0.00
1996	Chapter 952	Capital Outlay	0.00	380,000.00	0.00
1997	Chapter 535	Highway Construction	75,000,000.00	0.00	0.00
1998	Chapter 831	Refund TLDA Loans	600,000.00	1,600,000.00	0.00
1998	Chapter 1103	Highway Construction	6,500,000.00	83,500,000.00	0.00
1999	Chapter 401	Highway Construction	0.00	0.00	83,800,000.00
2000	Chapter 984	Facilities Revolving Fund	807,637.40	0.00	0.00
2001	Chapter 462	Capital Outlay	2,322,362.60	817,991.28	0.00
2002	Chapter 852	Higher Education - Geier Settlement	0.00	5,461,000.00	2,239,000.00
2003	Chapter 296	Capital Outlay	0.00	681,443.56	0.00
2003	Chapter 338	Capital Outlay	0.00	0.00	2,579,927.40
2004	Chapter 958	Facilities Revolving Fund	0.00	270,565.16	0.00
2004	Chapter 958	Equipment Revolving Fund	6,320,000.00	3,111,984.68	3,201,000.00
2004	Chapter 958	Highway Construction	1,000,000.00	1,000,000.00	1,000,000.00
2005	Chapter 501	Facilities Revolving Fund	0.00	0.00	528,072.60
2006	Chapter 962	ERP Software	0.00	13,000,000.00	11,500,000.00
Total Appropriations in Lieu of Issuing Bonds			\$ 96,450,000.00	\$ 111,301,000.00	\$ 104,848,000.00
Summary by Purpose:					
		Capital Outlay	\$ 6,822,362.60	\$ 10,418,450.16	\$ 4,818,927.40
		Facilities Revolving Fund	807,637.40	270,565.16	528,072.60
		Highway Construction	82,500,000.00	84,500,000.00	84,800,000.00
		ERP Software	0.00	13,000,000.00	11,500,000.00
		Equipment Revolving Fund	6,320,000.00	3,111,984.68	3,201,000.00
		Refund TLDA Loans	0.00	0.00	0.00
Total Appropriations in Lieu of Issuing Bonds			\$ 96,450,000.00	\$ 111,301,000.00	\$ 104,848,000.00

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

Note: Chapter 962, Public Acts of 2006, cancelled the following unissued bond authorizations:

2001 Chapter 460 State Parks	\$ 2,000,000
2005 Chapter 502 Higher Education	\$ 490,000

Chapter 591, Public Acts of 2007, cancelled the following unissued bond authorization:

2003 Chapter 338 Capital Outlay - Leased Facilities	\$ 80,300,000
---	---------------

Bond Fund
Statement of Bonded Indebtedness
Principal and Interest on Bonded Debt
June 30, 2007

Fiscal Year	Outstanding Bonds		
	Principal	Interest	Total
2007 - 2008	\$ 78,457,000	\$ 45,566,000	\$ 124,023,000
2008 - 2009	77,584,000	41,925,000	119,509,000
2009 - 2010	75,027,000	38,135,000	113,162,000
2010 - 2011	75,288,000	34,018,000	109,306,000
2011 - 2012	71,524,000	30,365,000	101,889,000
2012 - 2013	71,340,000	26,639,000	97,979,000
2013 - 2014	65,609,000	23,197,000	88,806,000
2014 - 2015	61,184,000	19,815,000	80,999,000
2015 - 2016	57,118,000	16,804,000	73,922,000
2016 - 2017	52,919,000	14,245,000	67,164,000
2017 - 2018	45,946,000	11,634,000	57,580,000
2018 - 2019	38,263,000	9,643,000	47,906,000
2019 - 2020	34,921,000	7,810,000	42,731,000
2020 - 2021	28,530,000	6,143,000	34,673,000
2021 - 2022	28,660,000	4,789,000	33,449,000
2022 - 2023	21,371,000	3,432,000	24,803,000
2023 - 2024	21,396,000	2,452,000	23,848,000
2024 - 2025	13,368,000	1,665,000	15,033,000
2025 - 2026	13,523,000	1,071,000	14,594,000
2026 - 2027	8,053,000	594,000	8,647,000
2027 - 2028	3,400,000	336,000	3,736,000
2028 - 2029	3,565,000	172,000	3,737,000
Total	\$ 947,046,000	\$ 340,450,000	\$ 1,287,496,000

NOTE: The statement excludes bonds for sewage treatment works, waterworks construction, and solid waste recovery facilities authorized prior to the enactment of Chapter 785, Public Acts of 1978, the Tennessee Local Development Authority Act. Debt service for these bonds is provided by local governments. The statement also excludes bonds for the State Facilities Revolving Fund. Debt service for the bonds is appropriated to the Facilities Revolving Fund and is expended in the fund. At June 30, 2007, outstanding principal was \$149,924,000 and interest was \$48,481,000.

Capital Outlay and Facilities Program

Table of Contents

Capital Budget.....	A-109
Proposed Capital Appropriations from Bonds, Current Funds, and Other Revenues.....	A-111
Capital Outlay Project Descriptions.....	A-112
Projects Funded from Dedicated Revenues	A-115
Projected First Year Operating Costs for New Facilities Recommended as Projects.....	A-116
Proposed Capital Projects from School Bonds and Other Sources.....	A-117
Capital Budget Commonly Used Abbreviations.....	A-120
Facilities Revolving Fund	A-121
Proposed Facilities Revolving Fund Capital Appropriations	A-123
Facilities Revolving Fund Project Descriptions	A-124

Capital Budget

Recommended Budget, Fiscal Year 2008-2009

The Capital Budget process begins with the receipt of departmental and agency capital maintenance and project requests. The various agencies and departments annually submit their capital requests in priority order to the Department of Finance and Administration, Division of Budget.

Upon receipt of the capital budget requests, three phases of review are undertaken by the Division of Capital Projects and Real Property Management and the Division of Budget. The initial phase allows for an understanding of the need by the Capital Projects and Real Property Management and Budget review teams. Phase two is built upon the technical requirements of the capital request, involving on-site visits by the review teams. The final phase involves financial review. The projects are analyzed for funding requirements and consistency with program goals and are reviewed within projected availability of funds in the budget for the requested fiscal year. If funds are deemed to be insufficient, individual projects may be deferred to be included in future budgets or rejected.

The Administration intends for the needs of departmental programs to be the impetus for all capital outlay requirements. Facilities funded through the capital budget process should support program and service requirements. Therefore, funding of projects is analyzed on priority of fiscal support for individual existing and new programs. The goal is to find the best mix of new capital outlay and facility maintenance in order to sustain and implement programs and services.

The management of facilities should be flexible enough to adjust to changing programs through renovation of existing assets. Attempts are made to minimize operational costs and future capital expenditures through better design and more flexible layouts, as has been done in the state's new prisons. In the event that a capital project creates the need for additional opera-

tional 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 consist of projects meeting the requirements and policy guidelines of the State Building Commission. The capital project recommendations are itemized by department.

Capital maintenance projects are defined as major, non-routine repairs and replacements unrelated to new construction and costing \$100,000 or more. Maintenance projects costing less than this amount are addressed within the departments' operational budget major maintenance programs. Capital maintenance projects include items that appreciably extend the life of the facility, such as alterations to rectify code deficiencies, modifications 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 included in the amount allocated to the Department of Finance and Administration, and projects are selected for completion according to the review process outlined above.

Capital outlay projects are defined as those providing new facilities or materially extending

Capital Budget

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 which require the assistance of a design professional or cost \$100,000 or more.

For fiscal year 2008-2009, the capital outlay budget recommends a total of \$230,666,000, divided between capital outlay projects and capital maintenance requests.

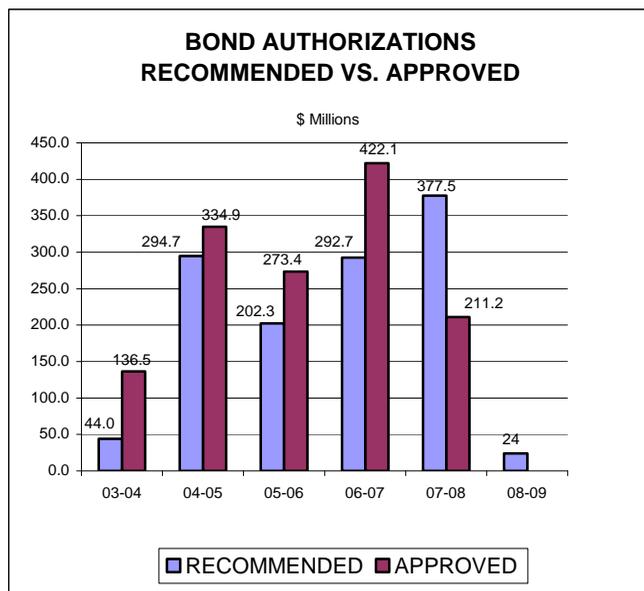
Capital Maintenance — Capital maintenance projects are recommended at a level of \$120,241,000. A state appropriation of \$120,075,000 is requested. Other sources equal the remainder of the total amount. These projects focus on maintaining current facilities, primarily through repair and renovation of roofing, mechanical, and electrical systems. Funding is also included to bring state facilities in line with federal standards for underground storage tanks, asbestos, and citizens with disabilities. The Tennessee Board of Regents and the University of Tennessee are also funded for modifications to assist in compliance with the Americans with Disabilities Act.

Capital Outlay Projects — Capital outlay projects recommended for this fiscal year total \$110,425,000. Of this total, \$43,425,000 in state appropriations is requested. Other sources equal the remainder of the total amount. Projects from dedicated sources of revenue are also recommended for the Department of Transportation and the Tennessee Wildlife Resources Agency.

Facilities Revolving Fund — Capital funding in the amount of \$34,425,000 is requested for Capital Maintenance and Capital Outlay Projects. Bonds in the amount of \$24,000,000 and \$10,425,000 in departmental revenues combine to equal the total requested amount. These projects are listed in the Facilities Revolving Fund section, which follows the Capital Projects section of this document.

Operating Costs — Included within this section is an estimate of the first year operating costs resulting from proposed new construction. Differences in operating costs can be the result of efficiencies from better designs and energy systems or program requirements. Renovation projects, which do not have an impact on operating efficiencies, are considered to be cost neutral. Only those projects which will have increases or decreases in operating costs from the current budget are included in the schedule.

New Bond Authorizations — Because the capital outlay projects and maintenance items are funded entirely from current funds, no bonds are required, except for the \$24 million bond authorization for Facilities Revolving Fund projects. The chart below compares the bond authorizations recommended with those approved by the General Assembly during the past several years.



Proposed Capital Appropriations from Bonds, Current Funds, and Other Revenues Fiscal Year 2008-2009

CAPITAL OUTLAYS	COUNTY	TOTAL	STATE	BONDS	FEDERAL	OTHER
Commerce and Insurance						
Fire Academy Driver Training Track	Bedford	\$ 600,000	\$ 600,000	\$ 0	\$ 0	\$ 0
Total Commerce and Insurance		\$ 600,000	\$ 600,000	\$ 0	\$ 0	\$ 0
Correction						
Maintenance	Statewide	\$ 32,000,000	\$ 32,000,000	\$ 0	\$ 0	\$ 0
SETN Regional Correction Facility Expansion	Bledsoe	64,000,000	0	0	0	64,000,000
TN Prison for Women Addition	Davidson	12,000,000	9,000,000	0	0	3,000,000
Special Needs Population Master Plan	Statewide	400,000	400,000	0	0	0
Brushy Mountain Decommissioning - Planning	Morgan	100,000	100,000	0	0	0
Mark Luttrell Minimum Security Housing	Shelby	11,500,000	11,500,000	0	0	0
Total Correction		\$ 120,000,000	\$ 53,000,000	\$ 0	\$ 0	\$ 67,000,000
Education						
School for the Deaf Infrastructure Study	Knox	\$ 250,000	\$ 250,000	\$ 0	\$ 0	\$ 0
School for the Blind Building Upgrades	Davidson	1,450,000	1,450,000	0	0	0
School for the Blind Guest Cottage	Davidson	460,000	460,000	0	0	0
Total Education		\$ 2,160,000	\$ 2,160,000	\$ 0	\$ 0	\$ 0
Environment and Conservation						
Montgomery Bell Bridge Replacement	Dickson	\$ 1,775,000	\$ 1,775,000	\$ 0	\$ 0	\$ 0
Total Environment and Conservation		\$ 1,775,000	\$ 1,775,000	\$ 0	\$ 0	\$ 0
Finance and Administration						
New State Museum Planning	Davidson	\$ 2,000,000	\$ 2,000,000	\$ 0	\$ 0	\$ 0
New Library & Archives Planning	Davidson	2,100,000	2,100,000	0	0	0
Roane St. CC Morgan County Center	Morgan	160,000	160,000	0	0	0
American Indian Cultural Center/Museum - Grant	Davidson	500,000	500,000	0	0	0
Total Finance and Administration		\$ 4,760,000	\$ 4,760,000	\$ 0	\$ 0	\$ 0
Mental Retardation						
ICF-MR Group Homes - Additional Funds	Statewide	\$ 7,360,000	\$ 7,360,000	\$ 0	\$ 0	\$ 0
Arlington Developmental Center Renovations	Shelby	190,000	190,000	0	0	0
Clover Bottom Regional Office Planning	Davidson	190,000	190,000	0	0	0
Clover Bottom Roberts Hall Demolition	Davidson	250,000	250,000	0	0	0
THDA Group Homes - Additional Funds	Shelby	2,520,000	2,520,000	0	0	0
Greene Valley Dev. Center Storage	Greene	130,000	130,000	0	0	0
TLDA Group Homes Purchase	Statewide	760,000	760,000	0	0	0
Total Mental Retardation		\$ 11,400,000	\$ 11,400,000	\$ 0	\$ 0	\$ 0
Military						
TEMA Facilities Renovation - Planning	Davidson	\$ 330,000	\$ 330,000	\$ 0	\$ 0	\$ 0
TEMA Middle TN Vehicle Storage	Davidson	900,000	900,000	0	0	0
TEMA West TN Vehicle Storage	Madison	500,000	500,000	0	0	0
Total Military		\$ 1,730,000	\$ 1,730,000	\$ 0	\$ 0	\$ 0
Tennessee Board of Regents						
Maintenance	Statewide	\$ 32,290,000	\$ 32,290,000	\$ 0	\$ 0	\$ 0
Total Tennessee Board of Regents		\$ 32,290,000	\$ 32,290,000	\$ 0	\$ 0	\$ 0
University of Tennessee						
Maintenance	Statewide	\$ 21,470,000	\$ 21,304,000	\$ 0	\$ 0	\$ 166,000
Total University of Tennessee		\$ 21,470,000	\$ 21,304,000	\$ 0	\$ 0	\$ 166,000
Statewide Capital Maintenance						
Maintenance	Statewide	\$ 34,481,000	\$ 34,481,000	\$ 0	\$ 0	\$ 0
Total Statewide Capital Maintenance		\$ 34,481,000	\$ 34,481,000	\$ 0	\$ 0	\$ 0
Grand Total		\$ 230,666,000	\$ 163,500,000	\$ 0	\$ 0	\$ 67,166,000
Sub-Total Higher Education		\$ 53,760,000	\$ 53,594,000	\$ 0	\$ 0	\$ 166,000
Sub-Total Other		\$ 176,906,000	\$ 109,906,000	\$ 0	\$ 0	\$ 67,000,000

Capital Outlay Project Descriptions

Fiscal Year 2008-2009

	Total Project Cost
Commerce and Insurance	
Objective: Provide training to emergency services personnel.	
Fire Academy Driver Training Track	\$ 600,000
This project will develop facilities to provide emergency vehicle driver training activities for fire and emergency service personnel.	
Correction	
Objective: Provide safe and secure facilities to house inmates.	
Maintenance	\$ 32,000,000
Funds to repair, maintain, and update facilities.	
Southeast Tennessee Regional Correction Facility Expansion	64,000,000
Supplemental funding for prison expansion.	
Tennessee Prison for Women - Additional Beds	12,000,000
Replace two existing minimum security facilities with a new minimum security annex at the Tennessee Prison for Women in Nashville.	
Special Needs Population Master Plan	400,000
Study facility requirements relative to state-wide special needs inmate population.	
Brushy Mountain Decommissioning - Planning	100,000
Site survey of existing issues prior to closure of Brushy Mountain Prison.	
Mark Luttrell Prison - Minimum Security Housing	11,500,000
Replace existing minimum security annex with a new minimum security facility.	
Total Correction	\$ 120,000,000
Education	
Objective: Provide a safe and secure environment for learning.	
School for the Deaf Infrastructure Study	\$ 250,000
Evaluate current utility infrastructure and determine current capabilities and capacities.	
School for the Blind Building Upgrades	1,450,000
This project will upgrade Building # 11 to provide additional student activity space.	
School for the Blind Guest Cottage	460,000
Replacement of current guest cottage.	
Total Education	\$ 2,160,000

Capital Outlay Project Descriptions

Fiscal Year 2008-2009

	Total Project Cost
Environment and Conservation	
Objective: Increase visitation to the state's parks and historic areas.	
Montgomery Bell State Park - Bridge Replacement	\$ 1,775,000
Replace existing bridge at rear entrance of park to provide for safe crossing on railroad tracks.	
Finance and Administration	
Objective: Preserve and enhance public facilities.	
New State Museum Planning	\$ 2,000,000
Continuation of the planning and design of a new State Museum.	
New Library and Archives Planning	2,100,000
Continuation of the planning and design of a new State Library and Archives building.	
Roane State Community College Morgan County Center - Additional Funds	160,000
Additional funds for the completion of the Roane State Community College Morgan County center at Wartburg.	
American Indian Cultural Center and Museum - Grant	500,000
This grant will be combined with \$250,000 in federal funds plus fundraising initiatives to construct a Native American Indian Cultural Center and Museum in Nashville.	
Total Finance and Administration	\$ 4,760,000
Mental Retardation	
Objective: Provide alternative residential settings for clients and plan for the future.	
ICF-MR Group Homes - Additional Funds	\$ 7,360,000
This project will provide funding for construction of three additional ICF-MR group homes.	
Arlington Developmental Center Renovations	190,000
Buildings will be renovated to provide office space for a new regional office.	
Clover Bottom Regional Office Planning	190,000
This project will provide planning of a new Middle Tennessee regional office at the Clover Bottom Developmental Center campus.	
Clover Bottom Developmental Center Roberts Hall Demolition	250,000
The Roberts Hall building at Clover Bottom Developmental Center will be demolished because of its condition.	
THDA Group Homes - Additional Funds	2,520,000
This project will provide supplemental funding to construct 12 West Tennessee group homes initially financed by the Tennessee Housing Development Agency (THDA).	

Capital Outlay Project Descriptions

Fiscal Year 2008-2009

	Total Project Cost
<p>Greene Valley Developmental Center Storage A new storage facility will be built on the Greene Valley Developmental Center campus.</p>	130,000
<p>TLDA Group Homes Purchase Purchase current group homes and day service facilities initially financed through the Tennessee Local Development Authority (TLDA).</p>	760,000
<p>Total Mental Retardation</p>	\$ 11,400,000
Military	
Objective: Expand and renovate military facilities.	
<p>TEMA Facilities Renovation - Planning Planning funds for renovation of the current U.S. property and fiscal office warehouse for use by the Tennessee Emergency Management Agency (TEMA) as a contingency warehouse and facility for war records and post exchange.</p>	\$ 330,000
<p>TEMA Middle Tennessee Vehicle Storage Construction of a storage facility to house TEMA emergency operations vehicles and equipment.</p>	900,000
<p>TEMA West Tennessee Vehicle Storage Construction of a storage facility to house TEMA emergency operations vehicles and equipment.</p>	500,000
<p>Total Military</p>	\$ 1,730,000
Tennessee Board of Regents	
Objective: Expand and enhance facilities to students and faculty needs.	
<p>Maintenance Funds to repair, maintain, and update higher education institution facilities.</p>	32,290,000
University of Tennessee	
Objective: Expand and enhance facilities to students and faculty needs.	
<p>Maintenance Funds to repair, maintain, and update higher education institution facilities.</p>	21,470,000
Statewide Capital Maintenance	
<p>Maintenance Funds to repair, maintain, and update general government facilities.</p>	34,481,000
<p>GRAND TOTAL</p>	\$ 230,666,000

Projects Funded from Dedicated Revenues Fiscal Year 2008-2009

	<u>COUNTY</u>	<u>TOTAL</u>	<u>STATE</u>	<u>BONDS</u>	<u>FEDERAL</u>	<u>OTHER</u>
Tennessee Wildlife Resources Agency						
Bark Camp Barrrens WMA - Quonset Hut Renovation	Coffee	\$ 30,000	\$ 0	\$ 0	\$ 0	\$ 30,000
Catoosa WMA - New Operations Workshop	Cumberland	320,000	0	0	0	320,000
New Lick Creek Refuge - Operations Workshop	Greene	170,000	0	0	0	170,000
Obion River Ethridge - Levee Boat Ramp	Weakley	20,000	0	0	15,000	5,000
Forked Deer River Highway 54 - New Boat Ramp	Crockett	20,000	0	0	15,000	5,000
Cove Lake State Park - Norris Lake Access Site	Campbell	60,000	0	0	0	60,000
Eagle Bend Hatchery - Five Additional Hatchery Ponds	Anderson	140,000	0	0	0	140,000
Lick Creek WMA - Waterfowl Habitat Impoundments	Greene	500,000	0	0	0	500,000
Humboldt Hatchery - Nine New Acres of Hatchery Ponds	Gibson	110,000	0	0	0	110,000
Total TWRA		<u>\$1,370,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 30,000</u>	<u>\$ 1,340,000</u>
Department of Transportation						
Region 1 New Chief Mechanic Office	Knox	\$ 35,000	\$ 0	\$ 0	\$ 0	\$ 35,000
Region 1 New Roane County Maintenance Building	Roane	300,000	0	0	0	300,000
Region 1 Construct Radio Tech Bldg. - Reg. 1 Complex	Knox	300,000	0	0	0	300,000
Region 1 New Rutledge Saltbin	Grainger	80,000	0	0	0	80,000
Region 1 New Jefferson County Saltbin	Jefferson	80,000	0	0	0	80,000
Region 2 Maintenance Building Replacement	Rhea	300,000	0	0	0	300,000
Region 2 Maintenance Building Replacement	Jackson	300,000	0	0	0	300,000
Region 2 New Cookeville Saltbin	Putnam	120,000	0	0	0	120,000
Region 3 Clarksville Saltbin Reroof	Montgomery	100,000	0	0	0	100,000
Region 3 Nashville Saltbin Reroof	Davidson	150,000	0	0	0	150,000
Region 3 Replace HVAC Reg 3 Complex - Bldgs A & B	Davidson	430,000	0	0	0	430,000
Region 3 Equipment Shed Replacement	Montgomery	480,000	0	0	0	480,000
Region 4 Install Stockroom Security System	Madison	105,000	0	0	0	105,000
Region 4 New Arlington Saltbin with Brine Building	Shelby	130,000	0	0	0	130,000
Region 4 Engineering Office Replacement	Henry	300,000	0	0	0	300,000
Total Department of Transportation		<u>\$3,210,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,210,000</u>
Grand Total		<u>\$4,580,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 30,000</u>	<u>\$ 4,550,000</u>

**Projected First-Year Operating Costs of New Facilities
Recommended as Projects for Fiscal Year 2008-2009**

	<u>COUNTY</u>	<u>TOTAL</u>	<u>UTILITIES</u>	<u>MAINTENANCE</u>	<u>PROGRAM*</u>	<u>ADDITIONAL PERSONNEL</u>
Correction						
TN Prison for Women Addition	Davidson	\$4,030,500	\$ 280,000	\$ 18,700	\$3,731,800	54
Mark Luttrell Minimum Security Housing	Shelby	374,700	35,800	3,700	335,200	2
Total Correction		<u>\$4,405,200</u>	<u>\$ 315,800</u>	<u>\$ 22,400</u>	<u>\$4,067,000</u>	<u>56</u>
Military						
TEMA Middle TN Vehicle Storage	Davidson	\$ 5,300	\$ 5,300	\$ 0	\$ 0	0
TEMA West TN Vehicle Storage	Madison	4,800	4,800	0	0	0
Total Military		<u>\$ 10,100</u>	<u>\$ 10,100</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
Grand Total		<u><u>\$4,415,300</u></u>	<u><u>\$ 325,900</u></u>	<u><u>\$ 22,400</u></u>	<u><u>\$4,067,000</u></u>	<u><u>56</u></u>

*Program costs are new or increased costs associated with the work tasks anticipated to be performed within the new facility, including salaries, benefits and other operational costs.

Capital Projects from School Bonds and Other Sources Fiscal Year 2008-2009

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, dependent upon their funding source. All projects have previously been endorsed by their respective system governing board and the Tennessee Higher Education Commission.

	<u>TOTAL</u>	<u>TSSBA</u>	<u>INSTITUTIONAL/ AUXILIARY</u>	<u>OTHER</u>
State University and Community College System (Tennessee Board of Regents)				
Austin Peay State University				
Athletic Facilities Improvement	\$ 500,000	\$ 0	\$ 0	\$ 500,000
Athletic Field House	5,800,000	0	0	5,800,000
Baseball Field Lighting Upgrades	500,000	0	500,000	0
Baseball Stadium Upgrades	400,000	0	0	400,000
Campus-wide Paving	1,410,000	0	1,410,000	0
Intermodal Transportation Facility	16,500,000	14,500,000	0	2,000,000
Meacham Apartments HVAC Replacement	260,000	0	260,000	0
Total APSU	\$ 25,370,000	\$ 14,500,000	\$ 2,170,000	\$ 8,700,000
East Tennessee State University				
Culp Kitchen Renovation	\$ 600,000	\$ 0	\$ 600,000	\$ 0
Downtown Clinic	1,840,000	0	0	1,840,000
Housing Renovations	5,250,000	5,250,000	0	0
New Residence Hall	26,600,000	26,600,000	0	0
New Surface Parking Development	1,500,000	1,500,000	0	0
Outdoor Track & Field Facility	4,200,000	0	0	4,200,000
Parking Garage	15,800,000	15,800,000	0	0
Tennis Complex	3,990,000	0	0	3,990,000
University Innovation Park Infrastructure	3,150,000	0	0	3,150,000
WETS Radio Station Facility Expansion	290,000	0	0	290,000
Johnson City Family Medicine Facility	7,050,000	7,050,000	0	0
New Student Center	1,170,000	1,170,000	0	0
Total ETSU	\$ 71,440,000	\$ 57,370,000	\$ 600,000	\$ 13,470,000
Middle Tennessee State University				
Academic Village	\$ 31,000,000	\$ 31,000,000	\$ 0	\$ 0
Cope Office Renovations	1,000,000	0	1,000,000	0
Keathley University Center Renovation	3,000,000	0	3,000,000	0
Mass Communications Addition	2,000,000	0	2,000,000	0
Monohan and Lyon Housing Reroof	750,000	750,000	0	0
MTSU Quadrangle Improvements	1,000,000	0	1,000,000	0
Murphy Center Improvements	2,250,000	0	2,250,000	0
New Student Housing	22,000,000	22,000,000	0	0
Stadium Open Air Boxes	150,000	0	0	150,000
Total MTSU	\$ 63,150,000	\$ 53,750,000	\$ 9,250,000	\$ 150,000
Tennessee State University				
Center for Agriculture Biotechnology - Design	\$ 8,000,000	\$ 0	\$ 0	\$ 8,000,000
Elliott Hall Historic Preservation Phase 2	2,630,000	0	0	2,630,000
HBCU Conference Facility	6,290,000	0	0	6,290,000
Nashville Business Incubation Cntr Roof Repairs	300,000	0	300,000	0
Performing Arts/Radio Station Space Build-out	2,450,000	0	0	2,450,000
Poultry Plant Relocation	6,290,000	0	0	6,290,000
Research Facility Build-out and Addition	6,290,000	0	0	6,290,000
Wilson Hall Interior Upgrades	300,000	0	300,000	0
Total TSU	\$ 32,550,000	\$ 0	\$ 600,000	\$ 31,950,000

Capital Projects from School Bonds and Other Sources Fiscal Year 2008-2009

	<u>TOTAL</u>	<u>TSSBA</u>	<u>INSTITUTIONAL/ AUXILIARY</u>	<u>OTHER</u>
Tennessee Technological University				
Johnson Hall Renovations Phase 2	\$ 300,000	\$ 0	\$ 0	\$ 300,000
Cooper/Pinkerton Hall Water Line Relocation	500,000	0	500,000	0
Cooper/Pinkerton Hall Mechanical Sys. Replacement	2,070,000	0	2,070,000	0
Tucker Stadium Lighting Update	750,000	0	0	750,000
Total TTU	\$ 3,620,000	\$ 0	\$ 2,570,000	\$ 1,050,000
University of Memphis				
Athletic Facilities Improvements	\$ 8,350,000	\$ 0	\$ 0	\$ 8,350,000
Robison Hall Renovations	3,375,000	0	3,375,000	0
Student Housing Pre-planning	650,000	0	650,000	0
Tennis Facility	3,100,000	0	0	3,100,000
Wilder Tower Upper Floor Build-out	460,000	0	460,000	0
Total UOM	\$ 15,935,000	\$ 0	\$ 4,485,000	\$ 11,450,000
Chattanooga State Technical Community College				
Athletic Fields Upgrade	\$ 1,500,000	\$ 1,500,000	\$ 0	\$ 0
Total CSTCC	\$ 1,500,000	\$ 1,500,000	\$ 0	\$ 0
Nashville State Technical Community College				
Pierce Building Atrium Renovation	\$ 290,000	\$ 0	\$ 290,000	\$ 0
Total NSTCC	\$ 290,000	\$ 0	\$ 290,000	\$ 0
Pellissippi State Technical Community College				
New Parking	\$ 560,000	\$ 0	\$ 560,000	\$ 0
Total PSTCC	\$ 560,000	\$ 0	\$ 560,000	\$ 0
Southwest Tennessee Community College				
Culinary Lab Renovation	\$ 480,000	\$ 0	\$ 480,000	\$ 0
Total SWTCC	\$ 480,000	\$ 0	\$ 480,000	\$ 0
Walters State Community College				
Soccer Facilities Development	\$ 500,000	\$ 0	\$ 0	\$ 500,000
Total WSCC	\$ 500,000	\$ 0	\$ 0	\$ 500,000
Total Tennessee Board of Regents	\$ 215,395,000	\$ 127,120,000	\$ 21,005,000	\$ 67,270,000

Capital Projects from School Bonds and Other Sources Fiscal Year 2008-2009

	<u>TOTAL</u>	<u>TSSBA</u>	<u>INSTITUTIONAL/ AUXILIARY</u>	<u>OTHER</u>
University of Tennessee System				
University of Tennessee Knoxville				
Music Building Relocations	\$ 2,000,000	\$ 0	\$ 2,000,000	\$ 0
Dining Services Renovations	9,000,000	0	0	9,000,000
Clement Hall Renovation - Phase III	3,000,000	3,000,000	0	0
Aquatic Center - Front Desk Improvements	250,000	0	250,000	0
Andy Holt Tower Renovation	750,000	0	750,000	0
Science & Engineering Building Improvements	1,700,000	0	1,700,000	0
Communications Laboratory Renovation	500,000	0	0	500,000
Environmental Initiatives Projects	2,000,000	0	2,000,000	0
McKenzie and Lawson Athletic Center Addition	39,000,000	14,000,000	0	25,000,000
Field House Volleyball and Indoor Track Facility	30,000,000	25,000,000	0	5,000,000
Student Health Clinic - Phase II	14,000,000	14,000,000	0	0
Hoskins Library HVAC Upgrade	400,000	0	400,000	0
White Ave. - Renovation for Computation Center	950,000	0	950,000	0
University Center - Planning	2,600,000	0	2,600,000	0
Hodges Library Improvements - Phase II	1,000,000	0	1,000,000	0
McClung Tower - Renovation for Arts & Sciences Faculty	500,000	0	500,000	0
Campus Beautification Projects	2,750,000	0	2,750,000	0
Athletic Site Improvements - Phase II	4,500,000	4,500,000	0	0
Communications Facility Renovation	850,000	0	850,000	0
Parking Garage Repairs	500,000	0	500,000	0
Classroom Upgrades	2,500,000	0	2,500,000	0
Laurel Surface Parking Lot	850,000	0	850,000	0
Thompson-Boling Arena - Phase III	8,000,000	6,000,000	0	2,000,000
Baseball Stadium Renovations - Phase II	11,000,000	8,000,000	0	3,000,000
Vehicle Testing and Assembly Facility	750,000	0	750,000	0
Hoskins Library Renovations	5,000,000	0	5,000,000	0
Materials Labs Renovations	500,000	0	500,000	0
Total UT Knoxville	\$ 144,850,000	\$ 74,500,000	\$ 25,850,000	\$ 44,500,000
University of Tennessee Chattanooga				
McKenzie Arena - Digital Display System	\$ 875,000	\$ 0	\$ 500,000	\$ 375,000
Total UT Chattanooga	\$ 875,000	\$ 0	\$ 500,000	\$ 375,000
University of Tennessee Martin				
Boling Center Ballroom Renovation	\$ 980,000	\$ 0	\$ 980,000	\$ 0
Athletic Field Lights and Field House	1,500,000	1,500,000	0	0
Total UT Martin	\$ 2,480,000	\$ 1,500,000	\$ 980,000	\$ 0
UT Memphis Health Science Center				
Dunn Building - 4th Floor Renovations	\$ 3,000,000	\$ 0	\$ 0	\$ 3,000,000
Total UT Memphis HSC	\$ 3,000,000	\$ 0	\$ 0	\$ 3,000,000
UT Institute of Agriculture				
Veterinary Teaching Hospital Improvements	\$ 1,500,000	\$ 1,500,000	\$ 0	\$ 0
Plant Biotechnology Building Improvements	500,000	0	500,000	0
Total UT Institute of Agriculture	\$ 2,000,000	\$ 1,500,000	\$ 500,000	\$ 0
Total University of Tennessee	\$ 153,205,000	\$ 77,500,000	\$ 27,830,000	\$ 47,875,000
Grand Total	\$ 368,600,000	\$ 204,620,000	\$ 48,835,000	\$ 115,145,000

Capital Budget

Commonly Used Abbreviations

AASF	Army Aviation Support Facility	OMS	Organizational Maintenance Shop
ADA	Americans with Disabilities Act	OSHA	Occupational Safety & Health Administration
ADD	Addition	PSTCC	Pellissippi State Technical Community College
AFRC	Armed Forces Reserve Center	REROOF	Replacement Roof
APSU	Austin Peay State University	RNOV	Renovation
ARNG	Army National Guard	RSCC	Roane State Community College
BLDG	Building	SAF	Department of Safety
CC	Community College	SCC	State Community College
CFCs	Chlorofluorocarbons	SSCC	Shelby State Community College
CLSCC	Cleveland State Community College	STCC	State Technical Community College
CO	County	SWTCC	Southwest Tennessee State Community College
COMM	Communication	SYS	System
CONST	Construction	TBR	Tennessee Board of Regents
COSCC	Columbia State Community College	TDOT	Tennessee Department of Transportation
CSCC	Chattanooga State Community College	THEC	Tennessee Higher Education Commission
DCS	Department of Children's Services	THP	Tennessee Highway Patrol
DEMO	Demolition	TNARNG	Tennessee Army National Guard
DEV	Development	TSU	Tennessee State University
DOC	Department of Correction	TTCs	Tennessee Technology Centers
DSCC	Dyersburg State Community College	TTU	Tennessee Technological University
EMS	Energy Management System	TWRA	Tennessee Wildlife Resources Agency
ETSU	East Tennessee State University	UNIV	University
HQS	Headquarters	UOM	University of Memphis
HVAC	Heating, Ventilation & Air Conditioning	UT HSC	University of Tennessee Health Sciences Center
INFO	Information	UT MEMPHIS	University of Tennessee Memphis
LRC	Learning Resource Center	UTC	University of Tennessee Chattanooga
MHI	Mental Health Institute	UTK	University of Tennessee Knoxville
MSCC	Motlow State Community College	UTM	University of Tennessee Martin
MSTI	Memphis State Technical Institute	UTS	University of Tennessee System
MTSU	Middle Tennessee State University	UTSI	University of Tennessee Space Institute
NESTCC	Northeast State Technical Community College	VSCC	Volunteer State Community College
NGB	National Guard Bureau	WSCC	Walters State Community College
NSTCC	Nashville State Technical Community College	YDC	Youth Development Center

Facilities Revolving Fund

Recommended Budget, Fiscal Year 2008-2009

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 fair 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.

While FRF is administered by the Commissioner of Finance and Administration, daily operations of the fund are jointly managed by the Department of General Services and the Department of Finance and Administration. General Services operates, maintains, and manages FRF facilities. The Department of Finance and Administration constructs and renovates facilities through its Division of Real Property Administration, with approval of the State Building Commission. The division also assigns space to agencies, handles lease acquisitions, and provides relocation services and furniture.

	<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>
--	-----------------------------------	--------------------------------------	---------------------------------

501.01 Operational Maintenance

The Department of General Services maintains the daily upkeep of FRF facilities through Operational Maintenance. Items such as contracts for janitorial and security services are funded through this allotment.

Payroll	0	0	0
Operational	52,231,400	52,421,200	52,421,200
Total	\$52,231,400	\$52,421,200	\$52,421,200
State	7,673,600	5,917,200	5,917,200
Federal	0	0	0
Other	44,557,800	46,504,000	46,504,000

501.02 General Services Project Maintenance

The Department of General Services makes standard repairs and handles regular maintenance of FRF facilities within Project Maintenance. Items such as painting walls, repairing doors, and stopping leaks are paid from this allotment.

Payroll	0	0	0
Operational	1,693,200	1,700,000	1,700,000
Total	\$1,693,200	\$1,700,000	\$1,700,000
State	0	0	0
Federal	0	0	0
Other	1,693,200	1,700,000	1,700,000

	<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>
--	-----------------------------------	--------------------------------------	---------------------------------

501.03 Facilities Management

The Department of Finance and Administration assigns and leases space to state agencies, negotiates and pays for leases in non-state owned buildings, and pays for moving and furniture expenses from the Facilities Management allotment.

Payroll	0	0	0
Operational	52,564,500	50,482,600	56,218,800
Total	\$52,564,500	\$50,482,600	\$56,218,800
State	0	7,547,600	6,047,600
Federal	0	0	0
Other	52,564,500	42,935,000	50,171,200

501.04 Capital Projects

The Department of Finance and Administration's Real Property Administration Division coordinates maintenance and new construction activities for the state-owned buildings in FRF. Included in the recommended FRF Capital Projects budget are funds for statewide maintenance, as well as capital outlay projects.

Payroll	0	0	0
Operational	20,177,300	10,000,000	10,425,000
Total	\$20,177,300	\$10,000,000	\$10,425,000
State	0	0	0
Federal	0	0	0
Other	20,177,300	10,000,000	10,425,000

501.05 Debt Service

The Department of Finance and Administration pays debt service on bonds which finance FRF capital outlay.

Payroll	0	0	0
Operational	21,365,400	22,000,000	23,200,000
Total	\$21,365,400	\$22,000,000	\$23,200,000
State	0	0	0
Federal	0	0	0
Other	21,365,400	22,000,000	23,200,000

501.00 Total Facilities Revolving Fund

Payroll	0	0	0
Operational	148,031,800	136,603,800	143,965,000
Total	\$148,031,800	\$136,603,800	\$143,965,000
State	7,673,600	13,464,800	11,964,800
Federal	0	0	0
Other	140,358,200	123,139,000	132,000,200

**Facilities Revolving Fund
Proposed Capital Appropriations
from Bonds and Current Funds
Fiscal Year 2008-2009**

	<u>COUNTY</u>	<u>TOTAL</u>	<u>FRF CURRENT</u>	<u>BONDS</u>	<u>OTHER</u>
Capital Maintenance	Statewide	\$ 4,255,000	\$ 2,805,000	\$ 1,450,000	\$ 0
Davy Crockett Interior Renovation Phase 1	Davidson	7,400,000	1,400,000	6,000,000	0
Citizens Plaza Interior Renovation - Two Floors	Davidson	5,700,000	1,200,000	4,500,000	0
Old TSP Infrastructure and Site Development	Davidson	5,320,000	2,320,000	3,000,000	0
Foster Ave./TPS RNOV, Infrastructure/Site Dev.	Davidson	3,500,000	1,000,000	2,500,000	0
Middlebrook Pike Building Renovation Phase 1	Knox	5,500,000	1,000,000	4,500,000	0
TBI New Knoxville Laboratory - Additional Funding	Knox	750,000	0	750,000	0
Andrew Johnson Building - New Parking Lot	Davidson	500,000	200,000	300,000	0
Upper Cumberland Health Office - Additional Funding	Putnam	500,000	0	500,000	0
Rachel Jackson Renovation - Selected Floors	Davidson	1,000,000	500,000	500,000	0
Grand Total		<u>\$ 34,425,000</u>	<u>\$ 10,425,000</u>	<u>\$ 24,000,000</u>	<u>\$ 0</u>

**Facilities Revolving Fund
Project Descriptions
Fiscal Year 2008-2009**

	<u>Total Project Cost</u>
Facilities Revolving Fund	
Objective: Provide efficient management of state facilities.	
Capital Maintenance	\$ 4,255,000
Funds to repair, maintain and update facilities.	
Davy Crockett State Office Building Interior Renovation - Phase 1	7,400,000
This phase will begin a total building renovation project in Nashville.	
Citizens Plaza State Office Building Interior Renovation - Two Floors	5,700,000
Continue an on-going building renovation project in Nashville.	
Old Tennessee State Prison (TSP) Infrastructure and Site Development	5,320,000
Project will evaluate infrastructure needs and develop site for future use.	
Foster Avenue Complex (Former TPS Site) Renovation, Infrastructure, and Site Development	3,500,000
Evaluate and upgrade of the complex water, sewer, electrical, and road system of the Foster Avenue Complex at the site of the former Tennessee Preparatory School.	
Middlebrook Pike Building Renovation (Knoxville) - Phase 1	5,500,000
Renovations of Middlebrook Pike State Office Building for consolidation of various Knoxville state offices. Phase 1 work will address roof, exterior structure, and one floor restoration.	
TBI New Knoxville Laboratory - Additional Funding	750,000
Additional funding required to complete the new TBI laboratory in Knoxville.	
Andrew Johnson State Office Building - New Parking Lot	500,000
Creation of new parking lot behind the Andrew Johnson State Office Building in Nashville.	
Upper Cumberland Regional Health Office - Additional Funding	500,000
Additional funding required to complete the new regional health office in Putnam County.	
Rachel Jackson State Office Building Renovation - Selected Floors	1,000,000
Renovation of selected floors of the Rachel Jackson State Office Building in Nashville for use by the Department of Correction.	
GRAND TOTAL	<u><u>\$ 34,425,000</u></u>

State Taxpayers Budget

Table of Contents

State Taxpayers Budget.....	A-127
State Taxpayers Budget, Departmental Summary of State Appropriations	A-128
Departmental Summary of Appropriations from Dedicated Taxes and Fees	A-129
State Taxpayers Budget, State Appropriations by Program	A-130
State Taxpayers Budget, Comparison Statement of State Revenues.....	A-140
State Taxpayers Budget, Distribution of Actual Revenue by Fund, Fiscal Year 2006-2007	A-141
State Taxpayers Budget, Distribution of Revised Estimated Revenue by Fund, Fiscal Year 2007-2008	A-142
State Taxpayers Budget, Distribution of Estimated Revenue by Fund, Fiscal Year 2008-2009.....	A-143

State Taxpayers Budget

The "State Taxpayers Budget" section is included to distinguish between state appropriations from general state taxes and appropriations from dedicated taxes and fees, which are narrowly levied and earmarked for specific purposes.

The "State Taxpayers Budget" excludes these dedicated funds; it reports only appropriations from general state tax sources, along with estimates of the general taxes. The "State Taxpayers Budget" excludes appropriations from dedicated tax and fee sources, all federal revenues, and all other departmental revenues.

This section begins with a departmental summary of state appropriations from general tax sources. The chart entitled "Tennessee Taxpayer Budget, Departmental Summary of State Appropriations," includes this departmental summary information and a grand total for the State Taxpayers Budget appropriations. The chart then shows a single line-item for appropriations from dedicated state tax sources and a grand total state appropriation for the Budget Document, which reconciles to the total state appropriations in the remainder of the Budget Document.

Following the departmental summary of state appropriations is a summary of appropriations from dedicated taxes and fees. This schedule summarizes the various departmental appropriations from dedicated state sources that are excluded from the State Taxpayers Budget. Examples of appropriations from dedicated state sources are the appropriations to the Tennessee Wildlife Resources Agency (TWRA) from hunting and fishing license fees and from real estate transfer taxes supporting the Wetlands

Acquisition Fund, administered by TWRA, and appropriations to regulatory agencies from fees imposed on health professions, other professions, banks, and environment-impacting industries.

The third schedule in this section is a more detailed breakdown of the state appropriations from general tax sources. "State Taxpayers Budget, State Appropriations by Program," itemizes these appropriations by program for the prior fiscal year, the current fiscal year, and the approaching fiscal year. As with the departmental summary, this schedule includes a single line item for appropriations from dedicated sources to balance to the total state appropriations elsewhere in the Budget Document.

The tax revenue estimates recommended in the State Taxpayers Budget follow the appropriations by program. The chart entitled "State Taxpayers Budget, Comparison Statement of State Revenues," includes taxes collected by the Department of Revenue (the major taxes) as well as those collected and deposited to the General Fund by other line agencies in conjunction with carrying out their programs. This chart excludes taxes and fees collected and deposited in the General Fund that are earmarked or dedicated for specific use. Distributions of taxes by fund for last year, the current year, and next year are on the following three charts.

Except for the "State Taxpayers Budget", all of the other summary charts and program statements in this Budget Document that deal with appropriations include appropriations from all state sources, both general taxes and dedicated taxes and fees.

State Taxpayers Budget
Departmental Summary of State Appropriations *
Fiscal Years 2006-2007, 2007-2008, and 2008-2009

		Actual Expenditures 2006-2007 *	Estimated 2007-2008	Recommended 2008-2009
General Fund and Education Fund				
301	Legislature	\$ 33,388,300	\$ 39,919,700	\$ 39,197,800
301.50	Fiscal Review Committee	1,020,900	1,345,200	1,340,700
302	Court System	94,457,000	104,365,402	102,697,300
303	Attorney General and Reporter	18,425,000	23,116,200	21,985,000
304	District Attorneys General Conference	58,567,000	68,163,400	68,959,800
305	Secretary of State	23,686,900	50,823,600	30,782,000
306	District Public Defenders Conference	33,743,800	39,522,500	39,647,200
307	Comptroller of the Treasury	54,625,600	72,835,500	72,533,100
308	Office of the Post-Conviction Defender	1,354,500	1,819,200	1,955,100
309	Treasury Department	426,500	674,600	625,500
313	Claims and Compensation	-	3,700,000	-
315	Executive Department	3,493,600	4,665,100	4,666,300
316	Commissions	18,639,000	24,618,900	21,256,500
317	Finance and Administration (F&A)	24,279,500	54,261,200	35,287,700
318	F&A - Bureau of TennCare	2,259,005,900	2,696,188,300	2,679,563,900
319	Human Resources	4,103,000	5,769,700	5,772,400
321	General Services	7,612,300	3,376,600	2,410,000
323	Veterans Affairs	3,403,500	4,855,366	4,740,200
324	Board of Probation and Parole	65,183,400	77,243,400	77,189,900
325	Agriculture	40,449,800	57,359,700	55,489,400
326	Tourist Development	11,244,100	13,771,700	13,776,700
327	Environment and Conservation	85,056,900	189,236,500	105,827,800
328	Tennessee Wildlife Resources Agency	-	4,875,600	-
329	Correction	568,750,700	671,904,500	673,768,200
330	Economic and Community Development	41,219,300	101,901,000	65,758,400
331	Education	3,362,385,200	3,805,811,450	4,004,316,500
332	Higher Education	1,257,914,200	1,377,061,400	1,380,992,100
335	Commerce and Insurance	17,037,100	19,580,900	19,522,300
337	Labor and Workforce Development	20,140,600	25,548,600	23,026,500
339	Mental Health and Developmental Disabilities	164,373,400	172,767,400	171,584,200
341	Military	13,592,200	18,653,400	15,596,300
343	Health	132,227,000	177,800,600	166,089,800
344	F&A - Division of Mental Retardation Services	92,827,800	75,646,700	80,513,500
345	Human Services	156,250,200	192,659,074	183,486,700
347	Revenue	64,766,000	77,517,300	76,794,400
348	Tennessee Bureau of Investigation	33,447,300	38,005,600	39,697,400
349	Safety	96,680,700	115,949,900	123,212,500
350	Cover Tennessee Health Care Programs	23,824,200	96,031,500	73,063,600
351	Miscellaneous Appropriations	29,863,900	71,184,500	138,847,500
353	Emergency and Contingency Fund	-	819,300	819,300
355	State Building Commission	133,000	250,000	250,000
359	Children's Services	324,493,000	337,621,000	339,690,800
Subtotal General Fund and Education Fund		\$ 9,242,092,300	\$ 10,919,221,492	\$ 10,962,734,300
	Transportation	\$ 814,102,500 **	\$ 756,661,200	\$ 804,500,000
	Debt Service Requirements	325,166,000	329,342,000	321,189,000
	Capital Outlay Program	214,721,000 **	264,114,200	163,500,000
	Facilities Revolving Fund	7,673,600	13,464,800	11,964,800
	Cities and Counties - State Shared Taxes	815,832,700	840,000,000	863,700,000
Grand Total State Taxpayers Budget		\$ 11,419,588,100	\$ 13,122,803,692	\$ 13,127,588,100
	Dedicated Tax Sources - Appropriation	\$ 533,425,400	\$ 669,826,900	\$ 717,275,300
Grand Total State Appropriation - Budget Document		\$ 11,953,013,500	\$ 13,792,630,592	\$ 13,844,863,400

* FY 2006-2007 is actual expenditures from appropriations, except as noted. State Taxpayers Budget excludes appropriations from dedicated tax sources, federal revenues, and all other departmental revenues.

** FY 2006-2007 - Transportation and Capital Outlay include appropriations from tax revenues and bonds.

**Departmental Summary of Appropriations
from Dedicated Taxes and Fees: ***
Amounts Excluded from State Taxpayers Budget
Fiscal Years 2006-2007, 2007-2008, and 2008-2009

	<u>Actual 2006-2007 *</u>	<u>Estimated 2007-2008</u>	<u>Recommended 2008-2009</u>
302.00 Court System	\$ 7,746,100	\$ 8,565,600	\$ 8,567,200
303.00 Attorney General and Reporter	1,855,400	2,462,400	2,462,400
307.00 Comptroller of the Treasury	12,609,100	17,810,000	14,327,900
313.00 Claims and Compensation	10,149,100	10,800,000	10,260,000
316.07 Health Services and Development Agency	1,104,500	1,245,200	1,246,400
316.11 Tennessee Regulatory Authority	7,486,900	8,417,600	8,781,400
316.25 Arts Commission	4,462,700	3,500,000	3,500,000
317.00 Finance and Administration	1,771,200	2,285,000	2,155,800
324.00 Board of Probation and Parole	4,431,000	5,041,800	5,112,100
325.00 Agriculture	14,186,200	36,725,400	38,975,400
327.00 Environment and Conservation	62,797,300	91,880,300	96,805,800
328.00 Tennessee Wildlife Resources Agency	43,748,000	50,814,500	54,841,200
329.00 Correction	-	83,900	83,900
331.00 Education (K-12)	16,340,300	10,728,800	14,828,800
332.00 Higher Education	218,256,100	262,400,000	299,400,000
335.00 Commerce and Insurance	60,856,300	68,018,700	68,420,600
336.00 Financial Institutions	3,140,700	8,193,500	8,203,700
337.00 Labor and Workforce Development	14,148,200	20,094,000	20,097,100
339.00 Mental Health and Developmental Disabilities	5,946,000	7,515,000	7,515,000
343.00 Health	28,944,200	38,088,600	38,930,400
347.00 Revenue	11,607,100	12,579,100	10,182,200
348.00 Tennessee Bureau of Investigation	509,300	500,000	500,000
349.00 Safety	293,400	477,800	478,300
359.00 Children's Services	1,036,300	1,599,700	1,599,700
Total Appropriations from Dedicated Tax Sources	\$ 533,425,400	\$ 669,826,900	\$ 717,275,300

* FY 2006-2007 is actual expenditures from appropriations.

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2006-2007, 2007-2008, and 2008-2009

Program	Actual Expenditures 2006-2007 *	Estimated 2007-2008	Recommended 2008-2009
Legislature			
301.01 Legislative Administration Services	\$ 4,652,100	\$ 5,779,400	\$ 5,222,900
301.07 House of Representatives	14,291,800	16,806,000	16,715,900
301.08 State Senate	7,342,100	9,186,600	9,108,500
301.13 General Assembly Committees	496,900	632,600	632,800
301.16 General Assembly Support Services	6,581,400	7,445,500	7,448,100
301.17 Tennessee Code Commission	24,000	69,600	69,600
301.00 Sub-total Legislature	\$ 33,388,300	\$ 39,919,700	\$ 39,197,800
301.50 Fiscal Review Committee	\$ 1,020,900	\$ 1,345,200	\$ 1,340,700
Court System			
302.01 Appellate and Trial Courts	\$ 52,152,500	\$ 57,743,100	\$ 56,125,500
302.05 Supreme Court Buildings	2,335,600	2,620,500	2,621,500
302.08 Child Support Referees	554,000	633,602	652,000
302.09 Guardian Ad Litem	3,646,800	4,047,500	4,047,500
302.10 Indigent Defendants' Counsel	20,717,500	21,346,400	21,346,400
302.12 Verbatim Transcripts	4,204,700	4,244,000	4,245,600
302.15 Tennessee State Law Libraries	650,600	574,700	574,800
302.16 Council of Juvenile and Family Court Judges	67,800	101,600	101,600
302.18 Judicial Conference	132,500	342,500	300,000
302.20 Judicial Programs and Commissions	427,200	697,500	663,700
302.27 Administrative Office of the Courts	9,001,100	11,337,100	11,340,700
302.30 Appellate Court Clerks	566,700	676,900	678,000
302.00 Sub-total Court System	\$ 94,457,000	\$ 104,365,402	\$ 102,697,300
Attorney General and Reporter			
303.01 Attorney General and Reporter	18,137,500	22,666,900	21,535,600
303.05 Publication of Tennessee Reports	143,300	160,200	160,300
303.08 Special Litigation	144,200	289,100	289,100
303.00 Sub-total Attorney General and Reporter	\$ 18,425,000	\$ 23,116,200	\$ 21,985,000
District Attorneys General Conference			
304.01 District Attorneys General	\$ 56,900,400	\$ 66,158,400	\$ 66,956,400
304.05 District Attorneys General Conference	276,100	487,200	480,900
304.10 Executive Director	1,390,500	1,517,800	1,522,500
304.00 Sub-total District Attorneys General Conference	\$ 58,567,000	\$ 68,163,400	\$ 68,959,800
Secretary of State			
305.01 Secretary of State	\$ 7,035,000	\$ 10,418,100	\$ 10,399,700
305.02 State Election Commission	1,627,200	1,695,100	1,695,100
305.03 Public Documents	155,200	397,400	397,400
305.04 State Library and Archives	7,346,500	8,972,600	9,026,000
305.05 Regional Library System	6,774,600	7,696,600	7,699,800
305.07 Registry of Election Finance	556,200	585,400	585,500
305.08 Economic Council on Women	145,400	177,000	196,700
305.09 Charitable Solicitations and Charitable Gaming	-	405,800	406,200
305.12 Community Enhancement Grants	-	20,000,000	-

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2006-2007, 2007-2008, and 2008-2009

Program	Actual Expenditures 2006-2007 *	Estimated 2007-2008	Recommended 2008-2009
305.11 Ethics Commission	46,800	475,600	375,600
305.00 Sub-total Secretary of State	\$ 23,686,900	\$ 50,823,600	\$ 30,782,000
District Public Defenders Conference			
306.01 District Public Defenders	\$ 27,834,300	\$ 33,252,600	\$ 33,385,000
306.03 Executive Director	1,323,800	1,575,300	1,567,600
306.10 Shelby County Public Defender	3,034,100	3,106,100	3,106,100
306.12 Davidson County Public Defender	1,551,600	1,588,500	1,588,500
306.00 Sub-total District Public Defenders Conference	\$ 33,743,800	\$ 39,522,500	\$ 39,647,200
Comptroller of the Treasury			
307.01 Division of Administration	\$ 789,000	\$ 1,028,800	\$ 1,069,700
307.02 Office of Management Services	5,713,200	11,116,900	10,838,300
307.04 Division of State Audit	9,930,200	11,572,300	11,577,500
307.05 Division of County Audit	6,865,400	7,644,600	7,647,300
307.06 Division of Municipal Audit	1,559,700	2,014,100	2,136,800
307.07 Division of Bond Finance	303,000	536,700	537,000
307.08 Office of Local Government	273,300	369,800	369,900
307.09 Division of Property Assessments	8,237,200	10,203,800	10,206,900
307.10 Tax Relief	15,338,100	21,800,000	21,800,000
307.11 State Board of Equalization	2,825,000	2,973,200	2,973,400
307.12 Division of Local Finance	388,400	439,400	439,500
307.14 Offices of Research and Education Accountability	1,384,700	1,925,600	1,726,100
307.15 Office of State Assessed Properties	1,018,400	1,210,300	1,210,700
307.00 Sub-total Comptroller of the Treasury	\$ 54,625,600	\$ 72,835,500	\$ 72,533,100
308.00 Office of the Post-Conviction Defender	\$ 1,354,500	\$ 1,819,200	\$ 1,955,100
Treasury Department			
309.01 Treasury Department	\$ -	\$ 140,400	\$ 91,300
309.02 Certified Public Administrators	426,500	534,200	534,200
309.00 Sub-total Treasury Department	\$ 426,500	\$ 674,600	\$ 625,500
Claims and Compensation			
313.03 Criminal Injuries Compensation	\$ -	\$ 3,700,000	\$ -
313.00 Sub-total Claims and Compensation	\$ -	\$ 3,700,000	\$ -
Executive Department			
315.01 Governor's Office	\$ 3,493,600	\$ 4,665,100	\$ 4,666,300
315.00 Sub-total Executive Department	\$ 3,493,600	\$ 4,665,100	\$ 4,666,300
Commissions			
316.01 Commission on Children and Youth	\$ 1,881,900	\$ 2,133,700	\$ 2,135,200
316.02 Commission on Aging and Disability	9,060,600	10,066,100	9,652,200
316.04 Human Rights Commission	1,585,000	1,684,600	1,686,200
316.09 Corrections Institute	684,300	1,067,800	1,019,600
316.12 Advisory Commission on Intergovernmental Relations	-	266,000	266,000

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2006-2007, 2007-2008, and 2008-2009

Program	Actual Expenditures 2006-2007 *	Estimated 2007-2008	Recommended 2008-2009
316.20 Tennessee Housing Development Agency	1,000,000	3,000,000	350,000
316.25 Arts Commission	1,273,700	2,479,800	2,281,400
316.27 State Museum	3,153,500	3,920,900	3,865,900
316.00 Sub-total Commissions	\$ 18,639,000	\$ 24,618,900	\$ 21,256,500
Finance and Administration			
317.01 Division of Administration	\$ 1,231,000	\$ 1,772,900	\$ 1,573,200
317.02 Division of Budget	3,128,800	3,657,200	3,658,000
317.03 Office for Information Resources	10,000,200	2,275,000	2,275,000
317.06 Criminal Justice Programs	5,675,600	6,712,700	6,344,500
317.07 Resource Development and Support	1,154,700	1,727,000	1,727,300
317.10 Real Property Administration	2,809,500	3,760,600	3,761,400
317.11 Volunteer Tennessee	166,900	238,600	238,600
317.12 Office of Inspector General	-	10,000	-
317.15 State Health Planning Division	112,800	17,887,700	1,456,000
317.17 Enterprise Resource Planning	-	13,000,000	13,000,000
317.23 Governor's Office of State Planning and Policy	-	3,219,500	1,253,700
317.00 Sub-total Finance and Administration	\$ 24,279,500	\$ 54,261,200	\$ 35,287,700
Finance and Administration, Bureau of TennCare			
318.65 TennCare Administration	\$ 99,748,200	\$ 118,834,900	\$ 120,060,300
318.66 TennCare Services	1,497,133,800	1,738,472,500	1,734,446,500
318.67 Waiver and Crossover Services	377,520,400	408,665,000	400,629,400
318.68 Long Term Care Services	281,956,500	424,343,300	418,555,100
318.80 Governor's Office of Children's Care Coordination	2,647,000	5,872,600	5,872,600
318.00 Sub-total Finance and Administration, Bureau of TennCare	\$ 2,259,005,900	\$ 2,696,188,300	\$ 2,679,563,900
Human Resources			
319.01 Executive Administration	\$ 1,580,600	\$ 2,209,800	\$ 2,210,500
319.02 Human Resource Development	661,200	1,189,300	1,242,400
319.03 Technical Services	1,861,200	2,370,600	2,319,500
319.00 Sub-total Human Resources	\$ 4,103,000	\$ 5,769,700	\$ 5,772,400
General Services			
321.01 Administration	\$ 398,800	\$ 547,200	\$ 549,500
321.06 Motor Vehicle Management	5,760,500	2,500	-
321.07 Property Management	1,222,700	1,522,700	1,531,300
321.09 Printing and Media Services	230,300	727,200	307,200
321.10 Purchasing	-	22,000	22,000
321.19 Food Services Program	-	555,000	-
321.00 Sub-total General Services	\$ 7,612,300	\$ 3,376,600	\$ 2,410,000
323.00 Veterans Affairs	\$ 3,403,500	\$ 4,855,366	\$ 4,740,200
Board of Probation and Parole			
324.02 Probation and Parole Services	\$ 53,809,700	\$ 65,314,200	\$ 65,245,900
324.04 Community Corrections	11,373,700	11,929,200	11,944,000
324.00 Sub-total Board of Probation and Parole	\$ 65,183,400	\$ 77,243,400	\$ 77,189,900

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2006-2007, 2007-2008, and 2008-2009

Program	Actual Expenditures 2006-2007 *	Estimated 2007-2008	Recommended 2008-2009
Agriculture			
325.01 Administration and Grants	\$ 9,085,500	\$ 9,852,600	\$ 9,713,400
325.05 Regulatory Services	7,494,400	9,399,300	9,384,300
325.06 Market Development	5,492,800	7,468,200	6,960,200
325.08 Agricultural Resources Conservation Fund	-	2,250,000	-
325.10 Forestry Operations	18,229,800	28,231,100	29,273,000
325.11 Forestry Maintenance	147,300	158,500	158,500
325.00 Sub-total Agriculture	\$ 40,449,800	\$ 57,359,700	\$ 55,489,400
Tourist Development			
326.01 Administration and Marketing	\$ 11,244,100	\$ 12,271,700	\$ 12,276,700
326.03 Welcome Centers	-	1,500,000	1,500,000
326.00 Sub-total Tourist Development	\$ 11,244,100	\$ 13,771,700	\$ 13,776,700
Environment and Conservation			
327.01 Administrative Services	\$ 5,777,100	\$ 6,243,700	\$ 6,271,900
327.03 Recreation Educational Services	748,300	797,800	800,400
327.04 Historical Commission	1,653,500	2,459,900	2,156,100
327.08 Archaeology	636,700	783,100	785,300
327.11 Geology	1,044,400	1,183,300	1,186,600
327.12 Tennessee State Parks	40,751,100	44,869,100	44,452,500
327.14 Natural Areas	824,600	926,600	929,300
327.15 State Parks Maintenance	4,032,600	2,214,100	2,214,100
327.18 Maintenance of Historic Sites	246,100	350,000	285,000
327.19 Local Parks Acquisition Fund	-	2,624,400	-
327.20 State Lands Acquisition Fund	-	2,250,000	-
327.24 West Tennessee River Basin Authority Maintenance	499,900	1,255,300	1,215,300
327.26 West Tennessee River Basin Authority	768,000	1,296,600	1,149,200
327.30 Environment Administration	1,554,400	1,657,300	1,756,800
327.31 Air Pollution Control	1,214,600	1,321,000	1,324,100
327.32 Radiological Health	66,400	758,100	759,700
327.33 Clean Water and Drinking Water State Revolving Fund	5,183,000	5,250,100	5,253,400
327.34 Water Pollution Control	9,345,000	10,552,200	12,817,200
327.35 Solid Waste Management	1,702,700	1,995,700	2,002,300
327.38 Hazardous Waste Remedial Action Fund	-	1,076,100	1,076,100
327.39 Water Supply	1,044,900	995,700	2,999,200
327.40 Groundwater Protection	4,490,600	4,663,400	4,675,400
327.44 Fleming Training Center	398,000	622,600	624,300
327.45 Office of Environmental Assistance	681,300	948,400	951,600
327.50 Tennessee Heritage Conservation Trust Fund	2,393,700	92,000,000	10,100,000
327.51 Conservation Compensation Fund	-	142,000	42,000
327.00 Sub-total Environment and Conservation	\$ 85,056,900	\$ 189,236,500	\$ 105,827,800
Tennessee Wildlife Resources Agency			
328.03 Wetlands Acquisition Fund	\$ -	\$ 4,875,600	\$ -
328.00 Sub-total Tennessee Wildlife Resources	\$ -	\$ 4,875,600	\$ -

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2006-2007, 2007-2008, and 2008-2009

Program	Actual Expenditures 2006-2007 *	Estimated 2007-2008	Recommended 2008-2009
Correction			
329.01 Administration	\$ 15,543,200	\$ 15,874,100	\$ 15,997,300
329.04 State Prosecutions	119,682,100	141,154,900	137,475,800
329.06 Correction Academy	5,251,600	5,392,100	5,423,200
329.08 Wayne County Boot Camp	9,583,500	10,564,100	10,752,200
329.11 Brushy Mountain Correctional Complex	16,294,400	17,885,600	8,734,500
329.13 Tennessee Prison for Women	19,842,400	20,536,100	20,881,200
329.14 Turney Center Industrial Prison and Farm	23,569,800	26,030,500	26,534,500
329.16 Mark Luttrell Correctional Facility	12,163,800	13,354,200	13,500,200
329.17 Charles B. Bass Correctional Complex	27,093,000	27,734,800	28,160,300
329.18 Southeastern Tennessee State Regional Correctional Facility	20,796,600	21,689,100	22,023,100
329.21 Hardeman County Incarceration Agreement	33,774,300	34,501,400	35,383,300
329.22 Hardeman County Agreement - Whiteville	26,409,900	27,401,800	28,026,500
329.32 Major Maintenance	3,680,000	4,046,900	4,042,000
329.41 West Tennessee State Penitentiary	48,372,400	52,763,300	53,493,700
329.42 Riverbend Maximum Security Institution	22,980,900	24,056,700	24,469,500
329.43 Northeast Correctional Complex	36,058,800	37,265,700	37,922,700
329.44 South Central Correctional Center	25,981,700	26,950,600	25,460,600
329.45 Northwest Correctional Complex	43,999,200	46,628,800	47,234,900
329.46 Lois M. DeBerry Special Needs Facility	35,633,600	34,529,100	35,542,900
329.47 Morgan County Correctional Complex	21,938,900	32,862,000	48,215,600
329.50 Sex Offender Treatment Program	100,600	50,000	50,000
329.99 Sentencing Act of 1985	-	50,632,700	44,444,200
329.00 Sub-total Correction	\$ 568,750,700	\$ 671,904,500	\$ 673,768,200
Economic and Community Development			
330.01 Administrative Services	\$ 5,679,400	\$ 6,236,900	\$ 6,113,600
330.02 Business Development	3,948,700	12,706,100	9,707,700
330.04 Regional Grants Management	805,600	2,186,800	1,187,200
330.05 Business Services	216,100	302,500	302,500
330.06 FastTrack Infrastructure and Job Training	25,148,400	62,670,000	40,895,000
330.07 Community Development	4,315,100	6,413,800	6,167,500
330.08 Energy Division	26,000	34,800	34,800
330.15 Economic Development District Grants	1,080,000	1,350,100	1,350,100
330.17 Film and Television Incentive Fund	-	10,000,000	-
330.00 Sub-total Economic and Community Development	\$ 41,219,300	\$ 101,901,000	\$ 65,758,400
Education (K-12)			
331.01 Administration	\$ 8,314,700	\$ 9,263,800	\$ 9,273,200
331.02 Grants-In-Aid	6,138,800	15,574,050	7,415,100
331.04 Technology, Infrastructure, and Support Systems	5,986,500	2,823,900	2,826,300
331.05 Training and Professional Development	6,413,400	11,570,300	9,321,100
331.06 Curriculum and Instruction	4,055,400	6,822,800	4,794,600
331.07 State Board of Education	840,200	1,148,100	928,900
331.09 Improving Schools Program	2,991,400	16,453,900	16,454,300
331.10 Career Ladder	74,669,700	74,919,200	74,419,200
331.11 Accountability and Assessment	18,775,900	23,900,100	27,952,800

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2006-2007, 2007-2008, and 2008-2009

Program	Actual Expenditures 2006-2007 *	Estimated 2007-2008	Recommended 2008-2009
331.19 After-School Programs Special Account	-	5,500,000	-
331.22 Governor's Books from Birth Fund	2,692,300	3,443,500	3,943,500
331.25 BEP and Other LEA Support	3,146,004,300	3,507,781,300	3,694,796,300
331.32 Early Childhood Education	34,115,200	59,647,900	84,649,500
331.35 School Nutrition Program	4,894,200	4,806,700	4,806,700
331.36 Special Education Services	569,500	691,600	691,600
331.45 Career and Technical Education Programs	3,502,700	4,071,400	4,073,600
331.90 Alvin C. York Institute	4,968,000	5,424,400	5,486,600
331.91 Tennessee School for the Blind	10,086,000	11,005,800	10,996,100
331.92 Tennessee School for the Deaf	13,684,300	14,493,400	14,834,500
331.93 West Tennessee School for the Deaf	2,337,400	2,576,600	2,657,000
331.95 Tennessee Early Intervention Services	10,106,200	21,883,600	21,906,500
331.96 Governor's Institute for Science and Math	1,000,000	1,770,000	1,850,000
331.97 Major Maintenance	239,100	239,100	239,100
331.00 Sub-total Education (K-12)	\$ 3,362,385,200	\$ 3,805,811,450	\$ 4,004,316,500
Higher Education - State Administered Programs			
332.01 Tennessee Higher Education Commission	\$ 1,994,600	\$ 2,381,000	\$ 2,381,500
332.02 Contract Education	2,375,100	2,542,700	2,542,700
332.03 Tennessee Student Assistance Awards	41,326,500	47,108,500	47,108,500
332.05 Tennessee Student Assistance Corporation	143,500	1,537,000	2,937,400
332.06 Academic Scholars Program	358,400	401,800	401,800
332.07 Loan/Scholarship Programs	1,158,700	1,191,000	1,191,000
332.08 Centers of Excellence	18,822,500	19,635,500	19,948,100
332.09 THEC Grants	2,571,000	3,215,900	2,715,900
332.11 Campus Centers of Emphasis	1,374,800	1,429,600	1,450,200
332.13 Geier Desegregation Settlement	9,394,100	-	-
332.14 Foreign Language Institute	348,700	372,200	372,200
332.00 Sub-total Higher Education - State Administered Programs	\$ 79,867,900	\$ 79,815,200	\$ 81,049,300
University of Tennessee			
332.10 UT University-Wide Administration	\$ 4,103,200	\$ 4,634,700	\$ 4,745,900
332.12 UT Research Initiatives	6,500,000	14,750,000	12,100,000
332.15 UT Institute for Public Service	4,729,600	4,980,200	5,062,200
332.16 UT Municipal Technical Advisory Service	1,926,300	2,747,800	2,825,900
332.17 UT County Technical Assistance Service	1,482,900	1,608,700	1,666,500
332.21 UT Access and Diversity Initiative	3,488,900	6,448,900	6,448,900
332.23 UT Space Institute	7,845,700	8,288,700	8,430,200
332.25 UT Agricultural Experiment Station	23,998,900	25,402,000	25,610,400
332.26 UT Agricultural Extension Service	28,391,300	30,134,300	30,683,400
332.28 UT Veterinary Medicine	15,543,600	16,658,500	17,125,800
332.30 UT Health Science Center	66,744,700	71,235,500	76,800,500
332.32 UT Family Medicine	9,471,000	10,165,500	10,449,800
332.34 UT College of Medicine	46,073,700	49,213,700	50,870,500
332.40 UT Chattanooga	43,341,600	46,131,800	46,804,400
332.42 UT Knoxville	182,841,200	195,730,700	198,737,500
332.44 UT Martin	31,236,600	35,308,800	33,772,600
332.10 Sub-total University of Tennessee	\$ 477,719,200	\$ 523,439,800	\$ 532,134,500

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2006-2007, 2007-2008, and 2008-2009

Program	Actual Expenditures 2006-2007 *	Estimated 2007-2008	Recommended 2008-2009
State University and Community College System			
332.53 Southwest Tennessee Community College	\$ 38,312,100	\$ 40,086,100	\$ 40,653,400
332.54 Nashville State Technical Community College	15,137,500	16,317,500	16,575,500
332.55 Pellissippi State Technical Community College	20,620,300	21,998,800	22,336,400
332.56 Northeast State Technical Community College	12,237,800	13,183,100	13,373,800
332.59 Regents Access and Diversity Initiative	6,342,000	11,391,100	11,391,100
332.60 Tennessee Board of Regents	4,365,800	4,882,200	5,566,100
332.62 TSU McMinnville Center	504,400	531,200	545,800
332.63 TSU Institute of Agricultural and Environmental Research	-	2,173,000	2,173,000
332.64 TSU Cooperative Education	-	1,927,000	1,927,000
332.65 ETSU College of Medicine	25,791,900	28,971,700	29,683,500
332.67 ETSU Family Practice	5,272,600	5,681,400	5,872,600
332.70 Austin Peay State University	33,944,500	36,250,500	36,812,300
332.72 East Tennessee State University	59,403,700	63,184,700	64,121,500
332.74 University of Memphis	115,808,000	123,499,700	125,280,500
332.75 Middle Tennessee State University	94,113,000	100,935,200	102,510,500
332.77 Tennessee State University	40,280,600	42,597,700	43,412,300
332.78 Tennessee Technological University	46,517,400	49,288,600	49,961,800
332.80 Chattanooga State Technical Community	23,672,700	25,042,400	25,419,400
332.81 Cleveland State Community College	10,309,100	10,844,900	10,980,100
332.82 Columbia State Community College	13,246,800	14,034,200	14,232,600
332.84 Dyersburg State Community College	7,102,300	7,596,100	7,706,500
332.86 Jackson State Community College	12,359,300	13,116,800	13,308,000
332.88 Motlow State Community College	10,270,700	10,930,500	11,084,200
332.90 Roane State Community College	18,012,500	19,088,500	19,362,900
332.94 Volunteer State Community College	17,944,500	19,193,300	19,481,200
332.96 Walters State Community College	18,211,900	19,388,200	19,651,300
332.98 Tennessee Technology Centers	50,545,700	71,672,000	54,385,000
332.60 Sub-total State University and Community College System	\$ 700,327,100	\$ 773,806,400	\$ 767,808,300
Sub-total Higher Education	\$ 1,257,914,200	\$ 1,377,061,400	\$ 1,380,992,100
Commerce and Insurance			
335.01 Administration	\$ -	\$ 3,600	\$ 3,600
335.03 Fire Prevention	-	97,600	89,600
335.06 Consumer Affairs	797,400	862,200	862,600
335.07 Fire Service and Codes Enforcement Academy	3,514,400	3,735,200	3,737,300
335.11 Tennessee Law Enforcement Training Academy	2,561,600	2,993,500	2,939,900
335.12 POST Commission	7,442,000	8,184,200	8,184,600
335.28 Fire Fighting Personnel Standards and Education	2,721,700	3,704,600	3,704,700
335.00 Sub-total Commerce and Insurance	\$ 17,037,100	\$ 19,580,900	\$ 19,522,300
Labor and Workforce Development			
337.01 Administration	\$ 2,908,600	\$ 3,241,500	\$ 3,248,000
337.03 Workers' Compensation	12,104,000	14,438,500	14,408,200
337.04 Mines	657,100	408,600	409,200

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2006-2007, 2007-2008, and 2008-2009

Program	Actual Expenditures 2006-2007 *	Estimated 2007-2008	Recommended 2008-2009
337.06 Labor Standards	1,123,100	1,225,100	1,226,000
337.07 Employment and Training	25,800	-	-
337.09 Adult Basic Education	3,322,000	6,234,900	3,735,100
337.00 Sub-total Labor and Workforce	\$ 20,140,600	\$ 25,548,600	\$ 23,026,500
Mental Health and Developmental Disabilities			
339.01 Administrative Services Division	\$ 11,462,100	\$ 13,610,700	\$ 13,661,700
339.03 Community Alcohol and Drug Abuse Services	7,726,800	8,580,200	7,284,800
339.08 Community Mental Health Services	57,677,400	62,089,800	61,739,800
339.10 Lakeshore Mental Health Institute	15,934,000	17,159,200	17,075,200
339.11 Middle Tennessee Mental Health Institute	25,850,500	22,463,700	22,629,300
339.12 Western Mental Health Institute	16,722,100	19,275,400	19,416,600
339.16 Moccasin Bend Mental Health Institute	13,182,100	13,363,900	13,467,300
339.17 Memphis Mental Health Institute	15,391,700	15,774,500	15,859,500
339.40 Major Maintenance	426,700	450,000	450,000
339.00 Sub-total Mental Health and Developmental Disabilities	\$ 164,373,400	\$ 172,767,400	\$ 171,584,200
Military			
341.01 Administration	\$ 2,598,300	\$ 2,916,000	\$ 2,926,400
341.02 Army National Guard	1,179,800	1,251,700	2,471,900
341.03 Air National Guard	1,772,600	2,611,800	2,953,200
341.04 Tennessee Emergency Management Agency	3,273,000	5,200,400	4,092,000
341.07 Armories Maintenance	774,300	749,200	736,600
341.08 Homeland Security Grants	-	3,508,100	-
341.09 TEMA Disaster Relief Grants	2,000,000	-	-
341.10 Armories Utilities	1,994,200	2,416,200	2,416,200
341.00 Sub-total Military	\$ 13,592,200	\$ 18,653,400	\$ 15,596,300
Health			
343.01 Executive Administration	\$ 5,400,600	\$ 5,942,800	\$ 5,903,500
343.03 Administrative Services	2,785,700	3,279,400	3,284,500
343.04 Office for Information Technology Services	5,099,900	5,586,900	5,650,700
343.05 Bureau of Health Licensure and Regulation	3,918,200	5,035,700	4,983,200
343.07 Emergency Medical Services	663,000	730,100	732,800
343.08 Laboratory Services	9,503,600	8,642,600	8,663,300
343.20 Policy Planning and Assessment	3,709,800	4,979,600	4,970,200
343.39 General Environmental Health	1,252,300	4,570,900	4,570,800
343.45 Health Services Administration	27,510,100	23,323,300	20,329,600
343.47 Maternal and Child Health	2,442,200	3,560,800	2,939,200
343.49 Communicable and Environmental Disease	7,286,400	21,746,400	13,567,300
343.52 Community and Medical Services	8,451,400	21,350,500	21,334,300
343.51 Diabetes Prevention and Health Improvement	-	7,005,000	7,005,000
343.60 Local Health Services	54,203,800	62,046,600	62,155,400
343.00 Sub-total Health	\$ 132,227,000	\$ 177,800,600	\$ 166,089,800
Finance and Administration, Division of Mental Retardation Services			
344.01 Mental Retardation Administration	\$ 2,887,500	\$ 3,739,200	\$ 3,872,200
344.02 Community Mental Retardation Services	78,323,400	52,639,300	57,333,700

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2006-2007, 2007-2008, and 2008-2009

Program	Actual Expenditures 2006-2007 *	Estimated 2007-2008	Recommended 2008-2009
344.10 Arlington Developmental Center	612,800	1,755,000	1,755,000
344.11 Clover Bottom Developmental Center	8,093,900	8,893,300	8,913,700
344.12 Greene Valley Developmental Center	-	1,401,100	1,401,100
344.20 West Tennessee Regional Office	54,000	2,595,800	2,601,600
344.21 Middle Tennessee Regional Office	-	1,872,100	1,878,200
344.22 East Tennessee Regional Office	2,096,000	2,236,300	2,242,800
344.50 Major Maintenance	560,300	300,000	300,000
344.81 Developmental Disabilities Council	199,900	214,600	215,200
344.00 Sub-total Finance and Administration, Division of Mental Retardation Services	\$ 92,827,800	\$ 75,646,700	\$ 80,513,500
Human Services			
345.01 Administration	\$ 17,111,800	\$ 20,798,300	\$ 20,586,700
345.13 Child Support	6,500	20,411,000	19,317,000
345.16 Field Operations	6,669,700	7,751,200	7,262,600
345.17 County Rentals	5,317,400	5,458,200	5,647,700
345.20 Child Care Benefits	9,910,400	11,493,500	19,066,600
345.23 Temporary Cash Assistance	31,744,800	33,275,800	19,459,100
345.30 Family Assistance Services	72,108,700	76,383,900	74,663,200
345.31 Appeals and Hearings	2,525,500	2,751,700	3,321,800
345.49 Community Services	1,154,200	3,226,874	3,072,400
345.70 Vocational Rehabilitation	9,701,200	11,108,600	11,089,600
345.00 Sub-total Human Services	\$ 156,250,200	\$ 192,659,074	\$ 183,486,700
Revenue			
347.01 Administration Division	\$ 7,503,500	\$ 7,883,000	\$ 7,798,200
347.02 Tax Enforcement Division	6,330,100	7,186,800	7,083,500
347.11 Information Technology Resources Division	10,077,000	12,602,300	12,002,300
347.13 Taxpayer and Vehicle Services Division	14,780,300	20,398,800	21,313,300
347.14 Audit Division	19,330,000	21,227,700	20,884,200
347.16 Processing Division	6,745,100	8,218,700	7,712,900
347.00 Sub-total Revenue	\$ 64,766,000	\$ 77,517,300	\$ 76,794,400
348.00 Tennessee Bureau of Investigation	\$ 33,447,300	\$ 38,005,600	\$ 39,697,400
Safety			
349.01 Administration	\$ 6,643,100	\$ 6,956,800	\$ 8,658,300
349.02 Driver License Issuance	6,433,000	11,999,200	10,695,300
349.03 Highway Patrol	71,563,700	82,440,900	89,441,000
349.07 Motor Vehicle Operations	8,509,800	9,449,500	9,513,600
349.12 Major Maintenance	153,900	199,600	199,600
349.13 Technical Services	1,611,900	3,089,700	2,888,900
349.15 Office of Homeland Security	1,765,300	1,814,200	1,815,800
349.00 Sub-total Safety	\$ 96,680,700	\$ 115,949,900	\$ 123,212,500
Cover Tennessee Health Care Programs			
350.30 CoverTN	\$ 1,575,900	\$ 34,000,000	\$ 12,369,800
350.40 AccessTN	16,849,200	23,049,200	23,049,200
350.50 CoverKids	2,063,200	22,020,100	28,956,100

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2006-2007, 2007-2008, and 2008-2009

Program	Actual Expenditures 2006-2007 *	Estimated 2007-2008	Recommended 2008-2009
350.60 CoverRX	3,335,900	16,962,200	8,688,500
350.00 Sub-total Cover Tennessee Health Care Programs	\$ 23,824,200	\$ 96,031,500	\$ 73,063,600
351.00 Miscellaneous Appropriations	\$ 29,863,900	\$ 71,184,500	\$ 138,847,500
353.00 Emergency and Contingency Fund	\$ -	\$ 819,300	\$ 819,300
355.02 Major Maintenance and Equipment	\$ 133,000	\$ 250,000	\$ 250,000
Children's Services			
359.10 Administration	\$ 44,946,600	\$ 31,669,800	\$ 32,051,100
359.20 Family Support Services	37,353,800	25,141,600	24,883,600
359.30 Custody Services	72,145,400	86,960,300	88,521,300
359.35 Needs Assessment	6,057,200	8,001,500	6,912,500
359.40 Adoption Services	32,477,400	33,552,300	35,017,200
359.50 Child and Family Management	72,257,300	88,612,800	89,376,800
359.60 John S. Wilder Youth Development Center	10,906,100	11,965,000	11,992,800
359.61 Taft Youth Development Center	12,670,300	14,015,800	13,896,900
359.62 Woodland Hills Youth Development Center	10,666,600	12,922,900	12,635,500
359.63 Mountain View Youth Development Center	11,775,900	12,722,700	12,757,300
359.64 New Visions Youth Development Center	4,405,900	3,958,000	3,966,900
359.65 Community Treatment Facilities	8,513,200	7,678,200	7,258,800
359.80 Major Maintenance	317,300	420,100	420,100
359.00 Sub-total Children's Services	\$ 324,493,000	\$ 337,621,000	\$ 339,690,800
Subtotal General Fund and Education Fund	\$ 9,242,092,300	\$10,919,221,492	\$ 10,962,734,300
Transportation **	814,102,500	756,661,200	804,500,000
Debt Service Requirements	325,166,000	329,342,000	321,189,000
Capital Outlay Program **	214,721,000	264,114,200	163,500,000
Facilities Revolving Fund	7,673,600	13,464,800	11,964,800
Cities and Counties - State Shared Taxes	815,832,700	840,000,000	863,700,000
Grand Total State Taxpayers Budget	\$11,419,588,100	\$13,122,803,692	\$ 13,127,588,100
Dedicated Tax Sources - Appropriation	533,425,400	669,826,900	717,275,300
Grand Total State Appropriation - Budget Document	\$11,953,013,500	\$13,792,630,592	\$ 13,844,863,400

* FY 2006-2007 is actual expenditures from appropriations, except as noted. State Taxpayers Budget excludes appropriations from dedicated tax sources, federal revenues, and all other departmental revenues.

** FY 2006-2007 - Transportation and Capital Outlay include appropriations from tax revenues and bonds.

State Taxpayers Budget
Comparison Statement of State Revenues
Actual and Estimated July 1, 2006 - June 30, 2009

SOURCE OF REVENUE

Department of Revenue	Actual 2006-2007	Estimated 2007-2008	Estimated 2008-2009	Percent Required
Sales and Use Tax	\$ 6,748,140,100	\$ 6,957,700,000	\$ 7,240,300,000	4.06%
Gasoline Tax	611,737,000	605,500,000	608,600,000	0.51%
Motor Fuel Tax	185,879,400	186,000,000	188,300,000	1.24%
Gasoline Inspection Tax	47,077,900	47,300,000	48,000,000	1.48%
Motor Vehicle Registration Tax	242,900,700	250,400,000	254,300,000	1.56%
Income Tax	247,567,500	257,500,000	262,600,000	1.98%
Privilege Tax	299,993,900	310,600,000	298,800,000	-3.80%
Gross Receipts Tax - TVA	250,247,600	270,300,000	283,800,000	4.99%
Gross Receipts Tax - Other	27,370,100	23,300,000	23,800,000	2.15%
Beer Tax	17,979,100	18,500,000	19,100,000	3.24%
Alcoholic Beverage Tax	40,998,300	42,600,000	44,300,000	3.99%
Franchise Tax	636,972,300	635,800,000	648,500,000	2.00%
Excise Tax	1,129,107,500	1,130,300,000	1,152,800,000	2.00%
Inheritance and Estate Tax	112,393,000	93,700,000	93,700,000	0.00%
Tobacco Tax	137,993,500	298,700,000	315,200,000	5.52%
Motor Vehicle Title Fees	11,105,200	11,500,000	11,600,000	0.87%
Mixed Drink Tax	53,656,700	57,400,000	61,400,000	6.97%
Business Tax	133,773,300	139,100,000	147,500,000	6.04%
Severance Tax	1,549,400	1,700,000	1,800,000	5.88%
Coin-operated Amusement Tax	340,700	300,000	300,000	0.00%
Unauthorized Substance Tax	1,602,700	2,000,000	2,000,000	0.00%
Total Department of Revenue	\$ 10,938,385,900	\$ 11,340,200,000	\$ 11,706,700,000	3.23%
Other State Revenue				
Department of Commerce and Insurance	\$ 410,580,700	\$ 418,700,000	\$ 418,700,000	0.00%
Department of Agriculture	379,000	400,000	400,000	0.00%
Secretary of State	26,946,600	28,000,000	28,000,000	0.00%
Department of Safety	35,290,600	35,800,000	36,300,000	1.40%
State Treasurer	113,939,900	120,000,000	80,000,000	-33.33%
Miscellaneous Revenue	41,005,600	34,700,000	29,700,000	-14.41%
Nursing Home Tax	100,936,800	100,300,000	99,700,000	-0.60%
Total Other State Revenue	\$ 729,079,200	\$ 737,900,000	\$ 692,800,000	-6.11%
Total State Revenue	\$ 11,667,465,100	\$ 12,078,100,000	\$ 12,399,500,000	2.66%

**State Taxpayers Budget
Distribution of Actual Revenue by Fund
Fiscal Year 2006-2007**

SOURCE OF REVENUE

Department of Revenue	Total Revenue	General Fund	Education Fund	Highway Fund	Debt Service Fund	Cities & Counties
Sales and Use Tax	\$ 6,748,140,100	\$ 2,505,256,900	\$ 3,927,220,200	\$ 0	\$ 48,531,900	\$ 267,131,100
Gasoline Tax	611,737,000	8,764,700	0	284,557,600	84,500,000	233,914,700
Motor Fuel Tax	185,879,400	3,524,300	0	133,625,500	0	48,729,600
Gasoline Inspection Tax	47,077,900	701,200	0	34,359,700	0	12,017,000
Motor Vehicle Registration Tax	242,900,700	36,866,000	141,800	205,892,900	0	0
Income Tax	247,567,500	163,346,700	0	0	0	84,220,800
Privilege Tax	299,993,900	299,860,300	133,600	0	0	0
Gross Receipts Tax - TVA	250,247,600	146,459,000	0	0	0	103,788,600
Gross Receipts Tax - Other	27,370,100	23,067,700	0	4,302,400	0	0
Beer Tax	17,979,100	12,027,900	0	2,260,700	0	3,690,500
Alcoholic Beverage Tax	40,998,300	33,862,700	0	0	0	7,135,600
Franchise Tax	636,972,300	618,972,300	0	0	18,000,000	0
Excise Tax	1,129,107,500	945,921,500	0	0	156,868,100	26,317,900
Inheritance and Estate Tax	112,393,000	112,393,000	0	0	0	0
Tobacco Tax	137,993,500	1,040,400	136,953,100	0	0	0
Motor Vehicle Title Fees	11,105,200	8,405,200	0	0	2,700,000	0
Mixed Drink Tax	53,656,700	0	26,828,400	0	0	26,828,300
Business Tax	133,773,300	133,773,300	0	0	0	0
Severance Tax	1,549,400	669,700	0	0	0	879,700
Coin-operated Amusement Tax	340,700	340,700	0	0	0	0
Unauthorized Substance Tax	1,602,700	423,800	0	0	0	1,178,900
Total Department of Revenue	\$ 10,938,385,900	\$ 5,055,677,300	\$ 4,091,277,100	\$ 664,998,800	\$ 310,600,000	\$ 815,832,700
Other State Revenue						
Department of Commerce and Insurance	\$ 410,580,700	\$ 410,580,700	\$ 0	\$ 0	\$ 0	\$ 0
Department of Agriculture	379,000	379,000	0	0	0	0
Secretary of State	26,946,600	26,946,600	0	0	0	0
Department of Safety	35,290,600	35,290,600	0	0	0	0
State Treasurer	113,939,900	113,939,900	0	0	0	0
Miscellaneous Revenue	41,005,600	41,005,600	0	0	0	0
Nursing Home Tax	100,936,800	100,936,800	0	0	0	0
Total Other State Revenue	\$ 729,079,200	\$ 729,079,200	\$ 0	\$ 0	\$ 0	\$ 0
Total State Revenue	\$ 11,667,465,100	\$ 5,784,756,500	\$ 4,091,277,100	\$ 664,998,800	\$ 310,600,000	\$ 815,832,700

**State Taxpayers Budget
Distribution of Revised Estimated Revenue by Fund
Fiscal Year 2007-2008**

SOURCE OF REVENUE

Department of Revenue	Total Revenue	General Fund	Education Fund	Highway Fund	Debt Service Fund	Cities & Counties
Sales and Use Tax	\$ 6,957,700,000	\$ 2,581,300,000	\$ 4,051,200,000	\$ 0	\$ 49,900,000	\$ 275,300,000
Gasoline Tax	605,500,000	8,800,000	0	280,400,000	84,800,000	231,500,000
Motor Fuel Tax	186,000,000	3,500,000	0	133,700,000	0	48,800,000
Gasoline Inspection Tax	47,300,000	800,000	0	34,500,000	0	12,000,000
Motor Vehicle Registration Tax	250,400,000	41,400,000	200,000	208,800,000	0	0
Income Tax	257,500,000	171,000,000	0	0	0	86,500,000
Privilege Tax	310,600,000	310,500,000	100,000	0	0	0
Gross Receipts Tax - TVA	270,300,000	155,300,000	0	0	0	115,000,000
Gross Receipts Tax - Other	23,300,000	19,600,000	0	3,700,000	0	0
Beer Tax	18,500,000	12,400,000	0	2,300,000	0	3,800,000
Alcoholic Beverage Tax	42,600,000	35,200,000	0	0	0	7,400,000
Franchise Tax	635,800,000	617,800,000	0	0	18,000,000	0
Excise Tax	1,130,300,000	936,900,000	0	0	165,000,000	28,400,000
Inheritance and Estate Tax	93,700,000	93,700,000	0	0	0	0
Tobacco Tax	298,700,000	1,500,000	297,200,000	0	0	0
Motor Vehicle Title Fees	11,500,000	8,800,000	0	0	2,700,000	0
Mixed Drink Tax	57,400,000	0	28,700,000	0	0	28,700,000
Business Tax	139,100,000	139,100,000	0	0	0	0
Severance Tax	1,700,000	500,000	0	0	0	1,200,000
Coin-operated Amusement Tax	300,000	300,000	0	0	0	0
Unauthorized Substance Tax	2,000,000	600,000	0	0	0	1,400,000
Total Department of Revenue	\$ 11,340,200,000	\$ 5,139,000,000	\$ 4,377,400,000	\$ 663,400,000	\$ 320,400,000	\$ 840,000,000
Other State Revenue						
Department of Commerce and Insurance	\$ 418,700,000	\$ 418,700,000	\$ 0	\$ 0	\$ 0	\$ 0
Department of Agriculture	400,000	400,000	0	0	0	0
Secretary of State	28,000,000	28,000,000	0	0	0	0
Department of Safety	35,800,000	35,800,000	0	0	0	0
State Treasurer	120,000,000	120,000,000	0	0	0	0
Miscellaneous Revenue	34,700,000	34,700,000	0	0	0	0
Nursing Home Tax	100,300,000	100,300,000	0	0	0	0
Total Other State Revenue	\$ 737,900,000	\$ 737,900,000	\$ 0	\$ 0	\$ 0	\$ 0
Total State Revenue	\$ 12,078,100,000	\$ 5,876,900,000	\$ 4,377,400,000	\$ 663,400,000	\$ 320,400,000	\$ 840,000,000

State Taxpayers Budget
Distribution of Estimated Revenue by Fund
Fiscal Year 2008-2009

SOURCE OF REVENUE

Department of Revenue	Total Revenue	General Fund	Education Fund	Highway Fund	Debt Service Fund	Cities & Counties
Sales and Use Tax	\$ 7,240,300,000	\$ 2,692,100,000	\$ 4,210,300,000	\$ 0	\$ 51,800,000	\$ 286,100,000
Gasoline Tax	608,600,000	8,800,000	0	278,400,000	88,700,000	232,700,000
Motor Fuel Tax	188,300,000	3,500,000	0	135,400,000	0	49,400,000
Gasoline Inspection Tax	48,000,000	1,000,000	0	35,000,000	0	12,000,000
Motor Vehicle Registration Tax	254,300,000	39,700,000	200,000	214,400,000	0	0
Income Tax	262,600,000	174,400,000	0	0	0	88,200,000
Privilege Tax	298,800,000	298,700,000	100,000	0	0	0
Gross Receipts Tax - TVA	283,800,000	161,900,000	0	0	0	121,900,000
Gross Receipts Tax - Other	23,800,000	20,100,000	0	3,700,000	0	0
Beer Tax	19,100,000	12,800,000	0	2,400,000	0	3,900,000
Alcoholic Beverage Tax	44,300,000	36,600,000	0	0	0	7,700,000
Franchise Tax	648,500,000	630,500,000	0	0	18,000,000	0
Excise Tax	1,152,800,000	971,300,000	0	0	153,100,000	28,400,000
Inheritance and Estate Tax	93,700,000	93,700,000	0	0	0	0
Tobacco Tax	315,200,000	2,100,000	313,100,000	0	0	0
Motor Vehicle Title Fees	11,600,000	8,900,000	0	0	2,700,000	0
Mixed Drink Tax	61,400,000	0	30,700,000	0	0	30,700,000
Business Tax	147,500,000	147,500,000	0	0	0	0
Severance Tax	1,800,000	500,000	0	0	0	1,300,000
Coin-operated Amusement Tax	300,000	300,000	0	0	0	0
Unauthorized Substance Tax	2,000,000	600,000	0	0	0	1,400,000
Total Department of Revenue	\$ 11,706,700,000	\$ 5,305,000,000	\$ 4,554,400,000	\$ 669,300,000	\$ 314,300,000	\$ 863,700,000
Other State Revenue						
Department of Commerce and Insurance	\$ 418,700,000	\$ 418,700,000	\$ 0	\$ 0	\$ 0	\$ 0
Department of Agriculture	400,000	400,000	0	0	0	0
Secretary of State	28,000,000	28,000,000	0	0	0	0
Department of Safety	36,300,000	36,300,000	0	0	0	0
State Treasurer	80,000,000	80,000,000	0	0	0	0
Miscellaneous Revenue	29,700,000	29,700,000	0	0	0	0
Nursing Home Tax	99,700,000	99,700,000	0	0	0	0
Total Other State Revenue	\$ 692,800,000	\$ 692,800,000	\$ 0	\$ 0	\$ 0	\$ 0
Total State Revenue	\$ 12,399,500,000	\$ 5,997,800,000	\$ 4,554,400,000	\$ 669,300,000	\$ 314,300,000	\$ 863,700,000

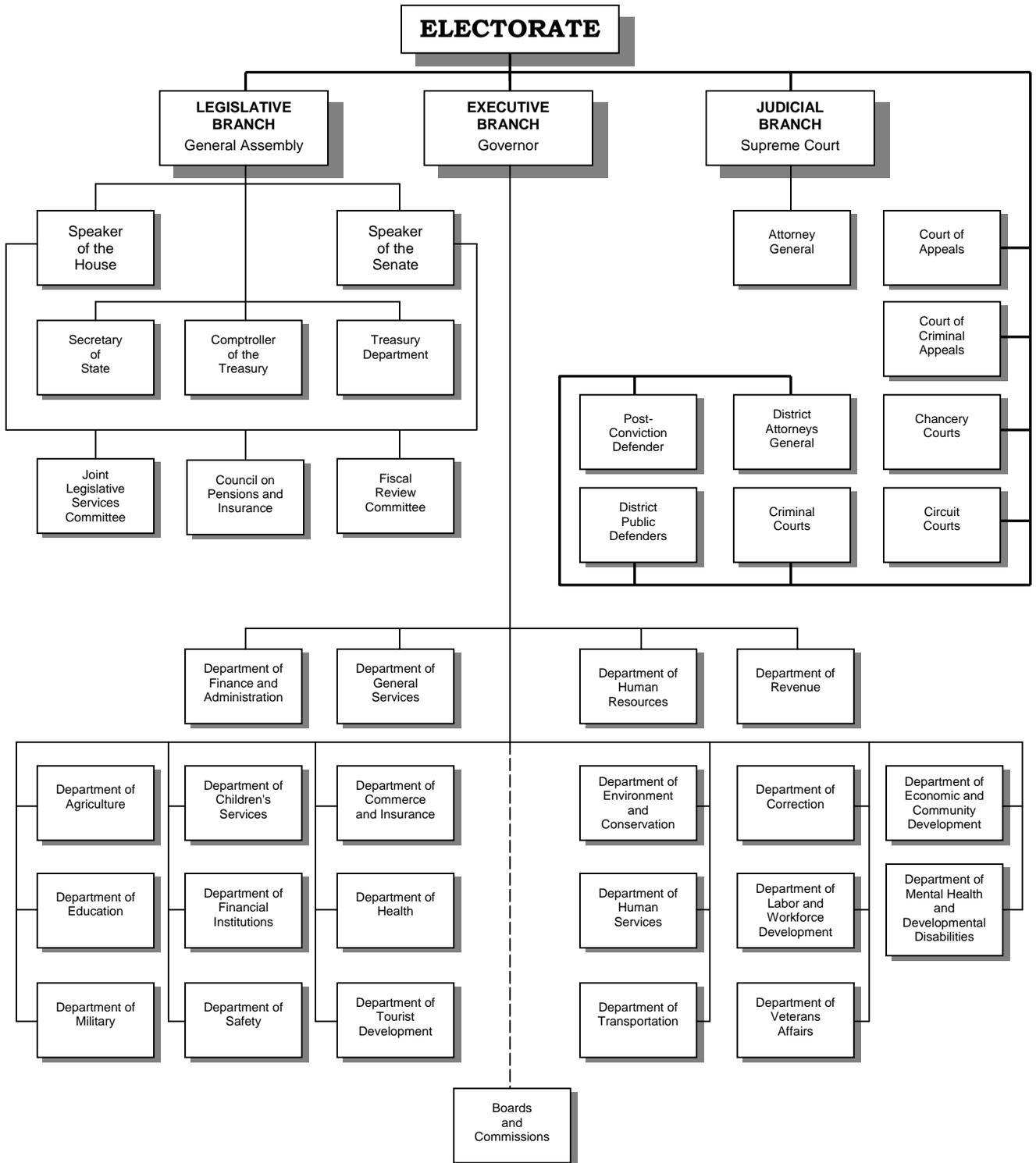
Program Statements by Functional Area

Table of Contents

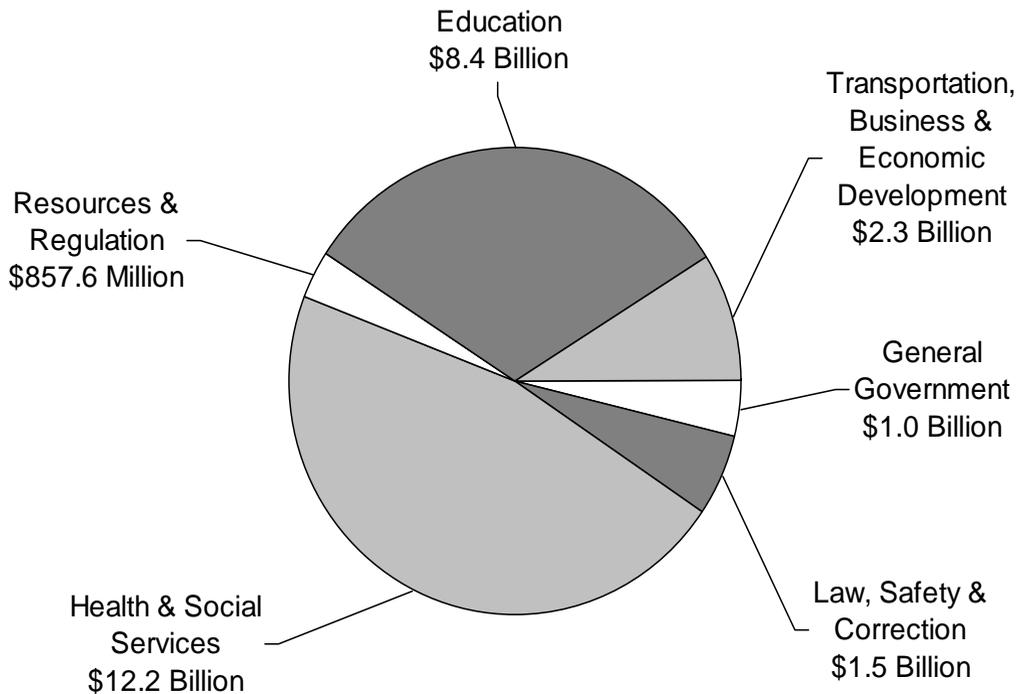
Tennessee State Government Organizational Chart.....	B-3
Funds by Program Area (Pie Chart)	B-5
General Government, Recommended Budget	B-6
Education, Recommended Budget.....	B-7
Health and Social Services, Recommended Budget	B-8
Law, Safety and Correction, Recommended Budget.....	B-9
Resources and Regulation, Recommended Budget	B-10
Transportation, Business and Economic Development, Recommended Budget	B-11

TENNESSEE STATE GOVERNMENT ORGANIZATIONAL CHART

FISCAL YEAR 2008 - 2009



Funds by Program Area FY 2008 - 2009 Recommended



\$26,294,898,200 Total

The departments and agencies of state government are grouped into six broad “functional areas.” This chart summarizes the FY 2008 - 2009 recommended funding allocated by area. The following sections of the budget document provide detailed information about the activities of each group.

