Budget Overview
2015-2016

	Recurring	Non-Recurring	Earmarked
I. Available Revenues 2015-2016:			
1. Revenue Base Increase / (Decrease) @ FY 14-15 Revised Recurring Estimate	$ -	$ -	$ -
2. 2015-2016 Dept. of Revenue Growth @ 3.0%	303,200,000	-	-
3. 2012 Tax Legislation - Inheritance Tax Final Phase-out	(41,300,000)	41,300,000	-
4. 2015 Legislation	20,200,000	-	-
5. Other State Revenue	4,100,000	-	-
6. Other State Revenue - Commerce and Insurance - HMO Tax Rate from 5.5% to 6.0%	33,542,100	-	-
6a. Revenue Continuation - Hospital Coverage Assessment and Nursing Home Assessment	-	556,900,000	-
7. Tobacco MSA @ $132.1 M	(2,500,000)	-	-
8. Available Funds @ 6-30-14	-	149,970,900	-
9. Reduction of Recurring Debt Service Requirements	13,300,000	-	-
10. Dedicated Revenue	-	-	30,231,300
Total Revenue	**$ 330,542,100**	**$ 748,170,900**	**$ 30,231,300**
II. Cost Increases:			
1. Program and Inflationary Growth:			
TennCare - Federal Matching Inflation and Rate Increase	$ 72,702,500	$ 654,200	$ -
Education - BEP Growth	43,822,000	-	-
Higher Education - Funding Formula	25,700,000	-	-
Higher Education - Non-Formula Units	6,064,200	-	-
Other Program and Inflationary Cost Increases	2,237,800	8,453,300	26,000
Sub-Total Program and Inflationary Growth	**$ 150,526,500**	**$ 9,107,500**	**$ 26,000**
2. Salary and Benefits:			
Mandated Salary Increases	$ 3,484,100	$ -	$ 424,200
Salary Pool - State Employees	49,514,400	-	974,300
Salary Policy - Higher Education	19,519,400	-	-
Salary Policy - Teachers	97,600,000	-	-
Salary Policy - Teachers - BEP Salary Equity	6,000,000	-	-
Group Health Insurance Rate Increase - State Employees & Higher Ed. @ 3.5%, K-12 BEP @ 0%	9,662,100	-	-
Sub-Total Salary and Benefits	**$ 185,780,000**	**$ -**	**$ 1,398,500**
3. Previous Commitments	3,453,100	23,556,300	26,302,100
4. New Initiatives:			
Trousdale County Correctional Facility	$ 56,646,200	$ (45,550,200)	$ -
Other New Initiatives	57,481,600	41,667,000	1,846,600
Sub-Total New Initiatives	**$ 114,127,800**	**$ (3,883,200)**	**$ 1,846,600**
5. Other Mandated Cost Increases	366,800	(183,400)	-
6. Capital Outlay and Debt Service:			
Capital Outlay - Economic Development Project @ $165.8 M Bonds	$ 18,200,000	$ -	$ -
Capital Outlay - Economic Development Project 2 @ $35 M Bonds	3,900,000	-	-
Capital Outlay @ $293.22 M - $236.8 M Bonds, $56.415 M Cash	26,000,000	56,415,000	-
Sub-Total Capital Outlay and Debt Service	**$ 48,100,000**	**$ 56,415,000**	**$ -**
7. Other Cost Increases	28,769,000	69,689,700	600,000
8. Rainy Day Fund	-	36,500,000	-
Total Cost Increases	**$ 531,123,200**	**$ 191,201,900**	**$ 30,173,200**
III. Preliminary Base Budget Adjustments (0.9% of Discretionary Appropriations)	(52,453,700)	556,900,000	(1,508,000)
IV. Balance Before Reductions	**$ (148,127,400)**	**$ 69,000**	**$ 1,566,100**
V. Base Budget Reductions (2.6% of Discretionary Appropriations)	(148,236,200)	-	1,566,100
VI. Balance	**$ 108,800**	**$ 69,000**	**$ -**

Available Funds
Fiscal Year 2014-2015

I. Unappropriated Budget Surplus / (Deficit) @ 6-30-14	**$**	**111,268,300**
II. Revenue Adjustments and Other Available Funds:		
1. Debt Service Fund Transfer @ 6-30-15	$	72,000,000
2. Less: Franchise and Excise Taxes - Taxpayer Refund Settlement		(16,000,000)
Sub-Total Revenue Adjustments and Other Available Funds	**$**	**56,000,000**
III. Total Budget Surplus and Adjustments (I + II)	**$**	**167,268,300**
IV. Overappropriation Adjustment - Department of Human Services / TennCare Eligibility Savings		**2,714,900**
V. Total Revenue, Reserves, and Adjustments	**$**	**169,983,200**
VI. Appropriation and Transfer Requirements:		
1. Less: 2014-2015 Supplemental Appropriations	$	(20,309,600)
2. Plus: Transfer from TennCare Reserve		297,300
Sub-Total Appropriation and Transfer Requirements	**$**	**(20,012,300)**
VII. Total Available Funds at June 30, 2015 (V + VI)	**$**	**149,970,900**

Budget Overview
2015-2016

2014-2015 Available Funds

2013-2014 Closing
Unappropriated Budget Surplus
(Reserved for Future Requirements @ June 30, 2014)