General Government
Recommended Budget for Fiscal Year 2008-2009
By Funding Source

Department	State	Federal	Other	Total
301.00 Legislature	39,197,800	0	137,500	39,335,300
301.50 Fiscal Review Committee	1,340,700	0	0	1,340,700
305.00 Secretary of State	30,782,000	23,406,700	10,657,900	64,846,600
307.00 Comptroller of the Treasury	86,861,000	0	10,620,900	97,481,900
309.00 Treasury Department	625,500	0	26,271,800	26,897,300
313.00 Claims and Compensation	10,260,000	5,595,000	82,975,000	98,830,000
315.00 Executive Department	4,666,300	0	0	4,666,300
315.05 Office of Homeland Security (Abolished)	0	0	0	0
316.04 Human Rights Commission	1,686,200	743,100	0	2,429,300
316.11 Tennessee Regulatory Authority	8,781,400	425,000	1,000	9,207,400
316.12 Advisory Commission on Intergovernmental Relations	266,000	0	2,635,000	2,901,000
317.00 Finance and Administration	37,443,500	27,029,300	219,540,700	284,013,500
319.00 Human Resources	5,772,400	0	6,866,100	12,638,500
321.00 General Services	2,410,000	0	109,180,100	111,590,100
323.00 Veterans Affairs	4,740,200	360,300	125,600	5,226,100
347.00 Revenue	86,976,600	22,000	24,619,900	111,618,500
351.00 Miscellaneous Appropriations	138,847,500	0	25,000	138,872,500
353.00 Emergency and Contingency Fund	819,300	0	0	819,300
355.00 State Building Commission	250,000	0	150,000	400,000
Total	\$461,726,400	\$57,581,400	\$493,806,500	\$1,013,114,300

Education
Recommended Budget for Fiscal Year 2008-2009
By Funding Source

Department	State	Federal	Other	Total
331.00 Education (K-12)	4,019,145,300	905,894,500	45,480,600	4,970,520,400
332.00 Higher Education	1,680,392,100	212,137,200	1,548,808,000 *	3,441,337,300
Total	\$5,699,537,400	\$1,118,031,700	\$1,594,288,600	\$8,411,857,700

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

Health and Social Services
Recommended Budget for Fiscal Year 2008-2009
By Funding Source

Department	State	Federal	Other	Total
316.01 Commission on Children and Youth	2,135,200	2,779,100	2,947,900	7,862,200
316.02 Commission on Aging and Disability	9,652,200	24,744,900	5,652,600	40,049,700
316.07 Health Services and Development Agency	1,246,400	0	16,400	1,262,800
318.00 Finance and Administration, Bureau of TennCare	2,679,563,900	4,671,699,900	219,727,800	7,570,991,600
339.00 Mental Health and Developmental Disabilities	179,099,200	63,586,300	90,702,400	333,387,900
343.00 Health	205,020,200	224,521,800	127,046,400	556,588,400
344.00 Finance and Administration, Division of Mental Retardation Services	80,513,500	2,170,200	766,861,000	849,544,700
345.00 Human Services	183,486,700	1,677,122,400	143,797,700	2,004,406,800
350.00 Cover Tennessee Health Care Programs	73,063,600	86,754,600	200,000	160,018,200
359.00 Children's Services	341,290,500	117,900,800	230,450,800	689,642,100
Total	\$3,755,071,400	\$6,871,280,000	\$1,587,403,000	\$12,213,754,400

Law, Safety and Correction
Recommended Budget for Fiscal Year 2008-2009
By Funding Source

Department	State	Federal	Other	Total
302.00 Court System	111,264,500	200,000	4,515,300	115,979,800
303.00 Attorney General and Reporter	24,447,400	0	12,611,700	37,059,100
304.00 District Attorneys General Conference	68,959,800	0	23,114,700	92,074,500
306.00 District Public Defenders Conference	39,647,200	0	1,318,200	40,965,400
308.00 Office of the Post-Conviction Defender	1,955,100	0	0	1,955,100
316.03 Alcoholic Beverage Commission	0	0	5,493,600	5,493,600
316.08 TRICOR	0	0	34,128,600	34,128,600
316.09 Corrections Institute	1,019,600	0	50,000	1,069,600
324.00 Board of Probation and Parole	82,302,000	0	1,134,700	83,436,700
329.00 Correction	673,852,100	631,800	15,709,000	690,192,900
341.00 Military	15,596,300	94,886,900	2,016,200	112,499,400
348.00 Tennessee Bureau of Investigation	40,197,400	9,715,600	12,694,900	62,607,900
349.00 Safety	123,690,800	8,841,800	65,738,400	198,271,000
Total	\$1,182,932,200	\$114,276,100	\$178,525,300	\$1,475,733,600

Resources and Regulation
Recommended Budget for Fiscal Year 2008-2009
By Funding Source

Department	State	Federal	Other	Total
316.25 Arts Commission	5,781,400	854,000	609,500	7,244,900
316.27 State Museum	3,865,900	0	5,000	3,870,900
327.00 Environment and Conservation	202,633,600	72,105,200	104,032,200	378,771,000
328.00 Tennessee Wildlife Resources Agency	54,841,200	19,135,100	11,403,400	85,379,700
335.00 Commerce and Insurance	87,942,900	235,000	50,372,600	138,550,500
336.00 Financial Institutions	8,203,700	0	8,064,800	16,268,500
337.00 Labor and Workforce Development	43,123,600	145,096,200	39,261,900	227,481,700
Total	\$406,392,300	\$237,425,500	\$213,749,400	\$857,567,200

**Transportation, Business and Economic Development
Recommended Budget for Fiscal Year 2008-2009
By Funding Source**

Department	State	Federal	Other	Total
316.20 Tennessee Housing Development Agency	350,000	250,412,400	17,766,000	268,528,400
325.00 Agriculture	94,464,800	9,888,900	8,853,600	113,207,300
326.00 Tourist Development	13,776,700	0	7,167,900	20,944,600
330.00 Economic and Community Development	65,758,400	38,207,400	13,799,900	117,765,700
400.00 Transportation	892,200,000	867,427,000	42,798,000	1,802,425,000
Total	\$1,066,549,900	\$1,165,935,700	\$90,385,400	\$2,322,871,000

General Government

Table of Contents

Introduction	B-15
Total Personnel and Funding.....	B-17
Improvements for Fiscal Year 2008-2009.....	B-18
Program Statements.....	B-23
Legislature	B-23
Fiscal Review Committee.....	B-26
Secretary of State	B-27
Comptroller of the Treasury	B-33
Treasury Department	B-41
Claims and Compensation	B-43
Executive Department.....	B-45
Human Rights Commission	B-46
Tennessee Regulatory Authority.....	B-47
Advisory Commission on Intergovernmental Relations	B-49
Department of Finance and Administration.....	B-50
Department of Human Resources	B-61
Department of General Services	B-64
Department of Veterans Affairs.....	B-72
Department of Revenue	B-73
Miscellaneous Appropriations	B-79
Emergency and Contingency Fund.....	B-80
State Building Commission	B-81

General Government

Recommended Budget, Fiscal Year 2008 – 2009

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 group are the departments that assist the Governor in a 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 the state office building and support facilities revolving fund (FRF), which provides funding for a self-perpetuating maintenance and renovation program 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 Property Administration Division of the Department of Finance and Administration is responsible for capital improvements and maintenance projects and addressing the need for energy management in state-owned facilities. The Property Services Management Division of the Department of General Services is responsible for effectively managing, operating, and maintaining state office buildings. This department utilizes state employees and contracted services to effectively maintain these assets and deliver all appropriate services to the tenants.

This functional group also includes four agencies whose responsibilities affect many facets of government:

- Tennessee Regulatory Authority
- Human Rights Commission
- Advisory Commission on Intergovernmental Relations
- Veterans Affairs.

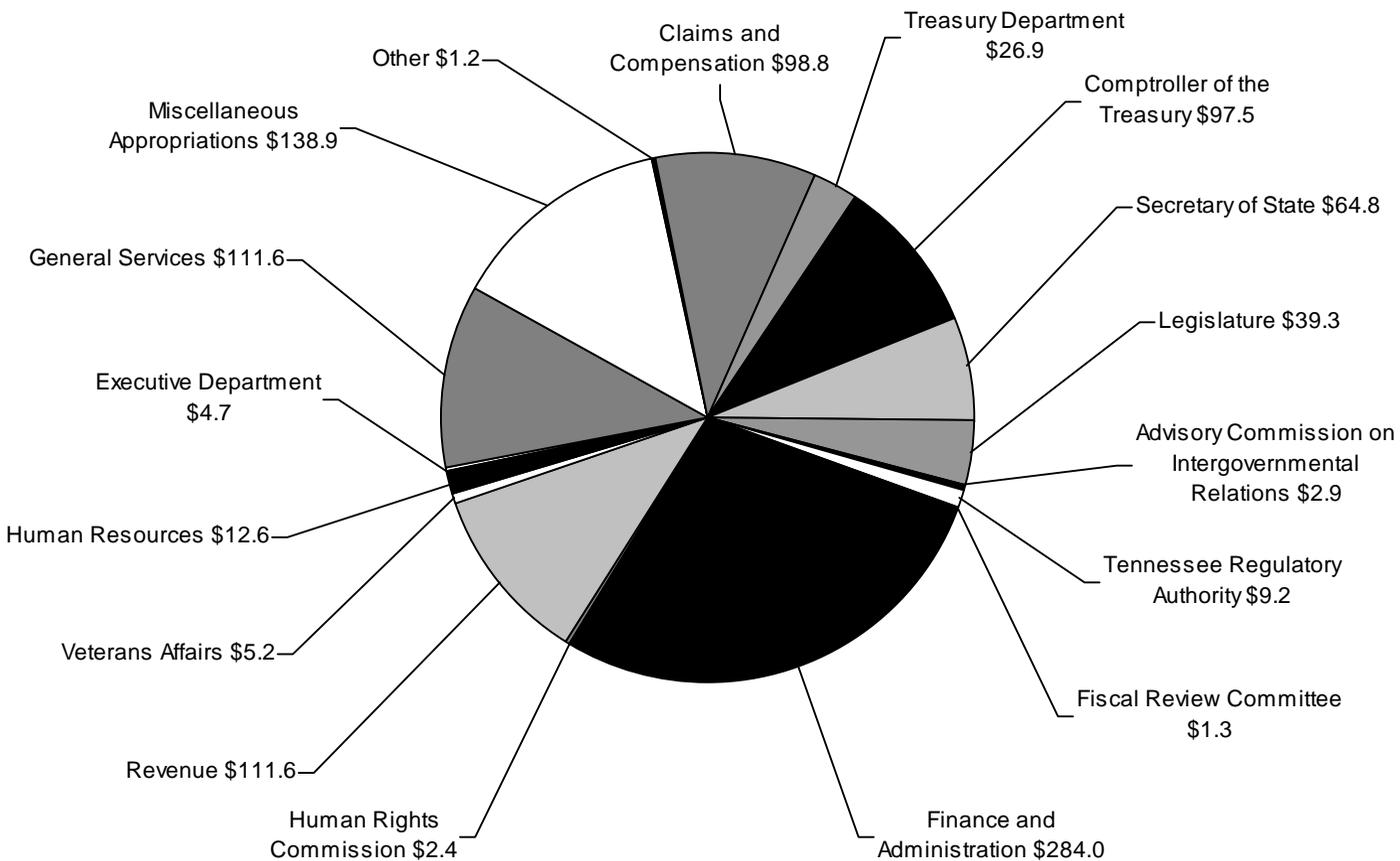
Improvements and Program Statements

The following section includes: (1) a table on personnel and funding for all agencies in this functional area of state government; (2) a statement of recommended improvements for the ensuing fiscal year; (3) departmental program statements, indicating recommended funding and staffing for the ensuing year, compared with actual amounts for the last year and the amounts budgeted for the current year; and (4) program performance measures.

The following graph depicts the manner in which funds are divided among the departments within the group. Funding mixes

within each department vary, as some are exclusively state funded, while others represent state, federal, and other sources of funding.

General Government FY 2008 - 2009 Recommended



In Millions

\$1,013,114,300 Total

General Government Total Personnel and Funding

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Recommended 2008-2009</u>
Personnel			
Full Time	4,831	5,028	5,036
Part Time	173	172	172
Seasonal	21	21	21
TOTAL	5,025	5,221	5,229
Expenditures			
Payroll	\$278,599,100	\$333,099,537	\$333,605,700
Operational	488,672,000	706,087,329	679,508,600
TOTAL	\$767,271,100	\$1,039,186,866	\$1,013,114,300
Funding			
State	\$296,011,400	\$445,839,966	\$461,726,400
Federal	45,549,900	63,102,400	57,581,400
Other	425,709,800	530,244,500	493,806,500

General Government Improvements for Fiscal Year 2008-2009

	State	Federal	Other	Total	Positions
Secretary of State					
• Library Information Management System					
To provide non-recurring funds for an integrated library information management system. The system will provide circulation services, acquisition tracking, serial control and reporting, and integration with an automated storage and retrieval system for the State Library and Archives' collection of historic relics.					
305.04 State Library and Archives	\$300,000	\$0	\$0	\$300,000	0
Sub-total	\$300,000	\$0	\$0	\$300,000	0
Total Secretary of State	\$300,000	\$0	\$0	\$300,000	0

Comptroller of the Treasury

- **Public Records Ombudsman/person**

To provide funds for a secretary position for the public records ombudsman/person.

307.01 Division of Administration	\$40,500	\$0	\$0	\$40,500	1
Sub-total	\$40,500	\$0	\$0	\$40,500	1
Total Comptroller of the Treasury	\$40,500	\$0	\$0	\$40,500	1

Treasury Department

- **Support Staff**

To provide funds for a manager position for the financial services area of the Tennessee Consolidated Retirement System (TCRS). This position will assist in the management of TCRS, which has exhibited continued growth in the number of participants and number of programs offered. Also, to provide for an auditor position to ensure adequate auditing of increasing departmental transactions and assets.

309.01 Treasury Department	\$0	\$0	\$116,100	\$116,100	2
Sub-total	\$0	\$0	\$116,100	\$116,100	2

- **Flexible Benefits**

To promote increased participation in the state's flexible benefits program. Increased FICA savings generated from improved participation will cover these additional costs.

309.01 Treasury Department	\$0	\$0	\$100,000	\$100,000	0
Sub-total	\$0	\$0	\$100,000	\$100,000	0

General Government Improvements for Fiscal Year 2008-2009

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Small and Minority-Owned Business Assistance					
To provide funds for the implementation of the small and minority-owned business assistance program. This program assists new, expanding, and existing small and minority-owned businesses in Tennessee that do not have reasonable access to capital markets and traditional lending facilities. Funding is from the small and minority-owned assistance program fund authorized by TCA 65-5-113.					
309.05 Small and Minority-Owned Business Assistance Program	\$0	\$0	\$3,008,200	\$3,008,200	0
Sub-total	\$0	\$0	\$3,008,200	\$3,008,200	0
Total Treasury Department	\$0	\$0	\$3,224,300	\$3,224,300	2
Advisory Commission on Intergovernmental Relations					
• Public Infrastructure Inventory					
To provide additional funds, based on population growth, to the contracted nine development districts for the annual inventory of public infrastructure needs. Funding is from TACIR's share of the Tennessee Valley Authority in-lieu-of-tax payments, allocated to TACIR pursuant to TCA 67-9-102.					
316.12 Advisory Commission on Intergovernmental Relations	\$0	\$0	\$68,000	\$68,000	0
Sub-total	\$0	\$0	\$68,000	\$68,000	0
Total Advisory Commission on Intergovernmental Relations	\$0	\$0	\$68,000	\$68,000	0
Finance and Administration					
• Internet Crimes Against Children Task Forces					
To provide funding for non-recurring grants to police departments in Nashville, Knoxville, and Memphis to combat Internet crimes against children.					
317.06 Criminal Justice Programs	\$400,000	\$0	\$0	\$400,000	0
Sub-total	\$400,000	\$0	\$0	\$400,000	0
• Basic Education Program (BEP) Fiscal Capacity					
To provide funds for a grant to the University of Tennessee Center for Business and Economic Research to produce and update the revised county level fiscal capacity model for the BEP formula. The revised fiscal capacity model for the BEP formula determines local education agencies' ability to raise revenue for education from local sales tax and property tax.					
317.23 Governor's Office of State Planning and Policy	\$34,200	\$0	\$0	\$34,200	0
Sub-total	\$34,200	\$0	\$0	\$34,200	0
Total Finance and Administration	\$434,200	\$0	\$0	\$434,200	0

General Government Improvements for Fiscal Year 2008-2009

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Revenue					
• Call Center Equipment					
To provide non-recurring funds for replacement of existing predictive dialer and interactive response equipment. This equipment is used for automated calling that notifies taxpayers of balances greater than \$25. The interactive response equipment is used for sales tax telefiling.					
347.11 Information Technology Resources Division	\$600,000	\$0	\$0	\$600,000	0
Sub-total	\$600,000	\$0	\$0	\$600,000	0
Total Revenue	\$600,000	\$0	\$0	\$600,000	0
Miscellaneous Appropriations					
• Salary Increase - State Employees					
To fund a 2 percent salary increase for state employees effective July 1, 2008. Funds are recommended elsewhere in the Budget, in the higher education section, for higher education employees.					
351.00 Miscellaneous Appropriations	\$30,600,000	\$0	\$0	\$30,600,000	0
Sub-total	\$30,600,000	\$0	\$0	\$30,600,000	0
• Group Health Insurance - January 1, 2008					
To provide funds to annualize the state share of the January 1, 2008, group health insurance premium increase for state and higher education employees, which was funded for six months in the current-year budget. K-12 education funding to annualize the premium increase is included in the Department of Education budget.					
351.00 Miscellaneous Appropriations	\$14,500,000	\$0	\$0	\$14,500,000	0
Sub-total	\$14,500,000	\$0	\$0	\$14,500,000	0
• Group Health Insurance - January 1, 2009					
To provide funding for the state share of the January 1, 2009, group health insurance premium increase for state and higher education employees. This is funded for six months in the recommended budget. K-12 education funding for this premium increase is included in the Department of Education budget.					
351.00 Miscellaneous Appropriations	\$20,300,000	\$0	\$0	\$20,300,000	0
Sub-total	\$20,300,000	\$0	\$0	\$20,300,000	0
• Alternative Fuels - Year 2					
To provide second-year non-recurring funds to promote availability and awareness of alternative fuels.					
351.00 Miscellaneous Appropriations	\$4,000,000	\$0	\$0	\$4,000,000	0
Sub-total	\$4,000,000	\$0	\$0	\$4,000,000	0

General Government Improvements for Fiscal Year 2008-2009

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Data Center Equipment					
To provide funds for cabling, servers, and consulting services needed for the new state data centers and to fund the migration of the existing equipment and applications to the new centers. The \$7,800,000 is a non-recurring general fund appropriation. An additional non-recurring amount of \$12,000,000 is available in the systems development fund.					
351.00 Miscellaneous Appropriations	\$7,800,000	\$0	\$0	\$7,800,000	0
Sub-total	\$7,800,000	\$0	\$0	\$7,800,000	0
• Enterprise Resource Planning (ERP)					
To provide a non-recurring appropriation for the purchase of imaging, bar coding, and cashiering equipment compatible with enterprise resource planning software.					
351.00 Miscellaneous Appropriations	\$3,800,000	\$0	\$0	\$3,800,000	0
Sub-total	\$3,800,000	\$0	\$0	\$3,800,000	0
• Email Archive					
To provide recurring funds for hardware and software necessary to upgrade the existing state email archive system. An additional non-recurring amount of \$416,200 is available from the Office for Information Resources.					
351.00 Miscellaneous Appropriations	\$160,000	\$0	\$0	\$160,000	0
Sub-total	\$160,000	\$0	\$0	\$160,000	0
• State Veterans Homes					
To provide a non-recurring appropriation of \$1,500,000 for State Veterans Home Board operational support. In addition, a recurring appropriation of \$200,000 is recommended to fund annual inspections of state veterans homes.					
351.00 Miscellaneous Appropriations	\$1,700,000	\$0	\$0	\$1,700,000	0
Sub-total	\$1,700,000	\$0	\$0	\$1,700,000	0
• Federal A-87 Rent Rate					
To provide funds for rent increases for state agencies resulting from federal A-87 rate adjustments.					
351.00 Miscellaneous Appropriations	\$1,000,000	\$0	\$0	\$1,000,000	0
Sub-total	\$1,000,000	\$0	\$0	\$1,000,000	0
• Facilities Revolving Fund					
To provide additional operating funds for the facilities revolving fund.					
351.00 Miscellaneous Appropriations	\$1,600,000	\$0	\$0	\$1,600,000	0
Sub-total	\$1,600,000	\$0	\$0	\$1,600,000	0

**General Government
Improvements for Fiscal Year 2008-2009**

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Red Cross in Tennessee					
To provide a non-recurring grant to Red Cross in Tennessee for a 95-county disaster response capacity-building program.					
351.00 Miscellaneous Appropriations	\$845,000	\$0	\$0	\$845,000	0
Sub-total	\$845,000	\$0	\$0	\$845,000	0
• Fisk University					
To provide a non-recurring grant to Fisk University, matching \$1 million in gifts.					
351.00 Miscellaneous Appropriations	\$500,000	\$0	\$0	\$500,000	0
Sub-total	\$500,000	\$0	\$0	\$500,000	0
• State Legislative Leaders Foundation					
To provide a non-recurring grant of \$100,000 to the State Legislative Leaders Foundation, including the reappropriation of \$25,000 from reserves. This nonprofit, nonpartisan foundation serves the nation's state legislative leaders by providing research on public-policy formulation, legislative-process reform, social issues, and leadership.					
351.00 Miscellaneous Appropriations	\$75,000	\$0	\$25,000	\$100,000	0
Sub-total	\$75,000	\$0	\$25,000	\$100,000	0
Total Miscellaneous Appropriations	\$86,880,000	\$0	\$25,000	\$86,905,000	0
Total General Government	\$88,254,700	\$0	\$3,317,300	\$91,572,000	3

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 four-year terms, with those from even-numbered districts being elected in the same general election, and those representing odd-numbered districts being elected two years later. The lower house of the legislature is the House of Representatives. The state is divided into 99 House districts, each electing one representative. Representatives are elected to two-year terms, with all representatives standing for election at the same time.

<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

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 Administrative 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	18	18	18	0	18
Part-Time	3	3	3	0	3
Seasonal	0	0	0	0	0
Total	21	21	21	0	21
Payroll	1,076,800	1,865,500	1,865,500	0	1,865,500
Operational	3,853,200	3,930,900	3,374,400	0	3,374,400
Total	\$4,930,000	\$5,796,400	\$5,239,900	\$0	\$5,239,900
State	4,652,100	5,779,400	5,222,900	0	5,222,900
Federal	0	0	0	0	0
Other	277,900	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 for the General Assembly. Support services provided for members include staffing of standing committees, legal services, legislative budget analysis, and legislative library services.

Full-Time	64	64	64	0	64
Part-Time	29	29	29	0	29
Seasonal	0	0	0	0	0
Total	93	93	93	0	93

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
Payroll	5,624,800	6,359,200	6,359,200	0	6,359,200
Operational	1,020,100	1,156,300	1,158,900	0	1,158,900
Total	\$6,644,900	\$7,515,500	\$7,518,100	\$0	\$7,518,100
State	6,581,400	7,445,500	7,448,100	0	7,448,100
Federal	0	0	0	0	0
Other	63,500	70,000	70,000	0	70,000

301.17 Tennessee Code Commission

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

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	24,000	69,600	69,600	0	69,600
Total	\$24,000	\$69,600	\$69,600	\$0	\$69,600
State	24,000	69,600	69,600	0	69,600
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 Senate, House, or joint resolutions.

301.07 House of Representatives

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 committees of the House.

Full-Time	207	207	207	0	207
Part-Time	40	40	40	0	40
Seasonal	0	0	0	0	0
Total	247	247	247	0	247
Payroll	11,676,900	12,783,500	12,783,500	0	12,783,500
Operational	2,649,900	4,051,000	3,960,900	0	3,960,900
Total	\$14,326,800	\$16,834,500	\$16,744,400	\$0	\$16,744,400
State	14,291,800	16,806,000	16,715,900	0	16,715,900
Federal	0	0	0	0	0
Other	35,000	28,500	28,500	0	28,500

	<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
--	-----------------------------------	--------------------------------------	---------------------------------	--	--

301.08 State Senate

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 committees of the Senate.

Full-Time	101	101	101	0	101
Part-Time	54	54	54	0	54
Seasonal	0	0	0	0	0
Total	155	155	155	0	155
Payroll	5,889,900	7,293,300	7,293,300	0	7,293,300
Operational	1,479,200	1,915,300	1,837,200	0	1,837,200
Total	\$7,369,100	\$9,208,600	\$9,130,500	\$0	\$9,130,500
State	7,342,100	9,186,600	9,108,500	0	9,108,500
Federal	0	0	0	0	0
Other	27,000	22,000	22,000	0	22,000

301.13 General Assembly Committees

This allotment provides funds for staffing several joint committees, including the Select Oversight Committee on Corrections, TennCare Oversight Committee, Select Committee on Children and Youth, Black Health Care Committee, and Joint Legislative Services Committee. Funding provides for the payroll and operational expenses of these committees.

Full-Time	7	7	7	0	7
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	7	7	7	0	7
Payroll	481,400	541,500	541,500	0	541,500
Operational	15,500	91,100	91,300	0	91,300
Total	\$496,900	\$632,600	\$632,800	\$0	\$632,800
State	496,900	632,600	632,800	0	632,800
Federal	0	0	0	0	0
Other	0	0	0	0	0

301.00 Total Legislature

Full-Time	397	397	397	0	397
Part-Time	126	126	126	0	126
Seasonal	0	0	0	0	0
Total	523	523	523	0	523
Payroll	24,749,800	28,843,000	28,843,000	0	28,843,000
Operational	9,041,900	11,214,200	10,492,300	0	10,492,300
Total	\$33,791,700	\$40,057,200	\$39,335,300	\$0	\$39,335,300
State	33,388,300	39,919,700	39,197,800	0	39,197,800
Federal	0	0	0	0	0
Other	403,400	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 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
301.50 Fiscal Review Committee					
Full-Time	12	14	14	0	14
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	12	14	14	0	14
Payroll	997,900	1,305,400	1,305,400	0	1,305,400
Operational	23,000	39,800	35,300	0	35,300
Total	\$1,020,900	\$1,345,200	\$1,340,700	\$0	\$1,340,700
State	1,020,900	1,345,200	1,340,700	0	1,340,700
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; and implementing and administering the laws relative to charitable gaming and the solicitation of charitable contributions.

The three functional areas that comprise the Secretary of State’s office are Administrative and Support Services, State Library Services, and Community Enhancement Grants. The State Election Commission, Registry of Election Finance, Economic Council on Women, and Ethics Commission are administratively attached to the Department of State.

<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

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, State Election Commission, Public Documents, Registry of Election Finance, Charitable Solicitations and Charitable Gaming, Help America Vote Act, and Ethics Commission.

305.01 Secretary of State

The Secretary of State is statutorily prescribed to process and handle record keeping for corporate filings, the Uniform Commercial Code, notaries public, and trademarks. In addition to these duties, the Secretary of State hears contested cases and reviews administrative records for numerous state agencies and regulatory boards. This division of the Secretary of State also provides fiscal and managerial support to the entire department.

Full-Time	201	201	201	0	201
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	201	201	201	0	201
Payroll	11,875,300	14,075,900	14,075,900	0	14,075,900
Operational	2,763,500	3,207,700	3,189,300	0	3,189,300
Total	\$14,638,800	\$17,283,600	\$17,265,200	\$0	\$17,265,200
State	7,035,000	10,418,100	10,399,700	0	10,399,700
Federal	0	300,000	300,000	0	300,000
Other	7,603,800	6,565,500	6,565,500	0	6,565,500

305.02 State Election Commission

The State Election Commission, in conformity with Title 2 of the Tennessee Code Annotated, ensures the uniformity of election laws. The commission is comprised of five members, three from the political party holding a majority of seats in the General Assembly and two members from the minority party. Individuals are elected to four-year terms by the General Assembly. The commission works closely with the coordinator of elections toward the common goal of maintaining uniformity in elections as well as preserving the purity of the ballot.

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
Full-Time	0	0	0	0	0
Part-Time	5	5	5	0	5
Seasonal	0	0	0	0	0
Total	5	5	5	0	5
Payroll	97,200	109,300	109,300	0	109,300
Operational	1,530,000	1,585,800	1,585,800	0	1,585,800
Total	\$1,627,200	\$1,695,100	\$1,695,100	\$0	\$1,695,100
State	1,627,200	1,695,100	1,695,100	0	1,695,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

305.03 Public Documents

The Division of Public Documents publishes Tennessee Public and Private Acts, the Tennessee Administrative Register, the Compilation of Tennessee Rules and Regulations, the Blue Book, and manuals regarding public elections and corporate filings.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	155,600	778,300	397,400	0	397,400
Total	\$155,600	\$778,300	\$397,400	\$0	\$397,400
State	155,200	397,400	397,400	0	397,400
Federal	0	0	0	0	0
Other	400	380,900	0	0	0

305.07 Registry of Election Finance

The Registry of Election Finance was created by the General Assembly in 1989 as an independent entity of state government, administratively attached to the Department of State. The Registry is responsible for enforcement of the Campaign Financial Disclosure Act of 1980, the Campaign Contributions Limit Act of 1995, and campaign finance provisions of the Comprehensive Governmental Ethics Reform Act of 2006.

Full-Time	7	7	7	0	7
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	7	7	7	0	7
Payroll	422,700	483,400	483,400	0	483,400
Operational	178,700	137,000	137,100	0	137,100
Total	\$601,400	\$620,400	\$620,500	\$0	\$620,500
State	556,200	585,400	585,500	0	585,500
Federal	0	0	0	0	0
Other	45,200	35,000	35,000	0	35,000

	<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
--	-----------------------------------	--------------------------------------	---------------------------------	--	--

305.09 Charitable Solicitations and Charitable Gaming

The Charitable Solicitations and Charitable Gaming Division is responsible for the registration and regulation of charitable organizations. The division also registers and regulates professional solicitors, professional fund raising councils, vending machine operators, and charitable gaming events.

Full-Time	21	21	21	0	21
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	21	21	21	0	21
Payroll	897,800	1,525,600	1,525,600	0	1,525,600
Operational	141,500	579,200	579,600	0	579,600
Total	\$1,039,300	\$2,104,800	\$2,105,200	\$0	\$2,105,200
State	0	405,800	406,200	0	406,200
Federal	0	0	0	0	0
Other	1,039,300	1,699,000	1,699,000	0	1,699,000

305.10 Help America Vote Act

Congress passed the Help America Vote Act of 2002, requiring changes and improvements in the electoral process. The Secretary of State is responsible for implementing and administering these mandatory changes including improved voting systems, provisional voting, and the establishment of a statewide voter registration database. Funds are provided from this allotment to assist counties in purchasing voting equipment.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	13,363,700	20,500,000	20,500,000	0	20,500,000
Total	\$13,363,700	\$20,500,000	\$20,500,000	\$0	\$20,500,000
State	0	0	0	0	0
Federal	10,782,500	19,500,000	19,500,000	0	19,500,000
Other	2,581,200	1,000,000	1,000,000	0	1,000,000

305.11 Ethics Commission

The Tennessee Ethics Commission, administratively attached to the Department of State, was created by the Comprehensive Ethics Reform Act of 2006. The Ethics Commission was established to interpret and enforce the provisions of this act and is required to recommend guiding principles of ethical conduct for the General Assembly, the executive agencies, lobbyists, and employers of lobbyists. Responsibilities of the Ethics Commission include promulgating rules and regulations to implement the provisions of the act, conducting investigations in conjunction with the Tennessee Attorney General's Office, and conducting an annual ethics course for the Executive Branch, the General Assembly, lobbyists, and employers of lobbyists. The commission is comprised of six members: two appointed by the Governor, two by the Speaker of the House of Representatives, and two by the Speaker of the Senate. After initial staggered terms, members serve four-year terms and may serve two consecutive terms.

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
Full-Time	7	7	7	0	7
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	7	7	7	0	7
Payroll	374,100	654,800	654,800	0	654,800
Operational	158,100	458,200	161,100	0	161,100
Total	\$532,200	\$1,113,000	\$815,900	\$0	\$815,900
State	46,800	475,600	375,600	0	375,600
Federal	0	0	0	0	0
Other	485,400	637,400	440,300	0	440,300

State Library Services

State Library Services provides regional public library access to Tennesseans and manages the State Library and Archives. Responsibilities of State Library Services include acquiring, restoring, and preserving historical material for public use; providing special library services to aged, isolated, economically and culturally disadvantaged, and disabled citizens, including the library for the blind and physically handicapped; providing access to collections for both government and public use; assisting local public libraries through the state regional library system; and administering federal funds provided for library construction and renovation.

305.04 State Library and Archives

State Library and Archives collects and preserves books and records of historical, documentary, and reference value, while promoting library development throughout the state. The State Library and Archives administers the provisions of the federal Library Services and Technology Act and state law regarding the State Library and Archives and the regional library system.

Full-Time	103	103	103	0	103
Part-Time	3	3	3	0	3
Seasonal	0	0	0	0	0
Total	106	106	106	0	106
Payroll	5,848,300	6,291,000	6,286,000	0	6,286,000
Operational	6,062,100	6,363,600	6,074,300	300,000	6,374,300
Total	\$11,910,400	\$12,654,600	\$12,360,300	\$300,000	\$12,660,300
State	7,346,500	8,972,600	8,726,000	300,000	9,026,000
Federal	2,987,500	2,969,200	2,969,200	0	2,969,200
Other	1,576,400	712,800	665,100	0	665,100

305.05 Regional Library System

The regional library system consists of twelve multi-county library boards and four metropolitan library boards. This division provides public libraries with system support in areas such as construction, training, programming for special audiences, automation, and library development.

Full-Time	92	92	92	0	92
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	92	92	92	0	92

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
Payroll	4,705,700	5,012,800	5,012,800	0	5,012,800
Operational	3,184,600	3,506,300	3,509,500	0	3,509,500
Total	\$7,890,300	\$8,519,100	\$8,522,300	\$0	\$8,522,300
State	6,774,600	7,696,600	7,699,800	0	7,699,800
Federal	927,700	627,500	627,500	0	627,500
Other	188,000	195,000	195,000	0	195,000

305.06 Library Construction

The Library Construction program provides grants to assist local public libraries with library construction projects.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	30,400	400,000	0	0	0
Total	\$30,400	\$400,000	\$0	\$0	\$0
State	0	0	0	0	0
Federal	0	400,000	0	0	0
Other	30,400	0	0	0	0

Economic Council on Women

305.08 Economic Council on Women

The 21-member Economic Council on Women, administratively attached to the Department of State, was established to address the economic concerns and needs of women in Tennessee.

The council conducts research, holds hearings, and develops policy recommendations relating to the effects of employment policies and practices, educational needs and opportunities, child care, property rights, health-care, domestic relations, and federal and state laws on women.

Full-Time	3	3	3	0	3
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	3	3	3	0	3
Payroll	125,000	192,600	192,600	0	192,600
Operational	28,000	52,400	72,100	0	72,100
Total	\$153,000	\$245,000	\$264,700	\$0	\$264,700
State	145,400	177,000	196,700	0	196,700
Federal	0	10,000	10,000	0	10,000
Other	7,600	58,000	58,000	0	58,000

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Community Enhancement Grants

305.12 Community Enhancement Grants

The Community Enhancement Grants program is a one-time allocation of funding to support not-for-profit and non-profit agencies involved in public safety activities, such as fire and safety, local drug programs, and child advocacy programs; educational initiatives, such as school support organizations and summer reading programs; cultural development programs, such as museums, libraries, and historic sites; or community development activities, such as senior citizen centers and boys and girls clubs. Grants are used specifically for services, operating costs, equipment, construction, renovation, and maintenance.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	0	20,000,000	0	0	0
Total	\$0	\$20,000,000	\$0	\$0	\$0
State	0	20,000,000	0	0	0
Federal	0	0	0	0	0
Other	0	0	0	0	0

305.00 Total Secretary of State

Full-Time	434	434	434	0	434
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	442	442	442	0	442
Payroll	24,346,100	28,345,400	28,340,400	0	28,340,400
Operational	27,596,200	57,568,500	36,206,200	300,000	36,506,200
Total	\$51,942,300	\$85,913,900	\$64,546,600	\$300,000	\$64,846,600
State	23,686,900	50,823,600	30,482,000	300,000	30,782,000
Federal	14,697,700	23,806,700	23,406,700	0	23,406,700
Other	13,557,700	11,283,600	10,657,900	0	10,657,900

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; bond finance services; offices of Research and Education Accountability; audit services; services to local governments; property assessment oversight; and appraisal of public utility and transportation properties.

<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

Administrative and Support Services

Administrative and Support Services directs and coordinates administrative activities within the Comptroller's Office. They also provide printing, duplicating, and processing of outgoing mail for the Legislature and constitutional offices.

307.01 Division of Administration

The Division of Administration provides direction, coordination, and supervision to the various divisions within the Comptroller's Office and includes operational funds for the office of the Comptroller of the Treasury.

Full-Time	8	9	9	1	10
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	8	9	9	1	10
Payroll	779,300	963,300	963,300	34,500	997,800
Operational	127,200	167,400	167,800	6,000	173,800
Total	\$906,500	\$1,130,700	\$1,131,100	\$40,500	\$1,171,600
State	789,000	1,028,800	1,029,200	40,500	1,069,700
Federal	0	0	0	0	0
Other	117,500	101,900	101,900	0	101,900

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, payroll, data processing, and printing. The office also supports the Comptroller of the Treasury in the areas of policy and contracts.

Full-Time	52	53	53	0	53
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	52	53	53	0	53
Payroll	3,479,300	3,774,000	3,774,000	0	3,774,000
Operational	2,486,700	7,615,400	7,336,800	0	7,336,800
Total	\$5,966,000	\$11,389,400	\$11,110,800	\$0	\$11,110,800

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
State	5,713,200	11,116,900	10,838,300	0	10,838,300
Federal	0	0	0	0	0
Other	252,800	272,500	272,500	0	272,500

307.03 Capitol Print Shop

The Capitol Print Shop, operated and administered by the Office of Management Services, is responsible for providing printing and duplicating services to the Legislature, constitutional offices, and other state agencies. Materials printed include budget and financial reports, memoranda, newsletters, legislative bills, public and private acts, House and Senate journals, and other miscellaneous materials. The print shop also provides collating, binding, folding, and stitching services.

Full-Time	12	12	12	0	12
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	12	12	12	0	12
Payroll	497,900	595,000	595,000	0	595,000
Operational	434,000	739,500	739,700	0	739,700
Total	\$931,900	\$1,334,500	\$1,334,700	\$0	\$1,334,700
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	931,900	1,334,500	1,334,700	0	1,334,700

Bond Finance Services

307.07 Division of Bond Finance

The Division of Bond Finance provides services related to the issuance, management, compliance, arbitrage administration, and maintenance of the state's general obligation debt. These services are fulfilled through the direction of the State Funding Board, the Tennessee Local Development Authority (TLDA), the Tennessee Housing Development Agency (THDA), and the Tennessee State School Bond Authority (TSSBA).

Full-Time	9	10	10	0	10
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	9	10	10	0	10
Payroll	654,400	809,700	809,700	0	809,700
Operational	97,600	172,600	172,900	0	172,900
Total	\$752,000	\$982,300	\$982,600	\$0	\$982,600
State	303,000	536,700	537,000	0	537,000
Federal	0	0	0	0	0
Other	449,000	445,600	445,600	0	445,600

Offices of Research and Education Accountability

The Office of Education Accountability was created by the Education Improvement Act of 1992. In 1994, the Comptroller placed the office with another newly created office, the Office of Research. Together, they form the Offices of Research and Education Accountability and are charged with providing non-partisan, objective analysis of policy issues for the Comptroller

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

of the Treasury, General Assembly, state agencies, and the public.

307.14 Offices of Research and Education Accountability

The Office of Education Accountability monitors the performance of Tennessee elementary and public school systems and provides the General Assembly reports on a variety of education topics. The office assists the House and Senate Education committees as requested, and provides the Legislature an independent means to evaluate the financial impact of state policy on the public education system. The Office of Research conducts research projects on state and local government issues at the request of the Comptroller and the General Assembly. The office assists the State Funding Board in analyzing the annual economic forecast prepared by the Center for Business and Economic Research. In addition, the Office of Research prepares fiscal note support forms for the Fiscal Review Committee, monitors legislation, and analyzes the budget.

Full-Time	22	22	22	0	22
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	22	22	22	0	22
Payroll	1,239,600	1,433,000	1,433,000	0	1,433,000
Operational	522,100	1,335,200	1,095,700	0	1,095,700
Total	\$1,761,700	\$2,768,200	\$2,528,700	\$0	\$2,528,700
State	1,384,700	1,925,600	1,726,100	0	1,726,100
Federal	0	0	0	0	0
Other	377,000	842,600	802,600	0	802,600

Audit Services

The divisions of Audit Services are responsible for conducting post-audits of the state's Comprehensive Annual Financial Report and other entities and grantees as required by federal and state law and in compliance with government auditing standards. The divisions also audit all counties, or in lieu of a state audit, accept an audit prepared by either a certified public accountant or a licensed public accountant. The audit divisions also provide for the audit of all municipalities, schools, and utility districts in the state. The divisions set rates for nursing facilities that participate in the state TennCare program and conduct financial related reviews of managed care organizations (MCOs) and behavioral health organizations (BHOs).

307.04 Division of State Audit

The Division of State Audit is responsible for providing independent audits and evaluations of agencies of state government. The division also conducts audits of entities that do not participate in the state centralized accounting system, such as colleges, universities, and community service agencies.

Full-Time	207	207	207	0	207
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	207	207	207	0	207
Payroll	13,236,500	14,424,200	14,424,200	0	14,424,200
Operational	1,366,900	1,574,500	1,579,700	0	1,579,700
Total	\$14,603,400	\$15,998,700	\$16,003,900	\$0	\$16,003,900

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
State	9,930,200	11,572,300	11,577,500	0	11,577,500
Federal	0	0	0	0	0
Other	4,673,200	4,426,400	4,426,400	0	4,426,400

307.05 Division of County Audit

In accordance with state law, the Division of County Audit prepares independent audits for all 95 counties of the state, establishes standards for county audits conducted by public accounting firms, and assists local governments with financial administration questions.

Full-Time	95	95	95	0	95
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	95	95	95	0	95
Payroll	6,982,700	7,458,600	7,458,600	0	7,458,600
Operational	858,400	986,000	988,700	0	988,700
Total	\$7,841,100	\$8,444,600	\$8,447,300	\$0	\$8,447,300
State	6,865,400	7,644,600	7,647,300	0	7,647,300
Federal	0	0	0	0	0
Other	975,700	800,000	800,000	0	800,000

307.06 Division of Municipal Audit

The Division of Municipal Audit is responsible for seeing that all municipalities, schools, utility districts, housing authorities and certain not-for-profit organizations in Tennessee are audited as required by state law.

Full-Time	20	24	24	0	24
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	20	24	24	0	24
Payroll	1,556,100	1,936,600	1,936,600	0	1,936,600
Operational	155,200	292,500	415,200	0	415,200
Total	\$1,711,300	\$2,229,100	\$2,351,800	\$0	\$2,351,800
State	1,559,700	2,014,100	2,136,800	0	2,136,800
Federal	0	0	0	0	0
Other	151,600	215,000	215,000	0	215,000

Services to Local Governments

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

	<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
--	-----------------------------------	--------------------------------------	---------------------------------	--	--

307.08 Office of Local Government

The Division of Local Government is to improve the operation of Tennessee's city and county governments by providing assistance and current information to the General Assembly, local governments, state agencies, and the public on issues that affect the state and local governments. Responsibilities include assisting local governments in redistricting, establishing precincts, and serving as a liaison for the Census Bureau's redistricting data program. In addition, the office maintains county precinct information and provides mapping services utilizing geographic information systems technology.

Full-Time	4	4	4	0	4
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	4	4	4	0	4
Payroll	214,100	292,500	292,500	0	292,500
Operational	59,200	77,300	77,400	0	77,400
Total	\$273,300	\$369,800	\$369,900	\$0	\$369,900
State	273,300	369,800	369,900	0	369,900
Federal	0	0	0	0	0
Other	0	0	0	0	0

307.12 Division of Local Finance

The Division of Local Finance implements laws relating to the financial operation of local units of government and other governmental entities. Division responsibilities include approving the budgets and debt obligations of local governments that have short-term debt outstanding at the end of the fiscal year; reviewing the statutory bonds for county officials and fiscal officers of school districts and emergency communication districts; approving investment programs submitted by cities, counties, and utility districts; reporting on plans by municipal electric systems to provide video cable and Internet services; and assisting local governments in areas of municipal finance.

Full-Time	5	5	5	0	5
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	5	5	5	0	5
Payroll	346,800	368,000	368,000	0	368,000
Operational	41,600	129,000	129,100	0	129,100
Total	\$388,400	\$497,000	\$497,100	\$0	\$497,100
State	388,400	439,400	439,500	0	439,500
Federal	0	0	0	0	0
Other	0	57,600	57,600	0	57,600

Property Assessment and Appraisal

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

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

307.09 Division of Property Assessments

The Division of Property Assessments is responsible for assisting local governments in assessment of property for tax purposes. Other duties include monitoring the statewide reassessment program, administering reappraisal grants to counties, conducting the statewide biennial appraisal ratio study, coordinating the State Computer-Assisted Appraisal System, drafting property ownership maps, and other miscellaneous tasks.

Full-Time	167	172	172	0	172
Part-Time	0	0	0	0	0
Seasonal	21	21	21	0	21
Total	188	193	193	0	193
Payroll	8,255,200	9,386,300	9,386,300	0	9,386,300
Operational	1,944,100	2,602,500	2,605,600	0	2,605,600
Total	\$10,199,300	\$11,988,800	\$11,991,900	\$0	\$11,991,900
State	8,237,200	10,203,800	10,206,900	0	10,206,900
Federal	0	0	0	0	0
Other	1,962,100	1,785,000	1,785,000	0	1,785,000

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 and 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; and regulates property tax appeals agents and agent practices. The board consists of the Governor, Treasurer, Secretary of State, Comptroller of the Treasurer, Commissioner of Revenue, one person named by the Governor at the city level, and one person named by the Governor at the county level.

Full-Time	7	7	7	0	7
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	15	15	15	0	15
Payroll	493,100	535,900	535,900	0	535,900
Operational	2,419,500	2,519,800	2,520,000	0	2,520,000
Total	\$2,912,600	\$3,055,700	\$3,055,900	\$0	\$3,055,900
State	2,825,000	2,973,200	2,973,400	0	2,973,400
Federal	0	0	0	0	0
Other	87,600	82,500	82,500	0	82,500

307.15 Office of State Assessed Properties

The Office of State Assessed Properties annually assesses all public utility and transportation properties for tax purposes at the state, county, and municipal levels. These assessments are certified to local taxing jurisdictions for collection of property taxes. The division also assesses personal properties used or leased by public utility and transportation companies and conducts audits on these companies.

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
Full-Time	14	15	15	0	15
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	14	15	15	0	15
Payroll	973,200	1,101,600	1,101,600	0	1,101,600
Operational	170,500	233,700	234,100	0	234,100
Total	\$1,143,700	\$1,335,300	\$1,335,700	\$0	\$1,335,700
State	1,018,400	1,210,300	1,210,700	0	1,210,700
Federal	0	0	0	0	0
Other	125,300	125,000	125,000	0	125,000

307.10 Tax Relief

The Tax Relief program processes payments to reimburse homeowners who meet legal requirements for all or a part of property taxes paid. Eligible beneficiaries of the program include low-income elderly or disabled persons and certain disabled veterans or their surviving spouses. The Division of Property Assessments provides administration of the program.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	15,338,100	21,800,000	21,800,000	0	21,800,000
Total	\$15,338,100	\$21,800,000	\$21,800,000	\$0	\$21,800,000
State	15,338,100	21,800,000	21,800,000	0	21,800,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

307.50 Telecommunications Ad Valorem Tax Equity Payments

The Telecommunications Ad Valorem Tax Equity Fund was established to reimburse local telecommunications companies for property tax liabilities that exceed assessment levels applicable to average commercial and industrial taxpayers. Payments to eligible telecommunications companies are formula-based as mandated by law. Funding provided to the Comptroller of the Treasury is exclusively for administrative expenses incurred by the Comptroller and for the required tax equity payments.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	13,020,300	17,982,100	14,500,000	0	14,500,000
Total	\$13,020,300	\$17,982,100	\$14,500,000	\$0	\$14,500,000
State	12,609,100	17,810,000	14,327,900	0	14,327,900
Federal	0	0	0	0	0
Other	411,200	172,100	172,100	0	172,100

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
307.00 Total Comptroller of the Treasury					
Full-Time	622	635	635	1	636
Part-Time	8	8	8	0	8
Seasonal	21	21	21	0	21
Total	651	664	664	1	665
Payroll	38,708,200	43,078,700	43,078,700	34,500	43,113,200
Operational	39,041,400	58,227,500	54,362,700	6,000	54,368,700
Total	\$77,749,600	\$101,306,200	\$97,441,400	\$40,500	\$97,481,900
State	67,234,700	90,645,500	86,820,500	40,500	86,861,000
Federal	0	0	0	0	0
Other	10,514,900	10,660,700	10,620,900	0	10,620,900

Treasury Department

The State Treasurer is a constitutional officer elected every two years by a joint session of both houses of the General Assembly. The State Treasurer is charged with various responsibilities and duties relating to the financial operations of state government. In addition to these duties, the State Treasurer administers and manages an educational incentive program for county public administrators and the Small and Minority-Owned Business Assistance Program.

<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

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 department manages the state pooled investment fund, the local government investment pool, the state employees' deferred compensation program, the state employees' flexible benefits plan, and the Baccalaureate Education System Trust, which is a pre-paid college tuition savings plan. The department also assists the three-member Claims Commission and directs the staff of the Claims Administration and Risk Management divisions.

Full-Time	214	227	227	2	229
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	214	227	227	2	229
Payroll	13,398,000	16,146,500	16,166,100	109,700	16,275,800
Operational	4,867,800	8,264,300	6,720,900	106,400	6,827,300
Total	\$18,265,800	\$24,410,800	\$22,887,000	\$216,100	\$23,103,100
State	0	140,400	91,300	0	91,300
Federal	0	0	0	0	0
Other	18,265,800	24,270,400	22,795,700	216,100	23,011,800

309.02 Certified Public Administrators

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

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	426,500	534,200	534,200	0	534,200
Total	\$426,500	\$534,200	\$534,200	\$0	\$534,200

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
State	426,500	534,200	534,200	0	534,200
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	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	307,500	2,251,800	251,800	3,008,200	3,260,000
Total	\$307,500	\$2,251,800	\$251,800	\$3,008,200	\$3,260,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	307,500	2,251,800	251,800	3,008,200	3,260,000

309.00 Total Treasury Department

Full-Time	214	227	227	2	229
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	214	227	227	2	229
Payroll	13,398,000	16,146,500	16,166,100	109,700	16,275,800
Operational	5,601,800	11,050,300	7,506,900	3,114,600	10,621,500
Total	\$18,999,800	\$27,196,800	\$23,673,000	\$3,224,300	\$26,897,300
State	426,500	674,600	625,500	0	625,500
Federal	0	0	0	0	0
Other	18,573,300	26,522,200	23,047,500	3,224,300	26,271,800

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 division oversees the Criminal Injuries Compensation Fund, Risk Management Fund, and the Unclaimed Property Division.

<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

313.03 Criminal Injuries Compensation

The Criminal Injuries Compensation Program assists persons 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 levied against parolees and probationers, the proceeds of bond forfeitures in felony cases, and a federal grant. Jurors may also elect to donate their jury service reimbursement to the fund.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	13,891,900	19,555,000	15,855,000	0	15,855,000
Total	\$13,891,900	\$19,555,000	\$15,855,000	\$0	\$15,855,000
State	10,149,100	14,500,000	10,260,000	0	10,260,000
Federal	3,411,000	5,055,000	5,595,000	0	5,595,000
Other	331,800	0	0	0	0

313.10 Risk Management Fund

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

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	48,438,900	54,533,200	56,575,000	0	56,575,000
Total	\$48,438,900	\$54,533,200	\$56,575,000	\$0	\$56,575,000

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
State	0	0	0	0	0
Federal	3,332,700	0	0	0	0
Other	45,106,200	54,533,200	56,575,000	0	56,575,000

313.20 Unclaimed Property

The Unclaimed Property Division administers the state's Uniform Disposition of Unclaimed Property Act. Under this act, the state provides a centralized location for the owners or their heirs who are searching for abandoned property. The types of property covered by this act are primarily cash property, such as bank accounts, insurance policies, and utility deposits.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	18,352,100	26,400,000	26,400,000	0	26,400,000
Total	\$18,352,100	\$26,400,000	\$26,400,000	\$0	\$26,400,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	18,352,100	26,400,000	26,400,000	0	26,400,000

313.00 Total Claims and Compensation

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	80,682,900	100,488,200	98,830,000	0	98,830,000
Total	\$80,682,900	\$100,488,200	\$98,830,000	\$0	\$98,830,000
State	10,149,100	14,500,000	10,260,000	0	10,260,000
Federal	6,743,700	5,055,000	5,595,000	0	5,595,000
Other	63,790,100	80,933,200	82,975,000	0	82,975,000

Executive Department

The Executive Department has responsibility for the overall operation of state government. In addition, the department is responsible for ensuring 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 mail and phone correspondence with Tennessee citizens. The allotment below is for staffing and operational expenses of the Governor's Office.

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
315.01 Governor's Office					
Full-Time	41	41	41	0	41
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	41	41	41	0	41
Payroll	2,700,000	3,713,400	3,713,400	0	3,713,400
Operational	793,600	951,700	952,900	0	952,900
Total	\$3,493,600	\$4,665,100	\$4,666,300	\$0	\$4,666,300
State	3,493,600	4,665,100	4,666,300	0	4,666,300
Federal	0	0	0	0	0
Other	0	0	0	0	0

Tennessee Human Rights Commission

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

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

<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

316.04 Human Rights Commission

Full-Time	30	30	30	0	30
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	30	30	30	0	30
Payroll	1,636,500	1,836,800	1,836,800	0	1,836,800
Operational	707,200	589,800	592,500	0	592,500
Total	\$2,343,700	\$2,426,600	\$2,429,300	\$0	\$2,429,300
State	1,585,000	1,684,600	1,686,200	0	1,686,200
Federal	753,900	742,000	743,100	0	743,100
Other	4,800	0	0	0	0

Standard: Decrease average case processing time for employment discrimination cases.

Measure: Average case processing time for employment discrimination cases.

170 days	150 days	150 days	0	150 days
----------	----------	----------	---	----------

Standard: Decrease average case processing time for housing discrimination cases.

Measure: Average case processing time for housing discrimination cases.

121 days	120 days	110 days	0	110 days
----------	----------	----------	---	----------

Standard: Increase annual employment case closures per the Tennessee Human Rights Commission's (THRC) worksharing agreement with Equal Employment Opportunity Commission (EEOC).

Measure: Average annual employment case closures per EEOC worksharing agreement.

527	540	550	0	550
-----	-----	-----	---	-----

Standard: Increase annual housing case closures per THRC's worksharing agreement with Housing and Urban Development (HUD).

Measure: Average annual housing case closures per HUD worksharing agreement.

103	110	118	0	118
-----	-----	-----	---	-----

Tennessee Regulatory Authority

The Tennessee Regulatory Authority (TRA) is a quasi-judicial body which regulates certain utility companies. Leadership for the agency is comprised of four directors, three of whom are appointed to six-year terms by the Governor, House Speaker, and Senate Speaker, acting separately. The fourth director is appointed by the Governor, House Speaker, and Senate Speaker, acting collectively. TRA'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. TRA'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; and administering the Telecommunications Device Access Program which provides telecommunications equipment to the state's deaf, blind, and hearing impaired population.

<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

316.11 Tennessee Regulatory Authority

Full-Time	81	81	81	0	81
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	81	81	81	0	81
Payroll	5,560,600	6,589,100	6,589,100	0	6,589,100
Operational	2,339,900	2,181,900	2,618,300	0	2,618,300
Total	\$7,900,500	\$8,771,000	\$9,207,400	\$0	\$9,207,400
State	7,486,900	8,417,600	8,781,400	0	8,781,400
Federal	412,900	350,000	425,000	0	425,000
Other	700	3,400	1,000	0	1,000

Standard: Regulate investor-owned energy utilities in Tennessee by reviewing rate change applications and auditing regulated companies for compliance.

Measure: Number of rate change applications reviewed and compliance audits completed.

56	60	70	0	70
----	----	----	---	----

Standard: Regulate investor-owned telecommunication companies in Tennessee by reviewing and deliberating interconnection and resale agreements within 90 days of filing.

Measure: Percent of interconnection and resale agreements reviewed and deliberated within 90 days of filing.

100%	100%	100%	0	100%
------	------	------	---	------

<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Standard: Administer Tennessee's gas pipeline safety program by maximizing the number of safety audit inspections.

Measure: Number of pipeline safety field audit inspections.

341	350	375	0	375
-----	-----	-----	---	-----

Standard: Maintain high level of consumer satisfaction in the resolution of complaints against utilities regulated.

Measure: Percent of citizens expressing consumer satisfaction of good or excellent on the Consumer Services program survey cards.

93%	94%	95%	0	95%
-----	-----	-----	---	-----

Advisory Commission on Intergovernmental Relations

In 1978, the General Assembly created the Tennessee Advisory Commission on Intergovernmental Relations (TACIR) to monitor the operation of federal, state, and local government relations and to make recommendations for improvement to the General Assembly. The commission is comprised of 25 members representing the executive branch, legislative branch, county and municipal governments, and the public. TACIR is a permanent, non-partisan forum for the discussion of intergovernmental issues and may initiate studies in accordance with legislative proposals and constitutional amendments. The commission also responds to requests for technical assistance from the General Assembly, state agencies, and local governments.

Current studies and activities directed by the General Assembly for TACIR include the property assessment system in Tennessee; Tennessee's growth policy, annexation, and incorporation law; an ongoing inventory of public infrastructure needs; and a utility district study.

Major ongoing areas of TACIR studies and activities include fiscal capacity measures for the Basic Education Program (BEP); education finance; issues related to the Tennessee tax structure; government modernization; and intergovernmental issues.

<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

316.12 Advisory Commission on Intergovernmental Relations

Full-Time	16	17	17	0	17
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
Total	18	19	19	0	19
Payroll	1,301,100	1,803,900	1,803,900	0	1,803,900
Operational	815,300	1,027,100	1,029,100	68,000	1,097,100
Total	\$2,116,400	\$2,831,000	\$2,833,000	\$68,000	\$2,901,000
State	0	266,000	266,000	0	266,000
Federal	0	0	0	0	0
Other	2,116,400	2,565,000	2,567,000	68,000	2,635,000

Standard: TACIR will achieve a customer satisfaction rating of "excellent."

Measure: Percent of annual survey responses that indicate an overall rating of "excellent."

Not Applicable	90%	90%	0	90%
----------------	-----	-----	---	-----

Department of Finance and Administration

Performance-Based Budget

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 administrative services, fiscal and management services, capital and facilities management services, and TennCare oversight.

The Bureau of TennCare, Division of Mental Retardation Services, and Cover Tennessee Health Care Programs are divisions of this department. These programs are separately presented in the Health and Social Services section of the Budget.

<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Administrative Services

The administrative services of this department include the management of the state's information system needs, the contracting of professional services, insurance benefits management, program evaluation, and intra-departmental support.

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, internal information systems, and billing services are managed by the division.

Full-Time	137	153	153	0	153
Part-Time	1	0	0	0	0
Seasonal	0	0	0	0	0
Total	138	153	153	0	153
Payroll	8,219,800	10,933,500	10,933,500	0	10,933,500
Operational	3,366,700	4,316,100	4,118,200	0	4,118,200
Total	\$11,586,500	\$15,249,600	\$15,051,700	\$0	\$15,051,700
State	1,231,000	1,772,900	1,573,200	0	1,573,200
Federal	0	0	0	0	0
Other	10,355,500	13,476,700	13,478,500	0	13,478,500

Standard: Achieve and retain post-audit status with the Division of Accounts.

Measure: Office of Business and Finance retain post-audit status.

Yes	Yes	Will Apply	0	Will Apply
-----	-----	------------	---	------------

317.03 Office for Information Resources

The Office for Information Resources (OIR) facilitates the use of information systems and provides technical direction and assistance to agencies, as charged by the Commissioner of Finance and Administration and the Information Systems Council. OIR provides for statewide data, voice, and video operations; information systems planning; information technology training; and security policy, direction, and protection. OIR also provides solutions development and support; manages the state's website; and operates a data center that houses

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
mainframes and distributed computers and data storage.					
Full-Time	444	423	423	0	423
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	444	423	423	0	423
Payroll	32,486,800	35,153,900	35,153,900	0	35,153,900
Operational	117,710,000	125,118,300	109,179,800	0	109,179,800
Total	\$150,196,800	\$160,272,200	\$144,333,700	\$0	\$144,333,700
State	10,000,200	2,275,000	2,275,000	0	2,275,000
Federal	0	0	0	0	0
Other	140,196,600	157,997,200	142,058,700	0	142,058,700

Standard: Planned budgets and schedules for infrastructure (data and voice networks) projects above \$500,000 do not exceed approved levels.

Measure: Percent of infrastructure projects meeting approved schedules and budgets.

60%	65%	70%	0	70%
-----	-----	-----	---	-----

Standard: Availability of mainframe systems meets or exceeds industry standards on key infrastructure systems delivered.

Measure: Mainframe system availability for key infrastructure systems (industry standard 98%).

99%	99%	99%	0	99%
-----	-----	-----	---	-----

Standard: Availability of network systems meets or exceeds industry standards on key infrastructure systems delivered.

Measure: State network availability as measured by the percent of end sites meeting the monthly availability target of 99%.

99%	99%	99%	0	99%
-----	-----	-----	---	-----

317.04 Benefits Administration

The Division of Benefits Administration administers the state-sponsored insurance benefits directed by the State, Local Education, and Local Government Insurance committees. All health-care plans are self-insured and include preferred provider organization (PPO), point of service (POS), and health maintenance organization (HMO) options. Additionally, Benefits Administration administers the four Cover Tennessee healthcare programs: CoverTN, AccessTN, CoverKids, and CoverRX.

Full-Time	65	119	119	0	119
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	65	119	119	0	119
Payroll	3,275,000	7,415,400	7,646,500	0	7,646,500
Operational	4,988,600	14,501,700	13,722,600	0	13,722,600
Total	\$8,263,600	\$21,917,100	\$21,369,100	\$0	\$21,369,100
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	8,263,600	21,917,100	21,369,100	0	21,369,100

<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Standard: In order to minimize plan administrative cost, maintain Benefits Administration spending for the public sector plans at a level no greater than one half of 1% of combined expenses for those plans.

Measure: Percent of Benefits Administration budget for the public sector plans as a percent of combined public sector plan expenses.

0.34%	0.45%	0.50%	0	0.50%
-------	-------	-------	---	-------

Standard: Prepare and promote health benefits determinations and premium recommendations which result in annual financial results where expenses do not exceed revenue by more than 3% for more than two years in a row.

Measure: Comparison of plan expenses to plan income for the following public sector plan: State Plan.

1.21% above revenue	3% above revenue	3% above revenue	0	3% above revenue
---------------------	------------------	------------------	---	------------------

Standard: Prepare and promote health benefits determinations and premium recommendations which result in annual financial results where expenses do not exceed revenue by more than 3% for more than two years in a row.

Measure: Comparison of plan expenses to plan income for the following public sector plan: Local Education Plan.

0.01% above revenue	3% above revenue	3% above revenue	0	3% above revenue
---------------------	------------------	------------------	---	------------------

Standard: Prepare and promote health benefits determinations and premium recommendations which result in annual financial results where expenses do not exceed revenue by more than 3% for more than two years in a row.

Measure: Comparison of plan expenses to plan income for the following public sector plan: Local Government Plan.

4.31% above revenue	3% above revenue	3% above revenue	0	3% above revenue
---------------------	------------------	------------------	---	------------------

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, Rural Domestic Violence, and Drug Court Administration. The office monitors the grantees to ensure that criminal justice funds are spent in accordance with federal and state guidelines.

Full-Time	21	21	21	0	21
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	21	21	21	0	21
Payroll	1,316,200	1,429,200	1,499,700	0	1,499,700
Operational	26,963,700	36,907,800	29,470,500	400,000	29,870,500
Total	\$28,279,900	\$38,337,000	\$30,970,200	\$400,000	\$31,370,200
State	7,446,800	8,997,700	8,100,300	400,000	8,500,300
Federal	18,029,700	27,628,400	22,863,100	0	22,863,100
Other	2,803,400	1,710,900	6,800	0	6,800

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Standard: Provide services and reduce victimization for child victims of crime through child advocacy centers established across the state.

Measure: Number of child victims of crime who receive services to reduce child victimization through child advocacy centers across the state.

	10,401	12,500	12,500	0	12,500
--	--------	--------	--------	---	--------

Standard: Train drug court managers in how to effectively initiate and implement drug courts across the state.

Measure: Number of drug court managers trained in how to initiate and manage drug courts across the state.

	268	300	325	0	325
--	-----	-----	-----	---	-----

317.07 Resource Development and Support

The Resource Development and Support program is comprised of two core functions: contract review and approval and program operations audit and consulting. The division reviews and approves both service procurement processes and contracts; and carries out internal reviews, audits, and investigations to prevent fraud, abuse, and waste. Additional services provided include assisting state agencies in buying professional services and drafting professional contracts; providing an Internet-based service-provider registry designed to support competition; and helping state agencies solve management and operations problems by conducting operational process re-engineering studies, cost-benefit studies, and financial analysis.

Full-Time	21	21	21	0	21
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	21	21	21	0	21
Payroll	1,155,400	1,590,000	1,590,000	0	1,590,000
Operational	275,100	328,500	328,800	0	328,800
Total	\$1,430,500	\$1,918,500	\$1,918,800	\$0	\$1,918,800
State	1,154,700	1,727,000	1,727,300	0	1,727,300
Federal	0	0	0	0	0
Other	275,800	191,500	191,500	0	191,500

Standard: Average days to complete Office of Contracts Review (OCR) review of approved contracts.

Measure: Average days to complete OCR review of approved contracts.

	9	5	5	0	5
--	---	---	---	---	---

Standard: Average days to complete OCR review of approved requests for proposals.

Measure: Average days to complete OCR review of requests for proposals of approved contracts.

	7	6	6	0	6
--	---	---	---	---	---

Standard: Percent of compliance with departmental annual internal audit plan.

Measure: Percent of compliance with departmental annual internal audit plan.

	100%	80%	80%	0	80%
--	------	-----	-----	---	-----

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

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 commission also provides training and evaluation services to the state Department of Education under a Learn and Serve America formula grant to increase academic learning and civic engagement, especially for at-risk youth. In addition, the commission administers national competitive AmeriCorps grants and Learn and Serve America community-based subgrants to after-school programs for methamphetamine abuse prevention.

Full-Time	9	9	9	0	9
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	9	9	9	0	9
Payroll	470,700	538,300	538,300	0	538,300
Operational	3,397,100	4,061,700	4,061,800	0	4,061,800
Total	\$3,867,800	\$4,600,000	\$4,600,100	\$0	\$4,600,100
State	166,900	238,600	238,600	0	238,600
Federal	3,486,700	4,166,100	4,166,200	0	4,166,200
Other	214,200	195,300	195,300	0	195,300

Standard: Mobilize volunteer hours to meet community needs in education, environment, public safety, human needs, and homeland security.

Measure: Number of volunteer hours mobilized to meet community needs in education, environment, public safety, human needs, and homeland security.

	392,362	350,000	350,000	0	350,000
--	---------	---------	---------	---	---------

Standard: Train volunteer leaders and teachers in how to effectively mobilize volunteers through AmeriCorps and service-learning.

Measure: Number of volunteer leaders and teachers trained in how to effectively mobilize volunteers through AmeriCorps and service learning.

	1,226	1,000	1,000	0	1,000
--	-------	-------	-------	---	-------

317.15 State Health Planning Division

The State Health Planning division is charged with developing and maintaining a state health plan, which is intended to guide the improvement of health-care programs supported by state government. In addition, funding is provided for the e-health initiative, which is designed to help improve efficiencies in the electronic exchange of health-care data between governmental entities and various organizations in the health-care community.

Full-Time	5	7	7	0	7
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	5	7	7	0	7
Payroll	196,000	767,900	767,900	0	767,900
Operational	2,755,400	36,651,700	688,100	0	688,100
Total	\$2,951,400	\$37,419,600	\$1,456,000	\$0	\$1,456,000

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
State	112,800	17,887,700	1,456,000	0	1,456,000
Federal	1,060,400	972,200	0	0	0
Other	1,778,200	18,559,700	0	0	0

Standard: Initiate and maintain state health plan.

Measure: Health plan is delivered by end of fiscal year.

0%	100%	100%	0	100%
----	------	------	---	------

Standard: Develop and implement an overall strategy for the adoption and use of electronic medical records and create a plan to promote their use by all health-care stakeholders.

Measure: Percent achievement of ehealth roadmap.

Not Applicable	15%	25%	0	25%
----------------	-----	-----	---	-----

317.17 Enterprise Resource Planning

The Enterprise Resource Planning division will deliver an integrated enterprise software solution for addressing the state's administrative functions, such as human resources, payroll, personnel, financial management, and procurement.

Full-Time	112	112	112	0	112
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	112	112	112	0	112
Payroll	7,027,100	8,673,000	8,673,000	0	8,673,000
Operational	4,517,900	18,562,600	18,563,600	0	18,563,600
Total	\$11,545,000	\$27,235,600	\$27,236,600	\$0	\$27,236,600
State	0	13,000,000	13,000,000	0	13,000,000
Federal	0	0	0	0	0
Other	11,545,000	14,235,600	14,236,600	0	14,236,600

Standard: Complete system and user acceptance for Edison financials, procurement, and logistics.

Measure: Percent of system and user acceptance completed for Edison financials, procurement, and logistics by June 1, 2008.

Not Applicable	100%	Not Applicable	0	Not Applicable
----------------	------	----------------	---	----------------

Standard: Complete end-user financials, procurement, and logistics training.

Measure: Percent of end-user financials, procurement, and logistics training completed for the user population by December 31, 2008.

Not Applicable	Not Applicable	90%	0	90%
----------------	----------------	-----	---	-----

Standard: Implement financials, procurement, and logistics.

Measure: Percent of financials, procurement, and logistics implemented by December 31, 2008.

Not Applicable	40%	100%	0	100%
----------------	-----	------	---	------

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

317.18 Shared Services Solutions

Shared Services Solutions provides transactional services to small agencies, boards, and commissions within the executive branch. Services include accounting, budgeting, human resources, payroll, and procurement. As the Enterprise Resource Planning system comes online, the division will provide transitional and long-term standardization and operational support to agencies utilizing this service.

Full-Time	10	10	10	0	10
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	10	10	10	0	10
Payroll	51,800	700,200	700,200	0	700,200
Operational	5,800	182,400	182,400	0	182,400
Total	\$57,600	\$882,600	\$882,600	\$0	\$882,600
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	57,600	882,600	882,600	0	882,600

Standard: Meet or exceed 95% of annual customer service level agreement key targets for fiscal, human resource and procurement service.

Measure: Percent of customer service level agreement key targets met or exceeded, including customer satisfaction, quality, and timeliness.

Not Applicable	95%	95%	0	95%
----------------	-----	-----	---	-----

Fiscal and Management Services

This functional area develops and implements policies pertaining to the fiscal and managerial aspects of state government, including agency strategic planning, budgeting, accounting, and central state planning and policy development.

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 also is responsible for preparing the annual Work Program (enacted budget allotments) by adjusting the proposed budget to reflect final legislative action on the appropriations act and bond authorization act. The Budget includes both operational allotments and the capital outlay program. Throughout the year, the Division of Budget monitors spending by and state revenue collections of all state agencies. Under the 2002 Governmental Accountability Act, the Budget Staff assists the commissioner in overseeing the executive branch strategic planning process; program-performance monitoring and reporting; and preparing, based on state agency plans, an agency strategic plans document for transmittal to the General Assembly.

Full-Time	34	34	34	0	34
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	34	34	34	0	34

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
Payroll	2,643,000	3,073,500	3,073,500	0	3,073,500
Operational	485,800	583,700	584,500	0	584,500
Total	\$3,128,800	\$3,657,200	\$3,658,000	\$0	\$3,658,000
State	3,128,800	3,657,200	3,658,000	0	3,658,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Earn the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award as an indicator of Budget Document quality.

Measure: GFOA Distinguished Budget Presentation Award received or not.

Yes	Yes	Will Apply	0	Will Apply
-----	-----	------------	---	------------

Standard: In fiscal year 2008-2009 Budget Document, achieve 50% as the portion of program performance measures that are outcome measures (among the official performance-based budget agencies).

Measure: Percent of program performance measures that are outcome measures (among the official performance-based budget agencies).

43%	65%	70%	0	70%
-----	-----	-----	---	-----

317.05 Division of Accounts

The Division of Accounts maintains a system of general accounts. The division examines and approves all contracts and payrolls to ensure that funds are allotted and available for payment of obligations; audits and approves all payrolls and charges to the state to ensure appropriateness; makes monthly reports of receipts, expenditures, appropriations, allotments, encumbrances, and authorized payments; and reports any illegality or misappropriation of public properties to the Comptroller of the Treasury. The division also ensures state compliance with the Cash Management Improvement Act of 1990 and the federal Single Audit Act and plays an integral role in the development of the state's Comprehensive Annual Financial Report (CAFR).

Full-Time	81	123	123	0	123
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	81	123	123	0	123
Payroll	4,460,600	8,170,000	8,170,000	0	8,170,000
Operational	5,897,200	7,974,700	7,770,100	0	7,770,100
Total	\$10,357,800	\$16,144,700	\$15,940,100	\$0	\$15,940,100
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	10,357,800	16,144,700	15,940,100	0	15,940,100

Standard: Complete all tax filings by their deadlines.

Measure: Number of days after deadline that tax filings are made.

0	0	0	0	0
---	---	---	---	---

<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

Standard: The Comprehensive Annual Financial Report (CAFR) is completed and audited by December 31.

Measure: Number of days after December 31 that CAFR is prepared and audited.

0	0	0	0	0
---	---	---	---	---

317.23 Governor's Office of State Planning and Policy

The Governor's Office of State Planning and Policy provides research and policy-development assistance to the Governor and the Commissioner of Finance and Administration. Responsibilities include long-range planning, program development, policy research, and interagency planning coordination.

Full-Time	3	11	11	0	11
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	3	11	11	0	11
Payroll	0	1,011,800	1,011,800	0	1,011,800
Operational	0	2,207,700	207,700	34,200	241,900
Total	\$0	\$3,219,500	\$1,219,500	\$34,200	\$1,253,700
State	0	3,219,500	1,219,500	34,200	1,253,700
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Identify and develop specific policies that advance the Governor's priorities and provide research and information that support these efforts.

Measure: Percent of policy projects completed on time.

Not Applicable	100%	100%	0	100%
----------------	------	------	---	------

Capital Projects and Facilities Management Services

Facilities management services include the planning, construction, and utilization of state-owned real property. Included among this property are facilities which are part of the state office buildings and support facilities revolving fund.

317.10 Real Property Administration

The Real Property Administration program supervises 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 and floor plans for departments, and coordinates their moves.

Full-Time	69	73	73	0	73
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	69	73	73	0	73
Payroll	3,932,200	5,030,800	5,120,800	0	5,120,800
Operational	2,927,700	4,151,000	4,062,400	0	4,062,400
Total	\$6,859,900	\$9,181,800	\$9,183,200	\$0	\$9,183,200

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
State	2,809,500	3,760,600	3,761,400	0	3,761,400
Federal	0	0	0	0	0
Other	4,050,400	5,421,200	5,421,800	0	5,421,800

Standard: Design State Building Commission projects in a timely manner.

Measure: Percent of projects designed within 12 months of approval.

52%	75%	75%	0	75%
-----	-----	-----	---	-----

Standard: Complete projects within original budgets approved by State Building Commission.

Measure: Percent of annual projects completed within original approved budget.

77%	80%	80%	0	80%
-----	-----	-----	---	-----

TennCare Fraud and Abuse Prevention

317.12 Office of Inspector General

The Office of Inspector General (OIG) was created to help 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	70	70	70	0	70
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	70	70	70	0	70
Payroll	3,757,700	4,253,600	4,253,600	0	4,253,600
Operational	1,066,500	1,543,900	1,506,100	0	1,506,100
Total	\$4,824,200	\$5,797,500	\$5,759,700	\$0	\$5,759,700
State	0	10,000	0	0	0
Federal	0	0	0	0	0
Other	4,824,200	5,787,500	5,759,700	0	5,759,700

Standard: The number of criminal arrests for TennCare fraud in a fiscal year by the Office of Inspector General (OIG).

Measure: The number of criminal arrests for TennCare fraud in a fiscal year by the OIG.

190	250	250	0	250
-----	-----	-----	---	-----

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
317.00 Total Finance and Administration					
Full-Time	1,081	1,186	1,186	0	1,186
Part-Time	1	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,082	1,186	1,186	0	1,186
Payroll	68,992,300	88,741,100	89,132,700	0	89,132,700
Operational	174,357,500	257,091,800	194,446,600	434,200	194,880,800
Total	\$243,349,800	\$345,832,900	\$283,579,300	\$434,200	\$284,013,500
State	26,050,700	56,546,200	37,009,300	434,200	37,443,500
Federal	22,576,800	32,766,700	27,029,300	0	27,029,300
Other	194,722,300	256,520,000	219,540,700	0	219,540,700

Department of Human Resources

The Department of Human Resources 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, implements the Governor's affirmative-action plan, and administers the provisions of the Civil Service Act. The Department of Human Resources maintains all state employee records, as well as all records pertaining to applicants for state employment. It also approves, coordinates, and conducts training and career development courses for all state departments and agencies. The three major program areas of the Department of Human Resources are administrative services, human resource development, and technical services.

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

319.01 Executive Administration

In addition to providing general administrative support services for the Department of Human Resources, Executive Administration coordinates the services provided by the department to all agencies of state government.

Full-Time	16	18	18	0	18
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	16	18	18	0	18
Payroll	1,111,800	1,420,400	1,420,400	0	1,420,400
Operational	1,520,400	1,929,300	2,015,300	0	2,015,300
Total	\$2,632,200	\$3,349,700	\$3,435,700	\$0	\$3,435,700
State	1,580,600	2,209,800	2,210,500	0	2,210,500
Federal	0	0	0	0	0
Other	1,051,600	1,139,900	1,225,200	0	1,225,200

Standard: Process personal services and delegated purchase authority contracts.

Measure: Process 95% of personal services and delegated purchase authority contracts within three days of being logged.

	93%	95%	95%	0	95%
--	-----	-----	-----	---	-----

319.02 Human Resource Development

Human Resource Development manages many of the services provided to state employees. Specific responsibilities include advising state employees about their benefits and rights of employment; maintaining compliance with state and federal equal employment opportunity and affirmative action laws, prohibiting unlawful employee discrimination; and monitoring and ensuring the state's compliance with the Americans with Disabilities Act requirements. The office also is responsible for hearing civil service appeals, conducting training courses for state employees, and supporting the efforts of the Title VI Compliance Commission.

Full-Time	20	25	25	0	25
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
Total	29	34	34	0	34

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
Payroll	1,347,500	1,736,300	1,736,300	0	1,736,300
Operational	1,330,000	1,798,600	1,795,200	0	1,795,200
Total	\$2,677,500	\$3,534,900	\$3,531,500	\$0	\$3,531,500
State	661,200	1,189,300	1,242,400	0	1,242,400
Federal	0	0	0	0	0
Other	2,016,300	2,345,600	2,289,100	0	2,289,100

Standard: Use participant evaluation of courses to determine the overall value of all programs to state employees with a target of 4.0 on a 5.0 scale.

Measure: Maintain 95% rate of all training courses evaluated at a minimum of 4.0 on a 5.0 scale.

95%	95%	95%	0	95%
-----	-----	-----	---	-----

Standard: Provide state agencies with group sessions focused on skilled-based Equal Employment Opportunity (EEO) and Affirmative Action (AA) programs.

Measure: Provide state agencies with 30 group sessions focused on skilled-based EEO and AA programs.

21	30	30	0	30
----	----	----	---	----

319.03 Technical Services

Technical Services reviews and administers state employee compensation and position classifications. Other responsibilities include revising and administering civil service examinations, monitoring the civil service appointment process, auditing the state payroll, and reviewing and maintaining personnel data on private sector organizations and southeastern state governments to assist in making recommendations on salary administration policy for the State of Tennessee.

Full-Time	79	88	88	0	88
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	79	88	88	0	88
Payroll	4,230,700	5,306,300	5,306,300	0	5,306,300
Operational	511,800	386,100	365,000	0	365,000
Total	\$4,742,500	\$5,692,400	\$5,671,300	\$0	\$5,671,300
State	1,861,200	2,370,600	2,319,500	0	2,319,500
Federal	0	0	0	0	0
Other	2,881,300	3,321,800	3,351,800	0	3,351,800

Standard: Conduct job classification studies to assess the needs of the state.

Measure: Complete 75% of assessment methods developed and implemented within 90 days (30 days prior to the statutory requirement) of new career service job classification establishment.

65%	65%	76%	0	76%
-----	-----	-----	---	-----

Standard: Review and evaluate employment applications.

Measure: Review and evaluate 100% of requests for job titles requiring assessment of education and experience within 28 days of receipt.

96%	98%	100%	0	100%
-----	-----	------	---	------

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
319.00 Total Human Resources					
Full-Time	115	131	131	0	131
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
Total	124	140	140	0	140
Payroll	6,690,000	8,463,000	8,463,000	0	8,463,000
Operational	3,362,200	4,114,000	4,175,500	0	4,175,500
Total	\$10,052,200	\$12,577,000	\$12,638,500	\$0	\$12,638,500
State	4,103,000	5,769,700	5,772,400	0	5,772,400
Federal	0	0	0	0	0
Other	5,949,200	6,807,300	6,866,100	0	6,866,100

Department of General Services

Performance-Based Budget

The Department of General Services acts as a support organization for other state departments and agencies. The department provides support through administrative services, property management and utilization services, and interdepartmental support services.

<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

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

The Administration Division provides assistance to all programs in General Services, establishes and directs the official policies related to departmental agency services, and provides fiscal, personnel, and legal services to the department. This division also operates the Governor's Office of Diversity Business Enterprise, which assists minority, women-owned, and small businesses participating in state contracting and procurement activities.

Full-Time	74	74	74	0	74
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	74	74	74	0	74
Payroll	3,637,400	4,732,600	4,732,600	0	4,732,600
Operational	1,477,800	4,677,400	2,685,600	0	2,685,600
Total	\$5,115,200	\$9,410,000	\$7,418,200	\$0	\$7,418,200
State	398,800	547,200	549,500	0	549,500
Federal	0	0	0	0	0
Other	4,716,400	8,862,800	6,868,700	0	6,868,700

Standard: Provide quality service to intra-agency customers by maintaining 80% or better rating of "above average service" on annual customer survey.

Measure: Percent of "above average service" rating.

74.92%	80.00%	80.00%	0	80.00%
--------	--------	--------	---	--------

Standard: Assist in developing viable minority, woman-owned, and small businesses capable of competing successfully for State of Tennessee contracts for goods and services. These businesses can then be added to the state's list of qualified bidders.

Measure: Percent of referred businesses completing the certification process.

56.6%	25.0%	25.0%	0	25.0%
-------	-------	-------	---	-------

Standard: Increase the registration of ready, willing, and able diversity businesses capable of providing goods and services procured by the State of Tennessee.

Measure: Percent of annual increase in certified diversity business enterprises.

48%	10%	10%	0	10%
-----	-----	-----	---	-----

Actual
2006-2007

Estimated
2007-2008

Base
2008-2009

Improvement
2008-2009

Recommended
2008-2009

Property Management and Utilization Services

The department's Property Management and Utilization Services functions include the disposal of surplus state property, the distribution of surplus federal property, the management and maintenance of the state's motor vehicles, and the management and maintenance of state-owned facilities and grounds.

321.04 Property Utilization

The Property Utilization program redistributes state and federal surplus property to state agencies, local governments, eligible non-profit organizations, and Small Business Administration participants. The program also administers a U.S. Department of Defense (DOD) program which redistributes excess DOD property to local law enforcement agencies for use in drug eradication and anti-terrorism activities.

Full-Time	23	25	25	0	25
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	23	25	25	0	25
Payroll	968,500	1,102,300	1,140,500	0	1,140,500
Operational	1,523,000	1,759,200	1,724,400	0	1,724,400
Total	\$2,491,500	\$2,861,500	\$2,864,900	\$0	\$2,864,900
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	2,491,500	2,861,500	2,864,900	0	2,864,900

Standard: Redistribute 85% of federal surplus property allocated to the State of Tennessee to state political subdivisions or other eligible organizations within 90 days.

Measure: Percent of federal surplus property allocated to the State of Tennessee, to state political subdivisions, or other eligible organizations.

82%	85%	85%	0	85%
-----	-----	-----	---	-----

Standard: Achieve and maintain a 90% completion rate for all requests for state surplus property document folders within 90 days of assignment.

Measure: Percent of completion rate for surplus property document folders.

85%	90%	90%	0	90%
-----	-----	-----	---	-----

321.06 Motor Vehicle Management

The Motor Vehicle Management Division (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	39	38	38	0	38
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	39	38	38	0	38
Payroll	1,514,700	1,740,600	1,740,600	0	1,740,600
Operational	35,117,200	38,122,200	38,144,200	0	38,144,200
Total	\$36,631,900	\$39,862,800	\$39,884,800	\$0	\$39,884,800

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
State	5,760,500	2,500	0	0	0
Federal	0	0	0	0	0
Other	30,871,400	39,860,300	39,884,800	0	39,884,800

Standard: Reduce travel cost associated with conducting state business by supplying mid-size sedans below the average cost of the top three private industry short-term rental rates of \$75.41 per day. Fuel and unlimited mileage are included in state rates.

Measure: Cost to maintain State of Tennessee dispatch fleet daily.

\$18.45	\$27.50	\$30.25	0	\$30.25
---------	---------	---------	---	---------

Standard: Reduce travel cost associated with conducting state business by supplying mid-size sedans below the average cost of the top three private industry short-term rental rates of \$236.81 per week. Fuel and unlimited mileage are included in state rates.

Measure: Cost to maintain State of Tennessee dispatch fleet weekly.

\$92.23	\$137.50	\$151.25	0	\$151.25
---------	----------	----------	---	----------

Standard: Reduce travel cost associated with conducting state business by supplying mid-size sedans below the average cost of the top three private industry short-term rental rates of \$1,010.90 per month. Fuel and unlimited mileage are included in state rates.

Measure: Cost to maintain State of Tennessee dispatch fleet monthly.

\$399.68	\$452.10	\$497.31	0	\$497.31
----------	----------	----------	---	----------

321.07 Property Management

The Property Management Services Division operates, manages, and maintains all facilities owned by the state office buildings and support facilities revolving fund (FRF) and coordinates state leases in private buildings. The division also supervises state employee parking lots.

Full-Time	210	209	214	0	214
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	211	210	215	0	215
Payroll	9,188,400	10,325,000	10,511,000	0	10,511,000
Operational	6,212,800	4,790,300	4,837,000	0	4,837,000
Total	\$15,401,200	\$15,115,300	\$15,348,000	\$0	\$15,348,000
State	1,222,700	1,522,700	1,531,300	0	1,531,300
Federal	0	0	0	0	0
Other	14,178,500	13,592,600	13,816,700	0	13,816,700

Standard: Total cost of Property Management operations, per square foot, shall not exceed the Building Owners and Managers Association (BOMA) latest published industry standard, which is currently \$10.00/square foot.

Measure: Cost of Property Management operations, per square foot.

\$6.36	\$7.02	\$7.37	0	\$7.37
--------	--------	--------	---	--------

<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Standard: Total cost of maintenance per square foot for buildings will be below comparable BOMA industry standards of \$2.90/square foot.

Measure: Maintenance cost per square foot for buildings.

\$2.27	\$2.06	\$2.16	0	\$2.16
--------	--------	--------	---	--------

Interdepartmental Support Services

Interdepartmental Support Services functions are postal, printing, purchasing, records management, storage and distribution of supplies, and food preparation services to state departments and agencies.

321.02 Postal Services

The Postal Services Division provides centralized mail services for state government agencies in Davidson County, including interagency messenger service and delivery, pickup, and processing of U.S. mail for state agencies. The division operates a U.S. Post Office branch in a Nashville state office building.

Full-Time	62	61	61	0	61
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	62	61	61	0	61
Payroll	2,100,600	2,291,200	2,292,600	0	2,292,600
Operational	15,865,600	19,370,200	19,374,200	0	19,374,200
Total	\$17,966,200	\$21,661,400	\$21,666,800	\$0	\$21,666,800
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	17,966,200	21,661,400	21,666,800	0	21,666,800

Standard: Maintain a cost per piece to process mail below the single piece United States Postal Service (USPS) rate, including all applicable postage, add-on fees, and administrative costs.

Measure: Cost per piece to process mail including postage, add-on fees, and administrative costs.

\$0.34	\$0.36	\$0.36	0	\$0.36
--------	--------	--------	---	--------

Standard: Increase percentage of incoming daily U.S. mail that is delivered within 24 hours to above the FY 2007 rate of 92%.

Measure: Percent of incoming U.S. mail that was delivered within 24 hours.

93%	96%	96%	0	96%
-----	-----	-----	---	-----

Standard: Raise the pre-sort percentage of outgoing U.S. Postal Service letter mail to maximize pre-sort with bar-code discount rate for postage savings.

Measure: Percent of total mail pre-sorted with bar-code/dollar savings by being able to pre-sort with bar code.

91%/\$2,824,672	93%/\$2,881,200	96%/\$2,967,600	0	96%/\$2,967,600
-----------------	-----------------	-----------------	---	-----------------

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

321.09 Printing and Media Services

The Printing and Media Services Division 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	52	52	52	0	52
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	52	52	52	0	52
Payroll	2,008,000	2,446,700	2,446,700	0	2,446,700
Operational	1,894,600	3,003,800	2,589,600	0	2,589,600
Total	\$3,902,600	\$5,450,500	\$5,036,300	\$0	\$5,036,300
State	230,300	727,200	307,200	0	307,200
Federal	0	0	0	0	0
Other	3,672,300	4,723,300	4,729,100	0	4,729,100

Standard: Retain a 95% on-time delivery rating of printing requests that are assigned a completion due date.

Measure: Percent of on-time deliveries assigned a completion due date.

95.3%	95.0%	95.0%	0	95.0%
-------	-------	-------	---	-------

Standard: Maintain an efficient process with minimal turnaround time (8.5 days or better) from inception to completion.

Measure: Turnaround time, in days, from the time order is received until it is delivered.

8.42 days	8.50 days	8.50 days	0	8.50 days
-----------	-----------	-----------	---	-----------

321.10 Purchasing

The Purchasing Division is the centralized procurement office for goods and services to state government. The division is responsible for the competitive bidding and administration of statewide and agency term contracts; processing agency one-time purchase orders exceeding \$5,000; and training state personnel in purchasing procedures through the Tennessee online purchasing system (TOPS).

Full-Time	52	59	59	0	59
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	52	59	59	0	59
Payroll	2,105,900	2,817,600	2,823,600	0	2,823,600
Operational	2,349,600	2,356,700	2,155,400	0	2,155,400
Total	\$4,455,500	\$5,174,300	\$4,979,000	\$0	\$4,979,000
State	0	22,000	22,000	0	22,000
Federal	0	0	0	0	0
Other	4,455,500	5,152,300	4,957,000	0	4,957,000

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Standard: Process 80% of term contracts for all expenditures for goods and non-professional services over \$5,000 for the State of Tennessee within 60 days of request.

Measure: Percent of term contracts over \$5,000 processed within 60 days of request.

63.93%	79.00%	80.00%	0	80.00%
--------	--------	--------	---	--------

Standard: Process 45% of one-time procurement requisitions, over agency local purchase threshold of \$5,000, within 30 days.

Measure: Process 45% of one-time procurement requisitions, over agency local purchase threshold of \$5,000, within 30 days.

57.36%	40.00%	45.00%	0	45.00%
--------	--------	--------	---	--------

321.17 Records Management

The Records Management Division is the primary records management agency for state government and 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 State Publications Committee.

Full-Time	19	19	19	0	19
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	19	19	19	0	19
Payroll	846,400	936,800	936,900	0	936,900
Operational	635,000	530,000	531,800	0	531,800
Total	\$1,481,400	\$1,466,800	\$1,468,700	\$0	\$1,468,700
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,481,400	1,466,800	1,468,700	0	1,468,700

Standard: Increase, annually, the number of cubic feet of records stored at secured state records facilities.

Measure: Number of cubic feet of records stored.

128,942	145,000	160,000	0	160,000
---------	---------	---------	---	---------

Standard: Increase, annually, the number of documents requiring long-term preservation.

Measure: Annual number of images scanned.

6,140,793	5,000,000	5,500,000	0	5,500,000
-----------	-----------	-----------	---	-----------

321.18 Warehouse Administration

The Division of Warehouse Administration is a central warehousing and distribution operation for state supplies, including office supplies, janitorial and maintenance supplies, and electronic communication supplies. The Division of Warehouse Administration also stocks specialized forms, pamphlets, and envelopes for resale to state agencies.

Full-Time	23	25	25	0	25
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	23	25	25	0	25

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
Payroll	891,200	1,029,300	1,038,400	0	1,038,400
Operational	5,425,300	6,892,000	6,885,700	0	6,885,700
Total	\$6,316,500	\$7,921,300	\$7,924,100	\$0	\$7,924,100
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	6,316,500	7,921,300	7,924,100	0	7,924,100

Standard: Achieve and maintain a 95% or greater initial order fill rate from in-stock items. This measure is in accordance with Effective Inventory Management, Inc. industry standard average of 95% for comparable operations and products.

Measure: Percent of order fill rate from in-stock items.

94%	95%	95%	0	95%
-----	-----	-----	---	-----

Standard: Minimize inventory investment costs by maintaining a turn rate in line with the industry standard of five times or better per year. This is desired rate by companies with 20-30% margin rate per Effective Inventory Management, Inc.

Measure: Annual inventory turn rate.

6.29	6.00	6.00	0	6.00
------	------	------	---	------

321.19 Food Services Program

The Food Services Program (cook-chill) is responsible for the bidding, preparation, and supply of food to the departments of Correction, Children's Services, Education, Mental Health and Developmental Disabilities, and the Division of Mental Retardation Services. The program packages and distributes a variety of foodstuffs utilized by state agencies in feeding their populations.

Full-Time	4	4	4	0	4
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	4	4	4	0	4
Payroll	212,200	266,300	266,300	0	266,300
Operational	5,232,500	5,287,500	4,733,000	0	4,733,000
Total	\$5,444,700	\$5,553,800	\$4,999,300	\$0	\$4,999,300
State	0	555,000	0	0	0
Federal	0	0	0	0	0
Other	5,444,700	4,998,800	4,999,300	0	4,999,300

Standard: Prepare and deliver food items (Cook-Chill and pass through) to receptor sites across the state at the lowest possible overhead cost per meal.

Measure: Overhead cost per meal.

\$0.25	\$0.28	\$0.28	0	\$0.28
--------	--------	--------	---	--------

Standard: Prepare and deliver food items to receptor sites across the state, error-free, in a quick and timely manner without affecting the quality of the product. The minimum acceptable first-time food delivery error-free rate is 99.8%.

Measure: First-time food delivery error-free percentage.

99.7%	99.8%	99.9%	0	99.9%
-------	-------	-------	---	-------

<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

Standard: Provide all training necessary, including menu evaluations, to maintain required accreditation in each of the Department of Correction's food service facilities.

Measure: Number of accreditations/percent of correctional facilities accredited.

17/100%	16/100%	16/100%	0	16/100%
---------	---------	---------	---	---------

321.00 Total General Services

Full-Time	558	566	571	0	571
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	559	567	572	0	572
Payroll	23,473,300	27,688,400	27,929,200	0	27,929,200
Operational	75,733,400	86,789,300	83,660,900	0	83,660,900
Total	\$99,206,700	\$114,477,700	\$111,590,100	\$0	\$111,590,100
State	7,612,300	3,376,600	2,410,000	0	2,410,000
Federal	0	0	0	0	0
Other	91,594,400	111,101,100	109,180,100	0	109,180,100

Department of Veterans Affairs

The Department of Veterans Affairs serves Tennessee's more than 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 three veterans cemeteries, located within each grand division. The interment workloads at these cemeteries are among the highest in the nation. In addition to these duties, the department participates in programs that increase public awareness of the services and sacrifices made by veterans.

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
323.00 Veterans Affairs					
Full-Time	73	98	98	0	98
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	73	98	98	0	98
Payroll	3,063,100	4,223,437	4,223,400	0	4,223,400
Operational	989,300	1,147,529	1,002,700	0	1,002,700
Total	\$4,052,400	\$5,370,966	\$5,226,100	\$0	\$5,226,100
State	3,403,500	4,855,366	4,740,200	0	4,740,200
Federal	363,600	360,000	360,300	0	360,300
Other	285,300	155,600	125,600	0	125,600

Standard: Achieve increased satisfied ratings from the department's customers.

Measure: Percent of satisfied customers.

95%	95%	96%	1%	97%
-----	-----	-----	----	-----

Standard: The department will increase the number of field outreach services activities from 27 to 35.

Measure: Number of outreach services.

27	29	31	4	35
----	----	----	---	----

Standard: The number of claims processed that are ready to rate from 15,600 to 19,140.

Measure: Number of claims processed for rating by United States Department of Veterans Affairs.

15,600	16,800	17,340	1,800	19,140
--------	--------	--------	-------	--------

Department of Revenue

Performance-Based Budget

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, support, revenue collection, and regulatory services.

<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

Administrative Services

The departmental Administrative Services programs are legal and research services, human resources management, internal auditing, fiscal analysis and processing, apportioning revenues to the appropriate state or local fund, information systems management, 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	126	130	130	0	130
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	126	130	130	0	130
Payroll	7,751,800	8,923,200	8,888,700	0	8,888,700
Operational	2,425,500	1,879,600	1,951,100	0	1,951,100
Total	\$10,177,300	\$10,802,800	\$10,839,800	\$0	\$10,839,800
State	7,503,500	7,883,000	7,798,200	0	7,798,200
Federal	0	0	0	0	0
Other	2,673,800	2,919,800	3,041,600	0	3,041,600

Standard: Investigate and prosecute tax fraud timely.

Measure: Percent of tax cases assigned to Special Investigations closed within four months or cases older than four months closed as either fraud or prosecution.

	93.88%	90.00%	90.00%	0	90.00%
--	--------	--------	--------	---	--------

Standard: Minimize taxpayer conference decisions resulting in litigation.

Measure: Percent of taxpayer conference decisions not resulting in litigation.

	89.4%	85.0%	85.0%	0	85.0%
--	-------	-------	-------	---	-------

Standard: Issue taxpayer conference decisions in a timely manner.

Measure: Percent of taxpayer conference decisions issued within 90 days of the taxpayer conference.

	88.4%	77.0%	80.0%	0	80.0%
--	-------	-------	-------	---	-------

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

347.11 Information Technology Resources Division

The Information Technology Resources Division is responsible for planning, coordinating, and managing the information technology needs of the department, including defining and providing information technology solutions for business needs. The division facilitates all phases of information systems projects, including software development and purchases, installations, implementation, and hardware configuration.

Full-Time	93	102	102	0	102
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	93	102	102	0	102
Payroll	5,946,400	7,855,000	7,705,000	0	7,705,000
Operational	11,047,600	13,324,300	12,636,700	600,000	13,236,700
Total	\$16,994,000	\$21,179,300	\$20,341,700	\$600,000	\$20,941,700
State	13,017,400	17,602,300	16,402,300	600,000	17,002,300
Federal	0	0	0	0	0
Other	3,976,600	3,577,000	3,939,400	0	3,939,400

Standard: Revenue Integrated Tax System availability.

Measure: Revenue Integrated Tax System availability from 6:00 a.m. to 6:00 p.m., Monday through Friday.

99.66%	98.00%	98.00%	0	98.00%
--------	--------	--------	---	--------

Support Services

Support Services programs provide assistance to the operations of revenue collection services.

347.13 Taxpayer and Vehicle Services Division

The Taxpayer and Vehicle Services Division is responsible for taxpayer registration, taxpayer education, taxpayer assistance, and correction of posting errors. The program also is responsible for issuing, recording, and enforcing ownership titles; regulating the sale and distribution of vehicle license plates; and regulating these activities through the 95 county clerks. The program has employees in various locations across the state.