I.	**Dept. of Revenue Taxes - Over / (Under) Collection @ $9,763,385,800 Cash Basis (Aug.-July)**	**$ (302,414,200)**
	Plus / (Less): Accrual Adjustment	(18,976,100)
	Total Dept. of Revenue Taxes - Net Over / (Under) Collection (Budgeted Est. $10,065,800,000)	**$ (321,390,300)**
II.	**Other State Revenue - Over / (Under) Collection**	
	Dept. of Commerce and Insurance @ $800,330,700 M (Revised Estimate $804.0 M)	$ (3,668,900)
	Other Agencies	358,600
	Sub-Total Other State Revenue - Net Over / (Under) Collection	**$ (3,310,300)**
III.	**Miscellaneous Revenue - Over / (Under) Collection**	**3,689,300**
IV.	**Debt Service Fund Transfer @ 6-30-14 @ $83.5 M ($82 M Budgeted)**	**1,500,000**
V.	**Tobacco MSA @ $130,603,200 Collection (Budgeted Estimate $138.6 M)**	**(7,996,800)**
VI.	**Net Over / (Under) Collection (I + II + III + IV + V = VI)**	**$ (327,508,100)**
VII.	**2014 PC 919, Section 29, Item 25 - Reserve for 2014-2015 Appropriations - UT Super Computer**	(5,000,000)
VIII.	**Less: Dedicated Revenue and Reserve Adjustments:**	
	Sum Sufficient Appropriations from Dedicated Revenues	$ (4,751,900)
	Adjustment to Dedicated Reserves	(9,496,500)
	Sub-Total Dedicated Revenue and Reserve Adjustments	**$ (14,248,400)**
IX.	**Reversion Excess / (Deficiency) @ $228,382,800 (April 2014 Revised Est. $93.0 M)**	**135,382,800**
X.	**Total Over / (Under) Collection (VI + VII + VIII + IX = X)**	**$ (211,373,700)**
XI.	**Plus: 2014 Public Chapter 919, Section 36 Carryforward Adjustments for Closing:**	
	1. Cover Rx	$ 10,700,000
	2. Cover TN	16,000,000
	3. CoverKids	23,343,700
	4. Tobacco Master Settlement Agreement - Reserve for Revenue Estimate	5,300,000
	5. Strategic Health-Care Programs - eHealth Information Technology	3,275,000
	6. Human Services - Vocational Rehabilitation Operating Reserve	9,838,200
	7. Human Services - TCSES System Project	23,828,800
	8. Finance and Administration - Miscellaneous - ACCENT System Project	7,786,400
	9. Finance and Administration - Miscellaneous - 2009 Voluntary Buyout - Tuition Costs	238,500
	10. TennCare Reserve (Unobligated)	25,000,000
	11. TACIR - Operational Reserve	4,536,000
	12. TBI - Handgun Permit Fee Reserve	6,173,300
	13. Safety - Handgun Permit Fee Reserve	11,904,300
	14. Alcoholic Beverage Commission - Alcohol Server Fees	411,200
	15. Correction - Community Correction	2,489,900
	16. Environment & Conservation - Biofuels Project	79,100
	17. Revenue - License Plate Production	4,257,100
	18. Revenue - Sales Tax Disaster Relief	497,100
	19. Safety - Homeland Security	2,539,100
	20. Education - Tennessee Early Intervention System	3,532,600
	21. Education - Major Maintenance for Special Schools	550,000
	Sub-Total 2014 Public Chapter 919, Section 36 Carryforward Adjustments for Closing	**$ 162,280,300**
XII.	**Plus: 2014 Public Chapter 919, Section 58 Reserve Adjustments for Closing:**	
	1. Tobacco Master Settlement Agreement - Reserve for Future Appropriations	$ 6,700,000
	2. Health - Access Incentive Fund	7,989,000
	3. Correction - Probation & Parole	2,500,000
	4. Correction - GPS Offender Tracking Fees	444,600
	5. Labor - TOSHA	2,903,200
	6. Labor - Administrative Fund	4,455,900
	7. Environment & Conservation - Oil & Gas Reclamation	816,000
	8. Environment & Conservation - Solid Waste Assistance Fund	7,662,000
	9. Commerce & Insurance - Insurance Fees	12,015,400
	10. Revenue - C.I.D. Anti-Theft	1,531,900
	11. Economic and Community Development - Job Skills Fund	2,275,400
	Sub-Total 2014 Public Chapter 919, Section 58 Reserve Adjustments for Closing	**$ 49,293,400**
XIII.	**Sub-Total Carryforwards and Reserves (XI + XII = XIII)**	**$ 211,573,700**
XIV.	**Total Available Funds (X + XIII = XIV)**	**$ 200,000**
XV.	**Plus: 2014 Public Chapter 919, Section 36 Additional Carryforward Adjustments:**	
	1. Cover TN	$ 1,500,000
	2. CoverKids	1,656,300
	3. Economic and Community Development - Headquarters Relocation Assistance	16,803,700
	4. TennCare Reserve (Unobligated)	91,108,300
	Sub-Total 2014 Public Chapter 919, Section 36 Additional Carryforward Adjustments	**$ 111,068,300**
XVI.	**Total Unappropriated Budget Surplus (Reserve for Future Requirements @ 6-30-2014)**	**$ 111,268,300**

Supplemental Appropriations
General and Education Funds
Fiscal Year 2014-2015

		2014-2015	Recurring 2015-2016
	Legislature		
301.07	House of Representatives - 2015 Extraordinary Session	$ 165,000	$ -
301.08	State Senate - 2015 Extraordinary Session	85,000	-
	Sub-Total Legislature	**$ 250,000**	**$ -**
	Finance and Administration		
317.02	Tax Analysis Study	350,000	-
	Veterans Affairs		
323.00	Reappropriation of unspent grant funds	50,000	-
	Correction		
329.00	Risk Management Premium Adjustment	200,000	-
	Economic and Community Development		
330.06	Fast Track Infrastructure and Job Training Assistance	15,000,000	-
	Education		
331.07	State Board of Education - K-12 Academic Standards Review Process	420,400	65,000
	Higher Education		
332.00	Ready to Reconnect Program - Community College Grants	$ 250,000	$ -
332.01	Tennessee Higher Education Commission - On-Line Innovation	240,000	-
332.01	Tennessee Higher Education Commission - Learning and Education Alignment Program (LEAP)	49,200	96,300
332.05	Tennessee Student Assistance Corp. - Scholarship Database and Payment System	300,000	600,000
	Sub-Total Higher Education	**$ 839,200**	**$ 696,300**
351.00	**Miscellaneous Appropriations**		
	Risk Management Fund - Deficit Recovery	3,200,000	3,200,000
	Total General Fund	**$ 20,309,600**	**$ 3,961,300**

M = Mandate
P = Program & Inflationary Increase
O = Other Essential
C = Commitments
S = Salary and Benefits
N = New Initiative

2015-2016 Agency Cost Increases

		General Fund Recurring	General Fund Non-Recurring	Dedicated
1.	Agriculture	366,800	(183,400)	0
M	1. Metrology Laboratory - National Institute of Standards and Technology requirements (3 FT)	366,800	(183,400)	
2.	Attorney General and Reporter	3,900	0	0
S	1. AG's Salary Increase @ 1.7% CPI	3,900		
3.	Board of Parole	94,000	0	0
N	1. Legal Services - Staff attorney - Position reclassification	35,000		
N	2. Board Operations - Assistant director - Records processing (1 FT)	59,000		
4.	Children's Services - See also TennCare for DCS	6,241,800	0	0
P	1. State Match Rate Increase - IV-E Foster Care and Adoption Assistance - From 34.935% to 34.965%	38,400		
S	2. Teacher Training and Experience	37,900		
C	3. Brian A. - Administration - DCS child information system (TFACTS) - Software	189,300		
C	4. Brian A. - Administration - Litigation hold e-mail storage	436,800		
C	5. Brian A. - Administration - Social Security Verification Service - Direct verification portal	129,800		
C	6. Brian A. - Additional legal staff (2 FT)	94,700		
C	7. Brian A. - Due process hearing - Additional administrative procedures staffing (4 FT)	146,000		
C	8. Brian A. - Child Protective Services - Case managers salary upgrade	222,400		
C	9. Brian A. - Child Protective Services - Additional training staff (2 FT)	46,900		
C	10. Brian A. - Child Protective Services - Quality service review staff (3 FT)	72,500		
C	11. Brian A. - Foster care rate increase	230,900		
C	12. Brian A. - Adoption assistance caseload growth	1,251,700		
N	13. Wilder Youth Development Center - Federal Prison Rape Elimination Act (PREA) compliance (15 FT)	714,400		
N	14. Mountain View Youth Development Center - Federal Prison Rape Elimination Act (PREA) compliance (15 FT)	714,400		
O	15. Utilization of private provider for residential services	1,915,700		
5.	Commerce and Insurance	136,600	242,200	26,302,100
S	1. Statutory Salary Increase - TLETA Commissioned Officers	15,900		
C	2. TN Emergency Communications Board - Next generation 911 equipment			26,302,100
N	3. TN Law Enforcement Training Academy - Facility upgrades (Firing range, simulation, furniture replacement)		240,000	
N	4. Administration Legislation - Captive Insurance Companies - HMO premium tax - implementation cost (1 FT)	120,700	2,200	
6.	Comptroller	0	50,000	0
N	1. Local Government Audit - Regional workshops for development of uniform chart of accounts		50,000	
7.	Correction	68,740,000	(21,722,700)	0
P	1. Radio replacement - FCC requirement		8,453,300	
N	2. Trousdale Co. Correctional Facility - Contract Agreement - Fund beginning April 1, 2016 (2 FT)	56,646,200	(45,550,200)	
N	3. Riverbend Maximum Security Facility - Increase capacity - Double-bunk 96 beds	1,421,400		
N	4. System-wide lock replacement	650,000		
N	5. Correctional Offender Mgt. Electronic Tracking System (COMET) - Replacement (Original Total $32.5 M)		15,374,200	
N	6. Security Staff - 5% salary increase in 6 security classifications to address turnover	6,561,100		
N	7. Administration Legislation - Synthetic controlled substances - Incarceration	1,043,500		
P	8. Hardeman Co. Prison Agreement - Contract Inflator	763,800		
P	9. Whiteville Prison - Hardeman Co. Agreement - Contract Inflator	785,000		
P	10. South Central Correctional Center Agreement - Contract Inflator	619,000		
C	11. Big Brothers Big Sisters - Amachi Mentoring Program - Grant Continuation	250,000		
8.	Court System	646,000	0	0
S	1. Judge's Salary Increase @ 1.7% CPI	646,000		
9.	District Attorneys General Conference	1,175,600	0	0
S	1. Statutory Salary Increase - Assistant DAs and CIs ($1,136,400 DAs; $39,200 DHS)	1,175,600		
10.	District Public Defenders Conference	749,500	0	0
S	1. Statutory Salary Increase - Assistant Public Defenders and Criminal Investigators	627,400		
P	2. Davidson County and Shelby County Adjustment (Shelby Co. $85,000; Davidson Co. $37,100)	122,100		
11.	Economic and Community Development	4,330,000	62,000,000	0
O	1. Fast Track Job Development		50,000,000	
C	2. Business Development Project - Training grant		12,000,000	
N	3. International Trade Program - Strengthen export potential	1,500,000		
N	4. Launch TN Program - Business development support	2,800,000		
P	5. Economic Development Districts - Maintain support of 9 development districts	30,000		

M = Mandate
P = Program & Inflationary Increase
O = Other Essential
C = Commitments
S = Salary and Benefits
N = New Initiative

2015-2016 Agency Cost Increases

		General Fund		
		Recurring	Non-Recurring	Dedicated
12.	Education	68,073,300	1,775,000	0
P	1. BEP formula growth	43,822,000		
S	2. Teacher Training and Experience	102,100		
S	3. BEP - Salary Equity	6,000,000		
N	4. Assessments - Student testing	8,500,000		
N	5. Academic Standards Review Process (1 FT)	65,000		
N	6. P20 System Sustainability - Support and maintenance for the P20 system	500,000	250,000	
N	7. Career and Technical Education (1 FT)	53,000		
N	8. AP Exam and Industry Certification Pilot		400,000	
O	9. Alvin C. York Institute	1,294,400		
O	10. Save the Children - Literacy Grant Continuation		1,000,000	
O	11. Public Television - Grant Continuation	2,786,800		
O	12. Governor's Schools - Grant Continuation	1,900,000		
O	13. Family Resource Centers - Grant Continuation	3,050,000		
O	14. Tennessee Alliance for Boys and Girls Clubs - Grant Continuation		125,000	
13.	Environment and Conservation	635,000	1,000,000	125,000
O	1. West TN River Basin Authority - Restore reduction	635,000		
O	2. State Parks - Furniture replacement in 147 cabins		1,000,000	
N	3. Administration Legislation - Underground Storage Tank			125,000
14.	Finance and Administration	0	0	50,000
N	1. Office of Criminal Justice Programs - Automated Victim Notification System - Grant increase - Sheriffs' Assn.			30,000
N	2. Office of Criminal Justice Programs - Sexual assault program - Grant increase			20,000
15.	General Services	250,000	0	0
N	1. Governor's Books from Birth - Increased enrollment, book purchases, mailing costs	250,000		
16.	Governor's Office	3,600	0	0
S	1. Governor's Salary Increase @ 1.7% CPI	3,600		
17.	Health	527,800	9,609,400	171,600
C	1. Electronic Public Health Information System - Continue implementation of new record-keeping system (24 FT)		7,431,300	
C	2. Sickle Cell Foundation of Tennessee - Grant Continuation		75,000	
C	3. Methodist Healthcare Foundation - Sickle Cell Clinic of Memphis - Grant - Year 4 of 5		50,000	
O	4. Healthy Start (Middle and West TN) - Grant Continuation @ FY 15 Level		1,500,000	
O	5. Epilepsy Program @ 25% - Grant Continuation @ FY 15 Level		103,100	
O	6. Child Health and Development (CHAD) (East TN) - Grant Continuation @ FY 15 Level		450,000	
N	7. Health Related Boards Administration - Document imaging, audit continuing education, & data verification (3 FT)			171,600
N	8. Administration Legislation - Statewide medical examiner training (1 FT)	527,800		
18.	Health Services & Development Agency	100,000	0	0
N	1. Indirect cost recovery	100,000		
19.	Higher Education	45,894,200	9,309,300	1,500,000
P	1. Higher Education - Funding Formula	25,700,000		
P	2. Higher Education - Non-Formula Units - Operating increase	6,064,200		
N	3. TSAC - TN Student Assistance Awards - Financial Aid	10,000,000		
N	4. TSAC - Scholarship Database and Payment System (6 FT)		600,000	
N	5. TSAC - Administration operations - Offset expiring federal program	550,000		
N	6. Labor Education Alignment Program (LEAP) - Program coordination and oversight (1 FT)		96,300	
N	7. TN Promise Scholarship Program - Administration (1 FT)	80,000		
N	8. Adult Learner - Encourage adults with some college but not degree to attain post-secondary credential:			
N	a. Regional Reentry Concierge Service	1,000,000		
N	b. Marketing Campaign		1,000,000	
N	c. One Stop Portal		250,000	
N	d. Adult Learner - program staffing (2 FT)		200,000	
N	9. Community College Initiatives:			
N	a. Achieving the Dream		150,000	
N	b. Seamless Alignment and Integrated Learning Support (SAILS)	2,500,000		
N	c. TN Promise Bridge Program		400,000	
N	10. Veteran Forward Grant Program		1,000,000	
N	11. Reconnect for Community College (Lottery/Promise) (Non-recurring)			1,500,000
C	12. U. of Memphis, Lambuth Campus - Year 5 of 5		1,000,000	
C	13. UT Health Science Center - Pediatric Physician Scientists Recruiting - Match St. Jude - Year 3 of 5		3,000,000	
O	14. UT - 401(k) State Match @ $10/Month ($40 in Base)		745,000	
O	15. Board of Regents System - 401(k) State Match @ $10/Month ($40 in Base)		868,000	
20.	Human Services	1,415,600	0	0
O	1. Human Resource Agencies - Operating subsidy - Grant Continuation	1,415,600		

M = Mandate
P = Program & Inflationary Increase
O = Other Essential
C = Commitments
S = Salary and Benefits
N = New Initiative