Full-Time	258	257	257	0	257
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	258	257	257	0	257
Payroll	9,891,800	12,063,500	12,051,000	0	12,051,000
Operational	16,204,900	17,638,700	16,287,500	0	16,287,500
Total	\$26,096,700	\$29,702,200	\$28,338,500	\$0	\$28,338,500
State	22,780,300	26,898,800	25,413,300	0	25,413,300
Federal	0	0	0	0	0
Other	3,316,400	2,803,400	2,925,200	0	2,925,200

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Standard: Timely complete new monthly applications for tax registration, including applicable licenses and bonds.

Measure: Percent of new registration applications completed within 15 work days.

	97.08%	97.00%	97.00%	0	97.00%
--	--------	--------	--------	---	--------

Standard: Serve callers through the general information call center and tax practitioner hot lines.

Measure: Percent of monthly phone calls answered by the call center and the tax practitioner hot lines.

	98.21%	97.00%	97.00%	0	97.00%
--	--------	--------	--------	---	--------

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	167	168	168	0	168
Part-Time	18	18	18	0	18
Seasonal	0	0	0	0	0
Total	185	186	186	0	186
Payroll	7,068,300	8,101,600	7,935,000	0	7,935,000
Operational	2,279,000	2,597,700	2,360,000	0	2,360,000
Total	\$9,347,300	\$10,699,300	\$10,295,000	\$0	\$10,295,000
State	6,745,100	8,218,700	7,712,900	0	7,712,900
Federal	0	0	0	0	0
Other	2,602,200	2,480,600	2,582,100	0	2,582,100

Standard: Timely deposit all state funds collected.

Measure: Percent of all state funds deposited within 24 hours of receipt.

	96.61%	99.00%	99.00%	0	99.00%
--	--------	--------	--------	---	--------

Standard: Timely post tax documents.

Measure: Number of days to post 95% of tax documents.

	1.86 days	4.75 days	4.75 days	0	4.75 days
--	-----------	-----------	-----------	---	-----------

Standard: Deposit checks accurately.

Measure: Percent of accuracy for all checks put on deposit.

	99.99%	99.75%	99.75%	0	99.75%
--	--------	--------	--------	---	--------

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

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

regarding the taxation of tobacco products, gifts, inheritances, estates, firearms, gross receipts, liquor by the drink, beer, and other taxes; administering the Hall income tax on stocks and bonds; administering the provisions of the Tennessee sales and use tax laws; and collecting delinquent taxes owed to the State of Tennessee.

347.02 Tax Enforcement Division

The Tax Enforcement 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 program's ultimate goal is voluntary compliance with regard to the tax collection process. Work assignments of a delinquent nature are generated through the Revenue Integrated Tax System. Tasks include in-state and out-of-state collections, investigating and recommending offers to compromise tax liabilities, recording and releasing tax liens, negotiating payment agreements, and filing of legal claims. The division has a central office in Nashville and at various locations throughout the state.

Full-Time	141	141	141	0	141
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	141	141	141	0	141
Payroll	7,392,900	8,249,800	8,269,800	0	8,269,800
Operational	1,475,800	1,560,800	1,559,300	0	1,559,300
Total	\$8,868,700	\$9,810,600	\$9,829,100	\$0	\$9,829,100
State	6,330,100	7,186,800	7,083,500	0	7,083,500
Federal	0	0	0	0	0
Other	2,538,600	2,623,800	2,745,600	0	2,745,600

Standard: Collect delinquent taxes due.

Measure: Percent of delinquent taxes collected.

18.08%	18.00%	18.00%	0	18.00%
--------	--------	--------	---	--------

Standard: Collect or resolve case inventory.

Measure: Percent of case inventory over 90 days old should be no greater than 10%.

8.12%	10.00%	10.00%	0	10.00%
-------	--------	--------	---	--------

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. The program accomplishes this by centralized management of audit resources, providing fair and objective audit selection, and by conducting tax audits that achieve target coverage levels. The Audit Division maintains in-state offices throughout the state, six out-of-state offices, and several out-of-state post-of-duty stations.

Full-Time	362	363	363	0	363
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	362	363	363	0	363

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
Payroll	24,429,200	26,247,500	26,306,100	0	26,306,100
Operational	3,948,800	4,002,500	3,986,100	0	3,986,100
Total	\$28,378,000	\$30,250,000	\$30,292,200	\$0	\$30,292,200
State	19,330,000	21,227,700	20,884,200	0	20,884,200
Federal	1,300	22,000	22,000	0	22,000
Other	9,046,700	9,000,300	9,386,000	0	9,386,000

Standard: Audit taxpayers subject to Tennessee tax law.

Measure: Percent of taxpayer population audited.

3.43%	2.70%	2.70%	0	2.70%
-------	-------	-------	---	-------

Standard: Process claims for refund timely.

Measure: Percent of claims for refund processed within 45 days.

93.5%	92.0%	92.0%	0	92.0%
-------	-------	-------	---	-------

Regulatory Services

The Criminal Investigations Division Anti-Theft Unit inspects all specially constructed and reconstructed vehicles to limit violations of Tennessee's automobile theft laws and provides investigative support in felony cases.

347.18 CID Anti-Theft Unit

The Criminal Investigations Division (CID) 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, the Anti-Theft 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	10	10	10	0	10
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	10	10	10	0	10
Payroll	501,800	880,800	880,800	0	880,800
Operational	166,400	198,300	201,400	0	201,400
Total	\$668,200	\$1,079,100	\$1,082,200	\$0	\$1,082,200
State	666,700	1,079,100	1,082,200	0	1,082,200
Federal	0	0	0	0	0
Other	1,500	0	0	0	0

Standard: Inspect rebuilt vehicles within 30 days of receiving request for inspection.

Measure: Percent of rebuilt vehicles inspected within 30 days.

91.85%	80.0%	90.0%	0	90.0%
--------	-------	-------	---	-------

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
347.00 Total Revenue					
Full-Time	1,157	1,171	1,171	0	1,171
Part-Time	18	18	18	0	18
Seasonal	0	0	0	0	0
Total	1,175	1,189	1,189	0	1,189
Payroll	62,982,200	72,321,400	72,036,400	0	72,036,400
Operational	37,548,000	41,201,900	38,982,100	600,000	39,582,100
Total	\$100,530,200	\$113,523,300	\$111,018,500	\$600,000	\$111,618,500
State	76,373,100	90,096,400	86,376,600	600,000	86,976,600
Federal	1,300	22,000	22,000	0	22,000
Other	24,155,800	23,404,900	24,619,900	0	24,619,900

Miscellaneous Appropriations

The Miscellaneous Appropriations allotment includes funding for personal-services and benefits rate adjustments and operational rate adjustments affecting all state agencies and other state obligations not addressed elsewhere in the budget. The Miscellaneous Appropriations are line-item appropriations in Section 1 of the general appropriations bill.

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
351.00 Miscellaneous Appropriations					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	29,863,900	71,184,500	51,967,500	86,905,000	138,872,500
Total	\$29,863,900	\$71,184,500	\$51,967,500	\$86,905,000	\$138,872,500
State	29,863,900	71,184,500	51,967,500	86,880,000	138,847,500
Federal	0	0	0	0	0
Other	0	0	0	25,000	25,000

Emergency and Contingency Fund

The Emergency and Contingency Fund is a special fund for any purpose authorized or implied by law for which no appropriation is made or for which insufficient appropriation is inadvertently made. This fund may not be used to fund any law requiring the expenditure of state funds unless an appropriation is made elsewhere in the general appropriations act for the estimated first-year cost. Expenditures from this fund are authorized only by Executive Order of the Governor.

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
353.00 Emergency and Contingency Fund					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	0	819,300	819,300	0	819,300
Total	\$0	\$819,300	\$819,300	\$0	\$819,300
State	0	819,300	819,300	0	819,300
Federal	0	0	0	0	0
Other	0	0	0	0	0

State Building Commission

The State Building Commission's Major Maintenance and Equipment program is utilized for major, non-routine maintenance and equipment replacement for state-owned physical facilities. Projects are funded only by approval of the State Building Commission, which consists of the Governor, Commissioner of Finance and Administration, speakers of the Senate and House of Representatives, Secretary of State, Comptroller of the Treasury, and State Treasurer.

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
355.02 Major Maintenance and Equipment					
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	174,500	400,000	400,000	0	400,000
Total	\$174,500	\$400,000	\$400,000	\$0	\$400,000
State	133,000	250,000	250,000	0	250,000
Federal	0	0	0	0	0
Other	41,500	150,000	150,000	0	150,000

Education

Table of Contents

Introduction	B-85
Total Personnel and Funding.....	B-87
Improvements (K-12 Education and Higher Education) for Fiscal Year 2008-2009.....	B-88
Program Statements.....	B-96
Department of Education	B-96
Statistical Data – State Special Schools	B-113
Higher Education	B-114
State Administered Programs	B-114
University of Tennessee System	B-123
State University and Community College System	B-131

Education

Recommended Budget, Fiscal Year 2008 – 2009

This functional area is responsible for the educational efforts of the state, from pre-school and K-12 through all levels of higher education.

The Department of Education coordinates the educational programs of the local public school systems that operate Tennessee's kindergarten, elementary, secondary, and vocational schools. The department also operates the four special schools: Tennessee School for the Blind, Tennessee School for the Deaf, West Tennessee School for the Deaf, and Alvin C. York Agricultural Institute.

With assistance from the Department of Education, the State Board of Education formulates the policies, standards, and guidelines governing K-12 public education. The department is responsible for implementing these policies, standards, and guidelines.

Higher education is governed by two independent systems: the University of Tennessee System and the State University and Community College System, more commonly known as the Tennessee Board of Regents System. The Tennessee Higher Education Commission is responsible for coordinating academic, fiscal, and policy issues between the two systems. The Tennessee Student Assistance Corporation (TSAC) is the state's designated agency to administer financial aid programs designed to help students obtain a post-secondary education at colleges, universities, and technical and career schools. Among the programs TSAC administers are the Education

Lottery-funded scholarships, implemented in fall 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 post-secondary educational institution in Tennessee.

The lottery scholarships are funded through the Lottery for Education Account. The majority of these funds are made available for post-secondary scholarships, which include the Tennessee HOPE Scholarship, the General Assembly Merit Scholarship, the Need-Based Supplemental Award, the Tennessee HOPE Access Grant, and the Wilder-Naifeh Technical Skills Grant. In the event that net lottery proceeds exceed scholarship needs, excess lottery funds may be appropriated to pre-kindergarten and early childhood education programs.

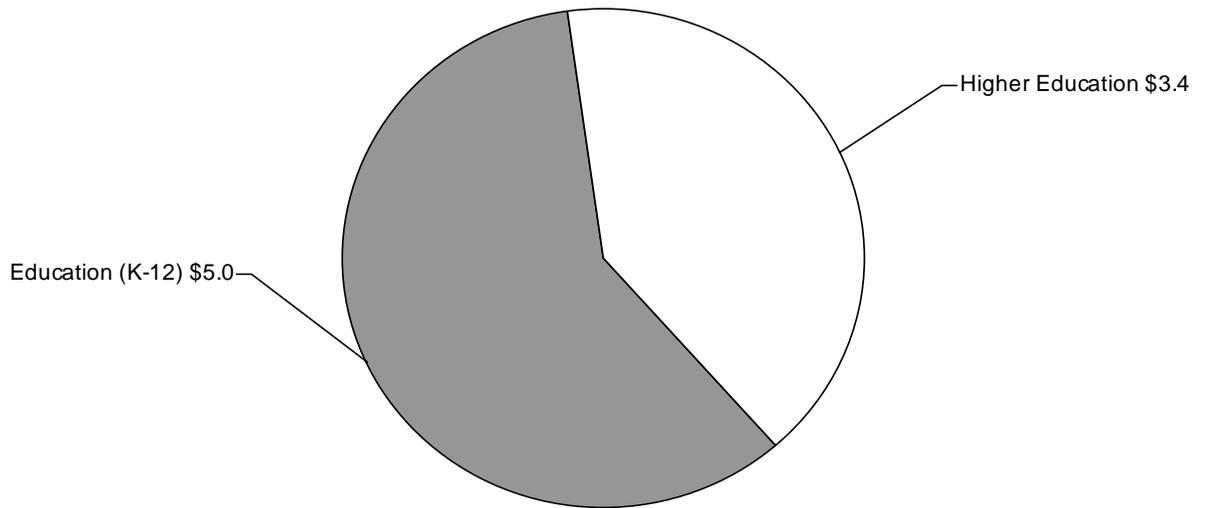
Improvements and Program Statements

The following section includes: (1) a table on personnel and funding for all agencies in this functional area of state government; (2) a statement of recommended improvements for the ensuing fiscal year; (3) departmental program statements, indicating recommended funding and staffing for the ensuing year, compared with actual amounts for the last year and the amounts budgeted for the current year; and (4) program performance measures.

The following graph depicts the manner in which funds are divided among the departments within this group. Funding mixes

within each department vary. Figures represent state, federal, and other sources of funding, including tuition and fees.

Education FY 2008 - 2009 Recommended



In Billions

\$8,411,857,700 Total

Education Total Personnel and Funding

	Actual 2006-2007	Estimated 2007-2008	Recommended 2008-2009
Personnel			
Full Time *	24,996	26,056	26,063
Part Time	677	568	568
Seasonal	0	0	0
TOTAL	25,673	26,624	26,631
Expenditures			
Payroll	\$71,308,000	\$95,561,100	\$96,403,400
Operational	7,362,522,500	8,060,988,550	8,315,454,300
TOTAL	\$7,433,830,500	\$8,156,549,650	\$8,411,857,700
Funding **			
State	\$4,854,895,800	\$5,456,001,650	\$5,699,537,400
Federal	1,030,470,600	1,117,823,000	1,118,031,700
Other	603,266,200	572,798,800	574,492,600
Tuition/Fees	945,197,900	1,009,926,200	1,019,796,000
Lottery-Funded Programs			
State	\$232,989,900	\$271,200,000	\$303,300,000
Other	25,008,200	25,000,000	25,000,000
SUBTOTAL	\$257,998,100	\$296,200,000	\$328,300,000
Education Fund			
State	\$4,621,905,900	\$5,184,801,650	\$5,396,237,400
Federal	1,030,470,600	1,117,823,000	1,118,031,700
Other	578,258,000	547,798,800	549,492,600
Tuition/Fees	945,197,900	1,009,926,200	1,019,796,000
SUBTOTAL	\$7,175,832,400	\$7,860,349,650	\$8,083,557,700
TOTAL EDUCATION	\$7,433,830,500	\$8,156,549,650	\$8,411,857,700

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

** Includes Lottery funded programs and Education funding

Education Improvements for Fiscal Year 2008-2009

	State	Federal	Other	Total	Positions
Education (K-12)					
• Basic Education Program (BEP)					
To maintain full funding of the Basic Education Program (BEP) formula, which provides an equitable state share of K-12 public education funding to local education agencies (LEAs).					
331.25 BEP and Other LEA Support	\$83,900,000	\$0	\$0	\$83,900,000	0
Sub-total	\$83,900,000	\$0	\$0	\$83,900,000	0
• BEP 2.0 - Year 2					
To provide second-year funding for the phase-in of BEP 2.0 modifications to the Basic Education Program formula, pursuant to 2007 Public Chapter 369.					
331.25 BEP and Other LEA Support	\$86,500,000	\$0	\$0	\$86,500,000	0
Sub-total	\$86,500,000	\$0	\$0	\$86,500,000	0
• Pre-K Program					
To provide additional funding from the general fund for pre-kindergarten and early childhood education programs. These funds will expand the program by an additional 245 pre-kindergarten classrooms targeted to at-risk children and cover the inflationary costs of the existing classrooms. Five program evaluator positions will provide on-site evaluation and assistance for the additional classrooms.					
331.32 Early Childhood Education	\$25,000,000	\$0	\$0	\$25,000,000	5
Sub-total	\$25,000,000	\$0	\$0	\$25,000,000	5
• Governor's Institute for Science and Math					
To provide funding for the second year of operation of the residential science and math high school. The school opened in August 2007 and is located at the Tennessee School for the Deaf campus in Knoxville. This funding provides for an additional 24 students for a total enrollment of 48.					
331.92 Tennessee School for the Deaf	\$320,000	\$0	\$0	\$320,000	0
331.96 Governor's Institute for Science and Math	\$80,000	\$0	\$0	\$80,000	0
Sub-total	\$400,000	\$0	\$0	\$400,000	0
• Group Health Insurance - January 1, 2008					
To provide funding to annualize the state share of the January 1, 2008, group health insurance increase for local education agencies, which was funded for six months in the current-year budget.					
331.25 BEP and Other LEA Support	\$7,800,000	\$0	\$0	\$7,800,000	0
Sub-total	\$7,800,000	\$0	\$0	\$7,800,000	0
• Group Health Insurance - January 1, 2009					
To fund the state share of a January 1, 2009, group health insurance increase for local education agencies. This is funded for six months in the recommended budget.					
331.25 BEP and Other LEA Support	\$5,500,000	\$0	\$0	\$5,500,000	0
Sub-total	\$5,500,000	\$0	\$0	\$5,500,000	0

Education Improvements for Fiscal Year 2008-2009

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• TCRS (Retirement) Rate Increase - July 1, 2008					
To provide funding for the state share of a Tennessee Consolidated Retirement System (TCRS) rate increase for local education agencies effective July 1, 2008.					
331.25 BEP and Other LEA Support	\$3,200,000	\$0	\$0	\$3,200,000	0
Sub-total	\$3,200,000	\$0	\$0	\$3,200,000	0
• Comprehensive Assessment Program (TCAP)					
To provide funding for the expansion of the Tennessee comprehensive assessment program achievement test for grades three through eight as required by Title I of the federal No Child Left Behind Act. A non-recurring amount of \$500,000 will modify the test for English Language Learner students to better reflect their second language reading ability. An additional recurring \$850,000 will fund testing requirements due to growth in student population, processing of additional assessments, and evaluation of the testing infrastructure.					
331.11 Accountability and Assessment	\$1,350,000	\$0	\$0	\$1,350,000	0
Sub-total	\$1,350,000	\$0	\$0	\$1,350,000	0
• Student Management System					
To provide funding for the continued maintenance and support of the statewide student management system (SSMS), a comprehensive integrated web-based system that encompasses both a student information system and a special education system for the development and management of individual education plans and a data-reporting tool. Previously, non-recurring sources were used to fund SSMS. Those sources have been exhausted.					
331.11 Accountability and Assessment	\$2,700,000	\$0	\$0	\$2,700,000	0
Sub-total	\$2,700,000	\$0	\$0	\$2,700,000	0
• Governor's Books from Birth Foundation					
To fully fund the state match for counties participating in the Governor's Books from Birth program and for inflationary costs. These funds will allow the foundation to provide a hardcover, age-appropriate book each month to enrolled children, from birth to age five, at no cost to the family.					
331.22 Governor's Books from Birth Fund	\$500,000	\$0	\$0	\$500,000	0
Sub-total	\$500,000	\$0	\$0	\$500,000	0
• Literacy - Year 3					
To provide a third-year non-recurring grant to Save the Children to target literacy improvement, focused on grades one through three in under-served schools. Save the Children will work in partnership with local schools and community-based organizations to provide a combination of in-school, after-school, and summer literacy programming to help children improve their reading skills.					
331.02 Grants-In-Aid	\$2,000,000	\$0	\$0	\$2,000,000	0
Sub-total	\$2,000,000	\$0	\$0	\$2,000,000	0

Education Improvements for Fiscal Year 2008-2009

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• FFA and 4-H Foundation - Year 3					
To provide third-year non-recurring grants of \$500,000 each to Future Farmers of America (FFA) and the 4-H Foundation.					
331.02 Grants-In-Aid	\$1,000,000	\$0	\$0	\$1,000,000	0
Sub-total	\$1,000,000	\$0	\$0	\$1,000,000	0
• Teacher Training and Experience - State Special Schools					
To fund growth in teacher training and experience at the state special schools.					
331.90 Alvin C. York Institute	\$55,700	\$0	\$0	\$55,700	0
331.91 Tennessee School for the Blind	\$57,600	\$0	\$0	\$57,600	0
331.92 Tennessee School for the Deaf	\$35,600	\$0	\$0	\$35,600	0
331.93 West Tennessee School for the Deaf	\$17,500	\$0	\$0	\$17,500	0
331.95 Tennessee Early Intervention Services	\$20,900	\$0	\$0	\$20,900	0
Sub-total	\$187,300	\$0	\$0	\$187,300	0
Total Education (K-12)	\$220,037,300	\$0	\$0	\$220,037,300	5

Higher Education - State Administered Programs

• Salary Increase					
To fund a 2 percent salary increase for higher education employees in the Centers of Excellence and Campus Centers of Emphasis effective July 1, 2008. This funds the state appropriation share through the higher education academic funding formula. The salary increase for these programs and other non-academic formula units is funded by state appropriations.					
332.08 Centers of Excellence	\$312,600	\$0	\$0	\$312,600	0
332.11 Campus Centers of Emphasis	\$20,600	\$0	\$0	\$20,600	0
Sub-total	\$333,200	\$0	\$0	\$333,200	0
• HOPE Scholarship Retention - Lottery Source					
To provide funding from recurring lottery for education revenues to expand retention of HOPE scholarships. Students maintaining a minimum cumulative GPA of 2.75 will retain scholarships. Approximately 3,000 students will be affected. Currently, students must have a GPA of 2.75 after their first year, but achieve a minimum cumulative GPA of 3.0 in subsequent years to renew their scholarship eligibility. Full implementation will be realized in fiscal year 2010-2011, at an annualized cost of \$13,300,000.					
332.19 Lottery for Education Account	\$5,300,000	\$0	\$0	\$5,300,000	0
Sub-total	\$5,300,000	\$0	\$0	\$5,300,000	0

Education Improvements for Fiscal Year 2008-2009

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Need-Based Student Financial Aid - Lottery Revenue and Lottery-Funded Endowment					
To provide funds for expansion of the Tennessee Student Assistance Awards (TSAA) program to 13,500 additional students. The TSAA program provides grants to financially needy undergraduate students who are residents of Tennessee. There are currently approximately 21,000 TSAA recipients. An amount of \$18 million is an appropriation from recurring Lottery for Education Account revenue. An amount of \$9 million is first-year interest earnings from a proposed \$200 million TSAA need-based scholarship endowment to be established by transfer of \$200 million from the Lottery for Education Account reserve to a separate endowment account at July 1, 2008. The \$18 million Lottery appropriation will serve approximately 9,000 additional students, and the \$9 million endowment earnings will serve approximately 4,500 additional students in 2008-2009. On an annualized basis, the endowment may earn \$12 million, bringing the future-year total to \$30 million and 15,000 financially needy TSAA students served from Lottery revenues and the endowment.					
332.03 Tennessee Student Assistance Awards	\$9,000,000	\$0	\$18,000,000	\$27,000,000	0
332.19 Lottery for Education Account	\$18,000,000	\$0	\$0	\$18,000,000	0
Sub-total	<u>\$27,000,000</u>	<u>\$0</u>	<u>\$18,000,000</u>	<u>\$45,000,000</u>	<u>0</u>
• Nursing Loan Forgiveness Program					
To provide non-recurring matching funds for the graduate nursing loan forgiveness program, pursuant to 2006 Public Chapter 882. The program is in response to a shortage of nursing faculty in Tennessee that is forcing higher education institutions to turn away prospective nursing students. The funds will provide tuition loans for registered nurses to return to school and earn graduate nursing degrees for the purpose of becoming a teacher in the nursing field. For every year a graduate of the program teaches in a Tennessee nursing school, 25 percent of the loan will be forgiven. These funds match approximately \$1.4 million already received from outside sources.					
332.05 Tennessee Student Assistance Corporation	\$1,400,000	\$0	\$0	\$1,400,000	0
Sub-total	<u>\$1,400,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,400,000</u>	<u>0</u>
• Federal Loan Program Development					
To provide funds for two business development positions in the Tennessee Student Assistance Corporation's (TSAC) federal loan program. These positions will work with financial aid offices in higher education institutions to develop more effective and efficient loan processing systems; offer training regarding increased federal scrutiny over the federal loan program; and market TSAC's guarantee programs and services.					
332.05 Tennessee Student Assistance Corporation	\$0	\$205,600	\$0	\$205,600	2
Sub-total	<u>\$0</u>	<u>\$205,600</u>	<u>\$0</u>	<u>\$205,600</u>	<u>2</u>
Total Higher Education - State Administered Programs	<u>\$34,033,200</u>	<u>\$205,600</u>	<u>\$18,000,000</u>	<u>\$52,238,800</u>	<u>2</u>

Education Improvements for Fiscal Year 2008-2009

	State	Federal	Other	Total	Positions
University of Tennessee					
• Salary Increase					
To fund a 2 percent salary increase for higher education employees effective July 1, 2008. This funds the state appropriation share through the higher education academic funding formula. Other revenue is student tuition. The salary increase for non-academic formula units is funded by state appropriations.					
332.10 UT University-Wide Administration	\$181,400	\$0	\$0	\$181,400	0
332.15 UT Institute for Public Service	\$82,200	\$0	\$0	\$82,200	0
332.16 UT Municipal Technical Advisory Service	\$82,800	\$0	\$0	\$82,800	0
332.17 UT County Technical Assistance Service	\$61,200	\$0	\$0	\$61,200	0
332.23 UT Space Institute	\$148,200	\$0	\$0	\$148,200	0
332.25 UT Agricultural Experiment Station	\$516,400	\$0	\$0	\$516,400	0
332.26 UT Agricultural Extension Service	\$588,400	\$0	\$0	\$588,400	0
332.28 UT Veterinary Medicine	\$494,200	\$0	\$0	\$494,200	0
332.30 UT Health Science Center	\$1,632,200	\$0	\$0	\$1,632,200	0
332.32 UT Family Medicine	\$288,400	\$0	\$0	\$288,400	0
332.34 UT College of Medicine	\$1,529,600	\$0	\$0	\$1,529,600	0
332.40 UT Chattanooga	\$771,200	\$0	\$514,200	\$1,285,400	0
332.42 UT Knoxville	\$3,340,000	\$0	\$2,226,800	\$5,566,800	0
332.44 UT Martin	\$541,200	\$0	\$360,800	\$902,000	0
Sub-total	\$10,257,400	\$0	\$3,101,800	\$13,359,200	0
• Mouse Genome Consortium					
To provide funding for the operational support of the Tennessee Mouse Genome Consortium, which will provide researchers with a unique mouse pool allowing for analysis of multiple genetic diseases. The program is critical to the UT Health Science Center's receiving a clinical and translational science award designation.					
332.30 UT Health Science Center	\$1,000,000	\$0	\$0	\$1,000,000	0
Sub-total	\$1,000,000	\$0	\$0	\$1,000,000	0
• Biocontainment Lab Equipment					
To provide non-recurring funding for equipment purchases at the regional biocontainment laboratory, one of nine national facilities for research into infectious agents and bioterrorism threats. The laboratory building is scheduled for completion in 2008.					
332.30 UT Health Science Center	\$3,000,000	\$0	\$0	\$3,000,000	0
Sub-total	\$3,000,000	\$0	\$0	\$3,000,000	0

Education
Improvements for Fiscal Year 2008-2009

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• UT Biofuels Center - Year 2					
To provide second-year non-recurring operational funds for a biofuels facility capable of producing five million gallons of biomass-based ethanol per year. Biomass fuel is produced from woody materials, including corn stalk and switchgrass, and is more economical than corn-based ethanol. This facility is part of an initiative that will help establish a new industry sector across the state that creates jobs, generates increased state and local tax revenues, and provides farmers with a new production crop. The facility is a component of a comprehensive plan for Tennessee's alternative fuel strategy, which includes research funding to increase switchgrass production, achieve efficiencies in cellulosic ethanol production, and find other non-biomass alternative fuel sources. In addition, agricultural incentives will help Tennessee farmers tap into the new farm-based fuels market and produce switchgrass in the quantities required to supply the pilot ethanol facility. The facility will be self-supporting from production revenues after five years of operation.					
332.12 UT Research Initiatives	\$5,600,000	\$0	\$0	\$5,600,000	0
Sub-total	\$5,600,000	\$0	\$0	\$5,600,000	0
Total University of Tennessee	\$19,857,400	\$0	\$3,101,800	\$22,959,200	0

Education Improvements for Fiscal Year 2008-2009

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>	
State University and Community College System						
• Salary Increase						
To fund a 2 percent salary increase for higher education employees effective July 1, 2008. This funds the state appropriation share through the higher education academic funding formula. Other revenue is student tuition. The salary increase for non-academic formula units is funded by state appropriations.						
332.53	Southwest Tennessee Community College	\$611,400	\$0	\$305,800	\$917,200	0
332.54	Nashville State Technical Community College	\$289,800	\$0	\$144,800	\$434,600	0
332.55	Pellissippi State Technical Community College	\$375,400	\$0	\$187,800	\$563,200	0
332.56	Northeast State Technical Community College	\$217,400	\$0	\$108,800	\$326,200	0
332.60	Tennessee Board of Regents	\$194,400	\$0	\$0	\$194,400	0
332.62	TSU McMinnville Center	\$14,600	\$0	\$0	\$14,600	0
332.65	ETSU College of Medicine	\$654,600	\$0	\$0	\$654,600	0
332.67	ETSU Family Practice	\$194,800	\$0	\$0	\$194,800	0
332.70	Austin Peay State University	\$615,800	\$0	\$410,400	\$1,026,200	0
332.72	East Tennessee State University	\$1,050,600	\$0	\$700,400	\$1,751,000	0
332.74	University of Memphis	\$2,055,600	\$0	\$1,370,400	\$3,426,000	0
332.75	Middle Tennessee State University	\$1,734,800	\$0	\$1,156,400	\$2,891,200	0
332.77	Tennessee State University	\$858,600	\$0	\$572,400	\$1,431,000	0
332.78	Tennessee Technological University	\$757,400	\$0	\$505,000	\$1,262,400	0
332.80	Chattanooga State Technical Community College	\$426,200	\$0	\$213,000	\$639,200	0
332.81	Cleveland State Community College	\$149,400	\$0	\$74,800	\$224,200	0
332.82	Columbia State Community College	\$217,200	\$0	\$108,600	\$325,800	0
332.84	Dyersburg State Community College	\$125,000	\$0	\$62,400	\$187,400	0
332.86	Jackson State Community College	\$211,400	\$0	\$105,600	\$317,000	0
332.88	Motlow State Community College	\$174,200	\$0	\$87,200	\$261,400	0
332.90	Roane State Community College	\$301,000	\$0	\$150,600	\$451,600	0
332.94	Volunteer State Community College	\$321,400	\$0	\$160,800	\$482,200	0
332.96	Walters State Community College	\$296,200	\$0	\$148,200	\$444,400	0
332.98	Tennessee Technology Centers	\$778,000	\$0	\$194,600	\$972,600	0
Sub-total		\$12,625,200	\$0	\$6,768,000	\$19,393,200	0

Education Improvements for Fiscal Year 2008-2009

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Teacher Quality Initiative					
To provide non-recurring funds for support of the teacher quality initiative. This initiative addresses the shortage of highly-qualified K-12 teachers, particularly in science and math. The focus of the program is in five areas for improving teacher preparation: knowledge base, characteristics of quality teachers, professionalizing teaching, modeling, and mentoring. The goal is to ensure that all teacher education programs have a common set of core performance outcomes and measures appropriate for teacher licensure and entry into the teaching profession. This appropriation will be transferred to the appropriate institutional programs.					
332.60 Tennessee Board of Regents	\$500,000	\$0	\$0	\$500,000	0
Sub-total	\$500,000	\$0	\$0	\$500,000	0
Total State University and Community College System	\$13,125,200	\$0	\$6,768,000	\$19,893,200	0
Total Higher Education	\$67,015,800	\$205,600	\$27,869,800	\$95,091,200	2
Total Education	\$287,053,100	\$205,600	\$27,869,800	\$315,128,500	7

Department of Education (K-12)

Performance-Based Budget

The Department of Education is responsible for ensuring that the children of Tennessee have the opportunity for intellectual development commensurate with their abilities. The department coordinates and supervises the educational programs provided by the 136 local school districts, or local education agencies (LEAs). LEAs operate the state's kindergarten, elementary, secondary, and vocational schools.

<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

Administration and the State Board of Education

Administration and the State Board of Education is organized into three program areas: Administration, Governor's Books from Birth Fund, and State Board of Education.

331.01 Administration

Administration functions include policy development, planning, maintenance of the Basic Education Program (BEP) funding formula model, financial management advisory services to LEAs, and collection of student membership data. Sections in Administration include: commissioner's office; internal audit; personnel, central accounts, and budget; teacher licensing; local finance; public information; and research and information services.

Full-Time	121	121	121	0	121
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	121	121	121	0	121
Payroll	7,138,900	8,292,700	8,292,700	0	8,292,700
Operational	2,369,700	2,563,600	2,573,000	0	2,573,000
Total	\$9,508,600	\$10,856,300	\$10,865,700	\$0	\$10,865,700
State	8,314,700	9,263,800	9,273,200	0	9,273,200
Federal	1,123,900	1,516,100	1,516,100	0	1,516,100
Other	70,000	76,400	76,400	0	76,400

Standard: Reduce transaction time for teacher licenses.

Measure: Teacher license transaction time in weeks.

5	2	2	0	2
---	---	---	---	---

331.22 Governor's Books from Birth Fund

The Governor's Books from Birth Fund is the primary funding source for the Governor's Books from Birth Foundation. The foundation is a non-profit entity in partnership with the Dollywood Foundation to implement the Imagination Library across Tennessee and is administratively attached to the department. The goal of the Governor's Books from Birth Foundation is to ensure that Tennessee children are reading at grade level by the end of the third grade. The foundation funds 50 percent of each participating county's cost of providing one hardcover, age-appropriate book each month to children from birth to age five at no cost to the family.

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	2,692,300	3,443,500	3,443,500	500,000	3,943,500
Total	\$2,692,300	\$3,443,500	\$3,443,500	\$500,000	\$3,943,500
State	2,692,300	3,443,500	3,443,500	500,000	3,943,500
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Have an Imagination Library in every county in Tennessee.

Measure: Number of counties enrolled in Imagination Library.

	95	95	95	0	95
--	----	----	----	---	----

Standard: Enroll eligible children in the Imagination Library.

Measure: Percent of eligible children enrolled.

	46%	61%	66%	0	66%
--	-----	-----	-----	---	-----

331.07 State Board of Education

The State Board of Education is the regulatory and policy-making body for K-12 public education, the state's special schools, and educational television. The board has two primary responsibilities: revising and updating the Master Plan for improving education in the state; and establishing policies, standards, and guidelines for public education in grades K-12. The board is administratively attached to the department.

Full-Time	7	8	8	0	8
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	7	8	8	0	8
Payroll	615,000	725,800	725,800	0	725,800
Operational	225,200	435,700	203,100	0	203,100
Total	\$840,200	\$1,161,500	\$928,900	\$0	\$928,900
State	840,200	1,148,100	928,900	0	928,900
Federal	0	13,400	0	0	0
Other	0	0	0	0	0

Standard: Reduce the percentage of students needing developmental studies at two- and four-year post-secondary institutions.

Measure: The percent of students needing developmental studies at two- and four-year post secondary institutions.

	59%	54%	49%	0	49%
--	-----	-----	-----	---	-----

<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Standard: Increase the percentage of students meeting readiness benchmarks established by the American College Testing program (ACT).

Measure: The percent of students meeting readiness benchmarks established by the American College Testing program (ACT).

17%	22%	27%	0	27%
-----	-----	-----	---	-----

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 the local education agencies (LEAs). The programs are: BEP and Other LEA Support; K-12 School Construction; Early Childhood Education; After-School Programs; Career Ladder; Grants-In-Aid; Driver Education; Technology, Infrastructure, and Support Systems; Accountability and Assessment; Curriculum and Instruction; and Training and Professional Development.

331.25 BEP and Other LEA Support

The Basic Education Program (BEP) formula determines the funding level each school system needs in order to provide a basic level of service for all students. This formula is based on student enrollment in the different grade levels and programs, as well as specific costs for materials, supplies, equipment, and other operating costs. A county's relative ability to pay for education is taken into consideration in determining each system's required local share of the education funds generated by the BEP formula.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	3,146,126,000	3,507,781,300	3,507,896,300	186,900,000	3,694,796,300
Total	\$3,146,126,000	\$3,507,781,300	\$3,507,896,300	\$186,900,000	\$3,694,796,300
State	3,146,004,300	3,507,781,300	3,507,896,300	186,900,000	3,694,796,300
Federal	0	0	0	0	0
Other	121,700	0	0	0	0

Standard: Ensure small class sizes for the best possible learning environment.

Measure: Number of local education agencies with 100% compliance on class size requirements.

136	136	136	0	136
-----	-----	-----	---	-----

Standard: Increase student graduation rate.

Measure: Percent of students graduating from high school (as defined by No Child Left Behind).

80.70%	79.84%	81.22%	0.88%	82.10%
--------	--------	--------	-------	--------

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

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, Even Start, and Head Start. The funding for this program may include an amount not to exceed \$25 million, when excess lottery proceeds are available, after meeting higher education lottery scholarship requirements. The lottery funds are reflected here as other departmental revenue.

Full-Time	31	35	35	5	40
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	31	35	35	5	40
Payroll	2,005,900	2,342,700	2,342,700	473,000	2,815,700
Operational	58,720,500	85,149,900	85,151,900	24,527,000	109,678,900
Total	\$60,726,400	\$87,492,600	\$87,494,600	\$25,000,000	\$112,494,600
State	34,115,200	59,647,900	59,649,500	25,000,000	84,649,500
Federal	1,603,000	2,844,700	2,845,100	0	2,845,100
Other	25,008,200	25,000,000	25,000,000	0	25,000,000

Standard: Increase the number of at-risk students who participate in the state pre-kindergarten program.

Measure: The number of at-risk students who participate in the state pre-kindergarten program.

	13,072	17,000	17,000	0	17,000
--	--------	--------	--------	---	--------

Standard: Track the TCAP scores of participants in the pre-kindergarten program and demonstrate a statistically significant difference between students who participate in the program versus peers who are at-risk due to low socio-economic status.

Measure: Track the reading TCAP scores of pre-kindergarten participants and demonstrate a statistical difference between those who participated and those who did not.

	0.35	Maintain .2 or above	Maintain .2 or above	0	Maintain .2 or above
--	------	----------------------	----------------------	---	----------------------

Standard: Achieve and maintain high quality standards for the state pre-kindergarten program as defined by the National Institute for Early Education Research.

Measure: The number of benchmarks (maximum 10) met on the Quality Standards Checklist established by the National Institute for Early Education Research.

	9	9	9	0	9
--	---	---	---	---	---

331.19 After-School Programs Special Account

After-School programs 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 will enhance existing and fund additional after-school programs. The education lottery that funds this program was begun in January 2004, and the lottery-funded after-school program began in 2005-2006.

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
Full-Time	3	3	3	0	3
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	3	3	3	0	3
Payroll	107,200	178,400	178,400	0	178,400
Operational	14,626,600	14,121,600	12,721,600	0	12,721,600
Total	\$14,733,800	\$14,300,000	\$12,900,000	\$0	\$12,900,000
State	14,733,800	14,300,000	12,900,000	0	12,900,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Provide after-school programs for primarily at-risk students to enhance academic achievement.

Measure: Number of students served with Lottery for Education After-School programs funding.

	16,619	11,000	12,000	0	12,000
--	--------	--------	--------	---	--------

Standard: Increase the availability of after-school services for at-risk students.

Measure: Percent of students served who meet identified at-risk criteria.

	88%	65%	65%	0	65%
--	-----	-----	-----	---	-----

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 those evaluated as outstanding and who accept additional responsibilities as applicable.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	74,669,700	74,919,200	74,419,200	0	74,419,200
Total	\$74,669,700	\$74,919,200	\$74,419,200	\$0	\$74,419,200
State	74,669,700	74,919,200	74,419,200	0	74,419,200
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: All Career Ladder educators will receive their supplements as prescribed by law.

Measure: Percent of eligible Career Ladder educators receiving supplements.

	100%	100%	100%	0	100%
--	------	------	------	---	------

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

331.02 Grants-In-Aid

Grants-In-Aid provides funding to enhance educational opportunities for students through grants to educational/public television, the Tennessee Holocaust Commission, the Science Alliance museums, and the Tennessee Alliance of Boys and Girls Clubs. Other grants, funded on a non-recurring basis, also are included in this allotment.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	6,268,800	15,802,850	4,643,900	3,000,000	7,643,900
Total	\$6,268,800	\$15,802,850	\$4,643,900	\$3,000,000	\$7,643,900
State	6,268,800	15,802,850	4,643,900	3,000,000	7,643,900
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Maintain the current level of service and students served through the Science Alliance Consortium.

Measure: Number of children participating in Science Alliance programs.

322,168	350,000	350,000	0	350,000
---------	---------	---------	---	---------

331.43 Driver Education

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

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	1,476,500	1,700,000	1,700,000	0	1,700,000
Total	\$1,476,500	\$1,700,000	\$1,700,000	\$0	\$1,700,000
State	1,476,500	1,700,000	1,700,000	0	1,700,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Provide local education agencies with supplemental funding for driver education programs based on the number of students served each semester (fall and spring).

Measure: Number of students served in driver education programs.

24,997	26,000	26,000	0	26,000
--------	--------	--------	---	--------

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

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	28	28	28	0	28
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	28	28	28	0	28
Payroll	2,083,400	2,299,100	2,299,100	0	2,299,100
Operational	5,347,400	2,106,300	2,108,700	0	2,108,700
Total	\$7,430,800	\$4,405,400	\$4,407,800	\$0	\$4,407,800
State	5,986,500	2,823,900	2,826,300	0	2,826,300
Federal	200,000	200,000	200,000	0	200,000
Other	1,244,300	1,381,500	1,381,500	0	1,381,500

Standard: Local education agencies will provide student and staff data within ten days of due date for each of the 20-day reporting periods as well as the year-end report with 95% accuracy.

Measure: Accuracy percent with which timely local education agency reports are submitted.

95%	95%	95%	0	95%
-----	-----	-----	---	-----

331.11 Accountability and Assessment

Accountability and Assessment collects data on student performance for each school and school system. The program uses the data to assist local educators in understanding the use of student performance data for school improvement. The data is used in the following activities: school accreditation, No Child Left Behind Act accountability, school and school system report cards, exemplary educators program, non-public and home school evaluation, applied technology, school improvement planning, and compliance and performance monitoring.

Full-Time	48	55	55	0	55
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	48	55	55	0	55
Payroll	2,527,700	3,713,800	3,713,800	0	3,713,800
Operational	21,694,000	37,216,600	33,619,300	4,050,000	37,669,300
Total	\$24,221,700	\$40,930,400	\$37,333,100	\$4,050,000	\$41,383,100
State	18,775,900	23,900,100	23,902,800	4,050,000	27,952,800
Federal	752,900	1,846,600	1,846,600	0	1,846,600
Other	4,692,900	15,183,700	11,583,700	0	11,583,700

Standard: Increase the number of high priority schools placed in good standing as a result of improving student achievement.

Measure: Percent of previous year's high priority schools that met or exceeded all federal standards.

37%	75%	75%	0	75%
-----	-----	-----	---	-----

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Standard: Close achievement gap by increasing percent students with disabilities, economically disadvantaged, African-American, limited English proficient, and other subgroups, in high priority schools scoring at or above proficient in reading/language, arts, math.

Measure: Percent of high priority schools meeting their prescribed Achievement Gap track goal.

	Not Applicable	2%	4%	0	4%
--	----------------	----	----	---	----

331.06 Curriculum and Instruction

In order to establish statewide standards as a foundation for teaching and learning, the Office of Curriculum and Instruction is charged with the responsibility of providing local school systems with leadership and technical assistance in the design and development of K-12 instructional programs. Programs include the Governor's Study Partner Program, music, art, and programs for gifted students, such as the Governor's Schools. The Governor's Schools program provides funding for six weeks of summer programs for gifted and talented high school juniors and seniors. The 12 Governor's schools are: science, arts, humanities, international studies, agriculture, prospective teachers, information technology leadership, emerging technologies, scientific models, computational physics, scientific exploration of Tennessee heritage, and manufacturing and engineering fundamentals.

Full-Time	30	30	30	0	30
Part-Time	10	10	10	0	10
Seasonal	0	0	0	0	0
Total	40	40	40	0	40
Payroll	1,797,800	2,292,300	2,292,300	0	2,292,300
Operational	24,775,300	35,252,700	32,679,800	0	32,679,800
Total	\$26,573,100	\$37,545,000	\$34,972,100	\$0	\$34,972,100
State	4,055,400	6,822,800	4,794,600	0	4,794,600
Federal	21,659,700	30,044,100	30,044,400	0	30,044,400
Other	858,000	678,100	133,100	0	133,100

Standard: Maintain yearly progress (in grade levels) in reading as demonstrated by Tennessee Comprehensive Assessment Program (TCAP) scores.

Measure: Percent of students below grade level in reading.

	12%	9%	9%	0	9%
--	-----	----	----	---	----

331.05 Training and Professional Development

Through the Training and Professional Development program, the department provides training and professional development opportunities for instructional personnel, school system superintendents, and board members. The department also provides workshops in technology training for teachers and administrators.

Full-Time	15	15	15	0	15
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	15	15	15	0	15
Payroll	794,800	1,185,400	1,185,400	0	1,185,400
Operational	5,935,200	10,659,700	8,960,500	0	8,960,500
Total	\$6,730,000	\$11,845,100	\$10,145,900	\$0	\$10,145,900

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
State	6,413,400	11,570,300	9,321,100	0	9,321,100
Federal	0	0	0	0	0
Other	316,600	274,800	824,800	0	824,800

Standard: Provide training opportunities to assist school administrators as they comply with the training requirements established by TCA 49-5-5703.

Measure: Percent of mandated, non-exempt administrators completing cycle-end training requirements.

92%	92%	92%	0	92%
-----	-----	-----	---	-----

Standard: Provide training opportunities to assist local school board members as they comply with the training requirements established in TCA 49-2-202(a)(5).

Measure: Percent of non-exempt local school board members satisfying training requirements.

99%	99%	99%	0	99%
-----	-----	-----	---	-----

Standard: Provide training opportunities for local directors of schools and state special schools in concert with State Board of Education policy.

Measure: Percent of directors of schools and state special schools participating in training as established by State Board policy.

95%	95%	95%	0	95%
-----	-----	-----	---	-----

Federally-Funded and Supported LEA Programs

Various federally-funded programs, including funding for the No Child Left Behind Act, are designed to enhance the learning environment of disadvantaged and disabled students. Other programs support teacher training in core academic subjects, as well as drug awareness and AIDS education. Titles I, II, and V of the Elementary and Secondary Education Act (ESEA) are entirely federally-funded and administered by the state. Child nutrition programs, services to handicapped students, and vocational education programs are federally- and state-funded.

331.03 ESEA No Child Left Behind

The ESEA No Child Left Behind Act is primarily designed to target resources for school improvements and support initiatives to enhance the learning environment. This act, which is the President's education reform plan, 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.

Full-Time	51	52	52	0	52
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	51	52	52	0	52
Payroll	2,850,400	4,321,700	4,321,700	0	4,321,700
Operational	288,188,300	306,155,200	306,158,900	0	306,158,900
Total	\$291,038,700	\$310,476,900	\$310,480,600	\$0	\$310,480,600
State	0	0	0	0	0
Federal	291,032,300	310,476,900	310,480,600	0	310,480,600
Other	6,400	0	0	0	0

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Standard: All elementary and middle students in the public schools will attain proficiency level in reading / language arts.

Measure: Percent of elementary and middle school students at or above the proficient level in reading / language arts.

90%	89%	89%	0	89%
-----	-----	-----	---	-----

Standard: All high school students in public schools will attain proficiency level in reading / language arts.

Measure: Percent of high school students at or above the proficient level in reading / language arts.

91%	93%	93%	0	93%
-----	-----	-----	---	-----

Standard: All elementary and middle students in public schools will attain proficiency level in mathematics.

Measure: Percent of elementary and middle school students at or above the proficient level in mathematics.

90%	86%	86%	0	86%
-----	-----	-----	---	-----

Standard: All high school students in public schools will attain proficiency level in mathematics.

Measure: Percent of high school students at or above the proficient level in mathematics.

85%	83%	83%	0	83%
-----	-----	-----	---	-----

331.09 Improving Schools Program

The Improving Schools Program funds a variety of initiatives designed to provide support for local efforts. The Safe and Drug-Free Schools and Communities program provides financial and technical support to schools and communities to reduce adolescent drug use and violence. The Tobacco Prevention program addresses smoking among young children. The 21st Century Learning Centers administer grants to serve students that attend high-poverty, low-achieving schools. School Health programs provide technical and financial assistance in implementing and developing comprehensive school health programs in the local schools. One-room Drop-in Schools serve at-risk adults and children in the public housing communities where they live. Financial support is provided through a variety of grant programs, including formula grants to local education agencies, as well as discretionary grants to both school- and community-based programs. Other federally-funded programs in the Improving Schools Program include: Learn and Serve grants, Byrd scholarships, Troops to Teachers, AIDS education, and drop-out prevention.

Full-Time	22	25	25	0	25
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	23	26	26	0	26
Payroll	926,500	2,194,900	2,194,900	0	2,194,900
Operational	47,000,700	43,690,200	43,691,200	0	43,691,200
Total	\$47,927,200	\$45,885,100	\$45,886,100	\$0	\$45,886,100
State	2,991,400	16,453,900	16,454,300	0	16,454,300
Federal	30,162,500	26,665,600	26,666,200	0	26,666,200
Other	14,773,300	2,765,600	2,765,600	0	2,765,600

<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Standard: Reduce the number of schools scoring at 75% or above on the unsafe school choice criteria.

Measure: The number of schools scoring at 75% or above on the unsafe school choice criteria.

1	8	7	0	7
---	---	---	---	---

Standard: Reduce the number of students disciplined for illicit drug violations.

Measure: The number of students disciplined for illicit drug violations.

2,919	2,800	2,800	0	2,800
-------	-------	-------	---	-------

Standard: Reduce the barriers to student learning and academic accomplishments created by health issues

Measure: The number of students who receive health screenings.

20%	80%	80%	0	80%
-----	-----	-----	---	-----

331.36 Special Education Services

The Division of Special Education Services is responsible for initiating, improving, and expanding special education programs and services to children with disabilities, as mandated by state and federal law. The division serves children through two major efforts: providing technical assistance to school systems and agencies that provide special education programs and ensuring that the rights of disabled children and their parents are protected by mediating disagreements between local school systems and parents regarding a child's educational program and providing due process hearings.

Full-Time	73	73	73	0	73
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	73	73	73	0	73
Payroll	4,171,700	5,040,500	5,040,500	0	5,040,500
Operational	224,886,700	231,327,700	231,332,700	0	231,332,700
Total	\$229,058,400	\$236,368,200	\$236,373,200	\$0	\$236,373,200
State	569,500	691,600	691,600	0	691,600
Federal	228,444,800	235,676,600	235,681,600	0	235,681,600
Other	44,100	0	0	0	0

Standard: Increase the percentage of special education children with disabilities testing at the proficient level in reading / language arts in grades three through eight as described in the No Child Left Behind (NCLB) accountability workbook.

Measure: Percent of special education students scoring at or above proficient in reading / language arts.

64.0%	65.2%	76.0%	0	76.0%
-------	-------	-------	---	-------

Standard: Increase the percentage of special education children with disabilities testing at the proficient level in mathematics in grades three through eight as described in the NCLB accountability workbook.

Measure: Percent of special education students scoring at or above proficient in mathematics.

58.0%	77.2%	68.0%	0	68.0%
-------	-------	-------	---	-------

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

331.95 Tennessee Early Intervention Services

The Tennessee Early Intervention Services program provides home-based services to parents and other primary-care providers and direct services to children with disabilities, from birth through the age of two.

Full-Time	43	266	266	0	266
Part-Time	600	491	491	0	491
Seasonal	0	0	0	0	0
Total	643	757	757	0	757
Payroll	8,252,100	19,549,300	19,549,300	20,900	19,570,200
Operational	20,764,600	12,961,400	12,966,300	0	12,966,300
Total	\$29,016,700	\$32,510,700	\$32,515,600	\$20,900	\$32,536,500
State	10,106,200	21,883,600	21,885,600	20,900	21,906,500
Federal	8,976,200	10,544,100	10,547,000	0	10,547,000
Other	9,934,300	83,000	83,000	0	83,000

Standard: Provide services coordination and services for eligible children.

Measure: Number of eligible children receiving service coordination and/or services from Tennessee Early Intervention Services.

	5,747	7,200	7,300	0	7,300
--	-------	-------	-------	---	-------

Standard: Maintain a central point of entry for identification, eligibility determination, and service coordination for infants and toddlers with disabilities in Tennessee.

Measure: Number of referrals processed in prior year for children referred to the Tennessee Early Intervention Services point of entry for evaluation and eligibility determination.

	11,012	10,125	10,125	0	10,125
--	--------	--------	--------	---	--------

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 local education agencies for all eligible students who participate in the School Lunch and School Breakfast programs. Student eligibility is based on federal income poverty guidelines.

Full-Time	24	24	24	0	24
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	24	24	24	0	24
Payroll	1,439,800	1,881,600	1,881,600	0	1,881,600
Operational	230,630,600	253,157,400	253,159,000	0	253,159,000
Total	\$232,070,400	\$255,039,000	\$255,040,600	\$0	\$255,040,600
State	4,894,200	4,806,700	4,806,700	0	4,806,700
Federal	227,174,300	250,227,300	250,228,900	0	250,228,900
Other	1,900	5,000	5,000	0	5,000

Standard: Schools visited and monitored will successfully meet national nutritional standards.

Measure: Percent of schools meeting national nutritional standards.

	72%	100%	90%	0	90%
--	-----	------	-----	---	-----

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

331.45 Career and Technical Education Programs

Career and Technical Education Programs is responsible for providing specialized vocational education services to the state's high school students that will prepare them for employment or post-secondary education. The program also provides direction to the local education agencies in establishing and maintaining programs in areas such as agriculture, family and consumer sciences, trade and industry, information technology, marketing, health science, and technology education.

Full-Time	52	53	53	0	53
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	52	53	53	0	53
Payroll	3,315,500	3,728,100	3,728,100	0	3,728,100
Operational	29,257,900	37,116,600	37,120,500	0	37,120,500
Total	\$32,573,400	\$40,844,700	\$40,848,600	\$0	\$40,848,600
State	3,502,700	4,071,400	4,073,600	0	4,073,600
Federal	27,979,800	35,776,300	35,778,000	0	35,778,000
Other	1,090,900	997,000	997,000	0	997,000

Standard: Meet or exceed baseline levels of performance on the core indicators required by the Carl D. Perkins Career and Technical Education Act (CTE) of 2006.

Measure: Percent of CTE concentrators who scored proficient and advanced in reading / language arts as defined by NCLB.

87.87%	91.5%	92.0%	0	92.0%
--------	-------	-------	---	-------

Standard: Meet or exceed baseline levels of performance on the core indicators required by the Carl D. Perkins Career and Technical Education (CTE) Act of 2006.

Measure: Percent of CTE concentrators who scored proficient or advanced in mathematics as defined by NCLB.

95.48%	83.5%	84.0%	0	84.0%
--------	-------	-------	---	-------

Standard: Meet or exceed baseline levels of performance on the core indicators required by the Carl D. Perkins Career and Technical Education (CTE) Act of 2006.

Measure: Percent of CTE concentrators included in the state's graduation rate as defined by NCLB.

92.31%	79.5%	80.0%	0	80.0%
--------	-------	-------	---	-------

Special Schools

The department operates three schools across the state in order to provide academic, vocational, and special instruction educational opportunities in residential settings for legally blind, deaf, and multi-disabled children, ages preschool to 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 and the Governor's Institute for Science and Math in Knoxville.

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

331.91 Tennessee School for the Blind

The Tennessee School for the Blind (TSB), located in Nashville, provides residential and educational programs for students with multiple disabilities (primarily visually impaired).

Full-Time	184	188	188	0	188
Part-Time	23	23	23	0	23
Seasonal	0	0	0	0	0
Total	207	211	211	0	211
Payroll	9,114,100	10,046,500	10,016,500	57,600	10,074,100
Operational	2,091,400	2,078,000	1,790,700	0	1,790,700
Total	\$11,205,500	\$12,124,500	\$11,807,200	\$57,600	\$11,864,800
State	10,086,000	11,005,800	10,938,500	57,600	10,996,100
Federal	0	0	0	0	0
Other	1,119,500	1,118,700	868,700	0	868,700

Standard: Increase in average Stanford Achievement Test scaled scores, Braille and large print editions, on the reading comprehension subtest in non-portfolio students who scored below proficient.

Measure: Increase the Stanford Achievement Test scores for reading comprehension subtest by statistically significant gain ($p < .05$) every two out of three years by students who scored below proficient in the previous year.

p=0.0007 p<.05 p<.05 0 p<.05

Standard: Increase in average Stanford Achievement Test scaled scores, Braille and large print editions, on the math procedures subtest in non-portfolio students who scored below proficient.

Measure: Increase the Stanford Achievement Test scores for math procedures subtest by statistically significant gain ($p < .05$) every two out of three years by students who scored below proficient in the previous year.

p=0.0001 p<.05 p<.05 0 p<.05

Standard: Increase in average TCAP Gateway scores, Braille and large print forms, in students who scored below proficient in any area.

Measure: Increase the Stanford Achievement Test scores for the TCAP Gateway test by a statistically significant gain ($p < .05$) every two out of three years by students who scored below proficient in the previous year.

p=0.0387 p<.05 p<.05 0 p<.05

Standard: Increase the percentage of TSB graduating seniors from the Life Skills or Pre-Vocational Programs successfully completing their Individualized Educational Plan and receiving a Diploma of Specialized Education.

Measure: Percent of TSB graduating seniors from the Life Skills or Pre-Vocational Programs successfully completing their Individualized Educational Plan and receiving a diploma of specialized education.

100% 100% 100% 0 100%

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

331.92 Tennessee School for the Deaf

The Tennessee School for the Deaf, located in Knoxville, provides residential and educational programs for students with multiple disabilities (primarily hearing impaired).

Full-Time	244	244	244	0	244
Part-Time	21	21	21	0	21
Seasonal	0	0	0	0	0
Total	265	265	265	0	265
Payroll	10,832,000	11,934,000	11,904,000	35,600	11,939,600
Operational	3,604,500	3,352,800	3,118,300	320,000	3,438,300
Total	\$14,436,500	\$15,286,800	\$15,022,300	\$355,600	\$15,377,900
State	13,684,300	14,493,400	14,478,900	355,600	14,834,500
Federal	0	0	0	0	0
Other	752,200	793,400	543,400	0	543,400

Standard: Increase the percentage of students scoring at or above the national average on the Stanford Achievement Test, Hearing Impaired Version (SAT-HIV).

Measure: Percent of Tennessee School for the Deaf (TSD) students scoring at or above the SAT-HIV national average.

44%	45%	45%	0	45%
-----	-----	-----	---	-----

Standard: Increase the percentage of graduates earning a regular high school diploma.

Measure: Percent of TSD graduates earning a regular high school diploma.

7%	47%	47%	0	47%
----	-----	-----	---	-----

331.93 West Tennessee School for the Deaf

The West Tennessee School for the Deaf (WTSD), located in Jackson, provides residential and educational programs for students with multiple disabilities (primarily hearing impaired).

Full-Time	42	46	46	0	46
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
Total	51	55	55	0	55
Payroll	2,201,900	2,404,600	2,464,600	17,500	2,482,100
Operational	372,400	395,900	397,600	0	397,600
Total	\$2,574,300	\$2,800,500	\$2,862,200	\$17,500	\$2,879,700
State	2,337,400	2,576,600	2,639,500	17,500	2,657,000
Federal	0	0	0	0	0
Other	236,900	223,900	222,700	0	222,700

Standard: Increase the percentage of West Tennessee School for the Deaf students scoring at or above the national average on the Stanford Achievement Test-Hearing Impaired Version (SAT-HIV).

Measure: Percent of West Tennessee School for the Deaf students scoring at or above the SAT-HIV national average.

52%	66%	66%	0	66%
-----	-----	-----	---	-----

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

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 York Institute has the unique distinction as the only state-operated and state-financed comprehensive secondary school in Tennessee. The campus, designated as a state natural area, consists of over 400 acres and supports a working farm.

Full-Time	78	78	78	0	78
Part-Time	11	11	11	0	11
Seasonal	0	0	0	0	0
Total	89	89	89	0	89
Payroll	4,753,200	5,323,600	5,323,600	55,700	5,379,300
Operational	1,037,300	1,156,500	1,163,000	0	1,163,000
Total	\$5,790,500	\$6,480,100	\$6,486,600	\$55,700	\$6,542,300
State	4,968,000	5,424,400	5,430,900	55,700	5,486,600
Federal	53,700	60,000	60,000	0	60,000
Other	768,800	995,700	995,700	0	995,700

Standard: Increase the percentage of York students scoring proficient or above on the state-administered Gateway examinations.

Measure: Percent of students with a proficient score or above on the Gateway mathematics examination.

90.0%	91.3%	91.3%	0	91.3%
-------	-------	-------	---	-------

Standard: Increase the percentage of York students scoring proficient or above on the state-administered Gateway examinations.

Measure: Percent of students with a proficient score or above on the Gateway science examination.

97.0%	98.7%	98.7%	0	98.7%
-------	-------	-------	---	-------

Standard: Increase the percentage of York students scoring proficient or above on the state-administered Gateway examinations.

Measure: Percent of students scoring proficient or above on the Gateway language arts examination.

92.0%	98.6%	98.6%	0	98.6%
-------	-------	-------	---	-------

331.96 Governor's Institute for Science and Math

In August 2007, the state opened the Governor's Institute for Science and Math, a residential high school for top high school math and science upper-class students from across the state. The first class was limited to 24 students. In its second year of operation, the enrollment will be expanded to 48 students. The school is located at the Tennessee School for the Deaf campus in Knoxville, and the University of Tennessee provides staff and oversight.

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

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
Payroll	0	0	0	0	0
Operational	1,000,000	1,770,000	1,770,000	80,000	1,850,000
Total	\$1,000,000	\$1,770,000	\$1,770,000	\$80,000	\$1,850,000
State	1,000,000	1,770,000	1,770,000	80,000	1,850,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Improve the opportunity for Tennessee students to receive enriched educational opportunities and experiences in all areas of their academic experience.

Measure: Number of students enrolled in the Governor's Institute for Math and Science.

Not Applicable	24	48	0	48
----------------	----	----	---	----

331.97 Major Maintenance

The major maintenance program provides funds for major repairs which do not meet the criteria for capital maintenance at the department's special schools, except the math and science high school.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	493,700	489,100	239,100	0	239,100
Total	\$493,700	\$489,100	\$239,100	\$0	\$239,100
State	239,100	239,100	239,100	0	239,100
Federal	0	0	0	0	0
Other	254,600	250,000	0	0	0

Standard: Utilize allocated funds on planned, regularly scheduled maintenance projects.

Measure: Percent of allocated funds expended for maintenance projects.

100%	70%	70%	0	70%
------	-----	-----	---	-----

331.00 Total Education (K-12)

Full-Time	1,096	1,344	1,344	5	1,349
Part-Time	675	566	566	0	566
Seasonal	0	0	0	0	0
Total	1,771	1,910	1,910	5	1,915
Payroll	64,927,900	87,455,000	87,455,000	660,300	88,115,300
Operational	4,214,255,300	4,684,803,750	4,663,028,100	219,377,000	4,882,405,100
Total	\$4,279,183,200	\$4,772,258,750	\$4,750,483,100	\$220,037,300	\$4,970,520,400
State	3,378,725,500	3,816,540,250	3,799,108,000	220,037,300	4,019,145,300
Federal	839,163,100	905,891,700	905,894,500	0	905,894,500
Other	61,294,600	49,826,800	45,480,600	0	45,480,600

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				
2001-2002	750	12	24	51
2002-2003	750	10	32	63
2003-2004	750	12	30	61
2004-2005	750	9	30	61
2005-2006	765	7	29	60
2006-2007	765	11	37	60
2007-2008	770	13	50	61
2008-2009	770	14	78	61
Annual Releases				
2001-2002	175	4	38	8
2002-2003	175	8	14	7
2003-2004	150	3	33	9
2004-2005	160	17	20	5
2005-2006	175	5	30	6
2006-2007	175	8	24	5
2007-2008	180	6	25	5
2008-2009	180	6	17	5
Average Daily Census				
2001-2002	575	210	188	44
2002-2003	605	212	155	56
2003-2004	631	218	169	54
2004-2005	642	203	169	52
2005-2006	664	218	160	52
2006-2007	685	206	163	54
2007-2008	690	210	188	54
2008-2009	700	210	225	54
Cost Per Occupancy Day				
2001-2002	\$39.93	\$218.72	\$330.94	\$227.65
2002-2003	\$40.43	\$226.48	\$338.78	\$153.41
2003-2004	\$44.14	\$228.47	\$401.68	\$171.60
2004-2005	\$47.85	\$272.41	\$422.03	\$203.55
2005-2006	\$46.26	\$253.67	\$445.77	\$203.55
2006-2007	\$46.96	\$302.20	\$492.04	\$220.70
2007-2008	\$52.17	\$320.75	\$451.74	\$240.10
2008-2009	\$51.92	\$313.88	\$379.70	\$246.89

Higher Education

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, agriculture, 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 Tennessee Higher Education Commission, and the Tennessee Student Assistance Corporation work together to accomplish these activities.

<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

State-Administered Programs

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 congressional districts 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 two public higher education students, one from both the UT and TBR systems. A board-appointed executive director 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 through the Southern Regional Education Board; administering tuition waiver and discount programs; authorizing the operation of post-secondary educational institutions; and researching and analyzing the Education Lottery Scholarship program.

332.01 Tennessee Higher Education Commission

This allotment provides funds for the staffing and other operating costs of the Tennessee Higher Education Commission.

Full-Time	49	50	50	0	50
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
Total	51	52	52	0	52
Payroll	3,696,200	4,403,000	4,403,000	0	4,403,000
Operational	3,749,600	3,986,000	3,987,400	0	3,987,400
Total	\$7,445,800	\$8,389,000	\$8,390,400	\$0	\$8,390,400

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
State	1,994,600	2,381,000	2,381,500	0	2,381,500
Federal	3,161,600	3,831,700	3,831,800	0	3,831,800
Other	2,289,600	2,176,300	2,177,100	0	2,177,100

Standard: Recommend operating, capital outlay, and capital maintenance appropriations for colleges, universities, technology centers, and non-formula higher education entities to the Governor within five working days of THEC's November meeting.

Measure: Business days after THEC's November meeting recommendations are made.

1	1	1	0	1
---	---	---	---	---

332.02 Contract Education

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

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	2,375,100	2,542,700	2,542,700	0	2,542,700
Total	\$2,375,100	\$2,542,700	\$2,542,700	\$0	\$2,542,700
State	2,375,100	2,542,700	2,542,700	0	2,542,700
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Increase or maintain the number of students in specialized education programs.

Measure: The number of students in specialized education programs.

147	150	150	0	150
-----	-----	-----	---	-----

Standard: Increase or maintain the percentage of students who are participants in the Minority Teacher Education Program.

Measure: Percent of graduating students who have participated in the Minority Teacher Education Program entering the teaching profession in Tennessee.

85%	90%	90%	0	90%
-----	-----	-----	---	-----

332.09 THEC Grants

The THEC Grants program provides funds for the tuition discount and fee waiver program, the Harold Love community service awards program, and the federally-funded improving teacher quality grants.

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

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
Payroll	0	0	0	0	0
Operational	3,837,700	4,502,800	4,002,800	0	4,002,800
Total	\$3,837,700	\$4,502,800	\$4,002,800	\$0	\$4,002,800
State	2,571,000	3,215,900	2,715,900	0	2,715,900
Federal	1,266,700	1,286,900	1,286,900	0	1,286,900
Other	0	0	0	0	0

Standard: Execute the Improving Teacher Quality Grant contracts with colleges, universities, and non-profit organizations to conduct workshops for teachers and principals.

Measure: Number of teachers and principals trained through the Improving Teacher Quality grants.

	428	500	500	0	500
--	-----	-----	-----	---	-----

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 excellent or demonstrate the potential to become excellent. There are 26 Centers of Excellence based on the following principles: expansion of research and economic development, attainment of regional and national recognition, enhancement of institutional strengths, and differentiation of missions among institutions.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	18,822,500	19,635,500	19,635,500	312,600	19,948,100
Total	\$18,822,500	\$19,635,500	\$19,635,500	\$312,600	\$19,948,100
State	18,822,500	19,635,500	19,635,500	312,600	19,948,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

332.11 Campus Centers of Emphasis

Like its four-year counterpart, the Campus Centers of Emphasis, administered by THEC, provides supplemental funding to demonstrably excellent programs at each of the state's public two-year institutions. Each center is designed to work closely with local business and industry to strengthen specified academic disciplines with positive impact on job placement.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	1,374,800	1,429,600	1,429,600	20,600	1,450,200
Total	\$1,374,800	\$1,429,600	\$1,429,600	\$20,600	\$1,450,200
State	1,374,800	1,429,600	1,429,600	20,600	1,450,200
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

332.13 Geier Desegregation Settlement

In January 2001, a settlement agreement in the Geier higher education desegregation lawsuit, originally filed in 1968, was approved by the U.S. District Court in Nashville. Implementation of the agreement resulted in dismissal of the lawsuit in September 2006. The settlement agreement was designed to “create an educational system that enhances increased enrollment of African American students at the predominately white institutions and that likewise enhances the enrollment of white students at the state’s predominately black institution,” which is Tennessee State University (TSU) in Nashville. The agreement also was intended “to increase the presence of other-race faculty, staff, and administrators on the campuses of the state’s colleges and universities.”

The agreement set forth commitments for higher education in middle Tennessee, statewide issues in both university systems, and implementation. Major ingredients of the plan required specific annual appropriations for a TSU Endowment for Educational Excellence, a goal reached in less than the required 10 years; capital improvements and revitalization of the TSU Avon Williams Downtown Campus; consideration of merger of the Nashville School of Law with TSU, which was ruled out; creation of new, high-demand academic programs at TSU as an alternative to the law school merger; statewide recruitment and retention initiatives for African American students, faculty, and administrators, including scholarships, pre-doctoral fellowships, visiting professorships, pre-university summer programs, and minority financial aid; and recruitment of other-race and non-traditional students to TSU.

The first appropriation for the state’s commitment to this settlement agreement was made in the 2001 General Appropriations Act, and administrative initiatives began in the last half of fiscal year 2000-2001. Program initiative spending began in fiscal year 2001-2002 and continues in the current year and next year.

This agreement, now fully funded, was intended to create a system of public higher education that preserves and enhances access and educational opportunities at Tennessee’s public colleges and universities.

In 2008-2009, an amount of \$1,870,900 will be expended from the remaining Geier reserves carried forward from previous appropriations to the program and are required to comply with the lawsuit dismissal order.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	14,196,300	1,960,900	0	0	0
Total	\$14,196,300	\$1,960,900	\$0	\$0	\$0
State	9,394,100	0	0	0	0
Federal	0	0	0	0	0
Other	4,802,200	1,960,900	0	0	0

<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Standard: Develop and implement programs to achieve dismissal of the federal court lawsuit and declaration of a unitary system of higher education.

Measure: Achievement of unitary status and dismissal of lawsuit.

Achieved	Not Applicable	Not Applicable	0	Not Applicable
----------	----------------	----------------	---	----------------

Tennessee Student Assistance Corporation

The Tennessee Student Assistance Corporation (TSAC) is a non-profit agency that administers state and federal student financial assistance programs. The agency is governed by a 17-member board of directors, including the governor, the state Treasurer, the Comptroller of the Treasury, the Commissioner of Finance and Administration, the Commissioner of Education, and representatives of higher education serving ex-officio. Other members, each appointed by the governor, include a representative of a commercial lender, a student of a Tennessee institution of higher education, and three private citizens. The board appoints an executive director to manage the agency.

TSAC's duties include guaranteeing student loans; administering the Academic Scholars program and, for financially needy Tennesseans, the Tennessee Student Assistance Awards program; administering loan and scholarship programs encouraging students to enter the teaching, nursing, and medical professions; executing the federal program designed to prevent potential defaults on student loans; arranging for or serving as the lender of last resort; and marketing and administering the Tennessee Education Lottery Scholarship program.

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 postsecondary educational institution in Tennessee.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	42,633,400	58,670,900	48,670,900	27,000,000	75,670,900
Total	\$42,633,400	\$58,670,900	\$48,670,900	\$27,000,000	\$75,670,900
State	41,326,500	47,108,500	47,108,500	9,000,000	56,108,500
Federal	1,306,900	1,562,400	1,562,400	0	1,562,400
Other	0	10,000,000	0	18,000,000	18,000,000

Standard: To fund the maximum number of student awards.

Measure: The number of student awards.

19,863	21,000	25,600	9,000	34,600
--------	--------	--------	-------	--------

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

332.04 Federal Family Education Loan Program (FFELP)

The Federal Family Education Loan Program provides low interest loans for students and parents. The program consists of the Federal Stafford Loan Program (subsidized and unsubsidized), the Federal PLUS Loan program (Parent Loan for Undergraduate Students), and the Federal Consolidation Loan program. Under FFELP, private lenders, such as banks and credit unions, usually make the loans. The loans are guaranteed by the federal government through TSAC.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	114,889,700	127,502,500	127,502,500	0	127,502,500
Total	\$114,889,700	\$127,502,500	\$127,502,500	\$0	\$127,502,500
State	0	0	0	0	0
Federal	104,987,700	121,602,500	121,602,500	0	121,602,500
Other	9,902,000	5,900,000	5,900,000	0	5,900,000

Standard: Increase loan volume annually.

Measure: New loan volume amount, in dollars (excludes consolidation loans).

\$733 million	\$750 million	\$825 million	0	\$825 million
---------------	---------------	---------------	---	---------------

332.05 Tennessee Student Assistance Corporation

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

Full-Time	56	56	56	2	58
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	56	56	56	2	58
Payroll	2,683,900	3,703,100	3,703,100	182,000	3,885,100
Operational	16,124,300	17,770,300	17,771,000	1,423,600	19,194,600
Total	\$18,808,200	\$21,473,400	\$21,474,100	\$1,605,600	\$23,079,700
State	143,500	1,537,000	1,537,400	1,400,000	2,937,400
Federal	3,840,900	5,296,100	5,296,300	205,600	5,501,900
Other	14,823,800	14,640,300	14,640,400	0	14,640,400

Standard: Inform Tennesseans of the various financial aid programs available for higher education students and application procedures.

Measure: The number of College Goal Sunday sites.

31	40	40	0	40
----	----	----	---	----

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Standard: Inform Tennesseans of the various financial aid programs available for higher education students and application procedures.

Measure: The number of College Goal Sunday participants.

	1,457	1,600	1,800	0	1,800
--	-------	-------	-------	---	-------

332.06 Academic Scholars Program

The Academic Scholars Program provides funds for the Ned McWherter and Christa McAuliffe scholars programs. The Ned McWherter Scholars program is intended to encourage academically superior Tennessee high school graduates to attend college in Tennessee. The Christa McAuliffe Scholarship program is a merit-based grant awarded to Tennessee students committed to teaching.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	523,500	780,500	780,500	0	780,500
Total	\$523,500	\$780,500	\$780,500	\$0	\$780,500
State	358,400	401,800	401,800	0	401,800
Federal	0	0	0	0	0
Other	165,100	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 field. Participants in this program incur an obligation to teach in a Tennessee public school for each year an award is received.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	2,425,400	2,906,900	2,906,900	0	2,906,900
Total	\$2,425,400	\$2,906,900	\$2,906,900	\$0	\$2,906,900
State	1,158,700	1,191,000	1,191,000	0	1,191,000
Federal	1,200	0	0	0	0
Other	1,265,500	1,715,900	1,715,900	0	1,715,900

Standard: Increase the total number of students awarded in an academic year to 175 in the Tennessee Teaching Scholars program.

Measure: The number of students awarded in the Tennessee Teaching Scholars program.

	189	169	175	0	175
--	-----	-----	-----	---	-----

Standard: Increase the success rate in the Minority Teaching Fellows program to 65%.

Measure: The success rate in the Minority Teaching Fellows program.

	38%	65%	65%	0	65%
--	-----	-----	-----	---	-----

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

332.19 Lottery for Education Account

The Lottery for Education Account is an appropriation of the state's net education lottery proceeds. The majority of these funds are made available for post-secondary scholarships, which include the Tennessee HOPE Scholarship, the General Assembly Merit Scholarship, the Need-Based Supplemental Award, the Tennessee HOPE Access Grant, and the Wilder-Naifeh Technical Skills Grant. In the event that education lottery proceeds available to the account exceed scholarship needs, excess proceeds may be appropriated for pre-kindergarten and early childhood education programs, not to exceed \$25 million. Funding for the pre-K and early childhood education programs is appropriated here and is reflected in the Department of Education budget, funded by interdepartmental (other) revenue from the Lottery for Education Account state appropriation. Administrative costs associated with the scholarship program within the Tennessee Higher Education Commission and Tennessee Student Assistance Corporation also are funded from the appropriation to the Lottery for Education Account.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	218,256,100	262,400,000	267,100,000	23,300,000	290,400,000
Total	\$218,256,100	\$262,400,000	\$267,100,000	\$23,300,000	\$290,400,000
State	218,256,100	262,400,000	267,100,000	23,300,000	290,400,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Increase the number of participants in the Tennessee Education Lottery Scholarship program.

Measure: The number of students paid a lottery-related scholarship.

	67,016	70,700	83,383	0	83,383
--	--------	--------	--------	---	--------

Standard: Increase the HOPE scholarship award amount.

Measure: The HOPE Scholarship award amount.

	\$3,800	\$4,000	\$4,000	0	\$4,000
--	---------	---------	---------	---	---------

Tennessee Foreign Language Institute

332.14 Foreign Language Institute

The Tennessee Foreign Language Institute'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 and self-study programs in another 26 languages.

Full-Time	14	14	14	0	14
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	14	14	14	0	14
Payroll	0	0	0	0	0
Operational	1,460,700	1,863,100	1,863,100	0	1,863,100
Total	\$1,460,700	\$1,863,100	\$1,863,100	\$0	\$1,863,100

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
State	348,700	372,200	372,200	0	372,200
Federal	0	0	0	0	0
Other	1,112,000	1,490,900	1,490,900	0	1,490,900
332.00 Total Higher Education - State Administered Programs					
Full-Time	119	120	120	2	122
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
Total	121	122	122	2	124
Payroll	6,380,100	8,106,100	8,106,100	182,000	8,288,100
Operational	440,669,100	505,951,700	498,192,900	52,056,800	550,249,700
Total	\$447,049,200	\$514,057,800	\$506,299,000	\$52,238,800	\$558,537,800
State	298,124,000	342,215,200	346,416,100	34,033,200	380,449,300
Federal	114,565,000	133,579,600	133,579,900	205,600	133,785,500
Other	34,360,200	38,263,000	26,303,000	18,000,000	44,303,000

University of Tennessee

The University of Tennessee (UT) is a statewide land grant institution governed by a Board of Trustees. The University of Tennessee offers academic programs in a large number of specialized areas at the bachelor's, master's, and doctoral levels. In addition to the traditional teaching mission, the UT system is engaged in a number of research and public service activities. The UT system has campuses in Knoxville, Chattanooga, Martin, and Memphis, where the medical units are located.

Note: Position counts shown below are for full time, unrestricted education and general employees only. Full time equivalent (FTE) enrollments are for Fall 2006 and 2007. Federal revenues, tuition and fees, and other revenues are unrestricted current funds derived from education and general sources and auxiliary enterprise sources.

<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</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	54	85	85	0	85
Professional	135	244	244	0	244
Faculty	0	0	0	0	0
Clerical/Support	211	326	326	0	326
Total	400	655	655	0	655
FTE Enrollment	0	0	0	0	0
State	4,103,200	4,634,700	4,564,500	181,400	4,745,900
Federal	0	0	0	0	0
Other	26,782,000	17,868,300	17,868,300	0	17,868,300
Tuition/Fees	0	0	0	0	0
Total	\$30,885,200	\$22,503,000	\$22,432,800	\$181,400	\$22,614,200

332.21 UT Access and Diversity Initiative

The UT Access and Diversity Initiative program provides financial support to the University of Tennessee for the continuance of higher education access and diversity initiatives after the September 2006 dismissal of the 1968 Geier desegregation lawsuit. The success of a five-year settlement agreement, implemented in 2001, led to the dismissal. The initiative includes efforts that proved to be the most effective in the settlement program. The initiative includes financial aid, graduate fellowships, and student and faculty recruitment and retention programs.

Full-Time					
Administrative	0	0	0	0	0
Professional	0	0	0	0	0
Faculty	0	0	0	0	0
Clerical/Support	0	0	0	0	0
Total	0	0	0	0	0

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
FTE Enrollment	0	0	0	0	0
State	3,488,900	6,448,900	6,448,900	0	6,448,900
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$3,488,900	\$6,448,900	\$6,448,900	\$0	\$6,448,900

Public Service

One of the missions of the University of Tennessee is to provide services to the public beyond traditional post-secondary and professional education and training by providing information and technical assistance to business, industry, and government; advising the counties, cities, and towns of Tennessee in such areas as law, public works, finance, accounting, and governmental affairs; 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

This allotment provides funds for the staffing and operational costs of the UT Institute for Public Service. The institute provides research and technical assistance to state and local government and industry. The institute also provides on-site technical assistance and training, as well as regional training conferences. The institute maintains offices in Nashville, Chattanooga, Cookeville, Knoxville, Martin, Memphis, Johnson City, and Jackson.

Full-Time					
Administrative	5	5	5	0	5
Professional	23	29	29	0	29
Faculty	0	0	0	0	0
Clerical/Support	18	16	16	0	16
Total	46	50	50	0	50
FTE Enrollment	0	0	0	0	0
State	4,729,600	4,980,200	4,980,000	82,200	5,062,200
Federal	1,006,800	1,100,000	1,100,000	0	1,100,000
Other	474,400	763,000	763,000	0	763,000
Tuition/Fees	0	0	0	0	0
Total	\$6,210,800	\$6,843,200	\$6,843,000	\$82,200	\$6,925,200

332.16 UT Municipal Technical Advisory Service

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

Full-Time					
Administrative	1	1	1	0	1
Professional	37	44	44	0	44
Faculty	0	0	0	0	0
Clerical/Support	12	13	13	0	13
Total	50	58	58	0	58
FTE Enrollment	0	0	0	0	0

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
State	1,926,300	2,747,800	2,743,100	82,800	2,825,900
Federal	0	5,000	5,000	0	5,000
Other	3,001,400	3,038,000	3,038,000	0	3,038,000
Tuition/Fees	0	0	0	0	0
Total	\$4,927,700	\$5,790,800	\$5,786,100	\$82,800	\$5,868,900

332.17 UT County Technical Assistance Service

The 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	1	1	1	0	1
Professional	26	28	28	0	28
Faculty	0	0	0	0	0
Clerical/Support	7	7	7	0	7
Total	34	36	36	0	36
FTE Enrollment	0	0	0	0	0
State	1,482,900	1,608,700	1,605,300	61,200	1,666,500
Federal	0	0	0	0	0
Other	2,306,700	2,404,000	2,404,000	0	2,404,000
Tuition/Fees	0	0	0	0	0
Total	\$3,789,600	\$4,012,700	\$4,009,300	\$61,200	\$4,070,500

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 of soil, water, air, and wildlife. Services are provided through campus-based programs and field laboratories.

Full-Time					
Administrative	18	23	23	0	23
Professional	91	109	109	0	109
Faculty	91	91	91	0	91
Clerical/Support	180	178	178	0	178
Total	380	401	401	0	401
FTE Enrollment	0	0	0	0	0
State	23,998,900	25,402,000	25,094,000	516,400	25,610,400
Federal	6,166,600	8,649,300	8,649,300	0	8,649,300
Other	4,119,200	3,317,000	3,317,000	0	3,317,000
Tuition/Fees	0	0	0	0	0
Total	\$34,284,700	\$37,368,300	\$37,060,300	\$516,400	\$37,576,700

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

332.26 UT Agricultural Extension Service

The UT Agricultural Extension Service is an off-campus unit of the UT Institute of Agriculture. The extension 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	12	11	11	0	11
Professional	273	274	274	0	274
Faculty	55	55	55	0	55
Clerical/Support	137	145	145	0	145
Total	477	485	485	0	485
FTE Enrollment	0	0	0	0	0
State	28,391,300	30,134,300	30,095,000	588,400	30,683,400
Federal	7,206,300	9,311,600	9,311,600	0	9,311,600
Other	1,093,700	3,191,200	3,191,200	0	3,191,200
Tuition/Fees	0	0	0	0	0
Total	\$36,691,300	\$42,637,100	\$42,597,800	\$588,400	\$43,186,200

332.28 UT Veterinary Medicine

The UT College of Veterinary Medicine is located on the agricultural campus of the University of Tennessee in Knoxville. Departments include Comparative Medicine, Pathology, Large Animal Clinical Sciences, and Small Animal Clinical Sciences. The college offers a Doctor of Veterinary Medicine and a joint Doctor of Veterinary Medicine and Masters in Public Health.

Full-Time					
Administrative	9	9	9	0	9
Professional	37	33	33	0	33
Faculty	103	106	106	0	106
Clerical/Support	170	175	175	0	175
Total	319	323	323	0	323
FTE Enrollment	426	408	408	0	408
State	15,543,600	16,658,500	16,631,600	494,200	17,125,800
Federal	812,600	769,700	769,700	0	769,700
Other	10,095,300	10,677,200	10,677,200	0	10,677,200
Tuition/Fees	5,645,700	6,021,800	6,021,800	0	6,021,800
Total	\$32,097,200	\$34,127,200	\$34,100,300	\$494,200	\$34,594,500

Medical Education Units

The Medical Education Program of the University of Tennessee plays an important role in meeting the state's health-care needs. With the goal of providing high-quality health-care to all geographic regions of the state, the medical education program trains physicians and other health-care professionals.

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

332.30 UT Health Science Center

The UT Health Science Center in Memphis focuses on meeting the state's health-care needs. The campus is divided into eight colleges including Allied Health, Dentistry, Graduate Health Sciences, Health Science Engineering, Medicine, Nursing, Pharmacy, and Social Work.

Full-Time					
Administrative	91	94	94	0	94
Professional	176	197	197	0	197
Faculty	222	219	219	0	219
Clerical/Support	524	573	573	0	573
Total	1,013	1,083	1,083	0	1,083
FTE Enrollment	3,582	3,799	3,799	0	3,799
State	66,744,700	71,235,500	71,168,300	5,632,200	76,800,500
Federal	12,368,200	12,281,500	12,281,500	0	12,281,500
Other	17,821,900	17,635,000	17,635,000	0	17,635,000
Tuition/Fees	24,110,800	27,269,200	27,269,200	0	27,269,200
Total	\$121,045,600	\$128,421,200	\$128,354,000	\$5,632,200	\$133,986,200

332.32 UT Family Medicine

UT Family Medicine is an academic department in the College of Medicine of the UT Health Science Center in Memphis. The department's mission of improving health is accomplished through teaching, patient care, public service, and scholarly activities.

Full-Time					
Administrative	3	1	1	0	1
Professional	23	18	18	0	18
Faculty	36	39	39	0	39
Clerical/Support	122	122	122	0	122
Total	184	180	180	0	180
FTE Enrollment	0	0	0	0	0
State	9,471,000	10,165,500	10,161,400	288,400	10,449,800
Federal	2,834,000	2,834,000	2,834,000	0	2,834,000
Other	10,483,600	10,980,600	10,980,600	0	10,980,600
Tuition/Fees	0	0	0	0	0
Total	\$22,788,600	\$23,980,100	\$23,976,000	\$288,400	\$24,264,400

332.34 UT College of Medicine

The UT College of Medicine, a unit of the UT Health Science Center in Memphis, offers programs leading to the Doctor of Medicine (M.D.) degree and participates in the Doctor of Medicine (M.D.) and Doctor of Philosophy (Ph.D.) combined degree program.

Full-Time					
Administrative	36	35	35	0	35
Professional	113	105	105	0	105
Faculty	477	509	509	0	509
Clerical/Support	201	188	188	0	188
Total	827	837	837	0	837
FTE Enrollment	0	0	0	0	0

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
State	46,073,700	49,213,700	49,340,900	1,529,600	50,870,500
Federal	19,444,700	19,612,300	19,612,300	0	19,612,300
Other	10,921,900	12,712,400	12,712,400	0	12,712,400
Tuition/Fees	12,758,100	12,685,200	12,685,200	0	12,685,200
Total	\$89,198,400	\$94,223,600	\$94,350,800	\$1,529,600	\$95,880,400

University and Research Campuses

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

332.12 UT Research Initiatives

All technical and research-related improvements 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
FTE Enrollment	0	0	0	0	0
State	6,500,000	14,750,000	6,500,000	5,600,000	12,100,000
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$6,500,000	\$14,750,000	\$6,500,000	\$5,600,000	\$12,100,000

332.23 UT Space Institute

The UT Space Institute 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	11	10	10	0	10
Professional	23	19	19	0	19
Faculty	36	38	38	0	38
Clerical/Support	49	45	45	0	45
Total	119	112	112	0	112
FTE Enrollment	91	105	105	0	105
State	7,845,700	8,288,700	8,282,000	148,200	8,430,200
Federal	536,500	632,500	632,500	0	632,500
Other	429,500	442,800	442,800	0	442,800
Tuition/Fees	1,429,400	1,787,200	1,787,200	0	1,787,200
Total	\$10,241,100	\$11,151,200	\$11,144,500	\$148,200	\$11,292,700

	<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
--	-----------------------------------	--------------------------------------	---------------------------------	--	--

332.40 UT Chattanooga

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

Full-Time					
Administrative	110	112	112	0	112
Professional	138	144	144	0	144
Faculty	351	363	363	0	363
Clerical/Support	317	321	321	0	321
Total	916	940	940	0	940
FTE Enrollment	7,564	8,168	8,168	0	8,168
State	43,341,600	46,131,800	46,033,200	771,200	46,804,400
Federal	714,400	300,100	300,100	0	300,100
Other	12,212,200	12,432,800	12,432,800	0	12,432,800
Tuition/Fees	44,396,200	47,458,100	47,458,100	514,200	47,972,300
Total	\$100,664,400	\$106,322,800	\$106,224,200	\$1,285,400	\$107,509,600

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 also is given to programs in health sciences, agriculture, public service, and space science through related research institutions. The university's centers of excellence are in science alliance, materials processing, and waste management.

Full-Time					
Administrative	261	236	236	0	236
Professional	552	490	490	0	490
Faculty	1,321	1,353	1,353	0	1,353
Clerical/Support	1,549	1,482	1,482	0	1,482
Total	3,683	3,561	3,561	0	3,561
FTE Enrollment	23,499	24,160	24,160	0	24,160
State	182,841,200	195,730,700	195,397,500	3,340,000	198,737,500
Federal	11,843,300	11,190,000	11,190,000	0	11,190,000
Other	171,333,600	152,950,900	152,950,900	0	152,950,900
Tuition/Fees	196,523,200	204,485,200	204,485,200	2,226,800	206,712,000
Total	\$562,541,300	\$564,356,800	\$564,023,600	\$5,566,800	\$569,590,400

332.44 UT Martin

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

Full-Time					
Administrative	60	62	62	0	62
Professional	77	85	85	0	85
Faculty	275	285	285	0	285
Clerical/Support	274	272	272	0	272
Total	686	704	704	0	704

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
FTE Enrollment	5,968	6,108	6,108	0	6,108
State	31,236,600	35,308,800	33,231,400	541,200	33,772,600
Federal	114,400	124,000	124,000	0	124,000
Other	12,699,900	12,268,100	12,268,100	0	12,268,100
Tuition/Fees	33,310,600	35,582,200	35,582,200	360,800	35,943,000
Total	\$77,361,500	\$83,283,100	\$81,205,700	\$902,000	\$82,107,700

Total University of Tennessee

Full-Time					
Administrative	672	685	685	0	685
Professional	1,724	1,819	1,819	0	1,819
Faculty	2,967	3,058	3,058	0	3,058
Clerical/Support	3,771	3,863	3,863	0	3,863
Total	9,134	9,425	9,425	0	9,425
FTE Enrollment	41,130	42,748	42,748	0	42,748
State	477,719,200	523,439,800	512,277,100	19,857,400	532,134,500
Federal	63,047,800	66,810,000	66,810,000	0	66,810,000
Other	283,775,300	260,681,300	260,681,300	0	260,681,300
Tuition/Fees	318,174,000	335,288,900	335,288,900	3,101,800	338,390,700
Total	\$1,142,716,300	\$1,186,220,000	\$1,175,057,300	\$22,959,200	\$1,198,016,500

State University and Community College System

The State University and Community College System consists of four-year universities, two-year community colleges, and technology centers which serve the citizens of Tennessee through teaching, research, and public service. The system is governed by the Tennessee Board of Regents, which appoints a chancellor as administrative head of the system. The administrative staff, reporting to the chancellor, provides general administrative, planning, coordination, review, and oversight functions through the offices of the chancellor, business and finance, academic affairs, and general counsel.

Note: Position counts shown below are for full time, unrestricted education and general employees only. Full time equivalent (FTE) enrollments are for Fall 2006 and 2007. Federal revenues, tuition and fees, and other revenues are unrestricted current funds derived from education and general sources and from auxiliary enterprise sources.

<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

332.60 Tennessee Board of Regents

This allotment 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	21	21	21	0	21
Professional	70	81	81	0	81
Faculty	0	0	0	0	0
Clerical/Support	6	6	6	0	6
Total	97	108	108	0	108
FTE Enrollment	0	0	0	0	0
State	4,365,800	4,882,200	4,871,700	694,400	5,566,100
Federal	10,400	0	0	0	0
Other	10,333,800	11,975,600	11,975,600	0	11,975,600
Tuition/Fees	0	0	0	0	0
Total	\$14,710,000	\$16,857,800	\$16,847,300	\$694,400	\$17,541,700

332.59 Regents Access and Diversity Initiative

The Regents Access and Diversity Initiative program provides financial support to the Tennessee Board of Regents for the continuance of higher education access and diversity initiatives after the September 2006 dismissal of the 1968 Geier desegregation lawsuit. The success of a five-year settlement agreement, implemented in 2001, led to the dismissal. The initiative includes efforts that proved to be the most effective in the settlement program. The initiative includes financial aid and stipends, student and faculty recruitment and retention programs, continuing support of the TSU Avon Williams Campus in downtown Nashville, and statewide oversight.

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
Full-Time					
Administrative	0	0	0	0	0
Professional	0	0	0	0	0
Faculty	0	0	0	0	0
Clerical/Support	0	0	0	0	0
Total	0	0	0	0	0
FTE Enrollment	0	0	0	0	0
State	6,342,000	11,391,100	11,391,100	0	11,391,100
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$6,342,000	\$11,391,100	\$11,391,100	\$0	\$11,391,100

Agricultural Units

Agricultural units are an important part of Tennessee State University (TSU) in its capacity as a land grant institution. As a land grant institution, TSU receives federal funds from the U.S. Department of Agriculture (USDA) to help finance agricultural research and extension at the Institute of Agricultural and Environmental Research (IAgER) and the TSU Cooperative Extension Program (CEP). The state appropriations match federal grant funds.

332.63 TSU Institute of Agricultural and Environmental Research

The TSU Institute of Agricultural and Environmental Research 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	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
FTE Enrollment	0	0	0	0	0
State	0	2,173,000	2,173,000	0	2,173,000
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$0	\$2,173,000	\$2,173,000	\$0	\$2,173,000

332.62 TSU McMinnville Center

The Tennessee State University McMinnville Center, an Institute of Agricultural and Environmental Research (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.

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
Full-Time					
Administrative	0	0	0	0	0
Professional	4	4	4	0	4
Faculty	1	2	2	0	2
Clerical/Support	3	3	3	0	3
Total	8	9	9	0	9
FTE Enrollment	0	0	0	0	0
State	504,400	531,200	531,200	14,600	545,800
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$504,400	\$531,200	\$531,200	\$14,600	\$545,800

332.64 TSU Cooperative Education

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

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
FTE Enrollment	0	0	0	0	0
State	0	1,927,000	1,927,000	0	1,927,000
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$0	\$1,927,000	\$1,927,000	\$0	\$1,927,000

Medical Education Units

To help meet the health needs of the citizens of eastern Tennessee, the East Tennessee State University (ETSU) Quillen College of Medicine provides medical study and training for students who wish to become physicians or other health-care professionals. Through family medicine residency programs, the college encourages its students to enter into family health practice in the rural communities of East Tennessee. The College of Pharmacy trains pharmacists for placement in community pharmacies and rural hospital settings.

332.65 ETSU College of Medicine

The ETSU Quillen College of Medicine provides medical study and training for students interested in primary care as physicians or health-care professionals. The college's focus is on practice in underserved rural communities. The college also is committed to biomedical research and to improving health care in northeast Tennessee and the surrounding Appalachia region.

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
Full-Time					
Administrative	6	7	7	0	7
Professional	90	95	95	0	95
Faculty	163	167	167	0	167
Clerical/Support	121	119	119	0	119
Total	380	388	388	0	388
FTE Enrollment	234	239	239	0	239
State	25,791,900	28,971,700	29,028,900	654,600	29,683,500
Federal	875,900	875,900	875,900	0	875,900
Other	10,343,800	11,382,200	11,382,200	0	11,382,200
Tuition/Fees	5,301,900	5,621,700	5,621,700	0	5,621,700
Total	\$42,313,500	\$46,851,500	\$46,908,700	\$654,600	\$47,563,300

332.66 ETSU College of Pharmacy

The College of Pharmacy at ETSU enrolls approximately 125 students per year. Its mission is to train pharmacists for placement in community pharmacies and rural hospital settings to aid in the more effective use of medication. The educational program will include a significant emphasis on pharmaceutical care to reduce the unnecessary use of medications. Much of the training will be within interdisciplinary teams of medical, nursing, public health, and pharmacy students, who will be located within rural communities. This method of training will prepare future pharmacists for improved consultation with physicians and prescribing nurses, resulting in the most efficient, effective, low-cost drug treatments for their mutual patients.

Full-Time					
Administrative	3	3	3	0	3
Professional	8	8	8	0	8
Faculty	16	20	20	0	20
Clerical/Support	7	10	10	0	10
Total	34	41	41	0	41
FTE Enrollment	0	0	0	0	0
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,100,000	3,802,900	3,802,900	0	3,802,900
Tuition/Fees	1,431,500	3,126,200	3,126,200	0	3,126,200
Total	\$2,531,500	\$6,929,100	\$6,929,100	\$0	\$6,929,100

332.67 ETSU Family Practice

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

Full-Time					
Administrative	0	0	0	0	0
Professional	20	20	20	0	20
Faculty	21	24	24	0	24
Clerical/Support	60	58	58	0	58
Total	101	102	102	0	102
FTE Enrollment	0	0	0	0	0

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
State	5,272,600	5,681,400	5,677,800	194,800	5,872,600
Federal	0	0	0	0	0
Other	6,540,600	6,833,000	6,833,000	0	6,833,000
Tuition/Fees	0	0	0	0	0
Total	\$11,813,200	\$12,514,400	\$12,510,800	\$194,800	\$12,705,600

Universities

The four-year universities of the State University and Community College System offer undergraduate and graduate study to the citizens of Tennessee. Located throughout the state, the universities offer comprehensive programs in subjects as diverse as occupational training, the arts and sciences, law, and health sciences.

332.70 Austin Peay State University

Austin Peay State University is a comprehensive liberal arts institution located in Clarksville. The university offers undergraduate and graduate degree programs in the liberal arts and sciences and complements classroom work with team teaching, cooperative learning, community services, international programs, and collaborative research between faculty and students. Two centers of excellence also are provided in field biology and creative arts.

Full-Time					
Administrative	27	26	26	0	26
Professional	139	167	167	0	167
Faculty	313	336	336	0	336
Clerical/Support	256	270	270	0	270
Total	735	799	799	0	799
FTE Enrollment	7,443	7,139	7,139	0	7,139
State	33,944,500	36,250,500	36,196,500	615,800	36,812,300
Federal	272,800	165,000	165,000	0	165,000
Other	10,585,000	11,369,000	11,369,000	0	11,369,000
Tuition/Fees	42,607,400	43,580,500	43,580,500	410,400	43,990,900
Total	\$87,409,700	\$91,365,000	\$91,311,000	\$1,026,200	\$92,337,200

332.72 East Tennessee State University

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

Full-Time					
Administrative	54	58	58	0	58
Professional	302	323	323	0	323
Faculty	539	558	558	0	558
Clerical/Support	520	553	553	0	553
Total	1,415	1,492	1,492	0	1,492
FTE Enrollment	10,361	10,770	10,770	0	10,770

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
State	59,403,700	63,184,700	63,070,900	1,050,600	64,121,500
Federal	777,000	600,000	600,000	0	600,000
Other	20,589,300	21,818,600	21,818,600	0	21,818,600
Tuition/Fees	61,904,100	67,445,900	67,445,900	700,400	68,146,300
Total	\$142,674,100	\$153,049,200	\$152,935,400	\$1,751,000	\$154,686,400

332.74 University of Memphis

The University of Memphis is a comprehensive metropolitan university offering degrees at the bachelor's, master's, professional, and doctoral levels. The university has five centers of excellence in applied psychology, communicative disorders, earthquake information, Egyptology, and education policy.

Full-Time					
Administrative	76	77	77	0	77
Professional	571	591	591	0	591
Faculty	933	953	953	0	953
Clerical/Support	912	930	930	0	930
Total	2,492	2,551	2,551	0	2,551
FTE Enrollment	15,946	15,747	15,747	0	15,747
State	115,808,000	123,499,700	123,224,900	2,055,600	125,280,500
Federal	4,799,800	4,760,700	4,760,700	0	4,760,700
Other	58,039,100	55,171,500	55,171,500	0	55,171,500
Tuition/Fees	114,243,200	123,386,900	123,386,900	1,370,400	124,757,300
Total	\$292,890,100	\$306,818,800	\$306,544,000	\$3,426,000	\$309,970,000

332.75 Middle Tennessee State University

Located in Murfreesboro, Middle Tennessee State University (MTSU) offers undergraduate, graduate, and doctoral programs in the arts and sciences. Programs are organized in seven university colleges, including Basic and Applied Sciences, Business, Education and Behavioral Science, Honors, Liberal Arts, Mass Communication, and Graduate Studies. MTSU's two centers of excellence are popular music and historic preservation.

Full-Time					
Administrative	79	79	79	0	79
Professional	455	478	478	0	478
Faculty	942	985	985	0	985
Clerical/Support	560	561	561	0	561
Total	2,036	2,103	2,103	0	2,103
FTE Enrollment	19,355	19,525	19,525	0	19,525
State	94,113,000	100,935,200	100,775,700	1,734,800	102,510,500
Federal	2,646,000	2,000,000	2,000,000	0	2,000,000
Other	44,825,800	45,149,300	45,149,300	0	45,149,300
Tuition/Fees	111,168,600	120,604,800	120,604,800	1,156,400	121,761,200
Total	\$252,753,400	\$268,689,300	\$268,529,800	\$2,891,200	\$271,421,000

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

332.77 Tennessee State University

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

Full-Time					
Administrative	65	70	70	0	70
Professional	269	300	300	0	300
Faculty	410	409	409	0	409
Clerical/Support	337	344	344	0	344
Total	1,081	1,123	1,123	0	1,123
FTE Enrollment	7,464	7,465	7,465	0	7,465
State	40,280,600	42,597,700	42,553,700	858,600	43,412,300
Federal	1,882,200	1,600,000	1,600,000	0	1,600,000
Other	20,937,600	19,402,500	19,402,500	0	19,402,500
Tuition/Fees	59,090,800	63,868,700	63,868,700	572,400	64,441,100
Total	\$122,191,200	\$127,468,900	\$127,424,900	\$1,431,000	\$128,855,900

332.78 Tennessee Technological University

Tennessee Technological University is a comprehensive university located in Cookeville. While the university's strength is in technology and engineering, other academic divisions include agriculture and human ecology, arts and sciences, business administration, education, engineering, nursing, and interdisciplinary studies. The university's three centers of excellence are energy systems research, manufacturing, and water resources.

Full-Time					
Administrative	40	40	40	0	40
Professional	197	203	203	0	203
Faculty	391	401	401	0	401
Clerical/Support	362	361	361	0	361
Total	990	1,005	1,005	0	1,005
FTE Enrollment	7,900	8,312	8,312	0	8,312
State	46,517,400	49,288,600	49,204,400	757,400	49,961,800
Federal	1,082,700	541,600	541,600	0	541,600
Other	15,684,800	16,800,900	16,800,900	0	16,800,900
Tuition/Fees	44,911,100	50,109,300	50,109,300	505,000	50,614,300
Total	\$108,196,000	\$116,740,400	\$116,656,200	\$1,262,400	\$117,918,600

Community Colleges and Technical Institutes

The state's community colleges provide two-year academic instruction in a wide variety of programs that can be transferred to four-year institutions. The technical community colleges combine both technical training and academic instruction on the same campus. The system includes nine community colleges and four technical community colleges.

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

332.53 Southwest Tennessee Community College

Southwest Tennessee Community College (STCC) was consolidated in July 2000 from Shelby State Community College and State Technical Institute at Memphis. STCC serves the Memphis area with two main campuses. Offerings include a broad range of associate degrees and certificates to prepare students for employment, career advancement, personal enrichment, and college and university transfer.

Full-Time					
Administrative	35	35	35	0	35
Professional	153	162	162	0	162
Faculty	276	275	275	0	275
Clerical/Support	267	270	270	0	270
Total	731	742	742	0	742
FTE Enrollment	7,306	6,794	6,794	0	6,794
State	38,312,100	40,086,100	40,042,000	611,400	40,653,400
Federal	0	0	0	0	0
Other	3,127,900	2,857,100	2,857,100	0	2,857,100
Tuition/Fees	27,369,500	28,973,500	28,973,500	305,800	29,279,300
Total	\$68,809,500	\$71,916,700	\$71,872,600	\$917,200	\$72,789,800

332.54 Nashville State Technical Community College

Nashville State Technical Community College (NSTCC), formerly Nashville State Technical Institute, was granted community college status in 2002, and now serves seven middle Tennessee counties. NSTCC offers various degree and certificate programs, as well as continuing education courses, ranging from technical skills to management training, computer-aided drafting, and office technology.

Full-Time					
Administrative	28	25	25	0	25
Professional	41	49	49	0	49
Faculty	154	157	157	0	157
Clerical/Support	119	124	124	0	124
Total	342	355	355	0	355
FTE Enrollment	4,083	4,063	4,063	0	4,063
State	15,137,500	16,317,500	16,285,700	289,800	16,575,500
Federal	127,100	127,500	127,500	0	127,500
Other	1,680,300	1,434,100	1,434,100	0	1,434,100
Tuition/Fees	14,231,800	14,621,900	14,621,900	144,800	14,766,700
Total	\$31,176,700	\$32,501,000	\$32,469,200	\$434,600	\$32,903,800

332.55 Pellissippi State Technical Community College

Pellissippi State Technical Community College (PSTCC), located in Knoxville, is a comprehensive community college with a distinctive emphasis on technology. PSTCC maintains programs designed for career advancement, job placement, transfer to four-year institutions, and continuing education.

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
Full-Time					
Administrative	8	10	10	0	10
Professional	95	103	103	0	103
Faculty	193	194	194	0	194
Clerical/Support	148	161	161	0	161
Total	444	468	468	0	468
FTE Enrollment	5,149	5,446	5,446	0	5,446
State	20,620,300	21,998,800	21,961,000	375,400	22,336,400
Federal	109,200	110,000	110,000	0	110,000
Other	1,500,500	1,281,400	1,281,400	0	1,281,400
Tuition/Fees	19,191,600	20,824,000	20,824,000	187,800	21,011,800
Total	\$41,421,600	\$44,214,200	\$44,176,400	\$563,200	\$44,739,600

332.56 Northeast State Technical Community College

Northeast State Technical Community College, located in Blountville, is a comprehensive institution that provides university transfer programs, career programs for immediate entry into the workforce, continuing education, and community service programs.

Full-Time					
Administrative	14	12	12	0	12
Professional	52	56	56	0	56
Faculty	107	115	115	0	115
Clerical/Support	120	122	122	0	122
Total	293	305	305	0	305
FTE Enrollment	3,374	3,387	3,387	0	3,387
State	12,237,800	13,183,100	13,156,400	217,400	13,373,800
Federal	53,300	43,600	43,600	0	43,600
Other	726,000	530,400	530,400	0	530,400
Tuition/Fees	10,951,800	10,923,000	10,923,000	108,800	11,031,800
Total	\$23,968,900	\$24,680,100	\$24,653,400	\$326,200	\$24,979,600

332.80 Chattanooga State Technical Community College

Chattanooga State Technical Community College (CSTCC) is a comprehensive community college with emphasis in two-year technical programs. CSTCC's programs include degree and certificate study for career preparation and advancement; university transfer studies leading to associate degrees; and partnerships with secondary schools, state and community agencies, and the private sector.

Full-Time					
Administrative	22	23	23	0	23
Professional	118	128	128	0	128
Faculty	179	182	182	0	182
Clerical/Support	155	162	162	0	162
Total	474	495	495	0	495
FTE Enrollment	5,054	5,044	5,044	0	5,044

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
State	23,672,700	25,042,400	24,993,200	426,200	25,419,400
Federal	27,100	20,000	20,000	0	20,000
Other	1,976,900	1,616,000	1,616,000	0	1,616,000
Tuition/Fees	18,828,100	20,220,000	20,220,000	213,000	20,433,000
Total	\$44,504,800	\$46,898,400	\$46,849,200	\$639,200	\$47,488,400

332.81 Cleveland State Community College

Cleveland State Community College (CSCC) is a comprehensive community college serving southeast Tennessee. CSCC focuses on development education, university transfer programs, workforce training, and community service by offering a variety of degree and certificate programs.

Full-Time					
Administrative	8	8	8	0	8
Professional	43	45	45	0	45
Faculty	71	70	70	0	70
Clerical/Support	72	73	73	0	73
Total	194	196	196	0	196
FTE Enrollment	2,034	2,022	2,022	0	2,022
State	10,309,100	10,844,900	10,830,700	149,400	10,980,100
Federal	29,100	16,200	16,200	0	16,200
Other	405,400	386,100	386,100	0	386,100
Tuition/Fees	6,136,200	6,474,500	6,474,500	74,800	6,549,300
Total	\$16,879,800	\$17,721,700	\$17,707,500	\$224,200	\$17,931,700

332.82 Columbia State Community College

Columbia State Community College, located in southern Middle Tennessee, is a comprehensive community college providing general transfer degree programs, career degree programs, academic and technical certificates, developmental studies, and continuing education opportunities.

Full-Time					
Administrative	6	6	6	0	6
Professional	62	64	64	0	64
Faculty	105	105	105	0	105
Clerical/Support	81	82	82	0	82
Total	254	257	257	0	257
FTE Enrollment	2,963	3,003	3,003	0	3,003
State	13,246,800	14,034,200	14,015,400	217,200	14,232,600
Federal	18,900	10,000	10,000	0	10,000
Other	590,500	562,800	562,800	0	562,800
Tuition/Fees	9,467,200	9,822,900	9,822,900	108,600	9,931,500
Total	\$23,323,400	\$24,429,900	\$24,411,100	\$325,800	\$24,736,900

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

332.84 Dyersburg State Community College

Located in northwest Tennessee, Dyersburg State Community College (DSCC) is a comprehensive community college providing liberal arts, technical, professional, and developmental credit and non-credit programs. DSCC provides its students with programs affiliated with employers, community agencies, and volunteer organizations.

Full-Time					
Administrative	12	12	12	0	12
Professional	29	35	35	0	35
Faculty	60	60	60	0	60
Clerical/Support	54	58	58	0	58
Total	155	165	165	0	165
FTE Enrollment	1,693	1,668	1,668	0	1,668
State	7,102,300	7,596,100	7,581,500	125,000	7,706,500
Federal	147,100	150,000	150,000	0	150,000
Other	472,600	443,300	443,300	0	443,300
Tuition/Fees	5,412,700	5,704,700	5,704,700	62,400	5,767,100
Total	\$13,134,700	\$13,894,100	\$13,879,500	\$187,400	\$14,066,900

332.86 Jackson State Community College

Jackson State Community College (JSCC) is a comprehensive institution which meets the educational, career training, personal enrichment, and economic development needs of a 14-county service area in West Tennessee. JSCC offers certificate and associate degree programs intended for transfer to a four-year university or for direct entry into the job market.

Full-Time					
Administrative	14	14	14	0	14
Professional	46	52	52	0	52
Faculty	116	111	111	0	111
Clerical/Support	88	94	94	0	94
Total	264	271	271	0	271
FTE Enrollment	2,791	2,953	2,953	0	2,953
State	12,359,300	13,116,800	13,096,600	211,400	13,308,000
Federal	203,500	64,200	64,200	0	64,200
Other	1,154,300	828,000	828,000	0	828,000
Tuition/Fees	9,255,900	10,356,500	10,356,500	105,600	10,462,100
Total	\$22,973,000	\$24,365,500	\$24,345,300	\$317,000	\$24,662,300

332.88 Motlow State Community College

Motlow State Community College (MSCC) is a comprehensive institution located in Lynchburg, in southern Middle Tennessee. MSCC awards associate degrees in the arts, sciences, and applied sciences. Other offerings include non-degree programs in business, industry, government, early childhood education, health professions, public service, lifelong learning, and workforce development.

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
Full-Time					
Administrative	24	24	24	0	24
Professional	23	25	25	0	25
Faculty	85	82	82	0	82
Clerical/Support	76	79	79	0	79
Total	208	210	210	0	210
FTE Enrollment	2,566	2,739	2,739	0	2,739
State	10,270,700	10,930,500	10,910,000	174,200	11,084,200
Federal	13,300	14,000	14,000	0	14,000
Other	516,500	458,700	458,700	0	458,700
Tuition/Fees	8,130,900	8,924,800	8,924,800	87,200	9,012,000
Total	\$18,931,400	\$20,328,000	\$20,307,500	\$261,400	\$20,568,900

332.90 Roane State Community College

Roane State Community College is a comprehensive institution located in Harriman. Roane State's transfer programs include instruction in the humanities, mathematics, natural sciences, and social sciences. Career preparation programs include business management, health science, office administration, police science, and other fields. Continuing education and developmental education classes also are offered.

Full-Time					
Administrative	13	14	14	0	14
Professional	58	61	61	0	61
Faculty	144	144	144	0	144
Clerical/Support	152	154	154	0	154
Total	367	373	373	0	373
FTE Enrollment	3,738	3,764	3,764	0	3,764
State	18,012,500	19,088,500	19,061,900	301,000	19,362,900
Federal	38,300	32,600	32,600	0	32,600
Other	1,275,600	1,264,600	1,264,600	0	1,264,600
Tuition/Fees	12,196,200	13,476,200	13,476,200	150,600	13,626,800
Total	\$31,522,600	\$33,861,900	\$33,835,300	\$451,600	\$34,286,900

332.94 Volunteer State Community College

Volunteer State Community College is a comprehensive institution located in Gallatin and serves 12 counties in the Middle Tennessee region. Volunteer State offers coursework in degree and certificate programs for university transfer, workforce preparation and advancement, and partnerships with community agencies.

Full-Time					
Administrative	6	6	6	0	6
Professional	87	89	89	0	89
Faculty	152	153	153	0	153
Clerical/Support	126	132	132	0	132
Total	371	380	380	0	380
FTE Enrollment	4,677	4,427	4,427	0	4,427

	<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
State	17,944,500	19,193,300	19,159,800	321,400	19,481,200
Federal	73,600	50,000	50,000	0	50,000
Other	633,800	869,200	869,200	0	869,200
Tuition/Fees	14,998,800	15,010,600	15,010,600	160,800	15,171,400
Total	\$33,650,700	\$35,123,100	\$35,089,600	\$482,200	\$35,571,800

332.96 Walters State Community College

Walters State Community College is a comprehensive community college in Morristown, in East Tennessee, which offers university parallel programs, programs that prepare students for immediate employment, and continuing education courses. Walters State awards associate degrees in science, arts, and applied science, as well as certificate of credit programs and non-credit programs and services.

Full-Time					
Administrative	11	10	10	0	10
Professional	67	74	74	0	74
Faculty	137	145	145	0	145
Clerical/Support	138	151	151	0	151
Total	353	380	380	0	380
FTE Enrollment	3,872	3,884	3,884	0	3,884
State	18,211,900	19,388,200	19,355,100	296,200	19,651,300
Federal	199,000	166,900	166,900	0	166,900
Other	4,071,600	1,645,200	1,645,200	0	1,645,200
Tuition/Fees	12,314,800	13,088,700	13,088,700	148,200	13,236,900
Total	\$34,797,300	\$34,289,000	\$34,255,900	\$444,400	\$34,700,300

Tennessee Technology Centers

The state's 27 technology centers provide occupational training tailored to the specific needs of businesses and industries in the geographic regions they serve. Each school is associated with a two-year institution, allowing students greater flexibility in their educational choices. Students earn certificates for completion of incremental specialties within an occupational job title and diplomas for completion of occupational programs.

332.98 Tennessee Technology Centers

This allotment provides funds for the staffing and operational costs of the technology centers, which provide post-secondary vocational education, as described above.

Full-Time					
Administrative	52	51	51	0	51
Professional	98	109	109	0	109
Faculty	506	521	521	0	521
Clerical/Support	172	168	168	0	168
Total	828	849	849	0	849
FTE Enrollment	9,637	10,128	10,128	0	10,128

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
State	50,545,700	71,672,000	53,607,000	778,000	54,385,000
Federal	308,400	193,500	193,500	0	193,500
Other	6,724,400	6,145,300	6,145,300	0	6,145,300
Tuition/Fees	17,879,800	18,472,000	18,472,000	194,600	18,666,600
Total	\$75,458,300	\$96,482,800	\$78,417,800	\$972,600	\$79,390,400

Total State University and Community College System

Full-Time					
Administrative	624	631	631	0	631
Professional	3,097	3,322	3,322	0	3,322
Faculty	6,014	6,169	6,169	0	6,169
Clerical/Support	4,912	5,045	5,045	0	5,045
Total	14,647	15,167	15,167	0	15,167
FTE Enrollment	127,640	128,519	128,519	0	128,519
State	700,327,100	773,806,400	754,683,100	13,125,200	767,808,300
Federal	13,694,700	11,541,700	11,541,700	0	11,541,700
Other	223,836,100	224,027,700	224,027,700	0	224,027,700
Tuition/Fees	627,023,900	674,637,300	674,637,300	6,768,000	681,405,300
Total	\$1,564,881,800	\$1,684,013,100	\$1,664,889,800	\$19,893,200	\$1,684,783,000

Grand Total Higher Education

Full-Time					
Administrative	1,415	1,436	1,436	2	1,438
Professional	4,821	5,141	5,141	0	5,141
Faculty	8,981	9,227	9,227	0	9,227
Clerical/Support	8,683	8,908	8,908	0	8,908
Part-Time	2	2	2	0	2
Total	23,902	24,714	24,714	2	24,716
FTE Enrollment	168,770	171,267	171,267	0	171,267
State	1,476,170,300	1,639,461,400	1,613,376,300	67,015,800	1,680,392,100
Federal	191,307,500	211,931,300	211,931,600	205,600	212,137,200
Other	541,971,600	522,972,000	511,012,000	18,000,000	529,012,000
Tuition/Fees	945,197,900	1,009,926,200	1,009,926,200	9,869,800	1,019,796,000
Total	\$3,154,647,300	\$3,384,290,900	\$3,346,246,100	\$95,091,200	\$3,441,337,300

Health and Social Services

Table of Contents

Introduction	B-147
Total Personnel and Funding.....	B-149
Improvements for Fiscal Year 2008-2009.....	B-150
Program Statements.....	B-156
Commission on Children and Youth.....	B-156
Commission on Aging and Disability.....	B-157
Health Services and Development Agency.....	B-158
Department of Finance and Administration – TennCare Program	B-159
Department of Mental Health and Developmental Disabilities.....	B-163
Statistical Data – Mental Health Institutes	B-169
Department of Health.....	B-170
Department of Finance and Administration, Division of Mental Retardation Services	B-183
Statistical Data – Mental Retardation Developmental Centers	B-190
Department of Human Services	B-191
Cover Tennessee Health Care Programs.....	B-200
Department of Children’s Services	B-203
Statistical Data – Youth Development Centers	B-211

Health and Social Services

Recommended Budget, Fiscal Year 2008 – 2009

The agencies and departments of this functional group are concerned with the health and well-being of the citizens of Tennessee. The Health and Social Services functional area is comprised of the following commissions, departments, and agencies:

- Commission on Children and Youth
- Commission on Aging and Disability
- Health Services and Development Agency
- Department of Finance and Administration, Bureau of TennCare
- Department of Mental Health and Developmental Disabilities
- Department of Finance and Administration, Division of Mental Retardation Services
- Department of Health
- Department of Human Services
- Department of Finance and Administration, Cover Tennessee Health Care Programs
- Department of Children's Services.

A major responsibility of this functional group is the administration of programs for children that have been 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 mentally retarded citizens of Tennessee. This includes institutional and community programs for the mentally ill and the developmentally 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. The TennCare Partners program provides mental health and substance abuse services for TennCare enrollees.

These agencies also are charged with helping disadvantaged Tennesseans achieve or maintain self-sufficiency. Other assistance programs include food stamp 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. This is a temporary assistance program with lifetime eligibility limitations.

Cover Tennessee provides comprehensive health coverage to uninsured children, seriously ill adults who can afford health coverage but who have been turned down by insurance companies, and basic health-care coverage to uninsured working Tennesseans. Cover Tennessee also provides affordable medication to the low income who also are uninsured.

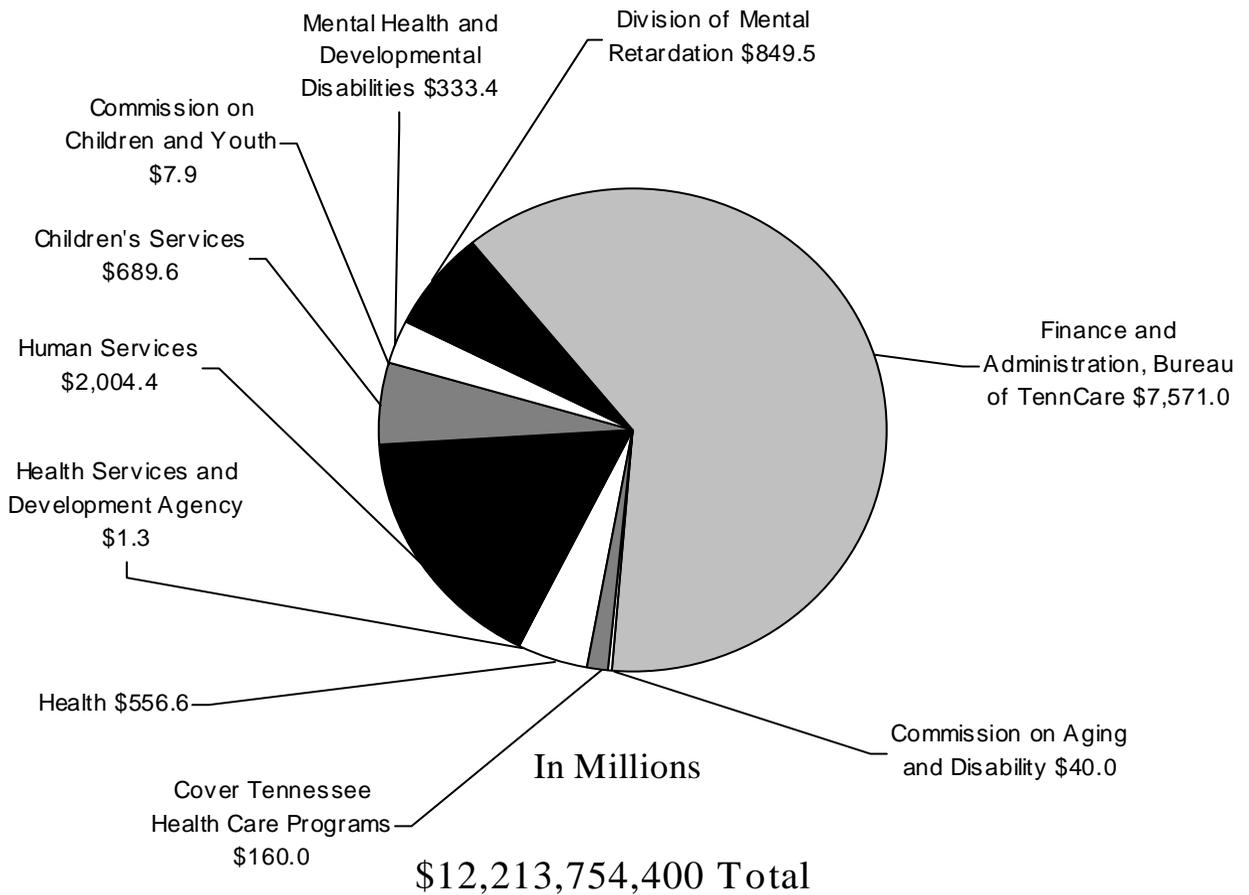
Improvements and Program Statements

The following section includes: (1) a table on personnel and funding for all agencies in this functional area of state government; (2) a statement of recommended improvements for the ensuing fiscal year; (3) departmental program statements, indicating recommended funding and staffing for the ensuing year, compared with actual amounts for the last year and the amounts budgeted for the current year; and (4) program performance measures.

The following graph depicts the manner in which funds are divided among the departments within this functional group. Funding mixes within each department may

vary. Some are exclusively state funded, while others represent state, federal, and other funding.

Health and Social Services FY 2008 - 2009 Recommended



Health and Social Services Total Personnel and Funding

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Recommended 2008-2009</u>
Personnel			
Full Time	21,254	21,239	21,177
Part Time	260	250	250
Seasonal	0	0	0
TOTAL	21,514	21,489	21,427
Expenditures			
Payroll	\$1,034,706,000	\$1,135,936,100	\$1,135,136,700
Operational	10,446,627,400	11,157,585,785	11,078,617,700
TOTAL	\$11,481,333,400	\$12,293,521,885	\$12,213,754,400
Funding			
State	\$3,200,975,000	\$3,809,362,874	\$3,755,071,400
Federal	6,633,391,000	6,830,530,911	6,871,280,000
Other	1,646,967,400	1,653,628,100	1,587,403,000

Health and Social Services Improvements for Fiscal Year 2008-2009

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Finance and Administration, Bureau of TennCare					
• Home and Community-Based Services (HCBS)					
To provide funding to increase the statewide home and community-based services (HCBS) waiver by 2,300 slots. The statewide HCBS waiver provides services to Medicaid-eligible enrollees as a long-term care alternative to nursing home entry.					
318.67 Waiver and Crossover Services	\$10,127,900	\$18,113,300	\$0	\$28,241,200	0
Sub-total	\$10,127,900	\$18,113,300	\$0	\$28,241,200	0
• HCBS Electronic Visit Verification					
To provide funds to implement an electronic visit verification system in the statewide home and community-based services (HCBS) waiver program. Providers of homemaker, personal care, and in-home respite will electronically verify service delivery in the enrollee's home. The system will improve quality and accountability for service delivery in the program.					
318.65 TennCare Administration	\$933,400	\$933,400	\$0	\$1,866,800	0
Sub-total	\$933,400	\$933,400	\$0	\$1,866,800	0
• HCBS Rate Equalization - TennCare and Aging Commission					
To provide funds to equalize provider reimbursement rates in the statewide home and community-based services (HCBS) waiver program and the state-funded Options for Community Living program. Options provides HCBS services for the elderly and disabled who are not Medicaid-eligible. Of the \$944,000 state funds recommended for this improvement, \$143,700 will be transferred to the Commission on Aging and Disability, which administers the Options program. This division of state funds will accomplish the goal of increasing rates for homemaker, personal care, and home-delivered meals in both programs to 105% of the current statewide HCBS waiver rates.					
318.67 Waiver and Crossover Services	\$944,000	\$1,688,300	\$0	\$2,632,300	0
Sub-total	\$944,000	\$1,688,300	\$0	\$2,632,300	0
• Pediatric Office Visit Rate Increases					
To provide funding to increase reimbursement rates for certain pediatric evaluation and management office visits in TennCare Select. TennCare Select is the managed care plan that handles special populations of enrollees with complex medical needs and is intended as a back-up if any other managed care plan leaves the TennCare program unexpectedly.					
318.66 TennCare Services	\$528,500	\$945,200	\$0	\$1,473,700	0
Sub-total	\$528,500	\$945,200	\$0	\$1,473,700	0
• Mental Retardation Services					
To provide funds for the TennCare share of improvements recommended for the Division of Mental Retardation Services.					
318.67 Waiver and Crossover Services	\$5,348,600	\$9,565,700	\$0	\$14,914,300	0
Sub-total	\$5,348,600	\$9,565,700	\$0	\$14,914,300	0

Health and Social Services Improvements for Fiscal Year 2008-2009

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Children's Services					
To provide funds for the TennCare share of improvements recommended for the Department of Children's Services.					
318.66 TennCare Services	\$585,800	\$1,047,700	\$0	\$1,633,500	0
Sub-total	\$585,800	\$1,047,700	\$0	\$1,633,500	0
• Human Services					
To provide funds for the TennCare share of improvements recommended for the Department of Human Services.					
318.65 TennCare Administration	\$1,262,200	\$1,262,100	\$0	\$2,524,300	0
Sub-total	\$1,262,200	\$1,262,100	\$0	\$2,524,300	0
Total Finance and Administration, Bureau of TennCare	\$19,730,400	\$33,555,700	\$0	\$53,286,100	0

Health

• Tobacco-Smoking Cessation - Year 2					
To provide second-year non-recurring funds for a comprehensive tobacco-smoking cessation program. Smoking causes significant damage to health, increases the overall cost to the health-care system, and is a leading cause of preventable death. This program will focus on providing tobacco-cessation aids to assist smokers in quitting.					
343.52 Community and Medical Services	\$10,000,000	\$0	\$0	\$10,000,000	0
Sub-total	\$10,000,000	\$0	\$0	\$10,000,000	0
• Primary-Care Clinics					
To continue non-recurring funds to maintain grants to faith-based, community-based, rural health, and federally-funded primary care clinics. These grants support 43 clinic sites, which provide primary care and specialist referrals to an estimated 57,000 uninsured adults.					
343.45 Health Services Administration	\$6,000,000	\$0	\$0	\$6,000,000	0
Sub-total	\$6,000,000	\$0	\$0	\$6,000,000	0
• HIV/AIDS					
To provide recurring funds to continue the existing level of support for HIV/AIDS programs. These funds supplement the existing Ryan White HIV/AIDS assistance program, which provides medical treatment, pharmaceuticals, and support services for uninsured and under-insured individuals with HIV/AIDS.					
343.49 Communicable and Environmental Disease Services	\$3,000,000	\$0	\$0	\$3,000,000	0
Sub-total	\$3,000,000	\$0	\$0	\$3,000,000	0

Health and Social Services Improvements for Fiscal Year 2008-2009

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Meharry Wellness Program (HCBUs) - Year 3					
To provide third-year non-recurring funds for a grant to Meharry Medical College to oversee and coordinate the "Wellness for Our Community . . . Fitness is Our Future" initiative, which is directed to historically black colleges and universities in Tennessee. The goal is to improve student physical fitness through comprehensive services, including health screenings and obesity prevention programs. Training also is provided for students and institutional leadership to be health ambassadors to improve the general fitness of the surrounding communities.					
343.52 Community and Medical Services	\$2,000,000	\$0	\$0	\$2,000,000	0
Sub-total	\$2,000,000	\$0	\$0	\$2,000,000	0
• Medical Examiners Program					
To provide funds to improve the medical examiners program. Of these funds, \$675,000 will be used to increase the reimbursement rates for autopsies from \$210 to \$500 and for court appearances from \$30 to \$500. Also, \$150,000 will provide funds for new positions, including an assistant medical examiner position and 15 deputy medical examiner positions. An appropriation of \$150,000 will be used to establish a database to track unusual deaths due to emerging infections. An amount of \$25,000 will support the Medical Examiners Commission.					
343.52 Community and Medical Services	\$1,000,000	\$0	\$0	\$1,000,000	0
Sub-total	\$1,000,000	\$0	\$0	\$1,000,000	0
• Health-Care Facilities Incident Tracking					
To provide funds for eight full-time public health nurse consultant positions and associated operational costs to assist with the increased workload of the Division of Health Care Facilities. Pursuant to state and federal requirements, these positions will investigate and report complaints and incidents of abuse, neglect, and the misappropriation of funds at licensed health care facilities. Funding is from an increase in dedicated health care facilities licensing fees.					
343.05 Bureau of Health Licensure and Regulation	\$540,100	\$0	\$0	\$540,100	8
Sub-total	\$540,100	\$0	\$0	\$540,100	8
Total Health	\$22,540,100	\$0	\$0	\$22,540,100	8

Finance and Administration, Division of Mental Retardation Services

• Arlington Area - Home and Community-Based Services

To provide funds to continue to transition mentally-retarded clients from the Arlington Developmental Center into home and community-based services. This is in accordance with the Arlington lawsuit agreement to close this facility and move these clients into the community. Other funding is from the TennCare program.

344.02 Community Mental Retardation Services	\$4,083,500	\$0	\$3,390,700	\$7,474,200	0
Sub-total	\$4,083,500	\$0	\$3,390,700	\$7,474,200	0

Health and Social Services Improvements for Fiscal Year 2008-2009

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Waiting List Reduction					
To provide funds for 600 new enrollees to receive home and community-based services through the main waiver and self-determination waiver programs. This continues the effort to reduce the waiting list of mentally-retarded clients at issue in the Brown lawsuit. Other funding is from the TennCare program.					
344.02 Community Mental Retardation Services	\$610,900	\$0	\$11,523,600	\$12,134,500	0
Sub-total	\$610,900	\$0	\$11,523,600	\$12,134,500	0
Total Finance and Administration, Division of Mental Retardation Services	\$4,694,400	\$0	\$14,914,300	\$19,608,700	0

Human Services

• Standard of Need					
To provide funds to increase the Families First program standard of need for a family of three from \$993 to \$1,066, which is a 7.4% increase. The standard of need is intended to reflect the cost of basic housing, clothing, food, essential medical care, transportation, and educational expenditures and is the basis of the gross income standard that is used to determine eligibility for the program. This increase will allow 720 families to qualify for or remain in the program.					
345.23 Temporary Cash Assistance	\$2,170,900	\$0	\$0	\$2,170,900	0
Sub-total	\$2,170,900	\$0	\$0	\$2,170,900	0
• Family Assistance Service Center					
To provide recurring funds to continue the family assistance service center in Memphis. This call center operation supports all family assistance programs including Families First, Food Stamps, and TennCare. Support includes answering calls, making case changes, and working on related projects that provide statewide support for the programs. The center has operated for two fiscal years with non-recurring funds. Other funding is from the TennCare program.					
345.30 Family Assistance Services	\$2,104,100	\$1,331,200	\$2,524,300	\$5,959,600	125
Sub-total	\$2,104,100	\$1,331,200	\$2,524,300	\$5,959,600	125
• Individual Development Accounts - Year 3					
To provide a third-year non-recurring grant to the Upper Cumberland Human Resource Agency for the individual development accounts program. The program assists individuals with minimal assets in a first-home purchase, education and job training, and small-business capitalization.					
345.49 Community Services	\$100,000	\$0	\$0	\$100,000	0
Sub-total	\$100,000	\$0	\$0	\$100,000	0

Health and Social Services Improvements for Fiscal Year 2008-2009

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Child Support - Assistant District Attorneys' Step Raises					
To provide funds for the mandatory salary step increase required by TCA 8-7-201 for the assistant district attorneys in the IV-D Child Support Enforcement program.					
345.13 Child Support	\$35,300	\$68,400	\$0	\$103,700	0
Sub-total	\$35,300	\$68,400	\$0	\$103,700	0
Total Human Services	\$4,410,300	\$1,399,600	\$2,524,300	\$8,334,200	125

Children's Services

• Residential Provider Rate Increase					
To provide funds for residential service provider rate increases in order to retain current providers of residential services to children in state custody, as required by the Brian A. lawsuit settlement. Residential service providers offer out-of-home services including counseling, psychiatric care, and medical care to meet the placement needs of children in state custody. Other funding is from the TennCare program.					
359.30 Custody Services	\$1,386,000	\$280,500	\$1,633,500	\$3,300,000	0
Sub-total	\$1,386,000	\$280,500	\$1,633,500	\$3,300,000	0
• Foster Care and Adoption Assistance Rate Increase					
To provide funds for a 2.2% increase in the foster care and adoption assistance rates. This increase is necessary to maintain the U.S. Department of Agriculture mid-range for children in the urban South, as required by the Brian A. lawsuit settlement.					
359.30 Custody Services	\$175,000	\$98,000	\$0	\$273,000	0
359.40 Adoption Services	\$594,700	\$540,300	\$0	\$1,135,000	0
Sub-total	\$769,700	\$638,300	\$0	\$1,408,000	0
• Adoption Assistance Caseload Growth					
To provide funds for an adoption assistance caseload growth of 7.8 percent. In compliance with the Brian A. lawsuit settlement, adoption assistance payments are made to adoptive families to encourage parents to move children in state custody to permanency.					
359.40 Adoption Services	\$870,200	\$790,500	\$0	\$1,660,700	0
Sub-total	\$870,200	\$790,500	\$0	\$1,660,700	0
• 211 Program - Family and Children's Services					
To provide non-recurring funds for a grant to Family and Children's Services, a non-profit organization, for the 211 program. Family and Children's Services is a Nashville-based non-profit organization that provides a variety of community services, including domestic violence and substance abuse counseling, suicide prevention, adoption assistance, and trauma intervention services to 26 counties in Middle Tennessee. The 211 program provides a free, 24-hour telephone information and referral service directing callers to social services and to volunteer and donation opportunities.					
359.50 Child and Family Management	\$283,000	\$0	\$0	\$283,000	0
Sub-total	\$283,000	\$0	\$0	\$283,000	0

**Health and Social Services
Improvements for Fiscal Year 2008-2009**

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Teacher Training and Experience					
To provide funds to increase teacher salaries at special schools in the youth development centers, commensurate with each teacher's level of training and experience.					
359.60 John S. Wilder Youth Development Center	\$15,100	\$0	\$0	\$15,100	0
359.61 Taft Youth Development Center	\$7,200	\$0	\$0	\$7,200	0
359.62 Woodland Hills Youth Development Center	\$6,400	\$0	\$0	\$6,400	0
359.63 Mountain View Youth Development Center	\$18,100	\$0	\$0	\$18,100	0
359.64 New Visions Youth Development Center	\$10,600	\$0	\$0	\$10,600	0
359.65 Community Treatment Facilities	\$2,300	\$0	\$0	\$2,300	0
Sub-total	\$59,700	\$0	\$0	\$59,700	0
Total Children's Services	\$3,368,600	\$1,709,300	\$1,633,500	\$6,711,400	0
Total Health and Social Services	\$54,743,800	\$36,664,600	\$19,072,100	\$110,480,500	133

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. Five 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 commission 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 of children's issues; tracking legislation and making recommendations to the Governor and Legislature; evaluating the delivery of services to children in state custody and their families through the Children's Program Outcome Review Team (CPORT); and evaluating selected state programs and services for children.

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
316.01 Commission on Children and Youth					
Full-Time	48	48	48	0	48
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
Total	50	50	50	0	50
Payroll	2,478,700	3,012,600	3,012,600	0	3,012,600
Operational	4,437,300	4,845,700	4,849,600	0	4,849,600
Total	\$6,916,000	\$7,858,300	\$7,862,200	\$0	\$7,862,200
State	1,881,900	2,133,700	2,135,200	0	2,135,200
Federal	2,476,000	2,778,500	2,779,100	0	2,779,100
Other	2,558,100	2,946,100	2,947,900	0	2,947,900

Standard: Improve outcomes for children in the custody of the Department of Children's Services through the provision of information and recommendations based on independent, third party quality service reviews of children in custody.

Measure: Number of children for whom a quality service review is conducted.

	303	301	300	0	300
--	-----	-----	-----	---	-----

Standard: Increase the number of resolved cases for information and assistance on problems for children, with a focus on children in state custody or in relative caregiver placements who are referred to the ombudsman program by 10%, using a mediation approach.

Measure: Number of resolved ombudsman cases.

	193	198	203	0	203
--	-----	-----	-----	---	-----

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 25 members. The Governor appoints 18 members, including a member of his staff. The commissioners of Health, Mental Health and Developmental Disabilities, Human Services, and Veterans Affairs and the 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 appoints an executive director to administer the agency.

The commission performs the following activities: administers the Older Americans Act; administers a long-term-care services plan for the elderly and disabled (home and community-based services); collects statistics on the elderly, family caregivers, and adults with disabilities needing in-home services; publishes information on aging and adults with disabilities; makes recommendations on program improvements; and assists in developing needed services.

<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

316.02 Commission on Aging and Disability

Full-Time	34	58	58	0	58
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	34	58	58	0	58
Payroll	1,663,200	3,480,700	3,480,700	0	3,480,700
Operational	36,274,600	38,827,800	36,569,000	0	36,569,000
Total	\$37,937,800	\$42,308,500	\$40,049,700	\$0	\$40,049,700
State	9,060,600	10,066,100	9,652,200	0	9,652,200
Federal	24,527,200	26,560,200	24,744,900	0	24,744,900
Other	4,350,000	5,682,200	5,652,600	0	5,652,600

Health Services and Development Agency

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

The agency is governed by a 10-member board. The Governor appoints five members. The Comptroller of the Treasury, the Commissioner of Commerce and Insurance, the Director of TennCare are ex-officio members, and the speakers of the Senate and House of Representatives appoint one member each. The board acts as a regulatory body in the certificate-of-need process and appoints an executive director to administer the agency.

The state appropriation for this program is from dedicated fees derived from certificate-of-need filings.

<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

316.07 Health Services and Development Agency

Full-Time	12	12	12	0	12
Part-Time	7	7	7	0	7
Seasonal	0	0	0	0	0
Total	19	19	19	0	19
Payroll	755,300	874,200	874,200	0	874,200
Operational	363,700	387,400	388,600	0	388,600
Total	\$1,119,000	\$1,261,600	\$1,262,800	\$0	\$1,262,800
State	1,104,500	1,245,200	1,246,400	0	1,246,400
Federal	0	0	0	0	0
Other	14,500	16,400	16,400	0	16,400

Standard: Medical equipment registrations will be current.

Measure: Percent of registrations that are current.

80%	85%	90%	0	90%
-----	-----	-----	---	-----

Standard: Medical equipment utilizations will be reported.

Measure: Percent of equipment utilizations reported.

75%	80%	85%	0	85%
-----	-----	-----	---	-----

Department of Finance and Administration, Bureau of TennCare

TennCare is responsible for administering Tennessee's Medicaid waiver program. TennCare provides basic health care and mental health services to people who meet program eligibility requirements.

<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

318.65 TennCare Administration

TennCare Administration establishes policy, provides oversight, and directs the TennCare program. TennCare Administration is divided into four areas: program administration, policy and planning, quality assurance, and long-term care. This allotment provides funds for the staffing, contractual, and other operational costs necessary for administration of the program, and for determination of client eligibility for services. With funding provided from this allotment, staff of the Department of Human Services determines client eligibility, with the exception of children in state custody, which is determined by the Department of Children's Services.

Full-Time	489	497	497	0	497
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	489	497	497	0	497
Payroll	27,306,200	32,398,700	32,398,700	0	32,398,700
Operational	227,169,000	226,535,500	224,595,000	4,391,100	228,986,100
Total	\$254,475,200	\$258,934,200	\$256,993,700	\$4,391,100	\$261,384,800
State	99,748,200	118,834,900	117,864,700	2,195,600	120,060,300
Federal	153,574,800	139,965,300	138,995,000	2,195,500	141,190,500
Other	1,152,200	134,000	134,000	0	134,000

Standard: Reduce the number of repeat audit findings.

Measure: The number of repeat audit findings.

1	0	0	0	0
---	---	---	---	---

318.66 TennCare Services

TennCare Services provides funding for traditional basic health care and mental health services under the Medicaid waiver program. The program provides funding to managed care organizations that provide basic medical services, behavioral health organizations that provide mental health services, and other state agencies that provide medical care. The managed care organizations in Middle Tennessee provide both medical and mental health services. The state agencies with programs funded from this allotment include the Department of Children's Services and the Department of Health.

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

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
Payroll	0	0	0	0	0
Operational	4,665,669,800	5,002,918,600	4,968,577,500	3,107,200	4,971,684,700
Total	\$4,665,669,800	\$5,002,918,600	\$4,968,577,500	\$3,107,200	\$4,971,684,700
State	1,497,133,800	1,738,472,500	1,733,332,200	1,114,300	1,734,446,500
Federal	2,902,611,500	2,997,708,800	3,015,651,500	1,992,900	3,017,644,400
Other	265,924,500	266,737,300	219,593,800	0	219,593,800

Standard: Assure all eligible Managed Care Organizations are accredited by the National Committee for Quality Assurance (NCQA).

Measure: Number of eligible Managed Care Organizations that meet NCQA accreditation standards (as of the start of the fiscal year).

1 8 9 0 9

Standard: Increase the number of Managed Care Organizations (MCOs) that demonstrate significant improvement in one or more of the quality measures identified in the contractor risk agreement.

Measure: Number of MCOs demonstrating significant improvement in one or more quality indicators identified in the contractor risk agreement.

2 4 6 0 6

Standard: Reduce inappropriate utilization of prescription medications by maximizing the percent of total prescriptions that are for preferred drugs and the percent of total prescriptions that are for generic drugs.

Measure: Percent of total prescriptions that are for preferred drugs.

90.8% 91.0% 91.2% 0 91.2%

Standard: Reduce inappropriate utilization of prescription medications by maximizing the percent of total prescriptions that are for preferred drugs and the percent of total prescriptions that are for generic drugs.

Measure: Percent of total prescriptions that are for generic drugs.

72.6% 72.6% 72.6% 0 72.6%

Standard: Increase the number of MCOs that report well child screening scores on the Health Plan Employer Data and Information Set (HEDIS) at or above the national average in all three age categories.

Measure: Number of MCOs that report HEDIS well child screening scores at or above the national average in all three age categories.

0 3 4 0 4

Standard: Increase the percentage of children under 21 receiving dental screenings.

Measure: Percent of children under 21 receiving a dental screening.

51% 53% 55% 0 55%

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

318.67 Waiver and Crossover Services

The Waiver and Crossover Services program provides funding for home and community-based services (HCBS) and mental retardation waivers, as well as co-payments and premiums for individuals eligible for TennCare and Medicare. The waivers serve the developmentally delayed population and people who require nursing services. Other agencies, including the state Division of Mental Retardation Services of the Department of Finance and Administration, provide the waiver services. Funding for Medicare premiums and co-payments allows TennCare recipients, who are eligible for Medicare, the ability to receive medical services that would otherwise be unavailable to recipients due to financial constraints.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	999,539,000	1,103,394,500	1,047,911,500	45,787,800	1,093,699,300
Total	\$999,539,000	\$1,103,394,500	\$1,047,911,500	\$45,787,800	\$1,093,699,300
State	377,520,400	408,665,000	384,208,900	16,420,500	400,629,400
Federal	622,018,600	694,729,500	663,702,600	29,367,300	693,069,900
Other	0	0	0	0	0

Standard: Work with the Commission on Aging and other community providers to improve enrollment in the HCBS waiver for the elderly.

Measure: Number of enrollees in HCBS programs for the elderly.

2,975	3,300	4,000	0	4,000
-------	-------	-------	---	-------

318.68 Long Term Care Services

Long Term Care Services provides funding for individuals that are in need of long-term institutional care. This program provides funding for the following facilities: general intermediate-care, skilled-nursing, private mentally retarded intermediate-care, and state mentally retarded intermediate-care, administered by the state Division of Mental Retardation Services of the Department of Finance and Administration.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	1,168,525,100	1,235,888,000	1,234,053,400	0	1,234,053,400
Total	\$1,168,525,100	\$1,235,888,000	\$1,234,053,400	\$0	\$1,234,053,400
State	281,956,500	424,343,300	418,555,100	0	418,555,100
Federal	886,568,600	811,544,700	815,498,300	0	815,498,300
Other	0	0	0	0	0

Standard: Complete all reviews of Pre-Admission Evaluations (PAEs) within eight days.

Measure: Percent of PAEs completed within eight days.

100%	100%	100%	0	100%
------	------	------	---	------

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

318.80 Governor's Office of Children's Care Coordination

The Governor's Office of Children's Care Coordination provides program and policy coordination for statewide initiatives that benefit children. The goal of the office is to improve the delivery of appropriate, effective, and coordinated health-care services to children in the state. Ongoing initiatives within the office include improving preventive health services, such as early and periodic screening, diagnosis, and treatment (EPSDT), improving maternal health in underserved areas, and reducing infant mortality rates.

Full-Time	13	13	13	0	13
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	13	13	13	0	13
Payroll	743,000	1,227,600	1,227,600	0	1,227,600
Operational	3,781,700	8,941,800	8,941,800	0	8,941,800
Total	\$4,524,700	\$10,169,400	\$10,169,400	\$0	\$10,169,400
State	2,647,000	5,872,600	5,872,600	0	5,872,600
Federal	1,877,700	4,296,800	4,296,800	0	4,296,800
Other	0	0	0	0	0

318.00 Total Finance and Administration, Bureau of TennCare

Full-Time	502	510	510	0	510
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	502	510	510	0	510
Payroll	28,049,200	33,626,300	33,626,300	0	33,626,300
Operational	7,064,684,600	7,577,678,400	7,484,079,200	53,286,100	7,537,365,300
Total	\$7,092,733,800	\$7,611,304,700	\$7,517,705,500	\$53,286,100	\$7,570,991,600
State	2,259,005,900	2,696,188,300	2,659,833,500	19,730,400	2,679,563,900
Federal	4,566,651,200	4,648,245,100	4,638,144,200	33,555,700	4,671,699,900
Other	267,076,700	266,871,300	219,727,800	0	219,727,800

Department of Mental Health and Developmental Disabilities

The Department of Mental Health and Developmental Disabilities is responsible for ensuring the provision of services to adults with or at risk of serious and persistent mental illness and children and youth with serious emotional disturbance. This is accomplished through five state-operated inpatient facilities, policy and program guidance to the TennCare Partners program, and a system of community service grants. The primary focus of the department is to provide a comprehensive system of care that includes adequate resources, safeguards the rights of consumers, promotes consumer integration into the community, and matches services to the consumer and family members in the least restrictive setting.

The department is divided into two functional areas: Administrative Services and Mental Health Services.

<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

339.01 Administrative Services Division

The Administrative Services Division directs the regulatory and administrative responsibilities of the department. Administrative staff in the commissioner's office provide and coordinate legal and medical advice, public information and education, planning, auditing and licensing functions, and support services in the recruitment and retention of the workforce, as well as developing and implementing special programs and projects. The division oversees purchasing, facility management operations, and major maintenance and capital outlay projects; provides budgeting and accounting functions, claims payments, data processing, and systems reporting; and develops and maintains automated systems applications for the central office and state-operated facilities.

Full-Time	236	239	239	0	239
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	236	239	239	0	239
Payroll	13,779,000	16,732,100	16,832,300	0	16,832,300
Operational	3,687,800	4,558,900	4,254,400	0	4,254,400
Total	\$17,466,800	\$21,291,000	\$21,086,700	\$0	\$21,086,700
State	11,462,100	13,610,700	13,661,700	0	13,661,700
Federal	2,280,800	2,561,800	2,680,300	0	2,680,300
Other	3,723,900	5,118,500	4,744,700	0	4,744,700

Standard: The costs of administrative services as a percentage of total department costs will not exceed seven percent.

Measure: The costs of administrative services as a percentage of total department costs.

6%	6%	7%	0%	7%
----	----	----	----	----

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Mental Health Services

The Mental Health Services Division administers a variety of mental health services, including the distribution and payment of mental health service funds for several federal grants, forensic services, and other community programs. The division operates the state's five regional mental health institutes.

The regional mental health institutes provide inpatient services to increase the functionality, productivity, and quality of life for severely mentally-ill adults and seriously emotionally disturbed children and adolescents. The Joint Commission on Accreditation of Healthcare Organizations accredits these institutes as psychiatric hospitals. The institutes typically provide the following services: acute treatment services for admitting 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; geropsychiatric, physical, and socialization services primarily to persons age 60 and older, many of whom need nursing care; children and youth services primarily for children and adolescents referred by mental health centers, juvenile courts, and the Department of Children's Services; and forensics services for inpatient diagnostic evaluation and/or treatment to adults as designated by the courts.

339.03 Community Alcohol and Drug Abuse Services

Alcohol and Drug 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 both mental health and alcohol and/or drug abuse diagnoses (dual diagnosis). The majority of services are provided through grants to non-profit or local government agencies. Services include detoxification, family intervention, residential rehabilitation, halfway houses, day treatment, and outpatient services.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	53,576,200	56,680,500	53,609,500	0	53,609,500
Total	\$53,576,200	\$56,680,500	\$53,609,500	\$0	\$53,609,500
State	13,672,800	16,095,200	14,799,800	0	14,799,800
Federal	37,929,800	40,585,300	38,809,700	0	38,809,700
Other	1,973,600	0	0	0	0

Standard: Increase the percentage of driving under the influence (DUI) offenders employed full-time for six months after treatment.

Measure: Percent of driving under the influence (DUI) offenders employed full-time for six months after treatment.

62.6%	70.0%	70.0%	0	70.0%
-------	-------	-------	---	-------

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

339.08 Community Mental Health Services

The Community Mental Health Services program provides early intervention and support services, rehabilitation, recovery and forensic services, and juvenile court evaluation. The program also offers mental health services to persons disenrolled from TennCare through the mental health safety net program. The mental health safety net program provides individuals with assessment, evaluation, diagnostic and therapeutic interventions, case management, psychiatric medication management, and pharmacy assistance. Services and support are planned in consultation with stakeholders, including service recipients and their families, advocates, service providers, and agencies.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	69,957,600	75,360,100	74,015,300	0	74,015,300
Total	\$69,957,600	\$75,360,100	\$74,015,300	\$0	\$74,015,300
State	57,677,400	62,089,800	61,739,800	0	61,739,800
Federal	11,169,700	11,266,500	11,275,500	0	11,275,500
Other	1,110,500	2,003,800	1,000,000	0	1,000,000

Standard: Increase the percentage of grantees meeting all program criteria on first review.

Measure: The percent of grantees achieving contract compliance on initial review.

69%	75%	75%	0	75%
-----	-----	-----	---	-----

339.10 Lakeshore Mental Health Institute

Lakeshore Mental Health Institute was established in Knoxville in 1886, is accredited as a psychiatric hospital, and is licensed for 180 beds.

Full-Time	503	503	503	0	503
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	503	503	503	0	503
Payroll	23,205,800	26,484,000	26,484,000	0	26,484,000
Operational	6,650,200	7,322,000	7,238,000	0	7,238,000
Total	\$29,856,000	\$33,806,000	\$33,722,000	\$0	\$33,722,000
State	15,934,000	17,159,200	17,075,200	0	17,075,200
Federal	1,786,600	1,888,200	1,888,200	0	1,888,200
Other	12,135,400	14,758,600	14,758,600	0	14,758,600

Standard: Implement consistent practices, including protocols, best practices, or evidence-based practices.

Measure: Number of consistent practices, including protocols, best practices, or evidence-based practices implemented.

17	21	25	0	25
----	----	----	---	----

	<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
--	-----------------------------------	--------------------------------------	---------------------------------	--	--

339.11 Middle Tennessee Mental Health Institute

Middle Tennessee Mental Health Institute was established in Nashville in 1853 (and rebuilt in 1995), is accredited as a psychiatric hospital, and is licensed for 245 beds. The hospital provides forensic evaluation and treatment services in a secure setting.

Full-Time	716	731	731	0	731
Part-Time	13	13	13	0	13
Seasonal	0	0	0	0	0
Total	729	744	744	0	744
Payroll	38,938,700	40,830,300	40,830,300	0	40,830,300
Operational	11,324,800	9,000,000	9,165,600	0	9,165,600
Total	\$50,263,500	\$49,830,300	\$49,995,900	\$0	\$49,995,900
State	25,850,500	22,463,700	22,629,300	0	22,629,300
Federal	2,610,700	2,452,900	2,452,900	0	2,452,900
Other	21,802,300	24,913,700	24,913,700	0	24,913,700

Standard: Implement consistent practices, including protocols, best practices, or evidence-based practices.

Measure: Number of consistent practices, including protocols, best practices, or evidence-based practices implemented.

17	21	25	0	25
----	----	----	---	----

339.12 Western Mental Health Institute

Western Mental Health Institute was established in Bolivar in 1889, is accredited as a psychiatric hospital, and is licensed for 247 beds.

Full-Time	652	653	653	0	653
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	652	653	653	0	653
Payroll	32,822,100	35,909,200	35,909,200	0	35,909,200
Operational	6,917,300	7,041,700	7,182,900	0	7,182,900
Total	\$39,739,400	\$42,950,900	\$43,092,100	\$0	\$43,092,100
State	16,722,100	19,275,400	19,416,600	0	19,416,600
Federal	2,735,700	1,309,700	2,109,700	0	2,109,700
Other	20,281,600	22,365,800	21,565,800	0	21,565,800

Standard: Implement consistent practices, including protocols, best practices, or evidence-based practices.

Measure: Number of consistent practices, including protocols, best practices, or evidence-based practices implemented.

17	21	25	0	25
----	----	----	---	----

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

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 is licensed for 172 beds.

Full-Time	446	446	446	0	446
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	446	446	446	0	446
Payroll	21,732,100	24,236,400	24,236,400	0	24,236,400
Operational	4,503,300	5,358,900	5,462,300	0	5,462,300
Total	\$26,235,400	\$29,595,300	\$29,698,700	\$0	\$29,698,700
State	13,182,100	13,363,900	13,467,300	0	13,467,300
Federal	2,381,400	2,214,000	2,214,000	0	2,214,000
Other	10,671,900	14,017,400	14,017,400	0	14,017,400

Standard: Implement consistent practices, including protocols, best practices, or evidence-based practices.

Measure: Number of consistent practices, including protocols, best practices, or evidence-based practices implemented.

17	21	25	0	25
----	----	----	---	----

339.17 Memphis Mental Health Institute

Memphis Mental Health Institute was established in Memphis in 1962, is accredited as a psychiatric hospital, and is licensed for 98 beds. A new facility, licensed for 111 beds, opened in the Fall of 2007.

Full-Time	349	349	349	0	349
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	350	350	350	0	350
Payroll	18,690,600	21,012,800	21,012,800	0	21,012,800
Operational	3,704,700	6,619,900	6,704,900	0	6,704,900
Total	\$22,395,300	\$27,632,700	\$27,717,700	\$0	\$27,717,700
State	15,391,700	15,774,500	15,859,500	0	15,859,500
Federal	940,800	2,156,000	2,156,000	0	2,156,000
Other	6,062,800	9,702,200	9,702,200	0	9,702,200

Standard: Implement consistent practices, including protocols, best practices, or evidence-based practices.

Measure: Number of consistent practices, including protocols, best practices, or evidence-based practices implemented.

17	21	25	0	25
----	----	----	---	----

	<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
--	-----------------------------------	--------------------------------------	---------------------------------	--	--

339.40 Major Maintenance

Major Maintenance provides maintenance funds for the state's mental health institutes in the event of an emergency, as well as assisting with facility maintenance projects that do not meet the criteria for capital maintenance.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	426,700	450,000	450,000	0	450,000
Total	\$426,700	\$450,000	\$450,000	\$0	\$450,000
State	426,700	450,000	450,000	0	450,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Cost of major maintenance will be no more than \$0.21 per square foot.

Measure: Major maintenance cost per square foot.

\$0.14	\$0.20	< \$0.21	0	<\$0.21
--------	--------	----------	---	---------

339.00 Total Mental Health and Developmental Disabilities

Full-Time	2,902	2,921	2,921	0	2,921
Part-Time	14	14	14	0	14
Seasonal	0	0	0	0	0
Total	2,916	2,935	2,935	0	2,935
Payroll	149,168,300	165,204,800	165,305,000	0	165,305,000
Operational	160,748,600	172,392,000	168,082,900	0	168,082,900
Total	\$309,916,900	\$337,596,800	\$333,387,900	\$0	\$333,387,900
State	170,319,400	180,282,400	179,099,200	0	179,099,200
Federal	61,835,500	64,434,400	63,586,300	0	63,586,300
Other	77,762,000	92,880,000	90,702,400	0	90,702,400

Statistical Data Mental Health Institutes

	<u>Lakeshore 339.10</u>	<u>Middle Tennessee 339.11</u>	<u>Western 339.12</u>	<u>Moccasin Bend 339.16</u>	<u>Memphis 339.17</u>	<u>Total</u>
Annual Admissions						
2001-2002	2,483	3,421	2,150	2,853	1,536	12,443
2002-2003	2,894	3,762	2,333	3,888	1,606	14,483
2003-2004	3,015	4,262	2,159	3,859	1,372	14,667
2004-2005	3,085	4,158	2,261	3,005	1,581	14,090
2005-2006	3,215	4,210	2,475	3,330	1,581	14,811
2006-2007	2,138	3,528	2,026	2,512	1,816	12,020
2007-2008	2,120	3,600	2,050	3,330	1,816	12,916
2008-2009	2,120	3,600	2,100	3,330	1,816	12,966
Annual Releases						
2001-2002	2,474	3,416	2,168	2,854	1,540	12,452
2002-2003	2,878	3,784	2,299	3,896	1,571	14,428
2003-2004	3,026	4,266	2,200	3,900	1,402	14,794
2004-2005	3,105	4,196	2,240	3,022	1,583	14,146
2005-2006	3,202	4,422	2,445	3,220	1,583	14,872
2006-2007	2,118	3,529	2,046	2,500	1,809	12,002
2007-2008	2,120	3,600	2,070	3,220	1,809	12,819
2008-2009	2,120	3,600	2,120	3,220	1,809	12,869
Average Daily Census						
2001-2002	167	285	259	151	79	941
2002-2003	175	277	257	152	97	958
2003-2004	176	276	258	157	93	960
2004-2005	166	267	242	120	93	888
2005-2006	170	275	255	130	93	923
2006-2007	143	248	230	124	63	808
2007-2008	143	255	232	130	63	823
2008-2009	143	255	232	130	63	823
Cost Per Occupancy Day*						
2001-2002	\$431.69	\$387.20	\$332.17	\$390.80	\$632.08	\$401.09
2002-2003	\$429.68	\$423.37	\$350.72	\$411.24	\$635.59	\$424.59
2003-2004	\$460.47	\$447.07	\$354.01	\$421.73	\$669.54	\$441.93
2004-2005	\$504.96	\$475.92	\$416.11	\$586.00	\$699.27	\$503.92
2005-2006	\$530.30	\$511.30	\$429.40	\$550.56	\$797.01 **	\$525.44
2006-2007	\$570.53	\$556.39	\$472.96	\$576.98	\$968.26	\$570.52
2007-2008	\$648.07	\$549.41	\$508.88	\$605.10	\$1,168.10	\$611.87
2008-2009	\$649.84	\$549.41	\$508.88	\$605.10	\$1,168.10	\$612.17

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

**Memphis MHI - 2005-2006 excludes \$12.5 million non-operating costs for capital outlay for new facility.

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 bureaus: Administrative and Support Services, Health Licensure and Regulation, and Health Services.

<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Administrative and Support Services

The Administrative and Support Services Bureau provides direction, coordination, review, and basic support services to the Department of Health, including administrative, laboratory, information technology, and policy planning services.

343.01 Executive Administration

Executive Administration provides for the overall policy direction and management of the department, as well as the human resources, legal, and minority health activities.

Full-Time	93	95	95	0	95
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	93	95	95	0	95
Payroll	5,745,300	6,351,800	6,377,000	0	6,377,000
Operational	2,607,200	2,333,000	2,293,500	0	2,293,500
Total	\$8,352,500	\$8,684,800	\$8,670,500	\$0	\$8,670,500
State	7,266,800	7,453,400	7,414,100	0	7,414,100
Federal	1,085,700	1,044,400	1,069,400	0	1,069,400
Other	0	187,000	187,000	0	187,000

Standard: Maintain the percentage of Executive Administration's actual expenditures to total department expenditures.

Measure: Executive Administration's expenditures as a percent of total department expenditures.

1.51%	1.16%	1.16%	0	1.16%
-------	-------	-------	---	-------

343.03 Administrative Services

Administrative Services provides support to department program areas, including accounting, procurement, payment, budgeting, contracting, facilities management, and property inventory activities.

Full-Time	67	70	70	0	70
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	67	70	70	0	70
Payroll	3,194,900	3,861,500	3,852,400	0	3,852,400
Operational	749,800	647,200	659,500	0	659,500
Total	\$3,944,700	\$4,508,700	\$4,511,900	\$0	\$4,511,900

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
State	2,785,700	3,279,400	3,284,500	0	3,284,500
Federal	1,159,000	1,189,100	1,187,200	0	1,187,200
Other	0	40,200	40,200	0	40,200

Standard: Maintain the percentage of Administrative Services' actual expenditures to total department expenditures.

Measure: Administrative Services' expenditures as a percent of total department expenditures.

0.68%	0.78%	0.78%	0	0.78%
-------	-------	-------	---	-------

343.04 Office for Information Technology Services

The Office for Information Technology Services provides hardware, software, and information systems support to the programs of the department. This support includes systems and personal computer security, project management, application development, web development and design, database administration, and maintenance of all systems. Technical services, computer operations services, hardware and software installations, and client server administration are also provided.

Full-Time	74	74	74	0	74
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	74	74	74	0	74
Payroll	4,329,800	5,003,800	5,187,300	0	5,187,300
Operational	790,500	583,100	589,400	0	589,400
Total	\$5,120,300	\$5,586,900	\$5,776,700	\$0	\$5,776,700
State	5,099,900	5,586,900	5,650,700	0	5,650,700
Federal	0	0	126,000	0	126,000
Other	20,400	0	0	0	0

Standard: Achieve an overall rating of four out of a scale of five on a customer service satisfaction survey.

Measure: Average rating on a five-point scale.

4.8	4.9	4.9	0	4.9
-----	-----	-----	---	-----

343.08 Laboratory Services

Laboratory Services offers microbiological and environmental laboratory services for the Department of Health and other state agencies. These services include screening and confirmation tests for disease outbreak investigation, sexually transmitted diseases, tuberculosis, HIV, mosquito-borne viruses, animal rabies, biological and chemical contaminants, and suspect foods. Reference and limited microbiological support is provided to hospitals, private physicians, and private laboratories. The division also provides analytical support to the department's prevention and treatment programs and to environmental regulatory programs.

Full-Time	170	172	172	0	172
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	170	172	172	0	172
Payroll	8,181,400	9,968,500	10,129,800	0	10,129,800
Operational	9,973,800	10,292,600	10,227,400	0	10,227,400
Total	\$18,155,200	\$20,261,100	\$20,357,200	\$0	\$20,357,200

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
State	9,503,600	8,642,600	8,663,300	0	8,663,300
Federal	2,011,300	3,078,400	2,058,400	0	2,058,400
Other	6,640,300	8,540,100	9,635,500	0	9,635,500

Standard: Exceed the federal Clinical Laboratory Improvement Act (CLIA) goal of 80 percent accuracy on all laboratory tests.

Measure: Average percent of accurate testing results.

94%	95%	95%	0	95%
-----	-----	-----	---	-----

343.20 Policy Planning and Assessment

Policy Planning and Assessment (PPA) 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, PPA administers the cancer registry and the comprehensive cancer control plan. PPA also maintains the Health Information Tennessee (HIT) website which contains health-related data accessible to the general public, internal users, external researchers, community agencies, and other interested parties.

Full-Time	141	141	141	0	141
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	141	141	141	0	141
Payroll	7,047,600	7,918,900	7,913,100	0	7,913,100
Operational	2,745,700	2,888,500	2,884,900	0	2,884,900
Total	\$9,793,300	\$10,807,400	\$10,798,000	\$0	\$10,798,000
State	3,800,900	5,113,600	5,104,200	0	5,104,200
Federal	1,902,300	2,016,700	1,776,900	0	1,776,900
Other	4,090,100	3,677,100	3,916,900	0	3,916,900

Standard: Return vital records requests to customer within a specific time frame.

Measure: Response days for routine requests for vital records.

4.0 days	4.0 days	4.0 days	0	4.0 days
----------	----------	----------	---	----------

Standard: Submit death demographic data to the National Center for Health Statistics (NCHS) in a timely manner.

Measure: Average number of days between date of death and date the death data is sent to the NCHS.

47.4 days	46.0 days	45.0 days	0	45.0 days
-----------	-----------	-----------	---	-----------

Bureau of Health Licensure and Regulation

The Bureau of Health Licensure and Regulation regulates the health-care industry through the certification and licensure of health-care facilities, emergency medical services, and the regulation of certain health-care professionals. In addition, the bureau coordinates and administers the Trauma System Fund.

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

343.05 Bureau of Health Licensure and Regulation

This allotment includes funds for staff that provide policy, direction, and support to the Bureau of Health Licensure and Regulation and monitors the quality of health-care. Civil rights compliance, health-care facility licensure, and the health-care facility federal certification program are administered by the bureau. The bureau also certifies providers for participation in federal Medicare and Medicaid programs. Health Licensure and Regulation monitors facility compliance with state minimum standards, federal standards of care, and conditions of participation through facility surveys and incident investigations.

Full-Time	175	175	175	8	183
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	175	175	175	8	183
Payroll	10,421,600	11,085,900	11,082,500	456,100	11,538,600
Operational	4,501,100	4,724,300	4,747,600	84,000	4,831,600
Total	\$14,922,700	\$15,810,200	\$15,830,100	\$540,100	\$16,370,200
State	6,277,800	7,507,400	7,527,300	540,100	8,067,400
Federal	7,026,300	6,472,400	6,572,400	0	6,572,400
Other	1,618,600	1,830,400	1,730,400	0	1,730,400

Standard: Conduct all required licensure and certification surveys within department guidelines.

Measure: Percent of required licensure and certification surveys completed.

100%	100%	100%	0	100%
------	------	------	---	------

Standard: Investigate all complaints and unusual incidents against health-care facilities within department guidelines.

Measure: Percent of complaints and unusual incidents investigated within timeframes mandated by priority designation.

100%	50%	60%	25%	85%
------	-----	-----	-----	-----

343.06 Trauma System Fund

The Trauma System Fund provides payments and grants to all levels of trauma centers and comprehensive regional pediatric centers based on the recommendations of the Tennessee Trauma Care Advisory Council. In accordance with TCA 68-59, grants and payments are made to trauma care centers for the costs of maintaining required standards for designation and uncompensated care costs associated with trauma care patients.

Full-Time	0	1	1	0	1
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	1	1	0	1
Payroll	0	42,600	51,600	0	51,600
Operational	0	9,864,400	9,855,400	0	9,855,400
Total	\$0	\$9,907,000	\$9,907,000	\$0	\$9,907,000
State	0	9,907,000	9,907,000	0	9,907,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

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 also is responsible for statewide, multi-agency emergency medical disaster planning, training, and operations, as identified in the Tennessee Emergency Management Plan.

Full-Time	22	22	22	0	22
Part-Time	13	13	13	0	13
Seasonal	0	0	0	0	0
Total	35	35	35	0	35
Payroll	1,180,600	1,335,100	1,335,100	0	1,335,100
Operational	2,082,700	2,940,300	529,500	0	529,500
Total	\$3,263,300	\$4,275,400	\$1,864,600	\$0	\$1,864,600
State	663,000	730,100	732,800	0	732,800
Federal	453,600	380,900	230,900	0	230,900
Other	2,146,700	3,164,400	900,900	0	900,900

Standard: Process all initial licensure applications for Emergency Medical Services (EMS) personnel from application receipt to licensure approval/denial in a timely manner as set by the Department of Health.

Measure: Percent of initial licensure applications for EMS personnel processed within 100 calendar days from application receipt to license approval/denial.

100%	100%	100%	0	100%
------	------	------	---	------

Standard: Process all license renewals for EMS personnel in a timely manner as set by the Department of Health.

Measure: Percent of license renewals for EMS personnel processed within ten calendar days.

100%	100%	100%	0	100%
------	------	------	---	------

Standard: Process all initial and renewal licenses for ambulance services in a timely manner as set by the Department of Health.

Measure: Percent of initial and renewal licenses for ambulance services processed within 15 calendar days from application receipt.

85%	100%	100%	0	100%
-----	------	------	---	------

343.10 Health Related Boards

The Health Related Boards certify and license health-care professionals; enforce statutes and rules setting standards of practice and professional conduct; and assist in administration, investigation, enforcement, and peer assistance.

Full-Time	138	140	140	0	140
Part-Time	178	186	186	0	186
Seasonal	0	0	0	0	0
Total	316	326	326	0	326

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
Payroll	6,922,600	7,775,100	7,998,200	0	7,998,200
Operational	6,712,900	5,666,600	5,665,400	0	5,665,400
Total	\$13,635,500	\$13,441,700	\$13,663,600	\$0	\$13,663,600
State	11,698,100	13,305,300	13,534,600	0	13,534,600
Federal	0	0	0	0	0
Other	1,937,400	136,400	129,000	0	129,000

Standard: Process all initial applications for licensure from application receipt to licensure approval/denial in a timely manner as set by the Department of Health.

Measure: Percent of initial licensure applications processed within 100 calendar days from application receipt to licensure approval/denial.

91%	100%	100%	0	100%
-----	------	------	---	------

Standard: Process all license renewals in a timely manner as set by the Department of Health.

Measure: Percent of renewals processed within 14 calendar days.

91%	100%	100%	0	100%
-----	------	------	---	------

Standard: Resolve all complaints within established category timeframes.

Measure: Percent of complaints resolved within established category timeframes.

60%	90%	90%	0	90%
-----	-----	-----	---	-----

Bureau of Health Services

The Bureau of 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 prevention services, with an emphasis on health promotion, disease prevention, and health access. Services are provided through the following programs: Health Services Administration, General Environmental Health, Maternal and Child Health, Communicable and Environmental Disease Services, Community and Medical Services, Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), and Local Health Services.

343.45 Health Services Administration

Health Services Administration directs, supervises, plans, and coordinates health-care service delivery in the state; provides administrative support to programs within the Bureau of Health Services; and operates the early and periodic screening, diagnosis and treatment (EPSDT) call center. In addition, several health care safety net programs, established in 2005-2006 to assist Tennesseans who were disenrolled from the TennCare program, are funded through this division. The safety net initiatives include grants to federally-qualified health centers and the 24-hour nurse triage service. The Department of Mental Health and Developmental Disabilities also provides safety net services to the mentally ill.

Full-Time	90	86	86	0	86
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	90	86	86	0	86

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
Payroll	3,476,000	4,817,400	4,777,700	0	4,777,700
Operational	33,013,200	25,475,400	13,381,700	6,000,000	19,381,700
Total	\$36,489,200	\$30,292,800	\$18,159,400	\$6,000,000	\$24,159,400
State	27,510,100	23,323,300	14,329,600	6,000,000	20,329,600
Federal	1,327,300	1,467,400	1,427,700	0	1,427,700
Other	7,651,800	5,502,100	2,402,100	0	2,402,100

Standard: The administrative cost for Health Services Administration (HSA) activities for the Bureau of Health Services will not exceed two percent of the total bureau's costs.

Measure: Administrative expenditures as a percent of total Bureau of Health Services Administration expenditures.

1.49% 1.80% 2.00% 0 2.00%

343.39 General Environmental Health

General 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 Virus surveillance, lead investigations, and environmental surveys that are conducted in schools, child-care facilities, and state correctional institutions.

Full-Time	109	109	109	0	109
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	109	109	109	0	109
Payroll	6,484,800	7,098,400	7,083,900	0	7,083,900
Operational	4,110,400	4,801,100	4,815,500	0	4,815,500
Total	\$10,595,200	\$11,899,500	\$11,899,400	\$0	\$11,899,400
State	10,562,300	11,870,900	11,870,800	0	11,870,800
Federal	0	0	0	0	0
Other	32,900	28,600	28,600	0	28,600

Standard: Reduce infections caused by key food-borne pathogens.

Measure: Number of infections caused by Salmonella species per 100,000 population.

14.2/100,000 12.0/100,000 12.0/100,000 0 12.0/100,000

Standard: Inspect and re-inspect 100% of the establishments listed above within the required intervals as set forth in the TCA.

Measure: Percent of inspections completed on time, as required by TCA.

99.7% 100% 100% 0 100%

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

343.47 Maternal and Child Health

Maternal and Child Health 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 of the Temporary Assistance to Needy Families program of the Department of Human Services (Families First).

Full-Time	44	45	45	0	45
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	44	45	45	0	45
Payroll	2,016,500	2,779,100	2,792,900	0	2,792,900
Operational	12,041,400	14,281,900	13,663,300	0	13,663,300
Total	\$14,057,900	\$17,061,000	\$16,456,200	\$0	\$16,456,200
State	2,442,200	3,560,800	2,939,200	0	2,939,200
Federal	7,435,500	8,564,600	8,554,700	0	8,554,700
Other	4,180,200	4,935,600	4,962,300	0	4,962,300

Standard: Child Fatality Review Teams will review child deaths under 18 years of age.

Measure: Percent of child deaths reviewed (Tennessee residents under 18 years of age).

97.3%	100.0%	100.0%	0	100.0%
-------	--------	--------	---	--------

Standard: Reduce the pregnancy rates for females ages 15-17.

Measure: Adolescent pregnancy rates for females ages 15-17 per 1,000 females.

33.3/1,000	32.5/1,000	32.2/1,000	0	32.2/1,000
------------	------------	------------	---	------------

343.49 Communicable and Environmental Disease Services

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, as well as 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	141	150	150	0	150
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	142	151	151	0	151

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
Payroll	6,148,200	9,324,500	9,363,600	0	9,363,600
Operational	39,622,600	57,919,600	40,333,400	3,000,000	43,333,400
Total	\$45,770,800	\$67,244,100	\$49,697,000	\$3,000,000	\$52,697,000
State	7,286,400	21,746,400	10,567,300	3,000,000	13,567,300
Federal	36,152,500	44,456,100	39,129,700	0	39,129,700
Other	2,331,900	1,041,600	0	0	0

Standard: Maintain the annual percentage of 24-month-old children receiving the following recommended childhood vaccinations - 4 doses DTaP; 3 polio; 1 Measles/Mumps/Rubella (MMR); 3 Hepatitis B (Hep B); 3 Haemophilus Influenzae type B (HiB) and 1 Varicella.

Measure: Percent of 24-month-old children receiving the recommended dosage of DTaP.

89.5%	90%	90%	0	90%
-------	-----	-----	---	-----

Standard: Maintain the annual percentage of 24-month-old children receiving the recommended childhood vaccinations - 3 HiB.

Measure: Percent of 24-month-old children receiving the recommended dosage.

95%	90%	90%	0	90%
-----	-----	-----	---	-----

Standard: Maintain the annual percentage of 24-month-old children receiving the recommended childhood vaccinations - 1 dose MMR.

Measure: Percent of 24-month-old children receiving the recommended dosage.

94%	90%	90%	0	90%
-----	-----	-----	---	-----

Standard: Maintain the annual percentage of 24-month-old children receiving the recommended childhood vaccinations - 3 doses Hep B.

Measure: Percent of 24-month-old children receiving the recommended dosage.

94%	90%	90%	0	90%
-----	-----	-----	---	-----

Standard: Maintain the annual percentage of 24-month-old children receiving the recommended childhood vaccinations - 3 doses polio.

Measure: Percent of 24-month-old children receiving the recommended dosage.

95%	90%	90%	0	90%
-----	-----	-----	---	-----

Standard: Maintain the annual percentage of 24-month-old children receiving the recommended childhood vaccinations - 1 dose varicella.

Measure: Percent of 24-month-old children receiving the recommended dosage.

93%	90%	90%	0	90%
-----	-----	-----	---	-----

Standard: Maintain the annual percentage of Tuberculosis (TB) cases that complete therapy.

Measure: Percent of tuberculosis cases that complete therapy.

93%	95%	95%	0	95%
-----	-----	-----	---	-----

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Standard: The incidence rate of primary and secondary syphilis will not exceed 3.0 cases per 100,000 population.

Measure: Incidence rate of primary and secondary syphilis.

	2.3/100,000	2.3/100,000	2.2/100,000	0	2.2/100,000
--	-------------	-------------	-------------	---	-------------

Standard: The incidence rate of new reported HIV/AIDS infections will not exceed 17 cases per 100,000 population.

Measure: Incidence rate of new reported HIV/AIDS infections.

	17.8/100,000	17.0/100,000	17.0/100,000	0	17.0/100,000
--	--------------	--------------	--------------	---	--------------

343.51 Diabetes Prevention and Health Improvement

The Diabetes Prevention and Health Improvement program provides grants to health-care providers for education, treatment, and prevention initiatives focused on type 2 diabetes and obesity. The program also makes grants available to selected Tennessee high schools that participate in clinical trials with the National Institutes of Health (NIH).

Full-Time	2	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2	2	2	0	2
Payroll	0	194,400	194,400	0	194,400
Operational	176,800	6,810,600	6,810,600	0	6,810,600
Total	\$176,800	\$7,005,000	\$7,005,000	\$0	\$7,005,000
State	0	7,005,000	7,005,000	0	7,005,000
Federal	0	0	0	0	0
Other	176,800	0	0	0	0

Standard: Develop and implement Project Diabetes Planning Grants statewide.

Measure: Number of Project Diabetes Planning Grants/Projects implemented statewide.

	Not Applicable	25	25	0	25
--	----------------	----	----	---	----

Standard: Provide diabetes education/training seminars.

Measure: Number of Project Diabetes education/training seminars.

	Not Applicable	3	3	0	3
--	----------------	---	---	---	---

Standard: Reduce the incidence rate of clinically diagnosed diabetes in the general population to no more than 25 per 1,000 population.

Measure: Incidence rate of clinically diagnosed diabetes per 1,000 population.

	Not Applicable	25/1,000	25/1,000	0	25/1,000
--	----------------	----------	----------	---	----------

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

343.52 Community and Medical Services

Community and Medical Services includes 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 an underserved area 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, chronic renal disease, hemophilia treatment, community prevention initiative, diabetes prevention and control, heart disease and stroke prevention, traumatic brain injury treatment, and bioterrorism preparedness for hospitals.

Full-Time	79	81	81	0	81
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	79	81	81	0	81
Payroll	4,115,600	5,169,000	5,204,100	0	5,204,100
Operational	22,743,500	39,361,500	26,310,200	13,000,000	39,310,200
Total	\$26,859,100	\$44,530,500	\$31,514,300	\$13,000,000	\$44,514,300
State	12,070,600	24,810,500	11,794,300	13,000,000	24,794,300
Federal	14,300,100	16,588,000	16,588,000	0	16,588,000
Other	488,400	3,132,000	3,132,000	0	3,132,000

Standard: Increase the number of health practitioners placed in underserved communities.

Measure: Number of health practitioners placed in underserved communities.

	25	32	32	0	32
--	----	----	----	---	----

Standard: Reduce the incidence of coronary heart disease per 100,000 population.

Measure: Incidence of coronary heart disease age-adjusted death rate per 100,000 population.

	219.2/100,000	215.4/100,000	215.4/100,000	0	215.4/100,000
--	---------------	---------------	---------------	---	---------------

Standard: Increase the portion of women 40 and older that receive a Pap test to at least 50 percent of those served.

Measure: Percent of women over 40 served by the Community and Medical Services program who receive a Pap test.

	38%	44%	50%	0	50%
--	-----	-----	-----	---	-----

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 breast-feeding 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.

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
Full-Time	21	21	21	0	21
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	21	21	21	0	21
Payroll	1,016,400	1,244,900	1,218,800	0	1,218,800
Operational	119,834,200	118,158,600	118,186,600	0	118,186,600
Total	\$120,850,600	\$119,403,500	\$119,405,400	\$0	\$119,405,400
State	0	0	0	0	0
Federal	88,539,200	84,269,500	84,271,400	0	84,271,400
Other	32,311,400	35,134,000	35,134,000	0	35,134,000

Standard: Provide breast-feeding support activities to women participating in WIC in order to achieve an average of at least 29% or greater of women who breast-feed.

Measure: Percent of women receiving WIC who are breast-feeding.

31%	33%	33%	0	33%
-----	-----	-----	---	-----

343.60 Local Health Services

Local health services are provided through a network of regional health offices, metropolitan area offices, and county health departments. Grants-in-aid are provided to local health units to assure 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; Families First home visits; early and periodic screening, diagnosis, and treatment (EPSDT) outreach; and supplemental foods, screening, and counseling through the Women, Infants, and Children (WIC) program, described above.

Full-Time	1,876	1,884	1,884	0	1,884
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
Total	1,878	1,886	1,886	0	1,886
Payroll	93,035,600	106,675,600	106,635,300	0	106,635,300
Operational	94,762,700	86,071,700	81,896,700	0	81,896,700
Total	\$187,798,300	\$192,747,300	\$188,532,000	\$0	\$188,532,000
State	54,203,800	62,046,600	62,155,400	0	62,155,400
Federal	64,173,300	66,553,200	61,529,100	0	61,529,100
Other	69,421,200	64,147,500	64,847,500	0	64,847,500

Standard: Ensure that all public health regions maintain up-to-date bioterrorism response plans.

Measure: Number of public health regions with up-to-date bioterrorism response plans.

13	13	13	0	13
----	----	----	---	----

	<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
--	-----------------------------------	--------------------------------------	---------------------------------	--	--

Standard: Implement community-based initiatives to improve health status indicators and reduce gaps between population groups.

Measure: Number of communities/counties actively engaged in a sustained, multi-faceted approach to reduce the rate of diabetes and/or cardiovascular disease.

	50	70	70	0	70
--	----	----	----	---	----

343.00 Total Health

Full-Time	3,242	3,268	3,268	8	3,276
Part-Time	194	202	202	0	202
Seasonal	0	0	0	0	0
Total	3,436	3,470	3,470	8	3,478
Payroll	163,316,900	190,646,500	191,197,700	456,100	191,653,800
Operational	356,468,500	392,820,400	342,850,600	22,084,000	364,934,600
Total	\$519,785,400	\$583,466,900	\$534,048,300	\$22,540,100	\$556,588,400
State	161,171,200	215,889,200	182,480,100	22,540,100	205,020,200
Federal	225,566,100	236,080,700	224,521,800	0	224,521,800
Other	133,048,100	131,497,000	127,046,400	0	127,046,400

Department of Finance and Administration, Division of Mental Retardation Services

The Division of Mental Retardation Services was transferred by executive order in 1996 from the Department of Mental Health and Developmental Disabilities to the Department of Finance and Administration. Later executive orders, through 2002, provided for transfer of additional administrative staff and functions into this division from the old department. The division provides services in a variety of settings, ranging from supported living in the community to institutional care. The division also provides administrative support to the Developmental Disabilities Council.

<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

Administration and Policy

344.01 Mental Retardation Administration

Mental Retardation Administration is responsible for oversight of the three developmental centers; 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; and training, technical assistance, and consultation in specialty areas.

Full-Time	199	200	210	0	210
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	199	200	210	0	210
Payroll	12,711,100	14,308,700	14,912,400	0	14,912,400
Operational	5,237,100	4,351,200	4,412,800	0	4,412,800
Total	\$17,948,200	\$18,659,900	\$19,325,200	\$0	\$19,325,200
State	2,887,500	3,739,200	3,872,200	0	3,872,200
Federal	74,900	0	0	0	0
Other	14,985,800	14,920,700	15,453,000	0	15,453,000

Standard: Administrative costs to total services costs will not exceed 2.13%.

Measure: Percent of administrative costs to total services cost.

2.13%	2.13%	2.00%	0	2.00%
-------	-------	-------	---	-------

344.81 Developmental Disabilities Council

The Developmental Disabilities Council works for public policies and service systems that promote the inclusion of individuals with developmental disabilities in their communities. 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 is administratively attached to the Division of Mental Retardation Services.

Full-Time	8	9	9	0	9
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	8	9	9	0	9

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
Payroll	513,900	703,400	703,400	0	703,400
Operational	1,120,400	1,779,800	1,782,000	0	1,782,000
Total	\$1,634,300	\$2,483,200	\$2,485,400	\$0	\$2,485,400
State	199,900	214,600	215,200	0	215,200
Federal	1,175,600	2,168,600	2,170,200	0	2,170,200
Other	258,800	100,000	100,000	0	100,000

Standard: Utilize council federal funding to support priority areas: education, housing, employment, childcare, community supports, quality assurance, health and transportation.

Measure: Percent of actual expenditures spent to support federal priority areas.

75%	70%	70%	0	70%
-----	-----	-----	---	-----

Standard: Maintain maximum utilization of federal allocation to the Council on Developmental Disabilities.

Measure: Percent of federal allocation utilized.

98%	97%	97%	0	97%
-----	-----	-----	---	-----

Community Services

Three regional offices coordinate services for individuals in the community and for individuals transitioning from institutional settings to the community.

344.02 Community Mental Retardation Services

The Community Mental Retardation Services Division provides community-based mental retardation services to persons with mental retardation and other developmental disabilities. The division contracts with community agencies across the state to provide the following comprehensive system of support services: family-based residential services, group homes, family support, supported living, highly structured specialized living arrangements, adult day services, therapy services, early-intervention services, respite, diagnostic and evaluation, recreation, supported employment, and support coordination.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	592,514,000	599,564,500	572,654,900	19,608,700	592,263,600
Total	\$592,514,000	\$599,564,500	\$572,654,900	\$19,608,700	\$592,263,600
State	78,323,400	52,639,300	52,639,300	4,694,400	57,333,700
Federal	0	0	0	0	0
Other	514,190,600	546,925,200	520,015,600	14,914,300	534,929,900

Standard: Provide services to individuals in the Home and Community Based Services (HCBS) waivers.

Measure: Number of individuals served in the community.

7,244	8,598	9,397	608	10,027
-------	-------	-------	-----	--------

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

344.20 West Tennessee Regional Office

This office coordinates services and support to individuals with mental retardation living in the community in West Tennessee.

Full-Time	214	208	208	0	208
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	214	208	208	0	208
Payroll	10,086,300	11,631,700	11,631,700	0	11,631,700
Operational	4,716,700	5,245,100	5,281,500	0	5,281,500
Total	\$14,803,000	\$16,876,800	\$16,913,200	\$0	\$16,913,200
State	54,000	2,595,800	2,601,600	0	2,601,600
Federal	0	0	0	0	0
Other	14,749,000	14,281,000	14,311,600	0	14,311,600

Standard: Resolve and close complaint cases within 30 days of receipt.

Measure: The percent of complaint cases resolved and closed within 30 days of receipt.

99%	90%	90%	0	90%
-----	-----	-----	---	-----

Standard: Increase the number of investigations closed within 30 days.

Measure: The percent of investigations closed within 30 days.

96%	100%	100%	0	100%
-----	------	------	---	------

344.21 Middle Tennessee Regional Office

This office coordinates services and support to individuals with mental retardation living in the community in Middle Tennessee.

Full-Time	173	173	173	0	173
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	173	173	173	0	173
Payroll	8,657,700	10,098,600	10,098,600	0	10,098,600
Operational	1,549,500	1,600,700	1,638,900	0	1,638,900
Total	\$10,207,200	\$11,699,300	\$11,737,500	\$0	\$11,737,500
State	0	1,872,100	1,878,200	0	1,878,200
Federal	0	0	0	0	0
Other	10,207,200	9,827,200	9,859,300	0	9,859,300

Standard: Resolve and close complaint cases within 30 days of receipt.

Measure: The percent of complaint cases resolved and closed within 30 days of receipt.

96%	90%	90%	0	90%
-----	-----	-----	---	-----

Standard: Increase the number of investigations closed within 30 days.

Measure: The percent of investigations closed within 30 days.

93%	100%	100%	0	100%
-----	------	------	---	------

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

344.22 East Tennessee Regional Office

This office coordinates services and support to individuals with mental retardation living in the community in East Tennessee.

Full-Time	181	184	184	0	184
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	181	184	184	0	184
Payroll	9,511,700	10,906,200	10,906,200	0	10,906,200
Operational	2,026,800	3,071,400	3,111,800	0	3,111,800
Total	\$11,538,500	\$13,977,600	\$14,018,000	\$0	\$14,018,000
State	2,096,000	2,236,300	2,242,800	0	2,242,800
Federal	0	0	0	0	0
Other	9,442,500	11,741,300	11,775,200	0	11,775,200

Standard: Resolve and close complaint cases within 30 days of receipt.

Measure: The percent of complaint cases resolved and closed within 30 days of receipt.

98%	90%	90%	0	90%
-----	-----	-----	---	-----

Standard: Increase the number of investigations closed within 30 days.

Measure: The percent of investigations closed within 30 days.

99%	100%	100%	0	100%
-----	------	------	---	------

344.30 West Tennessee Resource Center

The resource center provides services such as state-operated beds, private ICF-MR facilities, and community-run homes to a population that includes ICF-MR individuals and others qualifying under the Settlement Agreement, the Self-Determination Waiver, and other statewide waivers.

Full-Time	0	43	43	0	43
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	43	43	0	43
Payroll	0	3,344,900	3,344,900	0	3,344,900
Operational	0	1,955,100	1,955,100	0	1,955,100
Total	\$0	\$5,300,000	\$5,300,000	\$0	\$5,300,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	0	5,300,000	5,300,000	0	5,300,000

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

344.40 West Tennessee Community Homes

West Tennessee Community Homes are ICF-MR homes for individuals with severe to profound intellectual, physical, and medical challenges and who have spent more than one-half of their lives in large, institutional settings.

Full-Time	0	319	319	0	319
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	319	319	0	319
Payroll	0	14,297,900	14,297,900	0	14,297,900
Operational	0	4,058,600	4,058,600	0	4,058,600
Total	\$0	\$18,356,500	\$18,356,500	\$0	\$18,356,500
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	0	18,356,500	18,356,500	0	18,356,500

Developmental Centers

The Division of Mental Retardation Services operates three developmental centers, which provide residential support and services to adults and children who have mental retardation 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 who are severely and profoundly retarded. High personal care provides total care and training opportunities in self-help, ambulation, communication, and socialization skills. Intensive care provides individualized habilitation training in self-help, language development, and motor skills for retarded residents with severe and profound mental retardation. Medical treatment also is provided.

344.10 Arlington Developmental Center

Arlington Developmental Center was established in Arlington in 1969 and is licensed for 250 beds.

Full-Time	882	351	271	0	271
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	882	351	271	0	271
Payroll	36,472,000	20,510,500	16,330,700	0	16,330,700
Operational	17,255,400	6,547,300	9,677,700	0	9,677,700
Total	\$53,727,400	\$27,057,800	\$26,008,400	\$0	\$26,008,400
State	612,800	1,755,000	1,755,000	0	1,755,000
Federal	0	0	0	0	0
Other	53,114,600	25,302,800	24,253,400	0	24,253,400

Standard: Reduce serious injuries of consumers each year.

Measure: The number of serious injuries of consumers.

9	8	6	0	6
---	---	---	---	---

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

344.11 Clover Bottom Developmental Center

Clover Bottom Developmental Center was established in Nashville in 1923 and is licensed for 260 beds. Mentally retarded offender care at Harold W. Jordan Habilitation Center, located at Clover Bottom Developmental Center, provides habilitative care and competency training in a secure institution for adolescent and adult offenders exhibiting challenging behaviors with mild to moderate retardation.

Full-Time	857	807	807	0	807
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	857	807	807	0	807
Payroll	39,105,800	39,480,800	39,480,800	0	39,480,800
Operational	21,358,500	21,262,800	21,054,500	0	21,054,500
Total	\$60,464,300	\$60,743,600	\$60,535,300	\$0	\$60,535,300
State	8,093,900	8,893,300	8,913,700	0	8,913,700
Federal	0	0	0	0	0
Other	52,370,400	51,850,300	51,621,600	0	51,621,600

Standard: Reduce serious injuries of consumers each year.

Measure: The number of serious injuries of consumers.

	38	36	34	0	34
--	----	----	----	---	----

344.12 Greene Valley Developmental Center

Greene Valley Developmental Center was established in Greeneville in 1960 and is licensed for 384 beds. A facility group home provides transitional residential services for clients to prepare for a successful community placement.

Full-Time	1,388	1,388	1,396	0	1,396
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,388	1,388	1,396	0	1,396
Payroll	62,090,600	65,887,800	67,069,300	0	67,069,300
Operational	14,739,600	16,841,300	15,232,300	0	15,232,300
Total	\$76,830,200	\$82,729,100	\$82,301,600	\$0	\$82,301,600
State	0	1,401,100	1,401,100	0	1,401,100
Federal	0	0	0	0	0
Other	76,830,200	81,328,000	80,900,500	0	80,900,500

Standard: Reduce serious injuries of consumers each year.

Measure: The number of serious injuries of consumers.

	72	64	56	0	56
--	----	----	----	---	----

	<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
--	-----------------------------------	--------------------------------------	---------------------------------	--	--

344.50 Major Maintenance

Major Maintenance provides institutional maintenance funds to the state's developmental centers in the event of an emergency and provides funds for maintenance projects that do not meet the criteria for capital maintenance.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	1,035,900	300,000	300,000	0	300,000
Total	\$1,035,900	\$300,000	\$300,000	\$0	\$300,000
State	560,300	300,000	300,000	0	300,000
Federal	0	0	0	0	0
Other	475,600	0	0	0	0

Standard: Completion of planned major maintenance projects.

Measure: Number of completed major maintenance projects.

3 out of 7	5 out of 7	6 out of 7	0	6 out of 7
------------	------------	------------	---	------------

344.00 Total Finance and Administration, Division of Mental Retardation Services

Full-Time	3,902	3,682	3,620	0	3,620
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	3,902	3,682	3,620	0	3,620
Payroll	179,149,100	191,170,500	188,775,900	0	188,775,900
Operational	661,553,900	666,577,800	641,160,100	19,608,700	660,768,800
Total	\$840,703,000	\$857,748,300	\$829,936,000	\$19,608,700	\$849,544,700
State	92,827,800	75,646,700	75,819,100	4,694,400	80,513,500
Federal	1,250,500	2,168,600	2,170,200	0	2,170,200
Other	746,624,700	779,933,000	751,946,700	14,914,300	766,861,000

Statistical Data

Mental Retardation Developmental Centers

	<u>Arlington</u> 344.10	<u>Clover Bottom</u> 344.11	<u>Greene Valley</u> 344.12	<u>Total</u>
Annual Admissions				
2001-2002	0	6	6	12
2002-2003	0	6	6	12
2003-2004	0	0	0	0
2004-2005	0	0	0	0
2005-2006	1	21	5	27
2006-2007	0	0	4	4
2007-2008	0	0	18	18
2008-2009	0	0	18	18
Annual Releases				
2001-2002	42	16	16	74
2002-2003	17	25	22	64
2003-2004	12	17	11	40
2004-2005	19	18	27	28
2005-2006	22	32	13	67
2006-2007	38	0	10	48
2007-2008	32	10	18	60
2008-2009	36	10	18	64
Average Daily Census				
2001-2002	249	239	343	831
2002-2003	223	216	319	758
2003-2004	211	199	308	718
2004-2005	194	188	302	684
2005-2006	176	184	285	645
2006-2007	145	164	278	587
2007-2008	72	154	278	504
2008-2009	53	154	278	485
Cost Per Occupancy Day*				
2001-2002	\$720.98	\$575.47	\$442.33	\$579.60
2002-2003	\$800.10	\$654.77	\$511.57	\$655.48
2003-2004	\$783.35	\$719.82	\$567.11	\$690.09
2004-2005	\$924.95	\$812.79	\$640.05	\$792.60
2005-2006	\$927.71	\$872.26	\$704.10	\$834.69
2006-2007	\$1,057.11	\$1,010.12	\$757.17	\$941.47
2007-2008	\$1,033.97	\$1,080.72	\$815.69	\$976.79
2008-2009	\$1,408.49	\$1,083.68	\$817.92	\$1,103.36

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

Department of Human Services

Performance-Based Budget

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 is: Administration, Adult and Family Services, Child Support, and Rehabilitation Services.

<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</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, technology, and personnel.

Full-Time	573	575	575	0	575
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	573	575	575	0	575
Payroll	32,812,600	36,754,200	37,008,000	0	37,008,000
Operational	32,780,400	25,381,600	27,040,900	0	27,040,900
Total	\$65,593,000	\$62,135,800	\$64,048,900	\$0	\$64,048,900
State	17,111,800	20,798,300	20,586,700	0	20,586,700
Federal	29,003,300	26,225,900	26,777,500	0	26,777,500
Other	19,477,900	15,111,600	16,684,700	0	16,684,700

Standard: Availability of the Child Support Enforcement computer system (TCSES) shall exceed 99%.

Measure: Percent of time Child Support Enforcement System is available.

98.3%	99.7%	99.7%	0	99.7%
-------	-------	-------	---	-------

Standard: Monitor the percentage of vendor invoices paid within 10 days of receipt.

Measure: Percent of approximately 140,000 child care invoices paid within 10 days of receipt.

97.87%	97.80%	97.50%	0	97.50%
--------	--------	--------	---	--------

345.16 Field Operations

Field Operations provides supervision and administrative support to Department of Human Services offices in each of Tennessee's 95 counties.

Full-Time	498	494	494	0	494
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	498	494	494	0	494

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
Payroll	20,698,600	22,100,500	21,999,000	0	21,999,000
Operational	2,361,100	1,630,300	1,429,300	0	1,429,300
Total	\$23,059,700	\$23,730,800	\$23,428,300	\$0	\$23,428,300
State	6,669,700	7,751,200	7,262,600	0	7,262,600
Federal	6,391,100	7,315,100	6,756,400	0	6,756,400
Other	9,998,900	8,664,500	9,409,300	0	9,409,300

Standard: Timeliness of random moment sample surveys shall exceed 99%.

Measure: Percent of random moment sample surveys returned timely.

99.25%	99.50%	99.50%	0	99.50%
--------	--------	--------	---	--------

345.17 County Rentals

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

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	15,633,100	17,028,600	16,262,300	0	16,262,300
Total	\$15,633,100	\$17,028,600	\$16,262,300	\$0	\$16,262,300
State	5,317,400	5,458,200	5,647,700	0	5,647,700
Federal	4,821,400	5,481,200	5,048,300	0	5,048,300
Other	5,494,300	6,089,200	5,566,300	0	5,566,300

Standard: Ensure functional office space for department employees is available each day the state is open for business. Active leases must be in place for each DHS office during the fiscal year.

Measure: Number of active leases.

132	124	132	0	132
-----	-----	-----	---	-----

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 appeals related to TennCare program eligibility.

Full-Time	246	223	223	0	223
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	246	223	223	0	223
Payroll	11,666,300	13,587,900	12,513,600	0	12,513,600
Operational	1,809,600	745,800	677,100	0	677,100
Total	\$13,475,900	\$14,333,700	\$13,190,700	\$0	\$13,190,700
State	2,525,500	2,751,700	3,321,800	0	3,321,800
Federal	3,937,500	3,498,900	5,085,400	0	5,085,400
Other	7,012,900	8,083,100	4,783,500	0	4,783,500

<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Standard: Process Food Stamps appeals within a 60-day timeframe.

Measure: Average monthly percent of Food Stamps appeals completed within 60 days.

75%	80%	90%	0	90%
-----	-----	-----	---	-----

Standard: Process Families First, TennCare, and Medicaid appeals within a 90-day timeframe.

Measure: Average monthly percent of Families First, TennCare, and Medicaid appeals completed within 90 days.

84%	85%	90%	0	90%
-----	-----	-----	---	-----

Adult and Family Services

Adult and Family services include family assistance, TANF (Temporary Assistance to Needy Families), child care benefits, Food Stamp benefits, and community services.

The Family Assistance program provides temporary cash assistance, child care, and other services to low-income families to enable them to become self-sufficient. Clients are served in the department's 95 county offices and through service centers strategically located throughout the state. The Family Assistance section consists of three programs: Families First, Food Stamp benefits, and eligibility determination.

Families First is the state's TANF program that distributes cash grants and provides employment, training, education, and support services for families with financial need and dependent children deprived of parental support and/or care. The goals of the Families First program are to: provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives; end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage; prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and encourage the formation and maintenance of two-parent families.

The Food Stamp program helps ensure that eligible low-income families and individuals are able to obtain a nutritious diet. The program 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 goal of the program is to eliminate hunger and reduce the incidence of food insecurity.

The eligibility determination unit determines eligibility for the Families First-TANF program, Food Stamps, and TennCare, which is the state's Medicaid waiver medical assistance program. Clients are assisted through the department's county offices. Special accommodations are made for the elderly, disabled, those with limited English proficiency, and others who need assistance with the application process.

The Community Services program provides regulatory and protective services, social services, and economic assistance in the areas of child and adult care, adult protective services, and community contract services.

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

345.20 Child Care Benefits

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

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	168,282,800	181,528,900	196,207,400	0	196,207,400
Total	\$168,282,800	\$181,528,900	\$196,207,400	\$0	\$196,207,400
State	9,910,400	11,493,500	19,066,600	0	19,066,600
Federal	147,872,800	160,407,600	167,513,000	0	167,513,000
Other	10,499,600	9,627,800	9,627,800	0	9,627,800

Standard: Maintain child care rates at the 45th percentile of the market rate.

Measure: Average percentile rate at which child care assistance is paid.

36th	45th	45th	0	45th
------	------	------	---	------

345.23 Temporary Cash Assistance

The Temporary Cash Assistance program provides cash payments to low-income families to enable them to become self-sufficient. 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 card.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	132,199,400	143,312,500	123,084,400	2,170,900	125,255,300
Total	\$132,199,400	\$143,312,500	\$123,084,400	\$2,170,900	\$125,255,300
State	31,744,800	33,275,800	17,288,200	2,170,900	19,459,100
Federal	98,381,900	106,419,300	102,179,000	0	102,179,000
Other	2,072,700	3,617,400	3,617,200	0	3,617,200

Standard: Monitor the monthly participation rate of families receiving temporary cash assistance.

Measure: Average number of families receiving monthly temporary cash assistance payments.