2015-2016 Agency Cost Increases

		General Fund Recurring	General Fund Non-Recurring	Dedicated
21.	Intellectual and Developmental Disabilities Services	1,544,000	0	0
O	1. West TN & Middle TN Resource Centers - Assistive technology and therapy services	1,544,000		
22.	Labor and Workforce Development	0	0	26,000
P	1. Workers' Compensation Employee Misclassification Program - Program growth			26,000
23.	Mental Health and Substance Abuse Services	525,000	0	0
O	1. Lifeline Peer Program - Support and recovery services	525,000		
24.	Post-Conviction Defender	32,400	0	0
S	1. Statutory Salary Increase - Assistant Post-Conviction Defenders	32,400		
25.	Revenue	300,000	57,000	0
P	1. Internet Portal Fee - Administrative Cost	300,000		
N	2. Administration Legislation - Retail accountability program		57,000	
26.	Safety	2,037,700	0	600,000
S	1. Highway Patrol - Step Raises for Commissioned Officers	839,300		
O	2. Statewide Communication System - Maintenance services (2 FT)	1,198,400		600,000
27.	State Museum	0	71,500	0
O	1. Recognize proceeds from sale of donated house		71,500	
28.	Strategic Health-Care Programs	1,654,500	0	0
N	1. CoverKids - State cost of transitioning CoverKids members to a TennCare MCO	1,654,500		
29.	TennCare (FY 15-16 Match Rate - 34.965% R)	75,484,200	0	0
P	1. State Match Rate Increase	2,195,400		
P	2. Medical and Pharmacy Inflation and Utilization	62,774,900		
P	3. Inpatient stays for inmates - 2014 PC 926	1,151,300		
O	4. State Cost of HMO Tax adjustment	9,362,600		
30.	TennCare Waiver Payments - DIDD Recommendation	6,160,400	654,200	0
P	1. Waiver cost growth and caseload increase (100 individuals)	6,160,400		
P	2. Leap year funding - Cost for one additional day of service		654,200	
31.	TennCare for Children's Services	1,279,700	0	0
C	1. Brian A. - Child Protective Services - Case Manager	93,300		
C	2. Brian A. - Administration - DCS child information system (TFACTS) - Software	45,400		
C	3. Brian A. - Administration - Litigation hold e-mail storage	104,700		
C	4. Brian A. - Administration - Social Security Verification Service - Direct verification portal	31,100		
C	5. Brian A. - Child Protective Services - Additional training staff (2 FT)	19,600		
C	6. Brian A. - Child Protective Services - Quality service review staff (3 FT)	30,400		
C	7. Brian A. - Additional legal staff (2 FT)	22,600		
C	8. Brian A. - Due process hearing - Additional administrative procedures staffing (4 FT)	35,000		
O	9. Utilization of private provider for residential services	897,600		
32.	TennCare for Intellectual and Developmental Disabilities	(162,700)	297,300	0
O	1. Assistive technology and therapy services	(539,900)		
N	2. Clover Bottom Lawsuit Settlement Exit Plan	377,200	297,300	
33.	Tennessee Bureau of Investigation	283,800	27,100	0
O	1. TBI - Lab Staffing (3 FT)	283,800	27,100	
34.	Tourist Development	3,250,000	4,000,000	0
N	1. Tourism Marketing Task Force - Year 4	3,000,000	4,000,000	
O	2. Welcome Center Security - Security for 4 welcome centers (2 new and 2 renovated)	250,000		
35.	Treasury	0	500,000	0
O	1. College Savings Plan		500,000	
36.	Wildlife Resources Agency	0	0	424,200
S	1. Statutory Step Raises - Wildlife Officers and Biologists			424,200
37.	Group Health Insurance - 1-1-16 Rate Increase	8,842,100	0	0
S	1. State Agencies @ 3.5%	4,748,300		
S	2. Higher Education @ 3.5%	4,093,800		
S	3. K-12 BEP @ 0%	0		

M = Mandate
P = Program & Inflationary Increase
O = Other Essential
C = Commitments
S = Salary and Benefits
N = New Initiative

2015-2016 Agency Cost Increases

		General Fund Recurring	General Fund Non-Recurring	Dedicated
38.	Health Insurance - Retirees and Retired Teachers	820,000	0	0
S	1. Retirees (Medicare Supplement)	820,000		
39.	Salary Increase @ 7-1-2015 (1% = $53.3 M)	166,633,800	0	974,300
S	1. State Employees @ 3.0% Salary Pool (1% = $15.9 M)	47,700,000		
	$32.3 M from General Fund (2.03%)			
	$15.4 M from Longevity Adjustment funds (0.97%)			
S	2. Higher Education @ 1.5% (1% = $13.0 M) - See also Higher Education	19,519,400		
S	3. K-12 BEP @ 4.0% (1% = $24.4 M)	97,600,000		
S	4. Safety - Commissioned Officers Salary Survey Raise @ 3.0%	1,789,800		
S	5. Commerce & Insurance - Commissioned Officers Salary Survey Raise @ 3.0%	24,600		
S	6. Wildlife Salary Survey Raise @ 3.0%			974,300
40.	Miscellaneous Appropriations	14,954,600	30,600,000	0
N	1. Administration Legislation	2,000,000	3,000,000	
N	2. Administration Amendment	7,000,000	5,000,000	
N	3. Legislative Initiatives	2,000,000	3,000,000	
O	4. Presidential Primary		5,000,000	
N	5. Legislation - Educators Liability Trust Fund		5,000,000	
N	6. Watkins College of Art, Design & Film - Funding for maintenance and repairs		300,000	
N	7. Edison:			
N	a. Expand electronic forms and workflow automation (2 FT)	127,100		
N	b. Security (1 FT)	61,000		
N	c. Rate increase	1,516,500		
N	8. Settlement Payment		1,000,000	
O	9. State Employees - 401(k) State Match $10/Month ($40 in Base)		2,500,000	
O	10. Risk Management Rate Adjustment (Claims and Property)	1,000,000		
O	11. Internal Service Funds - Billing Adjustment	1,250,000		
O	12. Severance Benefits - Based on positions included in reduction plans		2,600,000	
O	13. Risk Management Fund - Deficit Recovery		3,200,000	
41.	Capital Outlay Budget	48,100,000	56,415,000	0
	1. Capital Outlay @ $293.22 M - $236.8 M Bonds, $56.415 M Cash	26,000,000	56,415,000	
	2. Economic Development Project 1 @ $165.8 M Bonds	18,200,000		
	3. Economic Development Project 2 @ $35 M Bonds	3,900,000		
42.	Rainy Day Fund - Deposit	0	36,500,000	0
M	1. Rainy Day Fund Deposit @ 10% of Revenue Growth		36,500,000	
	Sub-Total Cost Increases	**531,123,200**	**191,201,900**	**30,173,200**

Other Requirements and Adjustments

43.	Preliminary Base Adjustments	(52,453,700)	556,900,000	(1,508,000)
	1. Preliminary Base Adjustments	(52,453,700)	0	(1,508,000)
	2. TennCare - From Hospital Coverage Assessment		449,800,000	
	3. TennCare - From Nursing Home Bed Tax		107,100,000	
	Grand Total	**478,669,500**	**748,101,900**	**28,665,200**

Preliminary Base Budget Adjustments
Fiscal Year 2015-2016
(Savings) / Cost

	General Fund		Dedicated	
	Recurring	Non-Recurring	Funds	Total
Secretary of State				
305.00 Secretary of State - Restore Base Reduction	$ 654,600	$ -	$ -	$ 654,600
Comptroller				
307.00 Comptroller - Restore Base Reduction	1,121,700	-	-	1,121,700
Treasury				
309.00 Treasury - Restore Base Reduction	31,500	-	-	31,500
TennCare				
318.00 Hospital Coverage Assessment	$ -	$ 449,800,000	$ -	$ 449,800,000
318.66 Nursing Home Bed Assessment	-	107,100,000	-	107,100,000
Sub-Total TennCare	**$ -**	**$ 556,900,000**	**$ -**	**$ 556,900,000**
Correction				
329.04 State Prosecutions - Recognize Program Savings	$ (22,000,000)	$ -	$ -	$ (22,000,000)
329.17 Charles B. Bass Correctional Complex - Continue Centralized Services	4,947,800	-	-	4,947,800
Sub-Total Correction	**$ (17,052,200)**	**$ -**	**$ -**	**$ (17,052,200)**
Economic and Community Development				
330.20 Headquarters Relocation Assistance Adjustment	(4,330,000)	-	-	(4,330,000)
Education				
331.25 BEP - Aggregate Annual Insurance Premium Reduction	(16,669,000)	-	-	(16,669,000)
Miscellaneous Appropriations				
351.00 Retired Teachers Health Insurance Adjustment	(800,000)	-	-	(800,000)
Executive Branch Agencies				
300.00 Elimination of Employee Longevity	(15,410,300)	-	(1,508,000)	(16,918,300)
Total - Budget File	**$ (52,453,700)**	**$ 556,900,000**	**$ (1,508,000)**	**$ 502,938,300**