64,684	62,000	60,000	0	60,000
--------	--------	--------	---	--------

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

345.25 Food Stamp Benefits

The Food Stamp Benefits program 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. Benefits are distributed to individuals through an electronic benefits card.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	988,324,800	1,025,597,100	1,028,891,500	0	1,028,891,500
Total	\$988,324,800	\$1,025,597,100	\$1,028,891,500	\$0	\$1,028,891,500
State	0	0	0	0	0
Federal	988,324,800	1,025,597,100	1,028,891,500	0	1,028,891,500
Other	0	0	0	0	0

Standard: Monitor the appropriate monthly participation rate of individuals receiving benefits.

Measure: Number of individuals receiving monthly food stamp benefits.

	861,979	880,000	880,000	0	880,000
--	---------	---------	---------	---	---------

345.30 Family Assistance Services

The Family Assistance Services program provides eligibility determination for the Families First, Food Stamp, and TennCare programs. In addition, Food Stamp recipients receive nutrition education and outreach services. Families First clients receive job training, employment career services, and counseling.

Full-Time	2,480	2,514	2,389	125	2,514
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2,480	2,514	2,389	125	2,514
Payroll	110,902,100	117,943,000	113,807,200	5,293,800	119,101,000
Operational	82,437,000	64,928,500	61,280,800	665,800	61,946,600
Total	\$193,339,100	\$182,871,500	\$175,088,000	\$5,959,600	\$181,047,600
State	72,108,700	76,383,900	72,559,100	2,104,100	74,663,200
Federal	72,144,900	56,965,500	54,378,500	1,331,200	55,709,700
Other	49,085,500	49,522,100	48,150,400	2,524,300	50,674,700

Standard: Meet or exceed the Federal Work Participation Rate for Temporary Assistance for Needy Families (TANF) clients.

Measure: Families First's Work Participation Rate.

	59%	50%	50%	0	50%
--	-----	-----	-----	---	-----

Standard: Increase Food Stamp payment accuracy rate to 95.25%.

Measure: Food Stamp payment accuracy rate.

	94.7%	95.0%	95.0%	0	95.0%
--	-------	-------	-------	---	-------

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Standard: Meet or exceed a target of 95% for the eligibility determination rate for TennCare.

Measure: Medicaid/TennCare eligibility determination accuracy rate.

	95.9%	99.0%	99.0%	0	99.0%
--	-------	-------	-------	---	-------

345.49 Community Services

The Community Services program provides a range of social services, including child care, child care provider licensing, adult protective services (APS), child and adult nutrition, summer food service, child care facilities loan fund, homemaker, refugee assistance, low-income home energy and weatherization 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 Bureau of TennCare.

Full-Time	416	416	416	0	416
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	416	416	416	0	416
Payroll	20,562,400	22,004,000	22,003,900	0	22,003,900
Operational	134,742,900	115,474,574	117,322,900	100,000	117,422,900
Total	\$155,305,300	\$137,478,574	\$139,326,800	\$100,000	\$139,426,800
State	1,154,200	3,226,874	2,972,400	100,000	3,072,400
Federal	147,931,400	127,228,300	129,532,000	0	129,532,000
Other	6,219,700	7,023,400	6,822,400	0	6,822,400

Standard: Monitor the percentage of child care complaints investigated and resolved within 30 days.

Measure: Percent of child care complaints investigated and resolved within 30 days.

	97%	97%	97%	0	97%
--	-----	-----	-----	---	-----

Standard: Increase the percentage of vulnerable adults with reduced risk.

Measure: Percent of valid adult protective services cases with risk reduced.

	83%	88%	88%	0	88%
--	-----	-----	-----	---	-----

Standard: Increase the number of participants receiving nutritious meals: Child and Adult Care Food Program (CACFP).

Measure: Number of Child and Adult Care Food Program meals served.

	35,443,006	38,606,974	38,993,000	0	38,993,000
--	------------	------------	------------	---	------------

Standard: Increase the number of participants receiving nutritious meals: Summer Food Service Program (SFSP).

Measure: Number of meals served in the Summer Food Service Program.

	2,614,136	3,573,660	3,609,400	0	3,609,400
--	-----------	-----------	-----------	---	-----------

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Standard: Provide Community Service Block Grant (CSBG) services to low-income individuals.

Measure: Number of low-income individuals served with CSBG services.

	140,356	100,000	119,300	0	119,300
--	---------	---------	---------	---	---------

Standard: Provide services to individuals through the homemaker program.

Measure: Number of individuals served through the homemaker program.

	3,610	2,600	2,500	0	2,500
--	-------	-------	-------	---	-------

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 budget, with funding from this allotment.

Full-Time	155	155	155	0	155
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	155	155	155	0	155
Payroll	7,327,300	8,067,800	8,112,700	0	8,112,700
Operational	68,160,800	72,304,711	69,827,800	103,700	69,931,500
Total	\$75,488,100	\$80,372,511	\$77,940,500	\$103,700	\$78,044,200
State	6,500	20,411,000	19,281,700	35,300	19,317,000
Federal	38,207,000	33,951,411	33,293,900	68,400	33,362,300
Other	37,274,600	26,010,100	25,364,900	0	25,364,900

Standard: Increase the percentage of child support cases with court orders.

Measure: Percent of cases with child support orders.

	65.55%	66.25%	66.30%	0	66.30%
--	--------	--------	--------	---	--------

Standard: Increase the percentage of current support collected.

Measure: Percent of current support collected.

	56.67%	60.72%	58.00%	0	58.00%
--	--------	--------	--------	---	--------

Rehabilitation Services

The Rehabilitation Services section provides direct services to persons with disabilities and determines eligibility for federal Social Security disability income programs.

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

345.70 Vocational Rehabilitation

The Vocational Rehabilitation (VR) program seeks to alleviate barriers and provide quality services to improve the conditions of persons with disabilities. Its primary goal is to place disabled individuals into employment. Vocational rehabilitation services include any services described in an individual plan for employment which 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	653	654	654	0	654
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	653	654	654	0	654
Payroll	28,660,300	32,375,000	32,386,200	0	32,386,200
Operational	43,360,000	48,832,400	51,129,800	0	51,129,800
Total	\$72,020,300	\$81,207,400	\$83,516,000	\$0	\$83,516,000
State	9,701,200	11,108,600	11,089,600	0	11,089,600
Federal	54,923,000	62,975,500	64,664,700	0	64,664,700
Other	7,396,100	7,123,300	7,761,700	0	7,761,700

Standard: Maintain or exceed the federal standard for individuals who exit the Vocational Rehabilitation program after receiving services that achieve employment outcomes. (Operating under an Order of Selection may have an impact on ability to achieve this.)

Measure: Percent of individuals who exit VR program after receiving services who achieve employment outcomes (Federal standard is currently 55.8 percent).

63%	70%	70%	0	70%
-----	-----	-----	---	-----

Standard: Increase percentage of individuals who exit the VR program into employment with hourly earnings equivalent to at least the minimum wage.

Measure: Percent of all individuals achieving employment outcomes whose earnings are equivalent to at least the minimum wage.

93.4%	90.0%	90.0%	0	90.0%
-------	-------	-------	---	-------

345.71 Disability Determination

The Disability Determination program, in partnership with the U.S. Social Security Administration (SSA), ascertains whether an individual is qualified for disability insurance benefits or supplemental security income benefits from the U.S. Social Security Administration.

Full-Time	564	564	564	0	564
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	564	564	564	0	564
Payroll	22,011,300	25,974,600	25,974,600	0	25,974,600
Operational	27,695,800	30,076,500	29,113,200	0	29,113,200
Total	\$49,707,100	\$56,051,100	\$55,087,800	\$0	\$55,087,800
State	0	0	0	0	0
Federal	46,784,500	52,180,000	51,602,600	0	51,602,600
Other	2,922,600	3,871,100	3,485,200	0	3,485,200

<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

Standard: Provide accurate Social Security Administration (SSA) services, based on randomly selected case reviews.

Measure: Quality assurance based on performance reviews of determination accuracy.

95.6%	97.0%	97.0%	0	97.0%
-------	-------	-------	---	-------

345.00 Total Human Services

Full-Time	5,585	5,595	5,470	125	5,595
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	5,585	5,595	5,470	125	5,595
Payroll	254,640,900	278,807,000	273,805,200	5,293,800	279,099,000
Operational	1,697,787,700	1,726,841,485	1,722,267,400	3,040,400	1,725,307,800
Total	\$1,952,428,600	\$2,005,648,485	\$1,996,072,600	\$8,334,200	\$2,004,406,800
State	156,250,200	192,659,074	179,076,400	4,410,300	183,486,700
Federal	1,638,723,600	1,668,245,811	1,675,722,800	1,399,600	1,677,122,400
Other	157,454,800	144,743,600	141,273,400	2,524,300	143,797,700

Department of Finance and Administration, 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 through four programs. CoverTN, AccessTN, and CoverKids provide health insurance to adults and children who are uninsured or uninsurable. CoverRx is a pharmacy assistance program for low-income adults without pharmacy coverage. A health awareness and outreach program, called Project Diabetes and Health Improvement, is administered by the Department of Health and is included in its budget.

Cover Tennessee Health Care Programs is a division of the Department of Finance and Administration, whose Benefits Administration Division staffs and administers the programs.

<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

350.30 CoverTN

The CoverTN program was created by law in 2006 to offer affordable, portable basic health-care coverage to working Tennesseans who are uninsured. This program provides basic health coverage for a modest premium, which is weighted based on age, weight, and tobacco use. The premium costs are shared between the state, willing qualified employers, and the individual. CoverTN is unique because it is portable: It follows the individual through an employer change.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	1,575,900	34,000,000	12,369,800	0	12,369,800
Total	\$1,575,900	\$34,000,000	\$12,369,800	\$0	\$12,369,800
State	1,575,900	34,000,000	12,369,800	0	12,369,800
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Facilitate the provision of affordable, portable, basic health-care coverage to qualified working Tennesseans that are uninsured.

Measure: Number of enrolled individuals in the CoverTN program.

3,510	20,000	40,000	0	40,000
-------	--------	--------	---	--------

Standard: Facilitate the provision of affordable, portable, basic health-care coverage to employees of qualified small employers.

Measure: Number of employers enrolled in the CoverTN program.

1,595	8,500	17,500	0	17,500
-------	-------	--------	---	--------

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

350.40 AccessTN

The AccessTN program was created by law in 2006 to make health-care coverage available to uninsurable Tennesseans. This program operates as a high-risk pool for those who were denied insurance previously due to disqualifying medical conditions. Premiums for AccessTN coverage are from 150 to 200 percent of comparable commercial rates, and premium assistance funding is available for those who qualify financially.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	51,849,200	23,396,900	23,049,200	0	23,049,200
Total	\$51,849,200	\$23,396,900	\$23,049,200	\$0	\$23,049,200
State	16,849,200	23,049,200	23,049,200	0	23,049,200
Federal	0	347,700	0	0	0
Other	35,000,000	0	0	0	0

Standard: Facilitate the provision of comprehensive health-care coverage to uninsured Tennesseans.

Measure: Number of enrollees in the AccessTN program.

	1,379	6,000	6,000	0	6,000
--	-------	-------	-------	---	-------

Standard: Offset the cost of premiums to low-income enrollees through the provision of premium assistance.

Measure: Percent of AccessTN enrollees provided with premium assistance.

	86%	75%	75%	0	75%
--	-----	-----	-----	---	-----

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 (FPL) and, for a premium, to make coverage available to children whose family income is more than 250 percent of FPL. The program provides comprehensive health-care benefits that are comparable to those in the state health plans (state employee, local government, and local education agency plans).

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	2,856,700	88,080,500	115,710,700	0	115,710,700
Total	\$2,856,700	\$88,080,500	\$115,710,700	\$0	\$115,710,700
State	2,063,200	22,020,100	28,956,100	0	28,956,100
Federal	793,500	66,060,400	86,754,600	0	86,754,600
Other	0	0	0	0	0

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Standard: Facilitate the provision of comprehensive health-care coverage to uninsured Tennessee children, age 18 and younger, and maternity coverage for pregnant women.

Measure: Number of enrollees in the CoverKids program.

	1,727	17,000	33,130	0	33,130
--	-------	--------	--------	---	--------

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 are over 18 years of age, and have a household income below 250 percent of the federal poverty level. This program is not insurance coverage, and no premiums are collected. Participants are provided access to more affordable prescriptions.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	3,335,900	17,162,200	8,888,500	0	8,888,500
Total	\$3,335,900	\$17,162,200	\$8,888,500	\$0	\$8,888,500
State	3,335,900	16,962,200	8,688,500	0	8,688,500
Federal	0	0	0	0	0
Other	0	200,000	200,000	0	200,000

Standard: Facilitate access to basic and affordable medications for low-income Tennesseans without prescription drug coverage.

Measure: Number of enrollees in the CoverRx program.

	25,206	25,000	25,000	0	25,000
--	--------	--------	--------	---	--------

350.00 Total Cover Tennessee Health Care Programs

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	59,617,700	162,639,600	160,018,200	0	160,018,200
Total	\$59,617,700	\$162,639,600	\$160,018,200	\$0	\$160,018,200
State	23,824,200	96,031,500	73,063,600	0	73,063,600
Federal	793,500	66,408,100	86,754,600	0	86,754,600
Other	35,000,000	200,000	200,000	0	200,000

Department of Children's Services

In cooperation with juvenile courts, the Department of Children's Services provides timely, appropriate, and cost-effective services for children in state custody or at risk of entering state custody in order to enable these children to reach their full potential as productive, competent, and healthy adults. The department is organized into three functional areas: Administration, Child Welfare, and Juvenile Justice.

<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

359.10 Administration

This allotment provides funds for staffing and other operating costs necessary for administration of the department. Administration provides internal support, leadership, and direction that leads to improved program performance and success in the ultimate goal of re-integration of children into the community. This program also assists in compliance with state law, departmental policies, and the American Correctional Association standards.

Full-Time	556	569	569	0	569
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	556	569	569	0	569
Payroll	33,241,700	36,270,000	36,402,400	0	36,402,400
Operational	23,044,700	21,214,400	21,261,900	0	21,261,900
Total	\$56,286,400	\$57,484,400	\$57,664,300	\$0	\$57,664,300
State	44,946,600	31,669,800	32,051,100	0	32,051,100
Federal	8,326,300	7,626,300	7,632,800	0	7,632,800
Other	3,013,500	18,188,300	17,980,400	0	17,980,400

Standard: The legal staff will file termination of parental rights petitions within no more than three months of the date a child's permanency goal is changed to a sole goal of adoption.

Measure: Percent of children with a sole goal of adoption who had a petition to terminate parental rights filed within three months.

79.2%	75.0%	80.0%	0	80.0%
-------	-------	-------	---	-------

Standard: Decrease state dollar proportion of total actual expenditures by 0.5% per year.

Measure: Percent of Department of Children's Services (DCS) budget that is state's portion.

47.8%	47.4%	46.9%	0	46.9%
-------	-------	-------	---	-------

Child Welfare

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

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

359.20 Family Support Services

The Family Support Services program provides services to children who are at risk of coming into state custody. The goal of these services is to assist children to successfully remain in their homes.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	49,522,100	39,101,500	39,207,800	0	39,207,800
Total	\$49,522,100	\$39,101,500	\$39,207,800	\$0	\$39,207,800
State	38,357,600	26,554,800	26,296,800	0	26,296,800
Federal	8,799,900	12,546,700	12,911,000	0	12,911,000
Other	2,364,600	0	0	0	0

Standard: Increase the number of children exiting out-of-home care to permanency.

Measure: Number of children exiting out-of-home care to permanency.

	6,952	8,486	9,304	0	9,304
--	-------	-------	-------	---	-------

359.30 Custody Services

The Custody Services program ensures children in state custody are provided needed residential treatment and care and are returned to their home as soon as appropriate.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	1,000	15,000	15,000	0	15,000
Operational	205,528,400	214,880,700	215,115,800	3,573,000	218,688,800
Total	\$205,529,400	\$214,895,700	\$215,130,800	\$3,573,000	\$218,703,800
State	72,145,400	86,960,300	86,960,300	1,561,000	88,521,300
Federal	30,560,500	23,279,800	23,514,900	378,500	23,893,400
Other	102,823,500	104,655,600	104,655,600	1,633,500	106,289,100

Standard: Reduce the number of dependent/neglected, unruly children entering out-of-home care.

Measure: Number of dependent/neglected, unruly children entering out-of-home care.

	5,385	3,700	3,202	0	3,202
--	-------	-------	-------	---	-------

359.35 Needs Assessment

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

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

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
Payroll	0	0	0	0	0
Operational	6,125,100	8,001,500	6,912,500	0	6,912,500
Total	\$6,125,100	\$8,001,500	\$6,912,500	\$0	\$6,912,500
State	6,057,200	8,001,500	6,912,500	0	6,912,500
Federal	0	0	0	0	0
Other	67,900	0	0	0	0

Standard: The percent of children who are initially placed in family settings will increase by 5%.

Measure: Percent of children entering care who have an initial placement type of resource home, in-home, and trial home visit.

78.9%	87.0%	92.0%	0	92.0%
-------	-------	-------	---	-------

359.40 Adoption Services

The Adoption Services program provides services to adopted children and their families. Monthly support payments are provided to assist families in providing necessary care.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	2,100	15,000	15,000	0	15,000
Operational	60,746,600	64,648,600	64,464,500	2,795,700	67,260,200
Total	\$60,748,700	\$64,663,600	\$64,479,500	\$2,795,700	\$67,275,200
State	32,477,400	33,552,300	33,552,300	1,464,900	35,017,200
Federal	27,690,500	30,615,600	30,850,700	1,330,800	32,181,500
Other	580,800	495,700	76,500	0	76,500

Standard: Children will be placed for adoption with an adoptive home contract signed within 12 months of termination of parental rights.

Measure: Percent of children freed for adoption that have an adoptive home identified and an adoptive contract signed within 12 months.

74.1%	91.0%	94.0%	0	94.0%
-------	-------	-------	---	-------

Standard: Adoptions will become final within six months of the adoptive placement.

Measure: Percent of adoptions that become final within six months of the adoptive placement.

76.4%	88.0%	91.0%	0	91.0%
-------	-------	-------	---	-------

359.50 Child and Family Management

The Child and Family Management program provides case management services to children and their families in order to meet identified intervention, treatment, and placement needs.

Full-Time	3,450	3,443	3,443	0	3,443
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	3,450	3,443	3,443	0	3,443
Payroll	173,561,900	178,170,700	178,832,800	0	178,832,800
Operational	46,798,600	53,755,500	53,543,200	283,000	53,826,200
Total	\$220,360,500	\$231,926,200	\$232,376,000	\$283,000	\$232,659,000

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
State	72,289,800	88,799,300	89,280,300	283,000	89,563,300
Federal	36,190,100	41,541,100	41,282,100	0	41,282,100
Other	111,880,600	101,585,800	101,813,600	0	101,813,600

Standard: Decrease the length of stay for children in out-of-home care after 90 days.

Measure: Percent of children remaining in state custody after 90 days.

53%	52%	51%	0	51%
-----	-----	-----	---	-----

Standard: Increase placement stability for children in out-of-home care.

Measure: Number of children who experienced two or fewer placements in out-of-home care.

4,492	4,468	4,868	0	4,868
-------	-------	-------	---	-------

Standard: Delinquent youth on community services supervision will not enter state custody.

Measure: Percent of youth on probation that have entered state custody.

6.5%	6.0%	5.3%	0	5.3%
------	------	------	---	------

Standard: Delinquent youth exiting DCS custody will not re-enter DCS custody.

Measure: Percent of youth on aftercare who have re-entered state custody.

13.9%	12%	11%	0	11%
-------	-----	-----	---	-----

Juvenile Justice

The Department of Children's Services operates five youth development centers and nine community treatment centers that provide individualized treatment programs and services to juvenile offenders contributing to their successful reintegration into society. These programs assess and properly care for the needs of juveniles while offering counseling and educational services.

A youth development center student either has needs that cannot be met in the community, is committed for a violent offense resulting in injury to another person, or has three or more felony offenses.

Youth development center services 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.

The nine community treatment facilities, located across the state, provide minimum-security residential programs for youth who have been evaluated and determined to be appropriate for community placement.

	<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
--	-----------------------------------	--------------------------------------	---------------------------------	--	--

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 17 who are committed by the courts to the department.

Full-Time	183	204	204	0	204
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
Total	185	206	206	0	206
Payroll	9,041,700	10,072,500	10,072,500	15,100	10,087,600
Operational	2,141,400	2,140,100	2,212,000	0	2,212,000
Total	\$11,183,100	\$12,212,600	\$12,284,500	\$15,100	\$12,299,600
State	10,906,100	11,965,000	11,977,700	15,100	11,992,800
Federal	0	0	0	0	0
Other	277,000	247,600	306,800	0	306,800

Standard: Increase the percentage of youth released from Wilder Youth Development Center that remain in a community setting.

Measure: Percent of youth, ages 13-17, who exited Wilder to their home community and did not return to the custody of the department as the result of a delinquent offense within 12 months of their exit from custody.

81.1%	85.0%	86.0%	0	86.0%
-------	-------	-------	---	-------

359.61 Taft Youth Development Center

James M. Taft Youth Development Center, located near Pikeville, is a hardware-secure detention center dedicated to providing treatment and educational programs for the most serious juvenile male offenders ages 13 to 17 remanded to state custody from across the state.

Full-Time	219	240	240	0	240
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	220	241	241	0	241
Payroll	10,824,500	11,939,200	11,863,200	7,200	11,870,400
Operational	2,382,600	2,606,000	2,675,800	0	2,675,800
Total	\$13,207,100	\$14,545,200	\$14,539,000	\$7,200	\$14,546,200
State	12,670,300	14,015,800	13,889,700	7,200	13,896,900
Federal	0	0	0	0	0
Other	536,800	529,400	649,300	0	649,300

Standard: Maintain the percentage of youth released from Taft Youth Development Center that remain in a community setting.

Measure: Percent of youth, ages 13-17, who exited Taft to their home community and did not return to the custody of the department as the result of a delinquent offense within 12 months of their exit from custody.

94%	94%	94%	0	94%
-----	-----	-----	---	-----

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

359.62 Woodland Hills Youth Development Center

Woodland Hills Youth Development Center, located in Nashville, is a regional hardware-secure treatment program for delinquent youth ages 13 to 17 who are committed by the courts to the department.

Full-Time	186	223	223	0	223
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
Total	188	225	225	0	225
Payroll	8,524,300	10,569,000	10,333,200	6,400	10,339,600
Operational	2,442,000	2,657,500	2,691,600	0	2,691,600
Total	\$10,966,300	\$13,226,500	\$13,024,800	\$6,400	\$13,031,200
State	10,666,600	12,922,900	12,629,100	6,400	12,635,500
Federal	0	0	0	0	0
Other	299,700	303,600	395,700	0	395,700

Standard: Increase the percentage of youth released from Woodland Hills Youth Development Center that remain in a community setting.

Measure: Percent of youth, ages 13-17, who exited Woodland Hills to their home community and did not return to the custody of the department as the result of a delinquent offense within 12 months of their exit from custody.

85.3%	86.0%	87.0%	0	87.0%
-------	-------	-------	---	-------

359.63 Mountain View Youth Development Center

Mountain View Youth Development Center, located in Dandridge, is a medium-security facility for male juvenile offenders ages 13 to 17 who have been committed to the state.

Full-Time	202	222	222	0	222
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	203	223	223	0	223
Payroll	9,744,300	10,674,200	10,674,200	18,100	10,692,300
Operational	2,316,200	2,338,700	2,399,200	0	2,399,200
Total	\$12,060,500	\$13,012,900	\$13,073,400	\$18,100	\$13,091,500
State	11,775,900	12,722,700	12,739,200	18,100	12,757,300
Federal	0	0	0	0	0
Other	284,600	290,200	334,200	0	334,200

Standard: Increase the percentage of youth released from Mountain View Youth Development Center that remain in a community setting.

Measure: Percent of youth, ages 13-17, who exited Mountain View to their home community and did not return to the custody of the department as the result of a delinquent offense within 12 months of their exit from custody.

89.8%	90.0%	91.0%	0	91.0%
-------	-------	-------	---	-------

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

359.64 New Visions Youth Development Center

New Visions Youth Development Center, located in Nashville, is a 50-bed secure facility for delinquent and violent-offender female youth ages 13 to 17.

Full-Time	67	71	71	0	71
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	67	71	71	0	71
Payroll	3,191,200	3,166,400	3,166,400	10,600	3,177,000
Operational	1,272,900	850,100	881,100	0	881,100
Total	\$4,464,100	\$4,016,500	\$4,047,500	\$10,600	\$4,058,100
State	4,405,900	3,958,000	3,956,300	10,600	3,966,900
Federal	0	0	0	0	0
Other	58,200	58,500	91,200	0	91,200

Standard: Increase the percentage of female youth released from New Visions Youth Development Center who remain in a community setting.

Measure: Percent of female youth, ages 13-17, who exited New Visions to their home community and did not return to the custody of the department as the result of a delinquent offense within 12 months of their exit from custody.

83.3%	82.0%	84.0%	0	84.0%
-------	-------	-------	---	-------

359.65 Community Treatment Facilities

Nine eight-bed residential minimum-security group homes provide a structured program including academics, community involvement, counseling services, and actual work experience for juvenile offenders who are appropriate for community placement. The department also operates two additional centers. The Johnson City Observation and Assessment Center, a 16-bed assessment program, offers recommendations to juvenile courts for specific treatment needs of juveniles adjudicated delinquent. The Peabody Residential Treatment Center, located in Memphis, is an eight-bed treatment program for adolescent males with a primary diagnosis of mild mental retardation.

Full-Time	164	173	165	0	165
Part-Time	37	19	19	0	19
Seasonal	0	0	0	0	0
Total	201	192	184	0	184
Payroll	7,351,700	8,221,500	7,874,800	2,300	7,877,100
Operational	2,046,000	1,960,500	1,895,700	0	1,895,700
Total	\$9,397,700	\$10,182,000	\$9,770,500	\$2,300	\$9,772,800
State	8,513,200	7,678,200	7,256,500	2,300	7,258,800
Federal	100	0	0	0	0
Other	884,400	2,503,800	2,514,000	0	2,514,000

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Standard: Increase the percent of youth released from DCS group homes that remain in a community setting.

Measure: Percent of youth, ages 13-17 served through Community Residential Facilities that exit care from the group home and do not return to the custody of the department as the result of a delinquent act within 12 months of discharge.

	89.8%	90.3%	91.2%	0	91.2%
--	-------	-------	-------	---	-------

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 assisting institutions with facility maintenance projects that do not meet the criteria for capital maintenance.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	324,200	420,100	420,100	0	420,100
Total	\$324,200	\$420,100	\$420,100	\$0	\$420,100
State	317,300	420,100	420,100	0	420,100
Federal	0	0	0	0	0
Other	6,900	0	0	0	0

Standard: Complete 90% of planned major maintenance projects.

Measure: Percent of planned major maintenance projects completed.

	84%	95%	95%	0	95%
--	-----	-----	-----	---	-----

359.00 Total Children's Services

Full-Time	5,027	5,145	5,137	0	5,137
Part-Time	43	25	25	0	25
Seasonal	0	0	0	0	0
Total	5,070	5,170	5,162	0	5,162
Payroll	255,484,400	269,113,500	269,249,500	59,700	269,309,200
Operational	404,690,800	414,575,200	413,681,200	6,651,700	420,332,900
Total	\$660,175,200	\$683,688,700	\$682,930,700	\$6,711,400	\$689,642,100
State	325,529,300	339,220,700	337,921,900	3,368,600	341,290,500
Federal	111,567,400	115,609,500	116,191,500	1,709,300	117,900,800
Other	223,078,500	228,858,500	228,817,300	1,633,500	230,450,800

Statistical Data Youth Development Centers

	Wilder 359.60	Taft 359.61	Woodland Hills 359.62	Mountain View 359.63	New Visions 359.64	Total
Annual Admissions						
2001-2002	203	196	191	252	0	842
2002-2003	246	150	184	222	0	802
2003-2004	252	161	145	218	0	776
2004-2005	243	138	241	170	26	818
2005-2006	252	252	153	170	56	883
2006-2007	180	207	195	206	60	848
2007-2008	180	200	205	200	60	845
2008-2009	180	200	205	200	60	845
Annual Releases						
2001-2002	201	234	122	279	0	836
2002-2003	258	151	186	291	0	886
2003-2004	248	134	99	196	0	677
2004-2005	256	166	200	180	2	804
2005-2006	276	232	184	180	43	915
2006-2007	163	188	184	196	62	793
2007-2008	165	200	204	200	60	829
2008-2009	165	200	204	200	60	829
Average Daily Census						
2001-2002	138	129	141	141	0	549
2002-2003	116	106	141	125	0	488
2003-2004	119	111	110	126	0	466
2004-2005	94	115	112	120	24	465
2005-2006	118	129	117	118	36	518
2006-2007	117	128	122	126	36	529
2007-2008	116	136	144	128	36	560
2008-2009	116	136	144	128	36	560
Cost Per Occupancy Day *						
2001-2002	\$153.46	\$224.36	\$172.97	\$167.55	\$0.00	\$339.55
2002-2003	\$194.02	\$286.71	\$180.31	\$201.56	\$0.00	\$212.13
2003-2004	\$196.15	\$273.86	\$240.24	\$209.66	\$0.00	\$229.01
2004-2005	\$263.81	\$268.68	\$247.73	\$229.19	\$173.04	\$247.52
2005-2006	\$225.17	\$254.17	\$233.34	\$254.27	\$266.80	\$243.76
2006-2007	\$261.87	\$282.68	\$246.11	\$262.25	\$349.75	\$268.66
2007-2008	\$289.01	\$282.17	\$250.84	\$280.59	\$306.38	\$276.16
2008-2009	\$289.01	\$282.94	\$250.84	\$280.59	\$306.38	\$276.91

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

Law, Safety, and Correction

Table of Contents

Introduction	B-215
Total Personnel and Funding.....	B-217
Improvements for Fiscal Year 2008-2009.....	B-218
Program Statements.....	B-224
Court System.....	B-224
Attorney General and Reporter.....	B-232
District Attorneys General Conference.....	B-234
District Public Defenders Conference	B-236
Office of the Post-Conviction Defender	B-238
Alcoholic Beverage Commission	B-239
Tennessee Rehabilitative Initiative in Correction (TRICOR).....	B-240
Tennessee Corrections Institute	B-242
Board of Probation and Parole.....	B-243
Department of Correction.....	B-245
Statistical Data – Correctional Institutions.....	B-262
Military Department.....	B-265
Tennessee Bureau of Investigation	B-270
Department of Safety	B-272

Law, Safety, and Correction

Recommended Budget, Fiscal Year 2008 – 2009

The agencies and departments which 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
- Board of Probation and 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.

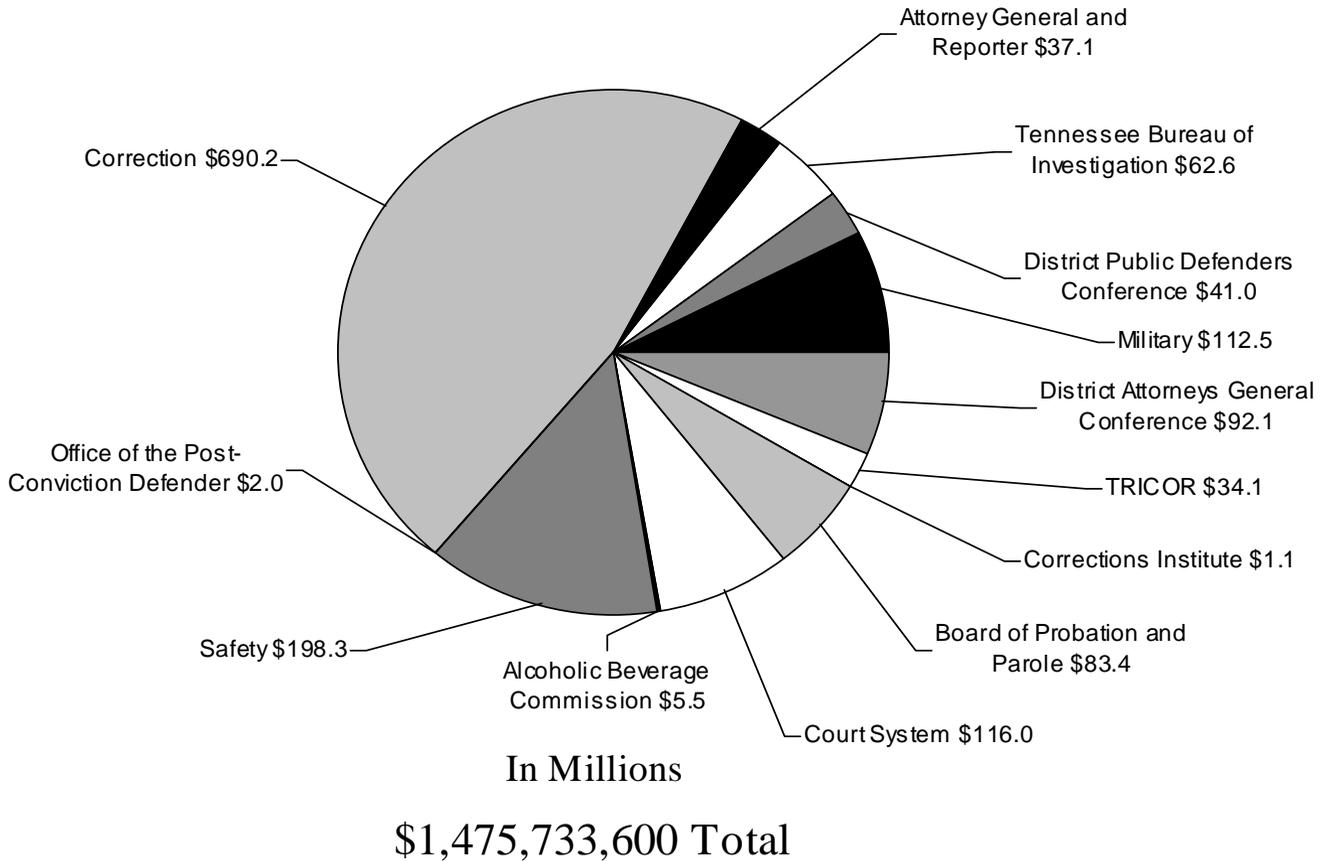
Improvements and Program Statements

The following section includes: (1) a table on personnel and funding for all agencies in this functional area of state government; (2) a statement of recommended improvements for the ensuing fiscal year; (3) departmental program statements, indicating recommended funding and staffing for the ensuing year, compared with actual amounts for the last year and the amounts budgeted for the current year; and (4) program performance measures.

The following graph depicts the manner in which funds are divided among agencies within this functional group. Funding mixes

within each agency may vary. Some are exclusively state-funded, while others represent state, federal, and other funding.

Law, Safety and Correction FY 2008 – 2009 Recommended



Law, Safety, and Correction Total Personnel and Funding

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Recommended 2008-2009</u>
Personnel			
Full Time	11,716	12,342	12,476
Part Time	52	51	51
Seasonal	4	5	5
TOTAL	11,772	12,398	12,532
Expenditures			
Payroll	\$644,836,100	\$727,878,011	\$739,741,400
Operational	669,156,300	745,336,602	735,992,200
TOTAL	\$1,313,992,400	\$1,473,214,613	\$1,475,733,600
Funding			
State	\$999,721,100	\$1,176,942,802	\$1,182,932,200
Federal	159,630,200	130,321,100	114,276,100
Other	154,641,100	165,950,711	178,525,300

**Law, Safety and Correction
Improvements for Fiscal Year 2008-2009**

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Court System					
• Mandated Salary Increase					
To provide funding for the judges' CPI salary adjustment required by TCA 8-23-103.					
302.01 Appellate and Trial Courts	\$972,800	\$0	\$0	\$972,800	0
Sub-total	\$972,800	\$0	\$0	\$972,800	0
• Indigent Defendants and Dependent Children Representation					
To provide recurring funds for an increasing number of attorneys appointed as guardians ad litem for dependent, neglected, and abused children and for representation of indigent criminal defendants.					
302.09 Guardian Ad Litem	\$2,000,000	\$0	\$0	\$2,000,000	0
302.10 Indigent Defendants' Counsel	\$3,000,000	\$0	\$0	\$3,000,000	0
Sub-total	\$5,000,000	\$0	\$0	\$5,000,000	0
Total Court System	\$5,972,800	\$0	\$0	\$5,972,800	0
Attorney General and Reporter					
• Statutory Salary Increase					
To provide funds for the Attorney General's CPI salary adjustment required by TCA 8-6-104.					
303.01 Attorney General and Reporter	\$5,600	\$0	\$0	\$5,600	0
Sub-total	\$5,600	\$0	\$0	\$5,600	0
Total Attorney General and Reporter	\$5,600	\$0	\$0	\$5,600	0
District Attorneys General Conference					
• Statutory Salary Step Raises					
To provide funds for the assistant district attorneys' and criminal investigators' salary increase required by TCA 8-7-2.					
304.01 District Attorneys General	\$1,029,500	\$0	\$21,000	\$1,050,500	0
304.10 Executive Director	\$0	\$0	\$9,000	\$9,000	0
304.15 IV-D Child Support Enforcement	\$0	\$0	\$103,700	\$103,700	0
Sub-total	\$1,029,500	\$0	\$133,700	\$1,163,200	0
Total District Attorneys General Conference	\$1,029,500	\$0	\$133,700	\$1,163,200	0

**Law, Safety and Correction
Improvements for Fiscal Year 2008-2009**

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
District Public Defenders Conference					
• Statutory Salary Step Raises					
To provide funding for step raises for assistant public defenders and criminal investigators required by TCA 8-14-207.					
306.01 District Public Defenders	\$556,000	\$0	\$0	\$556,000	0
Sub-total	\$556,000	\$0	\$0	\$556,000	0
Total District Public Defenders Conference	\$556,000	\$0	\$0	\$556,000	0

Office of the Post-Conviction Defender

• Statutory Salary Step Raises					
To provide funding for step raises for assistant post-conviction defenders pursuant to TCA 40-30-209(b) and 8-14-207.					
308.00 Office of the Post-Conviction Defender	\$24,000	\$0	\$0	\$24,000	0
Sub-total	\$24,000	\$0	\$0	\$24,000	0
• Operational and Staffing					
To provide funding for office relocation due to an expiring lease (\$6,500 non-recurring); for rent on additional office space necessitated by the staff increase in the previous budget (\$62,100 recurring); and for one clerk position and operational expenditures to support caseload management, investigative, and paralegal staff (\$40,700 recurring).					
308.00 Office of the Post-Conviction Defender	\$109,300	\$0	\$0	\$109,300	1
Sub-total	\$109,300	\$0	\$0	\$109,300	1
Total Office of the Post-Conviction Defender	\$133,300	\$0	\$0	\$133,300	1

Board of Probation and Parole

• Training and Offender Tracking					
To provide funding for supplies and training for probation and parole officers and supervisors (\$408,000) and for implementation of the interstate compact offender tracking system (\$25,700). This system will track offender transfers between states via an Internet website. Funding is from the supervision fee reserve.					
324.02 Probation and Parole Services	\$0	\$0	\$433,700	\$433,700	0
Sub-total	\$0	\$0	\$433,700	\$433,700	0
Total Board of Probation and Parole	\$0	\$0	\$433,700	\$433,700	0

Law, Safety and Correction Improvements for Fiscal Year 2008-2009

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Correction					
• Prison Expansion - Morgan County					
To provide funds for the opening of expanded prison facilities at the Morgan County Correctional Complex. This includes funds to annualize operating costs for the 300 bed minimum-security annex (\$3,504,600) and the first six months of operational costs for 538 new beds at the prison (\$2,683,900). The state appropriation increase for the additional prison operating cost is offset by a recurring base reduction in the Sentencing Act of 1985 allotment, as authorized by law.					
329.47 Morgan County Correctional Complex	\$6,188,500	\$0	\$155,000	\$6,343,500	0
Sub-total	\$6,188,500	\$0	\$155,000	\$6,343,500	0
• Operational Increase					
To provide funding for increased operational costs of prison service agreements (\$1,505,400), health and mental health contract services (\$2,876,900), and food for inmates (\$1,059,800).					
329.06 Correction Academy	\$13,500	\$0	\$0	\$13,500	0
329.08 Wayne County Boot Camp	\$103,500	\$0	\$0	\$103,500	0
329.13 Tennessee Prison for Women	\$304,400	\$0	\$0	\$304,400	0
329.14 Turney Center Industrial Prison and Farm	\$321,500	\$0	\$0	\$321,500	0
329.16 Mark Luttrell Correctional Facility	\$73,700	\$0	\$0	\$73,700	0
329.17 Charles B. Bass Correctional Complex	\$261,000	\$0	\$0	\$261,000	0
329.18 Southeastern Tennessee State Regional Correctional Facility	\$148,800	\$0	\$0	\$148,800	0
329.21 Hardeman County Incarceration Agreement	\$881,300	\$0	\$0	\$881,300	0
329.22 Hardeman County Agreement - Whiteville	\$624,100	\$0	\$0	\$624,100	0
329.41 West Tennessee State Penitentiary	\$383,200	\$0	\$0	\$383,200	0
329.42 Riverbend Maximum Security Institution	\$258,000	\$0	\$0	\$258,000	0
329.43 Northeast Correctional Complex	\$332,300	\$0	\$0	\$332,300	0
329.44 South Central Correctional Center	\$226,000	\$0	\$0	\$226,000	0
329.45 Northwest Correctional Complex	\$486,000	\$0	\$0	\$486,000	0
329.46 Lois M. DeBerry Special Needs Facility	\$819,500	\$0	\$0	\$819,500	0
329.47 Morgan County Correctional Complex	\$205,300	\$0	\$0	\$205,300	0
Sub-total	\$5,442,100	\$0	\$0	\$5,442,100	0

Law, Safety and Correction Improvements for Fiscal Year 2008-2009

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Local Jails					
To provide funding to accommodate an increased felon population in local jails. The appropriation is non-recurring because of the addition of beds at Morgan County Correctional Complex.					
329.04 State Prosecutions	\$3,212,800	\$0	\$0	\$3,212,800	0
Sub-total	\$3,212,800	\$0	\$0	\$3,212,800	0
Total Correction	\$14,843,400	\$0	\$155,000	\$14,998,400	0
Military					
• Youth Challenge					
To provide funds for the National Guard Youth Challenge program. This residential program for at-risk youth, ages 16 to 18 years, focuses on eight core components: leadership, citizenship, community service, life-coping skills, physical fitness, health and hygiene, job skills, and academic excellence. The program will operate in existing space at the military facility at Smyrna.					
341.02 Army National Guard	\$1,200,000	\$1,800,000	\$0	\$3,000,000	64
Sub-total	\$1,200,000	\$1,800,000	\$0	\$3,000,000	64
• Administration Legislation - Air Guard Tuition Assistance					
To fund a tuition-assistance program to enhance recruitment and retention of Tennessee Air National Guardsmen who are not Tennessee residents. The legislation will authorize charging of in-state tuition rates to these airmen at public colleges. Tennessee public colleges will be reimbursed for the loss of tuition. The appropriation will be transferred to the Tennessee Higher Education Commission to be distributed to the affected public higher education institutions.					
341.03 Air National Guard	\$310,000	\$0	\$0	\$310,000	0
Sub-total	\$310,000	\$0	\$0	\$310,000	0
• Communications Interoperability					
To provide funding for four positions for the statewide communications interoperability program. The positions are an emergency management administrator, a radio communications system analyst, an information resource specialist, and an administrative services assistant.					
341.04 Tennessee Emergency Management Agency	\$201,400	\$0	\$0	\$201,400	4
Sub-total	\$201,400	\$0	\$0	\$201,400	4
Total Military	\$1,711,400	\$1,800,000	\$0	\$3,511,400	68

Law, Safety and Correction Improvements for Fiscal Year 2008-2009

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Tennessee Bureau of Investigation					
• DNA Analysis - Violent Felonies - 2007 Johnia Berry Act					
To provide funding for five DNA analysts to maintain the existing analysis time and implement the Johnia Berry Act of 2007, which requires that a biological specimen for DNA testing be taken from any person arrested, on or after January 1, 2008, for the commission of a violent felony. The appropriation includes non-recurring funds of \$282,800.					
348.00 Tennessee Bureau of Investigation	\$1,306,100	\$0	\$0	\$1,306,100	5
Sub-total	\$1,306,100	\$0	\$0	\$1,306,100	5
• Knoxville TBI Lab					
To provide six months' funding for operational costs of the new TBI laboratory in Knoxville. The facility is scheduled to open in January 2009.					
348.00 Tennessee Bureau of Investigation	\$1,012,500	\$0	\$0	\$1,012,500	0
Sub-total	\$1,012,500	\$0	\$0	\$1,012,500	0
Total Tennessee Bureau of Investigation	\$2,318,600	\$0	\$0	\$2,318,600	5
Safety					
• Statutory Salary Step Increase					
To fund the mandated annual trooper salary step increase pursuant to TCA 4-7-2.					
349.03 Highway Patrol	\$802,300	\$0	\$0	\$802,300	0
Sub-total	\$802,300	\$0	\$0	\$802,300	0
• Administration Legislation - Real ID Driver's License					
To provide non-recurring funds to establish a reserve to meet the requirements of the federal REAL ID Act, enacted by Congress in May, 2005. The REAL ID Act requires new standards and procedures for state driver's licenses, such as security features that must be incorporated into each card. A REAL ID driver's license will be required in order to access a federal facility or to board federally-regulated commercial aircraft. Funding sources are a non-recurring \$6.5 million general fund appropriation and a non-recurring appropriation of \$20 million from estimated excess funds in the title and registration (T&R) system development reserve following completion of the final two phases of the new T&R system.					
349.02 Driver License Issuance	\$6,500,000	\$0	\$20,000,000	\$26,500,000	0
Sub-total	\$6,500,000	\$0	\$20,000,000	\$26,500,000	0

**Law, Safety and Correction
Improvements for Fiscal Year 2008-2009**

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Administration Legislation - Driver's License Revocation					
To provide funds to implement driver's license administrative revocation legislation, which makes revocation of driver's licenses for violations of state DUI laws an administrative law procedure. Appropriations are non-recurring and will continue from non-recurring funds the following year. The program will be self-supporting from fees in 2010-2011.					
349.01 Administration	\$596,800	\$0	\$0	\$596,800	11
349.02 Driver License Issuance	\$1,287,300	\$0	\$0	\$1,287,300	44
349.13 Technical Services	\$902,400	\$0	\$0	\$902,400	20
Sub-total	<u>\$2,786,500</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,786,500</u>	<u>75</u>
Total Safety	<u>\$10,088,800</u>	<u>\$0</u>	<u>\$20,000,000</u>	<u>\$30,088,800</u>	<u>75</u>
Total Law, Safety and Correction	<u>\$36,659,400</u>	<u>\$1,800,000</u>	<u>\$20,722,400</u>	<u>\$59,181,800</u>	<u>149</u>

Court System

The judicial branch is one of three basic divisions of state government and serves as a check on the powers of the legislative and executive branches. Judicial power is vested in trial courts and two levels of appeals courts that comprise the state's court system.

The Supreme Court is comprised of five justices elected to eight-year terms. The workload of the court consists of cases appealed from lower courts. Supreme Court decisions act to resolve controversies arising out of Tennessee law and to establish guidelines for the lower courts to use in future decisions.

The intermediate appellate courts are the Court of Appeals and the Court of Criminal Appeals. The Court of Appeals hears appeals only in civil cases from the lower courts. The Court of Criminal Appeals has jurisdiction to hear most felony and misdemeanor appeals from general trial courts, as well as post-conviction petitions.

The state's trial courts include Chancery, Criminal, Circuit, and Probate courts. Chancery courts are the traditional equity courts used when common law or statutory law proves inadequate for cases. Circuit courts, which sometime 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 primarily have 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 from county to county based on state laws and private acts; they hear civil, criminal, and juvenile cases, except in counties in which the Legislature has established separate juvenile courts. Municipal courts have jurisdiction in cases involving violations of city ordinances.

The court system is grouped into the following functions: judicial services, support services, and professional standards.

<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

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, and the Council of Juvenile and Family Court Judges.

302.01 Appellate and Trial Courts

Salaries and benefits are provided for judges of the state trial and appellate courts and for their law clerks and other staff. This allotment also includes funds for judges' travel expenses, their law books, and other operational expenses.

Full-Time	437	437	437	0	437
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	437	437	437	0	437

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
Payroll	49,748,600	52,653,300	52,653,300	972,800	53,626,100
Operational	2,469,300	5,117,100	2,526,700	0	2,526,700
Total	\$52,217,900	\$57,770,400	\$55,180,000	\$972,800	\$56,152,800
State	52,152,500	57,743,100	55,152,700	972,800	56,125,500
Federal	0	0	0	0	0
Other	65,400	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	18	24	24	0	24
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	18	24	24	0	24
Payroll	1,520,700	1,960,511	2,014,000	0	2,014,000
Operational	108,800	191,102	191,800	0	191,800
Total	\$1,629,500	\$2,151,613	\$2,205,800	\$0	\$2,205,800
State	554,000	633,602	652,000	0	652,000
Federal	0	0	0	0	0
Other	1,075,500	1,518,011	1,553,800	0	1,553,800

302.09 Guardian Ad Litem

The Guardian ad Litem program provides funding for advocates appointed by the court to represent the best interests of an indigent child or a person determined to be incompetent in cases involving dependency, neglect, abuse, or custodial disputes.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	3,646,800	4,047,500	2,047,500	2,000,000	4,047,500
Total	\$3,646,800	\$4,047,500	\$2,047,500	\$2,000,000	\$4,047,500
State	3,646,800	4,047,500	2,047,500	2,000,000	4,047,500
Federal	0	0	0	0	0
Other	0	0	0	0	0

302.10 Indigent Defendants' Counsel

The Indigent Defendants' Counsel program provides funding for court-appointed counsel, experts, investigators, and other support services for indigents in criminal cases.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	20,748,700	21,351,400	18,351,400	3,000,000	21,351,400
Total	\$20,748,700	\$21,351,400	\$18,351,400	\$3,000,000	\$21,351,400

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
State	20,717,500	21,346,400	18,346,400	3,000,000	21,346,400
Federal	0	0	0	0	0
Other	31,200	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.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	3,421,600	3,327,900	3,327,900	0	3,327,900
Total	\$3,421,600	\$3,327,900	\$3,327,900	\$0	\$3,327,900
State	3,421,600	3,327,900	3,327,900	0	3,327,900
Federal	0	0	0	0	0
Other	0	0	0	0	0

302.12 Verbatim Transcripts

The Verbatim Transcripts program provides funding for personnel and operational costs of court reporting and verbatim transcripts.

Full-Time	57	57	57	0	57
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	57	57	57	0	57
Payroll	3,417,400	3,102,100	3,102,100	0	3,102,100
Operational	788,100	1,141,900	1,143,500	0	1,143,500
Total	\$4,205,500	\$4,244,000	\$4,245,600	\$0	\$4,245,600
State	4,204,700	4,244,000	4,245,600	0	4,245,600
Federal	0	0	0	0	0
Other	800	0	0	0	0

302.16 Council of Juvenile and Family Court Judges

The Council of Juvenile and Family Court Judges provides training and assistance to juvenile courts on state and federal laws, regulations, and policies affecting children and families, as well as keeping judges and court staff informed of services available to children and families. The council is comprised of 17 county-approved juvenile judges and general sessions judges who have juvenile court jurisdiction. Judges serve on the council for eight-year terms.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	152,100	166,300	166,300	0	166,300
Total	\$152,100	\$166,300	\$166,300	\$0	\$166,300

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
State	67,800	101,600	101,600	0	101,600
Federal	0	0	0	0	0
Other	84,300	64,700	64,700	0	64,700

Support Services

Support services consist of the Administrative Office of the Courts, Supreme Court Buildings, Tennessee State Law Libraries, Judicial Conference, Judicial Programs and Commissions, State Court Clerks' Conference, and Appellate Court Clerks.

302.27 Administrative Office of the Courts

The Administrative Office of the Courts provides services and support to the entire state court system. The office is responsible for preparation and oversight of the court system's budget, administration of the court automation fund and Tennessee court information system, and support services to the courts.

Full-Time	85	88	88	0	88
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	85	88	88	0	88
Payroll	5,877,800	6,250,700	6,250,700	0	6,250,700
Operational	5,326,100	6,264,400	6,108,500	0	6,108,500
Total	\$11,203,900	\$12,515,100	\$12,359,200	\$0	\$12,359,200
State	9,568,400	11,929,400	11,933,000	0	11,933,000
Federal	406,400	200,000	200,000	0	200,000
Other	1,229,100	385,700	226,200	0	226,200

302.05 Supreme Court Buildings

The Supreme Court Buildings allotment funds the operation, maintenance, and security of Supreme Court buildings in Nashville, Knoxville, and Jackson.

Full-Time	16	16	16	0	16
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	16	16	16	0	16
Payroll	446,400	678,700	678,700	0	678,700
Operational	2,501,400	2,554,800	2,555,800	0	2,555,800
Total	\$2,947,800	\$3,233,500	\$3,234,500	\$0	\$3,234,500
State	2,335,600	2,620,500	2,621,500	0	2,621,500
Federal	0	0	0	0	0
Other	612,200	613,000	613,000	0	613,000

302.15 Tennessee State Law Libraries

The three state law libraries provide legal resources to the state and local judiciary, members of the state bar, and the general public. The libraries are located in Nashville, Knoxville, and Jackson.

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
Full-Time	4	4	4	0	4
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
Total	6	6	6	0	6
Payroll	205,400	267,100	267,100	0	267,100
Operational	451,000	317,600	317,700	0	317,700
Total	\$656,400	\$584,700	\$584,800	\$0	\$584,800
State	650,600	574,700	574,800	0	574,800
Federal	0	0	0	0	0
Other	5,800	10,000	10,000	0	10,000

302.18 Judicial Conference

The Judicial Conference provides continuing legal education and legal updates to judges.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	268,700	510,000	340,000	0	340,000
Total	\$268,700	\$510,000	\$340,000	\$0	\$340,000
State	132,500	342,500	300,000	0	300,000
Federal	0	0	0	0	0
Other	136,200	167,500	40,000	0	40,000

302.20 Judicial Programs and Commissions

The Judicial Programs and Commissions allotment 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 Judiciary, Victim Offender Reconciliation Program, Alternative Dispute Resolution, Judicial Selection Commission, Judicial Evaluation Program, and foreign language interpreters.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	757,000	1,147,000	1,011,900	0	1,011,900
Total	\$757,000	\$1,147,000	\$1,011,900	\$0	\$1,011,900
State	427,200	697,500	663,700	0	663,700
Federal	0	0	0	0	0
Other	329,800	449,500	348,200	0	348,200

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

302.22 State Court Clerks' Conference

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

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	224,000	237,400	237,400	0	237,400
Total	\$224,000	\$237,400	\$237,400	\$0	\$237,400
State	224,000	237,400	237,400	0	237,400
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	32	35	35	0	35
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	32	35	35	0	35
Payroll	1,752,400	1,899,300	1,928,500	0	1,928,500
Operational	378,200	404,700	376,600	0	376,600
Total	\$2,130,600	\$2,304,000	\$2,305,100	\$0	\$2,305,100
State	566,700	676,900	678,000	0	678,000
Federal	0	0	0	0	0
Other	1,563,900	1,627,100	1,627,100	0	1,627,100

Professional Standards

This functional area is responsible for maintaining professional standards of licensed attorneys and 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	13	13	13	0	13
Part-Time	7	7	7	0	7
Seasonal	0	0	0	0	0
Total	20	20	20	0	20
Payroll	395,500	393,700	409,100	0	409,100
Operational	276,300	312,400	297,100	0	297,100
Total	\$671,800	\$706,100	\$706,200	\$0	\$706,200

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
State	670,400	706,100	706,200	0	706,200
Federal	0	0	0	0	0
Other	1,400	0	0	0	0

302.40 Board of Professional Responsibility

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

Full-Time	20	20	20	0	20
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	20	20	20	0	20
Payroll	1,673,400	1,723,800	1,723,800	0	1,723,800
Operational	642,800	647,000	648,000	0	648,000
Total	\$2,316,200	\$2,370,800	\$2,371,800	\$0	\$2,371,800
State	2,044,100	2,370,800	2,371,800	0	2,371,800
Federal	0	0	0	0	0
Other	272,100	0	0	0	0

302.50 Tennessee Lawyers Assistance Program

The Lawyers Assistance Program provides education and assistance to members of the bench and bar suffering from physical or mental disabilities that impair their ability to practice or to serve. The program is funded from a dedicated, annual registration fee set by Supreme Court Rule and paid by each attorney.

Full-Time	3	3	3	0	3
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	3	3	3	0	3
Payroll	202,500	269,700	269,700	0	269,700
Operational	121,900	98,000	98,200	0	98,200
Total	\$324,400	\$367,700	\$367,900	\$0	\$367,900
State	288,900	367,700	367,900	0	367,900
Federal	0	0	0	0	0
Other	35,500	0	0	0	0

302.60 Continuing Legal Education

The Continuing Legal Education staff administers Supreme Court Rule 21, governing continuing legal education annual requirements. Supreme Court Rule 21 authorizes the collection of annual certification or recertification fees from each attorney for operation of the program.

Full-Time	5	5	5	0	5
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	5	5	5	0	5

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
Payroll	436,200	441,400	441,400	0	441,400
Operational	411,400	313,500	313,800	0	313,800
Total	\$847,600	\$754,900	\$755,200	\$0	\$755,200
State	529,800	754,900	755,200	0	755,200
Federal	0	0	0	0	0
Other	317,800	0	0	0	0

302.65 Client Protection Fund

The Client Protection Fund reimburses claimants for losses caused by misconduct of attorneys licensed to practice in this state and is funded from the annual registration fee collected by the Board of Professional Responsibility.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	91,000	208,500	208,500	0	208,500
Total	\$91,000	\$208,500	\$208,500	\$0	\$208,500
State	0	208,500	208,500	0	208,500
Federal	0	0	0	0	0
Other	91,000	0	0	0	0

302.00 Total Court System

Full-Time	690	702	702	0	702
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
Total	699	711	711	0	711
Payroll	65,676,300	69,640,311	69,738,400	972,800	70,711,200
Operational	42,785,200	48,358,502	40,268,600	5,000,000	45,268,600
Total	\$108,461,500	\$117,998,813	\$110,007,000	\$5,972,800	\$115,979,800
State	102,203,100	112,931,002	105,291,700	5,972,800	111,264,500
Federal	406,400	200,000	200,000	0	200,000
Other	5,852,000	4,867,811	4,515,300	0	4,515,300

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: represents state officers and agencies in all litigation in state and federal courts; prosecutes criminal cases in the appellate courts; prosecutes securities and state contract fraud cases; represents the interests of Tennessee consumers; institutes proceedings relating to antitrust violations, consumer fraud, and environmental enforcement; provides departments, agencies, and the General Assembly with legal advice; approves all administrative regulations and leases as to form and legality; issues legal opinions to state officials; and reports opinions of the Tennessee Supreme Court, Court of Appeals, and Court of Criminal Appeals.

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

303.01 Attorney General and Reporter

This allotment provides funds for the staffing and operational costs of the office of the Attorney General and Reporter.

Full-Time	329	339	339	0	339
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	329	339	339	0	339
Payroll	22,696,400	28,240,400	28,240,400	5,600	28,246,000
Operational	6,091,200	8,710,200	7,577,000	0	7,577,000
Total	\$28,787,600	\$36,950,600	\$35,817,400	\$5,600	\$35,823,000
State	19,992,900	25,129,300	23,992,400	5,600	23,998,000
Federal	0	0	0	0	0
Other	8,794,700	11,821,300	11,825,000	0	11,825,000

303.05 Publication of Tennessee Reports

Publication of Tennessee Reports provides funds for publication of opinions of the Tennessee Supreme Court, the Court of Appeals, and the Court of Criminal Appeals. The opinions of the Attorney General and Reporter are published on the Attorney General's web site.

Full-Time	2	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2	2	2	0	2
Payroll	90,900	98,200	98,200	0	98,200
Operational	52,400	62,000	62,100	0	62,100
Total	\$143,300	\$160,200	\$160,300	\$0	\$160,300
State	143,300	160,200	160,300	0	160,300
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
--	-----------------------------------	--------------------------------------	---------------------------------	--	--

303.08 Special Litigation

The Special Litigation program funds the use of private counsel for complex or special litigation cases requiring particular expertise. Hiring of private counsel requires approval of the Governor and the Attorney General.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	584,400	1,075,800	1,075,800	0	1,075,800
Total	\$584,400	\$1,075,800	\$1,075,800	\$0	\$1,075,800
State	144,200	289,100	289,100	0	289,100
Federal	0	0	0	0	0
Other	440,200	786,700	786,700	0	786,700

303.00 Total Attorney General and Reporter

Full-Time	331	341	341	0	341
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	331	341	341	0	341
Payroll	22,787,300	28,338,600	28,338,600	5,600	28,344,200
Operational	6,728,000	9,848,000	8,714,900	0	8,714,900
Total	\$29,515,300	\$38,186,600	\$37,053,500	\$5,600	\$37,059,100
State	20,280,400	25,578,600	24,441,800	5,600	24,447,400
Federal	0	0	0	0	0
Other	9,234,900	12,608,000	12,611,700	0	12,611,700

District Attorneys General Conference

District Attorneys General are elected for each of the state's 31 judicial districts and serve terms of eight years. They are the state's prosecutors for all violations of state criminal statutes. In addition, they prosecute all criminal cases in the federal courts that are removed from a state court and give opinions to county officials on criminal law relating to their office. Further, district attorneys and their assistants consult with and advise law enforcement agencies on cases or investigations within their district. Some of the district attorneys enforce court-ordered child support obligations through agreement with the Department of Human Services.

<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

304.01 District Attorneys General

The personnel and operational costs of the District Attorneys General, assistant district attorneys general, criminal investigators, and other support staff are funded in this program. The offices also provide an assistance program for victims and witnesses.

Full-Time	681	734	721	0	721
Part-Time	3	3	3	0	3
Seasonal	0	0	0	0	0
Total	684	737	724	0	724
Payroll	57,420,700	65,396,100	64,534,700	1,050,500	65,585,200
Operational	5,917,500	6,733,900	6,275,100	0	6,275,100
Total	\$63,338,200	\$72,130,000	\$70,809,800	\$1,050,500	\$71,860,300
State	56,900,400	66,158,400	65,926,900	1,029,500	66,956,400
Federal	0	0	0	0	0
Other	6,437,800	5,971,600	4,882,900	21,000	4,903,900

304.05 District Attorneys General Conference

The District Attorneys General Conference is comprised of all District Attorneys. State law requires a conference to be held annually to consider matters related to members. A second conference is held annually to provide continuing legal education to the members.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	769,000	796,400	641,900	0	641,900
Total	\$769,000	\$796,400	\$641,900	\$0	\$641,900
State	276,100	487,200	480,900	0	480,900
Federal	0	0	0	0	0
Other	492,900	309,200	161,000	0	161,000

	<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
--	-----------------------------------	--------------------------------------	---------------------------------	--	--

304.10 Executive Director

The executive director of the District Attorneys General Conference is elected every four years, and this office provides administrative support services to the 31 elected District Attorneys. Duties include multi-district prosecution coordination; other prosecution assistance; provision of continuing education, budgeting, accounting, payroll, personnel, and property management services; management of federal grants; and liaison with state agencies and the General Assembly.

Full-Time	26	27	27	0	27
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	26	27	27	0	27
Payroll	1,970,300	2,244,800	2,248,800	9,000	2,257,800
Operational	360,100	498,500	499,200	0	499,200
Total	\$2,330,400	\$2,743,300	\$2,748,000	\$9,000	\$2,757,000
State	1,390,500	1,517,800	1,522,500	0	1,522,500
Federal	0	0	0	0	0
Other	939,900	1,225,500	1,225,500	9,000	1,234,500

304.15 IV-D Child Support Enforcement

Under contract with the Department of Human Services, some of the District Attorneys enforce child support collection orders under Title IV-D of the federal Social Security Act.

Full-Time	275	297	297	0	297
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	276	298	298	0	298
Payroll	12,620,200	14,232,400	14,753,800	103,700	14,857,500
Operational	1,646,100	1,994,900	1,957,800	0	1,957,800
Total	\$14,266,300	\$16,227,300	\$16,711,600	\$103,700	\$16,815,300
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	14,266,300	16,227,300	16,711,600	103,700	16,815,300

304.00 Total District Attorneys General Conference

Full-Time	982	1,058	1,045	0	1,045
Part-Time	4	4	4	0	4
Seasonal	0	0	0	0	0
Total	986	1,062	1,049	0	1,049
Payroll	72,011,200	81,873,300	81,537,300	1,163,200	82,700,500
Operational	8,692,700	10,023,700	9,374,000	0	9,374,000
Total	\$80,703,900	\$91,897,000	\$90,911,300	\$1,163,200	\$92,074,500
State	58,567,000	68,163,400	67,930,300	1,029,500	68,959,800
Federal	0	0	0	0	0
Other	22,136,900	23,733,600	22,981,000	133,700	23,114,700

District Public Defenders Conference

As required by the United States Constitution, district public defenders and their staffs 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 may be appointed in any criminal prosecution or juvenile delinquency proceeding involving the possible deprivation of liberty or in any habeas corpus or other post-conviction proceeding. Twenty-nine judicial districts participate directly in the District Public Defenders Conference (DPDC); the public defenders for Shelby and Davidson counties receive direct appropriations with no administrative support or control from the conference.

<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

306.01 District Public Defenders

This allotment provides funds for offices of 29 district public defenders, including funds for salaries and operational costs of their assistant defenders, investigators, and support staff.

Full-Time	310	338	338	0	338
Part-Time	13	12	12	0	12
Seasonal	0	1	1	0	1
Total	323	351	351	0	351
Payroll	26,223,500	30,429,400	30,429,400	556,000	30,985,400
Operational	2,977,500	4,141,400	3,717,800	0	3,717,800
Total	\$29,201,000	\$34,570,800	\$34,147,200	\$556,000	\$34,703,200
State	27,834,300	33,252,600	32,829,000	556,000	33,385,000
Federal	0	0	0	0	0
Other	1,366,700	1,318,200	1,318,200	0	1,318,200

306.03 Executive Director

The executive director of the Public Defenders Conference is elected by the District Public Defenders Conference and serves a four-year term. This office provides administrative support to the conference, such as training, fiscal services, coordination of multi-district cases, legal research, and information technology support.

Full-Time	15	15	15	0	15
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	15	15	15	0	15
Payroll	1,126,100	1,260,000	1,260,000	0	1,260,000
Operational	197,700	315,300	307,600	0	307,600
Total	\$1,323,800	\$1,575,300	\$1,567,600	\$0	\$1,567,600
State	1,323,800	1,575,300	1,567,600	0	1,567,600
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
--	-----------------------------------	--------------------------------------	---------------------------------	--	--

306.10 Shelby County Public Defender

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

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	3,034,100	3,106,100	3,106,100	0	3,106,100
Total	\$3,034,100	\$3,106,100	\$3,106,100	\$0	\$3,106,100
State	3,034,100	3,106,100	3,106,100	0	3,106,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

306.12 Davidson County Public Defender

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

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	1,551,600	1,588,500	1,588,500	0	1,588,500
Total	\$1,551,600	\$1,588,500	\$1,588,500	\$0	\$1,588,500
State	1,551,600	1,588,500	1,588,500	0	1,588,500
Federal	0	0	0	0	0
Other	0	0	0	0	0

306.00 Total District Public Defenders Conference

Full-Time	325	353	353	0	353
Part-Time	13	12	12	0	12
Seasonal	0	1	1	0	1
Total	338	366	366	0	366
Payroll	27,349,600	31,689,400	31,689,400	556,000	32,245,400
Operational	7,760,900	9,151,300	8,720,000	0	8,720,000
Total	\$35,110,500	\$40,840,700	\$40,409,400	\$556,000	\$40,965,400
State	33,743,800	39,522,500	39,091,200	556,000	39,647,200
Federal	0	0	0	0	0
Other	1,366,700	1,318,200	1,318,200	0	1,318,200

Office of the Post-Conviction Defender

The Office of the Post-Conviction Defender was created in 1995 in order to provide for the representation of any person convicted and sentenced to death who is unable to secure counsel due to indigence. This office also provides continuing legal education and consulting services to attorneys representing indigents in capital cases and recruits qualified members of the private bar who are willing to provide representation in state death penalty proceedings.

The Post-Conviction Defender Commission appoints the Post-Conviction Defender and has oversight of the office. The commission is comprised of nine members: two appointed by the Governor, two by the Speaker of the Senate, two by the Speaker of the House of Representatives, and three by the Supreme Court.

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

308.00 Office of the Post-Conviction Defender

Full-Time	14	18	18	1	19
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	14	18	18	1	19
Payroll	1,102,400	1,475,100	1,475,100	58,100	1,533,200
Operational	252,300	344,100	346,700	75,200	421,900
Total	\$1,354,700	\$1,819,200	\$1,821,800	\$133,300	\$1,955,100
State	1,354,500	1,819,200	1,821,800	133,300	1,955,100
Federal	0	0	0	0	0
Other	200	0	0	0	0

Alcoholic Beverage Commission

The Alcoholic Beverage Commission (ABC) regulates the liquor industry and enforces liquor laws and certain drug laws. The commission is governed by three members appointed by the Governor.

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.

ABC conducts felony investigations originating under its jurisdiction and enforces laws pertaining to the illegal manufacture, transportation, and sale of alcoholic beverages and marijuana. The commission participates in the Governor's Task Force on Marijuana Eradication, and enforces laws against under-age drinking. ABC issues server permits to employees of establishments offering on-premise liquor consumption and requires servers to complete alcohol awareness training certified by the commission. The server training program is designed to properly train employees to responsibly sell and serve alcoholic beverages.

<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

316.03 Alcoholic Beverage Commission

Full-Time	64	67	67	0	67
Part-Time	3	3	3	0	3
Seasonal	0	0	0	0	0
Total	67	70	70	0	70
Payroll	3,338,200	4,105,600	4,105,600	0	4,105,600
Operational	1,311,300	1,380,200	1,388,000	0	1,388,000
Total	\$4,649,500	\$5,485,800	\$5,493,600	\$0	\$5,493,600
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	4,649,500	5,485,800	5,493,600	0	5,493,600

Standard: Process renewal of all licenses in a timely manner.

Measure: Issue licenses to renewal applicants who properly and timely submit renewal applications, and otherwise continue to qualify for the licenses, within one week of expiration of the licenses.

98%	95%	100%	0	100%
-----	-----	------	---	------

Tennessee Rehabilitative Initiative in Correction

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, and not-for-profit organizations.

TRICOR's manufacturing and service operations are located at 12 correctional facilities across the state. Manufacturing and service operations include office furniture and open office landscaping; institutional furniture and bedding; textiles, uniforms, and institutional clothing; custom wood and metal fabrication; license plates; interior and exterior building signs and highway regulatory signs; trash liners and janitorial supplies; warehousing and transportation; print shops; data entry and document imaging; and K-12 test distribution.

Agricultural operations are located at West Tennessee State Penitentiary and Southeastern Regional Correctional Facility and include field crops, beef cattle, dairy operation, and juice, tea, and fruit drink production.

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 oversees the agency, which is headed by an executive director. The board members are appointed by the Governor to four-year terms. The Commissioner of Correction serves as an ex officio non-voting member of the board.

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
316.08 TRICOR					
Full-Time	218	218	218	0	218
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	218	218	218	0	218
Payroll	8,899,900	10,849,300	10,849,300	0	10,849,300
Operational	19,544,900	23,256,200	23,279,300	0	23,279,300
Total	\$28,444,800	\$34,105,500	\$34,128,600	\$0	\$34,128,600
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	28,444,800	34,105,500	34,128,600	0	34,128,600
Standard:	Improve overall customer satisfaction.				
Measure:	Customer satisfaction rating on a 5.0 scale..				
	4.6	4.6	4.7	0	4.7

<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

Standard: Increase the number of offenders served on an annual basis through occupational skills training, transitional programming, and transitional services.

Measure: Number of offenders served.

1,359	1,428	1,500	0	1,500
-------	-------	-------	---	-------

Standard: Maintain a reduced recidivism rate of 29% or lower.

Measure: Three-year recidivism rate among eligible offenders.

29%	29%	29%	0	29%
-----	-----	-----	---	-----

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 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, and three members appointed by the Governor.

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
316.09 Corrections Institute					
Full-Time	10	15	15	0	15
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	10	15	15	0	15
Payroll	538,200	766,400	766,400	0	766,400
Operational	201,900	316,400	303,200	0	303,200
Total	\$740,100	\$1,082,800	\$1,069,600	\$0	\$1,069,600
State	684,300	1,067,800	1,019,600	0	1,019,600
Federal	0	0	0	0	0
Other	55,800	15,000	50,000	0	50,000

Board of Probation and Parole

The Board of Probation and Parole manages the orderly release and supervision of adult felons in such a manner as to promote lawful behavior and minimize risk to the general public. The board conducts parole hearings at state and local prisons and jails and makes recommendations to the Governor regarding executive clemency. The board also administers the Community Corrections grant program, which diverts non-violent felony offenders from incarceration by placing them in locally-operated programs with intensive supervision, community service work, and victim restitution.

Probation and Parole Field Services supervises 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, the Department of Correction, and the Board of Probation and Parole.

The Board of Probation and Parole is comprised of seven full-time members appointed by the Governor. Members serve six-year terms and are eligible for reappointment.

<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

324.02 Probation and Parole Services

This allotment provides funds for the staffing and operational costs of the Board of Probation and Parole, including operations of the board, the central office, and the probation and parole officers.

Full-Time	1,025	1,167	1,167	0	1,167
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,025	1,167	1,167	0	1,167
Payroll	48,464,400	58,533,700	58,533,700	0	58,533,700
Operational	11,626,000	13,852,000	12,525,300	433,700	12,959,000
Total	\$60,090,400	\$72,385,700	\$71,059,000	\$433,700	\$71,492,700
State	58,240,700	70,356,000	70,358,000	0	70,358,000
Federal	0	0	0	0	0
Other	1,849,700	2,029,700	701,000	433,700	1,134,700

Standard: The Board of Probation and Parole will improve the offender success rate by decreasing the percentage of probationers and parolees who are revoked.

Measure: Percent of total offender population (both probationers and parolees) whose community supervision status is revoked during the fiscal year (not including offenders in the Community Corrections Program).

11.4%	11.2%	11.0%	-2.0%	9%
-------	-------	-------	-------	----

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Standard: The Board of Probation and Parole will manage caseloads by increasing the successful offenders reclassified to lower risk levels (discounting offenders moved off of "intake" supervision level).

Measure: Percent of total offender population (both probationers and parolees) who are reclassified to a lower risk level after exhibiting successful behavior.

	8.9%	9.1%	9.3%	2%	11.3%
--	------	------	------	----	-------

324.04 Community Corrections

The Community Corrections program provides grants to local programs which provide alternatives to incarceration for non-violent felony offenders, as adjudicated by state courts.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	11,375,400	11,929,200	11,944,000	0	11,944,000
Total	\$11,375,400	\$11,929,200	\$11,944,000	\$0	\$11,944,000
State	11,373,700	11,929,200	11,944,000	0	11,944,000
Federal	0	0	0	0	0
Other	1,700	0	0	0	0

Standard: The Community Corrections program will improve offender success by decreasing the percent of the total program population who are revoked from the program prior to successful discharge.

Measure: Percent of total offender population who are revoked from the program prior to successful discharge.

	14.7%	14.6%	14.4%	0	14.4%
--	-------	-------	-------	---	-------

Standard: The Community Corrections program will improve offender success by increasing the percent of the total population who are successfully discharged from the program.

Measure: Percent of total offender population who complete the behavioral plan requirements and all court-ordered mandates and are successfully released from Community Corrections supervision.

	15.3%	15.5%	15.6%	0	15.6%
--	-------	-------	-------	---	-------

324.00 Total Board of Probation and Parole

Full-Time	1,025	1,167	1,167	0	1,167
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,025	1,167	1,167	0	1,167
Payroll	48,464,400	58,533,700	58,533,700	0	58,533,700
Operational	23,001,400	25,781,200	24,469,300	433,700	24,903,000
Total	\$71,465,800	\$84,314,900	\$83,003,000	\$433,700	\$83,436,700
State	69,614,400	82,285,200	82,302,000	0	82,302,000
Federal	0	0	0	0	0
Other	1,851,400	2,029,700	701,000	433,700	1,134,700

Department of Correction

Performance-Based Budget

The Tennessee Department of Correction supervises convicted felons during their period of confinement in state prisons. The department fulfills its obligations to the courts through the incarceration of inmates in a variety of secured institutional settings. All individuals are assigned to the department by the criminal courts of Tennessee and managed in accordance with laws and departmental policy and procedure.

The Department of Correction carries out its responsibilities through four major functional areas: administrative and other services, institutional operations, special purpose facilities, and contract management facilities.

<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

Administrative and Other Services

The Administrative and Other Services function includes Administration, State Prosecutions, Tennessee Correction Academy, Major Maintenance, the Sex Offender Treatment Program, Federal Construction Grants, and the Sentencing Act of 1985.

329.01 Administration

Administration provides department-wide support services, such as fiscal, personnel, policy, planning and research, and communications. Additional department-wide services include: the classification unit, which assigns the most appropriate institution or special program requirements for each inmate; sentence management services, which provides sentence management information, computation of all felony sentences, and monitors and reports release dates; compliance, which ensures operational quality and accreditation by the American Correctional Association; and rehabilitative services, which provides educational, victim, and mental health services, as well as inmate jobs and alcohol and drug treatment.

Full-Time	214	212	211	0	211
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	214	212	211	0	211
Payroll	13,284,000	13,514,800	13,807,500	0	13,807,500
Operational	6,753,700	7,640,000	7,018,100	0	7,018,100
Total	\$20,037,700	\$21,154,800	\$20,825,600	\$0	\$20,825,600
State	15,543,200	15,874,100	15,997,300	0	15,997,300
Federal	515,400	677,100	631,800	0	631,800
Other	3,979,100	4,603,600	4,196,500	0	4,196,500

Standard: Limit the number of escapes of offenders during transport by the department.

Measure: The number of escapes of offenders during transport by the department.

0	0	0	0	0
---	---	---	---	---

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Standard: Increase the number of community service work hours performed by Tennessee Department of Correction (TDOC) inmates.

Measure: The number of community service work hours performed by TDOC inmates.

	1,103,569	1,250,000	1,250,000	0	1,250,000
--	-----------	-----------	-----------	---	-----------

Standard: Process judgment orders promptly.

Measure: The percent of judgment orders processed within ten days of receipt.

	93%	98%	98%	0	98%
--	-----	-----	-----	---	-----

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 the Department of Correction; and when counties house felons who have been sentenced to the Department of Correction and are awaiting transfer. Certain other expenses are paid from the allotment, including court costs associated with felony charges, inmate transportation costs, extradition costs, witness fees, jury boarding costs, and emergency medical expenses.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	120,514,800	141,154,900	134,263,000	3,212,800	137,475,800
Total	\$120,514,800	\$141,154,900	\$134,263,000	\$3,212,800	\$137,475,800
State	119,682,100	141,154,900	134,263,000	3,212,800	137,475,800
Federal	0	0	0	0	0
Other	832,700	0	0	0	0

Standard: Process invoices promptly.

Measure: The percent of invoices processed within 45 days of receipt of all required documents (i.e. Board Bills, Correctional Facility Summary Reports, etc.).

	92.70%	100%	95%	0	95%
--	--------	------	-----	---	-----

329.06 Correction Academy

The Tennessee Correction Academy serves as the state's primary training and staff development center for the Department of Correction, Board of Probation and Parole, and Department of Children's Services. The academy provides pre-service training, in-service training, and specialized training classes in accordance with standards of the American Correctional Association.

Full-Time	79	79	79	0	79
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	79	79	79	0	79

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
Payroll	3,756,100	3,912,700	3,912,700	0	3,912,700
Operational	1,568,700	1,544,300	1,561,900	13,500	1,575,400
Total	\$5,324,800	\$5,457,000	\$5,474,600	\$13,500	\$5,488,100
State	5,251,600	5,392,100	5,409,700	13,500	5,423,200
Federal	0	0	0	0	0
Other	73,200	64,900	64,900	0	64,900

Standard: Increase total training hours delivered for pre-service, in-service, and specialty course personnel.

Measure: Total training hours delivered for pre-service, in-service, and specialty course personnel.

	448,879	424,547	449,101	0	449,101
--	---------	---------	---------	---	---------

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. Also, this program provides information systems services and technology. This includes repair and preventive maintenance of security electronic systems, including fence detection systems, locking-control panels, alarm annunciation panels, closed-circuit TV, paging and intercom systems, mobile mapping systems, and installation and maintenance of the department's computer systems.

Full-Time	24	25	25	0	25
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	24	25	25	0	25
Payroll	1,346,000	1,603,000	1,591,600	0	1,591,600
Operational	2,792,300	2,943,900	2,450,400	0	2,450,400
Total	\$4,138,300	\$4,546,900	\$4,042,000	\$0	\$4,042,000
State	3,680,000	4,046,900	4,042,000	0	4,042,000
Federal	0	0	0	0	0
Other	458,300	500,000	0	0	0

Standard: Resolve security system calls within 48 hours.

Measure: The percent of security system calls resolved within 48 hours.

	95.8%	99.9%	99.9%	0	99.9%
--	-------	-------	-------	---	-------

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 sex offense. The program also provides funding for therapy required as conditions of probation or parole for indigent offenders. The 13-member Sex Offender Treatment Board, comprised of representatives of the law enforcement, legal, and medical professions, oversees the program and develops standardized procedures for evaluation and treatment of sex offenders.

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

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
Payroll	0	0	0	0	0
Operational	154,800	133,900	133,900	0	133,900
Total	\$154,800	\$133,900	\$133,900	\$0	\$133,900
State	100,600	133,900	133,900	0	133,900
Federal	0	0	0	0	0
Other	54,200	0	0	0	0

Standard: Provide annual training to at least 200 treatment providers.

Measure: The number of treatment providers receiving annual training.

	273	200	200	0	200
--	-----	-----	-----	---	-----

Standard: Increase the number of sex offenders receiving treatment.

Measure: The number of sex offenders receiving treatment.

	149	200	200	0	200
--	-----	-----	-----	---	-----

329.98 Federal Construction Grants

The Federal Construction Grants program was established to account for the draw-down of federal Violent Offender Incarceration and Truth-in-Sentencing grant funds awarded to the Department of Correction. These funds were used for the construction of new prison beds or infrastructure support of the prison system. All remaining federal grant funds were expended in Fiscal Year 2006-2007.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	61,301,700	0	0	0	0
Total	\$61,301,700	\$0	\$0	\$0	\$0
State	0	0	0	0	0
Federal	61,301,700	0	0	0	0
Other	0	0	0	0	0

329.99 Sentencing Act of 1985

During the Special Session on Corrections in 1985, the General Assembly passed legislation that included the Sentencing Act of 1985. The law requires that, for any law enacted after July 1, 1986, which results in a net increase in periods of imprisonment in state correctional facilities, there is to be appropriated from recurring revenues the estimated increased operating cost. The amount appropriated for operating costs, in current dollars, is based upon the highest cost of the next ten years, beginning with the year the additional sentence to be served impacts the correctional facilities population. Appropriations to the Sentencing Act of 1985 are used for capital outlay or for cancellation of construction bonds authorized but not yet sold.

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

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
Payroll	0	0	0	0	0
Operational	0	50,640,200	44,451,700	0	44,451,700
Total	\$0	\$50,640,200	\$44,451,700	\$0	\$44,451,700
State	0	50,632,700	44,444,200	0	44,444,200
Federal	0	0	0	0	0
Other	0	7,500	7,500	0	7,500

Institutional Operations

Institutional Operations manages the inmate population in state prisons, including classification centers and time-building institutions.

Classification 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. Classification centers are located at the Brushy Mountain Correctional Complex, Tennessee Prison for Women, Charles B. Bass Correctional Complex, and West Tennessee State Penitentiary.

Time-building prisons range in security levels from death-row and maximum-security to minimum-security and work-release. These institutions provide educational, counseling, and treatment programs.

329.11 Brushy Mountain Correctional Complex

Brushy Mountain Correctional Complex (BMCC), located in Morgan County, is a maximum-security institution that serves as a classification center and houses all custody levels. BMCC operates vocational and substance abuse programs.

Full-Time	252	253	253	0	253
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	252	253	253	0	253
Payroll	12,156,600	13,542,200	6,300,500	0	6,300,500
Operational	4,552,200	4,742,800	2,618,000	0	2,618,000
Total	\$16,708,800	\$18,285,000	\$8,918,500	\$0	\$8,918,500
State	16,294,400	17,885,600	8,734,500	0	8,734,500
Federal	0	0	0	0	0
Other	414,400	399,400	184,000	0	184,000

Standard: See 329.47 Morgan County Correctional Complex for performance standards.

Measure: See 329.47 Morgan County Correctional Complex for performance measures.

0	0	0	0	0
---	---	---	---	---

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

329.13 Tennessee Prison for Women

The Tennessee Prison for Women (TPW) opened in Nashville in 1898 and relocated to its present site in 1966. The institution is a reception, classification, and time-building prison which houses all levels of female inmates, from those under death sentence to those assigned to work release. TPW also provides academic and vocational programs.

Full-Time	251	254	254	0	254
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	251	254	254	0	254
Payroll	11,256,900	11,618,700	11,518,700	0	11,518,700
Operational	9,388,400	9,760,500	9,901,200	304,400	10,205,600
Total	\$20,645,300	\$21,379,200	\$21,419,900	\$304,400	\$21,724,300
State	19,842,400	20,536,100	20,576,800	304,400	20,881,200
Federal	0	0	0	0	0
Other	802,900	843,100	843,100	0	843,100

Standard: Maintain at least 33 GED completions.

Measure: The number of GED recipients.

	44	33	35	0	35
--	----	----	----	---	----

Standard: Increase the number of vocational completions.

Measure: The number of vocational completions.

	31	41	41	0	41
--	----	----	----	---	----

Standard: Increase the percent of inmates completing the pre-release program prior to release.

Measure: The percent of inmates released who have completed the pre-release program.

	14%	28%	20%	0	20%
--	-----	-----	-----	---	-----

Standard: Reduce the rate of violent institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

	3.13	1.64	1.55	0	1.55
--	------	------	------	---	------

329.14 Turney Center Industrial Prison and Farm

Turney Center Industrial Prison and Farm, in Hickman County, is a time-building institution with emphasis on prison industry. It has a security classification range from minimum to close. Inmates are assigned to industry, academic, farming, or vocational programs, as well as support services inside the main compound.

Full-Time	328	328	328	0	328
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	328	328	328	0	328
Payroll	13,928,300	15,505,200	15,472,500	0	15,472,500
Operational	10,757,400	11,509,800	11,725,000	321,500	12,046,500
Total	\$24,685,700	\$27,015,000	\$27,197,500	\$321,500	\$27,519,000

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
State	23,569,800	26,030,500	26,213,000	321,500	26,534,500
Federal	0	0	0	0	0
Other	1,115,900	984,500	984,500	0	984,500

Standard: Maintain at least 25 GED recipients.

Measure: The number of GED recipients.

40	25	28	0	28
----	----	----	---	----

Standard: Increase the number of vocational completions.

Measure: The number of vocational completions.

102	89	94	0	94
-----	----	----	---	----

Standard: Increase the percent of inmates completing the pre-release program prior to release.

Measure: The percent of inmates released who have completed the pre-release program.

25%	60%	15%	0	15%
-----	-----	-----	---	-----

Standard: Maintain a rate of violent institutional incidents (per 100 inmates) of no more than 6.82.

Measure: The violent institutional incident rate (per 100 inmates).

5.31	6.20	6.82	0	6.82
------	------	------	---	------

329.16 Mark Luttrell Correctional Facility

Mark Luttrell Correctional Facility, in Shelby County, is one of two female facilities in the state prison system. Opened in 1976 as a male reception center, the facility has been converted to an all-female unit with a security designation of close.

Full-Time	197	197	197	0	197
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	197	197	197	0	197
Payroll	8,788,800	9,681,200	9,656,200	0	9,656,200
Operational	3,845,600	4,215,000	4,312,300	73,700	4,386,000
Total	\$12,634,400	\$13,896,200	\$13,968,500	\$73,700	\$14,042,200
State	12,163,800	13,354,200	13,426,500	73,700	13,500,200
Federal	0	0	0	0	0
Other	470,600	542,000	542,000	0	542,000

Standard: Maintain the number of GED recipients.

Measure: The number of GED recipients.

19	18	18	0	18
----	----	----	---	----

Standard: Increase the number of vocational completions.

Measure: The number of vocational completions.

22	20	25	0	25
----	----	----	---	----

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Standard: Increase the percent of inmates who have completed the pre-release program prior to release.

Measure: The percent of inmates released who have completed the pre-release program.

	49%	60%	52%	0	52%
--	-----	-----	-----	---	-----

Standard: Reduce the rate of violent institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

	8.30	5.70	4.90	0	4.90
--	------	------	------	---	------

329.17 Charles B. Bass Correctional Complex

Charles B. Bass Correctional Complex, in Davidson County, has inmates in custody levels ranging from minimum-trustee to close. Inmates are assigned to community-work crews or provide support services inside the prison.

Full-Time	391	390	390	0	390
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	391	390	390	0	390
Payroll	17,626,400	18,220,000	18,170,000	0	18,170,000
Operational	10,607,100	10,646,600	10,861,100	261,000	11,122,100
Total	\$28,233,500	\$28,866,600	\$29,031,100	\$261,000	\$29,292,100
State	27,093,000	27,734,800	27,899,300	261,000	28,160,300
Federal	0	0	0	0	0
Other	1,140,500	1,131,800	1,131,800	0	1,131,800

Standard: Increase the number of GED recipients.

Measure: The number of GED recipients.

	26	30	30	0	30
--	----	----	----	---	----

Standard: Increase the percent of inmates completing the pre-release program prior to release.

Measure: The percent of inmates released who have completed the pre-release program.

	7%	30%	40%	0	40%
--	----	-----	-----	---	-----

Standard: Reduce the rate of violent institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

	2.52	2.00	2.02	0	2.02
--	------	------	------	---	------

329.18 Southeastern Tennessee State Regional Correctional Facility

Southeastern Tennessee State Regional Correctional Facility, in Bledsoe County, has inmates with custody levels ranging from minimum to close. The facility has academic, substance abuse, and vocational programs.

Full-Time	321	321	321	0	321
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	321	321	321	0	321

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
Payroll	15,135,800	15,902,500	15,902,500	0	15,902,500
Operational	6,547,600	6,574,700	6,759,900	148,800	6,908,700
Total	\$21,683,400	\$22,477,200	\$22,662,400	\$148,800	\$22,811,200
State	20,796,600	21,689,100	21,874,300	148,800	22,023,100
Federal	0	0	0	0	0
Other	886,800	788,100	788,100	0	788,100

Standard: Increase the number of GED recipients.

Measure: The number of GED recipients.

36	35	35	0	35
----	----	----	---	----

Standard: Increase the number of vocational completions.

Measure: The number of vocational completions.

59	48	52	0	52
----	----	----	---	----

Standard: Increase the percent of inmates completing the pre-release program prior to release.

Measure: The percent of inmates released who have completed the pre-release program.

17%	50%	15%	0	15%
-----	-----	-----	---	-----

Standard: Reduce the rate of violent institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

1.91	1.20	1.20	0	1.20
------	------	------	---	------

329.41 West Tennessee State Penitentiary

West Tennessee State Penitentiary (WTSP), located near Henning, is the largest state prison for male felons. A reception and classification center housing all custody levels, WTSP provides educational and vocational programs.

Full-Time	772	772	772	0	772
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	772	772	772	0	772
Payroll	32,436,500	36,085,600	35,977,000	0	35,977,000
Operational	17,306,500	17,997,900	18,453,700	383,200	18,836,900
Total	\$49,743,000	\$54,083,500	\$54,430,700	\$383,200	\$54,813,900
State	48,372,400	52,763,300	53,110,500	383,200	53,493,700
Federal	0	0	0	0	0
Other	1,370,600	1,320,200	1,320,200	0	1,320,200

Standard: Increase the number of GED recipients.

Measure: The number of GED recipients.

58	75	75	0	75
----	----	----	---	----

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Standard: Increase the number of vocational completions.

Measure: The number of vocational completions.

	118	151	160	0	160
--	-----	-----	-----	---	-----

Standard: Increase the percent of inmates completing the pre-release program prior to release.

Measure: The percent of inmates released who have completed the pre-release program.

	13%	41%	20%	0	20%
--	-----	-----	-----	---	-----

Standard: Maintain a rate of violent institutional incidents (per 100 inmates) of no more than 7.45.

Measure: The violent institutional incident rate (per 100 inmates).

	6.66	7.45	7.45	0	7.45
--	------	------	------	---	------

329.42 Riverbend Maximum Security Institution

Riverbend Maximum Security Institution (RMSI), in Nashville, is a time-building maximum-security facility. RMSI houses all custody levels, including death row. This facility carries out all executions in the state.

Full-Time	329	329	329	0	329
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	329	329	329	0	329
Payroll	14,919,900	15,724,800	15,724,800	0	15,724,800
Operational	8,462,300	8,758,800	8,913,600	258,000	9,171,600
Total	\$23,382,200	\$24,483,600	\$24,638,400	\$258,000	\$24,896,400
State	22,980,900	24,056,700	24,211,500	258,000	24,469,500
Federal	0	0	0	0	0
Other	401,300	426,900	426,900	0	426,900

Standard: Increase the number of GED recipients.

Measure: The number of GED recipients.

	20	39	24	0	24
--	----	----	----	---	----

Standard: Increase the number of vocational completions.

Measure: The number of vocational completions.

	27	20	25	0	25
--	----	----	----	---	----

Standard: Increase the percent of inmates completing the pre-release program prior to release.

Measure: The percent of inmates released who have completed the pre-release program.

	49%	75%	50%	0	50%
--	-----	-----	-----	---	-----

Standard: Limit the rate of violent institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

	13.47	16.5	16.5	0	16.5
--	-------	------	------	---	------

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

329.43 Northeast Correctional Complex

The Northeast Correctional Complex (NECX), with sites in Carter and Johnson counties, is a maximum-security time-building prison. NECX houses men of all custody levels and offers educational, mental health, and community service programs.

Full-Time	537	537	537	0	537
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	537	537	537	0	537
Payroll	23,803,400	24,752,600	24,752,600	0	24,752,600
Operational	13,533,400	13,829,600	14,154,300	332,300	14,486,600
Total	\$37,336,800	\$38,582,200	\$38,906,900	\$332,300	\$39,239,200
State	36,058,800	37,265,700	37,590,400	332,300	37,922,700
Federal	0	0	0	0	0
Other	1,278,000	1,316,500	1,316,500	0	1,316,500

Standard: Maintain the number of GED recipients at 35 or higher.

Measure: The number of GED recipients.

	56	35	40	0	40
--	----	----	----	---	----

Standard: Increase the number of vocational completions.

Measure: The number of vocational completions.

	83	194	180	0	180
--	----	-----	-----	---	-----

Standard: Increase the percent of inmates completing the pre-release program prior to release.

Measure: The percent of inmates released who have completed the pre-release program.

	55%	75%	62%	0	62%
--	-----	-----	-----	---	-----

Standard: Reduce the rate of violent institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

	2.80	2.75	2.75	0	2.75
--	------	------	------	---	------

329.45 Northwest Correctional Complex

Northwest Correctional Complex, in Lake County, houses inmates with a custody level of minimum-trustee to close. The annex houses minimum restricted-custody inmates and youthful offenders. Inmates are assigned to educational or vocational programs or community service crews.

Full-Time	702	702	702	0	702
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	702	702	702	0	702
Payroll	29,502,600	32,535,000	32,535,000	0	32,535,000
Operational	16,230,200	15,826,200	15,946,300	486,000	16,432,300
Total	\$45,732,800	\$48,361,200	\$48,481,300	\$486,000	\$48,967,300

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
State	43,999,200	46,628,800	46,748,900	486,000	47,234,900
Federal	0	0	0	0	0
Other	1,733,600	1,732,400	1,732,400	0	1,732,400

Standard: Maintain at least 65 GED recipients.

Measure: The number of GED recipients.

100	65	75	0	75
-----	----	----	---	----

Standard: Maintain at least 103 vocational completions.

Measure: The number of vocational completions.

147	103	125	0	125
-----	-----	-----	---	-----

Standard: Increase the percent of inmates completing the pre-release program prior to release.

Measure: The percent of inmates released who have completed the pre-release program.

14%	55%	25%	0	25%
-----	-----	-----	---	-----

Standard: Limit the rate of violent institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

6.28	6.45	6.49	0	6.49
------	------	------	---	------

329.47 Morgan County Correctional Complex

Morgan County Correctional Complex, located in Wartburg, has inmates of all custody levels. The facility operates vocational and substance abuse programs.

Full-Time	330	560	560	0	560
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	330	560	560	0	560
Payroll	14,829,600	20,199,100	27,440,800	3,310,800	30,751,600
Operational	7,782,600	16,508,900	15,600,400	3,238,000	18,838,400
Total	\$22,612,200	\$36,708,000	\$43,041,200	\$6,548,800	\$49,590,000
State	21,938,900	32,862,000	41,821,800	6,393,800	48,215,600
Federal	0	0	0	0	0
Other	673,300	3,846,000	1,219,400	155,000	1,374,400

Standard: Increase the number of GED recipients.

Measure: The number of GED recipients.

48	60	70	0	70
----	----	----	---	----

Standard: Increase the number of vocational completions.

Measure: The number of vocational completions.

21	87	95	0	95
----	----	----	---	----

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Standard: Increase the percent of inmates completing the pre-release program prior to release.

Measure: The percent of inmates released who have completed the pre-release program.

	16%	45%	20%	0	20%
--	-----	-----	-----	---	-----

Standard: Limit the rate of violent institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

	3.35	3.85	3.5	0	3.5
--	------	------	-----	---	-----

Special Purpose Facilities

Wayne County Boot Camp and the Lois M. DeBerry Special Needs Facility are special purpose facilities. These facilities provide inmates with alternative rehabilitation methods and programs for mental health services, medical services, sex offender treatment, and geriatrics.

329.08 Wayne County Boot Camp

The Wayne County Boot Camp is a minimum-security special alternative-incarceration unit. The boot camp program is a highly disciplined, military-style training program combined with various treatment programs. Eligible offenders are those convicted of non-violent crimes and technical probation and parole violators.

Full-Time	155	155	155	0	155
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	155	155	155	0	155
Payroll	6,734,500	7,272,000	7,272,000	0	7,272,000
Operational	3,172,200	3,634,600	3,719,200	103,500	3,822,700
Total	\$9,906,700	\$10,906,600	\$10,991,200	\$103,500	\$11,094,700
State	9,583,500	10,564,100	10,648,700	103,500	10,752,200
Federal	0	0	0	0	0
Other	323,200	342,500	342,500	0	342,500

Standard: Increase the number of General Educational Development (GED) recipients.

Measure: The number of GED recipients.

	46	71	51	0	51
--	----	----	----	---	----

Standard: Maintain the percent of inmates completing the pre-release program prior to release at 45% or higher.

Measure: The percent of inmates released who have completed the pre-release program.

	46%	50%	45%	0	45%
--	-----	-----	-----	---	-----

Standard: Reduce the rate of violent institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

	1.49	1.70	1.50	0	1.50
--	------	------	------	---	------

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

329.46 Lois M. DeBerry Special Needs Facility

The Lois M. DeBerry Special Needs Facility, in Davidson County, provides quality health-care, intensive mental health-care, and sex offender treatment programs.

Full-Time	483	483	483	0	483
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	483	483	483	0	483
Payroll	23,503,500	24,689,600	24,689,600	0	24,689,600
Operational	12,485,500	10,236,900	10,431,200	819,500	11,250,700
Total	\$35,989,000	\$34,926,500	\$35,120,800	\$819,500	\$35,940,300
State	35,633,600	34,529,100	34,723,400	819,500	35,542,900
Federal	0	0	0	0	0
Other	355,400	397,400	397,400	0	397,400

Standard: Increase the number of GED recipients.

Measure: The number of GED recipients.

	7	9	9	0	9
--	---	---	---	---	---

Standard: Increase the percent of inmates completing the pre-release program prior to release.

Measure: The percent of inmates released who have completed the pre-release program.

	16%	44%	22%	0	22%
--	-----	-----	-----	---	-----

Standard: Reduce the rate of violent institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

	14.24	13.40	11.25	0	11.25
--	-------	-------	-------	---	-------

Contract Management Facilities

The state prison system has three prisons operated under contracts: Hardeman County Correctional Facility, Hardeman County Correctional Facility – Whiteville, and South Central Correctional Center.

329.21 Hardeman County Incarceration Agreement

The Hardeman County Correctional Facility is a time-building medium-security prison and offers educational, vocational, and mental health programs. The prison is owned by Hardeman County, which contracts with a private operator.

Full-Time	2	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2	2	2	0	2
Payroll	163,700	148,300	148,300	0	148,300
Operational	33,620,700	34,372,000	34,372,600	881,300	35,253,900
Total	\$33,784,400	\$34,520,300	\$34,520,900	\$881,300	\$35,402,200

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
State	33,774,300	34,501,400	34,502,000	881,300	35,383,300
Federal	0	0	0	0	0
Other	10,100	18,900	18,900	0	18,900

Standard: Increase the number of GED completions.

Measure: The number of GED recipients.

	43	50	50	0	50
--	----	----	----	---	----

Standard: Increase the number of vocational completions.

Measure: The number of vocational completions.

	167	272	266	0	266
--	-----	-----	-----	---	-----

Standard: Increase the percent of inmates completing the pre-release program prior to release.

Measure: The percent of inmates released who have completed the pre-release program.

	15%	50%	20%	0	20%
--	-----	-----	-----	---	-----

Standard: Reduce the rate of violent institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

	5.04	3.50	3.50	0	3.50
--	------	------	------	---	------

329.22 Hardeman County Agreement - Whiteville

The Hardeman County Correctional Facility at Whiteville is a time-building medium-security prison and 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	2	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2	2	2	0	2
Payroll	124,800	146,200	146,200	0	146,200
Operational	26,297,300	27,274,300	27,274,900	624,100	27,899,000
Total	\$26,422,100	\$27,420,500	\$27,421,100	\$624,100	\$28,045,200
State	26,409,900	27,401,800	27,402,400	624,100	28,026,500
Federal	0	0	0	0	0
Other	12,200	18,700	18,700	0	18,700

Standard: Maintain at least 60 GED recipients.

Measure: The number of GED recipients.

	72	60	70	0	70
--	----	----	----	---	----

Standard: Increase the number of vocational completions.

Measure: The number of vocational completions.

	276	343	343	0	343
--	-----	-----	-----	---	-----

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Standard: Increase the percent of inmates completing the pre-release program prior to release.

Measure: The percent of inmates released who have completed the pre-release program.