Base Budget Reduction Plans
State Appropriations
Fiscal Year 2015-2016

	Program	a. General Fund Discretionary Base	b. General Fund Recurring Reduction	Pct.	c. Dedicated Funds	d. (b + c) Net Reduction	Pct.
301.00	Legislature	$ 32,493,700	$ -	0.0%	$ -	$ -	0.0%
301.50	Fiscal Review Committee	1,478,800	-	0.0%	-	-	0.0%
302.00	Court System	32,264,600	(619,200)	-1.9%	-	(619,200)	-1.9%
303.00	Attorney General and Reporter	22,474,400	-	0.0%	-	-	0.0%
304.00	District Attorneys General	71,922,300	-	0.0%	-	-	0.0%
305.00	Secretary of State	28,558,300	-	0.0%	-	-	0.0%
306.00	District Public Defenders	42,094,400	-	0.0%	-	-	0.0%
307.00	Comptroller of the Treasury	48,723,800	-	0.0%	-	-	0.0%
309.00	Treasury Department	1,855,300	-	0.0%	-	-	0.0%
Sub-Total Non-Executive		**$ 281,865,600**	**$ (619,200)**	**-0.2%**	**$ -**	**$ (619,200)**	**-0.2%**
315.00	Executive Department	$ 5,166,100	$ -	0.0%	$ -	$ -	0.0%
316.01	Children and Youth Commission	2,403,200	-	0.0%	-	-	0.0%
316.02	Aging and Disability Commission	13,715,300	-	0.0%	-	-	0.0%
316.03	Alcoholic Beverage Commission	-	-	0.0%	-	-	0.0%
316.04	Human Rights Commission	1,696,100	-	0.0%	-	-	0.0%
316.07	Health Services and Development Agency	1,090,600	-	0.0%	-	-	0.0%
316.11	Tennessee Regulatory Authority	-	-	0.0%	-	-	0.0%
316.12	TACIR	201,700	-	0.0%	-	-	0.0%
316.25	Arts Commission	1,779,200	-	0.0%	-	-	0.0%
316.27	State Museum	3,767,300	-	0.0%	-	-	0.0%
317.00	Finance and Administration	14,109,400	(546,700)	-3.9%	-	(546,700)	-3.9%
318.00	TennCare Programs	$ 2,356,655,200	$ (42,900,900)	-1.8%	$ -	$ (42,900,900)	-1.8%
	TennCare Waiver Payments	231,741,500	-	0.0%	-	-	0.0%
	TennCare for Children's Services	77,100,300	(48,200)	-0.1%	-	(48,200)	-0.1%
	TennCare for Intellectual Disabilities	56,893,400	(239,000)	-0.4%	-	(239,000)	-0.4%
	TennCare for Human Services	10,911,700	-	0.0%	-	-	0.0%
	TennCare for Commerce and Insurance	1,229,200	-	0.0%	-	-	0.0%
	TennCare for F&A Office of Inspector General	2,287,600	-	0.0%	-	-	0.0%
	Sub-total TennCare Programs	$ 2,736,818,900	$ (43,188,100)	-1.6%	$ -	$ (43,188,100)	-1.6%
319.00	Human Resources	-	-	0.0%	-	-	0.0%
321.00	General Services	9,245,600	(2,179,700)	-23.6%	-	(2,179,700)	-23.6%
323.00	Veterans Affairs	5,393,300	-	0.0%	-	-	0.0%
324.00	Board of Parole	7,340,200	(60,700)	-0.8%	-	(60,700)	-0.8%
325.00	Agriculture	34,262,800	(939,600)	-2.7%	80,000	(859,600)	-2.5%
326.00	Tourist Development	10,874,300	-	0.0%	-	-	0.0%
327.00	Environment and Conservation	82,662,000	(2,000,000)	-2.4%	-	(2,000,000)	-2.4%
328.00	Tennessee Wildlife Resources Agency	-	-	0.0%	-	-	0.0%
329.00	Correction	319,566,600	(32,970,300)	-10.3%	-	(32,970,300)	-10.3%
330.00	Economic and Community Development	13,744,700	(1,269,100)	-9.2%	-	(1,269,100)	-9.2%
331.00	Education (K-12)	114,341,100	(7,500,000)	-6.6%	-	(7,500,000)	-6.6%
332.00	Higher Ed. State-Administered Programs	$ 27,755,400	$ (890,800)	-3.2%	$ -	$ (890,800)	-3.2%
332.10	University of Tennessee System	479,221,000	-	0.0%	-	-	0.0%
332.60	State Univ. and Comm. College System	644,098,700	-	0.0%	-	-	0.0%
	Sub-Total Higher Education	$ 1,151,075,100	$ (890,800)	-0.1%	$ -	$ (890,800)	-0.1%
335.00	Commerce and Insurance	7,840,600	(463,700)	-5.9%	-	(463,700)	-5.9%
336.00	Financial Institutions	-	-	0.0%	-	-	0.0%
337.00	Labor and Workforce Development	23,549,500	(984,900)	-4.2%	678,100	(306,800)	-1.3%
339.00	Mental Health	195,581,900	(1,151,300)	-0.6%	-	(1,151,300)	-0.6%
341.00	Military	11,630,400	(819,700)	-7.0%	-	(819,700)	-7.0%
343.00	Health	139,906,900	(6,880,100)	-4.9%	808,000	(6,072,100)	-4.3%
344.00	Intellectual and Developmental Disabilities	25,872,200	(3,455,500)	-13.4%	-	(3,455,500)	-13.4%
345.00	Human Services	98,788,200	(9,637,700)	-9.8%	-	(9,637,700)	-9.8%
347.00	Revenue	70,013,400	(3,976,000)	-5.7%	-	(3,976,000)	-5.7%
348.00	Tennessee Bureau of Investigation	30,118,700	(2,125,100)	-7.1%	-	(2,125,100)	-7.1%
349.00	Safety	130,807,700	(1,630,100)	-1.2%	-	(1,630,100)	-1.2%
350.00	Strategic Health-Care Programs	18,106,100	(13,257,200)	-73.2%	-	(13,257,200)	-73.2%
351.00	Miscellaneous Appropriations	13,853,400	-	0.0%	-	-	0.0%
359.00	Children's Services	17,222,900	(9,882,900)	-57.4%	-	(9,882,900)	-57.4%
Sub-Total Executive		**$ 5,312,545,400**	**$ (145,809,200)**	**-2.7%**	**$ 1,566,100**	**$ (144,243,100)**	**-2.7%**
Total Reductions - Budget File		**$ 5,594,411,000**	**$ (146,428,400)**	**-2.6%**	**$ 1,566,100**	**$ (144,862,300)**	**-2.6%**
Overappropriation:							
305.00	Secretary of State	$ -	$ (654,600)	NA	$ -	$ (654,600)	NA
307.00	Comptroller of the Treasury	-	(1,121,700)	NA	-	(1,121,700)	NA
309.00	State Treasurer	-	(31,500)	NA	-	(31,500)	NA
Sub-total Overappropriation		**$ -**	**$ (1,807,800)**	**NA**	**$ -**	**$ (1,807,800)**	**NA**
Total Reductions		**$ 5,594,411,000**	**$ (148,236,200)**	**-2.7%**	**$ 1,566,100**	**$ (146,670,100)**	**-2.6%**

5-Year Recurring Base Reduction Summary - State Appropriations
Fiscal Years 2011-2012 Through 2015-2016 Recommended Budget

(Millions)