	21%	50%	25%	0	25%
--	-----	-----	-----	---	-----

Standard: Reduce the rate of institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

	6.93	6.80	6.80	0	6.80
--	------	------	------	---	------

329.44 South Central Correctional Center

The South Central Correctional Center 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	2	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2	2	2	0	2
Payroll	126,000	163,400	163,400	0	163,400
Operational	25,868,700	26,805,900	25,089,900	226,000	25,315,900
Total	\$25,994,700	\$26,969,300	\$25,253,300	\$226,000	\$25,479,300
State	25,981,700	26,950,600	25,234,600	226,000	25,460,600
Federal	0	0	0	0	0
Other	13,000	18,700	18,700	0	18,700

Standard: Increase the number of GED recipients.

Measure: The number of GED recipients.

	70	75	80	0	80
--	----	----	----	---	----

Standard: Maintain the number of vocational completions.

Measure: The number of vocational completions.

	314	299	310	0	310
--	-----	-----	-----	---	-----

Standard: Increase the percent of inmates completing the pre-release program prior to release.

Measure: The percent of inmates released who have completed the pre-release program.

	26%	50%	30%	0	30%
--	-----	-----	-----	---	-----

Standard: Limit the rate of institutional incidents (per 100 inmates).

Measure: The violent institutional incident rate (per 100 inmates).

	4.60	7.30	7.20	0	7.20
--	------	------	------	---	------

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
329.00 Total Correction					
Full-Time	5,371	5,603	5,602	0	5,602
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	5,371	5,603	5,602	0	5,602
Payroll	243,423,400	265,216,900	265,181,900	3,310,800	268,492,700
Operational	403,543,700	426,751,700	410,012,600	11,687,600	421,700,200
Total	\$646,967,100	\$691,968,600	\$675,194,500	\$14,998,400	\$690,192,900
State	568,750,700	671,988,400	659,008,700	14,843,400	673,852,100
Federal	61,817,100	677,100	631,800	0	631,800
Other	16,399,300	19,303,100	15,554,000	155,000	15,709,000

Statistical Data Correctional Institutions

	BMCC 329.11	TPW 329.13	TCIP 329.14	MLCF 329.16	CBCC 329.17
Annual Admissions					
2001-2002	1,915	522	477	213	3,477
2002-2003	1,908	583	527	175	2,288
2003-2004	1,908	575	515	204	3,534
2004-2005	1,902	556	503	205	2,248
2005-2006	1,902	559	518	159	2,222
2006-2007	712	668	479	114	5,467
2007-2008	600	700	479	220	5,500
2008-2009	525	700	479	220	5,500
Annual Releases					
2001-2002	1,907	384	471	169	3,771
2002-2003	1,911	342	538	130	2,725
2003-2004	1,911	550	519	210	2,394
2004-2005	1,915	421	503	204	2,557
2005-2006	1,904	548	521	158	2,210
2006-2007	712	665	479	135	5,670
2007-2008	600	700	479	200	5,500
2008-2009	525	700	479	200	5,500
Average Daily Census					
2001-2002	1,537	512	1,110	397	1,011
2002-2003	1,520	695	1,100	414	1,007
2003-2004	1,525	715	1,094	414	1,014
2004-2005	1,533	722	1,095	415	1,014
2005-2006	1,531	733	1,092	416	1,026
2006-2007	552	735	1,092	410	1,031
2007-2008	550	775	1,272	440	1,110
2008-2009	300	775	1,272	440	1,110
Cost Per Occupancy Day (Total Expenditures)*					
2001-2002	\$52.44	\$71.17	\$46.85	\$68.98	\$55.38
2002-2003	\$56.13	\$57.89	\$49.09	\$69.47	\$58.76
2003-2004	\$57.54	\$59.91	\$50.68	\$72.14	\$59.58
2004-2005	\$62.47	\$63.51	\$53.81	\$82.48	\$65.70
2005-2006	\$67.45	\$66.00	\$57.78	\$79.89	\$69.71
2006-2007	\$82.93	\$76.96	\$61.93	\$84.43	\$75.03
2007-2008	\$90.83	\$75.37	\$58.03	\$86.29	\$71.05
2008-2009	\$81.45	\$76.80	\$59.27	\$87.44	\$72.30

BMCC: Brushy Mountain Correctional Complex
 TPW: Tennessee Prison for Women
 TCIP: Turney Center Industrial Prison and Farm

MLCF: Mark Luttrell Correctional Facility
 CBCC: Charles B. Bass Correctional Complex

*FY 2001-2002 to 2006-2007 are actual expenditures from all sources; 2007-08 to 2008-09 are estimates.

Statistical Data Correctional Institutions

	<u>STRCF</u> 329.18	<u>WTSP</u> 329.41	<u>RMSI</u> 329.42	<u>NECC</u> 329.43	<u>NWCC</u> 329.45	<u>MCCC</u> 329.47
Annual Admissions						
2001-2002	362	2,234	360	621	1,007	N/A
2002-2003	389	3,024	365	657	1,276	N/A
2003-2004	437	2,970	322	750	1,077	N/A
2004-2005	395	3,112	415	694	1,036	N/A
2005-2006	345	3,075	364	653	1,160	N/A
2006-2007	470	3,164	337	781	1,070	1,200
2007-2008	470	2,600	390	790	1,070	1,500
2008-2009	470	2,600	395	790	1,070	2,000
Annual Releases						
2001-2002	357	2,289	365	582	962	N/A
2002-2003	298	3,068	371	657	1,254	N/A
2003-2004	415	2,943	313	750	1,050	N/A
2004-2005	385	3,069	421	641	1,044	N/A
2005-2006	343	3,073	369	655	1,154	N/A
2006-2007	475	3,256	325	785	1,062	1,200
2007-2008	470	2,600	375	790	1,070	1,500
2008-2009	470	2,600	380	790	1,070	2,000
Average Daily Census						
2001-2002	932	2,498	705	1,682	2,289	N/A
2002-2003	912	2,455	704	1,782	2,264	N/A
2003-2004	942	2,431	706	1,808	2,288	N/A
2004-2005	942	2,474	700	1,803	2,280	N/A
2005-2006	944	2,476	695	1,801	2,286	N/A
2006-2007	943	2,434	698	1,787	2,293	972
2007-2008	981	2,582	736	1,856	2,425	1,313
2008-2009	981	2,582	736	1,856	2,425	1,863
Cost Per Occupancy Day (Total Expenditures)*						
2001-2002	\$50.08	\$42.75	\$68.00	\$44.37	\$41.92	N/A
2002-2003	\$52.74	\$46.35	\$71.17	\$45.69	\$44.66	N/A
2003-2004	\$52.81	\$48.64	\$70.51	\$46.49	\$45.31	N/A
2004-2005	\$57.72	\$51.17	\$77.85	\$51.02	\$50.02	N/A
2005-2006	\$60.30	\$53.74	\$83.68	\$54.25	\$52.42	N/A
2006-2007	\$63.00	\$55.99	\$91.78	\$57.24	\$54.64	\$63.74
2007-2008	\$62.60	\$57.23	\$90.89	\$56.80	\$54.49	\$76.39
2008-2009	\$63.71	\$58.16	\$92.68	\$57.92	\$55.32	\$72.93

STRCF: Southeastern TN State Regional Corr. Facility
 WTSP: West Tennessee State Penitentiary
 RMSI: Riverbend Maximum Security Institution

NECC: Northeast Correctional Complex
 NWCC: Northwest Correctional Complex
 MCCC: Morgan County Corr Complex

N/A = Indicates facilities were not in existence during the reporting period.

*FY 2001-2002 to 2006-2007 are actual expenditures from all sources; 2007-08 to 2008-09 are estimates.

Statistical Data Correctional Institutions

	WCBC 329.08	DSNF 329.46	HCCF 329.21	HCCF-W 329.22	SCCC 329.44	Total*
Annual Admissions						
2001-2002	473	388	824	N/A	759	9,608
2002-2003	599	383	873	1,756	788	9,529
2003-2004	578	388	873	750	788	10,262
2004-2005	576	336	869	754	790	10,417
2005-2006	764	356	869	754	790	10,180
2006-2007	532	438	855	750	700	10,540
2007-2008	600	400	900	800	725	11,500
2008-2009	600	400	900	800	725	11,700
Annual Releases						
2001-2002	346	354	675	N/A	657	8,765
2002-2003	351	360	799	257	713	9,381
2003-2004	416	395	799	700	713	10,281
2004-2005	584	385	863	752	783	11,039
2005-2006	764	429	858	740	777	10,513
2006-2007	535	355	858	745	700	10,777
2007-2008	600	400	900	800	725	10,900
2008-2009	600	400	900	800	725	11,400
Average Daily Census						
2001-2002	385	664	1,993	N/A	1,657	17,372
2002-2003	416	710	1,963	594	1,634	18,170
2003-2004	413	738	1,947	1,474	1,608	19,117
2004-2005	405	714	1,953	1,476	1,615	19,141
2005-2006	405	641	1,964	1,490	1,628	19,128
2006-2007	402	687	1,964	1,488	1,632	19,120
2007-2008	450	800	2,016	1,536	1,676	20,518
2008-2009	450	800	2,016	1,536	1,676	20,818
Cost Per Occupancy Day (Total Expenditures)**						
2001-2002	\$51.94	\$99.58	\$41.82	N/A	\$37.12	\$49.24
2002-2003	\$52.65	\$97.78	\$42.83	\$43.53	\$37.85	\$50.91
2003-2004	\$54.96	\$99.08	\$44.15	\$45.64	\$39.16	\$51.99
2004-2005	\$59.55	\$111.75	\$44.95	\$46.90	\$40.59	\$55.87
2005-2006	\$63.64	\$135.01	\$45.83	\$47.55	\$42.04	\$58.91
2006-2007	\$67.52	\$143.52	\$47.13	\$48.65	\$43.64	\$62.40
2007-2008	\$66.22	\$119.28	\$46.78	\$48.78	\$43.97	\$62.44
2008-2009	\$67.55	\$123.08	\$48.11	\$50.02	\$41.65	\$62.88

WCBC: Wayne County Boot Camp

DSNF: Lois DeBerry Special Needs Facility

HCCF-W: Hardeman Co. Correctional Facility - Whiteville

N/A = Indicates facilities were not in existence during the reporting period.

HCCF: Hardeman Co. Correctional Facility

SCCC: South Central Correctional Center

*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.

**FY 2001-2002 to 2006-2007 are actual expenditures from all sources; 2007-08 to 2008-09 are estimates.

Military Department

Performance-Based Budget

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.

<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

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 also are funded from this allotment.

341.01 Administration

Full-Time	38	43	43	0	43
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	38	43	43	0	43
Payroll	2,176,300	2,811,700	2,811,700	0	2,811,700
Operational	955,500	1,005,000	1,015,400	0	1,015,400
Total	\$3,131,800	\$3,816,700	\$3,827,100	\$0	\$3,827,100
State	2,598,300	2,916,000	2,926,400	0	2,926,400
Federal	531,000	892,700	897,700	0	897,700
Other	2,500	8,000	3,000	0	3,000

Standard: Ensuring the Station Commander's Upkeep and Maintenance Fund (SCUMF) accounts are in compliance. In addition, The Internal Review Section will provide Policy 22 monitoring of 75% of the Tennessee Emergency Management Agency's sub-recipient contracts.

Measure: Percent of SCUMF accounts and sub-recipient contracts reviewed and in compliance.

10%	20%	30%	0	30%
-----	-----	-----	---	-----

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.

	<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
--	-----------------------------------	--------------------------------------	---------------------------------	--	--

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	87	82	82	64	146
Part-Time	0	0	0	0	0
Seasonal	4	4	4	0	4
Total	91	86	86	64	150
Payroll	4,721,500	5,748,600	5,748,600	2,400,000	8,148,600
Operational	2,292,900	2,260,000	2,205,200	600,000	2,805,200
Total	\$7,014,400	\$8,008,600	\$7,953,800	\$3,000,000	\$10,953,800
State	1,179,800	1,251,700	1,271,900	1,200,000	2,471,900
Federal	5,445,100	6,061,400	6,061,400	1,800,000	7,861,400
Other	389,500	695,500	620,500	0	620,500

Standard: Process and complete 95% of all maintenance requests.

Measure: Percent of processed and completed maintenance requests.

90%	94%	95%	0	95%
-----	-----	-----	---	-----

341.03 Air National Guard

The Air National Guard operates three air bases at Nashville, Knoxville and Memphis, and one unit in Chattanooga. The mission of this branch is to provide 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 providing a safe and healthy work environment.

Full-Time	211	223	223	0	223
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	211	223	223	0	223
Payroll	7,810,400	9,746,900	9,746,900	0	9,746,900
Operational	4,063,500	5,458,400	5,489,800	310,000	5,799,800
Total	\$11,873,900	\$15,205,300	\$15,236,700	\$310,000	\$15,546,700
State	1,772,600	2,611,800	2,643,200	310,000	2,953,200
Federal	10,095,500	12,588,800	12,588,800	0	12,588,800
Other	5,800	4,700	4,700	0	4,700

Standard: Maintain 92% of work orders completed in support of the facilities and equipment used by the full-time force.

Measure: Percent of work orders completed.

89%	90%	92%	0	92%
-----	-----	-----	---	-----

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

341.07 Armories Maintenance

Armories Maintenance provides funding for the maintenance of armories, training sites, and aircraft maintenance facilities.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	3,338,600	5,236,600	5,224,000	0	5,224,000
Total	\$3,338,600	\$5,236,600	\$5,224,000	\$0	\$5,224,000
State	774,300	749,200	736,600	0	736,600
Federal	2,294,900	4,142,800	4,142,800	0	4,142,800
Other	269,400	344,600	344,600	0	344,600

Standard: To maintain facilities in accordance with U.S. Army standards.

Measure: Percent of Military Department Army Guard facilities meeting U.S. Army standards.

74%	80%	85%	0	85%
-----	-----	-----	---	-----

341.10 Armories Utilities

This allotment provides funds for the cost of utilities at Army National Guard armories, training sites, and aircraft maintenance facilities.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	3,597,700	3,937,300	3,937,300	0	3,937,300
Total	\$3,597,700	\$3,937,300	\$3,937,300	\$0	\$3,937,300
State	1,994,200	2,416,200	2,416,200	0	2,416,200
Federal	1,512,300	1,406,800	1,406,800	0	1,406,800
Other	91,200	114,300	114,300	0	114,300

Standard: To maintain costs below the regional industrial average of \$1.68 per square foot.

Measure: Cost per square foot.

\$0.98	\$0.99	\$0.99	0	\$0.99
--------	--------	--------	---	--------

Emergency Management

The Military Department provides emergency management services and administers federally funded homeland security grants.

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

341.04 Tennessee Emergency Management Agency

The Tennessee Emergency Management Agency (TEMA) is responsible for planning and management of emergency operations of the state and for training of and assistance to local governments during man-made or natural disasters.

Full-Time	100	104	104	4	108
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	100	104	104	4	108
Payroll	5,503,900	6,489,300	6,489,300	201,400	6,690,700
Operational	4,700,700	8,565,300	6,288,300	0	6,288,300
Total	\$10,204,600	\$15,054,600	\$12,777,600	\$201,400	\$12,979,000
State	3,273,000	5,200,400	3,890,600	201,400	4,092,000
Federal	5,850,300	8,925,100	7,957,900	0	7,957,900
Other	1,081,300	929,100	929,100	0	929,100

Standard: The Emergency Management Program Grant (EMPG) assists local governments with implementing local assistance services.

Measure: Increase the number of counties participating in the Emergency Management Program Grant (EMPG).

	62	65	67	0	67
--	----	----	----	---	----

341.08 Homeland Security Grants

The Homeland Security Grants program provides federal funds to state and local government to enhance readiness against terrorism. Funds are available for planning, equipment, training, exercises, and program oversight.

Full-Time	5	5	5	0	5
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	5	5	5	0	5
Payroll	295,900	302,700	302,700	0	302,700
Operational	35,358,200	75,776,100	54,728,800	0	54,728,800
Total	\$35,654,100	\$76,078,800	\$55,031,500	\$0	\$55,031,500
State	0	3,508,100	0	0	0
Federal	35,633,800	72,570,700	55,031,500	0	55,031,500
Other	20,300	0	0	0	0

Standard: Enhance current emergency and disaster communications and management capability through increased usage at state and local levels and applications of WebEOC including integration with other current systems.

Measure: Percent of population and geography covered by enhanced and diverse emergency alerting systems.

	25%	30%	50%	0	50%
--	-----	-----	-----	---	-----

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Standard: Transition TEMA's VHF Low Band Radio system to a conventional 800 MHz system creating the basis for a statewide multi-agency, multi-jurisdiction interoperable radio system and public safety radio communications system.

Measure: Percent of statewide interoperable communications system complete.

	10%	20%	35%	0%	35%
--	-----	-----	-----	----	-----

Standard: Establish governance of statewide radio system.

Measure: Percent of state and local communications centers using or integrated into WebEOC.

	25%	40%	55%	0	55%
--	-----	-----	-----	---	-----

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 through this allotment for the repair and restoration of damaged bridges, buildings, and other public services and infrastructure. The state appropriation is provided in the Miscellaneous Appropriations and is transferred to the TEMA Disaster Relief Grants program as required to match federal funds.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	8,300	0	0	0	0
Operational	24,982,100	5,000,000	5,000,000	0	5,000,000
Total	\$24,990,400	\$5,000,000	\$5,000,000	\$0	\$5,000,000
State	2,000,000	0	0	0	0
Federal	19,839,100	5,000,000	5,000,000	0	5,000,000
Other	3,151,300	0	0	0	0

Standard: Manage public assistance grants to those affected by disaster.

Measure: Number of applicants' grants finalized.

	70	50	60	0	60
--	----	----	----	---	----

341.00 Total Military

Full-Time	441	457	457	68	525
Part-Time	0	0	0	0	0
Seasonal	4	4	4	0	4
Total	445	461	461	68	529
Payroll	20,516,300	25,099,200	25,099,200	2,601,400	27,700,600
Operational	79,289,200	107,238,700	83,888,800	910,000	84,798,800
Total	\$99,805,500	\$132,337,900	\$108,988,000	\$3,511,400	\$112,499,400
State	13,592,200	18,653,400	13,884,900	1,711,400	15,596,300
Federal	81,202,000	111,588,300	93,086,900	1,800,000	94,886,900
Other	5,011,300	2,096,200	2,016,200	0	2,016,200

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. The bureau's operations are organized into five divisions: Criminal Investigations, Drug Investigations, Forensic Services, Information Systems, and Administrative Services.

The Administrative Services Division provides overall direction and support for the bureau, including legal, personnel, payroll, and fiscal services for the agency. The Criminal Investigation Division gathers and disseminates intelligence on criminal activity, terrorism, fugitives, and drug trafficking. The TBI also investigates corruption and misconduct at all levels of government as well as provider fraud and patient abuse within the TennCare system. The Drug Investigations Division has original jurisdiction to investigate violations of Tennessee's drug control laws. Special agents are assigned to one of four regional investigative units, which initiate and investigate cases, targeting upper and mid-level drug violators and drug distribution organizations. In addition, the division works cooperatively with state and local government agencies, the U.S. Drug Enforcement Administration, and the Federal Bureau of Investigation. The Forensic Services Division provides forensic examinations for the law enforcement community and medical examiners statewide. These examinations are performed at laboratories in Nashville, Knoxville, and Memphis. The main laboratory, in Nashville, specializes in DNA and serology, toxicology, latent fingerprint examination, firearms identification analysis, and microanalysis testing. Drug chemistry and blood alcohol analysis are performed at all TBI labs. The Information Systems Division provides support to investigative activities through records management, systems operations, fingerprint identification, and uniform crime reporting.

<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

348.00 Tennessee Bureau of Investigation

Full-Time	494	499	498	5	503
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	494	499	498	5	503
Payroll	32,800,100	35,006,100	34,921,100	321,700	35,242,800
Operational	26,783,200	26,837,700	25,368,200	1,996,900	27,365,100
Total	\$59,583,300	\$61,843,800	\$60,289,300	\$2,318,600	\$62,607,900
State	33,956,600	38,505,600	37,878,800	2,318,600	40,197,400
Federal	10,737,200	9,693,400	9,715,600	0	9,715,600
Other	14,889,500	13,644,800	12,694,900	0	12,694,900

Standard: Deter crime in Tennessee by solving crime incidents initially investigated by the Tennessee Bureau of Investigation (TBI).

Measure: Percent of crime incidents cleared by arrests or exceptional means.

49%	50%	50%	0	50%
-----	-----	-----	---	-----

<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Standard: Deter crime by expanding the DNA database of samples captured at crime scenes in Tennessee.

Measure: Percent of all criminal DNA samples in Tennessee processed and catalogued through TBI.

99%	99%	99%	0	99%
-----	-----	-----	---	-----

Standard: Prevent crime by screening individuals wanting to purchase weapons in Tennessee.

Measure: Percent of individuals denied the purchase of weapons based on criminal history.

3.5%	3.5%	3.5%	0	3.5%
------	------	------	---	------

Department of Safety

Performance-Based Budget

The 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 also is a function of the department. The department also provides services to motorists, including drivers license issuance, public safety education, and training assistance to local law enforcement officers. Responsibilities of the department focus on the following areas: administrative and support services, public services, investigation and enforcement, and education.

<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Administration and Support Services

Administrative and support services includes Administration, Motor Vehicle Operations, Major Maintenance, and Technical Services.

349.01 Administration

The Administration Division provides support services for departmental operations, such as fiscal services, internal audit, human resources, supply, and legal services. Legal Services administers asset forfeiture cases that arise out of the seizure of property pursuant to drug control and automobile anti-theft laws.

Full-Time	90	90	102	11	113
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	90	90	102	11	113
Payroll	4,961,400	5,472,500	6,378,700	467,100	6,845,800
Operational	2,243,400	2,030,300	2,228,800	129,700	2,358,500
Total	\$7,204,800	\$7,502,800	\$8,607,500	\$596,800	\$9,204,300
State	6,643,100	6,956,800	8,061,500	596,800	8,658,300
Federal	0	0	0	0	0
Other	561,700	546,000	546,000	0	546,000

Standard: Add further avenues for citizens to access the department’s services without visiting an office.

Measure: Number of services available by Internet.

11	12	11	0	11
----	----	----	---	----

Standard: Add further avenues for citizens to access the department’s services without visiting an office.

Measure: Yearly volume of Internet service transactions.

2,818,355	2,600,000	2,600,000	0	2,600,000
-----------	-----------	-----------	---	-----------

Standard: Hold administrative hearings for drivers whose licenses have accumulated suspension points within 60 days of mailing the proposed suspension letter.

Measure: Percent of hearings held within 60 days of point-suspension letter.

96%	82%	93%	0	93%
-----	-----	-----	---	-----

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Standard: Investigate and resolve complaints concerning the department's employees.

Measure: Percent of complaints concerning Tennessee Department of Safety (TDOS) employees resolved within 60 days.

Not Applicable	75%	80%	0	80%
----------------	-----	-----	---	-----

349.07 Motor Vehicle Operations

Motor Vehicle Operations provides all commissioned officers with a vehicle to enforce traffic laws on state roads. The program also provides pool cars for other departmental staff to carry out services, such as school bus inspections, driver training, and repair of communication towers and radio repeater sites.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	8,598,400	9,619,100	9,683,200	0	9,683,200
Total	\$8,598,400	\$9,619,100	\$9,683,200	\$0	\$9,683,200
State	8,509,800	9,449,500	9,513,600	0	9,513,600
Federal	0	0	0	0	0
Other	88,600	169,600	169,600	0	169,600

Standard: Replace pursuit vehicles at 85,000 miles.

Measure: Percent of pursuit vehicles operating with mileage in excess of 85,000 miles.

14%	25%	25%	0	25%
-----	-----	-----	---	-----

349.12 Major Maintenance

Major Maintenance provides funds for maintenance of Safety Department buildings and other facilities including radio towers, radio repeater sites, and roadside commercial motor vehicle scales.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	153,900	199,600	199,600	0	199,600
Total	\$153,900	\$199,600	\$199,600	\$0	\$199,600
State	153,900	199,600	199,600	0	199,600
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Maintain communication sites so that reliable radio coverage is provided for department law enforcement personnel.

Measure: Number of communication sites maintained and managed by the department.

40	41	41	0	41
----	----	----	---	----

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Standard: Maintain communication sites so that reliable radio coverage is provided for department law enforcement personnel.

Measure: Ratio of communication sites to maintenance inspections.

	1:02	1:1	1:2	0	1:2
--	------	-----	-----	---	-----

349.13 Technical Services

The Technical Services Division supports departmental information systems, maintains motor vehicle records, identifies frequent traffic violators for license revocation, processes license reinstatement requests, and analyzes crash data for the uniform traffic crash report. Technical Services is divided into four service areas: information systems, financial responsibility, driver improvement, and crash analysis.

Full-Time	164	165	118	20	138
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	164	165	118	20	138
Payroll	6,900,500	7,646,200	5,733,600	385,100	6,118,700
Operational	3,439,600	3,682,600	2,719,000	517,300	3,236,300
Total	\$10,340,100	\$11,328,800	\$8,452,600	\$902,400	\$9,355,000
State	1,611,900	3,089,700	1,986,500	902,400	2,888,900
Federal	0	0	433,100	0	433,100
Other	8,728,200	8,239,100	6,033,000	0	6,033,000

Standard: Send mandatory license revocation letters to drivers convicted of DUI, manslaughter, and other equally serious violations within 12 days after the department receives the court conviction record.

Measure: Average elapsed time in calendar days between the department's receiving mandatory convictions from the court and mailing the letter revoking the driver license.

	8	8	8	0	8
--	---	---	---	---	---

Standard: Improve the timeliness, completeness, and accuracy of vital traffic records by increasing the percentage received electronically rather than by paper.

Measure: Percent of Tennessee court records received electronically.

	62%	70%	70%	0	70%
--	-----	-----	-----	---	-----

Standard: Improve the timeliness, completeness, and accuracy of vital traffic records by increasing the percentage received electronically rather than by paper.

Measure: Percent of crash reports received electronically.

	33%	38%	45%	0	45%
--	-----	-----	-----	---	-----

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Public Services

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.

Full-Time	354	397	437	44	481
Part-Time	23	23	23	0	23
Seasonal	0	0	0	0	0
Total	377	420	460	44	504
Payroll	13,041,700	16,094,200	18,209,600	924,700	19,134,300
Operational	11,780,500	15,000,200	14,614,800	26,862,600	41,477,400
Total	\$24,822,200	\$31,094,400	\$32,824,400	\$27,787,300	\$60,611,700
State	6,433,000	11,999,200	2,908,000	7,787,300	10,695,300
Federal	145,100	1,544,600	1,634,100	0	1,634,100
Other	18,244,100	17,550,600	28,282,300	20,000,000	48,282,300

Standard: Provide service to customers in a professional, efficient, and timely manner.

Measure: Percent of non-test applicants issued license within 15 minutes after examiner pulls record.

85%	90%	87%	0	87%
-----	-----	-----	---	-----

Standard: Provide service to customers in a professional, efficient, and timely manner.

Measure: Percent of non-test applicants called for service within 30 minutes of being issued a ticket from the queuing system.

60%	60%	60%	0	60%
-----	-----	-----	---	-----

Standard: Provide service to customers in a professional, efficient, and timely manner.

Measure: Average number of days to issue handgun carry permits.

25	45	40	0	40
----	----	----	---	----

Investigation and Enforcement

The department's enforcement efforts focus on roadway safety, criminal investigation, and other safety-related functions through the Highway Patrol and Auto Theft Investigations Division. In addition, the Office of Homeland Security develops and manages a comprehensive strategy to secure the state from terrorism threats.

	<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
--	-----------------------------------	--------------------------------------	---------------------------------	--	--

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	1,109	1,158	1,153	0	1,153
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,109	1,158	1,153	0	1,153
Payroll	71,282,000	83,413,900	82,957,400	802,300	83,759,700
Operational	19,671,300	20,967,200	18,662,000	0	18,662,000
Total	\$90,953,300	\$104,381,100	\$101,619,400	\$802,300	\$102,421,700
State	71,563,700	82,440,900	88,638,700	802,300	89,441,000
Federal	5,322,400	6,617,700	6,774,600	0	6,774,600
Other	14,067,200	15,322,500	6,206,100	0	6,206,100

Standard: Reduce highway fatalities in Tennessee.

Measure: Number of highway fatalities in Tennessee.

1,235	1,200	1,200	0	1,200
-------	-------	-------	---	-------

Standard: Reduce highway fatalities in Tennessee.

Measure: Number of rural highway fatalities in Tennessee.

707	720	720	0	720
-----	-----	-----	---	-----

Standard: Reduce highway fatalities in Tennessee.

Measure: Percent of time that the Tennessee Highway Patrol (THP) is able to respond to crashes within 15 minutes.

49%	50%	52%	0	52%
-----	-----	-----	---	-----

Standard: Reduce highway fatalities in Tennessee.

Measure: Number of DUI arrests.

3,800	4,100	4,100	0	4,100
-------	-------	-------	---	-------

Standard: Reduce fatalities involving large trucks.

Measure: Fatalities involving large trucks.

133	130	130	0	130
-----	-----	-----	---	-----

	<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
--	-----------------------------------	--------------------------------------	---------------------------------	--	--

349.06 Auto Theft Investigations

The Auto Theft Investigations Division provides operational funding to support the work led by the Highway Patrol's automobile theft investigations unit. Seized and forfeited vehicles or parts may be sold by the department and the proceeds used to cover operational expenses of combating automobile theft.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	50,600	350,100	350,100	0	350,100
Total	\$50,600	\$350,100	\$350,100	\$0	\$350,100
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	50,600	350,100	350,100	0	350,100

Standard: Offset operational expenses for auto theft investigations through proceeds obtained as the result of selling seized property.

Measure: Percent of operational expenses for auto theft investigations funded through the sale of seized property.

20%	10.5%	10%	0	10%
-----	-------	-----	---	-----

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. 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 eleven homeland security districts that provide coordinated multi-county responses to chemical, biological, radiological, and nuclear threats. The office, with Tennessee Bureau of Investigation assistance, operates an intelligence fusion center, which enhances the state's ability to analyze terrorism information and improves information-sharing among state, local, and federal agencies.

Full-Time	30	30	30	0	30
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	30	30	30	0	30
Payroll	1,593,900	2,365,700	2,365,700	0	2,365,700
Operational	2,995,300	3,599,800	3,601,400	0	3,601,400
Total	\$4,589,200	\$5,965,500	\$5,967,100	\$0	\$5,967,100
State	1,765,300	1,814,200	1,815,800	0	1,815,800
Federal	0	0	0	0	0
Other	2,823,900	4,151,300	4,151,300	0	4,151,300

<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Standard: Identify and develop risk/vulnerability reduction strategies for critical infrastructure in Tennessee.

Measure: Cumulative number of public safety entities and private industries trained in risk/vulnerability assessment.

100	200	300	0	300
-----	-----	-----	---	-----

Standard: Train public safety officials in terrorism awareness and prevention.

Measure: Number of public safety officials trained annually in terrorism awareness and prevention.

200	250	275	0	275
-----	-----	-----	---	-----

Standard: Educate, train, organize, and involve citizens on emergency preparedness and homeland security efforts.

Measure: Cumulative number of volunteer Citizens Emergency Response Teams trained in Tennessee.

42	57	72	0	72
----	----	----	---	----

Standard: Improve information sharing and collaboration capabilities.

Measure: Cumulative number of trained registered users on the Homeland Security Information Network (HSIN).

995	1,500	2,000	0	2,000
-----	-------	-------	---	-------

Education

The education function includes the divisions of Motorcycle Rider Education and Driver Education.

349.04 Motorcycle Rider Education

The Motorcycle Rider Education program promotes safe motorcycling through training, certifying, and monitoring instructors who provide basic rider and experienced rider courses.

Full-Time	2	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2	2	2	0	2
Payroll	94,600	119,200	119,200	0	119,200
Operational	288,000	400,900	87,500	0	87,500
Total	\$382,600	\$520,100	\$206,700	\$0	\$206,700
State	198,100	206,300	206,700	0	206,700
Federal	0	0	0	0	0
Other	184,500	313,800	0	0	0

Standard: Increase enrollment in the Basic Rider and Experienced Rider courses.

Measure: Number of students enrolled in a certified motorcycle rider education course.

7,940	7,000	8,000	0	8,000
-------	-------	-------	---	-------

	<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
--	-----------------------------------	--------------------------------------	---------------------------------	--	--

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	2	2	2	0	2
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2	2	2	0	2
Payroll	54,700	172,400	172,400	0	172,400
Operational	40,600	199,100	99,200	0	99,200
Total	\$95,300	\$371,500	\$271,600	\$0	\$271,600
State	95,300	271,500	271,600	0	271,600
Federal	0	0	0	0	0
Other	0	100,000	0	0	0

Standard: Increase public awareness of safe driving principles.

Measure: Number of safety education presentations held to promote safe highways.

3,561	5,700	3,000	0	3,000
-------	-------	-------	---	-------

Standard: Provide safety education training and assistance to law enforcement officers.

Measure: Number of law enforcement officers receiving safety education, training, and assistance.

881	1,000	0	0	0
-----	-------	---	---	---

349.00 Total Safety

Full-Time	1,751	1,844	1,844	75	1,919
Part-Time	23	23	23	0	23
Seasonal	0	0	0	0	0
Total	1,774	1,867	1,867	75	1,942
Payroll	97,928,800	115,284,100	115,936,600	2,579,200	118,515,800
Operational	49,261,600	56,048,900	52,245,600	27,509,600	79,755,200
Total	\$147,190,400	\$171,333,000	\$168,182,200	\$30,088,800	\$198,271,000
State	96,974,100	116,427,700	113,602,000	10,088,800	123,690,800
Federal	5,467,500	8,162,300	8,841,800	0	8,841,800
Other	44,748,800	46,743,000	45,738,400	20,000,000	65,738,400

Resources and Regulation

Table of Contents

Introduction	B-283
Total Personnel and Funding.....	B-285
Improvements for Fiscal Year 2008-2009.....	B-286
Program Statements.....	B-290
Tennessee Arts Commission.....	B-290
Tennessee State Museum.....	B-291
Department of Environment and Conservation	B-292
Tennessee Wildlife Resources Agency.....	B-313
Department of Commerce and Insurance.....	B-316
Department of Financial Institutions	B-326
Department of Labor and Workforce Development	B-328

Resources and Regulation

Recommended Budget, Fiscal Year 2008 – 2009

The Resources and Regulation functional group includes eight agencies that promote and protect the state's natural, historical, and cultural resources and its consumers and workers.

Three departments promote consumer protection and safety in the work place:

- Department of Commerce and Insurance
- Department of Financial Institutions
- Department of Labor and Workforce Development.

These departments regulate and promote education in businesses and occupations to ensure professionalism and consumer safety; regulate insurance, commercial banking, and money-lending industries to ensure soundness and protect the interests of depositors and policy-holders; and regulate the work place to ensure worker health and safety, fair wages, and compensation for work-related injuries. In addition to these activities, the Department of Commerce and Insurance is responsible for law enforcement personnel training duties.

Three agencies promote and protect cultural and historical resources:

- Tennessee Arts Commission
- Tennessee State Museum
- Tennessee Historical Commission.

Together, these agencies promote interest, education, and participation in the arts through financial support to artists and supporters of the arts; protect and preserve artifacts that are significant to our natural and cultural history; and promote the preservation of and public

access to historical sites across the state through purchase and financial support.

The following two agencies promote and ensure the conservation of Tennessee's agricultural, environmental, and natural resources:

- Department of Environment and Conservation
- Tennessee Wildlife Resources Agency.

These agencies promote preservation of the state's environmental resources, protection from hazardous waste and radiation exposure, and reclamation of abandoned lands; promote recreation on public and private lands, including the state's geological, archaeological, and park resources; protect and conserve all species of wildlife native to the state; administer hunting and boating safety laws; enforce the litter control laws; stabilize river banks; and maintain drainage patterns to conserve agricultural land in West Tennessee.

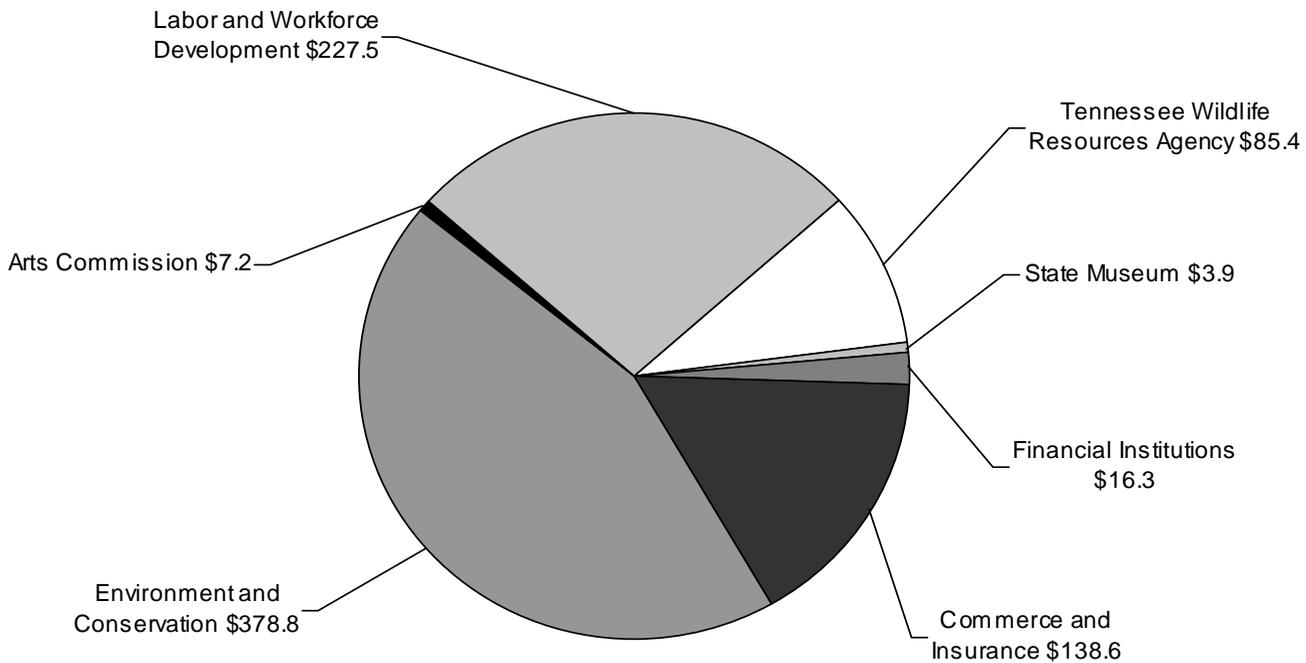
Improvements and Program Statements

The following section includes: (1) a table on personnel and funding for all agencies in this functional area of state government; (2) a statement of recommended improvements for the ensuing fiscal year; (3) departmental program statements, indicating recommended funding and staffing for the ensuing year, compared with actual amounts for the last year and the amounts budgeted for the current year; and (4) program performance measures.

The following graph depicts the manner in which funds are divided among the departments within the functional group. Funding mixes within each department vary, as

some are exclusively state funded, while others represent state, federal, and other sources of funding.

Resources and Regulation FY 2008- 2009 Recommended



In Millions

\$857,567,200 Total

Resources and Regulation Total Personnel and Funding

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Recommended 2008-2009</u>
Personnel			
Full Time	5,744	5,865	5,878
Part Time	1,051	988	988
Seasonal	427	367	367
TOTAL	<u>7,222</u>	<u>7,220</u>	<u>7,233</u>
Expenditures			
Payroll	\$296,139,300	\$349,584,500	\$349,937,900
Operational	400,633,300	608,019,300	507,629,300
TOTAL	<u>\$696,772,600</u>	<u>\$957,603,800</u>	<u>\$857,567,200</u>
Funding			
State	\$315,815,000	\$488,143,300	\$406,392,300
Federal	196,496,200	253,467,400	237,425,500
Other	184,461,400	215,993,100	213,749,400

Resources and Regulation

Improvements for Fiscal Year 2008-2009

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Environment and Conservation					
• Lands Acquisition Funds					
To provide recurring funds for state lands acquisition and local parks land acquisition. These appropriations are from an additional \$12 million allocation of the real estate transfer tax. This, along with the \$18 million base budget allocation, will provide a total allocation from the tax of \$30 million for the four land acquisition and soil conservation programs in fiscal year 2008-2009. The improvement for each program is a pro-rata share of the 8 cents stated in law. The Local Parks Acquisition Fund receives a 1.75-cent share and the State Lands Acquisition Fund receives a 1.5-cent share of the 8 cents.					
327.19 Local Parks Acquisition Fund	\$2,624,400	\$0	\$0	\$2,624,400	0
327.20 State Lands Acquisition Fund	\$2,250,000	\$0	\$0	\$2,250,000	0
Sub-total	<u>\$4,874,400</u>	<u>\$0</u>	<u>\$0</u>	<u>\$4,874,400</u>	<u>0</u>
• Heritage Conservation Trust Fund					
To provide non-recurring funds of \$10 million to the Heritage Conservation Trust Fund for land purchases and conservation.					
327.50 Tennessee Heritage Conservation Trust Fund	\$10,000,000	\$0	\$0	\$10,000,000	0
Sub-total	<u>\$10,000,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$10,000,000</u>	<u>0</u>
• Water Resources					
To provide non-recurring funds to improve water resources management and planning throughout the state in order to better meet the water supply needs of Tennessee communities. In addition to the state appropriation, \$500,000 of unspent state appropriations, carried forward from fiscal year 2006-2007 for a rural water supply study, will be made available for this purpose.					
327.39 Water Supply	\$2,000,000	\$0	\$500,000	\$2,500,000	0
Sub-total	<u>\$2,000,000</u>	<u>\$0</u>	<u>\$500,000</u>	<u>\$2,500,000</u>	<u>0</u>
• Watershed Restoration and Study					
To provide non-recurring funds for the creation of a watershed restoration fund (\$1,500,000) and for an impact study on the New River watershed (\$250,000) in Scott, Campbell, and Anderson counties. Watershed restoration funds, in addition to matching funds, will be used to assist counties, cities, and watershed groups in helping to restore the more than 20,000 miles of impaired Tennessee waterways. The New River impact study will focus on the impact on water quality of coal mining, oil and gas drilling, forestry practices, and other land use activities.					
327.34 Water Pollution Control	\$1,750,000	\$0	\$0	\$1,750,000	0
Sub-total	<u>\$1,750,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,750,000</u>	<u>0</u>

Resources and Regulation Improvements for Fiscal Year 2008-2009

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Transportation Projects Environmental Support					
To provide funds for seven environmental specialist positions and one administrative position to create an environmental assistance team for support of transportation projects planning, design, and development. These projects will be developed with environmental and cultural considerations being reviewed from their inception, thereby allowing them to be completed faster and at less cost. Other funding is interdepartmental revenue from the Department of Transportation, which, together with base budget revenues from Transportation, will share the program cost 1:1 between the general fund and the transportation fund.					
327.34 Water Pollution Control	\$491,000	\$0	\$109,000	\$600,000	8
Sub-total	\$491,000	\$0	\$109,000	\$600,000	8
• Bicentennial Mall Maintenance					
To provide funds for three positions and additional operating expenses for the Bicentennial Mall State Park. The positions are needed to assume routine park maintenance, which is being transferred from the Department of General Services. Additionally, the staff will provide consultant services for downtown Nashville state properties.					
327.12 Tennessee State Parks	\$333,200	\$0	\$0	\$333,200	3
Sub-total	\$333,200	\$0	\$0	\$333,200	3
Total Environment and Conservation	\$19,448,600	\$0	\$609,000	\$20,057,600	11
Tennessee Wildlife Resources Agency					
• Wetlands Acquisition Fund					
To provide recurring funds for state lands acquisition and local parks land acquisition. These appropriations are from an additional \$12 million allocation of the real estate transfer tax. This, along with the \$18 million base budget allocation, will provide a total allocation from the tax of \$30 million for the four land acquisition and soil conservation programs in fiscal year 2008-2009. The improvement for each program is a pro-rata share of the 8 cents stated in law. The Wetlands Acquisition Fund receives a 3.25-cent share of the 8 cents.					
328.03 Wetlands Acquisition Fund	\$4,875,600	\$0	\$0	\$4,875,600	0
Sub-total	\$4,875,600	\$0	\$0	\$4,875,600	0
• Statutory Salary Step Increase					
To provide funds for salary step increases for the agency's officers, biologists, and other unique positions, as authorized by TCA 70-1-309. The appropriation is from dedicated agency revenues.					
328.01 Wildlife Resources Agency	\$469,700	\$0	\$0	\$469,700	0
328.02 Boating Safety	\$64,100	\$0	\$0	\$64,100	0
Sub-total	\$533,800	\$0	\$0	\$533,800	0
Total Tennessee Wildlife Resources Agency	\$5,409,400	\$0	\$0	\$5,409,400	0

Resources and Regulation Improvements for Fiscal Year 2008-2009

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Commerce and Insurance					
• Statutory Salary Step Increase					
To fund the mandated annual trooper salary step increase pursuant to TCA 4-7-2.					
335.11 Tennessee Law Enforcement Training Academy	\$8,200	\$0	\$0	\$8,200	0
Sub-total	<u>\$8,200</u>	<u>\$0</u>	<u>\$0</u>	<u>\$8,200</u>	<u>0</u>
• Electronic Plans Review System					
To provide funds to implement an electronic plans review system within the codes enforcement section. Utilizing the Internet and industry specific software, this system will make the process of submitting architectural and engineering plans for review more efficient. Funding is from departmental revenues, of which \$324,500 is non-recurring.					
335.03 Fire Prevention	\$0	\$0	\$397,500	\$397,500	0
Sub-total	<u>\$0</u>	<u>\$0</u>	<u>\$397,500</u>	<u>\$397,500</u>	<u>0</u>
• Manufactured Housing Inspection					
To provide funds for three vehicles in the manufactured housing section to be used by staff conducting installation inspections. Funding is from departmental revenues, of which \$62,800 is non-recurring. The recurring amount of \$21,300 is for annual lease payments to the motor vehicle management program.					
335.03 Fire Prevention	\$0	\$0	\$84,100	\$84,100	0
Sub-total	<u>\$0</u>	<u>\$0</u>	<u>\$84,100</u>	<u>\$84,100</u>	<u>0</u>
• Regulatory Boards					
To fund one attorney position and two licensing technician positions to provide additional support for the Regulatory Boards. The attorney position will provide training and supervision to existing division attorneys and assist with an increasing volume of work in the legal office. This position will be funded with interdepartmental revenue from the Regulatory Boards. Two licensing technician positions are needed to assist with various business registrations, consumer protection matters, and other administrative duties, and will be funded from dedicated fees.					
335.01 Administration	\$0	\$0	\$92,800	\$92,800	1
335.10 Regulatory Boards	\$203,900	\$0	\$0	\$203,900	2
Sub-total	<u>\$203,900</u>	<u>\$0</u>	<u>\$92,800</u>	<u>\$296,700</u>	<u>3</u>

Resources and Regulation Improvements for Fiscal Year 2008-2009

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<ul style="list-style-type: none"> • E-911 Emergency Communications - Staffing To fund a financial operations director position and a legal assistant position for the E-911 program. The financial operations director will supervise and coordinate all financial functions of the 911 Emergency Communications Fund, while the legal assistant position will assist with increased legal research and administrative assistance demands. These positions are needed because of the growing complexity of the program, particularly in assistance to the state's 100 emergency communications districts and in accounting for the 911 infrastructure modernization project. Funding is from dedicated fees. 					
335.08 911 Emergency Communications Fund	\$193,500	\$0	\$0	\$193,500	2
Sub-total	\$193,500	\$0	\$0	\$193,500	2
Total Commerce and Insurance	\$405,600	\$0	\$574,400	\$980,000	5
Total Resources and Regulation	\$25,263,600	\$0	\$1,183,400	\$26,447,000	16

Arts Commission

The Tennessee Arts Commission promotes interest and participation in the performing, visual, 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. This includes workshops, competitions, and student ticket subsidies for productions across the state. Newsletters and special publications are used to increase public awareness. The Arts Commission also provides program and operational support to the Tennessee State Museum.

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
316.25 Arts Commission					
Full-Time	18	18	18	0	18
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	18	18	18	0	18
Payroll	1,070,500	1,177,500	1,137,500	0	1,137,500
Operational	6,345,600	7,008,600	6,107,400	0	6,107,400
Total	\$7,416,100	\$8,186,100	\$7,244,900	\$0	\$7,244,900
State	5,736,400	5,979,800	5,781,400	0	5,781,400
Federal	763,300	890,400	854,000	0	854,000
Other	916,400	1,315,900	609,500	0	609,500

Standard: Broaden work in arts education using the arts integration model.

Measure: Number of individuals served through Value Plus Schools program.

	220	520	520	0	520
--	-----	-----	-----	---	-----

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, 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 out to 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 also 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 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
316.27 State Museum					
Full-Time	41	49	49	0	49
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	41	49	49	0	49
Payroll	1,922,600	2,475,300	2,475,300	0	2,475,300
Operational	1,230,900	1,470,600	1,395,600	0	1,395,600
Total	\$3,153,500	\$3,945,900	\$3,870,900	\$0	\$3,870,900
State	3,153,500	3,920,900	3,865,900	0	3,865,900
Federal	0	0	0	0	0
Other	0	25,000	5,000	0	5,000

Standard: The museum will provide tours to visitors to the museum and Tennessee State Capitol.

Measure: Number of visitors in attendance at museum facilities.

104,994	100,000	100,000	0	100,000
---------	---------	---------	---	---------

Standard: The museum will provide temporary/changing exhibitions in the museum facility.

Measure: Number of temporary/changing exhibitions held in museum facilities.

7	3	3	0	3
---	---	---	---	---

Department of Environment and Conservation

Performance-Based Budget

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 bureaus: Administration, Tennessee State Parks and Conservation Services, and Environment.

<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Administration

327.01 Administrative Services

The Administrative Services Division provides departmental management and support services including policy, planning, fiscal services, human resources, information systems, internal audit, legal services, marketing development, and public information. 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	204	207	207	0	207
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	204	207	207	0	207
Payroll	11,619,100	12,975,100	12,975,100	0	12,975,100
Operational	2,977,400	3,075,200	3,123,800	0	3,123,800
Total	\$14,596,500	\$16,050,300	\$16,098,900	\$0	\$16,098,900
State	5,777,100	6,243,700	6,271,900	0	6,271,900
Federal	3,186,600	2,573,700	2,573,700	0	2,573,700
Other	5,632,800	7,232,900	7,253,300	0	7,253,300

Standard: Evaluate all training and meeting activities through Edison's planning and tracking capabilities to better utilize employee development dollars.

Measure: Percent of employees submitting individual learning management plans.

Not Applicable	100%	100%	0	100%
----------------	------	------	---	------

Standard: Evaluate the job responsibilities of employees with administrative duties, hopefully freeing them from repetitive and redundant tasks, and permitting them to focus on more critical operational responsibilities.

Measure: Percent reduction in number of hours devoted to administrative tasks in all divisions.

Not Applicable	10%	10%	0	10%
----------------	-----	-----	---	-----

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.

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

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	15	15	15	0	15
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	15	15	15	0	15
Payroll	923,900	981,200	981,200	0	981,200
Operational	1,363,900	4,361,000	4,363,600	0	4,363,600
Total	\$2,287,800	\$5,342,200	\$5,344,800	\$0	\$5,344,800
State	748,300	797,800	800,400	0	800,400
Federal	1,253,100	2,326,400	2,326,400	0	2,326,400
Other	286,400	2,218,000	2,218,000	0	2,218,000

Standard: Increase the number of counties and municipalities that will develop or expand a local, state, or federal trail or greenway system. (Base year 2004-2005: 55 counties had initiated a greenway or trail system).

Measure: Number of counties and municipalities that develop or expand a local, state, or federal trail or greenway system.

65	121	131	0	131
----	-----	-----	---	-----

Standard: Increase the number of counties and municipalities in underserved areas that will create an organized parks and recreation delivery system. (Base year 2004-2005: 29 counties were not served).

Measure: Number of counties and municipalities in unserved areas that create an organized parks and recreation delivery system.

72	75	77	0	77
----	----	----	---	----

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	15	16	16	0	16
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	15	16	16	0	16
Payroll	805,400	917,700	917,700	0	917,700
Operational	1,586,200	2,047,300	1,743,500	0	1,743,500
Total	\$2,391,600	\$2,965,000	\$2,661,200	\$0	\$2,661,200
State	1,653,500	2,459,900	2,156,100	0	2,156,100
Federal	712,600	500,100	500,100	0	500,100
Other	25,500	5,000	5,000	0	5,000

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Standard: Survey and add properties to the National Register of Historic Places.

Measure: Number of properties added to the National Register of Historic Places.

	183	60	60	0	60
--	-----	----	----	---	----

Standard: Review projects to ensure they are in compliance with the National Historic Preservation Act of 1966 as amended. (The U.S. National Park Service requires 95% or greater response within 30 calendar days).

Measure: Percent of review and compliance projects reviewed within 30 calendar days from date of formal receipt.

	100%	100%	100%	0	100%
--	------	------	------	---	------

327.06 Land and Water Conservation Fund

The Land and Water Conservation Fund provides grants to assist in preserving, developing, and assuring accessibility to outdoor recreation resources. This federal program provides grants for the acquisition and development of public outdoor recreation areas and facilities. The Recreation Educational Services Division administers these grants to local governments and agencies that provide recreational areas and parks.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	25,700	750,000	750,000	0	750,000
Total	\$25,700	\$750,000	\$750,000	\$0	\$750,000
State	0	0	0	0	0
Federal	25,700	750,000	750,000	0	750,000
Other	0	0	0	0	0

Standard: Increase the percent of the annual allocation to be used for acquisition, development, or acquisition/development projects.

Measure: Percent of annual allocation to be used for acquisition and/or development projects.

	100%	95%	95%	0	95%
--	------	-----	-----	---	-----

327.18 Maintenance of Historic Sites

The Maintenance of Historic Sites program ensures that state-owned historical sites are properly maintained according to historic preservation standards and for visitation by the public. Sites are maintained through contractual agreements between the Tennessee Historical Commission and non-profit organizations.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	246,100	350,000	285,000	0	285,000
Total	\$246,100	\$350,000	\$285,000	\$0	\$285,000

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
State	246,100	350,000	285,000	0	285,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Maintain the 15 state-owned historic sites according to historic preservation standards for visitation by the public.

Measure: Number of state-owned sites where maintenance projects are undertaken during the year.

	15	15	15	0	15
--	----	----	----	---	----

327.08 Archaeology

The Archaeology program operates a statewide program of archaeological surveying, excavation, research, publication of findings, custodianship of artifacts, and education programs. The program is a primary source of information and advice on archaeological matter 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	9	9	9	0	9
Part-Time	0	0	0	0	0
Seasonal	5	5	5	0	5
Total	14	14	14	0	14
Payroll	536,300	686,800	686,800	0	686,800
Operational	143,600	263,900	266,100	0	266,100
Total	\$679,900	\$950,700	\$952,900	\$0	\$952,900
State	636,700	783,100	785,300	0	785,300
Federal	0	0	0	0	0
Other	43,200	167,600	167,600	0	167,600

Standard: Respond to all requests for opinions, recommendations, site visits, and archaeological information within 30 days.

Measure: Number of responses made to requests for archaeological opinions, site visits, and information.

	12,037	9,000	9,000	0	9,000
--	--------	-------	-------	---	-------

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 in order 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 in order to protect natural biological diversity, preserve areas of exceptional scenic and geologic value, and protect habitat for rare plants and animals. The division also studies rare plants and maintains a state list of endangered, threatened, and special-concern plants. The department is the lead agency for listing and recovery of plants under the 1973 Federal Endangered Species Act. The division also regulates the export of ginseng.

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
Full-Time	13	13	13	0	13
Part-Time	0	0	0	0	0
Seasonal	1	1	1	0	1
Total	14	14	14	0	14
Payroll	785,200	816,200	816,200	0	816,200
Operational	205,400	394,200	396,900	0	396,900
Total	\$990,600	\$1,210,400	\$1,213,100	\$0	\$1,213,100
State	824,600	926,600	929,300	0	929,300
Federal	100,500	161,300	161,300	0	161,300
Other	65,500	122,500	122,500	0	122,500

Standard: Protect and preserve Tennessee's biological diversity of plant life. (Note that rare species are defined as those having a State Rank of S1-Critically Imperiled or S2-Imperiled, and/or federal endangered, threatened, or candidate.)

Measure: Percent of targeted rare plant species with a minimum of at least one protected population in at least one designated or registered state natural area and/or scenic river. (Note that some species occur in both natural areas and scenic rivers.)

36%	34%	36%	0	36%
-----	-----	-----	---	-----

Standard: Protect and preserve Tennessee's biological diversity of animal life. (Note that rare species are defined as those having a State Rank of S1-Critically Imperiled or S2-Imperiled, and/or federal endangered, threatened, or candidate.)

Measure: Percent of targeted rare animal species with a minimum of at least one protected population in at least one designated or registered state natural area and/or scenic river. (Note that some species occur in both natural areas and scenic rivers.)

21%	22%	24%	0	24%
-----	-----	-----	---	-----

327.12 Tennessee State Parks

The Tennessee State Parks program protects, conserves, and manages natural, cultural, and historic resources in 54 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.

Full-Time	1,111	1,123	1,123	3	1,126
Part-Time	276	264	264	0	264
Seasonal	394	334	334	0	334
Total	1,781	1,721	1,721	3	1,724
Payroll	47,887,900	51,487,400	50,985,900	135,000	51,120,900
Operational	31,631,800	28,735,700	30,324,100	198,200	30,522,300
Total	\$79,519,700	\$80,223,100	\$81,310,000	\$333,200	\$81,643,200
State	41,010,700	45,169,100	44,419,300	333,200	44,752,500
Federal	67,500	0	1,000	0	1,000
Other	38,441,500	35,054,000	36,889,700	0	36,889,700

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Standard: Improve self-sufficiency in state parks resort facilities.

Measure: Percent of operational self-sufficiency at all Tennessee state parks' resort facilities (cabins, inns, restaurants, golf courses, gift shops, and marinas).

	97%	99%	100%	0	100%
--	-----	-----	------	---	------

Standard: Increase by 5% annually the number of visitors to state parks participating in interpretive programs.

Measure: Percent increase in the number of visitors to state parks who participate in interpretive programs.

	10%	5%	5%	0	5%
--	-----	----	----	---	----

Standard: Increase the occupancy rate of state parks' inns and cabins as compared to the statewide industry average (the average private sector occupancy rate is 62%).

Measure: Occupancy rate in the resort facilities (inns and cabins) of Tennessee state parks.

	46%	52%	53%	0	53%
--	-----	-----	-----	---	-----

327.15 State Parks Maintenance

The State Parks Maintenance program provides funds for maintenance projects at state parks. These projects, because of cost or duration, do not meet the criteria for capital maintenance, for which funds are separately provided in the capital budget.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	5,341,900	2,803,100	2,498,700	0	2,498,700
Total	\$5,341,900	\$2,803,100	\$2,498,700	\$0	\$2,498,700
State	4,032,600	2,214,100	2,214,100	0	2,214,100
Federal	198,100	169,600	169,600	0	169,600
Other	1,111,200	419,400	115,000	0	115,000

Standard: To effectively complete maintenance projects.

Measure: Percent of major maintenance funds encumbered or spent.

	100%	87%	92%	0	92%
--	------	-----	-----	---	-----

327.17 Elk River Resource Management

The Elk River Resource Management program addresses the preservation and disposition of 6,400 acres of land formerly owned by the Tennessee Valley Authority and the Tennessee Elk River Development Agency. The department distributes the proceeds of Elk River land sales and leases to ten counties in the Elk River watershed.

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

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
Payroll	0	0	0	0	0
Operational	0	828,000	0	0	0
Total	\$0	\$828,000	\$0	\$0	\$0
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	0	828,000	0	0	0

327.19 Local Parks Acquisition Fund

The Local Parks Acquisition Fund, administered in conjunction with the Department of Agriculture and the Tennessee Wildlife Resources Agency, provides funds for grants to county and municipal governments for the purchase of land for parks, natural areas, greenways, and other recreation facilities. Funding for these grants comes from the real estate transfer tax.

Local governments must match the grant on a one-to-one basis.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	3,108,100	6,561,300	3,936,900	2,624,400	6,561,300
Total	\$3,108,100	\$6,561,300	\$3,936,900	\$2,624,400	\$6,561,300
State	2,425,100	6,561,300	3,936,900	2,624,400	6,561,300
Federal	0	0	0	0	0
Other	683,000	0	0	0	0

Standard: Effectively and efficiently distribute grants to local governments.

Measure: Percent of funds awarded in biennial grant cycle.

100%	Not Applicable	96%	0	96%
------	----------------	-----	---	-----

327.20 State Lands Acquisition Fund

The State Lands Acquisition Fund, administered in conjunction with the Department of Agriculture and the Tennessee Wildlife Resources Agency, provides funds for the acquisition of land for state parks, forests, natural areas, boundary areas along scenic rivers, and easement protection for these areas. Funding also supports trail construction at these sites and historic preservation of old theatres. Funding for these grants comes from the real estate transfer tax.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	2,196,700	5,625,000	3,375,000	2,250,000	5,625,000
Total	\$2,196,700	\$5,625,000	\$3,375,000	\$2,250,000	\$5,625,000
State	0	5,625,000	3,375,000	2,250,000	5,625,000
Federal	1,506,900	0	0	0	0
Other	689,800	0	0	0	0

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Standard: Complete by canceling or closing State Building Commission-approved acquisitions within one year of approval.

Measure: Percent of State Building Commission-approved projects where the acquisition is completed or cancelled within one year.

	100%	85%	85%	0	85%
--	------	-----	-----	---	-----

327.22 State Lands Compensation Fund

The funds for this program come from the State Lands Acquisition Fund and are used to make in lieu-of-tax payments to local governments, recognizing the loss of local property taxes resulting from the purchase of land by the state.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	114,200	42,000	42,000	0	42,000
Total	\$114,200	\$42,000	\$42,000	\$0	\$42,000
State	114,200	0	0	0	0
Federal	0	0	0	0	0
Other	0	42,000	42,000	0	42,000

Standard: Make payment of State Lands Compensation Fund money within a 30-day period of time upon receipt of notification from the Department of Finance and Administration (current F&A policy requires this within a 90-day period).

Measure: Percent of funds released to local governments within 30 days of notification from the Department of Finance and Administration.

	100%	100%	100%	0	100%
--	------	------	------	---	------

327.50 Tennessee Heritage Conservation Trust Fund

The Tennessee Heritage Conservation Trust Fund was established in 2005 to protect and conserve significant natural areas throughout Tennessee. Through strategic partnerships with landowners, government agencies, non-profit organizations, and private companies, the program provides funds for acquisition of property and easements that preserve and protect the state's physical, cultural, archaeological, historical, and environmental resources.

Full-Time	0	1	1	0	1
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	1	1	0	1
Payroll	0	100,000	100,000	0	100,000
Operational	3,225,800	91,900,000	0	10,000,000	10,000,000
Total	\$3,225,800	\$92,000,000	\$100,000	\$10,000,000	\$10,100,000
State	2,393,700	92,000,000	100,000	10,000,000	10,100,000
Federal	0	0	0	0	0
Other	832,100	0	0	0	0

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Standard: Preserve undeveloped open spaces and natural areas because of their importance to citizens' physical and mental health, preserve the state's heritage, and continue growth and expansion of the state's economy.

Measure: Acres conserved (obligations).

	29,861	124,000	15,000	0	15,000
--	--------	---------	--------	---	--------

Standard: Preserve undeveloped open spaces and natural areas because of their importance to citizens' physical and mental health, preserve the state's heritage, and continue growth and expansion of the state's economy.

Measure: Partner dollars leveraged with state funds (obligations).

	\$70,647,816	\$13,000,000	\$20,000,000	0	\$20,000,000
--	--------------	--------------	--------------	---	--------------

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 Heritage Conservation Trust Fund.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	0	142,000	42,000	0	42,000
Total	\$0	\$142,000	\$42,000	\$0	\$42,000
State	0	142,000	42,000	0	42,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Make in-lieu-of-tax payments to local governments within a 90-day period of time upon receipt of notification from the Department of Finance and Administration (current policy requires this within a 90-day period).

Measure: Percent of funds released to local governments within 30 days of notification from the Department of Finance and Administration.

	Not Applicable	100%	100%	0	100%
--	----------------	------	------	---	------

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.

327.30 Environment Administration

Environment Administration serves as the central organizational unit, providing policy direction and oversight, for all environmental activities of the department.

Full-Time	89	90	90	0	90
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	89	90	90	0	90

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
Payroll	4,710,200	5,188,200	5,188,200	0	5,188,200
Operational	864,000	1,137,600	996,200	0	996,200
Total	\$5,574,200	\$6,325,800	\$6,184,400	\$0	\$6,184,400
State	1,554,400	1,657,300	1,756,800	0	1,756,800
Federal	0	0	0	0	0
Other	4,019,800	4,668,500	4,427,600	0	4,427,600

Standard: Maintain and coordinate issuance of enforcement orders to achieve accurate and prompt issuance.

Measure: Number of enforcement orders issued.

	1,173	800	800	0	800
--	-------	-----	-----	---	-----

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	16	16	16	0	16
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	16	16	16	0	16
Payroll	845,200	1,044,200	1,044,200	0	1,044,200
Operational	284,500	294,700	298,000	0	298,000
Total	\$1,129,700	\$1,338,900	\$1,342,200	\$0	\$1,342,200
State	1,044,400	1,183,300	1,186,600	0	1,186,600
Federal	45,200	81,100	81,100	0	81,100
Other	40,100	74,500	74,500	0	74,500

Standard: Perform 100% of requested geologic programs and field trips.

Measure: Percent of requested geologic programs and field trips conducted.

	100%	100%	100%	0	100%
--	------	------	------	---	------

Standard: Perform 100% of requested geologic hazard assessments.

Measure: Percent of requests for geologic hazard assessments conducted.

	100%	100%	100%	0	100%
--	------	------	------	---	------

Standard: Complete geologic maps and reports for public distribution.

Measure: Number of geologic maps and reports completed.

	4	4	4	0	4
--	---	---	---	---	---

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

327.23 Used Oil Collection Program

The Used Oil Collection Program promotes the proper disposal of used oil, and staff of the division of Solid Waste Management inspects used oil facilities. The program provides technical and financial assistance to local governments and private agencies that provide used oil collection centers. The program also provides general information to the public on proper disposal of oil, location of oil disposal facilities, and other information pertinent to the proper handling of oil.

Full-Time	4	4	4	0	4
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	4	4	4	0	4
Payroll	173,500	249,400	249,400	0	249,400
Operational	983,900	1,302,000	1,302,600	0	1,302,600
Total	\$1,157,400	\$1,551,400	\$1,552,000	\$0	\$1,552,000
State	804,300	1,317,400	1,318,000	0	1,318,000
Federal	0	0	0	0	0
Other	353,100	234,000	234,000	0	234,000

Standard: Increase the percent of used oil collected from do-it-yourselfers for reuse and recycling. (Base year was calendar year 2003 and 3,000 tons of used oil was collected).

Measure: Percent per year increase of used oil collected for reuse and/or recycling.

-33%	4%	4%	0	4%
------	----	----	---	----

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 flood-plains.

Full-Time	15	19	19	0	19
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	15	19	19	0	19
Payroll	761,300	1,071,900	1,071,900	0	1,071,900
Operational	365,300	582,000	435,700	0	435,700
Total	\$1,126,600	\$1,653,900	\$1,507,600	\$0	\$1,507,600
State	768,000	1,296,600	1,149,200	0	1,149,200
Federal	0	0	0	0	0
Other	358,600	357,300	358,400	0	358,400

Standard: Perform environmentally sensitive stream maintenance and continue routine maintenance on infrastructure.

Measure: Number of flood control/sediment retention structures requiring minor maintenance (mowing, resolving annual inspection issues, and beaver management).

109	40	40	0	40
-----	----	----	---	----

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

327.24 West Tennessee River Basin Authority Maintenance

The West Tennessee River Basin Authority Maintenance program provides funds for maintenance projects for the West Tennessee River Basin Authority. These projects ensure the safe and efficient operation of flood control structures such as dams, sediment retention structures, and grade control structures.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	631,600	1,385,300	1,215,300	0	1,215,300
Total	\$631,600	\$1,385,300	\$1,215,300	\$0	\$1,215,300
State	499,900	1,255,300	1,215,300	0	1,215,300
Federal	0	0	0	0	0
Other	131,700	130,000	0	0	0

Standard: Perform major maintenance, as necessary, on the West Tennessee River Basin Authority (WTRBA) infrastructure and watersheds.

Measure: Number of major maintenance projects completed.

	4	3	2	0	2
--	---	---	---	---	---

327.28 Tennessee Dry Cleaners Environmental Response Fund

The Tennessee Dry Cleaners Environmental Response Fund provides funds for the cost of oversight, investigation, and remediation of eligible properties contaminated with solvents from currently operating and formerly operated dry cleaning facilities. Dry cleaners are required to use practices that minimize the release of dry cleaning solvent.

Full-Time	5	5	5	0	5
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	5	5	5	0	5
Payroll	301,600	462,400	462,400	0	462,400
Operational	1,689,500	2,056,700	2,057,600	0	2,057,600
Total	\$1,991,100	\$2,519,100	\$2,520,000	\$0	\$2,520,000
State	1,749,900	2,519,100	2,520,000	0	2,520,000
Federal	0	0	0	0	0
Other	241,200	0	0	0	0

Standard: Oversee the cleanup of dry cleaning solvent impacted sites that are progressing toward cleanup through ongoing environmental response activities.

Measure: Percent of identified dry cleaning remediation sites with cleanup in-progress.

	93%	45%	40%	0	40%
--	-----	-----	-----	---	-----

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

327.31 Air Pollution Control

The Air Pollution Control Division regulates air contaminants that are emitted into the atmosphere. State, local, and federal agencies monitor air quality at several sites across the state to determine if public health and welfare are being protected. Mobile sources of air pollution are subject to a vehicle emission testing program in areas of the state that need the most stringent degree of regulation to meet air quality standards. The state coordinates its air pollution control efforts with the four local government air pollution control programs in Shelby, Davidson, Hamilton, and Knox counties.

Full-Time	158	158	158	0	158
Part-Time	12	12	12	0	12
Seasonal	0	0	0	0	0
Total	170	170	170	0	170
Payroll	8,199,500	10,386,000	10,386,000	0	10,386,000
Operational	2,391,800	4,054,700	3,083,100	0	3,083,100
Total	\$10,591,300	\$14,440,700	\$13,469,100	\$0	\$13,469,100
State	1,214,600	1,321,000	1,324,100	0	1,324,100
Federal	1,187,500	1,279,700	1,279,700	0	1,279,700
Other	8,189,200	11,840,000	10,865,300	0	10,865,300

Standard: Attain new, more restrictive federal air quality standards for ozone by maintaining Early Action Compacts (a voluntary program with the state, local and federal government designed to achieve clean air quicker than the new federal standards require.)

Measure: Early attainment of the new ozone clean air standards through early action compacts. Progress is shown in parts per million by averaging the design values of all ozone-monitoring sites in the state.

0.080	0.081	0.080	0	0.080
-------	-------	-------	---	-------

Standard: Attain new, more restrictive federal air quality standards for fine particulate matter by negotiating early compliance incentives with the federal government.

Measure: Early compliance incentives for the new PM 2.5 fine particle standards. Progress is shown in ug/m3 by averaging the annual design values of all PM2.5 fine particle monitoring sites.

13.7	13.1	12.9	0	12.9
------	------	------	---	------

Standard: Protect and improve air quality in Tennessee's special places, such as national parks.

Measure: Protect and improve air quality in Tennessee's Special Places For Future Generations. Visibility improvement at monitoring sites is measured in deciviews, a scientific measure of visibility.

20.8	19.8	19.6	0	19.6
------	------	------	---	------

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 registration of x-ray equipment; inspecting registered facilities; and environmental monitoring of specific sites. The division also monitors the environment for radioactivity, particularly near nuclear reactors, and responds to accidents involving radioactive materials.

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
Full-Time	66	65	65	0	65
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	66	65	65	0	65
Payroll	3,430,500	4,346,900	4,346,900	0	4,346,900
Operational	1,417,400	1,609,100	1,621,700	0	1,621,700
Total	\$4,847,900	\$5,956,000	\$5,968,600	\$0	\$5,968,600
State	66,400	758,100	759,700	0	759,700
Federal	54,300	72,000	72,000	0	72,000
Other	4,727,200	5,125,900	5,136,900	0	5,136,900

Standard: Meet the required percentage of registered inspectors' follow-up inspections.

Measure: Percent of inspections performed by registered inspectors that are verified for quality assurance purposes.

25%	10%	10%	0	10%
-----	-----	-----	---	-----

Standard: Meet the required percentage of registered inspectors' follow-up inspections.

Measure: Percent of license applications, amendment requests, and registration/certified registration requests processed within applicable time frames.

100%	100%	100%	0	100%
------	------	------	---	------

327.33 Clean Water and Drinking Water State Revolving Fund

The Clean Water and Drinking Water State Revolving Fund provides funds to cities, counties, and utility districts for the creation and maintenance of wastewater and drinking water facilities. This division administers two low-interest revolving-fund loan programs, the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund.

Full-Time	17	17	17	0	17
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	17	17	17	0	17
Payroll	971,200	1,231,700	1,231,700	0	1,231,700
Operational	27,141,500	48,665,400	48,668,700	0	48,668,700
Total	\$28,112,700	\$49,897,100	\$49,900,400	\$0	\$49,900,400
State	5,183,000	5,250,100	5,253,400	0	5,253,400
Federal	22,929,700	44,647,000	44,647,000	0	44,647,000
Other	0	0	0	0	0

Standard: Maintain self-sustaining State Revolving Fund programs by providing low-cost loans for infrastructure projects that will bring small communities into compliance with permits and protect public health.

Measure: Amount of financial assistance provided to small communities under the Clean Water State Revolving Fund Program and the Drinking Water State Revolving Program.

\$20,887,450	\$10,500,000	\$11,000,000	0	\$11,000,000
--------------	--------------	--------------	---	--------------

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

327.34 Water Pollution Control

The Division of Water Pollution Control is responsible for protecting the state's waters through a program of water quality planning, monitoring and assessment, and regulation. The division regulates stream channel modification, wetlands alteration, gravel dredging, and mine water discharge.

Full-Time	204	235	235	8	243
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	212	243	243	8	251
Payroll	11,676,600	15,367,400	15,367,400	403,100	15,770,500
Operational	6,829,800	7,374,400	7,273,800	1,946,900	9,220,700
Total	\$18,506,400	\$22,741,800	\$22,641,200	\$2,350,000	\$24,991,200
State	9,345,000	10,552,200	10,576,200	2,241,000	12,817,200
Federal	2,914,900	3,391,400	3,391,400	0	3,391,400
Other	6,246,500	8,798,200	8,673,600	109,000	8,782,600

Standard: Inspect non-municipal dischargers to determine compliance with permit requirements.

Measure: Percent of major non-municipal dischargers in significant compliance.

98%	80%	80%	0	80%
-----	-----	-----	---	-----

Standard: Perform water quality inspections in accordance with U.S. Environmental Protection Agency (EPA) work plan commitment.

Measure: Percent of major municipal discharges in significant compliance.

97%	80%	80%	0	80%
-----	-----	-----	---	-----

327.35 Solid Waste Management

The Solid Waste Management Division protects the 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	137	137	136	0	136
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	145	145	144	0	144
Payroll	8,252,400	9,630,900	9,584,000	0	9,584,000
Operational	1,932,400	1,975,300	2,051,100	0	2,051,100
Total	\$10,184,800	\$11,606,200	\$11,635,100	\$0	\$11,635,100
State	1,702,700	1,995,700	2,002,300	0	2,002,300
Federal	2,095,100	2,310,000	2,310,000	0	2,310,000
Other	6,387,000	7,300,500	7,322,800	0	7,322,800

Standard: Increase the percentage of landfill/solid waste facilities in significant operational compliance.

Measure: Percent of landfill/solid waste facilities in significant operational compliance.

94%	97%	97%	0	97%
-----	-----	-----	---	-----

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Standard: Increase the percentage of hazardous waste treatment, storage, and disposal facilities in significant operational compliance.

Measure: Percent of hazardous waste treatment, storage, and disposal facilities in significant operational compliance.

	98%	95%	95%	0	95%
--	-----	-----	-----	---	-----

Standard: Increase the percentage of lead-based paint abatement inspections for large-scale projects.

Measure: Percent of lead-based paint abatement inspections conducted for large-scale projects.

	82%	35%	35%	0	35%
--	-----	-----	-----	---	-----

Standard: Increase the percentage of in-progress remediation sites release for reuse.

Measure: Percent of total active remediation sites annually cleaned up and released from the program.

	21%	10%	10%	0	10%
--	-----	-----	-----	---	-----

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 Energy Department's Oak Ridge reservation. The state, in cooperation with the U.S. Department of Energy, works to achieve clean air, water, and land in Tennessee, while sustaining economic growth.

Full-Time	53	53	53	0	53
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	53	53	53	0	53
Payroll	2,835,000	3,594,600	3,594,600	0	3,594,600
Operational	984,600	3,181,800	3,191,500	0	3,191,500
Total	\$3,819,600	\$6,776,400	\$6,786,100	\$0	\$6,786,100
State	0	0	0	0	0
Federal	3,716,700	6,776,400	6,786,100	0	6,786,100
Other	102,900	0	0	0	0

Standard: Increase the percentage of the Oak Ridge Reservation remediation project in compliance with relevant emissions standards, as measured by acres where remediation is complete.

Measure: Percent of Oak Ridge Reservation acres where remediation is complete.

	3.5%	3.5%	3.5%	0	3.5%
--	------	------	------	---	------

327.37 Abandoned Lands

The Abandoned Lands program administers the Tennessee surface mining reclamation fund for reclamation and re-vegetation of land affected by surface mining. This program sponsors reclamation projects that remove safety hazards from abandoned mines and restore resources to make them available for economic development and recreational uses. The fund is comprised of fees and forfeited bonds from both active and inactive mining operations.

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	416,600	500,000	500,000	0	500,000
Total	\$416,600	\$500,000	\$500,000	\$0	\$500,000
State	28,900	500,000	500,000	0	500,000
Federal	0	0	0	0	0
Other	387,700	0	0	0	0

Standard: Fund reclamation projects in order to eliminate the safety hazards that are posed by abandoned mine sites.

Measure: Number of emergency reclamation projects for abandoned mine sites that are stabilized or restricted from public access.

2 As needed As needed 0 As needed

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	63	63	63	0	63
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	63	63	63	0	63
Payroll	3,065,800	4,252,300	4,252,300	0	4,252,300
Operational	1,940,400	7,655,500	7,666,800	0	7,666,800
Total	\$5,006,200	\$11,907,800	\$11,919,100	\$0	\$11,919,100
State	0	1,076,100	1,076,100	0	1,076,100
Federal	1,484,900	2,007,100	2,007,100	0	2,007,100
Other	3,521,300	8,824,600	8,835,900	0	8,835,900

Standard: Annually maintain at least 50% of identified hazardous substance remediation sites with cleanup in-progress.

Measure: Percent of identified hazardous substance sites with cleanup in progress.

62% 60% 60% 0 60%

327.39 Water Supply

The Water Supply program develops groundwater and wellhead protection plans in order 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.

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
Full-Time	81	81	81	0	81
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	81	81	81	0	81
Payroll	4,740,500	5,440,300	5,440,300	0	5,440,300
Operational	1,108,600	1,888,100	1,904,900	2,500,000	4,404,900
Total	\$5,849,100	\$7,328,400	\$7,345,200	\$2,500,000	\$9,845,200
State	1,044,900	995,700	999,200	2,000,000	2,999,200
Federal	2,170,000	2,465,000	2,465,000	0	2,465,000
Other	2,634,200	3,867,700	3,881,000	500,000	4,381,000

Standard: Conduct training, inspections, and enforcement actions to ensure community water system customers receive drinking water that meets all applicable health-based standards.

Measure: Percent of the population served by community water systems that receive drinking water that meets all applicable health-based drinking water standards.

97%	96%	96%	0	96%
-----	-----	-----	---	-----

327.40 Groundwater Protection

The Groundwater Protection program regulates subsurface sewage disposal systems. The program grants construction permits, inspects, and approves underground septic systems for wastewater disposal areas lacking 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	137	137	137	0	137
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	137	137	137	0	137
Payroll	8,132,400	8,873,900	8,873,900	0	8,873,900
Operational	1,729,700	1,928,500	1,956,500	0	1,956,500
Total	\$9,862,100	\$10,802,400	\$10,830,400	\$0	\$10,830,400
State	4,490,600	4,663,400	4,675,400	0	4,675,400
Federal	0	0	0	0	0
Other	5,371,500	6,139,000	6,155,000	0	6,155,000

Standard: Issue construction permits for subsurface sewage disposal systems where suitable soil conditions exist.

Measure: Number of subsurface sewage disposal system permits issued.

17,049	18,000	16,000	0	16,000
--------	--------	--------	---	--------

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.

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
Full-Time	84	84	84	0	84
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	92	92	92	0	92
Payroll	4,659,000	5,336,000	5,336,000	0	5,336,000
Operational	10,084,700	19,222,400	19,237,500	0	19,237,500
Total	\$14,743,700	\$24,558,400	\$24,573,500	\$0	\$24,573,500
State	12,056,300	22,470,700	22,485,800	0	22,485,800
Federal	1,655,200	2,087,700	2,087,700	0	2,087,700
Other	1,032,200	0	0	0	0

Standard: Inspect active, registered underground storage tanks facilities annually.

Measure: Percent of active, registered underground storage tank facilities inspected annually.

43%	22%	34%	0	34%
-----	-----	-----	---	-----

Standard: Clean up petroleum contaminated sites each year that have not previously reached their clean up goals by providing adequate protection of human health, safety, and the environment.

Measure: Percent of underground storage tank sites that reach their clean up goals and site closure through adequate protection of human health, safety, and the environment.

34%	13%	10%	0	10%
-----	-----	-----	---	-----

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, reuse, composting, and recycling.

Full-Time	17	17	17	0	17
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	17	17	17	0	17
Payroll	976,700	1,229,100	1,229,100	0	1,229,100
Operational	6,921,200	8,354,300	8,257,800	0	8,257,800
Total	\$7,897,900	\$9,583,400	\$9,486,900	\$0	\$9,486,900
State	7,414,900	9,583,400	9,486,900	0	9,486,900
Federal	6,000	0	0	0	0
Other	477,000	0	0	0	0

Standard: Increase the percentage of electronic waste collected annually at public collection sites for reuse or recycling. (Base year is 2006-07, which was 576,428 pounds or 288.2 tons).

Measure: Percent increase of electronic waste collected annually for reuse and/or recycling.

Not Applicable	10%	10%	0	10%
----------------	-----	-----	---	-----

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

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 Environmental Protection Fund.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	38,675,600	47,877,800	48,008,800	0	48,008,800
Total	\$38,675,600	\$47,877,800	\$48,008,800	\$0	\$48,008,800
State	37,944,100	47,877,800	48,008,800	0	48,008,800
Federal	0	0	0	0	0
Other	731,500	0	0	0	0

327.44 Fleming Training Center

The Fleming Training Center assists and trains operators in the water and wastewater industry. The center offers 14 types of certification for water and wastewater operators requiring that each certified operator possesses certain experience requirements and complete 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	11	11	11	0	11
Part-Time	4	4	4	0	4
Seasonal	0	0	0	0	0
Total	15	15	15	0	15
Payroll	556,400	647,100	647,100	0	647,100
Operational	258,200	405,800	407,500	0	407,500
Total	\$814,600	\$1,052,900	\$1,054,600	\$0	\$1,054,600
State	398,000	622,600	624,300	0	624,300
Federal	281,400	248,600	248,600	0	248,600
Other	135,200	181,700	181,700	0	181,700

Standard: Ensure that the new operator certification process is conducted in compliance with applicable laws and regulations.

Measure: Number of new certificates issued to water treatment, wastewater treatment, distribution system, and collection system operators.

404	350	350	0	350
-----	-----	-----	---	-----

Standard: Ensure that the renewal operator certification process is conducted in compliance with applicable laws and regulations.

Measure: Number of renewal certificates issued to water treatment, wastewater treatment, distribution system, and collection system operators.

5,277	5,150	5,100	0	5,100
-------	-------	-------	---	-------

	<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
--	-----------------------------------	--------------------------------------	---------------------------------	--	--

327.45 Office of Environmental Assistance

The Office of Environmental Assistance 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	24	24	24	0	24
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	24	24	24	0	24
Payroll	1,298,500	1,482,300	1,482,300	0	1,482,300
Operational	215,900	176,900	180,100	0	180,100
Total	\$1,514,400	\$1,659,200	\$1,662,400	\$0	\$1,662,400
State	681,300	948,400	951,600	0	951,600
Federal	240,200	307,400	247,400	0	247,400
Other	592,900	403,400	463,400	0	463,400

Standard: Provide businesses, government agencies, schools, and organizations training, assistance, and/or recognition to proactively assist them with the prevention and reduction of adverse environmental impacts.

Measure: Number of businesses, government agencies, and schools assisted.

	5,441	5,750	3,750	0	3,750
--	-------	-------	-------	---	-------

327.00 Total Environment and Conservation

Full-Time	2,548	2,600	2,599	11	2,610
Part-Time	316	304	304	0	304
Seasonal	400	340	340	0	340
Total	3,264	3,244	3,243	11	3,254
Payroll	128,144,100	147,799,000	147,250,600	538,100	147,788,700
Operational	159,034,000	309,507,000	211,462,800	19,519,500	230,982,300
Total	\$287,178,100	\$457,306,000	\$358,713,400	\$20,057,600	\$378,771,000
State	147,854,200	281,116,800	183,185,000	19,448,600	202,633,600
Federal	45,832,100	72,154,500	72,105,200	0	72,105,200
Other	93,491,800	104,034,700	103,423,200	609,000	104,032,200

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 Tennessee Wildlife magazine, hunting and fishing guides, and news releases; coordinating law enforcement activities and training; coordinating equipment crews and engineering activities, including building and maintaining boat access areas and levees and building forestry logging roads on agency property; and investigating, reporting, and testifying on environmental issues.

Regional office responsibilities include sponsoring hunting and boating safety workshops and classes; providing technical assistance to farm pond and small lake owners; and developing, maintaining, and operating the wildlife management areas, state lakes, and fish hatcheries.

<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

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	639	642	642	0	642
Part-Time	15	14	14	0	14
Seasonal	27	27	27	0	27
Total	681	683	683	0	683
Payroll	35,383,500	38,421,200	38,421,200	469,700	38,890,900
Operational	24,480,100	33,388,700	24,599,800	0	24,599,800
Total	\$59,863,600	\$71,809,900	\$63,021,000	\$469,700	\$63,490,700
State	34,856,100	37,733,600	36,732,600	469,700	37,202,300
Federal	15,494,200	17,833,100	15,300,000	0	15,300,000
Other	9,513,300	16,243,200	10,988,400	0	10,988,400

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

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	33	33	33	0	33
Part-Time	59	59	59	0	59
Seasonal	0	0	0	0	0
Total	92	92	92	0	92
Payroll	4,097,700	5,033,200	5,033,200	64,100	5,097,300
Operational	4,493,900	5,584,700	4,463,000	0	4,463,000
Total	\$8,591,600	\$10,617,900	\$9,496,200	\$64,100	\$9,560,300
State	4,695,500	5,767,800	5,386,100	64,100	5,450,200
Federal	3,522,400	4,074,700	3,835,100	0	3,835,100
Other	373,700	775,400	275,000	0	275,000

328.03 Wetlands Acquisition Fund

The Wetlands Acquisition Fund provides funds for the acquisition of wetland properties throughout the state. The fund also supports the maintenance and protection of wetland properties through conservation projects including surveying, vegetation control, building and maintaining levees, and the installation of water control structures. The appropriation is from the real estate transfer tax.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	4,505,100	11,928,700	7,053,100	4,875,600	11,928,700
Total	\$4,505,100	\$11,928,700	\$7,053,100	\$4,875,600	\$11,928,700
State	3,867,900	11,788,700	6,913,100	4,875,600	11,788,700
Federal	266,000	0	0	0	0
Other	371,200	140,000	140,000	0	140,000

Standard: Preserve and expand wetlands in Tennessee.

Measure: Total acres acquired through the Wetlands Acquisition Fund.

199,698	204,000	206,000	0	206,000
---------	---------	---------	---	---------

328.04 Wetlands Compensation Fund

The Wetlands Compensation Fund provides in-lieu-of-tax payments to counties in order to offset the loss of local property tax on lands acquired by the state from the Wetlands Acquisition Fund. The appropriation is from the real estate transfer tax allocation to the Wetlands Acquisition Fund.

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

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
Payroll	0	0	0	0	0
Operational	345,700	400,000	400,000	0	400,000
Total	\$345,700	\$400,000	\$400,000	\$0	\$400,000
State	328,500	400,000	400,000	0	400,000
Federal	0	0	0	0	0
Other	17,200	0	0	0	0

Standard: Reimburse local governments for wetlands removed from taxation.

Measure: Percent of due compensation that is paid.

100%	100%	100%	0	100%
------	------	------	---	------

328.00 Total Tennessee Wildlife Resources Agency

Full-Time	672	675	675	0	675
Part-Time	74	73	73	0	73
Seasonal	27	27	27	0	27
Total	773	775	775	0	775
Payroll	39,481,200	43,454,400	43,454,400	533,800	43,988,200
Operational	33,824,800	51,302,100	36,515,900	4,875,600	41,391,500
Total	\$73,306,000	\$94,756,500	\$79,970,300	\$5,409,400	\$85,379,700
State	43,748,000	55,690,100	49,431,800	5,409,400	54,841,200
Federal	19,282,600	21,907,800	19,135,100	0	19,135,100
Other	10,275,400	17,158,600	11,403,400	0	11,403,400

Department of Commerce and Insurance

Performance-Based Budget

The Department of Commerce and Insurance regulates numerous professions and industries conducting business within the state. The department provides this service through four functional areas: administration, consumer protection, 911 wireless communication, and fire prevention.

<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

Administration

The Administration Division includes the office of the commissioner, fiscal services, management information services, personnel, legal services, and audit consulting and oversight. This division supports the operations of each division within the department.

335.01 Administration

Full-Time	88	92	90	1	91
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	88	92	90	1	91
Payroll	4,697,200	5,854,800	5,800,100	83,600	5,883,700
Operational	1,021,200	945,200	940,500	9,200	949,700
Total	\$5,718,400	\$6,800,000	\$6,740,600	\$92,800	\$6,833,400
State	0	3,600	3,600	0	3,600
Federal	233,800	63,100	0	0	0
Other	5,484,600	6,733,300	6,737,000	92,800	6,829,800

Standard: Respond to and complete requests for information systems service based on type and priority within the following time frames upon receipt: time sensitive - by date required.

Measure: Percent of completed time sensitive requests by the date required.

68%	75%	75%	0	75%
-----	-----	-----	---	-----

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 and 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.

	<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
--	-----------------------------------	--------------------------------------	---------------------------------	--	--

335.02 Insurance

The Insurance Division protects policyholders and enrollees by regulating insurance industry policies, rates, conduct, and agents and by regulating health maintenance organizations, self-insured entities, and workers compensation insurance. The division collects insurance premium taxes and fees.

Full-Time	135	136	136	0	136
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	135	136	136	0	136
Payroll	6,517,700	8,363,400	8,389,100	0	8,389,100
Operational	4,004,500	5,117,400	5,098,500	0	5,098,500
Total	\$10,522,200	\$13,480,800	\$13,487,600	\$0	\$13,487,600
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	10,522,200	13,480,800	13,487,600	0	13,487,600

Standard: Approve or deny commercial and personal line rate filings within 30 days of receipt of a completed filing.

Measure: Percent of rate filings reviews completed within 30 days of receipt.

98.55%	99.50%	100.00%	0	100.00%
--------	--------	---------	---	---------

Standard: Review, investigate, and close or forward to the Fraud Investigative Section all consumer insurance complaints within 180 days of receipt.

Measure: Percent of consumer complaints reviewed, investigated, and closed or forwarded to the Fraud/Investigative Section within 180 days of receipt.

86.6%	90.0%	95.0%	0	95.0%
-------	-------	-------	---	-------

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	24	24	24	0	24
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	24	24	24	0	24
Payroll	1,216,500	1,387,600	1,387,600	0	1,387,600
Operational	724,500	680,400	681,600	0	681,600
Total	\$1,941,000	\$2,068,000	\$2,069,200	\$0	\$2,069,200
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,941,000	2,068,000	2,069,200	0	2,069,200

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Standard: Examine securities registration applications, notice filings, and exemptions within 20 days of receipt.

Measure: Percent of registrations examined within 20 days.

	93%	95%	95%	0	95%
--	-----	-----	-----	---	-----

335.06 Consumer Affairs

The Consumer Affairs Division protects consumers and businesses through the receipt, investigation, and mediation of complaints; and assists with the prosecution of entities found in violation. The division promotes consumer education through public outreach activities and awareness.

Full-Time	10	10	10	0	10
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	10	10	10	0	10
Payroll	542,500	594,300	594,300	0	594,300
Operational	256,200	289,100	289,500	0	289,500
Total	\$798,700	\$883,400	\$883,800	\$0	\$883,800
State	797,400	862,200	862,600	0	862,600
Federal	0	0	0	0	0
Other	1,300	21,200	21,200	0	21,200

Standard: Provide an initial response to consumer complaints within 15 days of receipt.

Measure: Percent of consumer complaints in which a response was given within 15 days of receipt.

	99%	100%	100%	0	100%
--	-----	------	------	---	------

335.15 Real Estate Education and Recovery Fund

The Real Estate Education and Recovery Fund is available for paying court-awarded claims to consumers. Interest earned by the fund is used to further the education of real estate licensees and consumers.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	77,100	292,100	292,100	0	292,100
Total	\$77,100	\$292,100	\$292,100	\$0	\$292,100
State	0	292,100	292,100	0	292,100
Federal	0	0	0	0	0
Other	77,100	0	0	0	0

Standard: Conduct a minimum of eight educational seminars for licensees annually.

Measure: Number of seminars conducted.

	0	8	8	0	8
--	---	---	---	---	---

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

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	1	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1	0	0	0	0
Payroll	0	0	0	0	0
Operational	38,100	81,400	81,400	0	81,400
Total	\$38,100	\$81,400	\$81,400	\$0	\$81,400
State	18,400	81,400	81,400	0	81,400
Federal	0	0	0	0	0
Other	19,700	0	0	0	0

Standard: Annually conduct one educational seminar for licensees in each grand division of the state.

Measure: Number of seminars conducted.

	3	3	3	0	3
--	---	---	---	---	---

335.19 Cemetery Consumer Protection Fund

The Cemetery Consumer Protection Fund was established in 2006 by the General Assembly to provide additional funding to the cemetery registration program within the Division of Regulatory Boards. Additionally, the commissioner is authorized to utilize this fund for costs associated with receivership actions against private cemeteries.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	0	360,000	360,000	0	360,000
Total	\$0	\$360,000	\$360,000	\$0	\$360,000
State	0	360,000	360,000	0	360,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Reduce the Burial Services reserve deficit.

Measure: Percent the reserve deficit is reduced.

	Not Applicable	3.33%	6.00%	0	6.00%
--	----------------	-------	-------	---	-------

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

335.04 TennCare Oversight

The TennCare Oversight Division provides financial and systems oversight of the managed care organizations (MCOs) participating in the TennCare program, which is the state's Medicaid-waiver health-care program. The division promulgates rules and performs examinations of MCOs that provide TennCare services. Oversight includes the review of contracts, reports, competitive bids, and medical-loss ratios.

Full-Time	19	19	19	0	19
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	19	19	19	0	19
Payroll	1,258,300	1,670,000	1,670,000	0	1,670,000
Operational	423,800	1,165,400	1,166,700	0	1,166,700
Total	\$1,682,100	\$2,835,400	\$2,836,700	\$0	\$2,836,700
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,682,100	2,835,400	2,836,700	0	2,836,700

Standard: Conduct examinations of the Health Maintenance Organizations (HMOs), Prepaid Limited Health Service Organizations (PLHSOs), and Third Party Administrators (TPAs) participating in the TennCare program each year.

Measure: Conduct examinations of at least 30% of the HMOs, PLHSOs, and TPAs participating in the TennCare program each year.

42%	30%	30%	0	30%
-----	-----	-----	---	-----

Standard: Perform quarterly tests of compliance with the statutory claims processing timeliness standards for all TennCare HMOs, PLHSOs, and TPAs as required by the interagency agreement with the TennCare Bureau.

Measure: Perform quarterly tests of compliance with the statutory claims processing timeliness standards for 100% of the TennCare HMOs, PLSHOs, and TPAs as required by the interagency agreement with TennCare.

100%	100%	100%	0	100%
------	------	------	---	------

335.10 Regulatory Boards

Regulatory boards ensure 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; boxing; auto racing; polygraph examiners; real estate agents and brokers; accountants; alarm contractors; interior designers; barbers; contractors; collection services; private investigators; burial services; home improvement; real estate appraisers; private protective services; automotive manufacturers, dealers, and salesmen; geologists; auctioneers; architects and landscape architects; and employee leasing.

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
Full-Time	185	190	190	2	192
Part-Time	115	115	115	0	115
Seasonal	0	0	0	0	0
Total	300	305	305	2	307
Payroll	7,763,500	9,874,200	9,874,200	78,300	9,952,500
Operational	6,637,100	8,855,400	8,858,700	125,600	8,984,300
Total	\$14,400,600	\$18,729,600	\$18,732,900	\$203,900	\$18,936,800
State	13,689,800	18,271,200	18,274,500	203,900	18,478,400
Federal	392,600	0	0	0	0
Other	318,200	458,400	458,400	0	458,400

Standard: Issue licenses within 60 days of receipt of a completed/approved application.

Measure: Percent of licenses issued within 60 days.

90%	95%	95%	0	95%
-----	-----	-----	---	-----

Standard: Resolve consumer complaints within 180 days of receipt.

Measure: Percent of complaints resolved within 180 days.

49%	60%	70%	0	70%
-----	-----	-----	---	-----

911 Wireless Communications

335.08 911 Emergency Communications Fund

The 911 Emergency Communications Fund promotes statewide wireless-enhanced 911 service through the activities of the Tennessee Emergency Communications Board (TECB). This enhanced service improves community safety by reducing response times in emergency situations. The board also assists local Emergency Communications Districts (ECDs) in management, operations, and accountability. This program is funded through dedicated fees assessed on all cellular phone users.

Full-Time	8	8	8	2	10
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	8	8	8	2	10
Payroll	620,100	688,200	688,200	157,200	845,400
Operational	49,614,500	56,184,400	51,185,600	36,300	51,221,900
Total	\$50,234,600	\$56,872,600	\$51,873,800	\$193,500	\$52,067,300
State	47,148,100	49,014,000	49,015,200	193,500	49,208,700
Federal	0	0	0	0	0
Other	3,086,500	7,858,600	2,858,600	0	2,858,600

Standard: Ensure ECD conformance with TECB technical and operating standards of care where appropriate. (There are 100 ECDs in Tennessee; however, not all ECDs operate 911 call centers. Those not operating call centers are not regulated by the board).

Measure: Number of ECDs with an uninterruptible power supply capable of providing uninterrupted power to emergency communications operations for a minimum of one hour.

90	96	100	0	100
----	----	-----	---	-----

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Standard: Ensure ECD conformance with TECB technical and operating standards of care where appropriate. (There are 100 ECDs in Tennessee; however, not all ECDs operate 911 call centers. Those not operating call centers are not regulated by the board).

Measure: Number of ECDs with GIS mapping systems capable of auto-populating E-911 location data.

	99	100	100	0	100
--	----	-----	-----	---	-----

Fire Prevention

The Department of Commerce and Insurance provides services to promote fire safety education and fire prevention. These efforts include: inspecting institutional facilities and electrical installations; investigating arson; reviewing construction plans; maintaining the Tennessee Fire Incident Reporting System; registering electricians; administering fireworks and explosive user permits; training firefighters and other enforcement personnel; licensing and regulating sprinkler contractors, liquid petroleum gas distributors, and fire extinguisher dealers; establishing training and fire education standards; and regulating the mobile home industry.

335.03 Fire Prevention

The Fire Prevention Division is committed to enhancing the quality of life for the citizens of Tennessee and protecting property through fire prevention, education, investigation, and enforcement. The division, also known as the state Fire Marshal's Office, performs electrical inspections, bomb and arson investigation, and building codes enforcement.

Full-Time	160	165	165	0	165
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	160	165	165	0	165
Payroll	7,559,100	8,618,500	8,618,500	0	8,618,500
Operational	10,106,400	10,963,100	10,939,100	481,600	11,420,700
Total	\$17,665,500	\$19,581,600	\$19,557,600	\$481,600	\$20,039,200
State	0	97,600	89,600	0	89,600
Federal	234,100	210,000	210,000	0	210,000
Other	17,431,400	19,274,000	19,258,000	481,600	19,739,600

Standard: Reduce the number of incidents involving a fire-related death in Tennessee.

Measure: Number of incidents involving fire death in Tennessee.

	87	90	89	0	89
--	----	----	----	---	----

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 fire fighters, 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	38	38	38	0	38
Part-Time	100	100	100	0	100
Seasonal	0	0	0	0	0
Total	138	138	138	0	138

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
Payroll	2,621,000	3,226,600	2,738,400	0	2,738,400
Operational	1,764,100	2,099,400	1,940,000	0	1,940,000
Total	\$4,385,100	\$5,326,000	\$4,678,400	\$0	\$4,678,400
State	3,514,400	3,735,200	3,737,300	0	3,737,300
Federal	12,800	43,100	25,000	0	25,000
Other	857,900	1,547,700	916,100	0	916,100

Standard: Provide student contact (training) hours to fire service and other emergency first responders.

Measure: Number of student contact hours delivered in the Fire Service Program over twelve months.

	189,709	190,000	200,000	0	200,000
--	---------	---------	---------	---	---------

Standard: Provide student contact hours to code officials and other construction industry professionals.

Measure: Number of student contact hours delivered in the Codes Enforcement Program over twelve months.

	9,478	9,000	11,250	0	11,250
--	-------	-------	--------	---	--------

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	3	3	3	0	3
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
Total	12	12	12	0	12
Payroll	150,100	165,200	165,200	0	165,200
Operational	2,571,600	3,539,400	3,539,500	0	3,539,500
Total	\$2,721,700	\$3,704,600	\$3,704,700	\$0	\$3,704,700
State	2,721,700	3,704,600	3,704,700	0	3,704,700
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Increase the number of written certification examinations administered to Tennessee firefighters each year.

Measure: Number of written certification examinations administered.

	2,889	2,920	2,950	0	2,950
--	-------	-------	-------	---	-------

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Law Enforcement Training

335.11 Tennessee Law Enforcement Training Academy

The Tennessee Law Enforcement Training Academy (TLETA) 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	26	26	26	0	26
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	27	27	27	0	27
Payroll	1,527,100	1,730,600	1,730,600	8,200	1,738,800
Operational	2,115,100	2,505,900	2,356,500	0	2,356,500
Total	\$3,642,200	\$4,236,500	\$4,087,100	\$8,200	\$4,095,300
State	2,561,600	2,993,500	2,931,700	8,200	2,939,900
Federal	0	0	0	0	0
Other	1,080,600	1,243,000	1,155,400	0	1,155,400

Standard: Provide effective training of new law enforcement recruits hired by agencies served by the Tennessee Law Enforcement Training Academy.

Measure: Average number of points gained by class on pre- and post-tests, using the Tennessee Peace Officers Standards and Training (POST) Commission - certified Basic Police School knowledge test.

	30.2	30.0	30.0	0	30.0
--	------	------	------	---	------

335.12 POST Commission

The 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	8	8	8	0	8
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	8	8	8	0	8
Payroll	203,000	362,400	362,400	0	362,400
Operational	7,239,000	7,821,800	7,822,200	0	7,822,200
Total	\$7,442,000	\$8,184,200	\$8,184,600	\$0	\$8,184,600
State	7,442,000	8,184,200	8,184,600	0	8,184,600
Federal	0	0	0	0	0
Other	0	0	0	0	0

<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

Standard: Pay the salary supplement to full-time officers who have met POST standards for their continuing education.

Measure: Number of officers qualifying to receive the salary supplement by completing required POST training.

11,798	12,140	12,492	0	12,492
--------	--------	--------	---	--------

335.00 Total Commerce and Insurance

Full-Time	705	719	717	5	722
Part-Time	225	225	225	0	225
Seasonal	0	0	0	0	0
Total	930	944	942	5	947
Payroll	34,676,100	42,535,800	42,018,600	327,300	42,345,900
Operational	86,593,200	100,900,400	95,551,900	652,700	96,204,600
Total	\$121,269,300	\$143,436,200	\$137,570,500	\$980,000	\$138,550,500
State	77,893,400	87,599,600	87,537,300	405,600	87,942,900
Federal	873,300	316,200	235,000	0	235,000
Other	42,502,600	55,520,400	49,798,200	574,400	50,372,600

Department of Financial Institutions

Performance-Based Budget

The 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 mission of the Department of Financial Institutions is to provide for and encourage the development of depository financial institutions while restricting their activities to the extent necessary to safeguard the interests of depositors. In addition, the department seeks to ensure compliance by both depository and non-depository financial institutions with governing laws and regulations. None of the department's operating expenditures is funded with general state tax dollars. Revenue is derived solely from supervision, examination, and license fees assessed to those financial institutions regulated by the department.

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
336.00 Financial Institutions					
Full-Time	171	171	171	0	171
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	171	171	171	0	171
Payroll	9,651,900	12,315,700	12,315,700	0	12,315,700
Operational	3,010,300	3,938,700	3,952,800	0	3,952,800
Total	\$12,662,200	\$16,254,400	\$16,268,500	\$0	\$16,268,500
State	3,140,700	8,193,500	8,203,700	0	8,203,700
Federal	0	0	0	0	0
Other	9,521,500	8,060,900	8,064,800	0	8,064,800

Standard: Pursuant to statute, regulate and examine Tennessee state-chartered banks.

Measure: Tennessee Department of Financial Institutions (TDFI) examinations and joint TDFI/Federal Deposit Insurance Corporation (FDIC) or Federal Reserve Board (FRB) examinations of state-chartered banks.

	63	60	60	0	60
--	----	----	----	---	----

Standard: Pursuant to statute, regulate and examine Tennessee state-chartered credit unions.

Measure: TDFI examinations and joint TDFI/National Credit Union Association (NCUA) examinations of state-chartered credit unions completed.

	99	85	85	0	85
--	----	----	----	---	----

<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

Standard: Regulate institutions licensed or registered for compliance with governing acts.

Measure: Number of licensed entities examined/regulated by the Compliance Division.

3,674/5,567 (66%)	4,062/5,803 (70%)	4,355/6,049 (72%)	0	4,355/6,049 (72%)
-------------------	-------------------	-------------------	---	-------------------

Standard: Respond to 100% of all consumer inquiries coming into the department.

Measure: Percent of consumer inquiries processed within the department or distributed to the appropriate agency or entity.

100%	100%	100%	0	100%
------	------	------	---	------

Department of Labor and Workforce Development

Performance-Based Budget

The Department of Labor and Workforce Development protects the rights of workers and assists employers in maintaining those rights throughout Tennessee. The department has six functional areas: administration, safety and health, workers' compensation, labor standards, employment and workforce development, and employment security.

<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

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, personnel, and information system services.

Full-Time	118	118	118	0	118
Part-Time	4	4	4	0	4
Seasonal	0	0	0	0	0
Total	122	122	122	0	122
Payroll	7,455,200	7,840,200	7,840,200	0	7,840,200
Operational	2,377,600	2,606,200	2,612,700	0	2,612,700
Total	\$9,832,800	\$10,446,400	\$10,452,900	\$0	\$10,452,900
State	2,908,600	3,241,500	3,248,000	0	3,248,000
Federal	6,278,600	7,166,700	7,166,700	0	7,166,700
Other	645,600	38,200	38,200	0	38,200

Standard: The total administrative cost for the department will not exceed 5% of departmental budget.

Measure: Administrative costs for the department as percentage of total budget.

4%	5%	5%	0	5%
----	----	----	---	----

Safety and Health

337.02 Tennessee Occupational Safety and Health Administration (TOSHA)

TOSHA ensures the safety and health of Tennessee workers, administers training programs, provides consultant services to employers, and promotes effective safety and health management through the voluntary protection program.

Full-Time	102	102	102	0	102
Part-Time	3	3	3	0	3
Seasonal	0	0	0	0	0
Total	105	105	105	0	105
Payroll	6,119,800	7,342,700	7,910,100	0	7,910,100
Operational	1,623,400	1,911,200	1,916,900	0	1,916,900
Total	\$7,743,200	\$9,253,900	\$9,827,000	\$0	\$9,827,000

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
State	3,667,300	4,997,800	5,000,900	0	5,000,900
Federal	4,060,900	4,221,500	4,224,100	0	4,224,100
Other	15,000	34,600	602,000	0	602,000

Standard: Eliminate serious hazards in workplaces where interventions take place.

Measure: Number of serious hazards identified in workplaces during TOSHA interventions.

	8,137	6,500	6,500	0	6,500
--	-------	-------	-------	---	-------

Standard: Implement improvements in employer occupational safety and health programs in workplaces where TOSHA Compliance has had an intervention.

Measure: Number of workplaces where improvements in employer occupational safety and health program were made where TOSHA Compliance has had an intervention.

	1,295	800	800	0	800
--	-------	-----	-----	---	-----

337.04 Mines

The Mines Division promotes the safety and welfare of miners through training and licensing of mine operators and employing mine rescue workers.

Full-Time	7	7	7	0	7
Part-Time	18	18	18	0	18
Seasonal	0	0	0	0	0
Total	25	25	25	0	25
Payroll	389,300	458,500	458,500	0	458,500
Operational	451,500	235,600	236,200	0	236,200
Total	\$840,800	\$694,100	\$694,700	\$0	\$694,700
State	657,100	408,600	409,200	0	409,200
Federal	120,100	168,500	168,500	0	168,500
Other	63,600	117,000	117,000	0	117,000

Standard: Increase the number of persons trained in mine safety by 3% to reduce the number of non-fatal accidents/injuries across the state.

Measure: Number of persons trained in mine safety.

	2,027	1,950	1,950	0	1,950
--	-------	-------	-------	---	-------

337.05 Boilers and Elevators

The Boilers and Elevators Division performs safety inspections of boilers and elevators across the state.

Full-Time	53	53	53	0	53
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	53	53	53	0	53
Payroll	2,732,100	2,742,000	2,742,000	0	2,742,000
Operational	913,800	1,061,100	963,300	0	963,300
Total	\$3,645,900	\$3,803,100	\$3,705,300	\$0	\$3,705,300
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	3,645,900	3,803,100	3,705,300	0	3,705,300

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Standard: Reduce the number of boiler and pressure vessel delinquents (any boiler or pressure vessel that is overdue for inspection by more than 90 days) by 50%.

Measure: Number of delinquent boiler and pressure vessels.

	661	200	200	0	200
--	-----	-----	-----	---	-----

Standard: Maintain the 99% response rate for 30-day state mandate of inspection process to ensure operation safety requirements have been met.

Measure: Percent of reports processed within 30-day allotted timeframe.

	99%	99%	99%	0	99%
--	-----	-----	-----	---	-----

Workers' Compensation

337.03 Workers' Compensation

The Workers' Compensation Division administers the workers' compensation benefit review program, which determines compensation eligibility and provides mediation services in disputed claims; administers the drug free workplace program, which discourages drug use and abuse in the workplace; approves proposed settlements in disputed claims when the parties have reached agreement on all disputed issues; administers programs for medical case management and utilization review of claims which require medical services; administers the Second Injury Fund; administers safety programs established by the workers' compensation law; maintains the official record for workers' compensation coverage and claims; informs workers of their rights under the law; and ensures benefits paid to injured employees are within statutory requirements.

Full-Time	162	185	185	0	185
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	162	185	185	0	185
Payroll	9,939,500	11,517,200	11,631,800	0	11,631,800
Operational	2,291,000	2,953,300	2,808,400	0	2,808,400
Total	\$12,230,500	\$14,470,500	\$14,440,200	\$0	\$14,440,200
State	12,104,000	14,438,500	14,408,200	0	14,408,200
Federal	0	0	0	0	0
Other	126,500	32,000	32,000	0	32,000

Standard: Whenever possible, conduct Benefit Review Settlement Conferences within 60 days from the date request for assistance is received.

Measure: Percent of Benefit Review Settlement Conferences completed within 60 days from the date request for assistance is received to resolution of Benefit Review Settlement Conference.

	76.5%	80.0%	80.0%	0	80.0%
--	-------	-------	-------	---	-------

Standard: Increase the number and percentages of cases settled.

Measure: Number of cases settled.

	2,120 (64%)	2,500 (67%)	2,500 (67%)	0	2,500 (67%)
--	-------------	-------------	-------------	---	-------------

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Standard: Increase the total amount of Uninsured Employers Fund penalties collected.

Measure: Total amount of Uninsured Employers Fund penalties collected.

	\$1,073,354	\$1,248,000	\$1,622,400	0	\$1,622,400
--	-------------	-------------	-------------	---	-------------

337.08 Second Injury Fund

The Second Injury Fund appropriation provides funding to pay the disability claims of previously injured employees that suffer additional injury on the job, resulting in permanent and total disability. In addition, the fund also encourages employers to hire workers with disabilities. Funding is provided from the workers' compensation premium tax.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	10,890,100	15,371,200	15,371,200	0	15,371,200
Total	\$10,890,100	\$15,371,200	\$15,371,200	\$0	\$15,371,200
State	10,480,900	15,096,200	15,096,200	0	15,096,200
Federal	0	0	0	0	0
Other	409,200	275,000	275,000	0	275,000

Labor Standards

337.06 Labor Standards

The Labor Standards Division enforces labor laws, protecting wage earners from unfair practices through the Wage Regulation Act, protecting children through the Child Labor Act, and protecting state-funded construction work through the Prevailing Wage Act. This program also conducts statistical research on work-related injuries, illnesses, and fatalities. The program also provides an employee assistance professional program that assists employees with personal concerns that might hinder job performance.

Full-Time	23	23	23	0	23
Part-Time	5	5	5	0	5
Seasonal	0	0	0	0	0
Total	28	28	28	0	28
Payroll	1,059,400	1,152,400	1,152,400	0	1,152,400
Operational	231,700	284,800	285,800	0	285,800
Total	\$1,291,100	\$1,437,200	\$1,438,200	\$0	\$1,438,200
State	1,123,100	1,225,100	1,226,000	0	1,226,000
Federal	159,600	201,100	201,200	0	201,200
Other	8,400	11,000	11,000	0	11,000

Standard: Decrease in violations found as a result of increased lecture outreach programs to 20%.

Measure: Percent of child labor inspections found with violations.

	41.5%	20%	20%	0	20%
--	-------	-----	-----	---	-----

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Standard: Increase of Prevailing Wage Survey response to ensure fair minimum wage rates for employees engaged in work on state-funded building and highway projects to 60%.

Measure: Response rate for the Prevailing Wage Survey.

	50%	60%	60%	0	60%
--	-----	-----	-----	---	-----

Standard: Remain at least 10% above the required federal reporting rate of 85% for the Occupational Safety and Health Administration (OSHA) Survey.

Measure: Reporting rate for the OSHA Survey.

	100%	95%	95%	0	95%
--	------	-----	-----	---	-----

Employment and Workforce Development

337.07 Employment and Training

The Employment and Training Division administers the Workforce Investment Act (WIA), Tennessee career centers, Families First welfare-to-work services, veterans' services, and the job service programs. WIA creates a seamless system that addresses employer needs for skilled workers, while assisting job seekers needing training. The Tennessee career centers are used by employers seeking workers and anyone seeking job training, job placement, Families First welfare-to-work services, unemployment insurance, and other employment and training services. The senior community service employment program serves persons with low incomes who are 55 years or older and have poor employment prospects.

Full-Time	37	37	37	0	37
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	37	37	37	0	37
Payroll	2,541,000	3,353,600	3,353,600	0	3,353,600
Operational	54,594,100	65,345,800	65,348,100	0	65,348,100
Total	\$57,135,100	\$68,699,400	\$68,701,700	\$0	\$68,701,700
State	25,800	0	0	0	0
Federal	57,109,300	68,621,400	68,623,700	0	68,623,700
Other	0	78,000	78,000	0	78,000

Standard: Maintain a top ten national state program ranking for Incentive Awards.

Measure: Overall National Program Ranking in Incentive Awards received.

	5	7	7	0	7
--	---	---	---	---	---

Standard: Workforce Investment Act (WIA) Adult Entered Employment Rate.

Measure: Percent of WIA Adult Entered Employment Rate.

	86%	83%	83%	0	83%
--	-----	-----	-----	---	-----

Standard: Percent of WIA Adult Skill Attainment Rate.

Measure: Percent of WIA Adult Skill Attainment Rate.

	75%	80%	80%	0	80%
--	-----	-----	-----	---	-----

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

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 in the completion of a secondary school education.

Full-Time	12	12	12	0	12
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	12	12	12	0	12
Payroll	831,200	898,500	898,500	0	898,500
Operational	18,616,300	22,661,100	15,928,700	0	15,928,700
Total	\$19,447,500	\$23,559,600	\$16,827,200	\$0	\$16,827,200
State	3,322,000	6,234,900	3,735,100	0	3,735,100
Federal	12,009,100	13,091,500	13,092,100	0	13,092,100
Other	4,116,400	4,233,200	0	0	0

Standard: Raise the number of General Educational Development (GED) diplomas issued.

Measure: Number of GED diplomas issued.

	10,670	17,000	17,000	0	17,000
--	--------	--------	--------	---	--------

Standard: Achieve Commitment Level recognition through the Tennessee Center for Performance Excellence Baldrige-based program by 50 programs of Adult Basic Education (ABE).

Measure: Number of ABE programs recognized at commitment level.

	14	50	50	0	50
--	----	----	----	---	----

Standard: Provide job skills to adults participating in Adult Education programs.

Measure: Skill attainment rate.

	60%	65%	75%	0	75%
--	-----	-----	-----	---	-----

Employment Security

337.10 Employment Security

The Employment Security Division provides job availability data to the general public. The division's primary programs are unemployment insurance, job service, and labor market information. The unemployment insurance program determines eligibility and pays unemployment insurance benefits to workers who are unemployed through no fault of their own, and collects appropriate premiums from liable employers. The job service program has administrative responsibility for providing a basic labor exchange system, job placement, and development services to special applicant groups, such as veterans, Job Training Partnership Act applicants, senior citizens, food stamp recipients, and Temporary Assistance for Needy Families (Families First) recipients. The Employment Security Division also collects, analyzes, and maintains data on the economic and demographic characteristics of the labor force in Tennessee.

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
Full-Time	1,075	1,096	1,096	0	1,096
Part-Time	406	356	356	0	356
Seasonal	0	0	0	0	0
Total	1,481	1,452	1,452	0	1,452
Payroll	50,125,400	64,521,700	63,899,500	0	63,899,500
Operational	18,605,000	21,461,600	22,123,800	0	22,123,800
Total	\$68,730,400	\$85,983,300	\$86,023,300	\$0	\$86,023,300
State	0	0	0	0	0
Federal	50,007,300	64,727,800	51,619,900	0	51,619,900
Other	18,723,100	21,255,500	34,403,400	0	34,403,400

Standard: Exceed by 5% the federal standard payment of 87% on an intrastate initial claim for benefits within 14 days of the first payable week.

Measure: Percent of intrastate initial claims paid within 14 days.

93%	94%	94%	0	94%
-----	-----	-----	---	-----

Standard: Exceed by 10% the federal standard of 60% of all appeals to the appeals tribunal be heard and determined within 30 days from the date the appeal is filed.

Measure: Percent of appeals heard and determined within 30 days.

92%	70%	70%	0	70%
-----	-----	-----	---	-----

Standard: Exceed the negotiated standard for Wagner-Peyser entered employment rate.

Measure: Entered employment rate for Job Service participants.

64%	67%	68%	0	68%
-----	-----	-----	---	-----

337.00 Total Labor and Workforce Development

Full-Time	1,589	1,633	1,633	0	1,633
Part-Time	436	386	386	0	386
Seasonal	0	0	0	0	0
Total	2,025	2,019	2,019	0	2,019
Payroll	81,192,900	99,826,800	99,886,600	0	99,886,600
Operational	110,594,500	133,891,900	127,595,100	0	127,595,100
Total	\$191,787,400	\$233,718,700	\$227,481,700	\$0	\$227,481,700
State	34,288,800	45,642,600	43,123,600	0	43,123,600
Federal	129,744,900	158,198,500	145,096,200	0	145,096,200
Other	27,753,700	29,877,600	39,261,900	0	39,261,900

Transportation, Business, and Economic Development

Table of Contents

Introduction	B-337
Total Personnel and Funding.....	B-339
Improvements for Fiscal Year 2008-2009.....	B-340
Program Statements.....	B-343
Tennessee Housing Development Agency	B-343
Department of Agriculture.....	B-344
Department of Tourist Development	B-351
Department of Economic and Community Development.....	B-353
Department of Transportation.....	B-362

Transportation, Business, and Economic Development

Recommended Budget, Fiscal Year 2008 – 2009

The Transportation, Business, and Economic Development functional group is a diverse collection of agencies responsible for the development of economic activity in Tennessee. This group consists of the following agencies and departments:

- Tennessee Housing Development Agency
- Department of Agriculture
- Department of Tourist Development
- Department of Economic and Community Development
- Department of Transportation.

The common goal among these agencies is the development and promotion of economic activity and improvement of the livelihood of all Tennesseans. This is accomplished through various programs and activities, including creating an environment conducive to the operation of business and industry and the construction and maintenance of sound public infrastructure.

In addition to the above general activities, this functional group also concentrates on promotion of job growth through development of industrial infrastructure and job training investments; regulation and maintenance of the state agricultural and forest industries; and marketing of the state as a vacation destination.

The Housing Development Agency helps low- and moderate-income Tennesseans secure affordable housing.

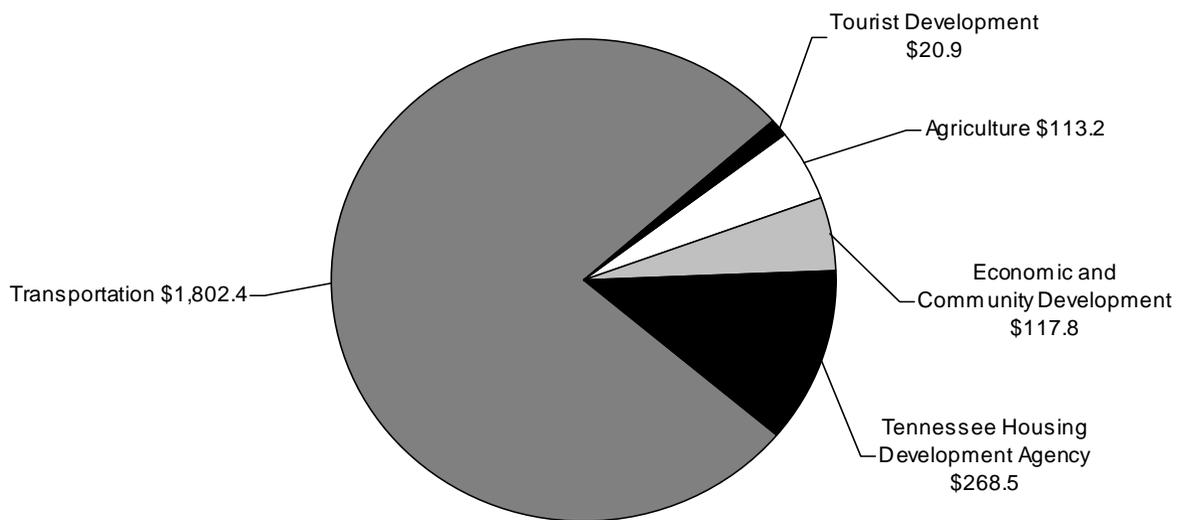
Improvements and Program Statements

The following section includes: (1) a table on personnel and funding for all agencies in this functional area of state government; (2) a statement of recommended improvements for the ensuing fiscal year; (3) departmental program statements, indicating recommended funding and staffing for the ensuing year, compared with actual amounts for the last year and the amounts budgeted for the current year; and (4) program performance measures.

The following graph depicts the manner in which funds are divided among the departments within this functional group. Funding mixes within each department may

vary. Some are exclusively state funded, while others represent state, federal, and other funding.

Transportation, Business and Economic Development FY 2008 - 2009 Recommended



In Millions

\$2,322,871,000 Total

Transportation, Business, and Economic Development Total Personnel and Funding

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Recommended 2008-2009</u>
Personnel			
Full Time	6,174	6,205	6,217
Part Time	14	6	6
Seasonal	225	225	225
TOTAL	6,413	6,436	6,448
Expenditures			
Payroll	\$285,794,100	\$330,878,500	\$343,995,300
Operational	1,590,968,700	1,978,197,800	1,978,875,700
TOTAL	\$1,876,762,800	\$2,309,076,300	\$2,322,871,000
Funding			
State	\$922,201,900	\$1,053,219,000	\$1,066,549,900
Federal	879,304,600	1,167,106,300	1,165,935,700
Other	75,256,300	88,751,000	90,385,400

Transportation, Business and Economic Development Improvements for Fiscal Year 2008-2009

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Tennessee Housing Development Agency					
• Rental Assistance					
To provide federal funds for one rental assistance specialist to handle more than 150 additional housing vouchers that will be transferred to THDA from the Pulaski Housing Authority and from a HUD project-based property in the Lewisburg area.					
316.20 Tennessee Housing Development Agency	\$0	\$53,600	\$0	\$53,600	1
Sub-total	\$0	\$53,600	\$0	\$53,600	1
• Quality Review					
To provide funds for one auditor position to enhance the independent quality review functions in the contract administration and rental assistance programs. THDA is under a performance-based contract with the U.S. Department of Housing and Urban Development which requires various activities within the single and multi-family Section 8 housing programs. This position will provide on-going review of all Section 8 contracts to ensure compliance and to avoid audit findings and incentive-based revenue losses.					
316.20 Tennessee Housing Development Agency	\$0	\$0	\$57,200	\$57,200	1
Sub-total	\$0	\$0	\$57,200	\$57,200	1
• Call Center					
To provide funds for three positions to establish a call center within THDA. The call center operators will handle frequent and basic customer service issues, thus freeing program staff to focus on more specialized, technical problems.					
316.20 Tennessee Housing Development Agency	\$0	\$0	\$184,400	\$184,400	3
Sub-total	\$0	\$0	\$184,400	\$184,400	3
Total Tennessee Housing Development Agency	\$0	\$53,600	\$241,600	\$295,200	5

Agriculture

• Soil Conservation - Agricultural Resources Conservation Fund

To provide recurring funds for soil conservation to the Agricultural Resources Conservation Fund. This appropriation is from an additional \$12 million allocation of the real estate transfer tax. This, along with the \$18 million base budget allocation, will provide a total allocation from the tax of \$30 million for the four land acquisition and soil conservation programs in fiscal year 2008-2009. The improvement for each program is a pro-rata share of the 8 cents stated in law. The Agricultural Resources Conservation Fund receives a 1.5-cent share of the 8 cents.

325.08 Agricultural Resources Conservation Fund	\$2,250,000	\$0	\$0	\$2,250,000	0
Sub-total	\$2,250,000	\$0	\$0	\$2,250,000	0

Transportation, Business and Economic Development Improvements for Fiscal Year 2008-2009

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Fire-Fighting Communications Equipment - Year 2					
To provide non-recurring funds for the second of three phases to upgrade the department's fire-fighting communications equipment. Phase 2 includes replacing 16 digital repeater systems and 13 outdated microwave antennae. Major antennae tower improvements will be made on antennae in three eastern forestry districts.					
325.10 Forestry Operations	\$4,822,000	\$0	\$0	\$4,822,000	0
Sub-total	\$4,822,000	\$0	\$0	\$4,822,000	0
Total Agriculture	\$7,072,000	\$0	\$0	\$7,072,000	0

Tourist Development

• Advertising					
To provide non-recurring funds for the continuation of Tennessee's advertising campaign. The campaign will continue to target markets with the highest potential for increasing tourism to the state. These funds also will provide additional marketing support to rural and small communities for various heritage, cultural, and other outdoor recreational activities.					
326.01 Administration and Marketing	\$4,750,000	\$0	\$0	\$4,750,000	0
Sub-total	\$4,750,000	\$0	\$0	\$4,750,000	0
• Welcome Centers					
To fund three welcome center assistant positions and one welcome center regional manager position because of the traffic increase and to provide non-recurring funding of \$24,000 for temporary lease space during the renovation of the Jellico welcome center on Interstate 75. Other funding is interdepartmental revenue from the Department of Transportation.					
326.03 Welcome Centers	\$0	\$0	\$143,800	\$143,800	4
Sub-total	\$0	\$0	\$143,800	\$143,800	4
Total Tourist Development	\$4,750,000	\$0	\$143,800	\$4,893,800	4

Economic and Community Development

• Jobs Package					
To continue the state's investment in creating new opportunities for Tennessee's workforce in the 21st century economy and to support the growth and retention of the state's base of traditional jobs. Non-recurring funds of \$25.3 million are provided for FastTrack infrastructure projects and job training. A non-recurring appropriation of \$4 million is provided for business recruitment and retention activities that do not fall under FastTrack funding criteria.					
330.02 Business Development	\$4,000,000	\$0	\$0	\$4,000,000	0
330.06 FastTrack Infrastructure and Job Training Assistance	\$25,300,000	\$0	\$0	\$25,300,000	0
Sub-total	\$29,300,000	\$0	\$0	\$29,300,000	0

**Transportation, Business and Economic Development
Improvements for Fiscal Year 2008-2009**

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Rural Opportunity Fund					
To provide a non-recurring grant to the Southeast Community Capital Corp. for the Rural Opportunity Fund. The Tennessee Rural Opportunity Fund is a public-private partnership implementing a small-business loan program targeted to small, minority, and women-owned rural businesses that are unable to access traditional loan capital. The fund will leverage state dollars to create a permanent revolving loan reserve. Additionally, rural businesses will receive technical assistance to strengthen their businesses and facilitate migration to traditional bank loan programs, freeing existing loan dollars for additional emerging rural businesses.					
330.02 Business Development	\$1,250,000	\$0	\$0	\$1,250,000	0
Sub-total	\$1,250,000	\$0	\$0	\$1,250,000	0
Total Economic and Community Development	\$30,550,000	\$0	\$0	\$30,550,000	0
Total Transportation, Business and Economic Development	\$42,372,000	\$53,600	\$385,400	\$42,811,000	9

Tennessee Housing Development Agency

The Tennessee Housing Development Agency (THDA) provides opportunities for decent, affordable housing to low- and moderate-income Tennesseans. THDA was created in response to a need for housing initiatives in rural areas, but it also performs activities in the major urban centers. The agency is authorized to sell tax-exempt revenue notes and bonds to provide funds for making below-market interest rate mortgage loans. Through the U.S. Department of Housing and Urban Development's Section 8 program, THDA provides rental subsidies to assist renters in need and administers project-based contracts. THDA also administers the HOME program, a federally funded grant program that assists local housing providers in implementing affordable housing plans.

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 comprised of state officials and gubernatorial and legislative appointees that are active and knowledgeable in their respective industries.

<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

316.20 Tennessee Housing Development Agency

Full-Time	200	200	200	5	205
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	200	200	200	5	205
Payroll	11,938,200	13,295,600	13,295,600	261,700	13,557,300
Operational	167,179,800	257,569,300	254,937,600	33,500	254,971,100
Total	\$179,118,000	\$270,864,900	\$268,233,200	\$295,200	\$268,528,400
State	1,000,000	3,000,000	350,000	0	350,000
Federal	171,441,800	251,085,700	250,358,800	53,600	250,412,400
Other	6,676,200	16,779,200	17,524,400	241,600	17,766,000

Standard: Obligate 100% of the available HOME funds.

Measure: Percent of HOME funds obligated.

100%	100%	100%	0	100%
------	------	------	---	------

Standard: Utilize fully the number of vouchers allocated by U.S. Department of Housing and Urban Development (HUD) to provide rental assistance to low income families.

Measure: Percent of vouchers allocated by HUD that are being fully utilized to provide affordable rental housing.

100%	100%	100%	0	100%
------	------	------	---	------

Department of Agriculture

Performance-Based Budget

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 our natural resources. The department's mission is performed within the following four major areas: administration and grants, market development, regulatory services, and forestry.

<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Administration and Grants

The Administration and Grants program coordinates various duties including policy and strategic planning, budgeting, personnel administration, legal, and information services.

Through cooperation with the National Agricultural Statistics Service, this division collects, analyzes, and publishes reliable data for producers and decision makers in agriculture. In addition, the staff monitors grant-based programs in the areas of soil conservation and water quality, pesticide pollution and abatement, commodity distribution assistance to eligible recipients, forestry incentives, and volunteer fire department assistance. The division administers several programs to help reduce soil erosion on Tennessee farms and forestlands and to improve water quality.

Administration and Grants also provides staff support and data management services for the Tennessee Tobacco Farmers Certifying Board. The board is responsible for certifying tobacco farmers eligible to receive a share of the Phase II National Tobacco Growers Settlement Trust.

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, and agricultural statistics services. This program carries out the Non-Point Clean Water Act services delegated through the Environmental Protection Agency (EPA). This program also distributes commodities under the guidance of various federal laws.

Full-Time	79	79	79	0	79
Part-Time	0	0	0	0	0
Seasonal	1	1	1	0	1
Total	80	80	80	0	80
Payroll	5,078,300	5,435,200	5,435,200	0	5,435,200
Operational	9,866,100	9,498,900	9,365,500	0	9,365,500
Total	\$14,944,400	\$14,934,100	\$14,800,700	\$0	\$14,800,700
State	9,085,500	9,852,600	9,713,400	0	9,713,400
Federal	5,388,000	4,635,200	4,706,900	0	4,706,900
Other	470,900	446,300	380,400	0	380,400

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Standard: Improve water quality in Tennessee with federal funds made available by the U.S. Environmental Protection Agency (EPA) and approved in the 319 Management Program Document.

Measure: Number of Best Management Practices (BMPs) installed within watersheds where the water quality is threatened by non-point pollution in the 2004 303(d) list published by the Department of Environment and Conservation.

	14	300	45	0	45
--	----	-----	----	---	----

Standard: Improve water quality in Tennessee with federal funds made available by the EPA and approved in the 319 Management Program Document.

Measure: Number of Best Management Practices (BMPs) installed within watersheds identified as impaired by non-point pollution in the 2004 303(d) list published by the Department of Environment and Conservation.

	328	400	350	0	350
--	-----	-----	-----	---	-----

325.08 Agricultural Resources Conservation Fund

The Agricultural Resources Conservation Fund provides grants to landowners, producers, and managers for the installation of best-management practices aimed at solving water quality problems associated with agricultural operations. Funds also support a variety of educational programs.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	6,289,400	5,625,000	3,375,000	2,250,000	5,625,000
Total	\$6,289,400	\$5,625,000	\$3,375,000	\$2,250,000	\$5,625,000
State	4,344,200	5,625,000	3,375,000	2,250,000	5,625,000
Federal	0	0	0	0	0
Other	1,945,200	0	0	0	0

325.12 Grain Indemnity Fund

Monies from the Grain Indemnity Fund are used to protect commodity producers in the event of the financial failure of a commodity dealer or warehouseman and to compensate producers for losses occasioned by the failure of a commodity dealer or warehouseman. Per-bushel assessment fees on grain producers cover the cost of the program. When the fund balance exceeds \$3 million, producer assessments are suspended, as provided by law. Revenues in the program are interest earnings on the fund balance.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	124,900	126,700	126,700	0	126,700
Total	\$124,900	\$126,700	\$126,700	\$0	\$126,700

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	124,900	126,700	126,700	0	126,700

Standard: Reimburse administrative costs.

Measure: Percent of administrative costs recovered.

100%	100%	100%	0	100%
------	------	------	---	------

325.14 Certified Cotton Growers' Organization Fund

Monies from the Certified Cotton Grower's 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 which cotton growers levy upon themselves. A separate general fund appropriation to support the eradication is provided in the Administration and Grants allotment.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	3,998,200	6,540,000	6,540,000	0	6,540,000
Total	\$3,998,200	\$6,540,000	\$6,540,000	\$0	\$6,540,000
State	3,848,000	6,540,000	6,540,000	0	6,540,000
Federal	0	0	0	0	0
Other	150,200	0	0	0	0

Standard: Eradicate boll weevils.

Measure: Percent of Tennessee cotton fields that are boll weevil free.

90%	98%	98%	0	98%
-----	-----	-----	---	-----

Market Development

325.06 Market Development

The Market Development Division works to maximize economic opportunities for Tennessee agriculture through innovative marketing programs and promotional services. The division works to develop domestic and foreign markets for Tennessee agricultural and forest products and to attract agriculture and forest industry to the state. Marketing efforts promote a variety of products, including horticultural material, livestock, fruits and vegetables, value-added products, aquaculture, Tennessee wines, and other products. Grants promote market development initiatives and non-profit agricultural fairs and livestock shows throughout the state.

Full-Time	29	37	37	0	37
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
Total	31	39	39	0	39

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
Payroll	1,606,900	2,196,700	2,196,700	0	2,196,700
Operational	4,807,700	25,725,800	24,994,500	0	24,994,500
Total	\$6,414,600	\$27,922,500	\$27,191,200	\$0	\$27,191,200
State	5,999,700	27,466,200	26,958,200	0	26,958,200
Federal	108,100	321,300	98,000	0	98,000
Other	306,800	135,000	135,000	0	135,000

Standard: Increase investments in Tennessee's agri-economy.

Measure: Amount of agri-industry investments facilitated by division's activities.

	\$66,033,000	\$28,246,050	\$29,517,125	0	\$29,517,125
--	--------------	--------------	--------------	---	--------------

Standard: Positively impact local and regional economies through participation in agricultural fairs.

Measure: Increase annual cash receipts from agricultural fairs.

	\$11,863,925	\$13,796,186	\$14,072,109	0	\$14,072,109
--	--------------	--------------	--------------	---	--------------

Regulatory Services

The Regulatory Services Division is dedicated to the two main objectives of agricultural production quality and consumer protection. Responsibilities of the division include sampling the quality of feeds, seeds, and fertilizers; protecting animal and plant health; registering pesticides; ensuring food safety; and inspecting processing establishments. A state-of-the-art laboratory supports regulatory efforts.

325.05 Regulatory Services

Regulatory Services monitors agricultural raw materials, products, and services to assure quality, consumer protection, public safety, a fair market place, and a safe and wholesome food supply. Statutes direct responsibility for the registration, licensing, sampling, inspection of items pertaining to human and animal health safety, consumer protection, truth in labeling, and free movement of plants and animals.

Full-Time	223	232	232	0	232
Part-Time	9	1	1	0	1
Seasonal	3	3	3	0	3
Total	235	236	236	0	236
Payroll	12,337,100	13,391,000	13,391,000	0	13,391,000
Operational	5,458,000	7,173,300	7,164,500	0	7,164,500
Total	\$17,795,100	\$20,564,300	\$20,555,500	\$0	\$20,555,500
State	10,759,100	13,857,300	13,842,300	0	13,842,300
Federal	1,666,900	1,297,400	1,297,400	0	1,297,400
Other	5,369,100	5,409,600	5,415,800	0	5,415,800

Standard: Ensure routine food establishment inspections meet audit compliance standards.

Measure: Consistency of food inspections indicated by comparison of audit inspections meeting goal.

	80%	82%	83%	0	83%
--	-----	-----	-----	---	-----

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
Standard: Ensure all producers pass state/federal milk-rating audits.					
Measure: Number of units not passing compliance audits of Tennessee milk supply determined by state and federal auditors.	0	0	0	0	0
Standard: Ensure weight and measure devices weigh accurately.					
Measure: Percent of weighing and measuring devices passing accuracy tests.	97%	97%	97%	0	97%
Standard: Ensure commodity lots inspected are accurately weighed.					
Measure: Compliance percent of commodity lots inspected for correct net contents.	90%	90%	90%	0	90%
Standard: Ensure commodities inspected are accurately priced.					
Measure: Compliance percent of commodities verified for accurate pricing.	96%	96%	96%	0	96%
Standard: Ensure kerosene and motor fuel samples collected and tested meet standards.					
Measure: Compliance percent of motor fuels and kerosene samples collected and tested.	98%	97%	97%	0	97%
Standard: Ensure all livestock disease programs meet US Department of Agriculture (USDA) standards.					
Measure: Number of animal disease programs that do not meet the minimum requirements of disease status recognized by USDA.	0	0	0	0	0
Standard: Complete pesticide complaint investigations on target.					
Measure: Percent of pesticide-related consumer complaint investigations completed within the established guideline of 90 days.	88%	90%	90%	0	90%
Standard: Increase Worker Protection Standard Inspection compliance.					
Measure: Percent compliance of Worker Protection Standard Inspections.	96%	78%	80%	0	80%
Standard: Decrease rejection of plant materials exported from Tennessee.					
Measure: Number of plant material lots rejected by other states/countries originating in Tennessee.	12	20	15	0	15
Standard: Prevent uninspected plant materials and other regulated articles from import into Tennessee.					
Measure: Number of plant material lots and regulated article lots rejected by Tennessee originating from other states/countries.	6	28	8	0	8

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

325.16 Agricultural Regulatory Fund

The Agricultural Regulatory Fund provides funding to the divisions of Administration and Grants and Regulatory Services to help defray the costs of administering regulatory programs. The funds are used for permitting, monitoring, investigating, enforcing, and administering such areas as pesticide product registration, pesticide dealer licenses and fees, plant certification fees, plant and soil testing fees, and pathology. Licensing and product registrations and civil penalties are deposited into the fund.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	3,148,800	2,474,400	2,474,400	0	2,474,400
Total	\$3,148,800	\$2,474,400	\$2,474,400	\$0	\$2,474,400
State	2,222,400	2,354,400	2,354,400	0	2,354,400
Federal	0	0	0	0	0
Other	926,400	120,000	120,000	0	120,000

Standard: Maximize work plan expenditures funded with Agricultural Regulatory Fund dollars.

Measure: Percent of work plan estimated expenditures transferred at year-end.

100%	98%	100%	0	100%
------	-----	------	---	------

Forestry

The Forestry Division 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 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	330	334	334	0	334
Part-Time	3	3	3	0	3
Seasonal	221	221	221	0	221
Total	554	558	558	0	558
Payroll	17,114,900	18,645,500	18,645,500	0	18,645,500
Operational	9,893,800	17,241,900	12,267,800	4,822,000	17,089,800
Total	\$27,008,700	\$35,887,400	\$30,913,300	\$4,822,000	\$35,735,300
State	18,229,800	28,231,100	24,451,000	4,822,000	29,273,000
Federal	5,054,900	5,038,600	3,786,600	0	3,786,600
Other	3,724,000	2,617,700	2,675,700	0	2,675,700

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Standard: Ensure forest sustainability through the continual accumulation of data on the condition of Tennessee's forest resources.

Measure: Percent of forest inventory and analysis plots re-measured.

	20%	20%	20%	0	20%
--	-----	-----	-----	---	-----

Standard: Reduce annual losses of forest resources and other assets due to wildfire.

Measure: Number of wildland fires suppressed.

	2,613	2,000	2,000	0	2,000
--	-------	-------	-------	---	-------

Standard: Reduce annual losses of forest resources and other assets due to wildfire.

Measure: Average size of fires, in acres.

	12.9	10	10	0	10
--	------	----	----	---	----

325.11 Forestry Maintenance

The Forestry Maintenance program provides funds for maintenance of the Division of Forestry facilities and communications equipment.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	147,300	158,500	158,500	0	158,500
Total	\$147,300	\$158,500	\$158,500	\$0	\$158,500
State	147,300	158,500	158,500	0	158,500
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Utilize available funds for needed maintenance.

Measure: Percent of available funding used for facilities and communications maintenance.

	91%	100%	100%	0	100%
--	-----	------	------	---	------

325.00 Total Agriculture

Full-Time	661	682	682	0	682
Part-Time	14	6	6	0	6
Seasonal	225	225	225	0	225
Total	900	913	913	0	913
Payroll	36,137,200	39,668,400	39,668,400	0	39,668,400
Operational	43,734,200	74,564,500	66,466,900	7,072,000	73,538,900
Total	\$79,871,400	\$114,232,900	\$106,135,300	\$7,072,000	\$113,207,300
State	54,636,000	94,085,100	87,392,800	7,072,000	94,464,800
Federal	12,217,900	11,292,500	9,888,900	0	9,888,900
Other	13,017,500	8,855,300	8,853,600	0	8,853,600

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, positive impression of Tennessee. The department is organized into two divisions: Administration and Marketing and Welcome Centers.

<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

326.01 Administration and Marketing

The Administration and Marketing Division is responsible for planning, managing, and implementing marketing programs that increase the economic impact of tourism on the state's economy. The marketing activities are designed to enhance Tennessee's image as a primary tourist destination. These activities include creating, producing, and placing broadcast and print media campaigns; developing direct sales programs that target group tour companies, travel agents, and international tour operators; promoting Tennessee to the media and national travel press by writing and distributing camera-ready travel articles and sponsoring travel writer press trips to Tennessee locations; developing promotional brochures and travel literature for distribution to customers; collecting travel data and developing marketing research information; developing rural and heritage tourism promotional opportunities by directly working with local communities; and providing cooperative advertising, marketing, and promotional opportunities to businesses in the travel industry. This division also is responsible for the overall administration of the department, including financial, information system, and support services.

Full-Time	28	29	29	0	29
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	28	29	29	0	29
Payroll	1,908,600	2,096,500	2,107,700	0	2,107,700
Operational	9,698,500	11,222,400	6,466,200	4,750,000	11,216,200
Total	\$11,607,100	\$13,318,900	\$8,573,900	\$4,750,000	\$13,323,900
State	11,244,100	12,271,700	7,526,700	4,750,000	12,276,700
Federal	0	0	0	0	0
Other	363,000	1,047,200	1,047,200	0	1,047,200

Standard: Increase travel generated sales.

Measure: Annual gross sales for travel-related businesses in Tennessee, as based on actual Department of Revenue data reporting the economic impact trends on Tennessee's economy.

\$7,005,636,000	\$7,121,601,000	\$6,512,868,000	\$519,365,000	\$7,032,233,000
-----------------	-----------------	-----------------	---------------	-----------------

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

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 13 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 who stop at the centers each year.

Full-Time	128	128	128	4	132
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	128	128	128	4	132
Payroll	4,238,500	4,812,600	4,812,600	119,800	4,932,400
Operational	1,057,500	2,650,800	2,664,300	24,000	2,688,300
Total	\$5,296,000	\$7,463,400	\$7,476,900	\$143,800	\$7,620,700
State	0	1,500,000	1,500,000	0	1,500,000
Federal	0	0	0	0	0
Other	5,296,000	5,963,400	5,976,900	143,800	6,120,700

Standard: Encourage travelers to extend their stay in Tennessee by providing free reservation service.

Measure: Number of reservations made for travelers.

	18,623	15,000	15,300	300	15,600
--	--------	--------	--------	-----	--------

326.00 Total Tourist Development

Full-Time	156	157	157	4	161
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	156	157	157	4	161
Payroll	6,147,100	6,909,100	6,920,300	119,800	7,040,100
Operational	10,756,000	13,873,200	9,130,500	4,774,000	13,904,500
Total	\$16,903,100	\$20,782,300	\$16,050,800	\$4,893,800	\$20,944,600
State	11,244,100	13,771,700	9,026,700	4,750,000	13,776,700
Federal	0	0	0	0	0
Other	5,659,000	7,010,600	7,024,100	143,800	7,167,900

Department of Economic and Community Development

Performance-Based Budget

The Department of Economic and Community Development encourages new job creation and better job opportunities throughout the state in an effort to improve the economic growth within the state. The philosophy of the Department of Economic and Community Development is to invest in Tennessee's greatest resources – the state's communities and people – through assistance in community-based infrastructure and training investments. The department's top priorities are to prepare local communities for economic development opportunities, train Tennessee's workers, recruit new industries, and assist existing firms. The department's programs are presented in five groupings: administrative services, business development and services, job training, job skills, and energy assistance.

The Tennessee Film, Entertainment, and Music Commission is administratively attached to the department. The commission attracts television, commercial, movie, and video projects to Tennessee and promotes the use of Tennessee locations and artists in those productions.

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Administrative Services

330.01 Administrative Services

Administrative Services provides research, advertising, communications, and various administrative services, including fiscal and personnel. The industrial research section provides statistical data in support of other divisions and services to existing industries. Specific services include maintaining a database of manufacturing companies in the state, conducting prospect feasibility studies, and preparing business cost comparisons. The advertising and communications office serves the public affairs needs of each division, coordinates advertising needs, and produces informational publications. The Tennessee Technology Development Corporation promotes in-state technology development and the recruitment of high-technology industries. This allotment also provides funds for staff of the Film, Entertainment, and Music Commission.

Full-Time	60	60	60	0	60
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	60	60	60	0	60
Payroll	3,689,400	4,410,000	4,410,000	0	4,410,000
Operational	3,063,700	2,410,200	2,246,900	0	2,246,900
Total	\$6,753,100	\$6,820,200	\$6,656,900	\$0	\$6,656,900
State	5,679,400	6,236,900	6,113,600	0	6,113,600
Federal	190,700	135,500	135,500	0	135,500
Other	883,000	447,800	407,800	0	407,800

Standard: Process invoices within 30 days of receipt to ensure compliance with state policy.

Measure: Percent of invoices processed within 30 days of receipt.

99%	95%	99%	0	99%
-----	-----	-----	---	-----

<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Standard: In order to reduce downtime caused by technology issues, respond to IT trouble calls within two hours.

Measure: Percent of trouble calls responded to within two hours.

100%	100%	100%	0	100%
------	------	------	---	------

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 and retention responsibilities require the staff to be in contact with clients statewide, nationally, and internationally. This also includes close contact with regional industrial development agencies, regulatory boards, utilities districts, professional associations, local officials, and local chambers of commerce. Business Development also promotes the development of jobs through small, minority, and women-owned businesses.

Full-Time	36	37	37	0	37
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	36	37	37	0	37
Payroll	2,350,200	2,733,600	2,733,600	0	2,733,600
Operational	2,217,500	10,653,000	1,814,600	5,250,000	7,064,600
Total	\$4,567,700	\$13,386,600	\$4,548,200	\$5,250,000	\$9,798,200
State	3,948,700	12,706,100	4,457,700	5,250,000	9,707,700
Federal	0	0	0	0	0
Other	619,000	680,500	90,500	0	90,500

Standard: Attract and recruit new investments and new jobs through the recruitment of new business and industry to the state.

Measure: Percent of new business and industry projects worked that located in the state.

26%	20%	21%	5%	26%
-----	-----	-----	----	-----

Standard: Attract and recruit new investments and new jobs by assisting existing business and industry expand in the state.

Measure: Percent of existing business and industry projects worked that expanded in the state.

49%	40%	41%	7%	48%
-----	-----	-----	----	-----

Standard: Assist in the creation of new jobs through the recruitment of new and existing industry to locate and expand in the state.

Measure: Number of jobs created as a result of recruitment and expansion projects.

12,321	12,000	12,500	5,500	18,000
--------	--------	--------	-------	--------

Standard: Promote new investment in the state through the recruitment of new and existing industry to locate and expand in the state.

Measure: Private capital investment leveraged as a result of recruitment and expansion projects.

\$1,661,950,486	\$1,500,000,000	\$1,600,000,000	\$400,000,000	\$2,000,000,000
-----------------	-----------------	-----------------	---------------	-----------------

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

330.05 Business Services

The Business Services Division, administered by the Business Development Division, provides loans and grants to small, rural, minority, and women-owned businesses in order to expand their economic opportunities and to help them succeed and grow in the State of Tennessee. The Business Enterprise Resource Office (BERO), within Business Development, also provides these businesses access to capital through the management of a micro-loan program.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	220,100	1,927,500	1,927,500	0	1,927,500
Total	\$220,100	\$1,927,500	\$1,927,500	\$0	\$1,927,500
State	216,100	302,500	302,500	0	302,500
Federal	4,000	125,000	125,000	0	125,000
Other	0	1,500,000	1,500,000	0	1,500,000

Standard: In order to expand growth opportunities for minority, women-owned, rural, and small businesses, the Business Enterprise Resource Office (BERO) will provide micro loans of up to \$5,000.

Measure: Number of loans provided to minority, women-owned, rural, and small businesses.

1	20	19	0	19
---	----	----	---	----

Job Training and Job Skills

330.13 Tennessee Job Skills Program

The Tennessee Job Skills Program is a workforce development incentive program that provides training grants to employers in order to increase employment opportunities and to meet the needs of existing and new industries. The grants are intended to create and retain high-skill, high-wage jobs in high-technology, emerging occupations, and skilled manufacturing jobs. Emphasis is placed on supporting retention and expansion efforts of existing employers.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	13,600	9,285,200	9,285,200	0	9,285,200
Total	\$13,600	\$9,285,200	\$9,285,200	\$0	\$9,285,200
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	13,600	9,285,200	9,285,200	0	9,285,200

Standard: Assist in the creation and retention of jobs through the provision of training assistance.

Measure: Number of jobs created or upgraded.

200	30	50	0	50
-----	----	----	---	----

<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Standard: Through the provision of training assistance, elevate the skills of Tennessee workers and enhance employment opportunities.

Measure: Number of trainees.

107	30	50	0	50
-----	----	----	---	----

Community Development

The Community Development division works with communities to ensure they develop and maintain the leadership, organizations, and community facilities essential for economic growth. The FastTrack Infrastructure Development Program assists communities with economic growth by providing grants for infrastructure improvements, industrial site preparation, and industrial training. Infrastructure improvements include projects such as water, wastewater, and rail improvements. Industrial site preparation includes grading, leveling, and drainage projects. Other primary activities include administering federal Community Development Block Grants, Appalachian Regional Commission grants, and Delta Regional Authority grants; administering the Three Star community economic preparedness program; and providing local planning services to Tennessee cities and counties.

330.04 Regional Grants Management

Regional Grants Management, administered by the Community Development Division, provides professional project administration and technical assistance to all communities in the State of Tennessee. Included in Regional Grants Management are several federal grant programs. The Community Development Block Grant program targets areas of economic distress and stimulates the growth of jobs and income in these areas through the provision of grants to local governments for water and sewer infrastructure, industrial location projects, housing rehabilitation, and community livability projects. The division also administers Appalachian Regional Commission and Delta Regional Authority grants and coordinates the use of private activity bonds.

Full-Time	27	26	26	0	26
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	27	26	26	0	26
Payroll	1,358,300	1,719,600	1,719,600	0	1,719,600
Operational	24,905,500	28,736,700	27,565,600	0	27,565,600
Total	\$26,263,800	\$30,456,300	\$29,285,200	\$0	\$29,285,200
State	805,600	2,186,800	1,187,200	0	1,187,200
Federal	25,354,100	27,896,900	27,721,900	0	27,721,900
Other	104,100	372,600	376,100	0	376,100

Standard: In the Community Development Block Grants (CDBG) projects completed, at least 51% of those served will be persons of low to moderate income.

Measure: Percent of low to moderate income persons served.

72%	51%	55%	0	55%
-----	-----	-----	---	-----

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Standard: Within the CDBG program, target areas of economic distress.

Measure: Percent of CDBG projects awarded in distressed areas.

	31%	35%	35%	0	35%
--	-----	-----	-----	---	-----

330.15 Economic Development District Grants

The Development District Act of 1965 established nine development districts in order to provide the most effective and efficient means for cities and counties to conduct regional planning and economic development. The districts prepare and maintain long-range plans and policies for regional development, including transportation, water and wastewater infrastructure, water and air quality, solid waste management, and open space and recreation planning. This allotment provides funds for state grants to the development districts. Local government contributions are required to receive funding.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	1,080,000	1,350,100	1,350,100	0	1,350,100
Total	\$1,080,000	\$1,350,100	\$1,350,100	\$0	\$1,350,100
State	1,080,000	1,350,100	1,350,100	0	1,350,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Provide for the distribution of funds to development districts as directed by statute, depending on local government contributions.

Measure: Number of grants processed.

	9	9	9	0	9
--	---	---	---	---	---

330.06 FastTrack Infrastructure and Job Training Assistance

The FastTrack Infrastructure Development and Job Training Assistance Program provides industrial water, wastewater, and transportation infrastructure grants to local governments and businesses for job creation and retention. Additionally, the program provides training grants when there is a commitment by an eligible business for the creation or retention of private sector jobs or when there is a direct impact on employment and investment opportunities in the future. Training includes classroom and on-the-job instruction for both pre- and post-employment needs.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	28,918,200	63,995,400	15,923,900	25,300,000	41,223,900
Total	\$28,918,200	\$63,995,400	\$15,923,900	\$25,300,000	\$41,223,900

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
State	25,148,400	62,670,000	15,595,000	25,300,000	40,895,000
Federal	0	0	0	0	0
Other	3,769,800	1,325,400	328,900	0	328,900

Standard: Assist in the creation of jobs through the provision of infrastructure development assistance.

Measure: Number of jobs to be created as a result of infrastructure development assistance.

	6,894	5,000	3,666	2,334	6,000
--	-------	-------	-------	-------	-------

Standard: Promote new investment in the state through the provision of infrastructure development assistance.

Measure: Private capital investment leveraged as a result of infrastructure development assistance.

	\$1,193,696,558	\$700,000,000	\$650,000,000	\$250,000,000	\$900,000,000
--	-----------------	---------------	---------------	---------------	---------------

330.17 Film and Television Incentive Fund

The Film and Television Incentive Fund, established by a 2006 law, provides incentive grants that encourage the production of films, movies, television pilots, or shows in Tennessee. To be eligible, such productions must meet criteria established by the Tennessee Film, Entertainment, and Music Commission.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	0	10,048,600	48,600	0	48,600
Total	\$0	\$10,048,600	\$48,600	\$0	\$48,600
State	0	10,000,000	0	0	0
Federal	0	0	0	0	0
Other	0	48,600	48,600	0	48,600

Standard: Provide incentive grants to production companies to encourage production of films, movies, television pilots or shows in the state of Tennessee.

Measure: Number of films, movies, television pilots or shows produced.

	0	10	10	0	10
--	---	----	----	---	----

330.07 Community Development

The Community Development program provides advice and technical assistance on economic development, local planning, and other services to local governments, chambers of commerce, and other entities. The Three Star community economic preparedness and Main Street programs provide assistance and incentives to promote economic growth through local community development and downtown revitalization. A local planning assistance program, with six regional offices in the state, provides technical assistance to small cities and counties on land-use planning, comprehensive city planning, zoning, subdivision regulation, and related community development activities. Community Development also provides administrative oversight to the Energy Division and department's grants and loans programs.

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
Full-Time	82	91	91	0	91
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	82	91	91	0	91
Payroll	4,511,500	5,758,400	5,758,400	0	5,758,400
Operational	1,827,200	2,802,300	2,396,000	0	2,396,000
Total	\$6,338,700	\$8,560,700	\$8,154,400	\$0	\$8,154,400
State	4,315,100	6,413,800	6,167,500	0	6,167,500
Federal	233,000	224,100	224,100	0	224,100
Other	1,790,600	1,922,800	1,762,800	0	1,762,800

Standard: Through the provision of the Three Star program, provide cities and counties with a strong community development foundation.

Measure: Percent of the 345 Tennessee municipalities certified as a Three Star community.

88%	95%	95%	0	95%
-----	-----	-----	---	-----

Standard: Through the provision of the Main Street program, provide cities with a plan to revitalize downtown districts.

Measure: Number of certified Main Street communities.

21	22	23	0	23
----	----	----	---	----

Standard: In order to ensure the timely provision of assistance, respond to requests for information and advice related to local planning within 24 hours.

Measure: Percent of requests for advice and information responded to within 24 hours.

99%	90%	90%	0	90%
-----	-----	-----	---	-----

Energy Assistance

330.08 Energy Division

The Energy Division promotes efficient and economic use of energy by the public and private sectors. Through grants from the U. S. Department of Energy, the division renders technical and financial assistance to existing businesses, local governments, schools, and hospitals in order to reduce energy costs.

Full-Time	8	8	8	0	8
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	8	8	8	0	8
Payroll	455,200	711,000	711,000	0	711,000
Operational	1,096,700	1,914,400	1,824,700	0	1,824,700
Total	\$1,551,900	\$2,625,400	\$2,535,700	\$0	\$2,535,700
State	26,000	34,800	34,800	0	34,800
Federal	1,525,300	2,500,600	2,500,900	0	2,500,900
Other	600	90,000	0	0	0

<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Standard: Promote energy cost and dollar savings.

Measure: Projected energy costs savings as a result of energy loan programs.

\$818,817	\$1,200,000	\$850,000	0	\$850,000
-----------	-------------	-----------	---	-----------

Standard: Promote energy education in grades K-12 through the promotion and administration of the Tennessee Energy Education Network (TEEN) program.

Measure: Number of students and teachers reached by participating in the TEEN program.

7,815	6,600	7,000	0	7,000
-------	-------	-------	---	-------

330.10 Small Business Energy Loan Program

The Small Business Energy Loan Program is organized as a revolving loan program available to existing small businesses of less than 300 employees or \$3.5 million in annual gross receipts. Eligible and approved applicants can get low interest loans to be used for energy-efficient related projects. The program also focuses on assistance to businesses in identifying ways to improve energy usage and reduce energy costs.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	399,500	2,500,000	2,500,000	0	2,500,000
Total	\$399,500	\$2,500,000	\$2,500,000	\$0	\$2,500,000
State	0	0	0	0	0
Federal	399,500	2,500,000	2,500,000	0	2,500,000
Other	0	0	0	0	0

Standard: Promote energy cost and dollar savings in small business in Tennessee.

Measure: Projected energy costs savings as a result of active Small Business Energy Loans.

\$665,469	\$698,742	\$733,679	0	\$733,679
-----------	-----------	-----------	---	-----------

330.11 Local Government Energy Loan Program

The Local Government Energy Loan Program provides loans to local government facilities for energy efficiency retrofits. This program also provides free energy-savings assessments to identify needed energy efficiency measures.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	0	5,000,000	5,000,000	0	5,000,000
Total	\$0	\$5,000,000	\$5,000,000	\$0	\$5,000,000
State	0	0	0	0	0
Federal	0	5,000,000	5,000,000	0	5,000,000
Other	0	0	0	0	0

<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

Standard: Promote energy cost and dollar savings by city and county government.

Measure: Projected annual energy cost savings as a result of active local government energy efficiency loans.

\$794,516	\$850,000	\$900,000	0	\$900,000
-----------	-----------	-----------	---	-----------

330.00 Total Economic and Community Development

Full-Time	213	222	222	0	222
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	213	222	222	0	222
Payroll	12,364,600	15,332,600	15,332,600	0	15,332,600
Operational	63,742,000	140,623,400	71,883,100	30,550,000	102,433,100
Total	\$76,106,600	\$155,956,000	\$87,215,700	\$30,550,000	\$117,765,700
State	41,219,300	101,901,000	35,208,400	30,550,000	65,758,400
Federal	27,706,600	38,382,100	38,207,400	0	38,207,400
Other	7,180,700	15,672,900	13,799,900	0	13,799,900

Department of Transportation

Performance-Based Budget

The Department of Transportation (TDOT) plans, designs, constructs, and maintains the state's highway network. The department also is responsible for other modes of transportation, such as aeronautics, public transit, railroads, and waterways. The Department of Transportation consists of four major program areas: Headquarters, Bureau of Administration, Bureau of Environment and Planning, and Bureau of Engineering.

<u>Actual</u> <u>2006-2007</u>	<u>Estimated</u> <u>2007-2008</u>	<u>Base</u> <u>2008-2009</u>	<u>Improvement</u> <u>2008-2009</u>	<u>Recommended</u> <u>2008-2009</u>
-----------------------------------	--------------------------------------	---------------------------------	--	--

Headquarters

Headquarters consists of the commissioner's office, departmental administrative staff, and the Aeronautics Division.

401.00 Headquarters

Headquarters' services include the licensing of Tennessee's public-use airports, monitoring of compliance with federal grant assurances, and providing flight services for state government. Community relations, constituent services, civil rights, legal, and internal audit services are included in this program.

Full-Time	115	115	139	0	139
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	115	115	139	0	139
Payroll	6,254,900	7,032,800	8,314,300	0	8,314,300
Operational	6,978,500	9,625,200	9,838,900	0	9,838,900
Reallocated	63,600	(804,000)	(1,200,200)	0	(1,200,200)
Total	\$13,297,000	\$15,854,000	\$16,953,000	\$0	\$16,953,000
State	13,297,000	15,854,000	16,953,000	0	16,953,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: License all 76 public use airports in Tennessee.

Measure: The percent of the 76 public use airports in Tennessee licensed by TDOT.

95%	95%	100%	0	100%
-----	-----	------	---	------

414.00 Insurance Premiums

The Insurance Premiums allotment provides funding for payment of risk management fund premiums for property and liability insurance.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	3,268,200	10,000,000	10,000,000	0	10,000,000
Reallocated	0	0	0	0	0
Total	\$3,268,200	\$10,000,000	\$10,000,000	\$0	\$10,000,000

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
State	3,268,200	10,000,000	10,000,000	0	10,000,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Provide funds for insurance premiums as directed by the Department of Finance and Administration.

Measure: Percent of the actuarial estimate provided for TDOT's insurance premiums each year.

100%	100%	100%	0	100%
------	------	------	---	------

Bureau of Administration

402.00 Bureau of Administration

Bureau of Administration services include management of highway safety grants; administration of overweight and oversized vehicle permits; reproduction of technical drawings, specifications, forms, contracts, and official documents; purchase of alternative fuel vehicles; management of radio licenses; and coordination of radio frequencies for government agencies. Finance, strategic planning, human resources, and information technology services also are provided by this bureau.

Full-Time	282	283	284	0	284
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	282	283	284	0	284
Payroll	15,362,200	17,090,000	17,984,100	0	17,984,100
Operational	16,107,300	24,655,000	27,448,400	0	27,448,400
Reallocated	(286,600)	(429,000)	(486,500)	0	(486,500)
Total	\$31,182,900	\$41,316,000	\$44,946,000	\$0	\$44,946,000
State	31,182,900	41,316,000	44,946,000	0	44,946,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Increase seatbelt usage in Tennessee by 2% annually.

Measure: Percent of usage of seatbelts in Tennessee.

80%	81%	82%	0	82%
-----	-----	-----	---	-----

Standard: Reduce the fatality rate by 2% annually on Tennessee roadways through increased seatbelt and child restraint use and a reduction in impaired drivers.

Measure: Percent of reduction in fatality rate on Tennessee roadways.

0%	2%	2%	0	2%
----	----	----	---	----

Bureau of Environment and Planning

The Bureau of Environment and Planning functions include environmental compliance, environmental planning and permitting, transportation planning, mapping and statistics, functional design, highway beautification, public transit, waterways, and rail and railroad safety.

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

405.00 Bureau of Environment and Planning

The Bureau of Environment and Planning is an administrative division that distributes mass transit grants, provides transportation and traffic planning, and monitors environmental impacts of transportation projects. In addition, this division ensures the safety of the state's waterways and railways through routine inspections and controls outdoor advertising and easements.

Full-Time	303	301	279	0	279
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	303	301	279	0	279
Payroll	15,515,400	18,400,100	18,604,200	0	18,604,200
Operational	408,800	982,500	790,800	0	790,800
Reallocated	(8,511,600)	(10,039,600)	(9,419,000)	0	(9,419,000)
Total	\$7,412,600	\$9,343,000	\$9,976,000	\$0	\$9,976,000
State	7,412,600	9,343,000	9,976,000	0	9,976,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: To increase the number of publicly accessible biofuels (B20 and/or E85) refueling pumps in Tennessee by 15 per year through funding, education, and marketing efforts of the state refueling infrastructure development program.

Measure: Number of publicly accessible biofuels (B20 and/or E85) refueling pumps in Tennessee's Biofuel Green Island Corridor System.

	44	75	90	0	90
--	----	----	----	---	----

416.00 Mass Transit

The Mass Transit program provides matching grants for the construction and operation of mass transit systems throughout the state. The federal rideshare program encourages the public to participate in mass transit and carpooling. In addition, this program ensures that mass transportation systems are properly integrated with other transportation systems to provide optimum access, efficiency, and mobility.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	53,134,500	144,198,300	146,706,700	0	146,706,700
Reallocated	28,700	26,700	25,300	0	25,300
Total	\$53,163,200	\$144,225,000	\$146,732,000	\$0	\$146,732,000
State	36,682,600	42,044,000	42,813,000	0	42,813,000
Federal	15,417,300	101,346,000	103,919,000	0	103,919,000
Other	1,063,300	835,000	0	0	0

Standard: Increase transit ridership by a minimum of 1.5% annually to reduce urban congestion and increase air quality and accessibility.

Measure: Annual percent increase in transit ridership.

	3.60%	1.75%	1.75%	0	1.75%
--	-------	-------	-------	---	-------

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Standard: Increase the public transit vehicle statewide mileage by 1.5% annually by creating additional routes and new transit systems in order to make public transit more accessible for the general public, reduce urban congestion, and improve air quality.

Measure: Annual percent increase in public transit vehicle statewide mileage.

	1.6%	1.5%	1.5%	0	1.5%
--	------	------	------	---	------

440.00 Planning and Research

The Planning and Research Division provides funds for studies, surveys, and the analysis of transportation systems. The program utilizes the information produced from these studies to develop strategies to improve state transportation systems.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	10,354,200	10,319,900	12,297,400	0	12,297,400
Reallocated	6,384,700	7,580,100	7,202,600	0	7,202,600
Total	\$16,738,900	\$17,900,000	\$19,500,000	\$0	\$19,500,000
State	3,347,800	5,200,000	5,500,000	0	5,500,000
Federal	13,391,100	12,700,000	14,000,000	0	14,000,000
Other	0	0	0	0	0

Standard: Eighty-five percent of research projects address the strategic emphasis areas that TDOT's leaders have identified as significantly affecting TDOT's ability to meet the transportation needs of Tennessee and its citizens.

Measure: Percent of funded research projects that align with the agency strategic emphasis areas.

	100%	80%	85%	0	85%
--	------	-----	-----	---	-----

494.00 Air, Water, and Rail Transportation

The Air, Water, and Rail Transportation program provides funds for the construction of and capital improvement of airports, water port facilities, and shortline rail systems. The program primarily is funded from the Transportation Equity Fund, which is the allocation of sales taxes on aviation, barge, and rail fuel.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	49,648,200	66,944,200	73,898,200	0	73,898,200
Reallocated	24,000	1,105,800	101,800	0	101,800
Total	\$49,672,200	\$68,050,000	\$74,000,000	\$0	\$74,000,000
State	39,241,100	47,050,000	53,000,000	0	53,000,000
Federal	9,934,400	14,500,000	13,800,000	0	13,800,000
Other	496,700	6,500,000	7,200,000	0	7,200,000

<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Standard: Provide for the total distribution of Equity Funds as directed by statute.

Measure: Percent of funds distributed for airport, waterway, and railway improvement projects.

100%	100%	100%	0	100%
------	------	------	---	------

Standard: To increase the tonnage that Tennessee's shortline railroads can carry by 5% a year.

Measure: Percent of shortline track miles with a capacity over 286,000 pounds.

10%	15%	20%	0	20%
-----	-----	-----	---	-----

Bureau of Engineering

The Bureau of Engineering coordinates the construction, maintenance, and inspection of highways, bridges, and navigational equipment. Activities include constructing, resurfacing, restoring, and rehabilitating Tennessee's interstate highway system; constructing industrial highways, national forest roads, connector routes, bridges, and water port facilities; constructing or replacing plant facilities for the Bureau of Engineering; providing engineering and administrative support to other state agencies' off-system road construction projects; providing high-hazard and roadside obstacle warnings and pavement marking; operating a fleet management program; conducting a congestion mitigation and air quality program in Tennessee's non-attainment areas; maintaining the state's existing motorized equipment; building and maintaining bicycle trails; bridge design; and using intelligent transportation system technology to minimize traffic congestion in urban areas.

403.00 Bureau of Engineering

The Bureau of Engineering provides the programming and scheduling of transportation pre-construction activities. The bureau also provides for development of construction standards, administration of highway and bridge maintenance programs, and maintenance of materials standards. Other services include administration of roadway and bridge design, right of way acquisition, highway incident management, and intelligent transportation systems.

Full-Time	535	579	579	0	579
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	535	579	579	0	579
Payroll	30,872,000	38,841,000	40,758,600	0	40,758,600
Operational	1,991,000	3,913,200	3,349,100	0	3,349,100
Reallocated	(16,672,400)	(19,801,200)	(19,317,700)	0	(19,317,700)
Total	\$16,190,600	\$22,953,000	\$24,790,000	\$0	\$24,790,000
State	16,190,600	22,953,000	24,790,000	0	24,790,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: The percent of contracts completed by original contract completion date will be at least 75%.

Measure: Percent of contracts completed by original contract completion date.

76%	75%	78%	0	78%
-----	-----	-----	---	-----

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Standard: The percent of contracts completed by original contract completion date plus TDOT approved time extensions will be at least 90%.

Measure: Percent of contracts completed by original contract completion date plus TDOT approved time extensions.

85%	90%	92%	0	92%
-----	-----	-----	---	-----

Standard: Reduce the fatality rate by 2% annually on Tennessee roadways through traffic and engineering design factors.

Measure: Percent of reduction in fatality rate on Tennessee roadways.

0%	2%	2%	0	2%
----	----	----	---	----

Standard: The average clearance time for all minor highway incidents should be less than 30 minutes for 72% of the HELP Operator responses.

Measure: Percent of minor highway incidences in urban HELP service areas cleared within 30 minutes or less.

88%	76%	90%	0	90%
-----	-----	-----	---	-----

Standard: The average clearance time for all major highway incidents should be less than 90 minutes for 86% of the HELP Operator responses.

Measure: Percent of major highway incidents in urban HELP service areas cleared within 90 minutes or less.

82%	90%	92%	0	92%
-----	-----	-----	---	-----

412.00 Field Engineering

Field engineering services are preliminary engineering, utility relocation, construction, and maintenance areas on the statewide highway system. The program also manages bridge maintenance, construction, intelligent transportation systems, highway incident management, materials testing, traffic engineering, right of way acquisition, and roadway and bridge design.

Full-Time	932	937	937	0	937
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	932	937	937	0	937
Payroll	44,688,600	52,867,100	57,747,400	0	57,747,400
Operational	4,224,900	6,560,000	7,662,500	0	7,662,500
Reallocated	(11,636,500)	(13,268,100)	(16,318,900)	0	(16,318,900)
Total	\$37,277,000	\$46,159,000	\$49,091,000	\$0	\$49,091,000
State	37,277,000	46,159,000	49,091,000	0	49,091,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: The work program budgeted annually for let contracts and agreements will be accomplished and expended with less than a 5% deviation from the plan.

Measure: Percent of deviation of actual expenditures to funds budgeted for contract maintenance operations.

5.2%	5.0	5.0	0	5.0
------	-----	-----	---	-----

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Standard: The work program budgeted annually for routine maintenance will be accomplished and expended with less than a 2% deviation from the plan.

Measure: Percent of deviation of actual expenditures to funds budgeted for routine maintenance operations.

	1.5%	2.0	2.0	0	2.0
--	------	-----	-----	---	-----

418.00 Field Construction

The Field Construction allotment provides the payroll funds for construction units of the highway construction programs. Employees within this division perform various tasks including civil engineering, geological surveying, planning, and construction of highways. The payroll costs are reallocated to various construction programs delivered through the Interstate, Forest Highways, State Highway Construction, and Bridge programs.

Full-Time	926	878	878	0	878
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	926	878	878	0	878
Payroll	38,761,100	44,646,600	45,828,900	0	45,828,900
Operational	32,700	0	0	0	0
Reallocated	(38,793,800)	(44,646,600)	(45,828,900)	0	(45,828,900)
Total	\$0	\$0	\$0	\$0	\$0
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Reallocate 100% of construction payroll costs to projects and other activities.

Measure: Percent of TDOT field construction payroll costs reallocated.

	100%	100%	100%	0	100%
--	------	------	------	---	------

419.00 Field Maintenance Operations

The Field Maintenance Operations allotment provides the payroll funds for all highway maintenance and marking units of the highway construction programs. Employees of this division perform a variety of tasks related to the maintenance of roadways. The payroll costs are reallocated to various construction programs delivered through the Highway Maintenance program.

Full-Time	1,579	1,578	1,578	0	1,578
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,579	1,578	1,578	0	1,578
Payroll	56,999,200	64,696,100	65,016,800	0	65,016,800
Operational	62,600	0	0	0	0
Reallocated	(57,061,800)	(64,696,100)	(65,016,800)	0	(65,016,800)
Total	\$0	\$0	\$0	\$0	\$0
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Standard: Reallocate 100% of maintenance payroll costs to projects and other activities.

Measure: Percent of TDOT field maintenance payroll costs reallocated.

	100%	100%	100%	0	100%
--	------	------	------	---	------

430.00 Equipment Purchases and Operations

The Equipment Purchases and Operations allotment provides funds for the acquisition of mobile equipment, consumable inventory items, and fixed assets and for maintenance and repair of equipment. In addition, responsibilities of the division's staff range from administrative duties to mechanical and maintenance duties at state garages.

Full-Time	272	273	273	0	273
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	272	273	273	0	273
Payroll	10,753,600	12,099,100	14,142,600	0	14,142,600
Operational	35,477,400	44,281,800	48,966,200	0	48,966,200
Reallocated	(27,680,100)	(27,203,900)	(27,302,800)	0	(27,302,800)
Total	\$18,550,900	\$29,177,000	\$35,806,000	\$0	\$35,806,000
State	18,550,900	29,177,000	35,806,000	0	35,806,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: The mechanic efficiency rating will be at least 80%. The mechanic efficiency rating is based on hours billable for equipment worked on.

Measure: Percent of total mechanic available work hours spent on maintaining, servicing, or repairing all vehicles in the state system.

	90%	84%	88%	0	88%
--	-----	-----	-----	---	-----

451.00 Highway Maintenance

The Highway Maintenance program provides routine maintenance of state and interstate highways, park roads, and bridges. In addition, highway maintenance provides funding for highway incident management, highway beautification, and environmental compliance.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	148,729,600	196,337,000	217,777,300	0	217,777,300
Reallocated	101,784,300	91,222,000	100,045,700	0	100,045,700
Total	\$250,513,900	\$287,559,000	\$317,823,000	\$0	\$317,823,000
State	250,513,900	286,459,000	316,723,000	0	316,723,000
Federal	0	0	0	0	0
Other	0	1,100,000	1,100,000	0	1,100,000

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Standard: TDOT's maintenance rating index related to maintaining roadways will be equal to or greater than 80.

Measure: The condition level for the combination of interstate and state maintained roads.

	89.7	80.0	90.0	0	90.0
--	------	------	------	---	------

453.00 Highway Betterments

The Highway Betterments program provides funds for improvements of state highways that are not classified as construction or reconstruction, such as minor resurfacing, bridge widening, curve flattening, truck climbing lanes, and other means to improve capacity and increase safety.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	6,893,600	9,150,200	9,479,800	0	9,479,800
Reallocated	940,600	649,800	620,200	0	620,200
Total	\$7,834,200	\$9,800,000	\$10,100,000	\$0	\$10,100,000
State	7,834,200	9,700,000	10,000,000	0	10,000,000
Federal	0	0	0	0	0
Other	0	100,000	100,000	0	100,000

Standard: TDOT's maintenance rating index related to improving capacity and increasing safety will be equal to or greater than 80.

Measure: The condition level for the combination of interstate and state maintained roads.

	89.7	80.0	90.0	0	90.0
--	------	------	------	---	------

455.00 State Aid

The State Aid program provides funds for paving roads in the State Aid system on a 75 percent state, 25 percent local basis. The bridge grant program, with a local match of 20 percent, enables local governments to replace or rehabilitate bridges.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	20,775,000	40,002,700	40,825,300	0	40,825,300
Reallocated	395,400	567,300	544,700	0	544,700
Total	\$21,170,400	\$40,570,000	\$41,370,000	\$0	\$41,370,000
State	15,454,400	31,022,000	31,622,000	0	31,622,000
Federal	0	0	0	0	0
Other	5,716,000	9,548,000	9,748,000	0	9,748,000

Standard: Provide for the total distribution of funds to both the State Aid and Bridge Grant services as directed by statute, which is dependent on counties providing matching funds.

Measure: Percent of appropriated funds allotted to counties.

	100%	100%	100%	0	100%
--	------	------	------	---	------

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

470.00 State Industrial Access

The State Industrial Access program constructs and maintains industrial highways and industrial access roads under contract agreements with local governments. In addition, the program facilitates the development and expansion of industry and provides access to industrial areas.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	10,957,400	22,242,300	22,328,000	0	22,328,000
Reallocated	1,269,200	1,957,700	1,872,000	0	1,872,000
Total	\$12,226,600	\$24,200,000	\$24,200,000	\$0	\$24,200,000
State	12,226,600	24,000,000	24,000,000	0	24,000,000
Federal	0	0	0	0	0
Other	0	200,000	200,000	0	200,000

Standard: Assist local governments in funding construction projects to provide access to new and expanding industries. This will facilitate the development and expansion of industry within the state.

Measure: Number of Industrial Access projects advanced to construction.

	13	14	15	0	15
--	----	----	----	---	----

472.00 Interstate Construction

The Interstate Construction program funds maintenance of the interstate highway system, including resurfacing, restoration, rehabilitation, and reconstruction.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	212,109,300	142,875,400	142,980,400	0	142,980,400
Reallocated	5,371,400	6,624,600	6,339,600	0	6,339,600
Total	\$217,480,700	\$149,500,000	\$149,320,000	\$0	\$149,320,000
State	19,573,300	17,200,000	14,800,000	0	14,800,000
Federal	193,557,800	130,800,000	133,020,000	0	133,020,000
Other	4,349,600	1,500,000	1,500,000	0	1,500,000

Standard: The sum of the deck area for those bridges not classified as functionally obsolete will be 82% or greater of the total deck area for all bridges.

Measure: Percent of bridge deck area on interstate roads that is not functionally obsolete.

	82.2%	82.0%	82.0%	0	82.0%
--	-------	-------	-------	---	-------

Standard: International Roughness Index (IRI) rating on interstate pavement will be good or very good.

Measure: Percent of interstate mileage with an IRI pavement rating of good or very good.

	94.0%	95.5%	93.0%	0	93.0%
--	-------	-------	-------	---	-------

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
--	-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Standard: The sum of the deck area for those bridges not classified as structurally deficient will be 95% or greater of the total deck area for all bridges.

Measure: Percent of bridge deck area on interstate roads that is not structurally deficient.

	96.3%	95.0%	97.0%	0	97.0%
--	-------	-------	-------	---	-------

475.00 Forest Highways

The Forest Highways program provides funds for the construction and maintenance of park roads, parkways, and public-land highways, including the Foothills Parkway in the Great Smoky Mountains in East Tennessee.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	160,000	703,200	712,100	0	712,100
Reallocated	80,700	196,800	187,900	0	187,900
Total	\$240,700	\$900,000	\$900,000	\$0	\$900,000
State	48,100	200,000	200,000	0	200,000
Federal	192,600	700,000	700,000	0	700,000
Other	0	0	0	0	0

Standard: Obligate 100% of available federal highway funds. If all federal funds are not obligated within four years, the remaining funds revert to the federal government for redistribution to other state departments of transportation.

Measure: Percent of available federal highway funds obligated.

	100%	100%	100%	0	100%
--	------	------	------	---	------

478.00 Local Interstate Connectors

The Local Interstate Connectors program provides funds for construction of connector routes to the interstate system from existing arterial routes, with a 50 percent match required from county and city sources.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	4,953,200	7,615,000	9,632,800	0	9,632,800
Reallocated	268,700	385,000	367,200	0	367,200
Total	\$5,221,900	\$8,000,000	\$10,000,000	\$0	\$10,000,000
State	2,610,900	4,000,000	5,000,000	0	5,000,000
Federal	0	0	0	0	0
Other	2,611,000	4,000,000	5,000,000	0	5,000,000

<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
-----------------------------	--------------------------------	---------------------------	----------------------------------	----------------------------------

Standard: Obligate all Local Interstate Connectors funds in the current fiscal year within funding limitations that are dependent on city and county governments providing matching funds.

Measure: Percent of current fiscal year Local Interstate Connectors funds obligated.

100%	100%	100%	0	100%
------	------	------	---	------

480.00 State Highway Construction

The State Highway Construction program funds construction of various designated highways and projects, including the National Highway System, which consists of the interstate highway network and major primary roads. This program also includes the surface transportation program, a block grant program for roads, mass transit, and other transportation projects. Projects may include high priority, emergency relief, railway-highway crossings, metropolitan planning, congestion mitigation, air quality improvement, hazard elimination, and highway safety.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	598,728,600	706,886,900	685,858,900	0	685,858,900
Reallocated	21,601,500	45,554,300	43,739,100	0	43,739,100
Total	\$620,330,100	\$752,441,200	\$729,598,000	\$0	\$729,598,000
State	279,148,500	188,391,200	170,280,000	0	170,280,000
Federal	322,571,700	550,700,000	544,368,000	0	544,368,000
Other	18,609,900	13,350,000	14,950,000	0	14,950,000

Standard: Connect all 95 county seats to the interstate highway system via a four-lane highway as directed by statute.

Measure: Number of county seats connected and open to traffic to the interstate system via a four-lane highway.

54	54	55	0	55
----	----	----	---	----

Standard: Reduce the fatality rate by 2% annually on Tennessee roadways through traffic and engineering design factors.

Measure: Percent of reduction in fatality rate on Tennessee roadways.

0%	2%	2%	0	2%
----	----	----	---	----

481.00 Capital Improvements

The Capital Improvements program includes funding for the construction or replacement of Department of Transportation facilities. Projects include construction or replacement of buildings, salt bins, radio towers and equipment, and removal of underground storage tanks. Proposed projects are identified in the capital budget section of the Budget Document.

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

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
Payroll	0	0	0	0	0
Operational	1,872,000	5,050,300	7,062,400	0	7,062,400
Reallocated	28,000	142,700	137,600	0	137,600
Total	\$1,900,000	\$5,193,000	\$7,200,000	\$0	\$7,200,000
State	1,900,000	5,193,000	7,200,000	0	7,200,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Standard: Obligate 100% of Capital Improvement funds available each year.

Measure: Percent of available Capital Improvement funds obligated.

100%	100%	100%	0	100%
------	------	------	---	------

488.00 Bridge Replacements

Bridge Replacement funds are used to replace or rehabilitate highway bridges found to be significantly important and unsafe because of structural deficiencies, physical deterioration, or functional obsolescence.

Full-Time	0	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	0	0
Payroll	0	0	0	0	0
Operational	118,689,700	39,224,300	56,412,900	0	56,412,900
Reallocated	22,402,000	24,875,700	23,707,100	0	23,707,100
Total	\$141,091,700	\$64,100,000	\$80,120,000	\$0	\$80,120,000
State	18,341,900	5,200,000	19,500,000	0	19,500,000
Federal	112,873,400	55,600,000	57,620,000	0	57,620,000
Other	9,876,400	3,300,000	3,000,000	0	3,000,000

Standard: The sum of the deck area for those bridges on the state system not classified as structurally deficient will be 95% or greater of the total deck area for all bridges.

Measure: Percent of bridge deck area on all bridges maintained by TDOT that is not structurally deficient.

96%	95%	97%	0	97%
-----	-----	-----	---	-----

Standard: The sum of the deck area for those bridges on the state system not classified as functionally obsolete will be 82% or greater of the total deck area for all bridges.

Measure: Percent of bridge deck area on all bridges maintained by TDOT that is not functionally obsolete.

85%	84%	82%	0	82%
-----	-----	-----	---	-----

	<u>Actual 2006-2007</u>	<u>Estimated 2007-2008</u>	<u>Base 2008-2009</u>	<u>Improvement 2008-2009</u>	<u>Recommended 2008-2009</u>
400.00 Total Transportation					
Full-Time	4,944	4,944	4,947	0	4,947
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	4,944	4,944	4,947	0	4,947
Payroll	219,207,000	255,672,800	268,396,900	0	268,396,900
Operational	1,305,556,700	1,491,567,400	1,534,028,100	0	1,534,028,100
Reallocated	0	0	0	0	0
Total	\$1,524,763,700	\$1,747,240,200	\$1,802,425,000	\$0	\$1,802,425,000
State	814,102,500	840,461,200	892,200,000	0	892,200,000
Federal	667,938,300	866,346,000	867,427,000	0	867,427,000
Other	42,722,900	40,433,000	42,798,000	0	42,798,000

Budget Process and Program History

Table of Contents

The Budget Process	B-379
Performance-Based Budget	B-384
Basis of Budgeting and Accounting	B-387
Tennessee Program History.....	B-391

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
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

*Note: The law requires the Governor to submit the Budget to the General Assembly prior to February 1, except at the beginning of a gubernatorial term, when the deadline is prior to March 1; unless, in either case, the General Assembly by joint resolution authorizes a later date.

Planning and Estimation

Immediately after a new fiscal year begins each July, the staff of the Division of Budget begins making plans for the budget that will be considered by the General Assembly for the subsequent fiscal year. These plans include designing and updating the forms and instructions used by departments and agencies in presenting their budget requests to the Division of Budget.

These electronic forms and instructions are distributed to the agencies in August. The deadline for completion and transmission of the budget requests is the first of October. During this preparation period, the staff of the Division of Budget meets as needed with agencies’ fiscal and program personnel to answer questions and provide assistance in developing their budget requests.

In addition to projecting expenditure levels, estimates of the major revenue sources, such as the sales, franchise, excise and gasoline taxes, are prepared for both the current and next fiscal years. The revenue estimates are prepared by the Commissioner of Finance and Administration after receiving advice from the State Funding Board, as required by TCA section 9-4-5202. All revenue estimates, including estimates for licenses and fees, are part of the budget review by the Commissioner of Finance and Administration, the Governor, and their staffs.

Preparation of the Budget

Chapter 33 of the Public Acts of 1937 granted the Governor the authority and duty to develop and submit to the General Assembly a recommended budget. The law directs the Commissioner of Finance and Administration to prepare the budget in accordance with the Governor’s directives.

After the receipt of agency budget requests, analysts with the Division of Budget begin the process of balancing expenditures against estimated revenues. Within this constraint, funds must be provided for Administration initiatives of high priority, activities mandated by state or federal statute, and the day-to-day operation of state government.

Instructions for the agency budget requests include the submission of two levels of requests: (a) a base request, which accommodates the continuation of current services, and (b) an improvement 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.

Following analysis of the requests by the Division of Budget, detailed recommendations are made to the Commissioner of Finance and Administration. Meetings are convened with commissioners and directors of the departments and agencies by the Commissioner of Finance and Administration. A consensus is sought with the agencies as to the appropriate funding level for the upcoming year.

After these meetings are completed, the Budget Division staff makes any revisions that have been agreed upon and presents the estimates to the Commissioner of Finance and Administration for his and the Governor's consideration. The Governor and the commissioner review the recommendations resulting from these hearings and consider necessary alterations to fit within the scope of the Administration's initiatives and estimated revenues. The Governor may choose to conduct meetings or budget hearings with agency heads and may direct them to submit plans for further adjustments to their budgets.

After gubernatorial decisions have been finalized, the staff of the Division of Budget prepares the Budget Document for printing. Meanwhile, work begins on the Governor's Budget Message. The Budget must be presented to the General Assembly prior to February 1, or prior to March 1 when a newly elected Governor takes office, unless the General Assembly by joint resolution allows submission on a later date.

At the time the Budget Document and Budget Message are presented, the appropriation process is initiated. The Appropriations Bill, prepared by the Department of Finance and Administration, is introduced and referred to the Finance, Ways, and Means committees of both houses of the Legislature. The various standing committees of the houses may review those parts of the Appropriations

Bill that fall within their purviews. The departments often are invited to testify before these committees on issues relating to their budgets.

After these committees report their reviews, the Finance, Ways and Means committees begin hearings on the budget in its entirety. Again, the departments may testify, and the Commissioner of Finance and Administration is invited to discuss the budget recommendations. Considerations made by the committees include the fiscal impacts caused by other legislation introduced by the members of both houses, recommendations of other legislative committees, and Appropriations Bill amendments filed by members of the Legislature. The Finance, Ways and Means committees of each house report out the Appropriations Bill with any amendments they recommend.

The Appropriations Bill then is sent to Calendar committees of each house to be scheduled for floor action. The Senate and House of Representatives must pass the same Appropriations Bill in the same form for it to be enacted into law. Approval of the General Appropriations Bill usually occurs during the last week of the legislative session.

In signing the bill into law, the Governor may line-item veto or reduce specific appropriations. Or, he could veto the entire bill; but this rarely would be done. Any veto may be over-ridden by a majority of the elected members, each house acting separately.

Tennessee has a tradition of enacting a single General Appropriations Act each year.

Budget Execution

When passage of the Appropriations Bill is complete and is signed or enacted into law, the execution of the act begins. Two important concepts are involved: preparation of work programs and development of allotment controls.

Invariably, there are changes to the Budget Document presented by the Governor to the General Assembly. These

changes are made by amending the Appropriations Act during the adoption process. Analysts of the Division of Budget and fiscal personnel in the departments and agencies have the responsibility of reconciling the approved Appropriations Act with the Budget Document. This may involve increases or decreases to the agency allotments. The Division of Budget establishes an annual allotment for each agency and division using the reconciled Appropriations Act. This annual allotment, called the official work program, is provided to the Division of Accounts as a means of spending control. The agencies and divisions spend against these allotments during the fiscal year.

Budget execution is a process that continues throughout the fiscal year. In addition to the daily review of numerous operational and personnel transaction requests, the budget analysts must ensure that the legislative intent of the Appropriations Act is being followed by the various departments and agencies.

Further legislative review and control is maintained through the Fiscal Review Committee, other oversight committees, and the Finance, Ways and Means committees.

In addition to the review of agency activities by these bodies, the Finance, Ways and Means committees must be informed of any new or expanded programs resulting from unanticipated departmental revenues. These revenues usually are new federal grants, but also may be other departmental revenues. When notice of unexpected revenue is received by an agency, the Commissioner of Finance and Administration, if he wants to approve the program expansion, may submit an expansion report to the chairmen of the finance committees for acknowledgement. Upon the chairmen's acknowledgement of the expansion report, the Commissioner of Finance and Administration may allot the additional departmental revenue to implement the proposed or expanded program.

Agencies may not expand programs or implement new programs on their own

authority. This expansion procedure is not used to increase allotments funded from state tax revenue sources. No appropriations from state tax sources may be increased except pursuant to appropriations made by law.

A transfer of appropriations between allotments for purposes other than those for which they were appropriated may not occur without the approval of the Commissioner of Finance and Administration and a committee comprised of the Speakers of the House and the Senate and the Comptroller of the Treasury.

Throughout the fiscal year, the Budget Division staff reviews the status of the various allotments and advises the Commissioner of Finance and Administration of any problems. At the end of the fiscal year, the Division of Budget has the responsibility of executing revisions to the annual allotments as a function of the accounts closing process.

Audit and Review

Post-audit and review also are functions that continue throughout the fiscal year. Post-audit is a responsibility of the Comptroller of the Treasury, an official elected by the General Assembly. The Division of State Audit, within the Comptroller's Office, has the duty of conducting, supervising, and monitoring the audits of all state departments and agencies. Intermediate care facilities receiving Medicaid funds also are within the purview of this division, and state grants to other entities also are subject to audit. In addition, program audits are performed to determine whether agencies are functioning efficiently.

The General Assembly also participates in a continuing review throughout the fiscal year. The Fiscal Review Committee, a bipartisan committee comprised of members from both houses, meets regularly when the General Assembly is not in session. Following a set agenda, members of this committee review audit reports and departmental personnel respond to inquiries about activities and programs under the

department's jurisdiction. In addition, legislative oversight committees conduct extensive review in areas of special interest, such as correctional issues and children's services. Joint legislative committees and subcommittees occasionally are appointed for in-depth study of specific areas.

Governmental Accountability: Performance-Based Budgeting and Strategic Planning

Chapter 875 of the Public Acts of 2002 enacted the Governmental Accountability Act. This law altered the budget law to require strategic planning and to begin the phase-in of performance-based budgeting in fiscal year 2004-2005. Although executive branch departments and some smaller agencies have developed strategic plans for years, all agencies now will be required by law to do so, beginning a year before being phased in to performance-based budgeting.

By July 1 each year, executive branch agencies, including higher education, will submit strategic plans to the Commissioner of Finance and Administration, who may require modifications. He must consolidate approved plans and submit them to the Governor and General Assembly by September 1 each year, beginning in 2003 for the performance-based agencies. The judicial branch, Comptroller of the Treasury, State Treasurer, Secretary of State, Attorney General and Reporter, and legislative branch are not subject to strategic plan review by the Commissioner of Finance and Administration. They must submit plans separately to the General Assembly and Governor by September 1. The General Assembly retains final approval authority for agency strategic plan and performance measures through the general appropriations act.

In addition to setting forth program objectives, strategic plans must include performance measures and standards for each program, partly defined as a budgetary unit. Under this law, instructions for development of strategic plans and performance measures will be issued to executive branch agencies by the

Commissioner of Finance and Administration, who under other law also issues budget instructions to all agencies.

In 2002, at the direction of the Commissioner of Finance and Administration, a strategic planning function, previously free-standing in the department, was transferred into the Division of Budget. In these ways -- by definition of programs as budgetary units, by common authority to issue planning and budget instructions, and by inclusion of the strategic planning unit in the central executive Budget Office -- planning and budgeting in the executive branch now are closely linked.

The agencies currently designated by the Commissioner of Finance and Administration to submit performance-based budget requests are the departments of Revenue, Safety, Environment and Conservation, Human Services, Agriculture, Correction, Economic and Community Development, Finance and Administration, Transportation, Education, General Services, Military, Financial Institutions, Labor and Workforce Development, and Commerce and Insurance. All other executive branch agencies must be phased in to performance-based budgeting by fiscal year 2011-2012, on a schedule to be determined by the Commissioner of Finance and Administration.

The recommended Budget Document must include a program statement and performance measures. The Governmental Accountability Act requires the Commissioner of Finance and Administration to report annually, for agencies subject to performance-based budgeting, on compliance with strategic plans and performance measures. The report must be made to the Governor and the Senate and House Finance, Ways and Means committees. The Governmental Accountability Commission -- comprised of the Comptroller of the Treasury, Executive Director of the Fiscal Review Committee, and the Director of the Office of Legislative Budget Analysis -- must comment in writing to the Senate and House Finance committees on the commissioner's

performance report. The Accountability Commission also may make recommendations to the Finance committees on the strategic plan and actual performance of agencies subject to performance-based budgeting, on the reasonableness of recommended performance measures and standards, and on any other matter regarding strategic planning and program performance.

The performance report and commission comments must be made at a time to allow consideration of the reports while the Appropriations Bill is being considered by the Finance committees.

Also under the Governmental Accountability Act, as well as under other law, each state agency is subject to performance review by the Comptroller of the Treasury.

As enacted in 2002, the Governmental Accountability Act continues the Tennessee tradition of strong executive management of the line agencies, begun with the Governmental Reorganization Act of 1923, and strong executive budget development and budget execution responsibility, begun with the budget law of 1937. At the same time, the 2002 Act continues the prerogative of the General Assembly to alter agency plans and executive recommendations through the Appropriations Act and to alter policy and exert oversight through the legislative and performance review processes.

For further discussion of strategic planning and performance based budgeting, see the “Performance-Based Budget” section.

Performance-Based Budget

The Governmental Accountability Act was enacted by Chapter 875 of the Public Acts of 2002 (codified at Tennessee Code Annotated, Title 9, Chapter 4, Part 56, and in some sections of budget law at Part 51).

The Accountability Act requires the phase-in of strategic planning and performance-based budgeting by 2011-2012. The following departments are operating under the mandates of the Accountability Act: the departments of Revenue, Human Services, Safety, Environment and Conservation, Finance and Administration, Correction, Agriculture, Economic and Community Development, Transportation, General Services, Education, Military, Commerce and Insurance, Financial Institutions, Labor and Workforce Development. The following additional agencies are scheduled to submit performance-based budgets in 2009-2010: Tennessee Regulatory Agency, Human Resources, Mental Health, Health, TRICOR, Board of Probation and Parole, Tennessee Bureau of Investigation, Tennessee Wildlife Resource Agency, Tennessee Housing Development Agency, and Tourist Development. Following is the annual timetable for planning and budgeting.

Function	Participants	Schedule
Preparation of Strategic Plans	Departments and Agencies Budget Division	April May June
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 Commissioner of F&A Governmental Accountability Commission Finance Committees	Following Year January-May
Performance Review	Comptroller of the Treasury	Following Year July-June

Preparation of Strategic Plans

Each agency submitting a performance-based budget has also submitted a strategic plan. Each spring, the staff of the Division of Budget issues guidelines to state agencies regarding the strategic planning process. The guidelines are based on the requirements of the Governmental Accountability Act and provide direction as to the content and format of the strategic plans. After the plans are submitted to the Commissioner of Finance and Administration, the commissioner is authorized to review, revise, and approve strategic plans and program performance standards and measures. The Commissioner of Finance and Administration has the responsibility to evaluate the validity, reliability, and appropriateness of each performance measure and standard and how the strategic plan and the performance measures are used in management decision-making and other agency processes.

The Commissioner of Finance and Administration must submit the Agency Strategic Plans document to the Governor and the General Assembly by September 1.

Planning and Estimation

Immediately after a new fiscal year begins each July, the staff of the Division of Budget begins making plans for the budget that will be considered by the General Assembly for the subsequent fiscal year. These plans include designing and updating the forms and instructions used by departments and agencies in presenting their budget requests to the Division of Budget.

Budget law, as amended by the 2002 Governmental Accountability Act, directs that, in addition to performance measures and standards, certain other performance-based budget information be included in agency budget requests. This includes identification of program clients, the purpose of each program or client benefits, program costs and funding sources, fee collections and the adequacy of fees to support the program, assessment of whether each program is conducive to performance-based budgeting, and assessment of the time needed to develop meaningful performance measures.

Preparation of the Budget

The Governmental Accountability Act amended budget law to require that performance-based budgeting agencies include in budget requests the program performance standards and measures, as reviewed and revised by the Commissioner of Finance and Administration. These standards and measures are the ones included in the Agency Strategic Plans document. After budget requests are submitted, the program performance measures, along with other strategic plan and budget request information, will assist staff of the Budget Division in analyzing agency budget requests.

In reviewing budget requests and transmitting the budget document to the General Assembly, the Governor, with assistance of the Commissioner of Finance and Administration, may revise, add, or delete performance measures and standards as the Governor deems necessary.

Legislative Deliberation

The General Assembly retains authority for final approval of performance standards and measures through the general appropriations act.

Performance-Based Budget Execution

When passage of the appropriations bill is complete and it is signed or enacted into law, the execution of agency performance-based budgets begins.

Annually, at the time the enacted budget (called the “work program” in budget law) is established, agencies may request adjustments to the performance measures and standards, based on changes in the program appropriations during the enactment of the general appropriations act. These adjustments require the approval of the Commissioner of Finance and Administration, who must maintain the official record of adjustments and must report adjustments to the chairmen of the Senate and House Finance, Ways and Means committees. The law provides that agencies themselves may not change the performance measures.

During the fiscal year, modifications to program performance standards and measures are allowed if an agency is required to modify its operations because of (a) court action resulting in a restraining order, injunction, consent decree, or final judgement; (b) law or executive order; and (c) additional federal or other funding.

All adjustments to performance standards and measures during the year also are subject to approval of the Commissioner of Finance and Administration, who must report the changes to the chairmen of the Senate and House Finance, Ways and Means committees.

As enacted in 2002, the Governmental Accountability Act continues the Tennessee tradition of strong executive management of the line agencies, begun with the Governmental Reorganization Act of 1923, and strong executive budget development and budget management responsibility, begun with the budget law of 1937. At the same time, the 2002 act continues the prerogative of the General Assembly to alter agency plans and executive recommendations through the Appropriations Act and to alter policy and exert oversight through the legislative and performance review processes.

Legislative Review

The General Assembly has final approval of all strategic plans, performance measures, and standards through the General Appropriations Act.

Beginning in fiscal year 2005-2006, the Commissioner of Finance and Administration must evaluate annually each performance-based agency's compliance with its strategic plan and performance measures and report to the Finance, Ways and Means committees of the Senate and House of Representatives on this subject. The report is to be made at a time that will allow the finance committees to consider the performance report while they are considering the General Appropriations Bill.

To further assist the General Assembly in review of agency performance, the 2002 public act created the Governmental Accountability Commission. It is comprised of officials who hold office by legislative appointment. They are the Comptroller of the Treasury, who serves as chairman; the Executive Director of the Fiscal Review Committee, who serves as vice chairman; and the Director of the Office of Legislative Budget Analysis, who serves as secretary of the commission.

Following the performance report by the Commissioner of Finance and Administration, the Governmental Accountability Commission is to review the

commissioner's report and submit to the finance committees its written comments on the commissioner's report. The Accountability Commission also may make recommendations to the finance committees on the performance of agencies; the reasonableness of performance standards and measures recommended in the budget document for the performance-based agencies; and on other strategic plan and program performance matters.

Comptroller's Performance Review

Aside from executive and legislative review of agency strategic plans and program performance, the 2002 public act provides that each state agency is subject to performance review of its activities by the Comptroller of the Treasury. This provision grants discretion to the Comptroller to determine the matters to be reviewed related to the manner in which the state agency is delivering services and achieving objectives.

This performance review, according to the law, will at least include consideration of the efficient use of state and federal funds, additional non-state revenue or cost savings that could be achieved, and the extent to which strategic plan objectives are achieved.

Basis of Budgeting and Accounting

Budgeting Basis

The annual budget of the State of Tennessee is prepared on the modified accrual basis of accounting with several exceptions, principally the effect of encumbrance and highway construction contractual obligations. Unencumbered appropriations lapse at the end of each fiscal year, with the encumbered appropriations being carried forward to the next year. 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 Budget Division on behalf of the Commissioner of Finance and Administration and the Governor. Other budget revisions during the year, reflecting program changes or intradepartmental transfers of an administrative nature, require certain executive and legislative branch approval, pursuant to law. This is discussed in detail in the "Budget Process" subsection. With proper legal authority, the Division of Budget, acting on behalf of the Governor and Commissioner of Finance and

Administration, may execute allotment (or budget) revisions. The line agencies may not make these revisions themselves. In Tennessee, as in other states, appropriation of funds is a legislative power, not an executive power. No expenditures may be made, and no allotments increased, except pursuant to appropriations made by law.