	FY 2011 Recurring	FY 2012 Discretionary Base [1]	FY 2012 Red.	FY 2012 Adj. [2]	FY 2013 Red.	FY 2013 Adj. [2]	FY 2014 Red.	FY 2014 Adj. [2]	FY 2015 Red.	FY 2015 Adj. [2]	FY 2016 Red.	FY 2016 Adj. [2]	Total	Pct. of FY 2011 Approp.	Pct. of FY 2012 Discretionary
Education (K-12)	$ 3,923.7	$ 113.2	$ (3.1)	$ -	$ (6.1)	$ 34.6	$ (1.1)	$ 3.0	$ (10.3)	$ (13.8)	$ (24.6)	$ -	$ (21.4)	(0.5%)	(18.9%)
Higher Education	1,355.2	1,018.6	(20.2)	-	(19.4)	8.8	(0.5)	0.5	(0.7)	-	(0.9)	-	(32.4)	(2.4%)	(3.2%)
TennCare	2,203.1	2,203.6	(38.7)	41.1	(50.2)	20.6	(19.6)	8.0	(70.2)	(25.0)	(44.9)	-	(178.9)	(8.1%)	(8.1%)
Human Services	167.7	76.0	(0.8)	-	(5.6)	6.5	(3.6)	-	(4.2)	(4.8)	(10.9)	-	(23.4)	(14.0%)	(30.8%)
Mental Health	158.1	170.1	(1.5)	-	(2.0)	7.4	-	1.4	(0.2)	-	(2.3)	-	2.8	1.8%	1.6%
Correction/Parole	731.7	676.4	(8.3)	30.9	(26.6)	(1.4)	(9.7)	-	(17.7)	-	(54.3)	-	(87.1)	(11.9%)	(12.9%)
Other Programs	1,793.3	1,160.5	(16.9)	-	(43.8)	33.1	(27.6)	5.0	(48.4)	(1.8)	(61.0)	-	(161.4)	(9.0%)	(13.9%)
Total - Budget File	**$ 10,332.8**	**$ 5,418.4**	**$ (89.5)**	**$ 72.0**	**$ (153.7)**	**$ 109.6**	**$ (62.1)**	**$ 17.9**	**$ (151.7)**	**$ (45.4)**	**$ (198.9)**	**$ -**	**$ (501.8)**	**(4.9%)**	**(9.3%)**
Overappropriation (Increase) / Decrease			(40.9)	-	19.4	75.1	4.5	8.8	-	(17.0)	(1.8)	-	48.1		
Total	**$ 10,332.8**	**$ 5,418.4**	**$ (130.4)**	**$ 72.0**	**$ (134.3)**	**$ 184.7**	**$ (57.6)**	**$ 26.7**	**$ (151.7)**	**$ (62.4)**	**$ (200.7)**	**$ -**	**$ (453.7)**	**(4.4%)**	**(8.4%)**

[1] 2011-2012 Discretionary Base excludes K-12 Basic Education Program, dedicated funds, statutory positions, and various poverty programs.

[2] Adjustments include recurring restoration of reductions in prior-years, additional reductions included in the administration amendment, and adjustments to reflect the change in the recurring overappropriation.

5-Year Recurring Base Reductions by Agency
and Comparison with 2010-2011 Recurring and 2011-2012 Discretionary Appropriations
(Through 2016 Recommended Budget)

Program	2010-2011 Recurring Appropriation	2011-2012 Discretionary Base	5-Year Reduction Total	Pct. of 2010-2011	Pct. of 2011-2012
Legislative					
301.00 Legislature	$ 39,384,200	$ 30,771,100	$ (307,700)	(0.8%)	(1.0%)
301.50 Fiscal Review Committee	1,348,000	1,348,000	(13,500)	(1.0%)	(1.0%)
305.00 Secretary of State	25,805,900	25,842,900	-	0.0%	0.0%
307.00 Comptroller of the Treasury	83,616,300	44,076,600	-	0.0%	0.0%
309.00 Treasury Department	1,043,600	811,800	(82,200)	(7.9%)	(10.1%)
313.00 Claims and Compensation	10,500,000	-	-	0.0%	0.0%
Sub-Total Legislative	**$ 161,698,000**	**$ 102,850,400**	**$ (403,400)**	**(0.2%)**	**(0.4%)**
Judicial					
302.00 Court System	$ 110,273,900	$ 28,163,500	$ (752,600)	(0.7%)	(2.7%)
303.00 Attorney General and Reporter	23,304,900	20,334,300	(715,600)	(3.1%)	(3.5%)
304.00 District Attorneys General	68,446,900	62,715,200	(35,600)	(0.1%)	(0.1%)
306.00 District Public Defenders	40,416,800	35,332,300	-	0.0%	0.0%
308.00 Post-Conviction Defender	1,999,700	-	-	0.0%	0.0%
Sub-Total Judicial	**$ 244,442,200**	**$ 146,545,300**	**$ (1,503,800)**	**(0.6%)**	**(1.0%)**
Executive - Cabinet					
315.00 Executive Department	$ 5,185,400	$ 5,185,400	$ (427,900)	(8.3%)	(8.3%)
317.00 Finance and Administration	19,380,400	16,459,000	(2,258,700)	(11.7%)	(13.7%)
318.00 TennCare Programs	$ 1,827,429,600	$ 1,827,429,600	$ (179,171,700)	(9.8%)	(9.8%)
Waiver Payments	180,503,100	180,503,100	-	0.0%	0.0%
for Children's Services	70,736,100	70,736,100	(2,746,300)	(3.9%)	(3.9%)
for Intellectual Disabilities	61,364,400	61,364,400	5,159,300	8.4%	8.4%
for Human Services	39,367,200	39,893,400	(1,849,200)	(4.7%)	(4.6%)
for Health	20,290,300	20,290,300	(181,500)	(0.9%)	(0.9%)
for Commerce and Insurance	1,300,800	1,300,800	(178,500)	(13.7%)	(13.7%)
for Office of Inspector General	2,062,600	2,062,600	(16,100)	(0.8%)	(0.8%)
Sub-Total TennCare Programs	$ 2,203,054,100	$ 2,203,580,300	$ (178,984,000)	(8.1%)	(8.1%)
319.00 Human Resources	4,487,100	4,487,100	-	0.0%	0.0%
321.00 General Services	2,530,500	2,230,800	(2,911,900)	(115.1%)	(130.5%)
323.00 Veterans Affairs	4,626,700	4,692,700	(362,700)	(7.8%)	(7.7%)
325.00 Agriculture	60,599,700	38,560,300	(7,987,100)	(13.2%)	(20.7%)
326.00 Tourist Development	6,922,200	6,922,200	118,600	1.7%	1.7%
327.00 Environment and Conservation	157,884,000	77,213,300	(7,717,300)	(4.9%)	(10.0%)
329.00 Correction	644,149,400	594,507,900	(86,037,300)	(13.4%)	(14.5%)
330.00 Economic and Community Development	27,002,200	27,042,200	(19,788,300)	(73.3%)	(73.2%)
331.00 Education (K-12)	3,923,744,600	113,242,700	(21,570,900)	(0.5%)	(19.0%)
335.00 Commerce and Insurance	95,961,900	6,851,000	(1,424,400)	(1.5%)	(20.8%)
336.00 Financial Institutions	8,634,300	-	-	0.0%	0.0%
337.00 Labor and Workforce Development	42,170,800	21,047,500	(5,596,400)	(13.3%)	(26.6%)

5-Year Recurring Base Reductions by Agency
and Comparison with 2010-2011 Recurring and 2011-2012 Discretionary Appropriations
(Through 2016 Recommended Budget)

Program	2010-2011 Recurring Appropriation	2011-2012 Discretionary Base	5-Year Reduction Total	Pct. of 2010-2011	Pct. of 2011-2012
339.00 Mental Health and Substance Abuse Svcs	158,058,400	170,102,200	2,815,200	1.8%	1.7%
341.00 Military	10,412,200	10,412,200	(2,048,200)	(19.7%)	(19.7%)
343.00 Health	156,102,900	117,756,800	(13,324,500)	(8.5%)	(11.3%)
344.00 Intellectual and Developmental Disabilities	21,473,200	21,473,200	(2,963,700)	(13.8%)	(13.8%)
345.00 Human Services	167,735,900	76,015,700	(23,420,900)	(14.0%)	(30.8%)
347.00 Revenue	78,788,800	68,752,500	(11,611,400)	(14.7%)	(16.9%)
349.00 Safety	117,431,700	116,969,900	(8,939,100)	(7.6%)	(7.6%)
350.00 Strategic Health-Care Programs	96,416,000	18,311,900	(36,585,400)	(37.9%)	(199.8%)
351.00 Miscellaneous Appropriations	49,471,500	-	2,972,400	6.0%	0.0%
353.00 Emergency and Contingency	819,300	-	-	0.0%	0.0%
355.00 State Building Commission	250,000	-	-	0.0%	0.0%
359.00 Children's Services	304,205,500	291,778,700	(31,985,900)	(10.5%)	(11.0%)
Sub-Total Executive - Cabinet	**$ 8,367,498,700**	**$ 4,013,595,500**	**$ (460,039,800)**	**(5.5%)**	**(11.5%)**
Executive - Non-Cabinet					
316.01 Children and Youth	$ 2,107,100	$ 2,107,100	$ (180,200)	(8.6%)	(8.6%)
316.02 Aging and Disability	12,492,900	12,492,900	1,175,300	9.4%	9.4%
316.03 Alcoholic Beverage Commission	385,800	385,800	(426,200)	(110.5%)	(110.5%)
316.04 Human Rights Commission	1,594,100	1,594,100	(129,400)	(8.1%)	(8.1%)
316.07 Health Services and Development Agency	1,145,700	1,145,700	(107,600)	(9.4%)	(9.4%)
316.09 Corrections Institute	898,200	898,200	(9,500)	(1.1%)	(1.1%)
316.11 Tennessee Regulatory Authority	8,074,000	-	-	0.0%	0.0%
316.12 TACIR	242,000	242,000	(40,300)	(16.7%)	(16.7%)
316.20 THDA	-	-	-	0.0%	0.0%
316.25 Arts Commission	5,230,900	1,333,700	(41,800)	(0.8%)	(3.1%)
316.27 State Museum	3,407,300	3,387,300	100,500	2.9%	3.0%
324.00 Board of Parole	87,580,900	81,850,500	(1,258,000)	(1.4%)	(1.5%)
328.00 Wildlife Resources Agency	45,223,300	1,500,000	(1,500,000)	(3.3%)	(100.0%)
332.00 Higher Educ. State Admin. Programs	$ 366,786,400	$ 26,767,600	$ 1,168,400	0.3%	4.4%
332.10 University of Tennessee System	408,882,600	410,112,600	(12,016,900)	(2.9%)	(2.9%)
332.60 State Univ. and Comm. College System	579,557,900	581,764,300	(21,609,100)	(3.7%)	(3.7%)
Sub-Total Higher Education	$ 1,355,226,900	$ 1,018,644,500	$ (32,457,600)	(2.4%)	(3.2%)
348.00 Tennessee Bureau of Investigation	35,601,000	29,839,100	(4,938,600)	(13.9%)	(16.6%)
Sub-Total Executive - Non-Cabinet	**$ 1,559,210,100**	**$ 1,155,420,900**	**$ (39,813,400)**	**(2.6%)**	**(3.4%)**
Sub-Total Executive	**$ 9,926,708,800**	**$ 5,169,016,400**	**$ (499,853,200)**	**(5.0%)**	**(9.7%)**
Total - Budget File	**$ 10,332,849,000**	**$ 5,418,412,100**	**$ (501,760,400)**	**(4.9%)**	**(9.3%)**

5-Year Recurring Base Reductions by Agency
and Comparison with 2010-2011 Recurring and 2011-2012 Discretionary Appropriations
(Through 2016 Recommended Budget)

Program	2010-2011 Recurring Appropriation	2011-2012 Discretionary Base	5-Year Reduction Total	Pct. of 2010-2011	Pct. of 2011-2012
Overappropriation (Increase) / Decrease					
State Agencies	$ -	$ -	$ 60,961,500	0.0%	0.0%
Constitutional Offices	-	-	(5,169,300)	0.0%	0.0%
Internal and Interdept. Svcs.	-	-	(7,700,000)	0.0%	0.0%
Total Overappropriation	$ -	$ -	$ 48,092,200	0.0%	0.0%
Total	**$ 10,332,849,000**	**$ 5,418,412,100**	**$ (453,668,200)**	**(4.4%)**	**(8.4%)**

Salary Policy Recommendation
Fiscal Year 2015-2016

	General Fund	Dedicated
I. Discretionary Raises:		
1. State Employees Salary Pool @ 3.0%	$ 47,700,000	$ -
2. Higher Education - Funding Formula @ 1.5%	19,519,400	-
3. K-12 Basic Education Program (BEP) - Teachers and Other Certified Staff @ 4.0%	97,600,000	-
4. K-12 Basic Education Program (BEP) - Salary Equity	6,000,000	
5. Safety - Commissioned Officers (Troopers) - Salary Survey Raise @ 3.0%	1,789,800	-
6. Commerce and Insurance - TLETA Commissioned Officers - Salary Survey Raise @ 3.0%	24,600	-
7. TWRA - Wildlife Officers - Salary Survey Raise @ 3.0%	-	974,300
Sub-Total Discretionary Raises	**$ 172,633,800**	**$ 974,300**
II. Mandated Salary Increases:		
A. Statutory Step Raises:		
1. District Attorneys General - Assistant District Attorneys and Criminal Investigators (Includes Human Services: $39,200 State)	$ 1,175,600	$ -
2. District Public Defenders - Assistant Public Defenders and Investigators	627,400	-
3. Post-Conviction Defender - Assistant Post-Conviction Defenders	32,400	-
4. Commerce and Insurance - TLETA Commissioned Officers	15,900	-
5. Safety - Commissioned Officers (Troopers)	839,300	-
6. TWRA - Wildlife Officers, Biologists, and Unique Positions	-	424,200
Sub-Total Statutory Step Raises	**$ 2,690,600**	**$ 424,200**
B. Cost of Living Adjustments:		
1. Court System - Judges salary increase @ 1.7%	$ 646,000	$ -
2. Attorney General and Reporter statutory salary increase @ 1.7%	3,900	-
3. Governor's statutory salary increase @ 1.7%	3,600	-
Sub-Total Cost of Living Adjustments	**$ 653,500**	**$ -**
III. Other Salary Increases:		
1. Education - Teacher Training and Experience	$ 102,100	$ -
2. Children's Services - Teacher Training and Experience	37,900	-
Sub-Total Other Salary Increases	**$ 140,000**	**$ -**
Sub-Total Mandated and Other Salary Increases	**$ 3,484,100**	**$ 424,200**
Total Recommended Salary Policy	**$ 176,117,900**	**$ 1,398,500**

TennCare Program
Non-Recurring Appropriations from the Hospital Coverage Assessment
Estimated 2014-2015 and Base 2015-2016

Legislation is proposed to continue the hospital coverage assessment fee for one year. An estimated $449.8 million is raised by this legislation. The following base appropriations are preserved by this revenue proposal. Failure to enact this legislation will result in the following base budget reductions.