For Budget Document purposes, all funds are classified as **General Fund** except for the Department of Transportation (Transportation, or Highway, Fund), Capital Outlay (Capital Projects Fund), Facilities Revolving Fund, Debt Service (or Sinking) Fund, and Cities and Counties – State-Shared Taxes (Local Government Fund). The Education Trust Fund, including the Lottery for Education Account, for which state tax revenues are estimated separately, is included in the General Fund in the presentation of the Budget Overview, although a separate fund balance statement for this fund is included in the "Financial Statements" section of the Budget Document.

The presentation of all the operating budgets within the **General Fund** in the Budget Document, except for Transportation, is done for ease of budget presentation and understanding. In the Budget, revenue estimates for Special Revenue, Internal Service, and Enterprise Fund programs, funded by dedicated revenues, are included in the state tax revenue and departmental revenue estimates in the General Fund, as are those programs' expenditures.

Special Revenue Fund programs reflected in the General Fund in the Budget Document are:

- Wildlife Resources Agency
- Boating Safety
- Wetlands Acquisition Fund
- Wetlands Compensation Fund
- Tennessee Regulatory Authority
- Criminal Injuries Compensation
- Cemetery Consumer Protection Fund
- Agricultural Resources Conservation Fund

Certified Cotton Growers' Organization Fund
Agricultural Regulatory Fund
Local Parks Acquisition Fund
State Lands Acquisition Fund
State Lands Acquisition 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
Sex Offender Treatment Program
Small and Minority-Owned Business Assistance Program
Tennessee Job Skills Program
911 Emergency Communications Fund
Real Estate Education and Recovery Fund
Auctioneer Education and Recovery Fund
Motorcycle Rider Education
Driver Education
C.I.D. Anti-Theft Unit
Board of Professional Responsibility
Tennessee Lawyers Assistance Program
Continuing Legal Education
Help America Vote Act.

Internal Service Fund programs reflected in the General Fund in the Budget Document are:

Capitol Print Shop
Risk Management Fund
TRICOR
Office of Information Resources
Division of Accounts
Postal Services
Motor Vehicle Management
Printing and Media Services
Purchasing
Records Management
Warehouse Administration
Food Services Program.

Enterprise Fund programs reflected in the General Fund in the Budget Document are:

Tennessee Housing Development Agency

Property Utilization
Grain Indemnity Fund
Client Protection Fund.

In the "Budget Overview," **Education Trust Fund** programs are presented in the General Fund, although the tax apportionments for the Education Fund are separately estimated. This, again, is done for ease of presentation and understanding of the budget. It also is done because the taxes earmarked and apportioned to the Education Fund are less than the Education appropriations, requiring General Fund tax support for Education programs.

The programs in the Education Trust Fund are: (1) Department of Education (K-12), including general-source programs and the dedicated-source After-School Programs Special Account, funded by 100% of unclaimed lottery prizes; (2) Higher Education, including state appropriations for the University of Tennessee, the State University and Community College System (Board of Regents), and the Foreign Language Institute; and the dedicated-source appropriation in the Lottery for Education Account; and (3) all funding sources for programs of the Higher Education Commission and the Student Assistance Corporation.

In the Budget Document, certain institutional revenues for the two university systems are estimated. These include unrestricted educational and general revenues (E&G), and auxiliary enterprise funds. Examples of unrestricted E&G funds are student tuition and fees; unrestricted state, federal, local, and private gifts, grants, and contracts; local appropriations; and sales and services related to academic programs. Restricted funds are not reflected in the Budget Document.

Although presenting the operating budgets in this consolidated fashion makes the budget easier to understand, the Comprehensive Annual Financial Report (CAFR) does deal with all of the Special Revenue and other funds as separate from the General Fund. The Division of Accounts provides that document to the General Assembly and the public.

Accounting Basis

(From Division of Accounts, Comprehensive Annual Financial Report)

The financial statements of the State of Tennessee are prepared in conformity with generally accepted accounting principles, as prescribed by the Governmental Accounting Standards Board (GASB). These principles require that the financial statements present the primary government and its component units, or the entities for which the government is considered to be financially accountable. Component units are discretely presented in a separate column in the government-wide financial statements to emphasize legal separation from the primary government.

In the government-wide financial statements, the financial activities of the state are reported as governmental or business-type activities. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

In the fund financial statements, the state's major **governmental funds** include:

General Fund – used to account for all financial transactions not required to be accounted for in other funds;

Education Fund – used to account for revenues and expenditures associated with programs involving the Department of Education and Higher Education. Funding is provided primarily from the dedicated sales and services taxes and federal monies received from the U.S. Department of Education. Net education lottery proceeds and 100% of unclaimed lottery prizes fund higher education scholarships and K-12 education pre-school, early childhood education, and after-school programs.

The state's non-major **governmental funds**, reported in a single column, include:

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.

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;

Capital Projects Fund – used to account for the acquisition or construction of all major governmental capital facilities; and,

Permanent Funds – used to account for legally restricted funds where only earnings, not principal, can be spent.

All of the governmental funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Under this basis, revenues are recognized as soon as they are both 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.

Sales taxes, petroleum and vehicular related taxes and fees, and gross receipt taxes are considered to be available if received in the first 60 days of the new fiscal year. Federal grants, departmental services, and interest associated with the current fiscal period are all considered to be available if received in six months. All other revenue items are considered to be measurable and available only when cash is received by the state.

Encumbrances for supplies, equipment, and construction are reported in the year the order is placed for budgetary purposes, but in the year the goods or services are received for financial reporting purposes. Encumbrances outstanding at year-end are reported as reservations of fund balance for subsequent year expenditure.

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.

Internal Service Funds – used to account for services provided to other departments or agencies of the state or other governments, on a cost reimbursement basis. These funds are reported in a single column.

The proprietary funds are accounted for on the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The state's **fiduciary funds** financial statements include:

Pension Trust Fund – used to account for the activities of the state-administered retirement system;

Employee Benefit Trust Fund – used to account for the funds contributed by employees under the IRC Section 125 cafeteria plan;

Investment Trust Fund – used to account for the activities of the state-sponsored external investment pool;

Private-Purpose Trust Funds – used to report trust arrangements under which the principal and income benefit individuals, private organizations, or other governments; and,

Agency Funds – used to account for amounts held in custody of others.

Fiduciary fund types are used to account for resources legally held in trust. The fiduciary funds are accounted for on the accrual basis of accounting, except for agency funds, which do not recognize revenues and expenditures and do not present the results of operations.

Discretely presented component units include:

Tennessee Student Assistance Corporation
(TSAC)
Community Services Agencies
Tennessee Certified Cotton Growers'
Organization
Tennessee Housing Development Agency
Tennessee Local Development Authority
Tennessee State Veterans' Homes Board
Child Care Facilities Corporation
Tennessee State School Bond Authority
Tennessee Board of Regents
University of Tennessee Board of Trustees
Tennessee Education Lottery Corporation.

Tennessee Program History



Education

K-12 Education

In 1992, the state made a significant commitment to improve K-12 public education. The funding formula established by the 1992 Education Improvement Act is called the Basic Education Program (BEP). Educational components are divided into three categories: instructional, classroom, and non-classroom. The instructional category includes items such as teachers' salaries and related benefits. The classroom category includes items such as instructional equipment, supplies, materials, and textbooks. The non-classroom category includes such items as transportation, superintendents' salary, construction, maintenance, and operations. On average, the state funds 70 percent of the instructional category; 75 percent of the classroom category; and 50 percent of the non-classroom category.

Since 1991-1992, over \$2.44 billion in new recurring funds will have been invested in the BEP as of 2008-2009.

During the 2004-2005 fiscal year, a fundamental change to the BEP formula was made to address funding for instructional positions. These funds (\$35 million) addressed the State Constitutional issue of teacher salary equalization pursuant to the Tennessee Supreme Court's decision in "Tennessee Small School System, et al v. Ned Ray McWherter, et al" ("Small Schools III"). The BEP instructional salary component was originally set at \$34,000, up

from the 136-system starting average of \$28,908, and has since been increased to \$38,228. The Commissioner of Education prepared a revised state minimum salary schedule (BEP Salary Schedule) to complement the distribution of these additional instructional salary funds. The process includes an annual review to provide an early warning of salary disparity among school districts and to review the cost-driven salary component. The plan directed funds to the lowest-paying systems. An estimated 122 systems with 48,600 teachers received new instructional salary dollars through the BEP funding formula. A hold-harmless provision insured that no system received less BEP instructional salary funding than received during the 2003-2004 fiscal year. After implementation, Tennessee's average instructional salary increased above the Southeast average.

According to the Department of Education's 21st Century Schools Report Card, between 1991-1992 and 2006-2007, average expenditures per student grew from \$3,732 to \$7,794, an increase of 108.84%.

In 2007, the state made another significant change to the BEP formula by implementing what became known as BEP 2.0. Fully implemented, BEP 2.0 will move the state share of the instructional component to 75%; increase the instructional salary unit cost; install a new methodology of calculating fiscal capacity; eliminate the Cost Differential Factor; begin funding English Language Learners at 1:20 teachers to

students and 1:200 translators to students; fund at-risk students at 100%; set a minimum state share of the non-classroom component at 25%; and provide 50% of funding for medical insurance premiums for instructional positions. These changes infused \$377 million new recurring dollars into K-12 education over the first two years of phasing in BEP 2.0.

Higher Education

Tennessee higher education is a vast and diverse enterprise composed of 22 public two- and four-year institutions enrolling over 208,000 students and 27 technology centers that serve approximately 17,000 students. When including private non-profit and for-profit institutions in the total, the number of students served by Tennessee post-secondary education in Fall 2007 is approximately 366,000.

Offering degree options ranging from technical certificates to PhDs, the system is focused on serving the educational and workforce needs of the State of Tennessee. As the state transitions into the new economy of the 21st century, its institutions of post-secondary higher education are faced with a variety of challenges. The state anticipates significant demand for enrollment growth over the next few years, both in terms of traditional and non-traditional students. Furthermore, many of the new jobs being developed in Tennessee will require a college degree and/or training for expanding technologies.

In order to remain competitive in the new economy, Tennessee must encourage more people to earn a post-secondary degree. Only 30% of Tennesseans between the ages of 25 and 64 have an associates degree or higher, compared with the national average of 37% and the southern average of 34%. Degree attainment in the adult population varies widely by Tennessee county, from a high of 53% in Williamson County to a low

of 8% in Lake County. A college education is important to the individual, as well as society, because of the difference in income realized through education and the benefits accrued to society from a better-educated populace. According to 2000 census data, a person with a bachelor's degree has an average annual income of \$51,644, compared with \$27,975 for a person with a high school diploma. This difference in income will result in financial benefits to society through increased spending in the economy and through increased revenues to the state. Additionally, a better educated workforce is a helpful element in recruiting industry, as companies require highly skilled workers who can be productive in today's high-tech economy.

Spending on higher education is as an investment with solid returns to the individual, the business community, and the state. While the state has remained diligent in its support for higher education, this support has been tempered by an uncertain funding environment.

The Tennessee Higher Education Commission's strategic planning process focuses on collaboration and partnerships as indicated in the *2005-10 Master Plan for Tennessee Higher Education* which creates a broad-based public agenda balancing state and campus priorities and acknowledging the vital role of higher education in improving the quality of life for all citizens.

The underlying policy intent of the THEC Master Plan is to develop:

- Partnerships for access that focus on the human capital aspects of increasing educational attainment levels. If the state is to move forward in the Knowledge Economy, it must make greater strides to ensure that more Tennesseans participate in higher education.
- Partnerships for student preparation that create an invigorated P-16 system that

works to ensure that all students are prepared for post-secondary education and eventual entry into the workforce.

- Partnerships for affordability through the construction of funding and finance policy that ensures that all students are able to participate in higher education. Given the tacit funding shift from state support to student fees, the Plan places greater attention/emphasis on the promotion and expansion of need-based financial aid programs. Furthermore, it encourages system level affordability through the broad utilization of community colleges and technology centers as enhanced access options for Tennesseans, especially for non-traditional students, while concurrently working to strengthen and promote student transfer and articulation.
- Partnerships for educational excellence that enable the state to become more competitive in the national market for sponsored research dollars. Through the creation of targeted funding to enhance mission specific research initiatives, the Plan encourages institutions to attract world-renowned faculty, encourage economic and community development, and enhance teaching and research activities.

The broad areas of focus articulated in the 2005-10 Master Plan provide a vision for Tennessee higher education that enhances and expands the role of our colleges and universities in economic and community development, knowledge creation, job growth, and public health.

In 2004-2005, lottery-funded scholarships became a resource for Tennessee students seeking higher education. The Tennessee Education Lottery began operations on January 20, 2004. Lottery proceeds fund scholarships for Tennessee students attending public or private colleges and universities across the state. Graduating high school seniors must have a 3.0 grade point

average or score a 21 on the ACT in order to receive up to \$4,000 in scholarship funds per academic year. Supplemental awards are available for high school students with outstanding academic credentials and those from low-income families. Once in college, students must have a minimum 2.75 GPA after their first 24 credit hours and maintain a 3.0 cumulative GPA after each subsequent 24-hour benchmark. Proposed legislation in 2008 would change the retention requirement of the scholarships to allow students to maintain a cumulative GPA of 2.75 throughout college and retain their scholarships. In addition to scholarships, lottery-funded grants are available to students attending technical schools.

In 2007-2008, the state used \$10 million of excess lottery funds to provide non-recurring funding for 5,000 students to receive Tennessee Student Assistance Awards (TSAA), which provide grants to financially needy undergraduate students who are residents of Tennessee. The proposed budget for 2008-2009 expands the current program to aid an additional 13,500 students. There are currently approximately 21,000 TSAA recipients. An amount of \$18 million is an appropriation from recurring Lottery for Education Account revenue. An amount of \$9 million is first-year interest earnings from a proposed \$200 million TSAA need-based scholarship endowment to be established by transfer of \$200 million from the Lottery for Education Account reserve to a separate endowment account at July 1, 2008. The \$18 million Lottery appropriation will serve approximately 9,000 additional students, and the \$9 million endowment earnings will serve approximately 4,500 additional students in 2008-2009. On an annualized basis, the endowment may earn \$12 million, bringing the future-year total to \$30 million and 15,000 financially needy TSAA students served from Lottery revenues and the endowment. Even with the expanded TSAA program, approximately 44,000 financially needy students will go unserved.

Through implementation of these and other policy initiatives, higher education is poised to meet the educational and workforce needs of Tennessee.

Through strategic redirection of students and resources, higher education will

continue to develop one of the state's most under-utilized resources, the inherent human capital potential of its citizenry.

Economic Opportunity

Economic and Community Development

Leading companies from around the world are discovering the advantages of doing business in Tennessee. With our prime geographic location, skilled workforce, outstanding transportation network, and pro-business environment, Tennessee has earned a solid reputation as a premier business location. From the automotive industry to technology development, to printing and publishing, to warehousing and distribution, our diverse business base speaks volumes as to the wealth of economic and lifestyle advantages and opportunities that, quite simply, help companies build better products more efficiently in Tennessee.

Tennessee's bright business climate, along with quality of life and cultural diversity, offers companies more options than ever. Tennessee remains committed to enhancing community quality of life and increasing family income by creating better-paying, higher-skilled job opportunities with a future. The state engages in the following activities to accomplish these goals:

On the FastTrack — Tennessee's FastTrack initiative guarantees a complete response to business inquiries regarding job growth within three days. Each agency in the Governor's Jobs Cabinet, in addition to the Department of Revenue, has a designated FastTrack representative. The representative works closely with ECD to help respond to businesses seeking information on possible building sites and

locations, job training programs, infrastructure development, and other needs. ECD is further committed to tailoring job training programs for businesses within five business days after receiving details from a business on its training needs and commitment to invest in new jobs. The department's Creative Services Division provides in-house creative services for the marketing programs of ECD and other state agencies, which reduces cost, as well as turn-around time associated with the development of marketing information.

Business Development — Business Development provides the assistance communities and employers need to attract, retain, and increase jobs in Tennessee. New and existing businesses of all sizes and types are engaged with a one-on-one, customer service methodology. Emphasis is placed on handling business inquiries at the speed of business, not bureaucracy. Recruiting and retention efforts have been re-tooled to increase response and success. The department works with a network of organizations statewide to help assure the success of new and existing business and to encourage their expansion. The approach to business development has been refocused to enhance job development activities on the regional level by networking community-based resources. Business and industry recruitment and retention occurs both domestically and internationally. Business Development activities include:

- Providing prospects with a general or prospect-specific packet with

information on taxes, transportation systems, labor statistics, and environmental regulations and incentives.

- Initiating a strategic research-based approach to identifying and recruiting new job creation prospects. Research will be used to identify high growth industry targets for generating prospect leads.
- Coordinating community efforts to develop a more regionally-based approach to job development and economic growth.
- Tracking and recommending available facilities or industrial sites to prospects.
- Expanding international recruitment. Foreign investment plays a vital role in the creation of jobs for Tennesseans. Japan is Tennessee's largest foreign investor. There are also a large number of Canadian and European companies located in Tennessee. ECD maintains offices in Tokyo, Toronto, Düsseldorf and in the Republic of China.
- Working with communities and regions to provide industrial infrastructure and financial support on issues like water, sewer, and rail sidings through the FastTrack Infrastructure Development Program. FastTrack serves as an incentive in the process of encouraging private sector firms to locate or expand their financial investments in Tennessee.
- Providing the primary source of financial support for new, expanding, or retooling business and industry training needs through the FastTrack Job Training Assistance Program (FJTAP). With the state's network of educational facilities serving as prime delivery agents, blended with the company's staff and other vendors, FastTrack works directly with the company to

develop and implement the necessary skills and knowledge training programs. It also administers financial resources to support training needs of industry and other business either locating in Tennessee or expanding or needing to retrain in order to retain employees.

- Providing training grants to eligible businesses through the Tennessee Job Skills program. This program is required to primarily serve existing businesses wanting to expand or needing to retrain workers in order to retain their workforce.

Within Business Development, the Business Enterprise Resources Office (BERO) assists in the establishment and growth of small, rural, minority- and women-owned businesses through the provision of technical assistance, consultation, and educational programs. BERO coordinates with federal and local government agencies, trade associations and community organizations to assist small business. It partners with the Governor's Office of Diversity Business Enterprise to help small, minority- and women-owned businesses compete for public and private sector contracts on goods and services. BERO also coordinates with the Tennessee Small Business Development Center network, which provides entrepreneurs and small business owners with easily accessible counselors in 14 center locations statewide to assist them in starting and growing their small businesses.

Community Development – Community Development works with Tennessee communities to prepare and compete for economic development and to improve quality of life.

- The Three-Star Program encourages and recognizes communities for their community development efforts. In the face of increased competition for new job growth and job retention challenges, new Three-Star criteria and performance

measures have been established to encourage communities to work even harder at local development and planning. A primary requirement is for each community to develop an asset-based strategic plan. Communities achieving levels of success in the program are eligible for Three-Star grants; earn additional points for community development and FastTrack grant applications to ECD; and receive lower match requirements on these grants.

- The Tennessee Main Street Program provides assistance to communities revitalizing their downtown and central business districts, which are vital components of economic development and job growth. To be considered a Main Street Community, cities must meet specific performance standards that range from having both public and private financial support for the revitalization process to agreeing to historical preservation.
- The Energy Division promotes economic growth by helping businesses and government organizations improve energy efficiency through education, special projects, and low-interest loans. "Clean Cities" is a new initiative to promote and support the use of alternative fuels.
- Local Planning Assistance provides comprehensive planning and community development services through contracts with over 200 cities and counties across the state. Planning services include: preparation of zoning ordinances; development of subdivision and mobile park regulations; and advising localities on the enforcement of local, state, and federal regulations.

Tourist Development

The travel and tourism industry is an important factor in Tennessee's economy. Based on a 2006 study by the Research Department of the Travel Industry Association of America, domestic and international travelers to Tennessee annually spend more than \$13.4 billion. As a result of spending by travelers, tourism provides jobs for over 181,300 Tennesseans, and tax revenues for state and local governments totaling over \$1.044 billion. Approximately 49.75 million people visited Tennessee in 2006, making Tennessee one of the nation's most popular destinations.

Because of the jobs and tax revenues produced by tourism, the competition to attract tourists continues to be high. In order to stay competitive, Tennessee aggressively markets and promotes the state's tourism attractions and destinations. Some of the Department of Tourist Development's marketing activities include the production of an advertising campaign; the placement of advertising in media such as broadcast, print and the Internet; and the participation in sales programs that target group tour companies, travel agents, and the international travel market. In addition, the department provides public relations and marketing assistance to the tourism industry through our three regional offices; promotes Tennessee to the media and national travel press; develops and maintains a Tennessee travel website; produces Tennessee vacation and travel publications; and maintains a knowledge of current travel marketing trends and develops new programs to respond to those trends. The department also operates the state's 13 welcome centers, which provide literature, information and reservations to the millions of travelers who visit Tennessee.

Children

It is the responsibility of the Department of Children's Services (DCS) to provide services to children either in the custody of the state, or at risk of entering custody, as well as their families. These services include protection from abuse and neglect, care for children who cannot remain in their own home, stabilization and preservation of families, and the rehabilitation of delinquent youth through residential or community-based treatment. In instances where children cannot stay in or return to their homes, the department strives to provide a nurturing environment through permanent placement with relatives or through adoption.

The department is comprised of three major sections, Protection and Prevention, Juvenile Justice, and Administration and Training.

Protection and Prevention

The department's primary responsibility is always to protect children from abuse and neglect. In order to uphold this responsibility, DCS investigates reports of abuse and neglect, working with families to resolve issues that may threaten the safety or well-being of children. DCS also works to maintain children in their own homes whenever safe and appropriate.

The department also is responsible for providing care for children who cannot remain in their own homes. This includes temporary out-of-home care for children whose safety is in jeopardy in their own homes. The department works with families and other involved parties to achieve permanency and stability in the child's living situation. When it has been determined that a child cannot safely return home, the department strives to provide a nurturing permanent home through placement with relatives, friends, or adoption.

Office of Child Safety — The Office of Child Safety is responsible for the protection of children from abuse and neglect. This office investigates reports of abuse and neglect, identifies risk factors and works with families to resolve issues that may threaten the safety or well-being of children. The following are programs housed in the Office of Child Safety:

Child Abuse Prevention Grants - Child Abuse Prevention (CAP) grants awarded to outside agencies provide funding to programs that offer prevention services through education, counseling, and parenting skills training to high-risk populations as well as to the community as a whole. These programs include early prevention services to first-time parents, teen parents, disabled parents, parents of disabled children, and parents who were abused as children.

Family Functional Assessment - Children and their families are assessed around issues such as safety, well-being, permanency and resource availability. After this assessment and initial investigation, the child and family are then referred to the appropriate services. This assessment is intended to be ongoing and shall include all children in the family in order to best identify that family's strengths and needs.

Intake and Investigations - The Intake and Investigations division strives to protect children whose lives or health are jeopardized because of abusive acts or negligence. Investigations are completed by the Child Protective Services unit (CPS); whereas, the state's Centralized Intake Unit receives and screens reports of abuse and neglect.

Child Protective Services includes the following: investigating referrals of child abuse and neglect, identifying the risk factors that contributed to the abuse or

neglect, linking families to appropriate resources to reduce risks, evaluating the success of the intervention, and either continuing services or closing the case, as is appropriate for the child and family.

In the 2002-2003 fiscal year, the department began the implementation of the central intake system for receiving and screening referrals of abuse and neglect. Statewide implementation was completed in fiscal year 2004-2005.

Family Preservation – The Family Preservation program provides in-home services in order to preserve or reunify families in cases where a child has been in custody or is at-risk of coming into custody.

Multiple Response System (MRS) – MRS is an overarching systemic reform of current CPS practice. MRS allows for cases to be assigned for non custodial intervention on three different levels: investigation focused on severe abuse/neglect cases, assessment intervention for less severe abuse/neglect, and resource linkage services when no abuse or neglect has occurred.

Office of Child Permanency — It is the responsibility of the Office of Child Permanency to ensure the provision of adoption, foster care, and permanency planning services to children and families throughout Tennessee so that every child in state custody returns to his or her own family or becomes a member of a new family as quickly as possible. The following are programs housed in the Office of Child Permanency:

Child Placement and Private Providers - The mission of the Child Placement and Private Provider division is to forge an open, honest and collegial partnership between private provider agencies, field staff, and other relevant DCS divisions that are critical for the effective and efficient delivery of services to children. This division is a conduit through which residential services

are coordinated and supported in a manner that maximizes the benefits to children.

Foster Care and Adoption - The Foster Care and Adoption division develops policy and oversees services aimed at providing training and ongoing support for resource parents (relatives or non-relatives) and custodial caregivers to assist them in meeting the unique needs of children and youth in state custody. This division assures that DCS uses a model of resource parenting consistent with the DCS Practice Model. This model encourages resource parents to support birth families and encourage reunification, provide a nurturing and stable placement for children in state custody, and offer or assist in finding a permanent family relationship for children who are not able to return to their own parents. They also oversee the development of effective and child-focused placement practices and perform centralized operations that are necessary to support and maintain resource homes for children. This division strives to support the efforts of resource families caring for children in the state's custody while working to achieve permanency for each child in care.

Adoption Services offers child-focused services based on the philosophy that every child has the right to a loving, nurturing family as well as a safe environment. Some of the children served have significant physical, emotional or educational challenges. Most range from early school-age to teenage years. Some have one or more siblings.

Permanency Planning and Clinical Practice - The mission of the Permanency Planning and Clinical Practice division is to model, coach and employ clinical decision making in all aspects of child welfare practice. This division has the primary responsibility for supporting the implementation of the Child and Family Team Meeting (CFTM) process. The CFTM is the primary tool for making all placement decisions for and with children and ensuring timely permanency for

children. This division also is responsible for supporting timely permanence for children in the custody of the state and those at risk of state custody.

Resource Family Recruitment Division - The mission of the Resource Family Recruitment division is to ensure all children in state custody have the option to be placed in family-like settings and develop statewide pools of resource parents who reflect the type of children in care through engaging diverse communities in a respectful partnership, and the communities from which these children come.

This division is also responsible for providing support, information, guidance, training, coordination and oversight of residential services to ensure an adequate supply of residential resources are delivered expeditiously and efficiently.

Office of Child Well-Being — It is the responsibility of the Office of Child Well-Being to oversee various ancillary services for children in DCS custody as well as those at-risk of coming into, or returning to, custody. This office also provides children with appropriate services to meet their educational, physical and mental health needs. The following are programs housed in the Office of Child Well-Being:

Educational Services - The Educational Services division of the department oversees education services for students in state custody who reside in youth development centers (YDCs) or DCS group homes. It is recognized by the Tennessee Department of Education as a Local Education Agency (LEA) for the schools in these facilities. In addition, Educational Services, primarily through its regional education specialists, provides technical assistance to contract facilities with on-site schools. Staff working in this division also advocate for students in state custody who attend public school.

Family Crisis Intervention Program - Through the Family Crisis Intervention

Program (FCIP) youth who are at risk as a result of a status offense (e.g., running away from home, truancy from school, acting beyond the control of their parents) have an opportunity to work with their families to resolve problems while they remain at home. If children and families are unable to resolve their issues after FCIP services, their case is referred to court for further intervention.

Independent/Transitional Living Program - The purpose of the Independent/Transitional Living Program is to build a network of relevant supports and services for participating youth. This network is designed in such a way that these youth will have ongoing connections with a caring adult, be productive individuals within their community, obtain and maintain employment, as well as obtain educational goals. Under this program, participating youth may receive financial assistance and skills training, as well as other resources to facilitate their transition to adulthood.

Kinship Support Network - The Kinship Support Network was developed to address the need for supportive services to caregivers of related children outside the formal system. The primary purpose of the program is to provide relative caregivers and the children in their care support in order to prevent the children from entering state custody. This program also supports children and families after children exit to custody of relatives in order to prevent re-entry into the formal child welfare system.

Medical and Behavioral Health - The Medical and Behavioral Health Services division is responsible for reviewing and overseeing the implementation of policies, procedures and practices related to the medical and behavioral health care of children in the care and custody of the DCS. This division oversees practice and policy change concerning protection from harm issues, which include the use of psychotropic medication, as well as the use

of seclusion and restraint methods for children in care.

This division also functions as the health advocacy area of the department and promotes improved access to medical and behavioral services for children in state custody or at risk of coming into state custody. This division serves as a liaison for other state agencies and TennCare managed care organizations (MCOs) as well as behavioral health organizations (BHOs). It also aids in departmental implementation of compliance with TennCare issues and assists in developing policies and procedures related to health services for children in custody. Support and technical assistance to the regional health advocacy units also is accomplished through this division. Additionally, the division provides oversight of health services and technical assistance for the departmental residential treatment facilities and group homes as well as the YDCs.

Juvenile Justice

The Office of Juvenile Justice is responsible for programs providing services to youth adjudicated delinquent in a juvenile court proceeding. Programs include probation and aftercare, the operation of five youth development centers (YDCs) for those who have committed serious offenses, and the operation of group homes that serve youth that have committed less serious offenses. This office also is responsible for the operation of an Observation and Assessment Center. The Office of Juvenile Justice, including staff in all 12 DCS regions and its residential facilities, serves approximately 9,000 youth annually in its probation, aftercare, and custodial programs. The following programs and services are housed in the Office of Juvenile Justice:

Community Intervention Services - The Community Intervention Services (CIS) program provides community-based intervention, treatment, and intensive probation services for delinquent youth and

their families. The department contracts with service providers across the state to provide intensive probation services in the majority of Tennessee's 95 counties. CIS programs serve youth who would otherwise enter state custody due to delinquency or who have been released from custody.

Community Residential Programs - Through the Office of Juvenile Justice, DCS operates several community residential programs strategically located throughout the state. Community residential programs are minimum secure facilities designed for youth who have been evaluated and determined appropriate for community placement. The primary focus is to provide a structured program, which includes academics, community involvement and an individual program plan for eight youth. All youth are afforded the opportunity to re-integrate into their home community through the provision of counseling services, education, community services and actual work experience. A typical staffing pattern consists of a director, two case managers, seven DCS officers, and a food steward. Programs with an in-house education component are assigned a full-time teacher position.

Intensive Aftercare Program - The department contracts with two private agencies to provide intensive aftercare supervision in Knox and Madison Counties. The Exit Program is located in Knoxville and is administered by the Helen Ross McNabb Center. The Reunion Program is located in Jackson and is administered by Quinco Mental Health Center. These agencies make contact with youth while they are in state custody and support these youth as they return home. Intensive supervision is also provided upon their return home. Staff from these agencies serve as liaisons with educational programs and facilitate the delivery of mental health services. Both programs have helped to decrease the number of youth who return to the department's custody.

Juvenile Court Grants - There are three types of juvenile court grant programs: custody prevention, truancy prevention as well as child and family intervention. The 23 juvenile court-based grant programs target youth at risk of entering state custody for delinquency as well as truancy or other status offenses. Each program strives to reduce the number of children committed to state custody, reduce the number of children with court charges or petitions filed against them and improve parent/family involvement.

Probation and Aftercare Services - Probation and Aftercare Services provide case management and supervision to youth who have been adjudicated delinquent and are living at home. These services include regular contact with the youth, their families, their schools and other involved agencies. Staff members help youth change behaviors and re-channel their energies into developmentally appropriate, legal activities.

Special Populations - The Special Populations Unit monitors placements at the First Hospital Corporation (FHC) in Chattanooga and Peabody Residential Treatment Center (PRTC). They also monitor placement at Taft Youth Development Center and emergency and standard mental health referrals to regional mental health institutes. The Special Populations Unit also deals with a specific segment of the Juvenile Justice population and primarily works with the mentally ill, mild mentally retarded juvenile justice population.

Youth Development Centers (YDC) – DCS operates five YDCs. Each is a hardware-secure, residential facility that provides treatment for delinquent youth ages 13

through 18. Each student receives a comprehensive assessment upon admission and receives an individualized program plan to meet his/her needs. Each YDC provides a full program of education, pre-vocational training, medical services, recreational programs, self-help and independent living skills. Specialty services include therapy for a broad range of needs, alcohol and drug treatment programs, speech therapy, dental care and behavior management.

Administration and Training

The University Consortium - On October 1, 2004, DCS entered into a contractual arrangement with a 13-member university consortium. This group, the Tennessee Social Work Education Consortium (TSWEC), selected Middle Tennessee State University (MTSU) as the lead university and primary contractor for the consortium. MTSU established the Tennessee Center for Child Welfare as the home for the consortium and the site from which to launch their initiatives through the development, delivery and evaluation of professional development courses for DCS.

The TSWEC assists DCS with its mission of implementing family-focused, culturally responsive child welfare practice with children and families. The consortium is now responsible for training of the New Case Manager Certification Program to both new and current staff.

TennCare

TennCare is the state's Medicaid program that provides health insurance through a managed care system to low-income children, pregnant women and people with disabilities.

1994 – The State of Tennessee submits a federal “demonstration waiver” to launch an innovative health care plan known as TennCare. The initiative is designed to expand Tennessee's Medicaid program by using managed care principles to deliver health care to a larger number of people for the same amount of money. At the time of its launch in January 1994, TennCare has 12 managed care organizations (MCOs) and more than 800,000 enrollees who are eligible for Medicaid. Within the first 12 months, the program enrolls an additional 400,000 uninsured and uninsurable residents. By the end of the year, however, TennCare is struggling to manage financial commitments, enrollee volume, and information systems. Enrollment to the uninsured closes in December.

1998 – TennCare is mired in legal difficulties. A series of “consent decrees,” or legal agreements entered into by the State beginning in the mid-1990s, make it increasingly difficult to control costs within the program. The most burdensome agreement, the Grier Consent Decree, places limits governing the denial of TennCare services to enrollees. A second agreement, the Rosen Agreed Order, affects the State's ability to verify eligibility and later is used to force the reinstatement of thousands of Tennesseans who had been removed from the rolls. A third agreement, the John B. Consent Decree, requires the State to meet goals beyond federal law governing child health treatment and screening.

1999 – TennCare is seriously ill – financially, legally, and administratively. An actuarial study reveals the program is underfunded by as much as \$290 million. Separately, revisions to the Grier Consent Decree effectively prevent the State from placing reasonable limits on the use of prescription drugs. At the same time, the managed care component of TennCare is collapsing. The total number of MCOs has fallen to nine. One such organization, Xantus Healthplan, goes into court-ordered receivership, and TennCare later terminates its contract.

2002 – The State, in an effort to control rising costs, submits a new federal demonstration waiver that temporarily relieves managed care organizations of risk and closes new enrollment in the demonstration categories for all but the very poorest. The new waiver comes amid continued instability in TennCare's managed care network. Following the high-profile failures of Xantus Healthplan and another MCO, Access MedPlus, a third plan, Universal Care, is placed under administrative supervision; TennCare later terminates its contract, as well. In November 2002, Phil Bredesen – a former Nashville mayor and former healthcare executive – is elected governor, in part based on his promise to control costs in TennCare.

2003 – Governor Bredesen is inaugurated in January and spends the first five months of his administration working to resolve a budget crisis. In an effort to control skyrocketing drug costs, the State negotiates changes in the consent decrees that allow the State to implement a preferred drug list. Governor Bredesen is clear that, if changes are not sufficient to bring TennCare into balance, he will seek further modification of the decrees. That summer, Governor Bredesen asks TennCare stakeholders – including BlueCross BlueShield of

Tennessee and Health Corporation of America (HCA) – to fund an independent study to determine whether TennCare can be viable moving forward. McKinsey & Co., a global management consulting firm, is hired to perform the assessment.

2004 – In February, Governor Bredesen announces a sweeping series of TennCare reforms – including controls on pharmacy spending, cost-sharing with enrollees, and benefit limits – in a “last chance” effort to salvage the program. He warns that substantive reform cannot be achieved unless the State gains immediate relief from legal consent decrees and lawsuits by enrollee advocates. The strategy, designed to preserve full enrollment by reducing benefits for the expansion population rather than cutting people from the program, is endorsed by stakeholders, including TennCare enrollees, the Tennessee Medical Association, the Tennessee Hospital Association, the Tennessee Pharmacists Association, and the Children’s Hospital Alliance of Tennessee. The reform package passes the General Assembly in May with overwhelming bipartisan support. Less than two weeks following passage of the legislation, enrollee advocates go to court in an effort to block the reform strategy. The State proceeds with its plan, submitting a major waiver amendment to the federal government in September. In a final effort to gain relief from consent decrees, Governor Bredesen and former Governor Ned McWherter meet with the attorney for enrollees to ask for his cooperation. He declines, citing an unbridgeable philosophical difference. As a result, Governor Bredesen in November announces the State will reduce TennCare enrollment in a return to traditional Medicaid, but notes the decision can be reversed if the attorneys stand down from legal challenges. They agree to temporarily suspend portions of the consent decrees, but insist that most provisions remain in force and even threaten to bring new lawsuits challenging reform. Governor Bredesen says the threat of

ongoing litigation makes reductions unavoidable.

2005 – In January, the Governor announces the State is moving forward with TennCare changes under a plan that stops short of returning to Medicaid by preserving full coverage for children and by limiting benefits and reducing enrollment for adults. Despite the continued opposition of advocates, the State pursues the ability to manage the program by seeking legal relief from consent decrees. The State receives legal relief from the U.S. Sixth Circuit Court of Appeals in the Rosen case. The State also receives partial relief from the district court in the Grier case. This needed legal relief allows the Governor to preserve coverage for 97,000 of the most vulnerable and needy TennCare enrollees in an optional Medicaid category called Medically Needy Spend Down. The Legislature appropriates the needed funds to continue coverage for the non-pregnant adults in the Medically Needy population at the Governor’s request. The preservation of coverage for this group is included in an extension to the TennCare waiver that would eventually be granted by the Centers for Medicare & Medicaid Services in October 2007.

In addition to legal victories, TennCare implements many pharmacy reforms and returns the managed care companies to shared-risk arrangements in 2005. For the first time in recent memory, TennCare’s financial situation is stable and improving. With TennCare growth under control, the State will be able to make needed improvements in other important areas of government, as well as healthcare infrastructure.

2006 – TennCare awards contracts to two new Managed Care Organizations in Middle Tennessee, Amerigroup Corporation and UnitedHealth Plan of River Valley. This marks the first time TennCare has used a competitive bid process to recruit managed care plans into the state. It results in financially strong and nationally

experienced plans entering the market. Both MCOs accept full financial risk contracts and will provide integrated behavioral and physical health services to a total of 170,000 enrollees starting April 1, 2007. The full-risk managed care model will allow greater emphasis on case management and disease prevention.

The Bureau consolidates all home and community based programs for seniors into the statewide program managed by the Commission on Aging and Disability. TennCare doubles the number of services available to Home and Community Based Services (HCBS) participants. The number of slots available in the statewide HCBS program is expanded to 3,700, representing the largest increase in the history of the HCBS program.

TennCare reform continued during 2006, resulting in unprecedented budget stability in the program. TennCare closed Fiscal Year 2006 under budget, which represents a significant savings from pre-reform estimates. Aggressive pharmacy utilization controls, expanding drug purchasing power, enrollment reductions and disease management programs helped to constrain budget growth. TennCare ends 2006 with 1,195,000 enrollees.

2007 – TennCare continues to demonstrate operational stability and fiscal responsibility. Formerly out-of-control spending has been reined in. The Bureau's increased efficiency is reflected in the lowest growth rate in its history, spurred by a \$1.2 billion savings in its pharmacy program alone. TennCare manages to improve operations and lower costs at a time when, across the nation, Medicaid costs are showing marked increases and are projected by media reports to reach a record \$330 billion. Another benefit of TennCare's improved fiscal operations is the Bureau's increased ability to accommodate a changing and increasingly uncertain federal funding atmosphere.

Being on much more solid fiscal ground enables TennCare to focus more on the medical needs of its enrollee population and on serving it in noteworthy ways. A study by the University of Tennessee finds that 90 percent of TennCare enrollees are satisfied with the quality of care they receive. The U.S. Office of Inspector General recognizes TennCare as one of a few state Medicaid agencies across the country using technological innovation to serve their enrollee populations. And, a TennCare grant to a pediatrics organization enables a groundbreaking autism-screening effort in Tennessee that experts say has not been seen anywhere else in the nation.

Another reflection of TennCare's improved operations is its successful transition of its Middle Tennessee Grand Region back to full-risk managed care. And, toward the close of the year, the Bureau is poised to release its request for proposal to begin the process of returning the East and West Grand Regions back to full-risk managed care, as well.

Health Care Safety Net

The Health Care Safety Net was established in 2005 to ease the transition of those persons losing TennCare coverage due to reform efforts and to assist those in need of medical care who were uninsured or who lacked financial resources to secure medical care. The state's ambitious TennCare program, an expansion waiver Medicaid program launched in 1994, had become financially unsustainable. TennCare changes preserved full coverage for children, pregnant women, and the medically needy, but resulted in approximately 177,000 adults losing coverage.

Legislation was passed in the General Assembly in June 2005, which appropriated \$105.8 million for the Safety Net. These funds were augmented with an additional

\$35.4 million contingency appropriation. No other state has appropriated resources of this magnitude to ease the transition of disenrollees from an expansion program of this type.

With the exception of expanding access to primary care, most programs put in place in calendar year 2005 were designed specifically for the disenrolled population. Going forward, it is anticipated that most Safety Net programs will phase out as new programs are initiated for the broader, uninsured population.

Moving quickly to implement the recommendations of the Safety Net Task Force and requirements of the Safety Net legislation, an inter-departmental team from the departments of Health, Mental Health and Developmental Disabilities, Commerce and Insurance, and Finance and Administration developed and implemented the Safety Net programs. Referral access hotlines, mail order and retail pharmacy assistance programs, and mental health services were in place by the end of July 2005. Within a few months, the pharmacy program had been expanded to include additional pharmaceutical assistance for insulin-dependent diabetics and those with severe and persistent mental illness (SPMI). Additionally, grants had been disbursed to federally-qualified health centers (FQHCs) and faith-based clinics to augment primary care resources for the uninsured.

As funds became available, the Safety Net established programs for special needs populations among the disenrolled. In December 2005, the Governor announced that due to strong fiscal management, funds were available to allow the Safety Net to extend transitional assistance for disenrollees into calendar year 2006. Pharmacy assistance for disenrollees dually eligible for Medicaid and Medicare were extended to allow ample time to enroll in the new implementation of Medicare Part D, which began January 1, 2006. All other

disenrollees were extended assistance through fiscal year 2007.

In fiscal year 2005-2006, there were four key components to the assistance offered by the Safety Net:

- Mental Health Safety Net
- Access to primary care
- Special population assistance
- Pharmacy assistance.

Mental Health Safety Net — Community Mental Health Agencies provide services for the SPMI such as:

- Assessment, evaluation, diagnostic, and therapeutic activities
- Case management
- Psychiatric medication management
- Labs related to medication management
- Pharmacy assistance and coordination.

Access to Primary Care — Access to Primary Care was expanded through:

- FQHC - Grants totaling \$6 million in recurring funds were made to FQHC and FQHC “look-alikes” to expand access to primary care for all uninsured Tennesseans.
- Community health centers and faith-based clinics - Grants totaling \$6.3 million were made to community- and faith-based clinics to expand access to primary care for all uninsured Tennesseans.
- Essential Access Payments - Payments were set aside for hospitals to treat the uninsured.
- Physician Incentives - Through Safety Net funding, TennCare increased practitioner funding by 1.5% and increased the reimbursement level for evaluation and management codes for TennCare physicians.

Special Population Assistance — The following special populations were provided assistance:

- Chemotherapy - Disenrollees who had been prescribed or were in the midst of a course of chemotherapy for cancer at the point of disenrollment.
- Transplants - Pharmaceutical assistance, doctor's visits, and hospital stays for disenrollees who received a solid organ transplant while on TennCare.
- Dialysis - Pharmaceutical assistance for dialysis patients through a grant to the National Kidney Foundation.
- Hemophilia - Assistance connecting disenrollees with hemophilia to specialty insurance coverage through a grant to the National Hemophilia and Bleeding Disorders Foundation.

Pharmacy Assistance

A pharmacy assistance program was developed to help TennCare disenrollees as they transitioned off the program. This included:

- A formulary designed on a chronic disease model to provide more than 55 generic drugs available to disenrollees for free, through either mail order or retail pharmacy.
- An Express Access Drug Discount Card to provide all disenrollees with a discount of up to 10% off brand name drugs and 50% off generic drugs.
- Supplemental assistance for individuals with SPMI.
- Automatic enrollment into a Medicare-approved drug discount card plan, called Pharmacy Care Alliance (PCA), for disenrollees who were eligible for Medicare. The addition of \$300 on the

card from Medicare was automatically made for those individuals with incomes less than 135% of the federal poverty level. The card provides discounts until the individual's enrollment in Medicare's prescription drug program (Medicare Part D) or May 15, 2006, whichever came first.

- Assistance to disenrollees to apply for free or deeply discounted drug programs.
- A call center was established to answer disenrollee questions specifically related to programs for disenrollees or the broader uninsured population.

Looking forward to Fiscal Year 2008-2009

As the state goes forward, focus will shift from programs to assist TennCare disenrollees to the further development of a more rational system of care for Tennesseans without insurance. The state already has begun programs that expand access to primary care and programs for the SPMI population. These programs have been established with recurring funds as a cornerstone for longer-term solutions. In addition, the state is developing longer-term programs that create affordable insurance options for children, small businesses, and uninsurable individuals, as well as provide pharmacy assistance for low-income, high-need populations with no access to insurance. Finally, the state will be seeking grant-funding opportunities to facilitate community initiatives and public/private partnerships that expand access to care through infrastructure investments and high-yield initiatives.

Cover Tennessee Health Care

Cover Tennessee, enacted in 2006, was developed to create health insurance options that are affordable and portable for the uninsured through four programs.

CoverTN, AccessTN, and CoverKids provide health insurance to adults and children who are uninsured or uninsurable. CoverRx is a pharmacy assistance program for low-income adults without pharmacy coverage. These new programs are designed to operate within budgetary limitations, serving only as many people as the budget can support.

CoverTN — CoverTN creates a partnership between the state, small employers, and individuals to offer affordable, portable, basic health benefits for working Tennesseans who are uninsured.

AccessTN — AccessTN provides a health insurance option for seriously ill adults who can afford health coverage, but have previously been turned down by insurance companies as uninsurable.

CoverKids — CoverKids creates a partnership between the state and federal government to offer health insurance to uninsured children in Tennessee.

CoverRX — CoverRx expanded the state's successful safety net program for affordable medication to other low-income Tennesseans.

The Governor's vision for Cover Tennessee includes three guiding principles:

- Accessibility – to make health coverage options affordable for children, the working poor, and the chronically ill.
- Effectiveness – to pay for basic care first, including preventive care, primary care, and generic drugs, and to pay for what works, including best practices and disease management.
- Personal Responsibility – to have everyone pay something and to have individuals be responsible for their health-care decisions.

Mental Health

The Department of Mental Health and Developmental Disabilities (MHDD) focuses its efforts on resiliency for all and recovery for persons with mental illnesses and substance abuse and addiction. The department strives to promote mental health for all as well as ensure that persons with mental illnesses, developmental disabilities, and substance abuse and addiction can live a meaningful life in the community and achieve his or her full potential.

MHDD is committed to ensuring safe, affordable, culturally appropriate, and scientifically sound services in the least restrictive settings for Tennesseans diagnosed with mental illness or serious emotional disturbances as well as substance abuse and addiction, and to erase the stigma associated with these illnesses. The department seeks to assure that policy and programmatic management is efficient, collaborative, and accountable.

To accomplish the departmental mission, the department operates five Joint Commission on the Accreditation of Healthcare Organizations and CMS-accredited regional mental health institutes across the state, and has established collaborative partnerships with a variety of health, mental health, and substance abuse service providers; recognized community leaders; consumers and family members; and local social service, faith-based, nonprofit, and governmental agencies and foundations.

Specifically, the department is concentrating its resources on:

- Assuring a viable system of public mental health and substance abuse services and providers statewide for those who may need mental health and substance abuse services along the continuum of prevention to rehabilitation.

- Developing a statewide anti-stigma campaign that will promote the principles of mental health wellness and attention to early recognition and treatment of and recovery from mental illness and substance abuse;
- Bringing science to service by promoting evidence-based practices and best practices (including early intervention strategies and treatment of co-occurring disorders) to prevent, reduce, or eliminate significant impairments/disorders while evaluating all programs to determine their effectiveness.
- Providing policy, planning, and oversight of TennCare behavioral health services and performance monitoring of two behavioral health carve-out contracts in the East and West Tennessee grand regions. In the Middle Tennessee grand region, MHDD works in partnership through a memorandum of understanding with the TennCare Bureau to implement and monitor the two physical and behavioral integrated health plans for behavioral health services.
- Optimizing child and adolescent interventions in order to identify and intervene in the earliest signs of mental health/substance abuse problems in order to reduce or eliminate their impact.
- Decreasing admissions and re-hospitalizations of consumers through increased community-based clinical and recovery services.
- Increasing diversion and/or treatment options for persons diagnosed with mental illnesses and substance abuse who are in contact with Tennessee's criminal justice system;
- Promoting integration between mental health, substance abuse, and physical health services in order to increase timely access and appropriate service utilization;
- Expanding recovery opportunities across the state by creating employment initiatives, expanding housing services and options, increasing basic educational skills and providing transportation services for persons with mental illness, co-occurring disorders, substance abuse and addiction.
- Enabling persons with developmental disabilities to access needed services that foster independence and community;
- Ensuring that mental health and substance abuse prevention activities are evidence-based and aimed at assisting communities in the development of comprehensive prevention systems that create healthy communities in which people enjoy a high quality life. These include supportive work and school environments, drug- and crime-free neighborhoods, and positive connections with friends and family;
- Expanding and improving mental health and substance abuse services in Tennessee by increasing partnerships with community and faith-based organizations as providers of recovery services.

Natural Resources

The Environment

The Tennessee Department of Environment and Conservation (TDEC) safeguards human health and the environment for all Tennesseans by protecting and improving the quality of our land, air, and water for present and future generations.

Water Quality – The Division of Water Pollution Control implements a watershed management approach that focuses our planning and regulatory programs in a way that makes sense to the public, the regulated community, and partner agencies.

Water quality samples are collected across Tennessee. These data are analyzed and interpreted in order to indicate the quality of the state's waters and inform our citizens of the progress being made to improve Tennessee's water resources. Through these efforts, the public gains a better understanding of how activities in individual watersheds affect the quality of water in adjoining watersheds. Wise land management and control of discharges will keep Tennessee's water safe and clean.

Siltation remains the largest cause of water quality impairment in Tennessee streams. TDEC has partnered with three municipalities and the University of Tennessee to develop a training program for erosion prevention and sediment control. A handbook on the best management practices for preventing erosion and water pollution has been produced and is available on TDEC's Web site.

TDEC continues to help communities across the state improve their wastewater treatment services. Tennessee awarded more than \$62.5 million to local governments from the Clean Water State Revolving Fund in 2007.

Water Supply – TDEC continues to implement the Inter-Basin Water Transfer Act of 2000. This law addresses increasing demands for water

and protects supply for downstream users. In fiscal year 2007, TDEC acted on applications and received annual reports from utilities whose water transfers required actual permit decisions from the department. Considering the average flows in Tennessee's water bodies, current inter-basin transfers are redistributing an insignificant amount of water within the state.

Drinking Water – More than 98 percent of Tennessee citizens receiving public drinking water are served by public drinking water systems meeting all the federal requirements - one of the highest rates in the United States. The EPA has recognized our performance and recommended Tennessee's public drinking water program as a model for other states to benchmark and emulate.

The department's Fleming Training Center in Murfreesboro is a key reason Tennessee is a national leader. Fleming offers cutting-edge technology and advanced classes in a variety of water areas to assist certified operators with ongoing training and services as they complete their continuing education requirements. It educates and certifies thousands of treatment plant and water management staff every year.

In response to the recent period of extraordinary drought, the department worked with various state and federal agencies as part of the Tennessee Drought Task Force. The Drought Task Force tracks drought related problems and potential problems across the state, and works with local governments to provide technical support and information on funding assistance, such as grants and low-interest loans.

Special assistance continues to be available to water suppliers to ensure the safety of water treatment facilities and their infrastructure following the terrorist attacks of September 11, 2001.

Ground Water Protection (GWP) – Tennessee’s varied topography requires effective programs to protect both its surface and subsurface water flows. GWP regulates the on-site disposal of domestic wastewater in Tennessee through site evaluation, plans review, construction and repair permit issuance, inspection, and complaint resolution for subsurface sewage disposal systems. Current program staffing provides a local presence in 86 of Tennessee’s 95 counties.

Air Quality – Tennessee continues working toward attaining new, more stringent federal air quality standards. The goal is to achieve cleaner air for our citizens and meet federal standards in order to avoid the designation of non-attainment. The Division of Air Pollution Control maintains a state-wide air quality monitoring network, issues emission permits and conducts site inspections of major air pollution sources while working with the State Air Pollution Control Board to establish rules that promote a balanced approach to cleaner air and economic development.

While fine particulate matter (PM_{2.5}) pollution levels were formerly a statewide problem, the only area in violation of the new, stricter federal PM_{2.5} standard is the East Tennessee River Valley. However, preliminary data from 2007 for fine particulate matter Tennessee indicates increased fine particulate concentrations. This is likely due to weather patterns conducive to the formation or transport of fine particulates and wildfire in Tennessee, Georgia, and Florida.

TDEC is working with TVA to switch to lower sulfur coals and install flue gas desulfurization equipment on critical power plants. TDEC is also working to ensure that the fuels used for vehicles meet the new lower sulfur content standards. These two programs should reduce the formation of fine particulate pollution.

Most recent data for ground-level ozone (O₃) shows that ozone levels increased slightly in Tennessee in 2007. Again, this was likely due to weather conducive to the formation or transport of ozone. A scientific investigation is underway to determine whether or not regional wildfires contributed to increased ozone formation.

The Division of Air Pollution Control is also working with nine other southeastern states to prepare a federally mandated plan to improve and protect visibility in special areas of the state such as the Great Smoky Mountains National Park.

Radiological Health – The Division of Radiological Health conducts a comprehensive radiological health program to protect public health and safety and the environment from the potentially harmful effects of ionizing radiation from all sources.

Program activities include registering and inspecting x-ray equipment; licensing and inspecting users of radioactive materials; working with the federal Nuclear Regulatory Commission to improve security and facilities using radioactive material; and working with the Tennessee Highway Patrol and the State Office of Homeland Security to identify and prevent illicit trafficking in radioactive materials. These activities help protect citizens from the threat of radiological or nuclear terrorism.

Solid and Hazardous Waste – TDEC provides a range of solid waste assistance to counties, companies, and municipalities through development district grants, waste tire recycling grants, used oil grants, plus recycling grants, and rebates. Since 2003, more than \$37.2 million has been distributed to counties through solid waste assistance – grants and rebates – in order to help local governments plan and execute comprehensive programs for solid waste management.

Cleanup of Contaminated Lands – TDEC directs investigations and/or cleanup activities at inactive hazardous substance sites, brownfield sites, and drycleaner sites.

The Ocoee River, once thought to be largely devoid of aquatic life, was surveyed by federal biologists in 2007 and shown to have made a dramatic improvement. This renewed life was attributed to ongoing extensive reclamation work on the former Copper Basin mining district in Polk County. This is one of the largest inactive hazardous substance sites in Tennessee.

Parks and Conservation

Tennessee's state parks and natural areas afford Tennesseans and visitors a wide range of recreational and educational opportunities. State parks and conservation initiatives also protect ecologically significant lands and preserve important cultural and historic sites.

State Parks – Tennessee State Parks marked its 70th Anniversary in 2007 with its selection as the best state parks system in the nation by the American Academy for Park and Recreation Administration and the National Recreation and Park Association. This prestigious Gold Medal Award recognized Tennessee State Parks' key accomplishments since 2003, including immediately reopening 14 parks that had previously been closed, removing access fees from the 23 state parks that had instituted them and, where available, purchasing "green power" in state parks.

Thirty-six state parks are also moving forward with the All Taxa Biological Inventory (ATBI) activities where staff and volunteers collect information on all plants and animals residing at that park location. Tennessee State Parks is the only state park system in the country conducting this type of research project and has received national recognition for this effort.

State Parks' hospitality services continue to meet increased demand for inn rooms, cabins, campgrounds, and dining. Lodging, restaurant and marina operations realized greater activity volumes in fiscal year 2007, and today these facilities perform at 99% self-sufficiency. The Tennessee Golf Trail increased rounds played and revenues while making significant course improvements that will allow for greater play in the future. State Parks' hospitality group remains on track to reach its goal of operational self-sufficiency status by 2008.

In 2007, Tennessee State Parks hosted more than 25 million visitors. Park staff presented 19,000 interpretive programs to 750,000 participants, a 25 percent increase over the previous year.

Natural Areas and Scenic Rivers – State Natural Areas protect Tennessee's biological diversity by conserving ecologically significant areas and habitat for rare plant and animal species throughout Tennessee.

The State Scenic Rivers program preserves valuable selected rivers in their free flowing natural or scenic conditions and protect their water quality and adjacent lands. There are 13 legislatively designated State Scenic Rivers in Tennessee covering approximately 390 river miles.

Heritage Conservation Trust Fund – In the 2007 legislative session, Governor Bredesen proposed and the General Assembly agreed to add \$10 million in funding for the Tennessee Heritage Conservation Trust Fund, originally established in 2005, so the state could better respond to emerging opportunities for preservation of priority open spaces. In 2007, the Heritage Conservation Trust Fund Board awarded 14 grants totaling \$17.3 million. The funding will be leveraged with other public and private dollars to protect approximately 22,491 acres. The Trust Fund will continue to support and promote land conservation across Tennessee through acquisition, donation, and easement activities by leveraging the state's seed investments through effective public-private partnerships.

Recreation Education Services (RES) – The Recreation and Planning Resources section maintains three regional offices serving the state's grand divisions. This section provides planning, grant, and technical assistance to recreation professionals across the state and coordinates the state's greenways and trails program through the Greenways and Trails Advisory Council.

The Land Management and Funding Resource section provides oversight and record management of department-owned lands. It also provides monitoring of financial compliance for all acquisitions made through the State Land Acquisition Fund program.

Homeland Security

The Office of Homeland Security and the Homeland Security Council began operating in the fall of 2001, following the September 11, 2001, terrorist attack on America. The office of Homeland Security is located within the Department of Safety. The 23-member Homeland Security Council is comprised of 17 state officials and six local government representatives.

The office has primary responsibility and authority for directing homeland security activities, including but not limited to planning, coordinating, and implementing all homeland security prevention, protection, and response operations. This responsibility includes developing and implementing a comprehensive, coordinated strategy to secure the state from terrorist threats and attacks. The office serves as liaison with related agencies of the federal government, agencies of local government, agencies of other states, and related private sector agencies on matters of homeland security.

Federal homeland security funds have been provided to state and local agencies to enhance capabilities to prevent, protect, and respond to terrorism. Funds have been provided for enhanced information sharing, chemical, biological, radiological, nuclear, and explosive response equipment; communications equipment; planning; training exercises; and citizen outreach programs. At the local

jurisdiction level, homeland security funds have been allocated to law enforcement, fire, emergency management, emergency medical, public utilities, and emergency communications agencies to enhance regional capabilities.

At the state level, funds have been allocated to the Office of Homeland Security, other Department of Safety programs, Department of Agriculture, Department of Environment and Conservation, Department of General Services, Department of Military (TEMA), Department of Commerce and Insurance, Department of Education, Department of Transportation, Department of Health, Department of Finance and Administration, Department of Correction, Tennessee Bureau of Investigation, and Tennessee Wildlife Resources Agency. Funding has helped to establish three regional homeland security offices to assist local leaders with the homeland security mission; enhance state building security; improve public safety communications; provide essential monitoring, detection, and laboratory equipment; and provide terrorism prevision capabilities.

The Office of Homeland Security and the agencies of the Governor's Homeland Security Council continue to assess critical infrastructure throughout the state to determine and develop plans to reduce vulnerabilities. The office works closely with key federal agencies in Tennessee.

Families First

Families First is Tennessee's Temporary Assistance to Needy Families (TANF) program. The program emphasizes personal responsibility, work requirements, and time limits on assistance.

Personal Responsibility — The foundation of Families First is personal responsibility. All participants must:

- Cooperate with child support enforcement in identifying the fathers of dependent children; establishing paternity; and securing court orders for support (unless good cause is established);
- Ensure that all eligible children attend school; and
- Ensure that children are immunized and

their health checks are current.

Failure to comply with these program requirements results in the reduction or termination of Families First benefits.

Work Requirements — Families First participants who do not meet exemption criteria are required to participate in work activities totaling 30 hours per week. Failure to comply with this program requirement results in the termination of Families First benefits.

Participants facing barriers on their path toward self-sufficiency may receive assistance through the Family Services Counseling program (FSC). FSC counselors provide assessment, counseling, and referral services for clients with mental health issues, drug and alcohol problems, learning disabilities, domestic violence issues, and problems stemming from a child's health and/or behavior.

Time Limited Benefits — Families First is a time-limited program. Benefits are limited to five years over the course of a lifetime. Families meeting certain criteria such as disability or incapacity of the caretaker, caretaker over the age of 65, etc. may receive additional months of assistance at the end of the five years limit.

Transitional Benefits — In order for families to sustain self-sufficiency, some benefits are extended beyond the end of cash assistance, including child care and Food Stamps. Although no longer a transitional benefit at the close of Families First, families may continue to qualify for Medicaid in a separate Medicaid category for low-income families with children.

Child Care — The Department of Human Services' initiatives in child care have focused on three central issues: quality, affordability, and availability.

- The "Star-Quality" system includes the annual mandatory report card and voluntary rated licensing programs for licensed child care agencies. Child care facilities are evaluated on a number of quality measures

and may receive one-, two-, or three-star ratings indicating levels of quality achieved.

- Child Care Resource and Referral (CCR&R) agencies provide technical assistance, training, and community support to child care providers statewide. CCR&R agencies also provide referrals for child care services to families on a local level.
- The Tennessee Child Care Provider Training (TN-CCPT) program uses licensing fees in part to provide free training for providers in areas of Administration, Child Development, Early Childhood Education, Health and Safety, and Developmentally Appropriate Behavior Management. This training is offered through the local child care Resource and Referral system in 11 locations throughout the state.
- The Tennessee Early Childhood Training Alliance (TECTA) is a statewide education and training service offered through Tennessee Board of Regents institutions. No- or low-cost training is available to child care providers to assist in meeting licensing standards and further enhancing their professional development. Additionally, TECTA serves as the state's early childhood education articulation system.
- The Birth to Three Collaborative is an initiative bringing together the Infant/Toddler (I/T) staff from the departments of Education and Health, as well as the I/T staff from TECTA, TN-CCPT, the CCR&R Network, and professional child care organizations to develop an integrated system of technical assistance and training needed to raise the health, safety, and early learning levels in Infant/Toddler settings and to make this higher quality care more accessible.
- As of November 2007, the department supports over 45,700 monthly child enrollments for low-income, families through its Child Care Certificate (subsidy) Program.

Glossary and Index

Table of Contents

Glossary of Budget Terms.....	B-417
Index.....	B-425
Credits	B-435

Glossary of Budget Terms

A

Accrual Basis of Accounting - Records revenues in the period in which they are earned and become measurable; expenses are recorded in the period incurred, if measurable.

Agency - Any department, commission, board, authority, government-owned corporation, or other independent governmental entity.

Allotment - Funds established for agency expenditure, in accordance with the appropriations made by the General Assembly.

Allotment Code - The five-digit number used to designate a program or programs for budgeting and accounting purposes.

Appropriation - The amount authorized by the General Assembly to be allocated from a fund to an allotment code. Also, in the context of funding type, the general state revenue allocated to an allotment code by the General Assembly.

Appropriations Bill - Annual legislation authorizing the allocation and expenditure of funds for a two-year period: the year of bill passage and the subsequent year. The bill also sets policies, assigns certain responsibilities, and at times specifies legislative intent on certain issues.

Authorized Positions - The maximum number of positions an agency may

establish at any given time; authorized positions must receive legislative approval by legislation, by expansion, or by inclusion in the Governor's recommended budget document.

B

Balanced Budget - A budget in which the expenditures incurred during a given period are matched by revenues.

Base Budget - The estimated expenditures and associated revenues or appropriation necessary to maintain the current level of service or activity.

BEP - The Basic Education Program is the formula that determines the funding level each school system needs in order to provide a basic level of service for all students.

BHO - Behavioral Health Organizations are responsible for managing the behavioral and substance abuse services for the TennCare program.

Biomass Fuels – An alternative to petroleum produced from woody materials, such as corn stalks and switchgrass.

Glossary of Budget Terms

Brian A. - A settlement agreement, signed in July 2001, which requires a four and one-half year reform of child welfare services provided by the Department of Children's Services.

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 \$100,000 or more.

Capital Outlay - Expenditures which result in the acquisition of or addition to major fixed assets (e.g., land, buildings, and equipment related to construction).

Capital Projects Fund - The fund used to account for financial resources related to the acquisition, construction, or maintenance of major capital facilities.

Cellulosic Ethanol - Ethanol produced from biomass of various kinds, including waste from urban, agricultural, and forestry sources.

Clean Air and Water Acts - 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.

ConnecTen - A Department of Education initiative to provide Internet access to all public schools in Tennessee.

CPI - Consumer Price Index - For purpose of the judges' salary adjustment, state law requires use of the CPI. 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, inspection fees).

D

Debt Rating - A measure of a governmental entity's ability to pay debt on bonds, etc.

Debt Service - Expenses for principal, interest, and discounts on bonds and other types of borrowed money.

Debt Service Fund - Funds used to retire bonds in an orderly process over the bonds' life. Each year, the state sets aside a sum of money equal to a certain percentage of the total bond issue.

DNA - Deoxyribonucleic acid is a nucleic acid that is the molecular basis of heredity.

E

Earmarked Revenue - Funds that are legislatively limited in how they can be expended.

Glossary of Budget Terms

eCMATS - The Case Management Activity Tracking System is utilized by the Department of Labor and Workforce Development to track contacts between the agency and its customers.

Econometric Model - A quantitative forecasting method used to project revenues based on historical data and growth estimates for the economy.

Education Trust Fund - The fund into which all revenues earmarked and allocated exclusively for educational purposes are deposited.

EEO - Equal employment opportunity is a series of policies and procedures enacted by the Department of Human Resources to comply with federal laws governing fair employment practices as provided in the Equal Employment Opportunity Act.

EMS - Emergency medical services provide pre-hospital emergency medical care and medical transportation systems, primarily ambulatory services.

Encumbrance - Commitments related to unexecuted contracts for goods and services issues by the Division of Purchasing, Department of General Services.

Environmental Protection Fund (EPF) - A fund administered by the Department of Environment and Conservation the purpose of which is to improve performance in permitting, monitoring, investigation, enforcement, and administration of the department's function under each regulatory program.

F

Facilities Revolving Fund - A self-perpetuating fund for the maintenance and renovation of state-owned buildings and the leasing of office space.

Families First - This program, administered by the Department of Human Services, replaces Aid to Families with Dependent Children (AFDC) and provides time-limited cash grants, education, job training, child care, employment assistance, and transitional benefits to poor or low-income Tennesseans in order to reduce or eliminate welfare dependency.

FDIC - The Federal Deposit Insurance Corporation insures bank deposits up to \$100,000.

Federal Funds - Funds received from federal government agencies for the support of programs at state and local levels. Federal funds are received by way of block grants, entitlement programs, and specific grants.

Federal Mandates - A provision of federal law or regulation which requires state government implementation. This includes the creation of new programs, changes in existing programs, and increases in state financial participation in jointly funded federal programs.

Fiscal Year - A 12-month accounting period; in Tennessee, July 1 through June 30.

Full-time Equivalent (FTE) Enrollment - A standard measure of student enrollment designed to equate part-time students to full-time students on the basis of total hours of course work for which they are registered.

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.

Glossary of Budget Terms

G

Gateway Tests - Tests for Algebra I, Biology, and English II required for high school graduation.

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.

Geographic Information System (GIS) - 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 by the Public Acts of 2002, which requires the phase-in of strategic planning and performance based budgeting.

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.

HMO - Health Maintenance Organizations arrange basic health services to enrollees based on a prepaid basis. The TennCare Oversight program in the Department of Commerce and Insurance reconciles claims submitted by HMOs.

HUD - The federal Housing and Urban Development Agency provides income-eligible individuals with resources to assist with their housing needs.

I

IGT - An intergovernmental transfer; specifically, revenue collected as state revenue from a city or county government.

Improvements - Increases in departmental budgets needed to implement mandated requirements, compensate for revenue reductions, initiate new programs, or enhance the base level.

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.

Glossary of Budget Terms

L

LSTA - The federal Library Services and Technology Act provides for the sharing of resources among libraries to promote equal delivery of library services to the public.

LEA - Local education agencies, which are 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.

Liability - An obligation that legally binds the state to settle a debt.

M

MCO - Managed Care Organizations are 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

NAIC - The National Association of Insurance Commissioners provides policy development and technical support to state insurance regulators.

NCUA - The National Credit Union Administration charters and supervises federal credit unions, and insures Tennessee's state-chartered credit union deposits up to \$100,000.

Ned McWherter Scholars Program - In-state scholarships offered to academically outstanding Tennessee high school students, to encourage them to attend college in Tennessee.

Non-Recurring Funds - Funds that are appropriated to be used for a one-time expense.

O

Oak Ridge National Laboratory - A division of the United States Department of Energy.

OBE - The Office of Business Enterprise, within the Department of Economic and Community Development, provides assistance to disadvantaged businesses to foster equal competition among businesses.

Operating Budget - That money which is necessary to maintain a program, excluding the cost of capital construction.

Organic Farming – The process of raising crops and livestock without the use of artificial nutrients or hormones, and with a focus on conservation of natural resources.

Other Revenue - A collection of funding sources, excluding state appropriations and federal funds. These funding sources are generally from local governments, current services, and interdepartmental activities.

Overappropriation - The anticipated savings resulting from position vacancies and other unexpended funds.

Glossary of Budget Terms

Overlaps - Term used when an appointing authority places more than one incumbent in a single position in an overlap status. This is subject to budgetary limits as well as approval of the Commissioner of Personnel.

P

Performance-Based Budgeting - Process to identify objectives, activities, and performance indicators for each budget unit. This process is being phased in, with all agencies included by FY 2012.

Performance Measure - A quantitative or qualitative indicator that is used to assess performance.

Performance Standard - A desired level of performance of a program, measured by outcome or output.

PLHSO - Prepaid Limited Health Service Organizations arrange limited health care services, such as vision or dental services, for enrollees on a prepaid basis. The TennCare Oversight program in Commerce and Insurance reconciles claims submitted by Prepaid Limited Health Service Organizations.

Pre-Need Funeral Contracts – Contracts entered into with funeral establishments for services required at a later date.

Program - Any of the major activities of an agency expressed as a primary function.

R

Rainy Day Fund - A fund established to ensure stability in the event of an extended economic downturn (also referred to as the Revenue Fluctuation Reserve Fund).

RDA - The Records Disposition Authority is the primary record management agency for state government and directs the disposition of all records including electronic processed records and computer output microfilm records.

Reappropriation - The extension of the termination date for the availability of appropriated money.

Reclassification - A change in the duties and responsibilities of a state employee's job.

Recommended Funds - The funds proposed by the Governor for legislative approval, including the base budget and improvements.

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.

Glossary of Budget Terms

Rural Opportunity Fund – A fund created to provide small-business loans to small, minority, and women-owned rural businesses that are unable to access traditional loan capital.

S

Second Injury Fund - A fund providing money for judgements 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.

Section 8 - A federally funded rental subsidy program offered through the Tennessee Housing Development Agency for individuals and families with very low income.

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.

State Taxpayers Budget - The section of the budget that includes only state appropriations and state revenues from general tax sources. The State Taxpayers Budget section excludes appropriations from dedicated taxes and fees which are narrowly levied and earmarked for specific purposes, federal revenues, and all other departmental revenues.

Supervision Fees - Fees collected from felons under the supervision of the Board of Probation and Parole, 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.

Taxpayers Budget - See **State Taxpayers Budget**.

TCAP - The Tennessee Comprehensive Assessment Program is used to assess academic progress of Tennessee students at specified points in their academic career.

Tennessee Valley Authority - A federal power producing and economic development program.

Three-Star Program - Comprehensive plan developed and administered by the Department of Economic and Community Development to assist local communities in their development efforts.

TLDA - The Tennessee Local Development Authority is given the responsibility of issuing bonds and notes to provide funds to local governments and certain other entities for projects related to economic development and specific environmental and public health concerns.

TMDL - The total maximum daily load is a calculation of the maximum amount of a pollutant that a body of water can receive while still meeting federal water quality standards.

Glossary of Budget Terms

TNKids - Internet initiative to coordinate data from various state departments dealing with children and youth.

TOPS - The Tennessee On-line Purchasing System is an automated purchasing system used by state departments.

Tobacco Master Settlement Agreement – A settlement agreement, signed by attorneys general representing 46 states in November 1998, with the major cigarette companies to settle all lawsuits seeking to recover the Medicaid costs of treating smokers. The agreement imposes restrictions on advertising, marketing, and promotion and requires the manufacturers to make annual payments to states through 2025.

TPA - Third Party Administrators contract with life and health insurance companies to collect premiums and adjust or settle claims relative to Tennessee resident's insurance coverage. The TennCare Oversight program in the Department of Commerce and Insurance reconciles claims submitted by Trading Partner Agreements.

TRUST - The Title and Registration User System of Tennessee automates title processing between county clerks, the general public, and the Department of Revenue.

W

West Tennessee River Basin Authority - Preserves the natural flow and function of the Hatchie, Obion, and Forked Deer river basins.

Workers' Compensation Reform Act - Legislation that revised the state workers' compensation program.

U

USDOE - The U.S. Department of Energy is a federal agency charged with oversight of the distribution of funds for various energy-related initiatives.

Index

A

Abandoned Lands B-307
Academic Scholars Program B-120
AccessTN B-201
Accountability and Assessment
(Education) B-102
Accounts, Division of (Finance and
Administration) B-57
Administration
see also Administrative Services
Children's Services B-203
Commerce and Insurance B-316
Comptroller of the Treasury, Division of
B-33
Correction B-245
Education B-96
Finance and Administration B-50
General Services B-64
Human Services, Division of B-191
Labor and Workforce Development B-328
Military B-265
Mental Retardation B-183
Revenue B-73
Safety B-272
TennCare B-159
Transportation, Bureau of B-363
Administration and Grants (Agriculture) B-344
Administration and Marketing (Tourist
Development) B-351
Administrative Office of the Courts B-227
Administrative Services
Economic and Community Development
B-353
Environment and Conservation B-292
Health B-170
Legislature B-23
Mental Health and Developmental
Disabilities B-163
Adoption Services B-205
Adult Basic Education B-333
**Advisory Commission on Intergovernmental
Relations B-49**
After-School Programs Special Account B-99
Agging and Disability, Commission on B-157
Agricultural Regulatory Fund B-349
Agricultural Resources Conservation Fund B-345
Agriculture, Department of B-344
Air National Guard B-266
Air Pollution Control B-304
Air, Water, and Rail Transportation B-365

Alcoholic Beverage Commission B-239
Alvin C. York Institute B-111
Appeals and Hearings B-192
Appellate and Trial Courts B-224
Appellate Court Clerks B-229
Archaeology B-295
Arlington Developmental Center B-187
Armories
Maintenance B-267
Utilities B-267
Army National Guard B-266
Arts Commission, Tennessee B-290
Attorney General and Reporter B-232
Auctioneer Education and Recovery Fund B-319
Audit
Division (Revenue) B-76
Division of County (Comptroller) B-36
Division of Municipal (Comptroller) B-36
Division of State (Comptroller) B-35
Austin Peay State University B-135
Authorized Positions, Comparison of A-27
Auto Theft Investigations B-277

B

Balance Sheet
Debt Service Fund A-101
Education Fund A-96
General Fund A-95
Highway Fund A-97
Base Budget
Adjustments to State Appropriations A-26
Reductions from State Appropriations A-24
Basis of Budgeting and Accounting B-387
Benefits Administration B-51
BEP and Other LEA Support B-98
Board of
Education, State B-97
Equalization, State B-38
Law Examiners B-229
Probation and Parole B-243
Professional Responsibility (Court System)
B-230
Regents, Tennessee B-131
Boards
Health Related B-174
Regulatory B-320
Boating Safety (Tennessee Wildlife Resources
Agency) B-314
Boilers and Elevators B-329

Index

- Bond Finance, Division of B-34
Bond Fund
 Statement of Authorized and Unissued A-102
 Statement of Appropriations in Lieu of Issuing Bonds A-104
 Statement of Bonded Indebtedness A-105
 Statement of Bonds Sold A-103
Books from Birth Fund (Governor's) B-96
Bridge Replacement B-374
Brushy Mountain Correctional Complex B-249
Budget
 Document
 Division of (Finance and Administration) B-56
 General Fund (Pie Chart) A-3
 Highlights xvii
 Process B-379
 Overview A-1
 Total State (Pie Chart) A-2
Bureau of
 Administration (Transportation) B-363
 Engineering (Transportation) B-366
 Environment and Planning (Transportation) B-364
 Health Licensure and Regulation (Health) B-173
 TennCare (Department of Finance and Administration) B-159
Business Development B-354
Business Services B-355
- ### C
- Campus Centers of Emphasis B-116
Capital Appropriations From Bonds, Current Funds and Other Revenues (Proposed) A-111
Capital Budget A-109
 Commonly Used Abbreviations A-120
Capital Improvements (Transportation) B-373
Capital Outlay Project Descriptions A-112
Capital Outlay and Facilities Programs A-107
Capitol Print Shop B-34
Capital Projects A-122
 Facilities Revolving Fund, Proposed A-123
 From School Bonds and Other Sources A-117
Career and Technical Education Programs B-108
Career Ladder B-100
Cemetery Consumer Protection Fund B-319
Centers of Excellence B-116
Certified Cotton Growers' Organization Fund B-346
Certified Public Administrators B-41
Charitable Solicitations and Charitable Gaming B-29
Charles B. Bass Correctional Complex B-252
Chattanooga State Technical Community College B-139
Child
 and Family Management B-205
 Care Benefits B-194
 Support (Human Services) B-197
 Support Enforcement, IV-D (District Attorneys General Conference) B-235
 Support Referees (Court System) B-225
Children and Youth, Commission on B-156
Children's Services, Department of B-203
CID Anti-Theft Unit B-77
Civil Legal Representation Fund B-226
Claims and Compensation B-43
Clean Water and Drinking Water State Revolving Fund B-305
Cleveland State Community College B-140
Client Protection Fund B-231
Clover Bottom Developmental Center B-188
Columbia State Community College B-140
Commerce and Insurance, Department of B-316
Commission on Children and Youth B-156
Commission on Aging and Disability B-157
Communicable and Environmental Disease Services B-177
Community and Medical Services B-180
Community
 Alcohol and Drug Abuse Services B-164
 Corrections B-244
 Development B-358
 Enhancement Grants B-32
 Mental Health Services B-165
 Mental Retardation Services B-184
 Services (Human Services) B-196
 Treatment Facilities B-209
Comparison of
 Appropriation Requirements and State Revenues, General Fund and Education Fund 2007-2008 A-10
 2008-2009 A-11
 Authorized Positions A-27
 Appropriations and Funding Requirements, Department of Transportation A-12
 Appropriations by Funding Sources, Department of Transportation A-13
 Personal Income and Appropriation (Summary) A-22
 Programs A-16
 and Revenue Sources A-4
 by Revenue Sources A-5

Index

Comparative Balance Sheet
 see Balance Sheet
Comparative Statement of Revenues of Regulatory
 Boards A-48
Comparison Statement of State Revenues A-44
Comptroller of the Treasury B-33
Conservation Compensation Fund B-300
Consumer Affairs B-318
Continuation and Improvement Recommendations,
 Departmental Summary A-6
Continuing Legal Education B-230
Contract Education (Higher Education) B-115
Correction Academy B-246
Correction, Department of B-245
Corrections Institute, Tennessee B-246
Correctional Institutions Statistical Data B-262
Council of Juvenile and Family Court Judges
 B-226
County
 Audit, Division of B-36
 Rentals (Human Services) B-196
Court System B-224
CoverKids B-201
CoverRx B-202
CoverTN B-200
**Cover Tennessee Health Care Programs,
 Finance and Administration, Department of
 B-200**
Criminal
 Injuries Compensation B-43
 Justice Programs B-52
Curriculum and Instruction (Education) B-103
Custody Services B-204

D

Davidson County Public Defender B-237
DeBerry (Lois M.) Special Needs Facility B-258
Debt Management A-95
Debt Service (Facilities Revolving Fund) A-122
Debt Service Fund
 Comparative Balance Sheet A-101
 Statement of Revenues, Expenditures and,
 Requirements A-100
Departmental Summary
 Appropriation from Dedicated Taxes and
 Fees A-129
 Continuation and Improvements A-6
 Improvements A-8
Desegregation Settlement, Geier B-117
Developmental Disabilities Council B-183
Diabetes Prevention and Health Improvement
 B-179

Disability Determination B-198
Distribution of
 Actual Revenue by Fund A-45
 Estimated Revenue by Fund A-47
 Revised Estimated Revenue by Fund A-46
District Attorneys General B-234
District Attorneys General Conference B-234
District Public Defenders B-236
District Public Defenders Conference B-236
DOE Oversight (Environment and Conservation)
 B-307
Driver Education
 Department of Education B-101
 Department of Safety B-279
Driver License Issuance B-275
Dry Cleaners Environmental Response Fund,
 Tennessee B-303
Dyersburg State Community College B-141

E

Early Childhood Education B-99
Early Intervention Services, Tennessee B-107
East Tennessee Regional Office (Finance and
 Administration - Mental Retardation) B-186
East Tennessee State University (ETSU) B-135
 College of Medicine B-133
 College of Pharmacy B-134
 Family Practice B-134
Economic
 Overview, Tennessee A-31
 Council on Women B-31
**Economic and Community Development,
 Department of B-353**
Economic Development District Grants B-357
Education, Department of B-96
Education Functional Area B-85
 Education Improvements
 K-12 Education B-88
 Higher Education State-Administered
 Programs B-90
 State University and Community College
 System B-94
 University of Tennessee System B-92
 Introduction **B-85**
 Recommended by Funding Source B-7
 Total Personnel and Funding B-87
Education Fund
 Comparative Balance Sheet A-96
Elk River Resource Management B-297
Emergency and Contingency Fund B-80

Index

Emergency Medical Services B-174
Employees Overlapped Over 90 Days A-30
Employment and Training B-332
Employment Security B-333
Energy Division (Economic and Community Development) B-359
Enterprise Resource Planning B-55
Environment Administration B-300
Environment and Conservation, Department of B-292
Environmental Protection Fund B-311
Equipment Purchases and Operations (Transportation) B-369
ESEA No Child Left Behind B-104
Ethics Commission B-29
Executive
Administration (Health) B-170
Administration (Human Resources) B-61
Department B-45
Director
District Attorneys General Conference B-235
Public Defenders Conference, of the B-236

F

Facilities Management (Facilities Revolving Fund) A-122
Facilities Revolving Fund A-121
Facilities Revolving Fund (Debt Service) A-122
Facilities Revolving Fund Capital Appropriations, Proposed A-123
Facilities Revolving Fund Project Descriptions A-124
Family Assistance Services B-195
Family Support Services B-204
FastTrack Infrastructure and Job Training Assistance B-357
Federal Aid Trends and Mandate Costs A-35
Federal Construction Grants B-248
Federal Family Education Loan Program (FFELP) B-119
Field
Construction (Transportation) B-368
Engineering (Transportation) B-367
Maintenance Operations (Transportation) B-368
Operations (Human Services) B-191
Film and Television Incentive Fund B-358
Finance and Administration, Department of B-50

Finance and Administration – Mental Retardation Services, Department of B-183
Finance and Administration – TennCare, Bureau of B-159
Finance and Administration – CoverTN Health Care Programs B-200
Financial Institutions, Department of B-326
Financial Statements A-93
Fire Service and Codes Enforcement Academy B-322
Fire Prevention B-322
Fire Fighting Personnel Standards and Education B-323
Fiscal Review Committee (Legislature) B-26
Fleming Training Center B-311
Food
Services Program B-70
Stamp Benefits B-195
Foreign Language Institute, Tennessee B-121
Forest Highways (Transportation) B-372
Forestry Operations (Agriculture) B-349
Maintenance B-350
Funds By Program Area B-5

G

Geier Desegregation Settlement B-117
General Assembly
Committees B-25
Support Services B-23
General Environmental Health B-176
General Fund
Base Budget
Adjustments to State Appropriations A-26
Reductions from State Appropriations A-24
Budget Pie Chart A-3
Comparative Balance Sheet A-95
Comparison of Appropriation Requirements and State Revenues
2007-2008 A-10
2008-2009 A-11
and Education Fund Supplemental Appropriations A-23
General Government Functional Area B-15
Improvements B-18
Introduction B-15
Recommended by Funding Source B-6
Total Personnel and Funding B-17
General Services, Department of B-64
General Services Project Maintenance (Facilities Revolving Fund) A-121

Index

Geology B-301
Glossary of Budget Terms B-417
Governor's
 Books from Birth Fund B-96
 Institute for Science and Math B-111
 Office B-45
 Office of Children's Care Coordination B-162
 Office of State Planning and Policy B-58
Grain Indemnity Fund, Tennessee B-395
Grants-In-Aid (Education) B-101
Greene Valley Developmental Center B-188
Groundwater Protection B-309
Guardian ad Litem B-225

H

Hardeman County Agreement - Whiteville B-259
Hardeman County Incarceration Agreement B-258
Hazardous Waste Remedial Action Fund B-308
Headquarters (Transportation) B-362
Health
 Department of B-170
 Licensure and Regulation B-173
 Related Boards B-174
 Services Administration B-175
 Services and Development Agency B-158
Health and Social Services Functional Area B-147
 Improvements B-150
 Introduction B-147
 Recommended by Funding Source B-8
 Total Personnel and Funding B-149
Help America Vote Act B-29
Heritage Conservation Trust Fund, Tennessee B-299
Higher Education B-114
 State-Administered Programs B-114
Highway
 Betterments B-370
 Fund, Comparative Balance Sheet A-97
 Maintenance B-369
 Patrol B-276
Historical Commission B-293
Historic Sites, Maintenance of B-294
Homeland Security Grants B-258
Homeland Security, Office of B-277
House of Representatives B-24
Housing Development Agency, Tennessee B-343
Human Resource Development B-61
Human Rights Commission B-46

Human Resources, Department of B-61
Human Services, Department of B-191

I

Improvements (by functional area)
 Education
 K-12 Education B-88
 Higher Education
 State-Administered Programs B-90
 State University and Community College System B-94
 University of Tennessee System B-92
 General Government B-18
 Health and Social Services B-150
 Law, Safety, and Correction B-218
 Resources and Regulation B-286
 Transportation, Business, and Economic Development B-340
Improvements, Departmental Summary of A-8
Improving Schools Program B-105
Indigent Defendants' Counsel B-225
Information Resources
 Office for (Finance and Administration) B-50
Information Technology Resources Division (Revenue) B-74
Information Technology, Office of (Health) B-171
Insurance
 Commerce and Insurance B-317
 Premiums (Transportation) B-362
Interstate Construction B-371
IV-D Child Support Enforcement (District Attorneys General Conference) B-235

J

Jackson State Community College B-141
John S. Wilder Youth Development Center B-207
Judicial
 Conference B-228
 Programs and Commissions B-228

Index

L

Labor
And Workforce Development, Department of B-328
Standards B-331
Laboratory Services (Health) B-171
Lakeshore Mental Health Institute B-165

Land and Water Conservation Fund
B-294
Law Enforcement Training Academy, Tennessee
B-324
Law, Safety, and Correction Functional
Area B-215
Improvements B-218
Introduction B-215
Recommended by Funding Source B-9
Total Personnel and Funding B-217
Legislative Administration Services B-23
Legislature B-23
Library System, Regional B-30
Library and Archives, State B-30
Library Construction B-31
Loan/Scholarship Programs B-120
Local
Finance, Division of B-37
Government Energy Loan Program B-360
Government, Office of B-37
Health Services B-181
Interstate Connectors B-372
Parks Acquisition Fund B-298
Lois M. DeBerry Special Needs Facility B-258
Long Term Care Services B-161
Lottery for Education Account B-121
Summary of Appropriation Requirements,
Revenues, and Reserves A-14
Lottery-Funded Education Programs, Comparison
of Appropriation Requirements and State
Revenues A-15
Lottery Proceeds Estimates, Net (State Funding
Board) A-92

M

Maintenance
Armories (Military) B-267
General Services Project A-121
Highway B-369
of Historic Sites B-294
Operational A-121

Tennessee State Parks B-297
West Tennessee River Basin Authority B-303

Major Maintenance
Children's Services B-210
Correction B-247
Education B-112
Mental Health and Developmental Disabilities
B-168
Mental Retardation B-189
Safety B-273

Major Tax Exemptions
From Current Tax Base A-51
Sales and Use Tax Currently Untaxed
Services A-50

Management Services, Office of (Comptroller)
B-33
Mark Luttrell Correctional Facility B-251
Market Development (Agriculture) B-346
Mass Transit B-364
Maternal and Child Health B-177
Memphis
Mental Health Institute B-167
University of B-136

Mental Health
**and Developmental Disabilities,
Department of B-163**
Institutes (Statistical Data) B-169
Services Administration B-163

Mental Retardation Services
Administration B-183
**Finance and Administration, Department
of B-183**
Developmental Centers (Statistical Data)
B-190

Middle Tennessee
Mental Health Institute B-166
Regional Office (Finance and Administration
– Mental Retardation) B-185
State University B-136

Military Department B-265
Mines B-329

Miscellaneous Appropriations B-79
Moccasin Bend Mental Health Institute B-167
Morgan County Correctional Complex B-256
Motlow State Community College B-141
Motor Vehicle Management (General Services)
B-65
Motor Vehicle Operations (Safety) B-273
Motorcycle Rider Education B-278
Mountain View Youth Development Center
B-208
Municipal Audit, Division of B-36
Museum, Tennessee State B-291

Index

N

911 Emergency Communications Fund B-321
Nashville State Technical Community College
B-138
Natural Areas B-295
Needs Assessment (Children's Services) B-204
Net Lottery Proceeds Estimates (State Funding
Board) A-92
New Visions Youth Development Center B-209
No Child Left Behind (ESEA) B-104
Northeast
 Correctional Complex B-255
 State Technical Community College B-139
Northwest Correctional Complex B-255

O

Office
 for Information Resources (Finance and
 Administration) B-50
 of Environmental Assistance B-312
 of Homeland Security B-277
 of Information Technology (Health) B-171
 of Inspector General (TennCare) B-59
 of Local Government B-37
 of Management Services (Comptroller) B-33
 of State Assessed Properties B-38
 of the Post-Conviction Defender B-238
Offices of Research and Education Accountability
(Comptroller) B-35
Organizational Chart, Tennessee State Government
B-3
Operational Maintenance (Facilities Revolving
Fund) A-121
Overlapped, Employees Over 90 Days A-30

P

Parks, Tennessee State B-296
Pellissippi State Technical Community
College B-138
Performance-Based Budget B-384
Personal Income and Appropriations Summary,
Comparison of A-22
Personnel
 and Funding (Summary, All Programs) A-28
 and Funding (by functional area) *see* Total
 Personnel and Funding

Planning and Research (Transportation) B-365
Policy, Planning, and Assessment (Health) B-172
Positions, Comparison of Authorized A-27
POST Commission B-324
Post Conviction Defender, Office of the B-238
Postal Services (General Services) B-67
Printing and Media Services B-68
Probation and Parole, Board of B-243
Probation and Parole Services B-243
Processing Division (Revenue) B-75
Program History B-391
 Children B-397
 Education B-391
 Economic Opportunity B-394
 Families First B-412
 Homeland Security B-412
 Natural Resources B-409
 Public Health B-402
Programs
 see Comparison of Programs
Projected First Year Operating Costs for New
Facilities Recommended as Projects A-116
Projects Funded from Dedicated Revenues A-115
Property
 Assessments, Division of B-38
 Management B-66
 Utilization B-65
Public
 Defenders Conference, District B-236
 Executive Director of the B-236
 Documents (Secretary of State) B-28
Publication of Tennessee Reports (Attorney
General and Reporter) B-232
Purchasing B-68

R

Radiological Health B-304
Range of Tax Revenue Estimates, State Funding
Board A-83
Real Estate Education and Recovery Fund B-318
Real Property Administration B-58
Recommended by Funding Source
 by Functional Area
 Education B-7
 General Government B-6
 Health and Social Services B-8
 Law, Safety, and Correction B-9
 Resources and Regulation B-10
 Transportation, Business, and Economic
 Development B-11
Records Management (General Services) B-69
Recreation Educational Services B-293

Index

Regents Access and Diversity Initiative B-131
Regional
 Grants Management B-356
 Library System B-30
Registry of Election Finance B-28
Regulatory Services (Agriculture) B-347
Regulatory Boards B-320
 Comparative Statement of Revenues A-48
Representatives, House of B-24
Research and Education Accountability, Offices of
 (Comptroller) B-35
Research Initiatives – UT System B-128
Resource Development and Support B-53
Resources and Regulation Functional Area B-283
 Improvements B-286
 Introduction B-283
 Recommended by Funding Source B-10
 Total Personnel and Funding B-285
Revenues
 Comparative Statement, Regulatory Boards
 A-48
 Comparison Statement of State A-43
Revenue
 Department of B-73
 Distribution of Actual, by Fund A-45
 Distribution of Estimated, by Fund A-47
 Distribution of Revised Estimated, by Fund
 A-46
 Sources and Basis of Apportionment A-53
Risk Management Fund B-43
Riverbend Maximum Security Institution B-254
Roane State Community College B-142

S

Safety, Department of B-272
School Nutrition Programs B-107
Second Injury Fund B-331
Secretary of State B-27
Securities (Commerce and Insurance) B-317
Senate, State B-25
Sentencing Act of 1985 B-248
Sex Offender Treatment Program B-247
Shared Services Solution B-56
Shelby County Public Defender B-237
Small Business Energy Loan Program B-360
Small and Minority-Owned Business Assistance
 Program B-42
Solid Waste
 Assistance B-310
 Management B-306
South Central Correctional Center B-260
Southeastern Tennessee State Regional
 Correctional Facility B-252

Southwest Tennessee Community College B-138
Special
 Education Services B-106
 Litigation B-233
State
 Aid (Transportation) B-370
 Assessed Properties, Office of B-38
 Audit, Division of B-35
 Board of Education B-97
 Board of Equalization B-38
 Building Commission B-81
 Court Clerks' Conference B-229
 Election Commission B-27
 Funding Board
 Letter A-85
 Net Lottery Proceeds Estimates A-92
 Range of Tax Revenue Estimates A-83
 Health Planning Division B-54
 Highway Construction B-373
 Industrial Access B-371
 Lands Acquisition Fund B-298
 Lands Compensation Fund B-299
 Library and Archives B-30
 Museum, Tennessee B-291
 Planning and Policy, Governor's Office B-58
 Prosecutions B-246
 Revenues A-41
 Senate B-25
 Special Schools (Statistical Data) B-113
 Taxpayers Budget A-125
 Departmental Summary
 State Appropriations A-128
 Appropriations from Dedicated Taxes
 and Fees A-129
 Comparison Statement of State Revenues
 A-140
 Distribution of Actual Revenue by Fund,
 Fiscal Year 2006-2007 A-141
 Distribution of Revised Estimated Revenue
 by Fund, Fiscal Year 2007-2008
 A-142
 Distribution of Estimated Revenue by
 Fund, Fiscal Year 2008-2009 A-143
 Introduction A-127
 State Appropriations by Program A-130
 Tax Revenues A-43
 **University and Community College System
 B-131**
 State-Administered Programs B-114
Statistical Data
 Correctional Institutions B-262
 Mental Health Institutes B-169
 Mental Retardation Developmental Centers
 B-190
 State Special Schools B-113

Index

Youth Development Centers B-211
Supplemental Appropriations, General Fund and
Education Fund A-23
Supreme Court Buildings B-227

T

Taft Youth Development Center B-207
Tax
 Enforcement Division (Revenue) B-76
 Exemptions
 Major, Currently Untaxed Services A-50
 Major, From Current Tax Base A-51
 Expenditures A-49
 Relief (Comptroller) B-39
 Revenues, State A-43
Taxpayers Budget, State A-127
 Departmental Summary
 State Appropriations A-128
 Appropriations from Dedicated Taxes
 and Fees A-129
 Comparison Statement of State Revenues
 A-140
 Distribution of Actual Revenue by Fund,
 Fiscal Year 2006-2007 A-141
 Distribution of Revised Estimated Revenue by
 Fund, Fiscal Year 2007-2008
 A-142
 Distribution of Estimated Revenue by Fund,
 Fiscal Year 2008-2009 A-143
 Introduction A-127
 State Appropriations by Program A-130
Taxpayer and Vehicle Services Division (Revenue)
 B-74
Technical Services
 Human Resources B-62
 Safety B-274
Technology, Infrastructure, and Support Systems
 B-102
Telecommunications Ad Valorem Tax Equity
 Payments B-39
TEMA Disaster Relief Grants B-269
Temporary Cash Assistance B-194
TennCare
 Administration B-159
 Finance and Administration,
 Department of B-159
 Office of Inspector General B-59
 Oversight (Commerce and Insurance) B-320
 Services B-159
Tennessee
 Advisory Commission on Intergovernmental
 Relations B-49
 Air National Guard B-266

Army National Guard B-266
Arts Commission B-290
Board of Regents B-131
Bureau of Investigation B-270
Characteristics A-32
Code Commission B-24
Correction Academy B-246
Corrections Institute B-242
Dry Cleaners Environmental Response Fund
 B-303
Early Intervention Services B-107
Economic Overview A-31
Emergency Management Agency B-268
Foreign Language Institute B-121
Grain Indemnity Fund B-345
Heritage Conservation Trust Fund B-299
Higher Education Commission B-114
Human Rights Commission B-46
Housing Development Agency B-343
Job Skills Program B-355
Law Enforcement Training Academy
 B-324
Lawyers Assistance Program B-230
Occupational Safety and Health
 Administration (TOSHA) B-328
Prison for Women B-250
Program History B-391
 Children B-397
 Education B-391
 Economic Opportunity B-394
 Families First B-412
 Homeland Security B-412
 Natural Resources B-409
 Public Health B-402
Regulatory Authority B-47
Rehabilitative Initiative in Correction
(TRICOR) B-240
School for the Blind B-109
School for the Deaf B-110
State
 Government Organizational Chart
 B-3
 Law Libraries B-227
 Museum B-291
 Parks B-296
 Maintenance B-297
 University (TSU) B-137
 Agricultural and Environmental
 Research B-132
 Cooperative Education B-133
 McMinnville Center B-132
 Student Assistance Awards B-118
 Student Assistance Corporation B-119
 Technology Centers B-143
 Technological University B-137

Index

Wildlife Resources Agency B-313
THEC Grants B-115
Total Personnel and Funding (by functional area)
 Education B-87
 General Government B-17
 Health and Social Services B-149
 Law, Safety, and Correction B-217
 Resources and Regulation B-285
 Transportation, Business, and Economic
 Development B-339
Total State Budget
Comparison of Programs
 and Revenue Sources A-4
 by Revenue Sources A-5
Pie Chart A-2

Tourist Development, Department of B-351

Training and Professional Development
(Education) B-103

Transportation, Department of B-362

Comparison of Appropriation
and Funding Requirements A-12
by Funding Sources A-13
Transportation, Business, and Economic
Development Functional Area B-337
Improvements B-340
Introduction B-337
Recommended by Funding Source B-11
Total Personnel and Funding B-339

Trauma Systems Fund B-173

Treasury Department B-41

**TRICOR (Tennessee Rehabilitative Initiative in
Correction) B-240**

Turney Center Industrial Prison and Farm B-250

U

Unclaimed Property B-44
Underground Storage Tanks B-309
University of Memphis B-136
University of Tennessee System B-123
 Access and Diversity Initiative B-123
 Agricultural Experiment Station B-125
 Agricultural Extension Service B-126
 Chattanooga B-129
 College of Medicine B-127
 County Technical Assistance Service B-125
 Family Medicine B-127
 Health Science Center B-127
 Institute for Public Service B-124
 Knoxville B-129
 Martin B-129
 Municipal Technical Advisory Service B-124
 Research Initiatives B-128
 Space Institute B-128

University-Wide Administration B-123
Veterinary Medicine B-126
Used Oil Collection Program B-302

V

Verbatim Transcripts B-226
Veterans Affairs, Department of B-72
Vocational Rehabilitation (Human Services)
B-198
Volunteer State Community College B-142
Volunteer Tennessee B-54

W

Warehouse Administration B-69
Waiver and Crossover Services B-161
Walters State Community College B-143
Water
 Pollution Control B-306
 Supply B-308
Wayne County Boot Camp B-257
Welcome Centers B-352
West Tennessee
 Community Homes B-187
 Rivers Basin Authority B-302
 Maintenance B-303
 School for the Deaf B-110
 State Penitentiary B-253
 Regional Office (Finance and Administration
 – Mental Retardation) B-185
 Resource Center B-186
Western Mental Health Institute B-166
Wetlands
 Acquisition Fund B-314
 Compensation Fund B-314
Wilder Youth Development Center B-207
Wildlife Resources Agency, Tennessee B-313
Women, Infants, and Children (WIC) B-180
Woodland Hills Youth Development
 Center B-208
Workers' Compensation B-330

Y

Youth Development Centers (Statistical Data)
B-211

*Note: Bolded text indicates a department, agency,
or commission.*

State of Tennessee

The Budget

Fiscal Year 2008 - 2009

Phil Bredesen, Governor

Department of Finance and Administration

M. D. Goetz, Jr., Commissioner

Mike Morrow, Deputy Commissioner

Gerald Adams, Deputy Commissioner, Retired

Division of Budget

Peter Abernathy	Susan Irby
Bill Bradley	Lance Iverson
Charles Brown	Jerry Lee
George Brummett	Matthew McElroy
Susan Burdette	Rick Newton
John Carr	Cathy Pierce
David Chaffin	Reuel Reis
Veronica Coleman	Alex Schuhmann
Elaine Cosby	Winfield Shiers
Mike Dedmon	Kara Smith
Carolyn Everett	Dean Tays
Kathy Gammill	Amy Watson
Boyd Glover	John Webb
Cindy Hobbs	Peter Westerholm
Mike Huffaker	William Wood

The Budget Office thanks Gerald Adams, retired deputy commissioner, for his 46 years of public service to the people of Tennessee and for his continued advice and assistance.

The Budget Office director thanks the above Budget Staff for their extraordinary devotion to public service.

We gratefully acknowledge the effort and cooperation of the agencies of Tennessee State Government, and especially the agency budget and planning staffs, who contributed to the preparation of this Budget Document.

Authorization No. 317114, 650 copies



Recycled Paper