		Fiscal Year 2014-2015			Fiscal Year 2015-2016		
Red. Number	Description	State [1]	Federal	Total	State [1]	Federal	Total
A.	**FY 2009-2010 Base Reductions Restored:**						
12	Essential Access Hospital Payments	$ 34,935,000	$ 65,065,000	$ 100,000,000	$ 34,965,000	$ 65,035,000	$ 100,000,000
13	Graduate Medical Education	17,467,500	32,532,500	50,000,000	17,482,500	32,517,500	50,000,000
15	Critical Access Hospital Payments	3,493,500	6,506,500	10,000,000	3,496,500	6,503,500	10,000,000
20	Medicare Part A Reimbursement	12,419,500	23,130,900	35,550,400	12,430,200	23,120,200	35,550,400
23	Provider Reimbursement	56,872,100	105,922,000	162,794,100	62,741,400	116,699,200	179,440,600
	Sub-Total	**$ 125,187,600**	**$ 233,156,900**	**$ 358,344,500**	**$ 131,115,600**	**$ 243,875,400**	**$ 374,991,000**
B.	**FY 2010-2011 Base Reductions Restored:**						
10	Hospital Reimbursement Ceiling	$ 25,596,700	$ 47,672,800	$ 73,269,500	$ 15,243,400	$ 28,352,800	$ 43,596,200
16	In-Patient Services	39,597,200	73,748,100	113,345,300	43,329,000	80,592,100	123,921,100
17	Lab and X-Ray Procedures	21,782,500	40,568,900	62,351,400	18,123,900	33,710,600	51,834,500
18	Therapies	4,634,900	8,632,400	13,267,300	4,851,300	9,023,300	13,874,600
19	Out-Patient Services	20,494,700	38,170,500	58,665,200	24,182,900	44,980,200	69,163,100
24	Office Visits	19,246,800	35,846,500	55,093,300	19,009,900	35,358,500	54,368,400
	Sub-Total	**$ 131,352,800**	**$ 244,639,200**	**$ 375,992,000**	**$ 124,740,400**	**$ 232,017,500**	**$ 356,757,900**
	Sub-Total - Reductions Restored	**$ 256,540,400**	**$ 477,796,100**	**$ 734,336,500**	**$ 255,856,000**	**$ 475,892,900**	**$ 731,748,900**
C.	**Other Appropriations:**						
	Expanded EAH Payments (Match for DSH)	$ 28,305,400	$ 52,717,600	$ 81,023,000	$ 28,329,700	$ 52,693,300	$ 81,023,000
	Add'l. Cost-Based Reimb. for Crit. Access [2]	6,000,000	-	6,000,000	6,000,000	-	6,000,000
	Hospital Payments - Unreimb. Costs	158,954,200	296,045,800	455,000,000	159,614,300	296,883,100	456,497,400
	Sub-Total	**$ 193,259,600**	**$ 348,763,400**	**$ 542,023,000**	**$ 193,944,000**	**$ 349,576,400**	**$ 543,520,400**
	Total Expenditures	**$ 449,800,000**	**$ 826,559,500**	**$1,276,359,500**	**$ 449,800,000**	**$ 825,469,300**	**$ 1,275,269,300**
D.	**State Revenue[3]:**	**$ 449,800,000**			**$ 449,800,000**		

[1] Recurring state dollar matching percentages: 34.935% in fiscal 2014-2015; 34.965% in fiscal 2015-2016.

[2] Items previously funded from TennCare Reserve.

[3] The coverage assessment rate is 4.52% for 2014-2015 and 2015-2016.

Base Appropriations Preserved by Proposed Legislation

Nursing Home Assessment Fee

Fiscal Year 2015-2016

Legislation is proposed to continue the nursing home assessment fee for one year. An estimated $107.1 million is raised by this legislation. The following base appropriation is preserved by this revenue proposal. Failure to enact this legislation will result in the following base budget reduction.

	State	Federal	Total
Nursing Home Reimbursement - 31.5%	$ 107,100,000	$ 199,206,000	$ 306,306,000
Total	**$ 107,100,000**	**$ 199,206,000**	**$ 306,306,000**

2015 Administration Legislation with Fiscal Impact
General Fund and Education Fund
Fiscal Year 2015-2016

Revenue Source	General Fund Recurring	General Fund Non-Recurring	Dedicated Funds Recurring	Dedicated Funds Non-Recurring
I. Tax Adjustments - (Decrease) / Increase:				
1. Sales and Use Tax - Click-Thru Nexus	$ 4,100,000	$ -	$ -	$ -
2. Sales and Use Tax - Software as a Service (SaaS) and Video Games	10,200,000	-	-	-
3. Sales and Use Tax - Retail Accountability Program	4,300,000	-	-	-
4. Sales and Use Tax - Research and Development Expenditures - Tax Exemption	(3,600,000)	-	-	-
5. Title and Registration - Increased Lien Fees	6,100,000	-	-	-
6. Franchise and Excise Taxes - Job Tax Credits Amendments	(1,000,000)	-	-	-
7. Insurance Premium Tax - Captive Insurance Companies	100,000	-	-	-
8. HMO Premium Tax - 0.5% Rate Increase to 6.0%	33,542,100	-	-	-
Total Tax Adjustments - (Decrease) / Increase	**$ 53,742,100**	**$ -**	**$ -**	**$ -**
II. Cost Increase - (Cost) / Savings:				
1. Environment and Conservation - Underground Storage Tanks Program	$ -	$ -	$ (125,000)	$ -
2. Environment and Conservation - Capital Outlay - State Lands Acquisition Fund	-	-	-	(450,000)
3. Correction - Synthetic Controlled Substances - Incarceration Costs	(1,043,500)	-	-	-
4. Higher Education - Reconnect for Community Colleges (Lottery)	-	-	-	(1,500,000)
5. Commerce & Insurance - Captive Insurance Companies (1FT)	(120,700)	(2,200)	-	-
6. Health - Medical Examiner Training (1FT)	(527,800)	-	-	-
7. Revenue - Retail Accountability Program	-	(57,000)	-	-
8. Miscellaneous Appropriations - Educators Liability Trust Fund	-	(5,000,000)	-	-
Total Cost Increase - (Cost) / Savings	**$ (1,692,000)**	**$ (5,059,200)**	**$ (125,000)**	**$ (1,950,000)**
III. Base Reduction - (Cost) / Savings:				
1. Labor and Workforce Development - Second Injury Fund	$ 678,100	$ -	$ (678,100)	$ -
2. Strategic Health-Care Programs - AccessTN	13,257,200	-	-	-
Total Base Reductions - (Cost) / Savings	**$ 13,935,300**	**$ -**	**$ (678,100)**	**$ -**
IV. Other Legislation - (Cost) / Savings:				
1. Eliminate State Employee Longevity	$ 15,410,300	$ -	$ 1,508,000	$ -
Total Other Legislation - (Cost) / Savings	**$ 15,410,300**	**$ -**	**$ 1,508,000**	**$ -**

Rainy Day Fund and Unobligated TennCare Reserve
Fiscal Years 2012-2013 Through 2015-2016

	Rainy Day Fund	TennCare Reserve	Total
1. 2012-2013:			
Total Reserve at June 30, 2013	**$ 356,000,000**	**$ 306,877,300**	**$ 662,877,300**
2. 2013-2014:			
Plus: Deposit @ June 30, 2014	100,000,000	-	100,000,000
Plus: Program Savings	-	116,108,300	116,108,300
Sub-Total Reserve at June 30, 2014	**$ 456,000,000**	**$ 422,985,600**	**$ 878,985,600**
Less: Closing Transfer to General Fund @ June 30, 2014	-	(25,000,000)	(25,000,000)
Less: Additional Transfer to General Fund @ June 30, 2014	-	(91,108,300)	(91,108,300)
Total Reserve at June 30, 2014	**$ 456,000,000**	**$ 306,877,300**	**$ 762,877,300**
3. 2014-2015:			
Plus: Deposit @ June 30, 2015	35,500,000	-	35,500,000
Total Reserve at June 30, 2015	**$ 491,500,000**	**$ 306,877,300**	**$ 798,377,300**
4. 2015-2016:			
Plus: Deposit @ June 30, 2016	36,500,000	-	36,500,000
Total Reserve at June 30, 2016	**$ 528,000,000**	**$ 306,877,300**	**$ 834,877,300**